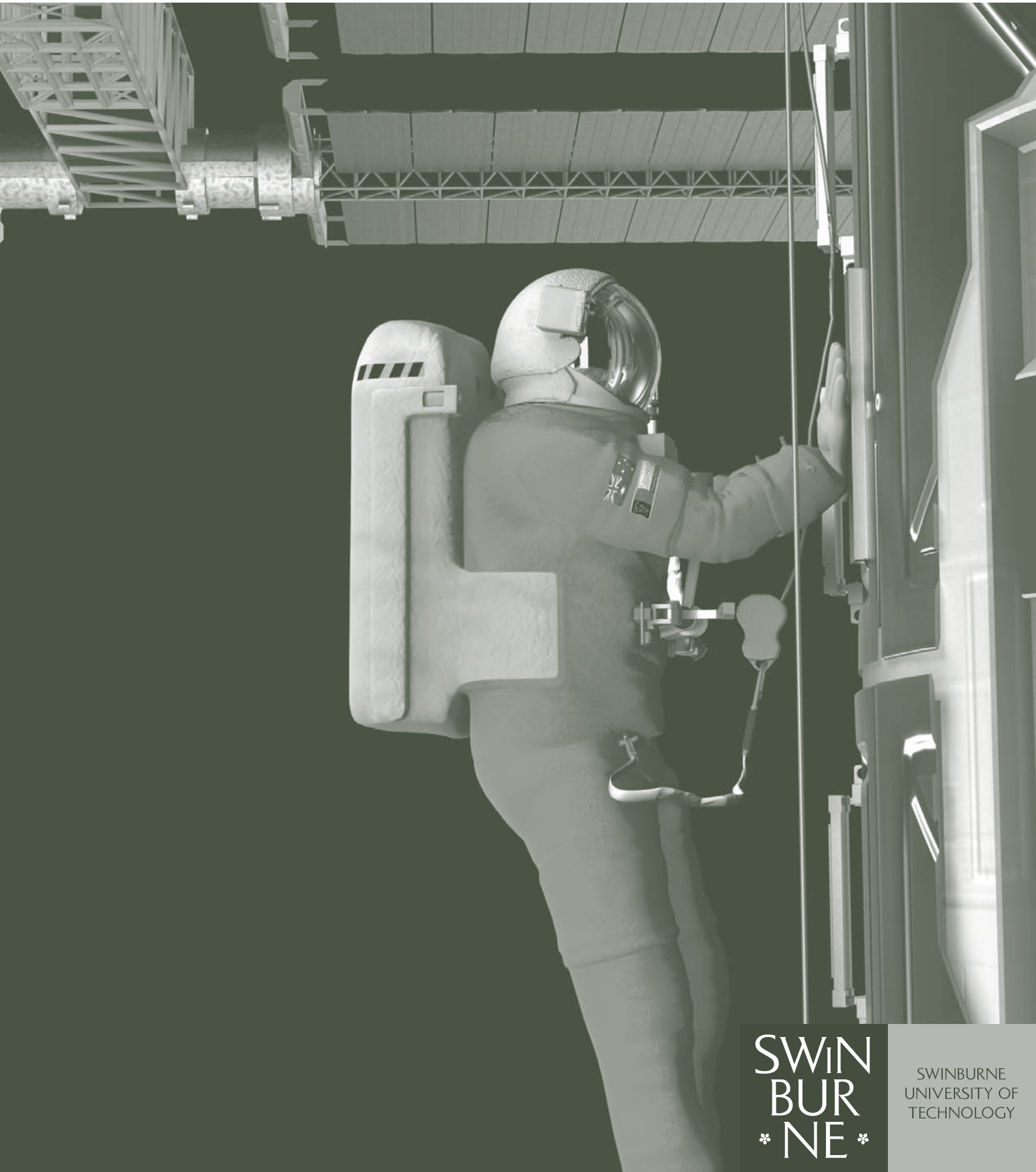


# Statutory and Financial Report 2005



# Statutory reporting, compliance and disclosure statements

## Buildings Act

**1(a)** All new buildings and works are certified under section 217 of the *Building Act 1993*, by qualified and registered Building Surveyors (Building Practitioners); and

**1(b)** All works comply with the 10 year liability gap, as a matter of routine, and Occupancy Permit is obtained for new capital building works at the completion of all work.

**2(a)** Major works completed in 2005 included:

- Refurbishment of Levels 3/6 (partial) and 7/8 (total) Business Arts Building, Hawthorn Campus
- Refurbishment of Levels 4/5 Engineering Building, Hawthorn Building
- Construction of the Atrium, Hawthorn Campus
- Commencement of the construction of the National Institute of Circus Arts (NICA) training and performance venue, Prahran Campus
- Construction of the Electron Microscope Laboratory, Hawthorn Campus
- Fit out of 3 levels of Swinburne Place West Building, Hawthorn Campus
- Refurbishment of PA Building, National School of Design Stages 2/3, Prahran Campus

**2(b)** These projects were subjected to certification of plans, mandatory inspections and the issue of an Occupancy Permit by a registered Building Surveyor (Building Practitioner).

**3** The University has an established maintenance schedule for all existing buildings, supplemented by an electronic 'Remote Requester' reporting system for use by maintenance staff and building users for building defects or failures of equipment. Maintenance contracts with specialised firms are let for major plant items such as lifts and escalators, air conditioning equipment, fire protection and emergency evacuation systems.

**4** The University's Capital Management Plan sets out a program for all buildings not strictly conforming to the *Building Act 1993*. In 2001, the University implemented a plan to bring all buildings to compliance. The major refurbishment projects undertaken as part of the University's accelerated capital building program, particularly with a focus on old building stock, have had a significant impact on outstanding building compliance.

**5** It is University policy that only registered building practitioners are engaged for Swinburne capital works projects.

**6** There have been no cases of building practitioners becoming deregistered while engaged on Swinburne capital works.

## Building works

Buildings certified for approval in 2005 = 6

Works in construction and the subject of mandatory inspections = 3

Occupancy Permits issued = 6

## Maintenance

Notices issued for rectification of sub-standard buildings requiring urgent attention = nil

Maintenance involving major expenditure and urgent attention = nil

## Conformity

Number of buildings conforming to standards = 74

## Consultancies

### In Excess of \$100,000

There was no consultancy in excess of \$100,000 during 2005.

### Less than \$100,000

There were 337 consultancies of less than \$100,000 each during 2005.

Expenditure totalled \$1,632,070.64. Details of these consultancies are available on request.

## Environmental statement

Major refurbishment projects in all buildings include low energy T5 lighting and movement sensors to all spaces. Glass walls to offices and meeting rooms have replaced solid walls to promote natural lighting, complemented by the use of light colour schemes. Refurbishment projects include the upgrade of building infrastructure to provide more efficient use of energy.

The Atrium project design features a light weight steel construction for a low embodied energy solution. The main roofing material is fully recyclable. The space has natural flow through ventilation, providing a comfortable environment.

## Education Services for Overseas Students (ESOS)

During 2005, concerted efforts were made to address ESOS compliance at a whole-of-University level. An independent ESOS auditor was engaged to review ESOS compliance within Swinburne International and the Higher Education, Lilydale and TAFE Divisions. The auditor's report contained a number of recommendations which the University is seeking to address. In August 2005, the Pro Vice-Chancellor (International) established an ESOS Advisory Committee to advise on and deal with the range of compliance issues across the University, including those raised by the auditor, with representatives from academic divisions and other relevant areas.

When Swinburne discovered that it was non-compliant with the *ESOS Act* in terms of the registration of UniLink courses on the Commonwealth Register of Institutions & Courses for Overseas Students (CRICOS) in June 2005, the relevant courses were immediately suspended from international marketing and promotion. The Victorian Department of Education & Training (DET) and Commonwealth Department of Education, Science & Training (DEST) were advised accordingly, and processes were put in place to accredit and register the courses correctly. The courses were then registered on the Commonwealth Register of Institutions and Courses for Overseas Students (CRICOS) in September 2005, and recruitment activity re-commenced.

Monitoring of student attendance and enrolment is a key component of the University's compliance effort. To address student monitoring issues, the International Division has arranged for the development of a series of new reports from Swinburne's Information Technology Services. These reports will aid the monitoring of international student course variations and other enrolment and course completion matters, and facilitate timely reporting to DEST and the Department of Immigration and Multicultural Affairs (DIMA).

## Freedom of Information

The Freedom of Information Officer is the responsible officer for administering the *Freedom of Information Act 1982 (FOI Act)* for the University. The Principal Officer under the *FOI Act* is responsible for making decisions with regard to Internal Reviews; this function rests with the Vice-Chancellor.

## Procedure for handling requests

All requests for access to documents under the *FOI Act* are made in writing to the Manager, University Records and Freedom of Information Officer, Swinburne University of Technology, PO Box 218, Hawthorn, Victoria, 3122. An application form can be obtained by telephoning (03) 9214 5413.

## Name and designation of officer responsible for processing FOI requests

Mr Shane Arnold  
Manager, University Records and Freedom of Information Officer.

### FOI Statistics 2004/2005

Number of requests	5
Number of requests refused	1
Number of requests awaiting a decision	0
Number of decisions to release:	
– in full	0
– in part	4
Number of decisions to exempt in full	1
Number of decisions indicating no documents identified	0
Number of internal reviews	3
Number of administrative appeals tribunal appeals	1
Exemptions cited	
Other provisions cited	Nil
Fees and charges collected	\$109

### **Categories of documents in the possession of the University**

Swinburne has a University-wide records management system (RecFind). This system ensures that the University incorporates all relevant documents into its record keeping system. Hard copy student records are also maintained.

Records, including correspondence, agreements, contracts, tenders, publications, reports and committee agendas and minutes are maintained and defined within the following structure:

- Buildings and Grounds
- Committees
- Communications
- Conferences and Seminars
- Courses and Programs
- Equipment
- Financial Management
- Human Resources
- Marketing
- Operational Management
- Research
- Student Administration

### **University bodies whose meetings are open to the public or whose minutes are available for public inspection**

- Council
- Academic Board
- Board of Technical Studies

### **Library and reading rooms available to the public**

Libraries on each of the seven campuses provide learning and information resources, as well as services in support of Swinburne's teaching and research programs. The general public may obtain borrowing rights to most material by subscribing to the Swinburne Library Information Service, or the Swinburne Alumni Association Library option. For more detailed information on library access and opening hours refer to the Library's internet home page: [www.swinburne.edu.au/lib/welcome.html](http://www.swinburne.edu.au/lib/welcome.html)

### **Grievance and complaint procedures**

#### **Staff**

The University maintains procedures for dealing with a range of staff concerns. These include specific procedures for matters such as discrimination/harassment or bullying, and a general grievance procedure to cover all other matters. The University is committed to '... ensuring staff have fair and consistent treatment and prompt consideration of complaints ...' to resolve them with '... the least possible formality compatible with the assurance of fair and consistent treatment ...'. Management training has continued to build capacity to recognise the conditions for staff grievances as well as responsive handling.

#### **Students**

The University is committed to ensuring that all students have a positive relationship with the University and its staff members. The General Grievance Procedures for Students include processes for receiving and processing complaints.

Most complaints are initially resolved at the local level. Students with a complaint or grievance are encouraged to raise the matter with the relevant School or Department manager. The procedures detail further steps that can be taken if problems cannot be resolved at the local level.

Complaints about administrative actions and decisions of the University can be made to the Victorian Ombudsman. Information about the complaint procedures and a link to the Ombudsman's website is available at: [www.swinburne.edu/corporate/registrar/ombudsman.htm](http://www.swinburne.edu/corporate/registrar/ombudsman.htm)

## Industrial relations

The Certified Agreements implemented in 2004 and still in place in 2005 were:

- Swinburne University of Technology Academic and General Staff Certified Agreement 2004–2006
- Victorian TAFE Teaching Staff Multi-Employer Certified Agreement 2004
- Swinburne University of Technology Trades Staff Agreement 2003

A separate agreement with Security and Operations Staff was negotiated and certified in 2005.

There were no days of work lost within the University due to industrial disputes.

In accordance with relevant guidelines and timelines, the University made submissions to the Federal Government in response to its Higher Education Workplace Reform Requirements (HEWRRs).

## Merit and equity

The University has human resources policies and procedures to ensure merit and equity principles are upheld in University employment, education and the provision of services. Appointment and promotion policies ensure that decisions are based on relevant criteria including merit principles. In 2005, the University continued its comprehensive training program to ensure understanding and capability across all managers and staff. This training has resulted in streamlined complaint handling systems and greater awareness of rights and responsibilities. The establishment of a new Disability Access Plan and the completion of a work/life balance project in the TAFE Division have contributed to improved equity outcomes.

## National competition policy

Swinburne has a compliance manual which is distributed to staff as reference material. Training is provided on an 'as required' basis for staff involved in the development of contracts. Spreadsheet models which incorporate competitive neutrality principles are available for use throughout the University. The University has also taken steps to ensure that relevant amounts, as appropriate, are recognised in its accounting system. These amounts mainly occur within the University's Higher Education divisions. The State Government, through the Office of Training and Tertiary Education, collects this amount from TAFE activities, as a levy on commercial revenue, by adjusting the amount paid for student contact hours funded by the State.

## Occupational Health and Safety

The University is committed to providing all its employees, students, contractors and the public with a safe and healthy environment in which to work and study. Through a process of continuous improvement, Swinburne strives to integrate health and safety into all its operations and activities.

2005 was a year of consolidation. With the introduction of new OH&S legislation, the main priority was to review current policies and procedures to ensure that they reflect the legislative changes. There was focus on the development of Early Intervention Strategies and Departmental OH&S Action Plans. This process resulted in an increased awareness of OH&S management systems. The average time lost rate has reduced from 57.20 to 52.94 days and there has been a 4% reduction in the 2005/2006 workers compensation premium rate, from 0.902% to 0.881%.

## Whistleblowers Protection Act

Policies and procedures are maintained to ensure compliance with the *Whistleblowers Protection Act* and the Ombudsman's guidelines. The policy establishes that people seeking assistance under the Act may do so in person or in writing to the Vice-Chancellor, the Director Internal Audit or the Director Human Resources. The University provided a response to the Ombudsman's review of the implementation of the Act, recognising the University's ongoing compliance.

In 2005 no disclosures were made to the designated officers of the University showing 'reasonable grounds' to be recognised as 'protected disclosures'. Therefore, no disclosures were referred to the Ombudsman. No findings of 'improper conduct' or 'detrimental action', as defined by the Act, were made. No disclosures were referred to the Ombudsman by Swinburne. No investigations were taken over by the Ombudsman. No requests were made under section 74 of the Act. No disclosures were declined during the year and the Ombudsman made no recommendations under the Act.

### **Information about the University**

The Swinburne website ([www.swinburne.edu.au](http://www.swinburne.edu.au)) provides a comprehensive range of information about the University, including detailed information about its courses, faculties, schools and departments, campuses in Australia and overseas, and the range of its activities. The website was redesigned at the end of 2004, enhancing its usefulness in presenting Swinburne to Australia and the world.

The website also provides public access to the University Annual Reports at the following address: [www.swinburne.edu.au/corporate/fpr/reports\\_annual.html](http://www.swinburne.edu.au/corporate/fpr/reports_annual.html)

A pictorial history of Swinburne's Hawthorn campus, dating from 1914, is also available as part of the National Library's Picture Australia initiative ([www.pictureaustralia.org](http://www.pictureaustralia.org)). The history provides a random tour through career-oriented education over most of the 20th century, portraying staff and students engaged in classroom, sporting, social and official activities.

### **Additional information available on request**

Consistent with the requirements of the *Financial Management Act 1994*, Swinburne has prepared additional material on the following items, details of which are available upon request:

- a statement that declarations of pecuniary interests has been completed by relevant officers,
- publications about the University,
- overseas visits undertaken,
- changes in prices, fees, charges, rates and levies,
- major external reviews of the University, and
- major promotional, public relations and marketing activities.

Enquiries about access to this additional information should be addressed to:

Tom Aumann  
Director, Strategic Planning and Quality  
Swinburne University of Technology  
PO Box 218, Hawthorn, 3122  
Telephone: (03) 9214 4598  
Email: [taumann@swin.edu.au](mailto:taumann@swin.edu.au)

# Financial summaries and statements

Summary of financial results (parent entity)	2001 \$000	2002 \$000	2003 \$000	2004 \$000	2005 \$000
Net assets	295,866	305,504	374,237	399,380	405,997
Operating surplus (deficit)	13,567	1,566	18,595	10,328	5,256
Overseas students revenue	29,639	34,148	43,237	46,378	43,779
Commonwealth Government grants	55,219	56,335	62,746	61,995	65,664
State Government grants	60,765	59,839	61,886	63,660	67,757

Summary of financial results (consolidated entity)	2001 \$000	2002 \$000	2003 \$000	2004 \$000	2005 \$000
Net assets	343,688	356,063	429,623	465,224	472,662
Operating surplus (deficit)	15,042	1,869	19,537	16,413	5,925
Overseas students fee revenue	29,639	35,648	43,237	46,378	43,779
Commonwealth Government grants	56,755	57,775	64,106	69,625	67,419
State Government grants	61,005	60,079	61,886	63,660	67,757

## Summary of significant changes in financial position during 2005

There were no significant changes in the University's financial position during 2005.

## Events subsequent to balance date which may have a significant effect on operations in subsequent years

Apart from those mentioned elsewhere in this Report there have been no events subsequent to balance date that could materially affect the financial position of the University.

## Statement that public funds allocated to the University have been allocated to the purposes specified by the Government or other public funding body

Commonwealth and State financial assistance, and assistance from other public funding bodies during the reporting period, was expended in accordance with the purposes for which it was specified. The University has complied with the requirements of various program guidelines that apply to the Commonwealth and State financial assistance identified in these financial statements.

