

Statutory and Financial Report 2006



SWINBURNE UNIVERSITY OF TECHNOLOGY



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Statutory and Financial Report 2006

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Statutory reporting, compliance and disclosure statements

Building 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 2006 included:

- ▶ Refurbishment of Levels 2,6 (partial) 10,11,12 (full) Business Arts Building Hawthorn Campus
- ▶ Refurbishment of Levels 1,2,3,5,6 Engineering Building, Hawthorn Building
- ▶ Fit out of level 6, 60 Williams Street, Hawthorn Campus
- ▶ Fit out of level 1, Swinburne Place South, Hawthorn Campus
- ▶ Refurbishment of Levels 1,2,3,4 (partial), 5 Library Building, Hawthorn Campus
- ▶ Demolition of corner café building and landscaping site, Wakefield Street, Hawthorn Campus
- ▶ Refurbishment of TD building including the building an a mezzanine level.

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. Maintenance contracts with specialised firms are let for major plant items such as lifts and escalators, air conditioning equipment, fire protection and emergency evacuation system.

4 The University's Capital Management Plan sets out a program for targeted buildings to improve their amenity and achieve greater compliance with the *Building Act 1993*.

5 In 2001 the University implemented a Strategic Maintenance Plan to work towards bringing all buildings to regulatory compliance. The major refurbishment projects undertaken as part of the University's accelerated capital building program, particularly with a focus on old building stock, has had a significant impact on outstanding building compliance.

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

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

Building works

Buildings certified for approval in 2006 = 13

Works in construction and the subject of mandatory inspection = 4

Occupancy Permits issued = 16

Maintenance

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

Involving major expenditure and urgent attention = Nil

Conformity

Number of buildings conforming to standards = 75

Environment

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 that is 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.

Energy consumption

	2005	2006	
Electricity	23,470,654 kWh	25,026,067 kWh	7% increase
Gas	56,722,886 MJ	6,2162,955 MJ	10% increase

Energy consumption has increased due to additional computers in laboratories being installed to meet demands, the 24/7 laboratory as well as the two new buildings in Wakefield Street. However, the University has put in place many energy saving initiatives which have managed to maintain the increases to the point it has.

Consultancies

Consultancies in excess of \$100,000

There was no consultancy in excess of \$100,000 during the year 2006.

Consultancies less than \$100,000

There were 282 consultancies of less than \$100,000 each during the year.

Expenditure totalled \$1,411,845. Details of these are available on request.

Education Services for Overseas Students (ESOS)

During 2006, efforts were made to streamline some business processes to assist staff and students with ESOS compliance, including compliance with the National Code of Practice for Registration Authorities and Providers of Education and Training to Overseas Students. The *Swinburne ESOS Compliance Guide* was updated and a dedicated ESOS compliance web page on the International Division's intranet was developed for use by staff. The ESOS Advisory Committee established by the Pro Vice-Chancellor (International) was used to raise awareness of ESOS across the University, and to appraise key staff of impending changes to the regulatory framework. The International Division participated in a benchmarking exercise conducted across the Higher Education Division to develop consistent processes.

Multiple ESOS compliance training sessions were held across several campuses. A comprehensive audit of Swinburne International's website was conducted, and a new online acceptance mechanism used to provide required information to students. A complete review of Swinburne's courses registered on the Commonwealth Register of Institutions and Courses for Overseas Students (CRICOS) was also undertaken to ensure they were up-to-date. This review is ongoing.

Swinburne's TAFE Division was audited for ESOS compliance by the Victorian Department of Education and Training. The overall outcome of the audit was very positive, although some small areas of non-compliance were identified. These have now been addressed and it is expected that a second audit will take place early in 2007 to ensure appropriate corrective action has been taken.

Following a comprehensive review of the ESOS regulatory framework undertaken on behalf of the Commonwealth Department of Education, Science and Training, and an extensive consultation process, substantial changes have been made to the ESOS regulatory requirements. These changes are due to be implemented on 1 July 2007. They will require substantial changes to policy and business practices, and greater compliance efforts.

To address student monitoring issues, the International Division arranged for the development of new reports by Swinburne's Information Technology Services. While these reports are assisting with compliance efforts they are hampered by the overall limitations of Swinburne's technical systems. Consequently greater staff resources are to be deployed to assist with student monitoring.

In 2006 the Victorian Department of Education and Training identified several areas of concern regarding the way all Vocational Training and Education (VTE) sector providers register their programs on CRICOS. Final decisions and direction on these issues are pending, but may involve Swinburne having to re-register programs.

Overall ESOS compliance efforts at Swinburne improved in 2006, however, there are remaining areas of concern, requiring additional efforts and resources, particularly in preparation for the regulatory changes due to be implemented in 2007.

Freedom of Information (FOI)

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.

FOI Statistics 2005/2006

Number of requests	2
Number of requests refused	0
Number of requests awaiting a decision	0
Number of decisions to release:	
– in full	0
– in part	2
Number of decisions to exempt in full	0
Number of decisions indicating no documents identified	0
Number of internal reviews	0
Number of Victorian civil and administrative tribunal appeals	0
Exemptions cited	S33 (x2)
Other provisions cited	Nil
Fees and charges collected	\$42.00



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 FOI Request Form is available in PDF format at www.swinburne.edu.au/corporate/registrar/rms.htm

Categories of documents in the possession of the University

Swinburne has a University-wide records management application (RecFind). This system ensures that the University incorporates all relevant documents into its record keeping system. Records, including correspondence, agreements, contracts, tenders, publications, reports and committee agenda 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

Hard copy student records are also maintained.

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

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 investigates any allegations of discrimination, harassment, bullying and sexual harassment under the provisions of its policies and procedures. All staff concerns are treated seriously; in a fair, sensitive, confidential and timely manner. There have been no adverse findings in any external tribunals in the past year.

The University educates its staff in all issues pertaining to equal opportunity and diversity through the provision of relevant and up-to-date online information and compulsory face to face training.

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.au/corporate/registrar/ombudsman.htm

Industrial relations

A new Certified Agreement for academic and general staff ('Swinburne University of Technology Academic and General Staff Certified Agreement 2006–2008') was certified by the Australian Industrial Relations Commission on 1 May 2006 and came into effect from 1 July 2006.

The 'Victorian TAFE Teaching Staff Multi Employer Certified Agreement 2004' remains in effect for TAFE Teachers. It is expected that negotiations for a new Agreement will commence some time in 2007.

There were no days of work lost within the University as a result of industrial action. There were no adverse findings made against the University in any industrial courts or tribunals.

The University made submissions to the Federal Government in response to the Higher Education Workplace Relations Requirements (HEWRRs).

Merit and equity

The University is committed to an equitable and inclusive study and work environment free from discrimination, harassment and bullying, to ensure that all staff are able to work effectively and fully participate in all aspects of University life.