### Statement on compulsory non-academic fees, subscriptions and charges

In accordance with the *Tertiary Education Amendment Act 1994*, all students were advised at the time of enrolment that the General Service Fee:

- is applied to the provision of student amenities and services by the University
- does not confer membership of the Student Union or any other student organisation

Compulsory non-academic fees, subscriptions and charges	Description	Total GSF 2005 \$
<b>General Service Fee: Higher Education</b>		
Higher Education	Full time, full year	304
	Full time, semester	152
	Full time, full year concession	198
	Full time, semester concession	99
	Part time, full year	152
	Part time, semester	76
	Part time, full year concession	100
	Part time, semester concession	50
	IBL/distance education, full year	62
	IBL/distance education, semester	31
	Part time IBL/distance education, full year	32
	Part time IBL/distance education, semester	16
<b>General Service Fee: TAFE</b>		
TAFE: Hawthorn and Prahran campuses	Full time, full year	170
	Full time, semester	85
	Full time, full year concession	114
	Full time, semester concession	57
	Part time, full year	114
	Part time, semester	57
	Part time, full year concession	72
	Part time, semester concession	36
TAFE: Eastern campuses	Full time, full year	156
	Full time, semester	78
	Full time, full year concession	100
	Full time, semester concession	50
	Part time, full year	100
	Part time, semester	50
	Part time, full year concession	64
	Part time, semester concession	32
TAFE: Off campus	Workplace training, full year	0
	Workplace training, semester	0
	Off campus, full year	36
	Off campus, semester	18



**Compulsory non-academic fees**  
**Statement of income and expenditure for the year ended 31 December 2005**

<b>Compulsory non-academic fees</b>	<b>2005</b>	<b>2004</b>
<b>Receipts from students (not including GST)</b>		
Brought forward	1,106,219	1,407,982
General Service Fees	3,717,195	4,414,637
<b>Total</b>	<b>\$4,823,414</b>	<b>\$5,822,619</b>
<b>Disbursement of fees by Swinburne University of Technology (not including GST)</b>		
Remitted to Swinburne Student Union Inc.	2,785,631	2,606,657
Remitted to Swinergy (Swinburne University Sport and Recreation)	860,000	800,000
Disbursements from Student Amenities Fund	793,182	1,269,161
Handbooks and Registrar's expenses	35,540	40,582
Carried forward	349,061	1,106,219
<b>Total</b>	<b>\$4,823,414</b>	<b>\$5,822,619</b>
<b>Disbursement of fees by Swinburne Student Union Inc.</b>		
Student activities and academic support	82,045	244,303
General expenses (including depreciation)	374,991	216,982
Communication and information	145,669	23,873
Hawthorn campus	1,648,113	1,248,664
Eastern campuses	480,707	949,607
Prahran campus	221,296	452,328
Sub total	2,952,821	3,135,757
Less expenditure funded by non-fee income	167,190	529,100
<b>Total</b>	<b>\$2,785,631</b>	<b>\$2,606,657</b>
<b>Disbursement of fees by Swinergy (Swinburne University Sport and Recreation)</b>		
Support of sporting activities	952,941	827,689
Sub total	952,941	827,689
Less expenditure funded by non-fee income	92,941	27,689
<b>Total</b>	<b>\$860,000</b>	<b>\$800,000</b>

**Notes:**

(1) Disbursements by Swinburne Student Union Inc. and Swinergy have been obtained from the preliminary annual accounts of the two entities.

## Compliance Index 2005

The annual report of Swinburne University of Technology is prepared in accordance with:

FMA	<i>Financial Management Act 1994</i>
FRD	Financial Reporting Directions
SD	Standing Directions of the Minister for Finance issued under the <i>Financial Management Act 1994</i>
TEA 1993	<i>Tertiary Education Act 1993</i>
PAEC	Decision of Public Accounts and Estimates Committee of Parliament
RUG	Victorian Government Response to the Review of University Governance
ESOS	<i>Education Services for Overseas Students Act 2000</i>
DEST	Department of Education, Science and Training

This index was prepared to facilitate identification of compliance with statutory disclosure requirements.

Clause	Disclosure	Annual Report	Statutory and Financial Report
<b>Report of Operations</b>			
FRD 10	Compliance Index	–	Page 10
FRD 11	Disclosure of <i>ex-gratia</i> payments	–	–
FRD 21(1)(a), (b), (c), (d)	Disclosure of responsible persons and executive officers remuneration	–	Page 49–50
FRD 21(2)(a), (b), (c)	Disclosure of remuneration of executive officers	–	Page 49–50
FRD 22 SD 4.2(g) (h)	General and financial information	Page 7–19	–
SD 4.2 (j)	Signature of Chancellor or nominee	Page 1	–
	Date of meeting at which Council approved annual report, or date of delegated approval	Page 1	–
<b>General information</b>			
FRD 22	Manner in which the University was established	Page 6–7	–
FRD 22	Relevant Minister	Page 8	–
FRD 22	Objectives, functions, powers and duties	Page 7	–
FRD 22	Nature and range of services, people and communities served	Page 8	–
FRD 22	Administrative structure	Page 8–9	–
FRD 22	Members of the Council	Page 10–11	–
FRD 22	Occupants of senior offices and areas of responsibility	Page 17	–
FRD 22	Organisational chart	Page 16	–
FRD 22	Workforce data for current and previous year; statement on application of merit and equity principles	Page 19	Page 5
FRD 22	Statement on Occupational Health and Safety matters	–	Page 5

Clause	Disclosure	Annual Report	Financial and Statutory Report
<b>Financial year information</b>			
FRD 22	Summary of the financial results with comparative results for the preceding four years	Page 19	Page 7
FRD 22	Summary of significant changes in financial position	–	Page 7
FRD 22	Operational objectives and performance including significant activities and achievements	Page 20–47	–
FRD 22	Major changes or factors affecting the achievement of operational objectives	Page 20–47	–
FRD 22	Events subsequent to balance date which may have a significant effect on operations in subsequent years	–	Page 7
FRD 22	Consultancies in excess of \$100,000	–	Page 2
FRD 22	Consultancies less than \$100,000	–	Page 2
<b>Other relevant information</b>			
FRD 22	Application and operation of the <i>Freedom of Information Act 1982</i>	–	Page 3–4
FRD 22	Compliance with the <i>Building Act 1993</i>	–	Page 2
FRD 22	Compliance with the <i>Whistleblowers Protection Act 2001 (section 104)</i>	–	Page 5
FRD 22	Statement that information listed in Appendix 1 is available on request to the relevant Minister	–	Page 6
FRD 22	Implementation and compliance with National Competition Policy	–	Page 6
FRD 22	Summary of environmental performance	–	Page 2
<b>Additional information on request subject to the provisions of the FOI Act</b>			
FRD 22	Declarations of pecuniary interests	–	Page 6
FRD 22	Shares held by senior officers	–	Page 6
FRD 22	Publications	–	Page 6
FRD 22	Changes in prices, fees, charges, rates and levies	–	Page 6
FRD 22	Major external reviews	–	Page 6
FRD 22	Major research and development activities	–	Page 6
FRD 22	Overseas visits	–	Page 6
FRD 22	Promotional, public relations and marketing activities	–	Page 6
FRD 22	Occupational Health and Safety matters	–	Page 5
FRD 22	Industrial relations, accidents and disputes	–	Page 5
FRD 22	List of major committees sponsored by the University	Page 13–14	–
<b>Superannuation liabilities and disclosure</b>			
FRD 23	Name and type of scheme	–	Page 45–47
FRD 23	Basis for calculating superannuation contributions	–	Page 47
FRD 23	Cost to the University for the scheme during the year	–	Page 45–46
FRD 23	Amount of contributions to defined contribution schemes outstanding at balance date	–	–
FRD 23	Details of any loan to the University from the scheme	–	–
FRD 23	If superannuation liabilities are recognised, details for each plan, accrued benefits, market value, etc	–	Page 45–46

Clause	Disclosure	Annual Report	Statutory and Financial Report
<b>Additional information</b>			
s. 12I <i>TEA 1993</i>	Compulsory non-academic fees, subscriptions and charges	–	Page 8
PAEC (December 1997)	International initiatives and strategies	Page 34–39	–
RUG	Statement that public funds are allocated to the purposes specified by the Government or other public funding body	–	Page 7
RUG	Council's risk management strategy	Page 14	–
RUG	Summary table of financial performance of the University's Associates and commercial ventures.	Page 19	–
ESOS	Compliance with <i>ESOS Act 2000</i>	–	Page 3
DEST	Internal grievance and complaint procedures and complaints made to and investigated by the Ombudsman	–	Page 4
DEST	Website address for the current and previous Annual Reports	–	Page 4
<b>FMA 49(a), (b), (c),</b>	<b>Financial statements</b>		
SD 4.2 (a)	Prepared in accordance with Australian Accounting Standards (AAS and AASB standards) and other mandatory professional reporting requirements (including Urgent Issues Group Consensus Views and Statements of Accounting Concepts), Financial Reporting Directions and Business Rules.	–	Page 13–15
SD 4.2 (b)	Comprised Statement of Financial Performance and Financial Position, Statement of Cash Flows and Notes to the financial statements.	–	Page 16–63
SD 4.2(c)	Signed and dated by the Accountable Officer, CFAO and a member of the Responsible Body.	–	Page 15
SD 4.2 (d)	Expressed to the nearest dollar.	–	Page 21
SD 4.2 (e)	Reviewed and recommended by the Audit Committee or responsible body prior to finalisation and submission	–	Page 15

# Auditor-General's Report



AUDITOR GENERAL  
VICTORIA

## INDEPENDENT AUDIT REPORT

**Swinburne University of Technology**

**To the Members of the Parliament of Victoria and Members of the Council of the University**

### Scope

#### *The Financial Report*

The accompanying financial report for the year ended 31 December 2005 of Swinburne University of Technology consists of the income statement, balance sheet, statement of changes in equity, cash flow statement, notes to and forming part of the financial report, and the supporting declaration. The financial report includes the consolidated financial statements of the economic entity, comprising Swinburne University of Technology and the entities it controlled at the year's end or from time to time during the financial year as disclosed in note 36 to the financial statements.

#### *Members' Responsibility*

The Members of the Council of Swinburne University of Technology are responsible for:

- the preparation and presentation of the financial report and the information it contains, including accounting policies and accounting estimates
- the maintenance of adequate accounting records and internal controls that are designed to record its transactions and affairs, and prevent and detect fraud and errors.

#### *Audit Approach*

As required by the *Audit Act* 1994, an independent audit has been carried out in order to express an opinion on the financial report. The audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial report is free of material misstatement.

The audit procedures included:

- examining information on a test basis to provide evidence supporting the amounts and disclosures in the financial report
- assessing the appropriateness of the accounting policies and disclosures used, and the reasonableness of significant accounting estimates made by the members
- obtaining written confirmation regarding the material representations made in conjunction with the audit
- reviewing the overall presentation of information in the financial report.

These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards and other mandatory professional reporting requirements in Australia, and the financial reporting requirements of the *Financial Management Act* 1994, so as to present a view which is consistent with my understanding of the University's and the economic entity's financial position, and their financial performance and cash flows.

The audit opinion expressed in this report has been formed on the above basis.

Victorian Auditor-General's Office Level 34, 140 William Street, Melbourne Victoria 3000  
Telephone (03) 8601 7000 Facsimile (03) 8601 7010 Email [comments@audit.vic.gov.au](mailto:comments@audit.vic.gov.au) Website [www.audit.vic.gov.au](http://www.audit.vic.gov.au)

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Auditing in the Public Interest



AUDITOR GENERAL  
VICTORIA

**Independent Audit Report (continued)**

**Independence**

The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General is not subject to direction by any person about the way in which his powers are to be exercised. The Auditor-General and his staff and delegates comply with all applicable independence requirements of the Australian accounting profession.

**Audit Opinion**

In my opinion, the financial report presents fairly in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia, and the financial reporting requirements of the *Financial Management Act 1994*, the financial position of Swinburne University of Technology and the economic entity as at 31 December 2005 and their financial performance and cash flows for the year then ended.

MELBOURNE  
19 April 2006

  
JW CAMERON  
Auditor-General

# Statement by Chancellor, Vice-Chancellor and Principal Accounting Officer

## **Swinburne University of Technology**

ABN 13 628 586 699

### **Financial Report for the year ended 31 December 2005**

#### **Statement by Deputy Chancellor, Vice-Chancellor and Principal Accounting Officer**

We, the Deputy Chancellor, Vice-Chancellor and Principal Accounting Officer,  
state that in our opinion:

- 1 The attached financial statements and notes thereto present fairly the financial position as at 31 December 2005, and the performance for the year ended 31 December 2005 of the University and the consolidated entity.
- 2 The attached financial statements and notes thereto are prepared in accordance with Australian equivalents to International Financial Reporting Standards (A-IFRS) and other authoritative pronouncements of the Australian Accounting Standards Board and Urgent Issues Group Consensus Views.
- 3 At the time of signing there are reasonable grounds to believe that the institution will be able to pay its debts as and when they become due.
- 4 Commonwealth financial assistance expended during the reporting period was expended in accordance with the purposes for which it was provided.

At the date of signing we are not aware of any circumstances that would render any particulars in the financial report either misleading or inaccurate.

TW BROWN  
Deputy Chancellor



IR YOUNG  
Vice-Chancellor



BM TELFORD  
Principal Accounting Officer



Dated this 3rd day of April 2006

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# Financial reporting

## Swinburne University of Technology Income Statement for the year ended 31 December 2005

	Notes	Consolidated		Parent entity	
		2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
<b>Revenue from continuing operations</b>					
Australian Government financial assistance:					
– Australian Government grants	3	67,419	69,625	65,664	61,995
– HECS-HELP – Australian Government payments	3	24,572	23,715	24,572	23,715
– FEE-HELP	3	6,222	6,849	6,222	6,849
State Government financial assistance	4	67,757	63,660	67,757	63,660
HECS-HELP – Student payments		4,969	3,159	4,969	3,159
Fees and charges	5	88,920	91,747	88,491	90,991
Investment income	6	7,210	5,026	6,878	5,263
Royalties, trademarks and licences	7	374	301	374	301
Consultancy and contract research	8	9,148	9,243	9,148	9,243
Other revenue	9	3,584	2,765	2,774	2,646
<b>Subtotal</b>		<b>280,175</b>	<b>276,090</b>	<b>276,849</b>	<b>267,822</b>
Deferred Government superannuation contributions		(5,409)	(4,492)	(5,409)	(4,492)
<b>Total revenue from continuing operations</b>		<b>274,766</b>	<b>271,598</b>	<b>271,440</b>	<b>263,330</b>
<b>Expenses from continuing operations</b>					
Employee benefits and on-costs	10	178,850	165,429	176,680	163,254
Depreciation and amortisation	11	17,545	18,019	12,687	11,893
Repairs and maintenance	12	11,885	9,074	11,822	9,024
Borrowing costs	13	460	590	460	590
Bad and doubtful debts	14	460	1,015	460	1,015
Other expenses	15	65,050	65,550	69,484	71,718
<b>Subtotal</b>		<b>274,250</b>	<b>259,677</b>	<b>271,593</b>	<b>257,494</b>
Deferred Government superannuation contributions		(5,409)	(4,492)	(5,409)	(4,492)
<b>Total expenses from continuing operation</b>		<b>268,841</b>	<b>255,185</b>	<b>266,184</b>	<b>253,002</b>
<b>Operating result before income tax</b>		<b>5,925</b>	<b>16,413</b>	<b>5,256</b>	<b>10,328</b>
Income tax expense		–	–	–	–
<b>Net operating result for the year</b>		<b>5,925</b>	<b>16,413</b>	<b>5,256</b>	<b>10,328</b>
Net operating result attributable to minority interest	30	–	22	–	–
<b>Net operating result attributable to members of Swinburne University of Technology</b>		<b>5,925</b>	<b>16,435</b>	<b>5,256</b>	<b>10,328</b>

The above income statement should be read in conjunction with the accompanying notes (page 20).



**Swinburne University of Technology Balance Sheet as at 31 December 2005**

	Notes	Consolidated		Parent entity	
		2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	16	79,227	26,684	71,478	19,261
Receivables	17	20,008	11,691	20,008	11,784
Inventories	18	1,260	969	1,259	969
Other financial assets	20	–	21,474	–	21,474
Other non-financial assets	23	7,106	3,566	7,074	3,566
<b>Total current assets</b>		<b>107,601</b>	<b>64,384</b>	<b>99,819</b>	<b>57,054</b>
<b>Non-current assets</b>					
Receivables	17	121,900	116,712	133,093	130,535
Available-for-sale financial assets	19	19,541	39,636	19,541	39,636
Property, plant and equipment	21	433,150	423,832	362,881	351,224
Intangible assets	22	38	1,646	38	1,646
Other non-financial assets	23	–	77	–	77
<b>Total non-current assets</b>		<b>574,629</b>	<b>581,903</b>	<b>515,553</b>	<b>523,118</b>
<b>Total assets</b>		<b>682,230</b>	<b>646,287</b>	<b>615,372</b>	<b>580,172</b>
<b>Liabilities</b>					
<b>Current liabilities</b>					
Payables	24	31,354	18,647	31,553	18,623
Interest bearing liabilities	25	2,178	1,987	2,178	1,892
Provisions	26	25,132	22,100	25,042	21,976
Other	27	2,646	1,019	2,448	1,019
<b>Total current liabilities</b>		<b>61,310</b>	<b>43,753</b>	<b>61,221</b>	<b>43,510</b>
<b>Non-current liabilities</b>					
Interest bearing liabilities	25	9,347	5,517	9,347	5,517
Provisions	26	138,911	131,772	138,807	131,752
Other	27	–	21	–	13
<b>Total non-current liabilities</b>		<b>148,258</b>	<b>137,310</b>	<b>148,154</b>	<b>137,282</b>
<b>Total liabilities</b>		<b>209,568</b>	<b>181,063</b>	<b>209,375</b>	<b>180,792</b>
<b>Net assets</b>		<b>472,662</b>	<b>465,224</b>	<b>405,997</b>	<b>399,380</b>
<b>Equity</b>					
Parent entity interest					
– Statutory funds	28	–	–	–	–
– Reserves	29	197,174	195,759	130,028	128,613
– Retained surplus	29	275,488	269,487	275,969	270,767
Parent entity interest		<b>472,662</b>	<b>465,246</b>	<b>405,997</b>	<b>399,380</b>
Minority interest	30	–	(22)	–	–
<b>Total equity</b>		<b>472,662</b>	<b>465,224</b>	<b>405,997</b>	<b>399,380</b>

The above balance sheet should be read in conjunction with the accompanying notes (page 20).