The University has human resources policies, procedures and processes to ensure merit and equity principles are upheld in University employment, education and the provision of services.

In 2006, the University's appointment and promotion policies have been reviewed to ensure equitable and merit based selection.

Specialised leadership programs for managers have also been established in 2006 which include:

- ▶ Developing Leadership Qualities
- ▶ Building Effective Workplace Relationships
- ▶ Emotional Intelligence and Leadership

These programs are intended to enhance the University's capacity to operate competitively, strategically, equitably and responsibly.

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.

The main focus for 2006 was education, with numerous tailored training sessions being developed with specific areas as well as the implementation the Safety Leadership and Risk Management for Managers Training Program.

Other achievements for 2006 include:

- ▶ The establishment of the University's new Occupational Health and Safety Policy
- ▶ Implementation of a co-operative training program with TAFE School of Business and e-Commerce
- ▶ Development or review of OHS policies and Procedures (including Responsibilities for Implementing Occupational Health and Safety Across the University; OHS – Incident Reporting and Control; OHS – Issue Resolution; OHS – Worksite Inspection; OHS – Working From Home)
- ▶ Development and implementation of a new Incident/Workcover database
- ▶ 13.3% reduction in the Workcover premium

Occupational Health and Safety performance

	2002	2003	2004	2005	2006
Incident report forms received	217	216	143	186	216
Notifiable incidents	0	0	0	2	7
Number of lost time injuries	25	21	13	15	14
Workcover claims	35	19	33	27	31
Premium rates	1.132%	1.00%	0.902%	0.088%	0.0738%



Notifiable incidents

The University reported 7 incidents to the Victorian WorkCover Authority (WorkSafe) under its responsibility outlined in the *Occupational Health and Safety Act, 2004*.

As a result of the notifications, only one improvement notice was issued on the University. All directions in the notice were complied with within the specified timeframes as set out by WorkSafe.

All incidents were investigated and corrective action has been initiated to prevent further incidents.

Whistleblowers Protection Act

Swinburne maintains policy and procedure to ensure compliance with the Act and the Ombudsman's guidelines. The policy establishes that people seeking protection under the Act may do so in person or in writing to the Vice-Chancellor, or the Director, Human Resources. Referral and investigation procedures under the policy meet the requirements of the Act and the Ombudsman's Guidelines.

In 2006 no disclosures were made to the designated officers of the University that showed 'reasonable grounds' to be recognised as protected disclosures. Therefore no disclosures were referred to the Ombudsman.

No disclosures were referred by the Ombudsman to 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 this Act.

A review of the Whistleblowers policy is planned for 2007.

Role of the Ombudsman in relation to complaints

The University is committed to ensuring that all students have a positive relationship with the University and its staff members.

Where problems arise, the University has established appropriate procedures that include processes for receiving and processing complaints.

Most complaints are resolved at the local level. If you have a complaint or grievance, you should raise the matter with the relevant School or Department manager in accordance with the relevant procedure.

The procedures also detail further steps to take if your problem is not resolved at the local level.

It is important to follow the appropriate sequence of steps in raising a complaint or grievance to ensure that the matter proceeds smoothly.

Complaints about the administrative actions and decisions of the University can be made to the Victorian Ombudsman. The Ombudsman is, generally, the office of last resort. If you have not followed the steps laid down in the relevant University procedures, the Ombudsman may ask you to do so before accepting your complaint.

This applies particularly, but not limited to, the following University policies:

- ▶ Assessment and Appeals – Higher Education
- ▶ Assessment and Appeals – TAFE
- ▶ General Grievance Procedures for Students
- ▶ General Misconduct
- ▶ Policy for the Degree of Master by Research and Thesis

Information about the University

The Swinburne website (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/spq/reports_annual.html

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 on declarations of pecuniary interests
- ▶ details of major research and development activities
- ▶ publications about the University
- ▶ overseas visits undertaken
- ▶ changes in prices, fees, charges, rates and levies
- ▶ major external reviews of the University
- ▶ 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

Financial summaries and statements

Summary of financial results (parent entity)

	2002	2003	2004	2005	2006
	\$000	\$000	\$000	\$000	\$000
Net assets	305,504	374,237	399,380	405,997	390,570 ¹
Operating surplus (deficit)	1,566	18,595	10,328	5,256	26,496
Overseas students revenue	34,148	43,237	46,378	43,779	58,060
Commonwealth government grants	56,335	62,746	61,995	65,664	73,283
State government grants	59,839	61,886	63,660	67,757	69,449

Summary of financial results (consolidated entity)

	2002	2003	2004	2005	2006
	\$000	\$000	\$000	\$000	\$000
Net assets	356,063	429,623	465,224	472,662	441,694 ¹
Operating surplus (deficit)	1,869	19,537	16,413	5,925	36,048
Overseas students fee revenue	35,648	43,237	46,378	43,779	58,106
Commonwealth Government grants	57,775	64,106	69,625	67,419	77,533
State Government grants	60,079	61,886	63,660	67,757	69,449

Financial key performance indicators (KPIs)

	2002	2003	2004	2005	2006
Number of days expenditure covered by net liquid assets	42	82	79	63	67
Current ratio (current assets/current liabilities)	152.59%	180.80%	147.20%	175.50%	188.90%
Exposure to long-term debt (LT liabilities/total funds)	33.60%	26.10%	29.50%	31.40%	30.10%
Retention of reserves (surplus (deficit)/total income)	0.80%	7.80%	6.00%	2.20%	11.40%

¹ The decrease in net assets, after allowing for the respective surpluses for the year, is principally caused by significant reductions in asset revaluation reserves, which arose from a revaluation, as at 31 December 2006, of land and buildings. Current accounting standards require buildings to be divided into respective component parts. The 31 December 2006 was the first undertaken in this manner and resulted in the representative of the Victorian Valuer General considerably shortening expected useful lives compared to those previously provided by such representative in the valuation as at 31 December 2003.

Summary of significant changes in financial position during 2006

There were no changes in the University's financial position during 2006.

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.