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**Swinburne University of Technology Statement of Changes in Equity for the year ended 31 December 2005**

	Notes	Consolidated		Parent entity	
		2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
<b>Total equity at the beginning of the financial year</b>		<b>465,246</b>	<b>426,375</b>	<b>399,380</b>	<b>370,977</b>
Transfer to outside equity interests in prior years		–	272	–	–
Transfer subsidiary company losses		–	(92)	–	(92)
Recalculation of annual leave under AIFRS		–	128	–	128
Revaluation of land and buildings	29(a)	–	22,128	–	18,039
Available-for-sale financial assets, net of tax	29(b)	1,415	–	1,415	–
Write back minority interests – subsidiary company	29(c)	22	–	–	–
BR (Vic) losses transferred to parent	29(c)	54	–	(54)	–
<b>Net income recognised directly in equity</b>		<b>1,491</b>	<b>22,436</b>	<b>1,361</b>	<b>18,075</b>
<b>Operating result for the year</b>		<b>5,925</b>	<b>16,413</b>	<b>5,256</b>	<b>10,328</b>
<b>Total recognised income and expense for the year</b>		<b>7,416</b>	<b>38,849</b>	<b>6,617</b>	<b>28,403</b>
Transactions with equity holders in their capacity as equity holders	30	–	22	–	–
<b>Total equity at the end of the financial year</b>		<b>472,662</b>	<b>465,246</b>	<b>405,997</b>	<b>399,380</b>
Total recognised income and expense for the year is attributable to:					
Members of Swinburne University of Technology		7,416	38,849	6,617	28,403
Minority interest	30	–	22	–	–
		<b>7,416</b>	<b>38,871</b>	<b>6,617</b>	<b>28,403</b>

*The above statement of changes in equity should be read in conjunction with the accompanying notes (page 20).*

**Swinburne University of Technology Cash Flow Statement for the year ended 31 December 2005**

	Notes	Consolidated		Parent entity	
		2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
<b>Cash flows from operating activities</b>					
Australian Government:					
– CGS and other DEST grants	42.1	51,682	48,154	51,682	48,154
– Higher Education loan programs	42.2	30,794	30,564	30,794	30,564
– Scholarships	42.3	1,396	1,233	1,396	1,233
– DEST research	42.4	8,289	7,827	8,289	7,827
– ARC grants – Discovery	42.5 (a)	1,724	1,827	1,724	1,827
– ARC grants – Linkages	42.5 (b)	1,357	1,451	1,356	1,451
– Other Australian Government grants	3 (f)	2,971	9,133	1,216	1,503
State Government grants	4	67,757	63,660	67,757	63,660
HECS-HELP – Student payments		4,969	3,159	4,969	3,159
OS-HELP (net)		10	–	10	–
Receipts from student fees and other customers		109,211	103,010	100,555	101,369
Dividends received	6	922	830	922	830
Interest received	6	6,288	4,599	5,956	4,433
Payments to suppliers and employees (inclusive of goods and services tax)		(249,137)	(247,849)	(243,761)	(250,034)
GST Net payment		(5,887)	(5,645)	(5,994)	(6,371)
Interest paid	13	(460)	(590)	(460)	(590)
<b>Net cash inflows from operating activities</b>	<b>39</b>	<b>31,886</b>	<b>21,363</b>	<b>26,411</b>	<b>9,015</b>
<b>Cash flows from investing activities</b>					
Proceeds from sale of property, plant and equipment		460	98	255	98
Payments for available-for-sale financial assets		(1,791)	–	(1,791)	–
Proceeds from sale of available-for-sale financial assets		23,301	–	23,301	–
Proceeds from sale of investments		21,474	(2,043)	21,474	(2,042)
Payment for property, plant and equipment		(26,857)	(24,566)	(24,338)	(7,272)
<b>Net cash inflow/(outflow) from investing activities</b>		<b>16,587</b>	<b>(26,511)</b>	<b>18,901</b>	<b>(9,216)</b>
<b>Cash flows from financing activities</b>					
Loans from/(to) related parties		(47)	2,933	2,788	(8,655)
Proceeds from borrowings		6,009	2,150	6,009	2,150
Repayment of borrowings		(1,892)	(2,048)	(1,892)	(2,049)
<b>Net cash inflow/(outflow) from financing activities</b>		<b>4,070</b>	<b>3,035</b>	<b>6,905</b>	<b>(8,554)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>52,543</b>	<b>(2,113)</b>	<b>52,217</b>	<b>(8,754)</b>
Cash and cash equivalents at the beginning of the financial year		26,684	28,797	19,261	28,015
<b>Cash and cash equivalents at end of year</b>	<b>16</b>	<b>79,227</b>	<b>26,684</b>	<b>71,478</b>	<b>19,261</b>

The above statement of cash flows should be read in conjunction with the accompanying notes (page 20).

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# Notes to the financial statements for the year ended 31 December 2005

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## Note 1. Summary of significant accounting policies

The principal accounting policies adopted in the preparation of the financial report are set out below. The financial report includes separate financial statements for Swinburne University of Technology as an individual entity and the consolidated entity consisting of Swinburne University of Technology and its subsidiaries.

### (a) Basis of preparation

This general purpose financial report has been prepared in accordance with Australian equivalents to International Financial Reporting Standards (AIFRS), other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations, the requirements of the Commonwealth Department of Education, Science and Training (DEST), other Victorian State and Australian Government legislative requirements, the requirements of the *Swinburne University of Technology Act 1992* and the provisions of the *Victorian Financial Management Act 1994*.

#### *Application of AASB 1 First time Adoption of Australian Equivalents to International Financial Reporting Standards (AIFRS)*

These financial statements are the first Swinburne University of Technology financial statements to be prepared in accordance with AIFRS. AASB 1 First time Adoption of Australian Equivalents to International Financial Reporting Standards has been applied in preparing these financial statements.

Financial statements of Swinburne University of Technology until 31 December 2004 had been prepared in accordance with previous Australian Generally Accepted Accounting Principles (AGAAP). AGAAP differs in certain respects from AIFRS.

When preparing the Swinburne University of Technology 2005 financial statements, management has amended certain accounting, valuation and consolidation methods applied in the AGAAP financial statements to comply with AIFRS. With the exception of financial instruments, the comparative figures in respect of 2004 were restated to reflect these adjustments. Swinburne University of Technology has taken the exemption available under AASB 1 to apply AASB 132 and AASB 139 only from 1 January 2005.

Reconciliations and descriptions of the effect of transition from previous AGAAP to AIFRS on Swinburne University of Technology's equity and its net income are given in note 41.

#### *Early adoption of standard*

Swinburne University of Technology has elected to apply AASB 119 Employee Benefits (issued in December 2004) to the annual reporting period beginning 1 January 2005. This includes applying AASB 119 to the comparatives in accordance with AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors.

#### *Historical cost convention*

These financial statements have been prepared on an accrual basis, under the historical cost convention, as modified by the revaluation of available-for-sale financial assets and certain classes of property, plant and equipment to fair value.

#### *Critical accounting estimates*

The preparation of these financial statements in conformity with AIFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying Swinburne University of Technology's accounting policies. The areas involving a higher

degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are the valuation of non-current assets (such as land and buildings) and superannuation. The University obtains external advice in the calculation of these estimates.

### (b) Financial effects of changes to Australian Government payment arrangements for 2005 grant year

#### *Background*

DEST made changes to payment arrangements in late 2004 so that all recurrent payments in respect of a grant year were to be made in that year. The past practice of making the first payment in respect of a grant year at the end of December of the previous year was discontinued. For the 2005 grant year, the first payment was made in January 2005 instead of December 2004.

#### *Financial effects for 2004*

Changes to payment arrangements mean that those Higher Education Providers (HEPs) that reported the whole or part of the 8% first payment in respect of the 2004 grant year as revenue in 2003 understated the Australian Government funding for the 2004 grant year in their 2004 Income Statement. HEPs were required to identify, in their 2004 financial statements, the impact of the changed treatment on their operating result by restating the Australian Government financial assistance for 2004 (by incorporating the amount received in December 2003 as revenue for the 2004 reporting period) and the total revenue from operating activities.

Swinburne University of Technology has consistently treated the December payment as a liability. As a result of this treatment, there is no financial effect on the 2004 reported operating result.

## Note 1. Summary of significant accounting policies (continued)

	\$'000
2004 revenue from operating activities (per income statement)	272,665
Add grants received in 2003 for 2004 activities:	
Commonwealth Government financial assistance	–
HECS – Commonwealth payments	–
Commonwealth loan programs	–
Total restated 2004 revenue from operating activities	272,665
Restated 2004 operating result	16,645
Reported 2004 operating result	16,645
Financial effect on 2004 operating result	–

The Australian Government has used the restated figures for 2004 in all DEST publications, including the Finance 2004 publication, to ensure consistent treatment across all HEPs.

### (c) Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all entities controlled by Swinburne University of Technology as at 31 December 2005 and the results of all controlled entities for the year then ended. Swinburne University of Technology and its controlled entities together are referred to in this financial report as the consolidated entity or Group. The effects of all transactions between entities in the consolidated entity are eliminated in full. Outside equity interests in the results and equity of controlled entities are shown separately in the consolidated income statement, balance sheet, statement of changes in equity, and cash flow statement.

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

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

Where control of an entity is obtained during a financial year, its results are included in the consolidated income statement and balance sheet from the date on which control commences. Where control of an entity ceases during a financial year its results are included for that part of the year during which control existed.

### (d) Foreign currency translation

#### (i) Functional and presentation currency

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

#### (ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign

exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

#### (iii) Group entities

The results and financial position of Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet
- income and expenses for each income statement are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions)
- all resulting exchange differences are recognised as a separate component of equity

On consolidation, exchange differences arising from the translation of any net investment in foreign entities and borrowings are taken to equity.

#### **(e) Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances and duties and taxes paid.

Revenue is recognised for the major business activities of the consolidated entity as follows:

##### **(i) Government Financial Assistance**

Revenue is recognised in the year to which funding relates as determined by the bodies providing the financial assistance.

##### **(ii) Higher Education Contribution Scheme**

Revenue is recognised in the year in which funding relates as determined by the Commonwealth Department of Education, Science and Technology.

##### **(iii) Fees and charges**

Fees include amounts received or receivable in respect of consulting and course delivery. Consulting revenue is recognised after completion of the service and clients have been invoiced. Fees relating to course delivery are recognised in the year in which courses commence.

##### **(iv) Other revenue**

Other revenue that is the subject of an invoice to a client is recognised when the invoice is raised. Otherwise it is recognised upon receipt.

#### **(f) Acquisition of assets**

The purchase method of accounting is used to account for all acquisitions of assets (including business combinations) regardless of whether equity instruments or other assets are acquired. Cost is measured as the fair value of the assets given, liabilities incurred or assumed at the date of exchange plus costs directly attributable to the acquisition.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement, but only after a reassessment of the identification and measurement of the net assets acquired.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

#### **(g) Impairment of assets**

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment.

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use being the written down value of the asset. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

#### **(h) Cash and cash equivalents**

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 in the balance sheet.

#### **(i) Receivables**

Current receivables consist of amounts owed to the University in respect of professional services and course fees. Payment for professional services is due within 30 days of the end of the month following the billing date. Student fees are normally due for payment prior to the commencement of courses.

Non-current receivables consist of amounts due from corporations in which the University has an interest in respect of start-up finances provided by the University. Repayment of the debt is the subject of contractual arrangements between the University and the corporations concerned.

Collectability of trade debtors is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for doubtful debts is raised when doubt as to collection exists.

## Note 1. Summary of significant accounting policies (continued)

### (j) Inventories

Raw materials and stores, work in progress and finished goods are stated at the lower of cost and net realisable value. Cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Costs are assigned to individual items of inventory on the basis of weighted average costs. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

### (k) Investments and other financial assets

#### *From 1 January 2004 to 31 December 2004*

The University has taken the exemption available under AASB 1 to apply AASB 132 and AASB 139 only from 1 January 2005. The Group has applied previous AGAAP to the comparative information on financial instruments within the scope of AASB 132 and AASB 139.

Under previous AGAAP, interests in listed and unlisted securities, other than subsidiaries and associates, was brought to account at cost and dividend income was recognised in the income statement when receivable. Transaction costs were excluded from the carrying amounts.

#### *Adjustments on transition date: 1 January 2005*

The nature of the main adjustments to make this information comply with AASB 132 and AASB 139 are that, with the exception of loans and receivables which are measured at amortised cost, fair value is the measurement basis. Fair value is inclusive of transaction costs. Changes in fair value are either taken to the income statement or an equity reserve. At the date of transition

(1 January 2005) changes to carrying amounts were taken to retained earnings or reserves.

For further information concerning the adjustments on transition date, reference should be made to the following notes:

- Available-for-sale financial assets – note 19
- Other financial assets – note 20
- Reserves and retained surplus – note 29
- Explanation of transition to AIFRS – note 41

The University classifies its investments in the following categories:

- Loans and receivables, and
- Available-for-sale financial assets.

The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at each reporting date.

### (l) 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 University 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 balance date which are classified as non-current assets. Loans and receivables are included in receivables in the balance sheet.

### (m) Available-for-sale financial assets

Available-for-sale financial assets comprise principally marketable equity securities. They are included in non-current assets unless management intends to dispose of the investment within 12 months of balance date.

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

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

### (n) Fair value estimation

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



The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at balance date. The quoted market price used for financial assets held by the Group is the current bid price; the appropriate quoted market price for financial liabilities is the current ask price.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques. The University uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values.

#### (o) Property, plant and equipment

Land and buildings are shown at fair value, based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. All other property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

Increases in the carrying amounts arising on revaluation of land and buildings are credited to other reserves in equity. To the extent that the increase reverses a decrease previously recognised in profit or loss, the increase is first recognised in profit and loss. Decreases that reverse previous increases of the same asset are first charged against revaluation reserves directly in equity to the extent of the remaining reserve attributable to the asset; all other decreases are charged to the income statement.

Land is not depreciated. Depreciation on other assets is calculated using the straight line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives (see table below).

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance date.

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

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the income statement. When revalued assets are sold, it is University policy to transfer the amounts included in other reserves in respect of those assets to retained earnings.

#### (p) Intangible assets

The University recognises expenditure on development activities or purchase of products related to the provision or enhancement of large core systems. The expenditure capitalised comprises all directly attributable costs, including costs of materials, services, direct labour and an appropriate proportion of overheads.

	2005	2004
Buildings	42 years	42 years
Furniture	8 years	8 years
IT equipment	3 years	3 years
Motor vehicles	2 years	2 years
Other equipment	15 years	15 years
Library collection	15 years	15 years

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## Note 1. Summary of significant accounting policies (continued)

The amortisation rate is set at 12.5% per annum but is subject to an annual impairment review conducted at the end of each financial year. Other development expenditure is recognised in the income statement as an expense as incurred. Capitalised development expenditure is stated at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost over the period of the expected benefit.

### (q) Leased non-current assets

A distinction is made between finance leases which effectively transfer from the lessor to the lessee substantially all the risks and benefits incident to ownership of leased non-current assets, and operating leases under which the lessor effectively retains substantially all such risks and benefits.

Finance leases are capitalised. A lease asset and liability are established at the present value of minimum lease payments. Lease payments are allocated between the principal component of the lease liability and the interest expense.

The lease asset is amortised on a straight line basis over the term of the lease, or where it is likely that the consolidated entity will obtain ownership of the asset, the life of the asset. Leased assets held at the reporting date are being amortised over periods ranging from 4 to 15 years.

Operating lease payments are recognised as an expense in the income statement in the years in which they are incurred, as this represents the pattern of benefits derived from the leased assets.

### (r) Trade and other payables

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid by the end of the month following that in which they are received.

### (s) Borrowings

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

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

### (t) Borrowing costs

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

### (u) Provisions

Provisions for legal claims are recognised when the University has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

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

### (v) Employee benefits

#### (i) Wages and salaries, annual leave and sick leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in provisions in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. As it is probable that annual sick leave entitlements, which are non-vesting, will exceed leave taken, no liability is deemed to have existed as at 31 December 2005.

#### (ii) Long service leave

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

### *(iii) Bonus plans*

A liability for employee benefits in the form of bonus plans is recognised in employee entitlements when there is no realistic alternative but to settle the liability and at least one of the following conditions is met:

- there are formal terms in the plan for determining the amount of the benefit;
- the amounts to be paid are determined before the time of completion of the financial report; or
- past practice gives clear evidence of the amount of the obligation.

Liabilities for bonus plans are expected to be settled within 12 months and are measured at the amounts expected to be paid when they are settled.

### *(iv) Retirement benefit obligations*

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

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

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

Future taxes that are funded by the entity and are part of the provision of the existing benefit obligation (eg taxes on investment income and employer contributions) are taken into account in measuring the net liability or asset.

Contributions to the defined contribution fund are recognised as an expense as they become payable. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

### *(v) Employee benefit on-costs*

Employee benefit on-costs, including payroll tax, are recognised and included in employee benefit liabilities and costs when the employee benefits to which they relate are recognised as liabilities.

### *(vi) Parental leave*

The University has provided for parental leave entitlements under the prevailing Enterprise Bargaining Agreement. These entitlements are assessed annually and adjusted in the accounts at the end of each reporting date.

### *(w) Website costs*

Costs in relation to websites controlled by the controlled entity are charged as expenses in the period in which they are incurred. Generally, costs in relation to feasibility studies during the planning phase of a website, and ongoing costs of maintenance during the operating phase are also considered to be expenses.

### *(x) Rounding of amounts*

The University is an organisation of a kind referred to in Class Order 98/0100, issued by the Australian Securities and Investments Commission, relating to the 'rounding off' of amounts in the financial report. Amounts in the financial report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, to the nearest dollar.

## Note 2. Disaggregated information for Swinburne University of Technology

### (a) Industry – Parent Entity

#### INCOME STATEMENT

	Higher Education	VET	Total Parent	Higher Education	VET	Total Parent
	2005 \$'000	2005 \$'000	2005 \$'000	2004 \$'000	2004 \$'000	2004 \$'000
<b>Revenue from continuing operations</b>						
Australian Government financial assistance:						
– Australian Government grants	64,448	1,216	65,664	60,492	1,503	61,995
– HECS-HELP – Australian Government payments	24,572	–	24,572	23,715	–	23,715
– FEE-HELP	6,222	–	6,222	6,849	–	6,849
State Government financial assistance	–	67,757	67,757	–	63,660	63,660
HECS-HELP student payments	4,969	–	4,969	3,159	–	3,159
Fees and charges	57,488	31,003	88,491	58,555	32,436	90,991
Investment income	4,819	2,059	6,878	3,770	1,493	5,263
Royalties, trademarks and licences	374	–	374	293	8	301
Consultancy and contract research	9,051	97	9,148	9,040	203	9,243
Other revenue	2,495	279	2,774	2,531	115	2,646
Subtotal	174,438	102,411	276,849	168,404	99,418	267,822
Deferred government contributions	(5,409)	–	(5,409)	(4,492)	–	(4,492)
<b>Total operating revenue</b>	<b>169,029</b>	<b>102,411</b>	<b>271,440</b>	<b>163,912</b>	<b>99,418</b>	<b>263,330</b>
<b>Expenses from continuing operations</b>						
Employee benefits and on-costs	108,176	68,504	176,680	98,545	64,709	163,254
Depreciation and amortisation	7,073	5,614	12,687	6,608	5,285	11,893
Repairs and maintenance	9,166	2,656	11,822	6,029	2,995	9,024
Borrowing costs	460	–	460	590	–	590
Bad and doubtful debts	161	299	460	707	308	1,015
Asset disposals written down value	111	167	278	5,560	82	5,642
Operating lease rental expense	9,349	89	9,438	11,034	314	11,348
Other expenses	35,977	23,791	59,768	30,649	24,079	54,728
Subtotal	170,473	101,120	271,593	159,722	97,772	257,494
Deferred government contributions	(5,409)	–	(5,409)	(4,492)	–	(4,492)
<b>Total operating expenses</b>	<b>165,064</b>	<b>101,120</b>	<b>266,184</b>	<b>155,230</b>	<b>97,772</b>	<b>253,002</b>
<b>Operating result from ordinary activities before related income tax expense</b>	<b>3,965</b>	<b>1,291</b>	<b>5,256</b>	<b>8,682</b>	<b>1,646</b>	<b>10,328</b>

**(b) Industry – Parent Entity****BALANCE SHEET**

	Higher Education	VET	Total Parent	Higher Education	VET	Total Parent
	2005 \$'000	2005 \$'000	2005 \$'000	2004 \$'000	2004 \$'000	2004 \$'000
<b>Current assets</b>						
Cash assets	50,659	20,819	71,478	16,981	2,280	19,261
Receivables	17,281	2,727	20,008	9,608	2,176	11,784
Inventories	–	1,259	1,259	–	969	969
Other financial assets	–	–	–	14,865	6,609	21,474
Other non-financial assets	5,886	1,188	7,074	3,190	376	3,566
<b>Total current assets</b>	<b>73,826</b>	<b>25,993</b>	<b>99,819</b>	<b>44,644</b>	<b>12,410</b>	<b>57,054</b>
<b>Non-current assets</b>						
Receivables	133,093	–	133,093	130,535	–	130,535
Available-for-sale financial assets	14,329	5,212	19,541	21,317	18,319	39,636
Property, plant and equipment	152,246	210,635	362,881	142,057	209,167	351,224
Intangible assets	–	38	38	–	1,646	1,646
Other non-financial assets	–	–	–	38	39	77
<b>Total non-current assets</b>	<b>299,668</b>	<b>215,885</b>	<b>515,553</b>	<b>293,947</b>	<b>229,171</b>	<b>523,118</b>
<b>Total assets</b>	<b>373,494</b>	<b>241,878</b>	<b>615,372</b>	<b>338,591</b>	<b>241,581</b>	<b>580,172</b>
<b>Current liabilities</b>						
Payables	27,709	3,844	31,553	11,066	7,557	18,623
Interest bearing liabilities	1,097	–	1,097	1,090	–	1,090
Finance leases	712	369	1,081	535	267	802
Provisions	19,313	5,729	25,042	16,515	5,461	21,976
Other	2,119	329	2,448	633	386	1,019
<b>Total current liabilities</b>	<b>50,950</b>	<b>10,271</b>	<b>61,221</b>	<b>29,839</b>	<b>13,671</b>	<b>43,510</b>
<b>Non-current liabilities</b>						
Interest bearing liabilities	4,420	–	4,420	5,517	–	5,517
Finance leases	3,285	1,642	4,927	–	–	–
Provisions	131,469	7,338	138,807	124,797	6,955	131,752
Other	–	–	–	9	4	13
<b>Total non-current liabilities</b>	<b>139,174</b>	<b>8,980</b>	<b>148,154</b>	<b>130,323</b>	<b>6,959</b>	<b>137,282</b>
<b>Total liabilities</b>	<b>190,124</b>	<b>19,251</b>	<b>209,375</b>	<b>160,162</b>	<b>20,630</b>	<b>180,792</b>
<b>Net assets</b>	<b>183,370</b>	<b>222,627</b>	<b>405,997</b>	<b>178,429</b>	<b>220,951</b>	<b>399,380</b>
<b>Equity</b>						
Reserves	31,726	98,302	130,028	30,696	97,917	128,613
Retained surplus	151,644	124,325	275,969	147,733	123,034	270,767
<b>Total equity</b>	<b>183,370</b>	<b>222,627</b>	<b>405,997</b>	<b>178,429</b>	<b>220,951</b>	<b>399,380</b>

**Note 2. Disaggregated information for Swinburne University of Technology (continued)**

**(c) Industry – Parent Entity**

**STATEMENT OF CHANGES IN EQUITY**

	Higher Education	VET	Total Parent	Higher Education	VET	Total Parent
	2005 \$'000	2005 \$'000	2005 \$'000	2004 \$'000	2004 \$'000	2004 \$'000
Total equity at the beginning of the financial year	178,429	220,951	399,380	163,372	207,605	370,977
Transfer subsidiary company losses	–	–	–	(92)	–	(92)
Recalculation of annual leave under AIFRS	–	–	–	276	(148)	128
Share of revaluation of land and buildings, net of tax	–	–	–	6,191	11,848	18,039
Available-for-sale financial assets, net of tax	1,030	385	1,415	–	–	–
BR (Vic) losses transferred to parent entity	(54)	–	(54)	–	–	–
<b>Net income recognised directly in equity</b>	<b>976</b>	<b>385</b>	<b>1,361</b>	<b>6,375</b>	<b>11,700</b>	<b>18,075</b>
<b>Operating result for the year</b>	<b>3,965</b>	<b>1,291</b>	<b>5,256</b>	<b>8,682</b>	<b>1,646</b>	<b>10,328</b>
<b>Total recognised income and expense for the year</b>	<b>4,941</b>	<b>1,676</b>	<b>6,617</b>	<b>15,057</b>	<b>13,346</b>	<b>28,403</b>
Transactions with equity holders in their capacity as equity holders	–	–	–	–	–	–
<b>Total equity at the end of the financial year</b>	<b>183,370</b>	<b>222,627</b>	<b>405,997</b>	<b>178,429</b>	<b>220,951</b>	<b>399,380</b>
Total recognised income and expense for the year is attributable to:						
Members of Swinburne University of Technology	4,941	1,676	6,617	15,057	13,346	28,403
Minority interest	–	–	–	–	–	–
<b>Total recognised income and expense for the year</b>	<b>4,941</b>	<b>1,676</b>	<b>6,617</b>	<b>15,057</b>	<b>13,346</b>	<b>28,403</b>

**(d) Industry – Parent Entity****CASH FLOW STATEMENT**

	Higher Education	VET	Total Parent	Higher Education	VET	Total Parent
	2005 \$'000	2005 \$'000	2005 \$'000	2004 \$'000	2004 \$'000	2004 \$'000
<b>Cash flows from operating activities</b>						
Australian Government:						
– CGS and other DEST grants	51,682	–	51,682	48,154	–	48,154
– Higher Education	30,794	–	30,794	30,564	–	30,564
– Scholarships	1,396	–	1,396	1,233	–	1,233
– DEST – Research	8,289	–	8,289	7,827	–	7,827
– ARC grant – Discovery	1,724	–	1,724	1,827	–	1,827
– ARC grant – Linkages	1,356	–	1,356	1,451	–	1,451
– Other Australian Government grants	–	1,216	1,216	–	1,503	1,503
State Government grants	–	67,757	67,757	–	63,660	63,660
HECS-HELP – student payments	4,969	–	4,969	3,159	–	3,159
OS-HELP (net)	10	–	10	–	–	–
Receipts from student fees and other customers (inclusive of GST)	68,673	31,882	100,555	68,056	33,313	101,369
Dividends received	534	388	922	423	407	830
Interest received	4,285	1,671	5,956	3,347	1,086	4,433
Payments to suppliers (inclusive of GST)	(56,045)	(32,164)	(88,209)	(58,512)	(27,388)	(85,900)
Payments to employees	(87,048)	(68,504)	(155,552)	(99,425)	(64,709)	(164,134)
GST net payment	(5,670)	(324)	(5,994)	(5,738)	(633)	(6,371)
Borrowing costs	(460)	–	(460)	(590)	–	(590)
<b>Net cash inflow/(outflow) from operating activities</b>	<b>24,489</b>	<b>1,922</b>	<b>26,411</b>	<b>1,776</b>	<b>7,239</b>	<b>9,015</b>
<b>Cash flows from investing activities</b>						
Payments for property, plant and equipment	(18,865)	(5,473)	(24,338)	(5,832)	(1,440)	(7,272)
Payments for available-for-sale financial assets	(1,791)	–	(1,791)	–	–	–
Proceeds from available-for-sale financial assets	9,809	13,492	23,301	–	–	–
Proceeds from sale of investments	14,865	6,609	21,474	3,740	(5,782)	(2,042)
Proceeds from sale of property, plant and equipment	49	206	255	16	82	98
<b>Net cash inflow/(outflow) from investing activities</b>	<b>4,067</b>	<b>14,834</b>	<b>18,901</b>	<b>(2,076)</b>	<b>(7,140)</b>	<b>(9,216)</b>
<b>Cash flows from financing activities</b>						
Loans from/(to) related parties	2,750	38	2,788	(8,640)	(15)	(8,655)
Proceeds from borrowings	3,997	2,012	6,009	2,150	–	2,150
Repayment of borrowings	(1,625)	(267)	(1,892)	(1,718)	(331)	(2,049)
<b>Net cash inflow/(outflow) from financing activities</b>	<b>5,122</b>	<b>1,783</b>	<b>6,905</b>	<b>(8,208)</b>	<b>(346)</b>	<b>(8,554)</b>
<b>Net increase/(decrease) in cash held</b>	<b>33,678</b>	<b>18,539</b>	<b>52,217</b>	<b>(8,507)</b>	<b>(247)</b>	<b>(8,754)</b>
Cash at the beginning of the year	16,981	2,280	19,261	25,488	2,527	28,015
<b>Cash at the end of the year</b>	<b>50,659</b>	<b>20,819</b>	<b>71,478</b>	<b>16,981</b>	<b>2,280</b>	<b>19,261</b>

**Note 3. Australian Government financial assistance including HECS-HELP and other Australian Government loan programs**

	Notes	Consolidated		Parent entity	
		2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
<b>(a) Commonwealth Grants Scheme and other grants</b>	42.1				
Commonwealth Grants Scheme		42,129	38,666	42,129	38,666
Indigenous Support Fund		74	–	74	–
Equity Programs		138	122	138	122
Workplace Reform Program		589	1,056	589	1,056
Capital Development Pool		238	1,061	238	1,061
Superannuation Program		8,412	7,249	8,412	7,249
Collaboration and Structural Reform Program		102	–	102	–
<b>Total Commonwealth Grants Scheme and other grants</b>		<b>51,682</b>	<b>48,154</b>	<b>51,682</b>	<b>48,154</b>
<b>(b) Higher Education Loan Programs</b>	42.2				
HECS-HELP		24,572	23,715	24,572	23,715
FEE-HELP		6,222	6,849	6,222	6,849
<b>Total Higher Education Loan Programs</b>		<b>30,794</b>	<b>30,564</b>	<b>30,794</b>	<b>30,564</b>
<b>(c) Scholarships</b>	42.3				
Australian Postgraduate Awards		840	858	840	858
International Postgraduate Research Scholarship		109	167	109	167
Commonwealth Education Cost Scholarships		149	52	149	52
Commonwealth Accommodation Scholarships		298	156	298	156
<b>Total Scholarships</b>		<b>1,396</b>	<b>1,233</b>	<b>1,396</b>	<b>1,233</b>
<b>(d) DEST – Research</b>	42.4				
Institutional Grants Scheme		2,176	1,876	2,176	1,876
Research Training Scheme		5,088	4,946	5,088	4,946
Systemic Infrastructure Initiative		–	151	–	151
Research Infrastructure Block Grants		1,025	854	1,025	854
<b>Total DEST – Research grants</b>		<b>8,289</b>	<b>7,827</b>	<b>8,289</b>	<b>7,827</b>
<b>(e) Australian Research Council</b>	42.5				
<i>(i) Discovery</i>	42.5(a)				
Project		1,724	1,832	1,724	1,832
Fellowships		–	(5)	–	(5)
<b>Total Discovery</b>		<b>1,724</b>	<b>1,827</b>	<b>1,724</b>	<b>1,827</b>
<i>(ii) Linkages</i>	42.5(b)				
Infrastructure		114	449	114	449
International		109	106	109	106
Projects		1,134	896	1,134	896
<b>Total Linkages</b>		<b>1,357</b>	<b>1,451</b>	<b>1,357</b>	<b>1,451</b>
<b>(f) Other Australian Government financial assistance</b>					
ANTA and DoCITA grants		2,971	9,133	1,216	1,503
<b>Total Other Australian Government financial assistance</b>		<b>2,971</b>	<b>9,133</b>	<b>1,216</b>	<b>1,503</b>
<b>Total Australian Government financial assistance</b>		<b>98,213</b>	<b>100,189</b>	<b>96,458</b>	<b>92,559</b>
<b>Reconciliation</b>					
Australian Government grants		67,419	69,625	65,664	61,995
HECS-HELP – Australian Government payments		24,572	23,715	24,572	23,715
Other Australian Government loan programs (FEE-HELP)		6,222	6,849	6,222	6,849
<b>Total Australian Government financial assistance</b>		<b>98,213</b>	<b>100,189</b>	<b>96,458</b>	<b>92,559</b>



#### Note 4. State Government financial assistance

	Consolidated		Parent entity	
	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
Higher Education	–	–	–	–
TAFE	67,757	63,660	67,757	63,660
Other operating grants	–	–	–	–
<b>Total State Government financial assistance</b>	<b>67,757</b>	<b>63,660</b>	<b>67,757</b>	<b>63,660</b>

#### Note 5. Fees and charges

	Consolidated		Parent entity	
	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
<b>Course fees and charges</b>				
Fee-paying overseas students	43,779	46,378	43,779	46,378
Continuing education	6,527	7,524	6,098	7,172
Fee-paying domestic postgraduate students	5,517	6,728	5,517	6,728
TAFE fee for service – other	11,843	11,642	11,843	11,642
TAFE fee for service – international operations onshore	2,715	129	2,715	129
TAFE fee for service – international operations offshore	–	55	–	55
TAFE student fees and charges	5,336	5,474	5,336	5,474
<b>Total course fees and charges</b>	<b>75,717</b>	<b>77,930</b>	<b>75,288</b>	<b>77,578</b>
<b>Other fees and charges</b>				
Late fees	70	87	70	87
Library fines	93	101	93	101
Parking fees	1,067	778	1,067	778
Rental charges	589	604	589	604
Student accommodation	1,910	1,669	1,910	1,669
Proceeds from ancillary trading	3,097	4,021	3,097	4,020
Other miscellaneous income	5,911	5,954	5,911	5,551
Student excursions	411	483	411	483
Seminars, functions and academic dress hire	55	120	55	120
<b>Total other fees and charges</b>	<b>13,203</b>	<b>13,817</b>	<b>13,203</b>	<b>13,413</b>
<b>Total fees and charges</b>	<b>88,920</b>	<b>91,747</b>	<b>88,491</b>	<b>90,991</b>

#### Note 6. Investment income

	Consolidated		Parent entity	
	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
Dividends	922	830	922	830
Other	6,288	4,196	5,956	4,433
<b>Total investment income</b>	<b>7,210</b>	<b>5,026</b>	<b>6,878</b>	<b>5,263</b>

**Note 7. Royalties, trademarks and licences**

	Consolidated		Parent entity	
	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
Royalties	374	301	374	301
<b>Total royalties, trademarks and licences</b>	<b>374</b>	<b>301</b>	<b>374</b>	<b>301</b>

**Note 8. Consultancy and contract research**

	Consolidated		Parent entity	
	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
Consultancy	1,174	1,046	1,174	1,046
Contract research	7,974	8,197	7,974	8,197
<b>Total consultancy and contract research</b>	<b>9,148</b>	<b>9,243</b>	<b>9,148</b>	<b>9,243</b>

**Note 9. Other revenue**

	Consolidated		Parent entity	
	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
Donations and bequests	1,056	1,237	801	1,120
Scholarships and prizes	1,719	1,432	1,719	1,430
Proceeds from sale of assets	460	96	254	96
Other revenue	349	–	–	–
<b>Total other revenue</b>	<b>3,584</b>	<b>2,765</b>	<b>2,774</b>	<b>2,646</b>

## Note 10. Employee benefits and on-costs

	Consolidated		Parent entity	
	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
<b>Academic</b>				
Salaries	73,521	72,780	72,558	71,770
Contribution to superannuation and pension schemes:				
– Emerging cost	3,899	3,574	3,899	3,574
– Funded	12,023	9,646	11,916	9,569
Payroll tax	4,584	4,298	4,522	4,235
Worker's compensation	762	654	750	642
Long service leave expense	2,378	883	2,352	881
Annual leave	5,181	3,669	5,147	3,664
Parental leave	60	–	60	–
Performance allowance	323	479	323	457
<b>Total academic</b>	<b>102,731</b>	<b>95,983</b>	<b>101,527</b>	<b>94,792</b>
<b>Non-academic</b>				
Salaries	51,488	50,031	50,702	49,195
Contribution to superannuation and pension schemes:				
– Emerging cost	5,079	4,671	5,079	4,655
– Funded	8,757	6,953	8,670	6,890
Payroll tax	3,220	3,008	3,167	2,957
Worker's compensation	535	457	526	448
Long service leave expense	2,497	496	2,497	496
Annual leave	3,738	3,587	3,707	3,578
Parental leave	472	–	472	–
Performance allowance	333	243	333	243
<b>Total non-academic</b>	<b>76,119</b>	<b>69,446</b>	<b>75,153</b>	<b>68,462</b>
<b>Total employee benefits and on-costs</b>	<b>178,850</b>	<b>165,429</b>	<b>176,680</b>	<b>163,254</b>