Compulsory non-academic fees

Statement of income and expenditure for the year ended 31 December 2006

	2006	2005
Receipts from students (not including GST)		
Brought forward	349,061	1,106,219
General service fees	4,223,709	3,717,195
Total	\$4,572,770	\$4,823,414
Disbursement of brought forward amount by Swinburne Student Union Inc		
Student activities and academic support	315,265	2,952,821
Sub total	315,265	2,952,821
Less expenditure funded by non-fee income	–	167,190
Total	\$315,265	\$2,785,631
Disbursement of fees by Swinburne University of Technology (not including GST)		
Remitted to Swinburne Student Union Inc	–	2,785,631
Remitted to Swinburne Student Amenities Association Ltd	4,223,709	860,000
Disbursements from Student Amenities Fund	14,870	793,182
Handbooks and registrar's expenses	–	35,540
Carried forward	18,926	349,061
Total	\$4,257,505	\$4,823,414
Total	\$4,572,770	\$4,823,414
Disbursement of fees by Swinburne Student Amenities Association Ltd		
Provision of/for student services and sporting activities	4,788,418	–
Production cost of handbooks	23,640	–
Sub total	4,812,058	–
Less expenditure funded by non-fee income	588,349	–
Total	\$4,223,709	–
Disbursement of fees by Swinergy (Swinburne University Sport and Recreation)		
Support of union and sporting activities	–	952,941
Sub total	–	952,941
Less expenditure funded by non-fee income	–	92,941
Total	–	\$860,000

Notes:

In December 2005 the University established a new fully owned subsidiary company, Swinburne Student Amenities Association Ltd.(SSAA), in order to provide services to students and integrate and undertake the activities of the former Swinburne University Sport and Recreation Incorporated (Swinergy). In 2006, the activities of SSAA were extended further to include the provision of other student services to Swinburne students.

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 their General Service Fee:

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

Compulsory non-academic fees, subscriptions and charges

Student status	Total GSF 2006 \$
General Service Fee: Higher Education	
Full time, full year	312.00
Full time, semester	156.00
Part time, full year	156.00
Part time, semester	78.00
IBL/Distance Education: full year	64.00
IBL/Distance Education: semester	32.00
General Service Fee: TAFE	
Full time, full year	174.00
Full time, semester	87.00
Full time, concession	117.00
Part time, concession	58.00

Compliance Index 2006

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 Directors 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
Report of Operations			
FRD 10	Compliance Index	–	Page 11
FRD 21(1)(a), (b), (c), (d)	Disclosure of responsible persons and executive officers remuneration	–	Pages 45–46
FRD 22 SD 4.2(g) (h)	General and financial information	Pages 2–48	Pages 4–54
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 (2 April 2007)	Page 1	–
General information			
FRD 22	Manner in which the University was established	Pages 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	Pages 8–9	–
FRD 22	Members of the Council including Indemnity Clause	Pages 11–12	–
FRD 22	Occupants of senior offices and areas of responsibility	Page 16	–
FRD 22	Organisational chart	Page 15	–
FRD 22	Workforce data for current and previous year; statement on application of merit and equity principles	Page 18	Page 7
FRD 22	Statement on Occupational Health and Safety matters	–	Page 7
Financial Year information			
FRD 22	Summary of the financial results with comparative results for the preceding four years	Page 19	Page 9
FRD 22	Summary of significant changes in financial position	–	Page 9
FRD 22	Operational objectives and performance including significant activities and achievements	Pages 2–5; 17–48	Page 9
FRD 22	Major changes or factors affecting the achievement of operational objectives	–	Page 9
FRD 22	Events subsequent to balance date which may have a significant effect on operations in subsequent years	–	Page 9
FRD 22	Consultancies in excess of \$100,000	–	Page 5
FRD 22	Consultancies less than \$100,000	–	Page 5
Other Relevant Information			
FRD 22	Application and operation of the <i>Freedom of Information Act 1982</i>	–	Pages 5–6
FRD 22	Compliance with the <i>Building Act 1993</i>	–	Page 4
FRD 22	Compliance with the <i>Whistleblowers Protection Act 2001</i> (section 104)	–	Page 8
FRD 22	Statement that information listed in Appendix 1 is available on request to the relevant Minister	–	Page 8
FRD 22	Implementation and compliance with National Competition Policy	–	Page 7
FRD 22	Summary of environmental performance	–	Page 4



Clause	Disclosure	Annual Report	Statutory and Financial Report
Additional information on request subject to the provision of the FOI Act			
FRD 22	Declarations of pecuniary interests	–	Page 8
FRD 22	Shares held by senior officers	–	N/A
FRD 22	Publications	–	Page 8
FRD 22	Changes in prices, fees, charges, rates and levies	–	Page 10
FRD 22	Major external reviews	–	Page 8
FRD 22	Major research and development activities	–	Page 8
FRD 22	Overseas visits	–	Page 8
FRD 22	Promotional, public relations and marketing activities	–	Page 8
FRD 22	Occupational Health and Safety matters	–	Page 7
FRD 22	Industrial relations, accidents and disputes	–	Page 7
FRD 22	List of major committees sponsored by the University	Pages 13–14	–
Superannuation Liabilities and Disclosure			
FRD 23	Name and type of scheme	–	Pages 41–43
FRD 23	Basis for calculating superannuation contributions	–	Page 43
FRD 23	Cost to the University for the scheme during the year	–	Pages 41–43
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	–	Pages 41–43
Additional information			
s. 12I TEA 1993	Compulsory non-academic fees, subscriptions and charges	–	Page 10
PAEC (December 1997)	International initiatives and strategies	Pages 34–37	–
RUG	Statement that public funds allocated to the purposes specified by the Government or other public funding body	–	Page 9
RUG	Council's risk management strategy	Page 14	–
RUG	Summary table of financial performance of the University's associates and commercial ventures	Page 19	Page 9
ESOS	Compliance with <i>ESOS Act 2000</i> and National Code of Practice for Registration Authorities and Providers of Education and Training to Overseas Students	–	Page 5
DEST	Internal grievance and complaint procedures and complaints made to and investigated by the Ombudsman	–	Page 6
DEST	Website address for the current and previous Annual Reports	–	Page 8
FMA 49(a), (b), (c), (d), (e) Financial Statements			
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	–	Pages 13–15
SD 4.2 (b)	Comprised Statement of Financial Performance and Financial Position, Statement of Cash Flows and Notes to the financial statements	–	Pages 16–54
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 in the nearest dollar	–	Page 25
SD 4.2 (e)	Reviewed and recommended by the Audit Committee or Responsible body prior to finalisation and submission	–	Page 15

VAGO

Victorian Auditor-General's Office

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 2006 of Swinburne University of Technology consists of 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.

Level 24, 35 Collins Street, Melbourne Vic. 3000

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Auditing in the Public Interest

VAGO

Victorian Auditor-General's Office

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 and responsibilities 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 2006 and their financial performance and cash flows for the year then ended.

MELBOURNE
5 April 2007


D.D.R. Pearson
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 2006

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 2006, and the financial performance for the year ended 31 December 2006 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), other authoritative pronouncements of the Australian Accounting Standards Board and Urgent Issues Group interpretations.
- 3 At the time of signing this statement there are reasonable grounds to believe that the University and the consolidated entity 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 this statement 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 2nd day of April 2007.