## Note 11. Depreciation and amortisation

	Consolidated		Parent entity	
	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
<b>Depreciation</b>				
Buildings	10,614	11,857	5,765	5,756
Plant and equipment	4,117	3,647	4,108	3,622
Library collection	2,048	1,433	2,048	1,433
<b>Total depreciation</b>	<b>16,779</b>	<b>16,937</b>	<b>11,921</b>	<b>10,811</b>
<b>Amortisation</b>				
Software	6	6	6	6
Plant and equipment under finance lease	760	1,076	760	1,076
<b>Total amortisation</b>	<b>766</b>	<b>1,082</b>	<b>766</b>	<b>1,082</b>
<b>Total depreciation and amortisation</b>	<b>17,545</b>	<b>18,019</b>	<b>12,687</b>	<b>11,893</b>

## Note 12. Repairs and maintenance

	Consolidated		Parent entity	
	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
Buildings	9,600	6,345	9,541	6,029
Equipment	2,285	2,729	2,281	2,995
<b>Total repairs and maintenance</b>	<b>11,885</b>	<b>9,074</b>	<b>11,822</b>	<b>9,024</b>

## Note 13. Borrowing costs

	Consolidated		Parent entity	
	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
Borrowing cost expense (Interest)	460	590	460	590
Less: amount capitalised	–	–	–	–
<b>Total borrowing costs expensed</b>	<b>460</b>	<b>590</b>	<b>460</b>	<b>590</b>

## Note 14. Bad and doubtful debts

	Consolidated		Parent entity	
	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
Bad debts written off	424	242	424	242
Provision for doubtful debts	36	773	36	773
<b>Total bad and doubtful debts</b>	<b>460</b>	<b>1,015</b>	<b>460</b>	<b>1,015</b>

## Note 15. Other expenses

	Consolidated		Parent entity	
	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
Scholarships, grants and prizes	7,816	6,737	7,816	6,737
Non-capitalised equipment	5,162	6,410	5,057	6,334
Advertising, marketing and promotional expenses	2,867	3,861	2,694	3,668
Audit fees, bank charges, legal costs, insurance and taxes	1,434	1,305	1,429	1,267
General consumables	5,906	5,693	5,870	5,635
Operating lease fees	4,651	4,848	9,438	11,348
Telecommunications and IT services	6,246	7,033	6,152	6,920
Travel and related staff development and training	6,895	6,874	6,756	6,774
Carrying amount of assets sold	321	4,317	278	5,642
Fees	13,900	9,686	13,741	9,686
Utilities	2,977	2,394	2,953	2,394
Other expenses	6,875	6,392	7,300	5,313
<b>Total other expenses</b>	<b>65,050</b>	<b>65,550</b>	<b>69,484</b>	<b>71,718</b>

## Note 16. Cash and cash equivalents

	Consolidated		Parent entity	
	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
Cash at bank and on hand	79,227	16,513	71,478	9,090
Deposits at call	–	10,171	–	10,171
<b>Total cash assets</b>	<b>79,227</b>	<b>26,684</b>	<b>71,478</b>	<b>19,261</b>

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	79,227	26,684	71,478	19,261
Less: bank overdrafts	–	–	–	–
<b>Balance per statement of cash flows</b>	<b>79,227</b>	<b>26,684</b>	<b>71,478</b>	<b>19,261</b>

## Note 17. Receivables

	Consolidated		Parent entity	
	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
<b>Current</b>				
Student loans	151	168	151	169
Debtors	15,072	6,973	15,072	6,970
Less: provision for doubtful debts	(1,091)	(1,066)	(1,091)	(1,066)
	14,132	6,075	14,132	6,073
Receivables from related companies	11	–	11	95
Deferred government contribution for superannuation	5,865	5,616	5,865	5,616
<b>Total current receivables</b>	<b>20,008</b>	<b>11,691</b>	<b>20,008</b>	<b>11,784</b>
<b>Non-current</b>				
Other receivables from associated companies	9	167	11,202	13,990
Other receivables	262	76	262	76
Less: provision for doubtful debts	–	–	–	–
	271	243	11,464	14,066
Deferred government contribution for superannuation	121,629	116,469	121,629	116,469
<b>Total non-current receivables</b>	<b>121,900</b>	<b>116,712</b>	<b>133,093</b>	<b>130,535</b>
<b>Total receivables</b>	<b>141,908</b>	<b>128,403</b>	<b>153,101</b>	<b>142,319</b>

## Note 17. Receivables (continued)

### Deferred government contribution for superannuation

In accordance with the directions issued in January 1999 and the revised 1998 instructions issued by the former Commonwealth Department of Education, Training and Youth Affairs (DETYA) now known as the Department of Education, Science and Training (DEST) the effects of the unfunded superannuation liabilities of Swinburne University of Technology and controlled entities were recorded in the Income Statement and Balance Sheet for the first time in 1998. The prior practice had been to disclose these liabilities by way of a note to the financial statements.

An arrangement exists between the Australian Government and the Victorian State Government to meet the unfunded liability for current or former employees of Swinburne University of Technology who are members or beneficiaries of the Victorian State Superannuation Scheme on an emerging cost basis. This arrangement is evidenced by the *Commonwealth's State Grants (General Revenue) Amendment Act 1987, Higher Education Funding Act 1988* and subsequent amending legislation. Accordingly the unfunded liabilities have been recognised in the Balance Sheet under Provisions with a corresponding asset recognised under Receivables. The recognition of both the asset and the liability consequently does not affect the year end net asset position of Swinburne University of Technology and its controlled entities.

The unfunded liabilities recorded in the Balance Sheet under Provisions have been based on the determination of the value of net liabilities as at 30 June 2004, 30 June 2005 and the projected net liability as at 30 June 2006 by Mercer Human Resource Consulting under AASB 119 in accordance with estimates relating to discount rate, rate of salary increases, pension indexation and a rate of investment return on fund assets.

The University has applied the mid-point average of the net liability as at 30 June 2005 and projected liability at 30 June 2006 to calculate and bring to account the estimated net liability as at 31 December 2005.

## Note 18. Inventories

	Consolidated		Parent entity	
	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
<b>Current</b>				
Inventories	1,260	969	1,259	969
<b>Total current inventories</b>	<b>1,260</b>	<b>969</b>	<b>1,259</b>	<b>969</b>
<b>Non-current</b>				
Inventories	–	–	–	–
<b>Total non-current inventories</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total inventories</b>	<b>1,260</b>	<b>969</b>	<b>1,259</b>	<b>969</b>

## Note 19. Available-for-sale financial assets

	Consolidated		Parent entity	
	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
At beginning of year	39,636	1,624	39,636	1,624
Adjustment on adoption of AASB 132 and AASB 139	–	38,012	–	38,012
Additions	1,791	–	1,791	–
Disposals (sale and redemption)	(23,301)	–	(23,301)	–
Revaluation surplus transfer to equity	1,415	–	1,415	–
<b>At end of year</b>	<b>19,541</b>	<b>39,636</b>	<b>19,541</b>	<b>39,636</b>
<b>Listed securities</b>				
Shares in corporations	11,081	9,538	11,081	9,538
Unit trust fixed interest	7,873	27,000	7,873	27,000
<b>Total listed securities at end of year</b>	<b>18,954</b>	<b>36,538</b>	<b>18,954</b>	<b>36,538</b>
<b>Unlisted securities</b>				
Unsecured notes	–	1,474	–	1,474
Unlisted securities in associates	587	1,624	587	1,624
<b>Total unlisted securities at end of year</b>	<b>587</b>	<b>3,098</b>	<b>587</b>	<b>3,098</b>

### (a) Transition to AASB 132 and AASB 139

The parent and consolidated entity has taken the exemption available under AASB 1 to apply AASB 132 Financial Instruments: Disclosure and Presentation and AASB 139 Financial Instruments: Recognition and Measurement from 1 January 2005.

### (b) Listed securities

All listed securities are in the name of Swinburne University of Technology. The listed securities are shown in the above note at their Fair Value of \$18.954 million at 31 December 2005. In

November 2005, Swinburne University of Technology appointed the Victorian Funds Management Corporation (VFMC) to manage the investments of the University in a balanced portfolio. The implementation of this investment strategy is to be staged over three years with transition from current holdings to incorporate strategic investment objectives commensurate with University investment policy. The effective interest rate on the dealer deposits is 8.50% and the effective interest rate on the listed securities is 6.03% at 31 December 2005.

### (c) Unlisted securities

Unlisted securities are untraded shares in venture operations in conjunction with other universities. These are essentially to develop training opportunities for participating universities.

### (d) Non-current assets pledged as security

Refer to note 25 for information on non-current assets pledged as security by the parent entity or its controlled entities.

## Note 20. Other financial assets

	Consolidated		Parent entity	
	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
<b>Current</b>				
Dealer term deposits	–	21,474	–	21,474
<b>Total current other financial assets</b>	<b>–</b>	<b>21,474</b>	<b>–</b>	<b>21,474</b>

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## Note 21. Property, plant and equipment

	Construction in progress	Freehold land	Freehold buildings	Plant and equipment	Leased plant and equipment	Library collection	Art collection	Total
CONSOLIDATED	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>At 1 January 2004</b>								
– Cost	7,213	–	–	71,541	6,739	29,361	–	114,854
– Valuation	–	79,921	268,787	–	–	–	–	348,708
Accumulated depreciation	–	–	–	(51,899)	(5,259)	(8,864)	–	(66,022)
<b>Net book amount</b>	<b>7,213</b>	<b>79,921</b>	<b>268,787</b>	<b>19,642</b>	<b>1,480</b>	<b>20,497</b>	<b>–</b>	<b>397,540</b>
<b>Year ended 31 December 2004</b>								
Opening net book amount	7,213	79,921	268,787	19,642	1,480	20,497	–	397,540
Revaluation increment	–	12,152	9,976	–	–	–	–	22,128
Additions	17,484	641	4,373	4,793	–	2,137	421	29,849
Asset disposals	–	–	–	(463)	–	(3,854)	–	(4,317)
Depreciation charge	–	–	(11,857)	(3,647)	(1,076)	(1,433)	–	(18,013)
Impairment on transition to AIFRS	–	–	–	(1,355)	–	(2,000)	–	(3,355)
<b>Closing net book amount</b>	<b>24,697</b>	<b>92,714</b>	<b>271,279</b>	<b>18,970</b>	<b>404</b>	<b>15,347</b>	<b>421</b>	<b>423,832</b>
<b>At 31 December 2004</b>								
– Cost	24,697	–	–	74,516	6,739	25,644	421	132,017
– Valuation	–	92,714	283,136	–	–	–	–	375,850
Accumulated depreciation	–	–	(11,857)	(55,546)	(6,335)	(10,297)	–	(84,035)
<b>Net book amount</b>	<b>24,697</b>	<b>92,714</b>	<b>271,279</b>	<b>18,970</b>	<b>404</b>	<b>15,347</b>	<b>421</b>	<b>423,832</b>
<b>Year ended 31 December 2005</b>								
Opening net book amount	24,697	92,714	271,279	18,970	404	15,347	421	423,832
Revaluation increment	–	–	–	–	–	–	–	–
Additions	1,903	–	12,218	5,533	6,349	1,175	–	27,178
Asset disposals	–	–	–	(321)	–	–	–	(321)
Depreciation charge	–	–	(10,614)	(4,117)	(760)	(2,048)	–	(17,539)
<b>Closing net book amount</b>	<b>26,600</b>	<b>92,714</b>	<b>272,883</b>	<b>20,065</b>	<b>5,993</b>	<b>14,474</b>	<b>421</b>	<b>433,150</b>
<b>At 31 December 2005</b>								
– Cost	26,600	–	12,218	67,947	13,088	24,049	421	144,323
– Valuation	–	92,714	271,279	–	–	–	–	363,993
Accumulated depreciation	–	–	(10,614)	(47,882)	(7,095)	(9,575)	–	(75,166)
<b>Net book amount</b>	<b>26,600</b>	<b>92,714</b>	<b>272,883</b>	<b>20,065</b>	<b>5,993</b>	<b>14,474</b>	<b>421</b>	<b>433,150</b>



	Construction in progress	Freehold land	Freehold buildings	Plant and equipment	Leased plant and equipment	Library collection	Art collection	Total
PARENT ENTITY	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>At 1 January 2004</b>								
– Cost	7,213	–	–	71,362	6,739	29,265	–	114,579
– Valuation	–	65,971	225,531	–	–	–	–	291,502
Accumulated depreciation	–	–	–	(51,871)	(5,259)	(8,845)	–	(65,975)
<b>Net book amount</b>	<b>7,213</b>	<b>65,971</b>	<b>225,531</b>	<b>19,491</b>	<b>1,480</b>	<b>20,420</b>	<b>–</b>	<b>340,106</b>
<b>Year ended 31 December 2004</b>								
Opening net book amount	7,213	65,971	225,531	19,491	1,480	20,420	–	340,106
Revaluation increment	–	9,391	8,647	–	–	–	–	18,038
Additions	2,484	641	3,527	4,753	–	2,138	421	13,964
Disposals	–	(1,401)	–	(463)	–	(3,778)	–	(5,642)
Depreciation charge	–	–	(5,756)	(3,622)	(1,076)	(1,433)	–	(11,887)
Impairment on transition to AIFRS	–	–	–	(1,355)	–	(2,000)	–	(3,355)
<b>Closing net book amount</b>	<b>9,697</b>	<b>74,602</b>	<b>231,949</b>	<b>18,804</b>	<b>404</b>	<b>15,347</b>	<b>421</b>	<b>351,224</b>
<b>At 31 December 2004</b>								
– Cost	9,697	–	–	65,504	6,739	24,149	421	106,510
– Valuation	–	74,602	237,705	–	–	–	–	312,307
Accumulated depreciation	–	–	(5,756)	(46,700)	(6,335)	(8,802)	–	(67,593)
<b>Net book amount</b>	<b>9,697</b>	<b>74,602</b>	<b>231,949</b>	<b>18,804</b>	<b>404</b>	<b>15,347</b>	<b>421</b>	<b>351,224</b>
<b>Year ended 31 December 2005</b>								
Opening net book amount	9,697	74,602	231,949	18,804	404	15,347	421	351,224
Revaluation increment	–	–	–	–	–	–	–	–
Additions	1,367	–	10,231	5,494	6,349	1,175	–	24,616
Disposals	–	–	–	(278)	–	–	–	(278)
Depreciation charge	–	–	(5,765)	(4,108)	(760)	(2,048)	–	(12,681)
<b>Closing net book amount</b>	<b>11,064</b>	<b>74,602</b>	<b>236,415</b>	<b>19,912</b>	<b>5,993</b>	<b>14,474</b>	<b>421</b>	<b>362,881</b>
<b>At 31 December 2005</b>								
– Cost	11,064	–	10,231	67,772	13,088	24,049	421	126,625
– Valuation	–	74,602	231,949	–	–	–	–	306,551
Accumulated depreciation	–	–	(5,765)	(47,860)	(7,095)	(9,575)	–	(70,295)
<b>Net book amount</b>	<b>11,064</b>	<b>74,602</b>	<b>236,415</b>	<b>19,912</b>	<b>5,993</b>	<b>14,474</b>	<b>421</b>	<b>362,881</b>

#### Valuations of land and buildings

The basis of valuation of land and buildings is fair value being the amounts for which the assets could be exchanged between willing parties in an arm's length transaction, based on current December prices in an active market for similar properties in the same location and condition. The 31 December 2003 revaluations were made by the Valuer General and the 31 December 2004

revaluations for land were based on information provided by the Valuer General and buildings were based on movements in the consumer price index obtained from the Australian Bureau of Statistics. Assessments conducted by management at 31 December 2005 concluded that no revaluation adjustment should be included in the accounts as the change was not significant.

#### Property owned by the Crown

The University is carrying property in its accounts where the title to the property is in the name of the Minister for Education and Training. As at 31 December 2005, the value of land and buildings at written down value in the University's books attributed to the Crown amounts to \$146.676 million.