Hawthorn

Financial reporting

Income statement for the year ended 31 December 2006

	Notes	Consolidated		Parent Entity	
		2006 \$000	2005 \$000	2006 \$000	2005 \$000
Revenue from continuing operations					
Australian Government financial assistance:					
– Australian Government grants	3	77,533	67,419	73,163	65,664
– HECS-HELP – Australian Government payments	3	29,174	24,572	29,294	24,572
– FEE-HELP	3	6,772	6,222	6,772	6,222
State Government financial assistance	4	69,449	67,757	69,449	67,757
HECS-HELP – student payments		5,254	4,969	5,254	4,969
Fees and charges	5	107,969	88,920	102,325	88,491
Investment income	6	8,419	7,210	7,955	6,878
Royalties, trademarks and licences	7	1,248	374	1,245	374
Consultancy and contracts	8	12,386	9,148	12,386	9,148
Other revenue	9	2,983	3,584	10,955	2,774
Subtotal		321,187	280,175	318,798	276,849
Deferred Government superannuation contributions		(5,758)	5,409	(5,758)	5,409
Total revenue from continuing operations		315,429	285,584	313,040	282,258
Expenses from continuing operations					
Employee benefits and oncosts	10	179,477	178,850	176,053	176,680
Depreciation and amortisation	11	16,352	17,545	13,726	12,687
Repairs and maintenance	12	10,684	11,885	10,569	11,822
Finance costs	13	513	460	513	460
Bad and doubtful debts	14	(72)	460	(76)	460
Other expenses	15	78,185	65,050	91,517	69,484
Subtotal		285,139	274,250	292,302	271,593
Deferred Government superannuation contributions		(5,758)	5,409	(5,758)	5,409
Total expenses from continuing operations		279,381	279,659	286,544	277,002
Operating result before income tax		36,048	5,925	26,496	5,256
Income tax expense		–	–	–	–
Net operating result for the year		36,048	5,925	26,496	5,256
Net operating result attributable to minority interest	30	–	–	–	–
Net operating result attributable to members of Swinburne University of Technology		36,048	5,925	26,496	5,256

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

Balance sheet as at 31 December 2006

	Notes	Consolidated		Parent Entity	
		2006 \$000	2005 \$000	2006 \$000	2005 \$000
Assets					
Current assets					
Cash and cash equivalents	16	87,079	79,227	83,855	71,478
Trade and other receivables	17	13,023	20,008	13,023	20,008
Inventories	18	980	1,260	980	1,259
Other financial assets	20	–	–	–	–
Other non-financial assets	23	7,762	7,106	7,714	7,074
Total current assets		108,844	107,601	105,572	99,819
Non-current assets					
Trade and other receivables	17	116,335	121,900	120,575	133,093
Available-for-sale financial assets	19	26,936	19,541	26,936	19,541
Property, plant and equipment	21	380,258	433,150	326,431	362,881
Intangible assets	22	32	38	32	38
Other non-financial assets	23	–	–	–	–
Total non-current assets		523,561	574,629	473,974	515,553
Total assets		632,405	682,230	579,546	615,372
Liabilities					
Current liabilities					
Trade and other payables	24	22,110	31,354	20,746	31,553
Borrowings	25	2,230	2,178	2,230	2,178
Provisions	26	29,589	25,132	29,423	25,042
Other liabilities	27	3,700	2,646	3,552	2,448
Total current liabilities		57,629	61,310	55,951	61,221
Non-current liabilities					
Borrowings	25	7,221	9,347	7,221	9,347
Provisions	26	125,861	138,911	125,804	138,807
Other liabilities	27	–	–	–	–
Total non-current liabilities		133,082	148,258	133,025	148,154
Total liabilities		190,711	209,568	188,976	209,375
Net assets		441,694	472,662	390,570	405,997
Equity					
Parent entity interest					
– Statutory Funds	28	–	–	–	–
– Reserves	29	130,158	197,174	88,105	130,028
– Retained surplus	29	311,536	275,488	302,465	275,969
Parent entity interest		441,694	472,662	390,570	405,997
Minority interest	30	–	–	–	–
Total equity		441,694	472,662	390,570	405,997

The above balance sheet should be read in conjunction with the accompanying notes

Statement of changes in Equity for the year ended 31 December 2006

	Notes	Consolidated		Parent Entity	
		2006 \$000	2005 \$000	2006 \$000	2005 \$000
Total equity at the beginning of the financial year		472,662	465,246	405,997	399,380
Revaluation of land and buildings	29	(68,535)	–	(43,442)	–
Revaluation of available-for-sale financial assets, net of tax	29	1,519	1,415	1,519	1,415
Write back minority interests – subsidiary company		–	22	–	–
BR (Vic) losses transferred to Parent		–	54	–	(54)
Net income/(expense) recognised directly in equity		(67,016)	1,491	(41,923)	1,361
Operating result for the year		36,048	5,925	26,496	5,256
Total recognised income and expense for the year		(30,968)	7,416	(15,427)	6,617
Total equity at the end of the financial year		441,694	472,662	390,570	405,997
Total recognised income and expense for the year is attributable to:					
Members of Swinburne University of Technology		(30,968)	7,416	(15,427)	6,617
Minority interest	30	–	–	–	–
Total recognised income and expense for the year		(30,968)	7,416	(15,427)	6,617

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

Cash Flow Statement for the year ended 31 December 2006

Notes	Consolidated		Parent Entity	
	2006 \$000	2005 \$000	2006 \$000	2005 \$000
Cash flows from operating activities				
Australian Government:				
– CGS and other DEST grants	41.1	59,216	52,184	59,216
– Higher Education loan programs	41.2	31,944	35,961	31,944
– Scholarships	41.3	1,753	1,396	1,753
– DEST Research	41.4	8,997	8,289	8,997
– ARC grants – Discovery	41.5(a)	1,864	1,724	1,864
– ARC grants – Linkages	41.5(b)	2,175	1,357	2,175
– Other Australian Government grants	3	5,599	2,971	1,349
State Government grants	4	69,449	67,757	69,449
HECS-HELP – student payments		5,254	4,969	5,254
OS-HELP (net)	41.2	140	115	140
Receipts from student fees and other customers		124,072	112,439	138,789
Dividends received	6	2,938	922	2,938
Interest received	6	5,481	6,288	5,017
Payments to suppliers and employees		(275,343)	(269,913)	(298,718)
Goods and services tax recovered/(paid)		6,533	5,887	6,199
Interest paid		(513)	(460)	(513)
Net cash inflows from operating activities	39	49,559	31,886	35,853
Cash flows from investing activities				
Proceeds from sale of property, plant and equipment		369	460	369
Payments for available-for-sale financial assets		(5,876)	(1,791)	(5,876)
Proceeds from sale of available-for-sale financial assets		–	23,301	–
Proceeds from sale of investments		–	21,474	–
Payment for property, plant and equipment		(33,989)	(26,857)	(22,712)
Net cash inflow/(outflow) from investing activities		(39,496)	16,587	(28,219)
Cash flows from financing activities				
Loans from/(to) related parties		(137)	(47)	6,818
Proceeds from borrowings		–	6,009	–
Repayment of borrowings		(2,074)	(1,892)	(2,075)
Net cash inflow/(outflow) from financing activities		(2,211)	4,070	4,743
Net increase/(decrease) in cash and cash equivalents		7,852	52,543	12,377
Cash and cash equivalents at the beginning of the financial year		79,227	26,684	71,478
Cash and cash equivalents at end of year	16	87,079	79,227	83,855

The above cash flow statement should be read in conjunction with the accompanying notes



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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 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 Australian Government's Department of Education, Science and Training (DEST), other Victorian and Australian Government legislative requirements, the requirements of the *Swinburne University of Technology Act 1992* and the *Victorian Financial Management Act 1994*.