## Note 22. Intangible assets

### Consolidated / Parent

	Development costs Student system \$'000	Software \$'000	Total \$'000
<b>At 1 January 2004</b>			
Cost	–	–	–
Accumulated depreciation and impairment	–	–	–
<b>Net book amount</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Year ended 31 December 2004</b>			
Opening net book amount	–	–	–
Additions	1,602	50	1,652
Amortisation charge	–	(6)	(6)
<b>Closing net book amount</b>	<b>1,602</b>	<b>44</b>	<b>1,646</b>
<b>At 31 December 2004</b>			
Cost	1,602	50	1,652
Accumulated amortisation and impairment	–	(6)	(6)
<b>Net book amount</b>	<b>1,602</b>	<b>44</b>	<b>1,646</b>
<b>Year ended 31 December 2005</b>			
Opening net book amount	1,602	44	1,646
Additions	356	–	356
Development costs written off	(1,958)	–	(1,958)
Amortisation charge	–	(6)	(6)
<b>Closing net book amount</b>	<b>–</b>	<b>38</b>	<b>38</b>
<b>At 31 December 2005</b>			
Cost	–	50	50
Accumulated amortisation and impairment	–	(12)	(12)
<b>Closing net book amount</b>	<b>–</b>	<b>38</b>	<b>38</b>

## Note 23. Other non-financial assets

	Consolidated		Parent entity	
	2005 \$000	2004 \$000	2005 \$000	2004 \$000
<b>Current</b>				
Prepayments	7,106	3,566	7,074	3,566
<b>Total current other non-financial assets</b>	<b>7,106</b>	<b>3,566</b>	<b>7,074</b>	<b>3,566</b>
<b>Non-current</b>				
Other	–	77	–	77
<b>Total non-current other non-financial assets</b>	<b>–</b>	<b>77</b>	<b>–</b>	<b>77</b>
<b>Total other non-financial assets</b>	<b>7,106</b>	<b>3,643</b>	<b>7,074</b>	<b>3,643</b>

## Note 24. Payables

	Consolidated		Parent entity	
	2005 \$000	2004 \$000	2005 \$000	2004 \$000
<b>Current</b>				
Trade creditors	31,562	18,647	31,553	18,623
Amounts payable to wholly-owned subsidiaries	(208)	–	–	–
<b>Total current payables</b>	<b>31,354</b>	<b>18,647</b>	<b>31,553</b>	<b>18,623</b>
<b>Non-current</b>				
Amounts payable to wholly-owned subsidiaries	–	–	–	–
<b>Total non-current payables</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total payables</b>	<b>31,354</b>	<b>18,647</b>	<b>31,553</b>	<b>18,623</b>

## Note 25. Interest bearing liabilities

	Consolidated		Parent entity	
	2005 \$000	2004 \$000	2005 \$000	2004 \$000
<b>Current</b>				
<b>Secured</b>				
Bank overdrafts	–	–	–	–
Bank loans	1,000	1,000	1,000	1,000
Lease liabilities	1,081	–	1,081	–
Other loans	–	95	–	–
<b>Total current secured interest bearing liabilities</b>	<b>2,081</b>	<b>1,095</b>	<b>2,081</b>	<b>1,000</b>
<b>Unsecured</b>				
Bank loans	97	90	97	90
Lease liabilities	–	802	–	802
<b>Total current unsecured interest bearing liabilities</b>	<b>97</b>	<b>892</b>	<b>97</b>	<b>892</b>
<b>Total current interest bearing liabilities</b>	<b>2,178</b>	<b>1,987</b>	<b>2,178</b>	<b>1,892</b>
<b>Non-current</b>				
<b>Secured</b>				
Bank loans	2,500	3,500	2,500	3,500
Lease liabilities	4,928	–	4,928	–
<b>Total non-current secured interest bearing liabilities</b>	<b>7,428</b>	<b>3,500</b>	<b>7,428</b>	<b>3,500</b>
<b>Unsecured</b>				
Bank loans	1,919	2,017	1,919	2,017
<b>Total non-current unsecured interest bearing liabilities</b>	<b>1,919</b>	<b>2,017</b>	<b>1,919</b>	<b>2,017</b>
<b>Total non-current interest bearing liabilities</b>	<b>9,347</b>	<b>5,517</b>	<b>9,347</b>	<b>5,517</b>
<b>Total interest bearing liabilities</b>	<b>11,525</b>	<b>7,504</b>	<b>11,525</b>	<b>7,409</b>

## Note 25. Interest bearing liabilities (continued)

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

	Notes	Consolidated		Parent entity	
		2005 \$000	2004 \$000	2005 \$000	2004 \$000
<b>Current</b>					
<b>Floating charge</b>					
Cash and cash equivalents	16	–	–	–	–
Receivables	17	–	–	–	–
<b>Total current assets pledged as security</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Non-current</b>					
<b>First mortgage</b>					
Freehold land and buildings	21	35,996	35,996	35,996	35,996
<b>Finance lease</b>					
Plant and equipment	21	5,993	404	5,993	404
<b>Floating charge</b>					
Receivables	17	–	–	–	–
Other financial assets	20	–	–	–	–
Plant and equipment	21	–	–	–	–
<b>Total non-current assets pledged as security</b>		<b>41,989</b>	<b>36,400</b>	<b>41,989</b>	<b>36,400</b>
<b>Total assets pledged as security</b>		<b>41,989</b>	<b>36,400</b>	<b>41,989</b>	<b>36,400</b>

### Financing arrangements

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

#### Credit standby arrangements

<b>Total facilities</b>					
Net debt bank overdrafts		30	30	30	30
Online credit limit		500	500	500	500
Bank guarantee		100	–	100	–
Online direct credit		9,150	10,500	9,150	10,500
Documentary letter of credit		1,000	750	1,000	750
Bill – floating rate		2,062	2,062	2,062	2,062
<b>Total facilities</b>		<b>12,842</b>	<b>13,842</b>	<b>12,842</b>	<b>13,842</b>
<b>Used at balance date</b>					
Net debt bank overdrafts		–	–	–	–
Online credit limit		–	–	–	–
Bank guarantee		100	–	100	–
Online direct credit		–	–	–	–
Documentary letter of credit		–	–	–	–
Bill – floating rate		2,062	2,062	2,062	2,062
<b>Total facilities used at balance date</b>		<b>2,162</b>	<b>2,062</b>	<b>2,162</b>	<b>2,062</b>
<b>Unused at balance date</b>					
Net debt bank overdrafts		30	30	30	30
Online credit limit		500	500	500	500
Bank guarantee		–	–	–	–
Online direct credit		9,150	10,500	9,150	10,500
Documentary letter of credit		1,000	750	1,000	750
Bill – floating rate		–	–	–	–
<b>Total facilities unused at balance date</b>		<b>10,680</b>	<b>11,780</b>	<b>10,680</b>	<b>11,780</b>
<b>Bank loan facilities</b>					
Total facilities		12,842	13,842	12,842	13,842
Used at balance date		2,162	2,062	2,162	2,062
<b>Unused at balance date</b>		<b>10,680</b>	<b>11,780</b>	<b>10,680</b>	<b>11,780</b>

## Note 26. Provisions

	Consolidated		Parent entity	
	2005 \$000	2004 \$000	2005 \$000	2004 \$000
<b>Current</b>				
<b>Employee benefits</b>				
Annual leave	6,081	5,810	6,039	5,769
Long service leave	7,073	6,706	7,073	6,706
Deferred benefits for superannuation	5,865	5,616	5,865	5,616
Performance allowances	636	679	636	657
Accrued salaries	4,945	3,289	4,897	3,228
Parental leave	532	–	532	–
<b>Total current provisions</b>	<b>25,132</b>	<b>22,100</b>	<b>25,042</b>	<b>21,976</b>
<b>Non-current</b>				
<b>Employee benefits</b>				
Annual leave	4,811	4,680	4,752	4,680
Long service leave	12,471	10,623	12,426	10,603
Deferred benefits for superannuation	121,629	116,469	121,629	116,469
<b>Total non-current provisions</b>	<b>138,911</b>	<b>131,772</b>	<b>138,807</b>	<b>131,752</b>
<b>Total provisions</b>	<b>164,043</b>	<b>153,872</b>	<b>163,849</b>	<b>153,728</b>

The provision for annual leave and long service leave is calculated as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date.

Annual leave, is in the main, expected to be taken within 12 months of the employee's entitlement.

Long service leave is available to be taken after 10 years of service entitlements but is historically taken much later.

The provision for accrued salaries is the proportion of unpaid salaries due to employees as at the end of the reporting year due to fortnightly pay periods extending beyond the reporting date. This figure is re-assessed on an annual basis and brought to account accordingly at year end.

The provision for parental leave relates to employees who are entitled to leave under prevailing enterprise bargaining regulations. This entitlement is assessed on an annual basis and is normally expended within 12 months of the reporting date.

Deferred benefits for superannuation relates to unfunded liabilities within the Victorian State Superannuation Fund. It includes liabilities for member's benefits in excess of the fund's assets. The University is required by the *Victorian Financial Management Act 1994* to include its share of unfunded superannuation liabilities in its financial statements. The amount attributable to the University has been assessed by the Government Superannuation Office as at 30 June 2005 and 30 June 2006. The University has used this data to project the figure as at 31 December 2005. Under existing arrangements the Australian Government provides funds under the *Higher Education Funding Act* to cover pension payments and lump

sums in respect of Higher Education employees paid by the University to the Victorian Government Superannuation Office. These arrangements have been in place for a number of years and it is reasonable to expect they will continue into the future. Further, it is the University's view that Section 14(1) of the *States Grants (General Purposes) Act 1994* acknowledges the existence of a constructive obligation on the part of the Australian Government to continue funding universities for debts they incur in relation to emerging superannuation liabilities. The University has consequently brought to account an asset of sufficient value to offset the liability.

## Note 26. Provisions (continued)

University employees are members of a range of superannuation schemes, which are divided into the following categories:

### State Superannuation Fund

#### Higher Education

Employer contributions are paid as costs emerge, that is, as employees become eligible for payment of the accrued benefits. Contributions paid by the University to the State Superannuation Fund are funded by Australian Government financial assistance, which is determined annually under the Higher Education Funding Act. In 2005 contributions were \$9,392,000 (2004: \$8,229,089). No employer contributions were outstanding as at December 2005.

#### TAFE

Since July 1994 the TAFE Division has been required to cover the employer's share of superannuation for employees who are members of the State Superannuation Scheme. In 2005 the cost amounted to \$1,376,680 (2004: \$1,412,219) which was fully funded by OTTE.

### State Employees Retirement Benefit Scheme

Superannuation contributions are calculated in accordance with the award agreement and amounted to \$53,260 (2004: \$61,986). No employer contributions were outstanding at 31 December 2005.

Employer contributions are made at the rate of 12.5%.

The following information has been provided by an independent actuary employed by the Government Superannuation Office (GSO) which tabulates the net liability for years ended 30 June 2004 and 30 June 2005 and a projected net liability for 30 June 2006 in accordance with the requirements under AASB 119.

As the University's financial year ends on 31 December, the mid point of the Net Liability as at 30 June 2005 and 30 June 2006 was used as the figure to be included in the University's accounts for 31 December 2005.

The table below illustrates this methodology.

	30 June 2004	30 June 2005	30 June 2006
	\$'m	\$'m	\$'m
Assets	32.677	33.015	32.828
Accrued benefit liability	138.510	150.628	148.939
Investment tax liability	–	–	–
Net liability before contributed tax	105.833	117.613	116.111
Tax liability on future contributions	10.297	10.427	10.836
Net liability	116.130	128.040	126.947

### Superannuation Scheme for Australian Universities

Under the new AASB 119 Employee Benefits the net position of each defined benefit superannuation scheme must be recognised as an asset or liability, as applicable. Movements in the carrying amount of this liability or asset will be recognised as a revenue or expense, which is likely to result in increased earnings volatility.

#### Defined Benefits Plan (DBP)

UniSuper has advised the University that it has adopted the multi-employer provisions of the new Australian Accounting Standard AASB 119 – Employee Benefits.

The multi-employer provisions allow employers with defined benefit obligations to report on a defined contributions basis, with some additional information also reported. AASB 119 states that this is an appropriate solution in cases where:

- the employer does not have access to the information required; or
- there is no reliable basis for allocating the benefit liabilities, assets and costs between employers.

Based on this information the University will not account for any surpluses or shortfalls in its accounts.

Therefore for the 2005 year and all future years, UniSuper will only provide additional information detailing the overall position of the fund and report on a defined contribution basis under the multi-employer provisions of AASB 119.

The following information is provided:

The UniSuper Defined Benefit Plan (DBP) provides defined benefit targets.

Sufficient information is not available to account for the defined targets provided by the DBP as a defined benefit plan. As set out under paragraph 32 (b) of AASB 119, the DBP targets may expose the participating employers to actuarial risks associated with the current and former employees of other participating employers, with the result that there is no consistent and reliable basis for allocating the obligation, plan assets and cost to participating employers.

As at 30 June 2005 there is no funding surplus or deficit which currently affects, or is expected to affect, the amount of future contributions payable by participating employers to the DBP.

Historically, surplus in the DBP has been used to improve members' benefits and has not affected the amount of participating employers' contributions.

As at 30 June 2005 the assets of the DBP in aggregate were estimated to be \$230 million in excess of vested benefits. The vested benefits are benefits which are not conditional upon continued membership (or any factor other than leaving the service of the participating institution) and include the value of CPI indexed pensions being provided by the DBP.

As at 30 June 2005 the assets of the DBP in aggregate were estimated to be \$1,543 million in excess of accrued benefits. The accrued benefits have been calculated as the present value of expected future benefits to members and CPI indexed pensioners which arise from membership of UniSuper up to the reporting date.

The vested benefits and accrued benefit liabilities were determined by the Fund's actuary Russell Employee Benefits using the actuarial demographic assumptions outlined in their report dated 16 May 2003 on the actuarial investigation of the DBP as at 31 December 2002.

The financial assumptions used were:

	Vested benefits	Accrued benefits
Gross of tax investment return	7.0% p.a.	9.1% p.a.
Net of tax investment return	6.5% p.a.	8.6% p.a.
Consumer Price Index	2.5% p.a.	2.5% p.a.
Inflationary salary increases	3.5% p.a.	3.5% p.a.

*(Additional promotional salary increases are assumed to apply based on past experience).*

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

Clause 34 of the UniSuper Trust Deed outlines the process that 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 the benefits payable under the Deed. At least four years notice that such a request may be made is required. Employers must jointly determine the amount (if any) they are willing to contribute as additional contributions to UniSuper. If such a request was agreed to by all the employers, then members must also contribute additional contributions equal to one-half of the rate at which the employers are jointly prepared to contribute. If all the employers do not agree to increase contributions, the Trustee must reduce benefits payable to defined benefit members on a fair and equitable basis. The Trustee notified employers during 2003 that such a request may be made in the future, but considered that this was unlikely at that time.

## Note 27. Other liabilities

	Consolidated		Parent entity	
	2005 \$000	2004 \$000	2005 \$000	2004 \$000
<b>Current</b>				
Student fees in advance	2,586	132	2,388	132
Income in advance	15	263	15	263
Other	45	624	45	624
<b>Total current other liabilities</b>	<b>2,646</b>	<b>1,019</b>	<b>2,448</b>	<b>1,019</b>
<b>Non-current</b>				
Discount received on capital notes	–	21	–	13
<b>Total non-current other liabilities</b>	<b>–</b>	<b>21</b>	<b>–</b>	<b>13</b>
<b>Total other liabilities</b>	<b>2,646</b>	<b>1,040</b>	<b>2,448</b>	<b>1,032</b>

## Note 28. Statutory funds

	Consolidated		Parent entity	
	2005 \$000	2004 \$000	2005 \$000	2004 \$000
Statutory funds	–	–	–	–
<b>Total statutory funds</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>

## Note 29. Reserves and retained surplus

	Consolidated		Parent entity	
	2005 \$000	2004 \$000	2005 \$000	2004 \$000
<b>Reserves</b>				
Asset revaluation reserve				
– Land	59,401	59,401	42,692	42,692
– Buildings	136,358	136,358	85,921	85,921
Available-for-sale financial assets	1,415	–	1,415	–
<b>Total reserves</b>	<b>197,174</b>	<b>195,759</b>	<b>130,028</b>	<b>128,613</b>
<b>(a) Asset revaluation reserve</b>				
– Land				
Balance at beginning of year	59,401	47,614	42,692	33,667
Increment on revaluation of land	–	12,152	–	9,390
Transfer to retained surplus – land and buildings	–	(365)	–	(365)
<b>Balance at end of year</b>	<b>59,401</b>	<b>59,401</b>	<b>42,692</b>	<b>42,692</b>
– Buildings				
Balance at beginning of year	136,358	126,550	85,921	77,440
Increase in valuation of buildings	–	9,976	–	8,649
Transfer to retained surplus – land and buildings	–	(168)	–	(168)
<b>Balance at end of year</b>	<b>136,358</b>	<b>136,358</b>	<b>85,921</b>	<b>85,921</b>
<b>(b) Available-for-sale investment reserve</b>				
Balance at beginning of year	–	–	–	–
Increment on value of investments	1,415	–	1,415	–



## Note 29. Reserves and retained surplus (continued)

	Consolidated		Parent entity	
	2005 \$000	2004 \$000	2005 \$000	2004 \$000
<b>Balance at end of year</b>	<b>1,415</b>	<b>–</b>	<b>1,415</b>	<b>–</b>
<b>(c) Retained surplus</b>				
Retained surplus at the beginning of the year	269,487	252,217	270,767	259,870
Net operating result attributable to the parent entity	5,925	16,435	5,256	10,328
Movement in asset revaluation reserve	–	533	–	533
Transfer of subsidiary company to parent	54	(92)	(54)	(92)
Transition to AIFRS	–	128	–	128
Transfer to outside equity interests in prior years	–	272	–	–
Write back of minority interests	22	(6)	–	–
<b>Retained surplus at the end of the year</b>	<b>275,488</b>	<b>269,487</b>	<b>275,969</b>	<b>270,767</b>

## Note 30. Minority interest

	Consolidated		Parent entity	
	2005 \$000	2004 \$000	2005 \$000	2004 \$000
Net operating result attributed to outside interests	–	22	–	–

## Note 31. Responsible persons and executive officers

### (a) Names of responsible persons

The responsible Minister is the Hon Lynne Kosky MP, Minister for Education, whose salary is disclosed in the financial report of the Department of Premier and Cabinet.

The following persons were responsible persons of Swinburne University of Technology during the year:

#### Membership of Council:

Mr T W Brown, FCA, (Deputy Chancellor)

Ms K Bowlen, BA(SUT), MEAA

Mr B Cohen, BComm(Hons)(UNSW), FCPA

Mr D J Eynon, BEcon(Monash), MA(Melb)

Ms H Gray, BA(Hons)/LLB(Hons)(Melb)

Ms S Desmond

Mr R G Hodges, Dip(Eng)(Aero)(RMIT)

Ms J King, BA(Murdoch), FAICD

Mr D Loader, BSc(Hons), DipEd, Med(Syd)

Mr S Lipski, AM, BA(Melb)

Prof H Lueckenhausen, PhD,  
GradDipIndustrialDesign(RMIT),  
DipEd(Hawthorn), MDIA, AADM

Mr G Leonard, BSc(Melb), MACS

Mr S van der Mye, BComm(Hons),  
PhD(UNSW), FCPA, FAICD, CDIS,  
FAIM, FFSIA

Mr J Ngam

Ms L Palmer,  
GradCertAppSci(InstructionalDesign)  
(Deakin), DipTeach(UniSA),  
AssocDipArts(HealthEd)(WACAE)

Ms V Ryan, GradDipAcc(SUT)

Mr B Scales, BEc(Monash), AO  
(Chancellor)

Mr D Street, BA(Hons)(Otago),  
DipEd(Christchurch)

Ms K Townsend, BA, DipEd,  
MEdStud(Monash)

Ms J Trehwella, BA(Hons)(ANU)

Mr D R Watson, DipMS(London), FCIS,  
FAICD, FAIBF

Prof I Young BE(Hons), MEngSc, PhD  
(JCU), FIEAust, FTSE (Vice-Chancellor)

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**Note 31. Responsible persons and executive officers (continued)**

**(b) Remuneration of council members and executives**

	Consolidated		Parent entity	
	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
Income paid or payable, or otherwise made available, to council members by entities in the consolidated entity and related parties in connection with the management of affairs of the parent entity or its controlled entities:	746	764	746	764
<b>Remuneration of council members</b>	<b>2005 (no.)</b>	<b>2004 (no.)</b>	<b>2005 (no.)</b>	<b>2004 (no.)</b>
\$10,000 to \$19,999	–	–	–	–
\$20,000 to \$29,999	–	–	–	–
\$30,000 to \$39,999	–	–	–	–
\$40,000 to \$49,999	1	1	1	1
\$50,000 to \$59,999	1	–	1	–
\$60,000 to \$69,999	–	1	–	1
\$90,000 to \$99,000	1	–	1	–
\$100,000 to \$109,999	–	1	–	1
\$110,000 to \$119,999	1	–	1	–
\$120,000 to \$129,999	–	1	–	1
\$160,000 to \$169,999	–	1	–	1
\$170,000 to \$179,999	1	–	1	–
\$250,000 to \$259,999	1	1	1	1
Income paid or payable, or otherwise made available, to executive officers by entities in the consolidated entity and related parties: executive officer is defined as any person in a senior line position with direct reporting to the Chief Executive Officer.	2,041	1,626	2,041	1,494
<b>Remuneration of executive officers</b>	<b>2005 (no.)</b>	<b>2004 (no.)</b>	<b>2005 (no.)</b>	<b>2004 (no.)</b>
\$100,000 to \$109,999	–	–	–	–
\$110,000 to \$119,999	–	–	–	–
\$120,000 to \$129,999	–	–	–	–
\$130,000 to \$139,999	1	2	1	1
\$140,000 to \$149,999	–	1	–	1
\$150,000 to \$159,999	1	1	1	1
\$160,000 to \$169,999	2	–	2	–
\$170,000 to \$179,999	–	4	–	4
\$180,000 to \$189,999	2	2	2	2
\$190,000 to \$199,999	2	–	2	–
\$200,000 to \$209,999	2	–	2	–
\$250,000 to \$259,999	1	–	1	–

**(c) Related party transactions**

Deloitte Touche Tohmatsu.

Mr T Brown, Deputy Chancellor, is a retired partner of the firm Deloitte Touche Tohmatsu. The firm did not provide any consulting services to the University in 2005 (2004: \$65,964).

## Note 32. Remuneration of auditors

During the year the following fees were paid for services provided by the auditor of the parent entity, its related practices and non-related audit firms:

	Consolidated		Parent entity	
	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
<b>Assurance services</b>				
<b>1. Audit services</b>				
Fees paid to Auditor General of Victoria Audit and review of financial reports and other audit work under the Corporations Act 2001	67	63	54	52
Fees paid to other audit firms for the audit or review of financial reports of any entity in the consolidated entity	21	–	21	–
<b>Total remuneration for audit services</b>	<b>88</b>	<b>63</b>	<b>75</b>	<b>52</b>
<b>2. Other assurance services</b>				
Fees paid to Auditor General of Victoria Audit of Jade Student Management System Selection	–	21	–	21
Fees paid to related practices of (Auditor General of Victoria)	–	–	–	–
Fees paid to non-audit firms	41	66	41	66
<b>Total remuneration for other assurance services</b>	<b>41</b>	<b>87</b>	<b>41</b>	<b>87</b>
<b>Total remuneration for assurance services</b>	<b>129</b>	<b>150</b>	<b>116</b>	<b>139</b>

## Note 33. Contingent liabilities and contingent assets

### Contingent liabilities

The parent entity and consolidated entity had contingent liabilities at 31 December 2005 in relation to:

(1) A controlled entity of the University, Swinburne Ltd entered into an agreement in 2004 with a private sector organisation (Special Purpose Vehicle [SPV]) that required the SPV to build, own, operate and transfer (BOOT arrangement) two buildings at the Hawthorn Campus of Swinburne University that incorporated office space, student accommodation and car parking facilities. The total cost of the project (including design and construction costs) was approximately \$90 million, which was incurred over the 2004 and 2005 calendar years.

The development comprises almost 15,000 square metres of student accommodation, approximately 7,500 square metres of office space, 1,580 square metres of ground floor retail space, and 6,700 square metres of underground car park. Construction has been completed and the premises were available for use as from December 2005.

Swinburne University of Technology has occupied half of the office space (two floors in one of the buildings) and taken some retail space at an agreed annual rental. The University may also rent one floor of office space in the second building, commencing early in 2006.

Students will begin to occupy the student accommodation as from the commencement of the 2006 academic year. The SPV has commenced letting the retail areas and the remaining office space.

The concession period for the BOOT arrangement is estimated to be 27 years (2032), based on the relevant financial model, after which the development transfers to Swinburne Ltd (hence is a contingent asset). If the project's actual performance is below the level projected in the financial model, the first level of support will be met by the equity holders of the SPV. At performance levels below that Swinburne Ltd may be required to support the project or alternatively arrange to acquire the development in accordance with the formula in the project documents for determining market value (representing a contingent liability).

(2) 'Letters of comfort' provided by the University to certain subsidiary companies.

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### Note 33. Contingent liabilities and contingent assets (continued)

#### Guarantees

The parent entity and consolidated entity has provided a bank guarantee in respect of an associate entity to the value of \$100,000.

No material losses are anticipated in respect of any of the above contingent liabilities.

#### Contingent assets

The University has entered into an agreement with an outside party to build, own, operate and transfer (BOOT) a student village on the Pratt Campus, Lilydale.

The ground lease agreement is for a 29-year period and will end on 29 December 2029, after which the buildings will revert to the University. The total costs of the project, which includes design and construction costs, amounted to \$9.5 million approximately.

### Note 34. Commitments for expenditure

#### (a) Capital commitments

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

	Consolidated		Parent entity	
	2005 \$000	2004 \$000	2005 \$000	2004 \$000
<b>Property, plant and equipment</b>				
Payable:				
Within one year	16,562	9,257	11,338	9,257
Later than one year but not later than five years	–	–	–	–
Later than five years	–	–	–	–
<b>Total property, plant and equipment</b>	<b>16,562</b>	<b>9,257</b>	<b>11,338</b>	<b>9,257</b>
<b>Intangible assets</b>				
Payable:				
Within one year	716	–	716	–
Later than one year but not later than five years	366	–	366	–
Later than five years	–	–	–	–
<b>Total intangible assets</b>	<b>1,082</b>	<b>–</b>	<b>1,082</b>	<b>–</b>

The above commitments include capital expenditure commitments of \$16.562m relating to the works on the BA and EN Buildings, the TC and TD Buildings, and the new Training Centre for the National Institute of Circus Arts.

#### (b) Lease commitments

##### (i) Operating leases for property and equipment:

	Consolidated		Parent entity	
	2005 \$000	2004 \$000	2005 \$000	2004 \$000
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:				
Within one year	5,959	3,129	5,959	3,129
Later than one year but not later than five years	9,725	3,801	9,725	3,801
Later than five years	37,179	–	37,179	–
<b>Total commitments for minimum lease payments</b>	<b>52,863</b>	<b>6,930</b>	<b>52,863</b>	<b>6,930</b>

The weighted average interest rate implicit in the non-cancellable operating leases is 7.47% (2004: 7.2%).

## Note 34. Commitments for expenditure (continued)

### (ii) Finance leases

Swinburne University of Technology leases computer equipment with a carrying amount of \$5.993m (2004: \$0.404m) under finance leases expiring within five years. Under the terms of the leases, the University has the option to acquire the leased assets on expiry of the leases.

	Consolidated		Parent entity	
	2005 \$000	2004 \$000	2005 \$000	2004 \$000
Commitments in relation to finance leases are payable as follows:				
Within one year	1,281	815	1,281	815
Later than one year but not later than five years	5,312	–	5,312	–
Later than five years	–	–	–	–
Minimum lease payments	6,593	815	6,593	815
Future finance charges	584	13	584	13
<b>Total recognised as a liability</b>	<b>6,009</b>	<b>802</b>	<b>6,009</b>	<b>802</b>
Total lease liabilities				
Representing lease liabilities:				
Current	1,081	802	1,081	802
Non-current	4,928	–	4,928	–
<b>Total recognised as a liability</b>	<b>6,009</b>	<b>802</b>	<b>6,009</b>	<b>802</b>

The weighted average interest rate implicit in the leases is 3.62% (2004: 4.62%)

## Note 35. Related parties

### Responsible persons and specified executives

Disclosures relating to members and specified executives are set out in note 31.

### Wholly-owned group

Ownership interests in controlled entities are set out in note 36.

Transactions between Swinburne University of Technology and other entities in the wholly-owned group during the years ended 31 December 2005 and 2004 consisted of:

- Rent from Swinburne University of Technology to Swinburne Ltd
- Loan from Swinburne University of Technology to Swinburne Ltd
- Corporate support services from Swinburne University to NICA

### Note 36. Investments in controlled entities

Name of entity	Country of incorporation	Class of shares	Ownership interest		Net equity		Total revenue		Operational result		Contribution to operating result	
			2005 %	2004 %	2005 \$000	2004 \$000	2005 \$000	2004 \$000	2005 \$000	2004 \$000	2005 \$000	2004 \$000
Swinburne Limited	Australia	Ltd. By Guarantee	100	100	58,632	58,632	4,843	6,500	–	–	–	–
Swinburne Holdings SDN BHD (in liquidation)	Malaysia	Ordinary	100	100	–	–	–	–	–	–	–	–
Swinburne Graduate School of Integrative Medicine Pty Ltd (to be deregistered in 2006)	Australia	Ordinary	100	100	–	–	–	–	–	–	–	–
National Institute of Circus Arts Ltd	Australia	Ltd. By Guarantee	100	100	7,945	7,372	3,890	9,532	570	6,134	570	6,134
BR (VIC) Pty Ltd (to be deregistered in 2006)	Australia	Ordinary	100	60	–	(56)	–	8	–	(40)	–	(24)
Swinburne Ventures Limited	Australia	Ltd. By Guarantee	100	100	–	–	–	–	–	–	–	–
Swinburne Intellectual Property Trust	Australia	Unincorporated trust	100	100	(3)	(14)	547	–	10	(4)	10	(4)
Swinburne Student Amenities Association Ltd	Australia	Ltd. By Guarantee	100	–	89	–	94	–	89	–	89	–
<b>Totals</b>					<b>66,663</b>	<b>65,934</b>	<b>9,374</b>	<b>16,040</b>	<b>669</b>	<b>6,090</b>	<b>669</b>	<b>6,106</b>

### Note 37. Investments in associates

Name of entity	Principal activity	Country of incorporation	Ownership interest		Consolidated carrying amount		Parent entity carrying amount		
			2005 %	2004 %	2005 \$000	2004 \$000	2005 \$000	2004 \$000	
Swinburne University	Post-Secondary								
Swinburne Sarawak Holdings SDN BHD	Education provider	Malaysia	25	25	–	1,353	–	1,353	

Swinburne Ventures Limited through its Swinburne Intellectual Property Trust has interests in the following entities most of which are at varying stages of development:

Name of entity	Country of incorporation	Class of shares	Ownership interest		Net equity		Total revenue		Operational result	
			2005 %	2004 %	2005 \$000	2004 \$000	2005 \$000	2004 \$000	2005 \$000	2004 \$000
3DCD Pty Ltd	Australia	Ordinary	45	45	(142)	(140)	–	–	(3)	(13)
Minifab Pty Ltd**	Australia	Ordinary	44	44	155	27	110	93	88	1
Sportsbet21 Pty Ltd**	Australia	Ordinary	30	30	–	(4)	18	16	7	(7)
Genos Pty Ltd**	Australia	Ordinary	24	24	82	16	466	536	63	18
OpalTree Systems Pty Ltd**	Australia	Ordinary	9	9	718	(525)	55	51	(1,197)	(539)
Plantic Technologies Ltd	Australia	Ordinary	–	2.3	–	5,320	–	1,041	–	(3,000)
Cortical Dynamics Ltd	Australia	Ordinary	30	–	(57)	38	19	19	(156)	(40)
Laser Surfacing Solutions Pty Ltd**	Australia	Ordinary	45	45	(79)	(38)	16	8	(63)	(38)
Nanotechnology Victoria Limited	Australia	Ordinary	–	–	–	5,320	1,889	541	–	(5)

\*\*The financial results for these entities have not yet been audited.

#### Other associated entities

Financial results for these entities are not available

Exago Pty Ltd

Logometrix Limited

Netschool Pty Ltd

Combi Array Pty Ltd

### Note 38. Events occurring after balance date

No events have occurred since balance date that would materially affect the University's accounts.

**Note 39. Reconciliation of operating result from ordinary activities after income tax to net cash inflow from operating activities**

	Consolidated		Parent entity	
	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
Operating result from ordinary activities after related income tax	5,925	16,413	5,256	10,328
Depreciation and amortisation	17,545	18,019	12,687	11,893
Net (gain) loss on sale of non-current assets	(255)	(98)	(255)	(98)
<b>Change in operating assets and liabilities, net of effects</b>				
(Increase) in trade debtors	(13,673)	(19,881)	(13,673)	3,097
Increase (decrease) in prepaid fees	2,256	(9,030)	2,256	(9,030)
(Increase) in inventories	(291)	(16)	(291)	(16)
(Increase) in other operating assets	(3,551)	(166)	(3,508)	(167)
Increase (decrease) in trade creditors	24,635	12,609	24,736	(6,796)
Increase (decrease) in other provisions	(705)	3,513	(797)	(196)
<b>Net cash inflow (outflow) from operating activities</b>	<b>31,886</b>	<b>21,363</b>	<b>26,411</b>	<b>9,015</b>

**Note 40. Financial instruments**

In November 2005, Swinburne University of Technology appointed the Victorian Funds Management Corporation (VFMC) to manage the investments of the University in a balanced portfolio. The implementation of this investment strategy is to be staged over three years with transition from current holdings to incorporate strategic investment objectives commensurate with changes to the University investment policy.

The implementation of the new investment strategy is to be staged over three years, with anticipated completion by 31 December 2008. As part of the overall investment policy, this strategy will be reviewed on an annual basis in conjunction with the VFMC and in line with changes to the University's cash flow requirements and anticipated market returns.

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## Note 40. Financial instruments (continued)

The University's accounting policies and the terms and conditions of each class of financial asset and financial liability, both recognised and unrecognised at balance date, are as follows:

### (a) Terms and conditions

Recognised financial instruments	Notes	Accounting policies	Terms and conditions
<b>Financial assets</b>			
Cash assets	16	Cash at bank is carried at the principal amount. Interest received on any bank balance is recognised in the financial statements when the bank account is credited.	Interest is paid half-yearly, at the prevailing bank rate, based on the average credit balance in the bank account.
Receivables – debtors	17	Debtors are carried at the nominal amounts due less any provision for doubtful debts. A doubtful debts provision is made for any amounts which are considered unlikely to be collectable.	Credit is allowed for a 30 day term.
Shares in corporations	19–20	Shares in corporations are carried at fair value. Dividends are recognised in the income statement when received and changes in fair value are adjusted against equity	Investments included under this heading are shares in corporations listed on the Australian Stock Exchange. Dividends are dependent on resolutions of the directors of the corporations concerned.
Dealer term deposits	19–20	Dealer term deposits are carried at fair value. Interest revenue is recognised in the financial statements when it is received.	The average maturity of term deposits can vary up to 180 days.
<b>Financial liabilities</b>			
Payables	24	Payables are recognised for future amounts to be paid in respect of goods and services received, whether or not billed to the University.	Settlement of payables is normally effected 30 days after the end of the month the debt is incurred.
Interest bearing liabilities	25	Borrowings are carried at their principal amounts.	Interest bearing liabilities consist of two loans, one from the Bank of Melbourne, repayable by quarterly instalments, the last of which falls due in January 2009. The loan is secured by registered first mortgage over land owned by the University. The interest rate is 6.36% per annum. The other is an unsecured loan from the National Australia Bank, repayable by half yearly instalments, the last of which falls due in December 2019. The interest rate per annum is 6.65%.
Financial leases	25	Finance leases are capitalised. Lease payments are allocated between the principal component of the lease liability and the interest expense.	There are five finance leases from Cisco Corporation. They are repayable in monthly instalments. The interest rate is 3.62% per annum.



**(b) Interest rate risk exposures**

The consolidated entity's exposure to interest rate risk and the effective weighted average interest rate by maturity periods is set out in the following table. For interest rates applicable to each class of asset or liability refer to individual notes to the financial statements. Exposures arise predominantly from assets and liabilities bearing variable interest rates as the consolidated entity intends to hold fixed rate assets and liabilities to maturity.