Compliance with IFRS

The University is a not for profit entity that has applied the not for profit exemptions that are available under AIFRS and therefore cannot be fully compliant with IFRS.

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) 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 2006 and the results of all controlled entities for the year then ended. Swinburne University of Technology and its controlled entities (listed in Note 36) 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. There are no outside equity interests in the results and equity shown separately in the consolidated income statement, balance sheet, statement of changes in equity, and cash flow statement.

Controlled entities are 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.

(c) Foreign currency translation

(i) Functional and presentation currency

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 as either a net revenue or net expense.

(d) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable.

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 is made as determined by the bodies providing the financial assistance.

(ii) Higher Education Contribution Scheme

Revenue is recognised in the year in which funding is made as determined by the Australian Government's 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.



(e) 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 as an expense 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 the 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.

(f) 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 depreciation or 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).

(g) 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.

(h) 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.

(i) 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.

(j) Investments and other financial assets

The University classifies its financial 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 year end.

(k) 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.

(l) 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. Unlisted equity securities are carried at cost. If the market is not active for unlisted securities, the University establishes fair value by providing for the temporary diminution in the value of the investment. All changes in provisions for diminution in value are taken through the income statement.

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 securities classified as available-for-sale are recognised in equity in the available-for-sale investment 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.

(m) Fair value estimation

The fair value of financial instruments traded in active markets (such as available-for-sale securities) is based on quoted market prices at balance date. The quoted market price used for financial assets held by the University 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.

(n) Property, plant and equipment

Land and buildings are shown at fair value, based on periodic, but at least triennial, valuations undertaken 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 net carrying value arising on revaluation of land and buildings are credited to the relevant asset revaluation reserve in equity. To the extent that the increase reverses a decrease previously recognised in the income statement, the increase is first recognised in the income statement. Decreases that reverse previous increases of the same asset 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 and Artwork 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).

Buildings	42 years	(2005: 42 years)
Leasehold Improvements	10 years	(2005: 10 years)
Furniture	8 years	(2005: 8 years)
IT Equipment	3 years	(2005: 3 years)
Motor Vehicles	2 years	(2005: 2 years)
Other Equipment	15 years	(2005: 15 years)
Library Collection	15 years	(2005: 15 years)

The University incorporates different depreciation rates, based on their estimated useful lives, for items of plant within buildings as follows:

Air Conditioning and Ductwork	20 years
Elevators, Lifts and Escalators	20 years
Fire Protection and Security	10 years
Wall and Floor Coverings Amenities, fixtures and fittings	20 years

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

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 the relevant asset revaluation reserve in respect of those assets to retained earnings.



(o) 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. 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.

(p) 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 5 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.

(q) 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.

(r) 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.

(s) Finance 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.

(t) 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.

(u) 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 at their nominal values using the remuneration rate expected to apply at the time of settlement. Liabilities which are not expected to be settled within 12 months are measured at the present value of the estimated future cash flows to be made by the University in respect of services provided by employees up to the reporting date. 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 2006 (2005, nil).

(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, which for accounting purposes is classified as a defined contribution plan, 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, provided sufficient funds are available within the plans to do so. 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.

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.

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.

(v) Employee benefit oncosts

Employee benefit oncosts, 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.

(v) Web site costs

Costs in relation to web sites controlled by the University or the Group 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 web site, and ongoing costs of maintenance during the operating phase are also considered to be expenses.

(w) Rounding of amounts

Amounts in the financial report have been rounded off 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	Parent Entity	Higher Education	VET	Parent Entity
	2006 \$000	2006 \$000	2006 \$000	2005 \$000	2005 \$000	2005 \$000
Revenue from continuing operations						
Australian Government financial assistance:						
– Australian Government grants	71,887	1,276	73,163	64,448	1,216	65,664
– HECS-HELP – Australian Government payments	29,294	–	29,294	24,572	–	24,572
– FEE-HELP	6,772	–	6,772	6,222	–	6,222
State Government financial assistance	47	69,402	69,449	–	67,757	67,757
HECS-HELP – student payments	5,254	–	5,254	4,969	–	4,969
Fees and charges	68,009	34,316	102,325	57,488	31,003	88,491
Investment income	5,676	2,279	7,955	4,819	2,059	6,878
Royalties, trademarks and licences	1,245	–	1,245	374	–	374
Consultancy and contract research	12,325	61	12,386	9,051	97	9,148
Other revenue	10,887	68	10,955	2,495	279	2,774
Subtotal	211,396	107,402	318,798	174,438	102,411	276,849
Deferred Government superannuation contributions	(5,758)	–	(5,758)	5,409	–	5,409
Total operating revenue	205,638	107,402	313,040	179,847	102,411	282,258
Expenses from continuing operations						
Employee benefits and oncosts	107,870	68,183	176,053	108,176	68,504	176,680
Depreciation and amortisation	7,254	6,472	13,726	7,073	5,614	12,687
Repairs and maintenance	7,699	2,870	10,569	9,166	2,656	11,822
Finance costs	513	–	513	460	–	460
Bad and doubtful debts	2	(78)	(76)	161	299	460
Operating lease rental expense	20,812	777	21,589	9,349	89	9,438
Other expenses	45,665	24,263	69,928	36,088	23,958	60,046
Subtotal	189,815	102,487	292,302	170,473	101,120	271,593
Deferred Government superannuation contributions	(5,758)	–	(5,758)	5,409	–	5,409
Total operating expenses	184,057	102,487	286,544	175,882	101,120	277,002
Net operating result for the year	21,581	4,915	26,496	3,965	1,291	5,256