2005		Fixed interest maturing in:					Total
Notes	Floating interest rate \$000	1 year or less \$000	Over 1 to 5 years \$000	More than 5 years \$000	Non-interest bearing \$000	\$000	
<b>Financial assets</b>							
Cash assets	16	79,227	–	–	–	–	79,227
Receivables	17	–	–	–	–	20,279	20,279
Other financial assets – investments	19	7,873	–	–	–	11,668	19,541
<b>Total financial assets</b>		<b>87,100</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>31,947</b>	<b>119,047</b>
Weighted average interest rate		6.06%					
<b>Financial liabilities</b>							
Payables	24	–	–	–	–	(31,354)	(31,354)
Interest bearing liabilities	25	–	–	(3,500)	(2,017)	–	(5,517)
Finance leases	25	–	–	(6,008)	–	–	(6,008)
<b>Total financial liabilities</b>		<b>–</b>	<b>–</b>	<b>(9,508)</b>	<b>(2,017)</b>	<b>(31,354)</b>	<b>(42,879)</b>
Weighted average interest rate				4.63%	6.65%		
<b>Net financial assets (liabilities)</b>		<b>87,100</b>	<b>–</b>	<b>(9,508)</b>	<b>(2,017)</b>	<b>593</b>	<b>76,168</b>

2004		Fixed interest maturing in:					Total
Notes	Floating interest rate \$000	1 year or less \$000	Over 1 to 5 years \$000	More than 5 years \$000	Non-interest bearing \$000	\$000	
<b>Financial assets</b>							
Cash assets	16	26,684	–	–	–	–	26,684
Receivables	17	–	–	–	–	11,934	11,934
Other financial assets – investments	19, 20	21,481	38,005	–	–	1,624	61,110
<b>Total financial assets</b>		<b>48,165</b>	<b>38,005</b>	<b>–</b>	<b>–</b>	<b>13,558</b>	<b>99,728</b>
Weighted average interest rate		5.70%	5.91%				
<b>Financial liabilities</b>							
Interest bearing liabilities	25	–	(1,185)	(3,925)	(1,592)	–	(6,702)
Payables	24	–	–	–	–	(18,647)	(18,647)
Finance leases	25	–	(802)	–	–	–	(802)
<b>Total financial liabilities</b>		<b>–</b>	<b>(1,987)</b>	<b>(3,925)</b>	<b>(1,592)</b>	<b>(18,647)</b>	<b>(26,151)</b>
Weighted average interest rate			5.64%	6.38%	6.56%		
<b>Net financial assets (liabilities)</b>		<b>48,165</b>	<b>36,018</b>	<b>(3,925)</b>	<b>(1,592)</b>	<b>(5,089)</b>	<b>73,577</b>

## Note 40. Financial instruments (continued)

### (c) Net fair value of financial assets and liabilities

	2005		2004	
	Carrying amount \$000	Net fair value \$000	Carrying amount \$000	Net fair value \$000
<b>On-balance sheet financial instruments</b>				
<b>Financial assets</b>				
Cash	79,227	79,227	16,512	16,512
Deposits	–	–	10,172	10,172
Receivables	20,279	20,279	11,934	11,934
Unsecured notes	–	–	28,467	28,467
Dealer term deposits	–	–	21,481	21,481
<b>Non-traded financial assets</b>	<b>99,506</b>	<b>99,506</b>	<b>88,566</b>	<b>88,566</b>
<b>Traded investments</b>				
Shares in other corporations	10,710	10,710	11,162	11,743
Unit trust fixed interest	8,831	8,831	–	–
<b>Total financial assets</b>	<b>119,047</b>	<b>119,047</b>	<b>99,728</b>	<b>100,309</b>
<b>Financial liabilities</b>				
Payables	31,354	31,354	18,647	18,647
Bank loans	5,517	5,517	6,702	6,702
Lease liabilities	6,008	6,008	802	802
<b>Non-traded financial liabilities</b>	<b>42,879</b>	<b>42,879</b>	<b>26,151</b>	<b>26,151</b>
<b>Total financial liabilities</b>	<b>42,879</b>	<b>42,879</b>	<b>26,151</b>	<b>26,151</b>

## Note 41. Explanation of transition to Australian equivalents to IFRS

### (a) At the date of transition to AIFRS: 1 January 2004

	Consolidated			Parent entity		
	Previous AGAAP \$'000	Effect of transition to AIFRS \$'000	AIFRS \$'000	Previous AGAAP \$'000	Effect of transition to AIFRS \$'000	AGAAP \$'000
<b>Assets</b>						
<b>Current assets</b>						
Cash and cash equivalents	32,428	–	32,428	31,646	–	31,646
Receivables	8,659	(256)	8,403	11,129	(256)	10,873
Inventories	953	–	953	953	–	953
Other financial assets at fair value through profit or loss	56,607	(25,017)	31,590	56,607	(25,017)	31,590
Other non-financial assets	3,400	–	3,400	3,400	–	3,400
<b>Total current assets</b>	<b>102,047</b>	<b>(25,273)</b>	<b>76,774</b>	<b>103,735</b>	<b>(25,273)</b>	<b>78,462</b>
<b>Non-current assets</b>						
Receivables	100,287	–	100,287	100,287	–	100,287
Investments accounted for using the equity method	–	–	–	278	–	278
Available-for-sale financial assets	–	25,017	25,017	–	25,017	25,017
Other financial assets	1,246	–	1,246	1,246	–	1,246
Property, plant and equipment	397,540	(3,355)	394,185	340,106	(3,355)	336,751
Intangible assets	–	–	–	–	–	–
Other non-financial assets	47	–	47	47	–	47
<b>Total non-current assets</b>	<b>499,120</b>	<b>21,662</b>	<b>520,782</b>	<b>441,964</b>	<b>21,662</b>	<b>463,626</b>
<b>Total assets</b>	<b>601,167</b>	<b>(3,611)</b>	<b>597,556</b>	<b>545,699</b>	<b>(3,611)</b>	<b>542,088</b>

#### Note 41. Explanation of transition to Australian equivalents to IFRS (continued)

	Consolidated			Parent entity		
	Previous AGAAP	Effect of transition to AIFRS	AIFRS	Previous AGAAP	Effect of transition to AIFRS	AGAAP
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Liabilities</b>						
<b>Current liabilities</b>						
Payables	19,864	(1,650)	18,214	19,927	(1,650)	18,277
Interest bearing liabilities	2,005	–	2,005	2,005	–	2,005
Provisions	16,958	(3,130)	13,828	16,872	(3,089)	13,783
Other	20,555	–	20,555	20,555	–	20,555
<b>Total current liabilities</b>	<b>59,382</b>	<b>(4,780)</b>	<b>54,602</b>	<b>59,359</b>	<b>(4,739)</b>	<b>54,620</b>
<b>Non-current liabilities</b>						
Interest bearing liabilities	5,302	–	5,302	5,302	–	5,302
Provisions	9,219	4,417	13,636	9,160	4,388	13,548
Other	97,641	–	97,641	97,641	–	97,641
<b>Total non-current liabilities</b>	<b>112,162</b>	<b>4,417</b>	<b>116,579</b>	<b>112,103</b>	<b>4,388</b>	<b>116,491</b>
<b>Total liabilities</b>	<b>171,544</b>	<b>(363)</b>	<b>171,181</b>	<b>171,462</b>	<b>(351)</b>	<b>171,111</b>
<b>Net assets</b>	<b>429,623</b>	<b>(3,248)</b>	<b>426,375</b>	<b>374,237</b>	<b>(3,260)</b>	<b>370,977</b>
<b>Equity</b>						
<b>Parent entity interest</b>						
Reserves	174,164	–	174,164	111,107	–	111,107
Retained surplus	255,465	(3,248)	252,217	263,130	(3,260)	259,870
Parent entity interest	429,629	(3,248)	426,381	374,237	(3,260)	370,977
Minority interest	(6)	–	(6)	–	–	–
<b>Total equity</b>	<b>429,623</b>	<b>(3,248)</b>	<b>426,375</b>	<b>674,237</b>	<b>(3,260)</b>	<b>370,977</b>

#### (b) At the end of the last reporting period under previous AGAAP: 31 December 2004

<b>Assets</b>						
<b>Current assets</b>						
Cash and cash equivalents	26,684	–	26,684	19,262	–	19,262
Receivables	10,811	880	11,691	10,903	880	11,783
Inventories	969	–	969	969	–	969
Other financial assets at fair value through profit or loss	59,486	(38,012)	21,474	59,486	(38,012)	21,474
Other non-financial assets	3,566	–	3,566	3,566	–	3,566
<b>Total current assets</b>	<b>101,516</b>	<b>(37,132)</b>	<b>64,384</b>	<b>94,186</b>	<b>(37,132)</b>	<b>57,054</b>
<b>Non-current assets</b>						
Receivables	94,603	22,109	116,712	108,426	22,109	130,535
Available-for-sale financial assets	–	38,012	38,012	–	38,012	38,012
Other financial assets	1,624	–	1,624	1,624	–	1,624
Property, plant and equipment	428,825	(4,993)	423,832	356,217	(4,993)	351,224
Intangible assets	–	1,646	1,646	–	1,646	1,646
Other non-financial assets	77	–	77	77	–	77
<b>Total non-current assets</b>	<b>525,129</b>	<b>56,774</b>	<b>581,903</b>	<b>466,344</b>	<b>56,774</b>	<b>523,118</b>
<b>Total assets</b>	<b>626,645</b>	<b>19,642</b>	<b>646,287</b>	<b>560,530</b>	<b>19,642</b>	<b>580,172</b>

#### Note 41. Explanation of transition to Australian equivalents to IFRS (continued)

	Consolidated			Parent entity		
	Previous AGAAP	Effect of transition to AIFRS	AIFRS	Previous AGAAP	Effect of transition to AIFRS	AGAAP
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Liabilities</b>						
<b>Current liabilities</b>						
Payables	22,615	(3,968)	18,647	22,507	(3,884)	18,623
Interest bearing liabilities	1,892	95	1,987	1,892	–	1,892
Provisions	17,393	(922)	16,471	17,352	(992)	16,360
Other	5,581	1,067	6,648	5,568	1,067	6,635
<b>Total current liabilities</b>	<b>47,481</b>	<b>(3,728)</b>	<b>43,753</b>	<b>47,319</b>	<b>(3,809)</b>	<b>43,510</b>
<b>Non-current liabilities</b>						
Interest bearing liabilities	5,517	–	5,517	5,517	–	5,517
Provisions	10,622	4,689	15,311	10,603	4,680	15,283
Other	94,373	22,109	116,482	94,373	22,109	116,482
<b>Total non-current liabilities</b>	<b>110,512</b>	<b>26,798</b>	<b>137,310</b>	<b>110,493</b>	<b>26,789</b>	<b>137,282</b>
<b>Total liabilities</b>	<b>157,993</b>	<b>23,070</b>	<b>181,063</b>	<b>157,812</b>	<b>22,980</b>	<b>180,792</b>
<b>Net assets</b>	<b>468,652</b>	<b>(3,428)</b>	<b>465,224</b>	<b>402,718</b>	<b>(3,338)</b>	<b>399,380</b>
<b>Equity</b>						
<b>Parent entity interest</b>						
Reserves	195,759	–	195,759	128,613	–	128,613
Retained surplus	272,915	(3,428)	269,487	274,105	(3,338)	270,767
Parent entity interest	468,674	(3,428)	465,246	402,718	(3,338)	399,380
Minority interest	(22)	–	(22)	–	–	–
<b>Total equity</b>	<b>468,652</b>	<b>(3,428)</b>	<b>465,224</b>	<b>402,718</b>	<b>(3,338)</b>	<b>399,380</b>

#### Reconciliation of profit for the year ended 31 December 2004

##### Revenue from continuing operations

###### Australian Government financial assistance:

– Australian Government grants	62,376	–	62,376	54,746	–	54,746
– HECS-HELP – Australian Government payments	30,564	–	30,564	30,564	–	30,564
– State Government financial assistance	63,660	–	63,660	63,660	–	63,660
– HECS-HELP – student contributions	3,159	–	3,159	3,159	–	3,159
– Superannuation – deferred government contributions	(3,425)	(1,067)	(4,492)	(3,425)	(1,067)	(4,492)
– Superannuation – Government contributions	7,249	–	7,249	7,249	–	7,249
Fees and charges	91,747	–	91,747	90,991	–	90,991
Investment income	5,026	–	5,026	5,263	–	5,263
Royalties	301	–	301	301	–	301
Consultancy and contract research	9,243	–	9,243	9,243	–	9,243
Other revenue	2,765	–	2,765	2,646	–	2,646
<b>Total revenue from continuing operations</b>	<b>272,665</b>	<b>(1,067)</b>	<b>271,598</b>	<b>264,397</b>	<b>(1,067)</b>	<b>263,330</b>

### Expenses from continuing operations

Employee benefits and on-costs	161,812	(875)	160,937	159,642	(880)	158,762
Depreciation and amortisation	18,027	(8)	18,019	11,901	(8)	11,893
Repairs and maintenance	9,074	–	9,074	9,024	–	9,024
Borrowing costs	590	–	590	590	–	590
Bad and doubtful debts	1,015	–	1,015	1,015	–	1,015
Other expenses	65,524	26	65,550	71,692	26	71,718
<b>Total expenses from continuing operations</b>	<b>256,042</b>	<b>(857)</b>	<b>255,185</b>	<b>253,864</b>	<b>(862)</b>	<b>253,002</b>
Operating result before income tax	16,623	(210)	16,413	10,533	(205)	10,328
Income tax expense						
<b>Net operating result for the year</b>	<b>16,623</b>	<b>(210)</b>	<b>16,413</b>	<b>10,533</b>	<b>(205)</b>	<b>10,328</b>
Net operating result attributable to minority interest	22	–	22	–	–	–
<b>Net operating result attributable to members of Swinburne University of Technology</b>	<b>16,645</b>	<b>(210)</b>	<b>16,435</b>	<b>10,533</b>	<b>(205)</b>	<b>10,328</b>

### Reconciliation of cash flow statement for the year ended 31 December 2004

The adoption of AIFRSs has not resulted in any material adjustments to the cash flow statement.

## Note 42. Acquittal of Australian Government financial assistance

### 42.1 DEST – CGS and other DEST grants

Notes	Commonwealth Grants Scheme#		Indigenous Support Fund		Equity Programs*		Workplace Reform Program		
	2005	2004	2005	2004	2005	2004	2005	2004	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the programs)	41,651	39,144	74	–	138	122	589	1,056	
Net accrual adjustments	478	(478)	–	–	–	–	–	–	
Revenue for the period	3(a)	42,129	38,666	74	–	138	122	589	1,056
Surplus/(deficit) from the previous year		–	–	–	–	–	–	–	
<b>Total revenue including accrued revenue</b>		<b>42,129</b>	<b>38,666</b>	<b>74</b>	<b>–</b>	<b>138</b>	<b>122</b>	<b>589</b>	<b>1,056</b>
Less expenses including accrued expenses		42,129	38,666	74	–	138	122	589	1,056
<b>Surplus/(deficit) for reporting period</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>

# Includes the basic CGS grant amount, CGS-Regional Loading and CGS-Enabling Loading.

\* Includes Higher Education Equity Program and Students with Disabilities Program.

Notes	Capital Development Pool		Superannuation Program		Collaboration and Structural Reform Program		Total		
	2005	2004	2005	2004	2005	2004	2005	2004	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the programs)	238	1,061	9,392	6,360	102	–	52,184	47,743	
Net accrual adjustments	–	–	(980)	889	–	–	(502)	411	
Revenue for the period	3(a)	238	1,061	8,412	7,249	102	–	51,682	48,154
Surplus/(deficit) from the previous year		–	–	–	–	–	–	–	
<b>Total revenue including accrued revenue</b>		<b>238</b>	<b>1,061</b>	<b>8,412</b>	<b>7,249</b>	<b>102</b>	<b>–</b>	<b>51,682</b>	<b>48,154</b>
Less expenses including accrued expenses		238	1,061	8,412	7,249	102	–	51,682	48,154
<b>Surplus/(deficit) for reporting period</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>

\* Includes Higher Education Equity Program and Students with Disabilities Program.

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## Note 42. Acquittal of Australian Government financial assistance (continued)

### 42.2 Higher Education Loan Programs

	Notes	Parent entity only					
		HECS-HELP (Australian Government payments only)		FEE-HELP		Total	
		2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the programs)		26,613	23,715	9,348	6,849	35,961	30,564
Net accrual adjustments		(2,041)	–	(3,126)	–	(5,167)	–
Revenue for the period	3(b)	24,572	23,715	6,222	6,849	30,794	30,564
Surplus/(deficit) from the previous year		–	–	–	–	–	–
<b>Total revenue including accrued revenue</b>		<b>24,572</b>	<b>23,715</b>	<b>6,222</b>	<b>6,849</b>	<b>30,794</b>	<b>30,564</b>
Less expenses including accrued expenses		24,572	23,715	6,222	6,849	30,794	30,564
<b>Surplus/(deficit) for reporting period</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>

- For 2004, FEE-HELP figures equal PELS and BOTPLS amounts
- The University has provided discounts on HECS-HELP to students amounting to \$964k during 2005. This amount is owed to the University by DEST and is included in Note 17 Current Receivables

### 42.3 Scholarships

	Notes	Australian Postgraduate Awards		International Postgraduate Research Scholarships		Commonwealth Education Cost Scholarships		Commonwealth Accommodation Scholarships		Total	
		2005 \$000	2004 \$000	2005 \$000	2004 \$000	2005 \$000	2004 \$000	2005 \$000	2004 \$000	2005 \$000	2004 \$000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the programs)		840	858	109	167	149	52	298	156	1,396	1,233
Net accrual adjustments		–	–	–	–	–	–	–	–	–	–
Revenue for the period	3(c)	840	858	109	167	149	52	298	156	1,396	1,233
Surplus/(deficit) from the previous year		–	–	–	9	–	–	2	–	2	9
<b>Total revenue including accrued revenue</b>		<b>840</b>	<b>858</b>	<b>109</b>	<b>176</b>	<b>149</b>	<b>52</b>	<b>300</b>	<b>156</b>	<b>1,398</b>	<b>1,242</b>
Less expenses including accrued expenses		840	858	109	176	149	52	300	154	1,398	1,240
<b>Surplus/(deficit) for reporting period</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>2</b>	<b>–</b>	<b>2</b>

### 42.4 DEST research

	Notes	Institutional Grants Scheme		Research Training Scheme		Systemic Infrastructure Initiative		Research Infrastructure Block Grants		Total	
		2005 \$000	2004 \$000	2005 \$000	2004 \$000	2005 \$000	2004 \$000	2005 \$000	2004 \$000	2005 \$000	2004 \$000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the programs)		2,176	1,876	5,088	4,946	–	151	1,025	854	8,289	7,827
Net accrual adjustments		–	–	–	–	–	–	–	–	–	–
Revenue for the period	3(d)	2,176	1,876	5,088	4,946	–	151	1,025	854	8,289	7,827
Surplus/(deficit) from the previous year		–	–	–	–	–	–	–	–	–	–
<b>Total revenue including accrued revenue</b>		<b>2,176</b>	<b>1,876</b>	<b>5,088</b>	<b>4,946</b>	<b>–</b>	<b>151</b>	<b>1,025</b>	<b>854</b>	<b>8,289</b>	<b>7,827</b>
Less expenses including accrued expenses		2,176	1,876	5,088	4,946	–	151	1,025	854	8,289	7,827
<b>Surplus/(deficit) for reporting period</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>

## 42.5 Australian Research Council Grants

### (a) Discovery

	Notes	Projects		Fellowships		Total	
		2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the programs)		1,724	1,832	–	(5)	1,724	1,827
Net accrual adjustments		–	–	–	–	–	–
Revenue for the period	3(e)(i)	1,724	1,832	–	(5)	1,724	1,827
Surplus/(deficit) from the previous year		832	469	2	162	834	631
Total revenue including accrued revenue		2,556	2,301	2	157	2,558	2,458
Less expenses including accrued expenses		1,624	1,469	2	155	1,626	1,624
<b>Surplus/(deficit) for reporting period</b>		<b>932</b>	<b>832</b>	<b>–</b>	<b>2</b>	<b>932</b>	<b>834</b>

### (b) Linkages

	Notes	Parent entity only							
		Infrastructure		International		Projects		Total	
		2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the programs)		114	449	109	106	1,134	896	1,357	1,451
Net accrual adjustments		–	–	–	–	–	–	–	–
Revenue for the period	3(e)(ii)	114	449	109	106	1,134	896	1,357	1,451
Surplus/(deficit) from the previous year		352	506	66	10	350	360	768	876
Total revenue including accrued revenue		466	955	175	116	1,484	1,256	2,125	2,327
Less expenses including accrued expenses		86	603	58	50	1,006	906	1,150	1,559
<b>Surplus/(deficit) for reporting period</b>		<b>380</b>	<b>352</b>	<b>117</b>	<b>66</b>	<b>478</b>	<b>350</b>	<b>975</b>	<b>768</b>

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