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

	Higher Education	VET	Parent Entity	Higher Education	VET	Parent Entity
	2006 \$000	2006 \$000	2006 \$000	2005 \$000	2005 \$000	2005 \$000
Assets						
Current assets						
Cash and cash equivalents	59,465	24,390	83,855	50,659	20,819	71,478
Receivables	9,982	3,041	13,023	17,281	2,727	20,008
Inventories	–	980	980	–	1,259	1,259
Other financial assets	–	–	–	–	–	–
Other non-financial assets	6,748	966	7,714	5,886	1,188	7,074
Total current assets	76,195	29,377	105,572	73,826	25,993	99,819
Non-current assets						
Receivables	120,575	–	120,575	133,093	0	133,093
Available-for-sale financial assets	23,591	3,345	26,936	14,329	5,212	19,541
Property, plant and equipment	142,921	183,510	326,431	152,246	210,635	362,881
Intangible assets	–	32	32	–	38	38
Other non-financial assets	–	–	–	–	–	–
Total non-current assets	287,087	186,887	473,974	299,668	215,885	515,553
Total assets	363,282	216,264	579,546	373,494	241,878	615,372
Liabilities						
Current liabilities						
Payables	16,955	3,791	20,746	27,709	3,844	31,553
Interest bearing liabilities	1,102	–	1,102	1,097	–	1,097
Finance leases	752	376	1,128	712	369	1,081
Provisions	21,840	7,583	29,423	19,313	5,729	25,042
Other	3,041	511	3,552	2,119	329	2,448
Total current liabilities	43,690	12,261	55,951	50,950	10,271	61,221
Non-current liabilities						
Interest bearing liabilities	3,318	–	3,318	4,420	–	4,420
Finance leases	2,602	1,301	3,903	3,285	1,642	4,927
Provisions	121,200	4,604	125,804	131,469	7,338	138,807
Other	–	–	–	–	–	–
Total non-current liabilities	127,120	5,905	133,025	139,174	8,980	148,154
Total liabilities	170,810	18,166	188,976	190,124	19,251	209,375
Net assets	192,472	198,098	390,570	183,370	222,627	405,997
Equity						
Reserves	19,247	68,858	88,105	31,726	98,302	130,028
Retained surplus	173,225	129,240	302,465	151,644	124,325	275,969
Total equity	192,472	198,098	390,570	183,370	222,627	405,997

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

(c) Industry – Parent Entity

STATEMENT OF CHANGES IN EQUITY

	Higher Education	VET	Parent Entity	Higher Education	VET	Parent Entity
	2006 \$000	2006 \$000	2006 \$000	2005 \$000	2005 \$000	2005 \$000
Total equity at the beginning of the financial year	183,370	222,627	405,997	178,429	220,951	399,380
Revaluation of land and buildings	(13,724)	(29,718)	(43,442)	–	–	–
Revaluation of available-for-sale financial assets, net of tax	1,245	274	1,519	1,030	385	1,415
Write back minority interests – subsidiary company	–	–	–	–	–	–
BR (Vic) losses transferred to Parent	–	–	–	(54)	–	(54)
Net income/(expense) recognised directly in equity	(12,479)	(29,444)	(41,923)	976	385	1,361
Operating result for the year	21,581	4,915	26,496	3,965	1,291	5,256
Total recognised income and expense for the year	9,102	(24,529)	(15,427)	4,941	1,676	6,617
Total equity at the end of the financial year	192,472	198,098	390,570	183,370	222,627	405,997
Total recognised income and expense for the year is attributable to:						
Members of Swinburne University of Technology	9,102	(24,529)	(15,427)	4,941	1,676	6,617
Minority interest	–	–	–	–	–	–
Total recognised income and expense for the year	9,102	(24,529)	(15,427)	4,941	1,676	6,617

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

	Higher Education	VET	Parent Entity	Higher Education	VET	Parent Entity
	2006 \$000	2006 \$000	2006 \$000	2005 \$000	2005 \$000	2005 \$000
Cash flows from operating activities						
Australian Government:						
– CGS and Other DEST grants	59,216	–	59,216	52,184	–	52,184
– Higher Education loan programmes	31,944	–	31,944	35,961	–	35,961
– Scholarships	1,753	–	1,753	1,396	–	1,396
– DEST Research	8,997	–	8,997	8,289	–	8,289
– ARC grants – Discovery	1,864	–	1,864	1,724	–	1,724
– ARC grants – Linkages	2,175	–	2,175	1,357	–	1,357
– Other Australian Government grants	73	1,276	1,349	–	1,216	1,216
State Government grants	47	69,402	69,449	–	67,757	67,757
HECS-HELP – Student payments	5,254	–	5,254	4,969	–	4,969
OS-HELP (net)	140	–	140	115	–	115
Receipts from student fees and other customers	105,506	33,283	138,789	64,223	32,879	97,102
Dividends received	2,096	842	2,938	534	388	922
Interest received	3,580	1,437	5,017	4,285	1,671	5,956
Payments to suppliers and employees	(203,335)	(95,383)	(298,718)	(155,758)	(102,313)	(258,071)
Goods and services tax recovered/(paid)	5,510	689	6,199	5,670	324	5,994
Interest paid	(513)	–	(513)	(460)	–	(460)
Net cash inflows from operating activities	24,307	11,546	35,853	24,489	1,922	26,411
Cash flows from investing activities						
Proceeds from sale of property, plant and equipment	129	240	369	49	206	255
Payments for available-for-sale financial assets	(8,017)	2,141	(5,876)	(1,791)	–	(1,791)
Proceeds from sale of available-for-sale financial assets	–	–	–	9,809	13,492	23,301
Proceeds from sale of investments	–	–	–	14,865	6,609	21,474
Payment for property, plant and equipment	(12,691)	(10,021)	(22,712)	(18,865)	(5,473)	(24,338)
Net cash inflow/(outflow) from investing activities	(20,579)	(7,640)	(28,219)	4,067	14,834	18,901
Cash flows from financing activities						
Loans from/(to) related parties	6,818	–	6,818	2,750	38	2,788
Proceeds from borrowings	–	–	–	3,997	2,012	6,009
Repayment of borrowings	(1,740)	(335)	(2,075)	(1,625)	(267)	(1,892)
Net cash inflow/(outflow) from financing activities	5,078	(335)	4,743	5,122	1,783	6,905
Net increase/(decrease) in cash and cash equivalents	8,806	3,571	12,377	33,678	18,539	52,217
Cash and cash equivalents at the beginning of the financial year	50,659	20,819	71,478	16,981	2,280	19,261
Cash and cash equivalents at end of year	59,465	24,390	83,855	50,659	20,819	71,478

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

	Notes	Consolidated		Parent Entity	
		2006 \$000	2005 \$000	2006 \$000	2005 \$000
(a) Commonwealth Grants Scheme and other grants	41.1				
Commonwealth Grants Scheme		44,340	42,129	44,340	42,129
Indigenous Support Fund		69	74	69	74
Equity Programmes		133	138	133	138
Workplace Reform Programme		614	589	614	589
Workplace Productivity Programme		585	–	585	–
Capital Development Pool		–	238	–	238
Superannuation Program		7,432	8,412	7,432	8,412
Learning and Teaching Performance Fund		3,852	–	3,852	–
Collaboration and Structural Reform Programme		–	102	–	102
Total Commonwealth Grants Scheme and Other Grants		57,025	51,682	57,025	51,682
(b) Higher Education Loan Programmes	41.2				
HECS-HELP		29,174	24,572	29,174	24,572
FEE-HELP		6,772	6,222	6,772	6,222
Overseas – HELP		120	–	120	–
Total Higher Education Loan Programmes		36,066	30,794	36,066	30,794
(c) Scholarships	41.3				
Australian Postgraduate Awards		908	840	908	840
International Postgraduate Research Scholarships		185	109	185	109
Commonwealth Education Cost Scholarships		252	149	252	149
Commonwealth Accommodation Scholarships		408	298	408	298
Total Scholarships		1,753	1,396	1,753	1,396
(d) DEST – Research	41.4				
Institutional Grants Scheme		2,414	2,176	2,414	2,176
Research Training Scheme		5,365	5,088	5,365	5,088
Research Infrastructure Block Grants		1,218	1,025	1,218	1,025
Total DEST – Research Grants		8,997	8,289	8,997	8,289
(e) Australian Research Council	41.5				
<i>(i) Discovery</i>	41.5(a)				
Project		1,864	1,724	1,864	1,724
Total Discovery		1,864	1,724	1,864	1,724
<i>(ii) Linkages</i>	41.5(b)				
Infrastructure		1,047	114	1,047	114
International		47	109	47	109
Projects		1,081	1,134	1,081	1,134
Total Linkages		2,175	1,357	2,175	1,357
(f) Other Australian Government financial assistance					
DEST, DoCITA and other Australian Government grants		5,599	2,971	1,349	1,216
Total Other Australian Government financial assistance		5,599	2,971	1,349	1,216
Total Australian Government financial assistance		113,479	98,213	109,229	96,458
Reconciliation					
Australian Government grants		77,533	67,419	73,283	65,664
HECS-HELP – Australian Government payments		29,174	24,572	29,174	24,572
Other Australian Government loan programmes (FEE-HELP)		6,772	6,222	6,772	6,222
Total Australian Government financial assistance		113,479	98,213	109,229	96,458
(g) Australian Government grants received – cash basis					
CGS and Other DEST grants		59,216	52,184	59,216	52,184
Higher Education Loan Programmes		31,944	35,961	31,944	35,961
Scholarships		1,753	1,396	1,753	1,396
DEST Research		8,997	8,289	8,997	8,289
ARC grants – Discovery		1,864	1,724	1,864	1,724
ARC grants – Linkages		2,175	1,357	2,175	1,357
Other Australian Government grants		5,599	2,971	1,349	1,216
Total Australian Government grants received – cash basis		111,548	103,882	107,298	102,127
OS-HELP (Net)		140	115	140	115
Total Australian Government funding received – cash basis		111,688	103,997	107,438	102,242

Note 4. State Government financial assistance

	Consolidated		Parent Entity	
	2006 \$000	2005 \$000	2006 \$000	2005 \$000
Higher Education	47	–	47	–
TAFE	69,402	67,757	69,402	67,757
Other operating grants	–	–	–	–
Total State Government financial assistance	69,449	67,757	69,449	67,757

Note 5. Fees and charges

	Consolidated		Parent Entity	
	2006 \$000	2005 \$000	2006 \$000	2005 \$000
Course fees and charges				
Fee-paying overseas students	54,983	43,779	54,937	43,779
Continuing education	4,355	6,036	4,155	5,607
Fee-paying domestic postgraduate students	5,146	5,517	5,146	5,517
Fee-paying domestic undergraduate students	1,178	491	1,178	491
Other domestic course fees and charges	15,630	11,843	15,409	11,843
Fee for Service – International operations onshore	3,123	2,715	3,123	2,715
Fee for Service – International operations offshore	1,161	–	1,161	–
Student fees and charges	9,672	5,336	5,444	5,336
Total course fees and charges	95,248	75,717	90,553	75,288
Other fees and charges				
Late fees	62	70	62	70
Library fines	100	93	100	93
Parking fees	923	1,067	923	1,067
Rental charges	459	589	386	589
Student accommodation	1,900	1,910	1,900	1,910
Proceeds from ancillary trading	2,689	3,097	2,686	3,097
Other miscellaneous income	5,678	5,911	4,827	5,911
Student excursions	575	411	560	411
Seminars, functions and academic dress hire	335	55	328	55
Total other fees and charges	12,721	13,203	11,772	13,203
Total fees and charges	107,969	88,920	102,325	88,491

Note 6. Investment income

	Consolidated		Parent Entity	
	2006 \$000	2005 \$000	2006 \$000	2005 \$000
Dividends	2,938	922	2,938	922
Other	5,481	6,288	5,017	5,956
Total investment income	8,419	7,210	7,955	6,878

Note 7. Royalties, trademarks and licences

	Consolidated		Parent Entity	
	2006 \$000	2005 \$000	2006 \$000	2005 \$000
Royalties	1,248	374	1,245	374
Total royalties, trademarks and licences	1,248	374	1,245	374

Note 8. Consultancy and contracts

	Consolidated		Parent Entity	
	2006 \$000	2005 \$000	2006 \$000	2005 \$000
Consultancy	512	1,174	512	1,174
Contract research	11,874	7,974	11,874	7,974
Total consultancy and contract research	12,386	9,148	12,386	9,148

Note 9. Other revenue

	Consolidated		Parent Entity	
	2006 \$000	2005 \$000	2006 \$000	2005 \$000
Donations and bequests	790	1,056	8,762	801
Scholarships and prizes	2,021	1,719	2,021	1,719
Net gain on disposal of property, plant and equipment	172	460	172	254
Other revenue	–	349	–	–
Total other revenue	2,983	3,584	10,955	2,774

Note 10. Employee benefits and oncosts

	Consolidated		Parent Entity	
	2006 \$000	2005 \$000	2006 \$000	2005 \$000
Academic				
Salaries	74,723	73,521	73,643	72,558
Contribution to superannuation and pension schemes:				
– Emerging cost	4,601	3,899	4,601	3,899
– Funded	10,161	12,023	10,054	11,916
Payroll tax	4,776	4,584	4,712	4,522
Worker's compensation	802	762	788	750
Long service leave	2,731	2,378	2,731	2,352
Annual leave	6,011	5,181	5,939	5,147
Parental leave	136	60	136	60
Performance allowance	458	323	427	323
Total academic	104,399	102,731	103,031	101,527
Non-academic				
Salaries	52,675	51,488	51,106	50,702
Contribution to superannuation and pension schemes:				
– Emerging cost	3,202	5,079	3,202	5,079
– Funded	7,376	8,757	7,124	8,670
Payroll tax	3,374	3,220	3,289	3,167
Worker's compensation	567	535	549	526
Long service leave	1,934	2,497	1,873	2,497
Annual leave	4,246	3,738	4,175	3,707
Parental leave	1,217	472	1,217	472
Performance allowance	487	333	487	333
Total non-academic	75,078	76,119	73,022	75,153
Total employee benefits and oncosts	179,477	178,850	176,053	176,680

Note 11. Depreciation and amortisation

	Consolidated		Parent Entity	
	2006 \$000	2005 \$000	2006 \$000	2005 \$000
Depreciation				
Buildings	8,660	10,576	6,058	5,727
Leasehold Improvements	272	38	271	38
Plant and equipment	5,126	4,117	5,103	4,108
Library collection	1,002	2,048	1,002	2,048
Total depreciation	15,060	16,779	12,434	11,921
Amortisation				
Software	6	6	6	6
Plant and equipment under finance lease	1,286	760	1,286	760
Total amortisation	1,292	766	1,292	766
Total depreciation and amortisation	16,352	17,545	13,726	12,687

Note 12. Repairs and maintenance

	Consolidated		Parent Entity	
	2006 \$000	2005 \$000	2006 \$000	2005 \$000
Buildings	8,890	9,600	8,795	9,541
Equipment	1,794	2,285	1,774	2,281
Total repairs and maintenance	10,684	11,885	10,569	11,822

Note 13. Finance costs

	Consolidated		Parent Entity	
	2006 \$000	2005 \$000	2006 \$000	2005 \$000
Finance cost expense (Interest)	513	460	513	460
Less: Amount capitalised	–	–	–	–
Total finance costs expensed	513	460	513	460

Note 14. Bad and doubtful debts

	Consolidated		Parent Entity	
	2006 \$000	2005 \$000	2006 \$000	2005 \$000
Bad debts written off	497	424	493	424
Provision for doubtful debts	(569)	36	(569)	36
Total bad and doubtful debts	(72)	460	(76)	460

Note 15. Other expenses

	Consolidated		Parent Entity	
	2006 \$000	2005 \$000	2006 \$000	2005 \$000
Scholarships, grants and prizes	9,120	7,816	9,111	7,816
Non-capitalised equipment	6,416	5,162	6,146	5,057
Advertising, marketing and promotional expenses	3,081	2,867	2,813	2,694
Audit fees, bank charges, legal costs, insurance and taxes	1,673	1,434	1,591	1,429
Consumables	6,595	5,906	6,452	5,870
Operating lease expense	6,796	4,651	21,589	9,438
Telecommunications and IT Services	6,417	6,246	6,271	6,152
Travel and related staff development and training	7,349	6,895	7,153	6,756
Loss on disposed property, plant and equipment	1,803	321	1,803	278
Fees	16,127	13,900	15,947	13,741
Utilities	4,371	2,977	2,958	2,953
Other expenses	8,437	6,875	9,683	7,300
Total other expenses	78,185	65,050	91,517	69,484

Note 16. Cash and cash equivalents

	Consolidated		Parent Entity	
	2006 \$000	2005 \$000	2006 \$000	2005 \$000
Cash at bank and on hand	87,079	79,227	83,855	71,478
Deposits at call	–	–	–	–
Total cash assets	87,079	79,227	83,855	71,478
The above figures are reconciled to cash at the end of the year as shown in the cash flow statement as follows:				
Balances as above	87,079	79,227	83,855	71,478
Less: Bank overdrafts	–	–	–	–
Balance per cash flow statement	87,079	79,227	83,855	71,478

Note 17. Trade and other receivables

	Consolidated		Parent Entity	
	2006 \$000	2005 \$000	2006 \$000	2005 \$000
Current				
Student loans	46	151	46	151
Debtors	7,898	15,072	7,898	15,072
Less: Provision for doubtful debts	(521)	(1,091)	(521)	(1,091)
	7,423	14,132	7,423	14,132
Receivables from related companies	–	11	–	11
Deferred government contribution for superannuation	5,600	5,865	5,600	5,865
Total current receivables	13,023	20,008	13,023	20,008
Non-current				
Other receivables from associated companies	147	9	4,385	11,202
Other receivables	52	262	54	262
Less: Provision for doubtful debts	–	–	–	–
	199	271	4,439	11,464
Deferred government contribution for superannuation	116,136	121,629	116,136	121,629
Total non-current receivables	116,335	121,900	120,575	133,093
Total trade and other receivables	129,358	141,908	133,598	153,101

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 2006 under AASB 119 as provided by the GSO, an operating division of the Victorian Emergency Services Superannuation Board.

Note 18. Inventories

	Consolidated		Parent Entity	
	2006 \$000	2005 \$000	2006 \$000	2005 \$000
Current				
Inventories	980	1,260	980	1,259
Total current inventories	980	1,260	980	1,259
Non-current				
Inventories	–	–	–	–
Total non-current inventories	–	–	–	–
Total inventories	980	1,260	980	1,259

Note 19. Available-for-sale financial assets

	Consolidated		Parent Entity	
	2006 \$000	2005 \$000	2006 \$000	2005 \$000
At beginning of year	19,541	39,636	19,541	39,636
Additions	5,876	1,791	5,876	1,791
Disposals (sale and redemption)	–	(23,301)	–	(23,301)
Revaluation adjustment taken to asset revaluation reserve	1,519	1,415	1,519	1,415
At end of year	26,936	19,541	26,936	19,541
Listed securities				
Shares in corporations	14,952	11,081	14,952	11,081
Unit trust fixed interest	11,984	7,873	11,984	7,873
	26,936	18,954	26,936	18,954
Unlisted securities				
Unsecured notes	–	–	–	–
Unlisted securities in associates	944	587	944	587
Provision for diminution of unlisted securities	(944)	–	(944)	–
	–	587	–	587
Total available for sale financial assets	26,936	19,541	26,936	19,541

(a) Listed securities

All listed securities are in the name of Swinburne University of Technology. The listed securities are measured at their fair value of \$26.936 million at 31 December 2006 (2005: \$18.954 million). 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 listed securities is 8.72% (2005: 6.03%).

(b) 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.

(c) 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	
	2006 \$000	2005 \$000	2006 \$000	2005 \$000
Current				
Dealer term deposits	–	–	–	–
Total current other financial assets	–	–	–	–

Note 21. Property, plant and equipment

	Reversionary interest	Construction in progress	Freehold land	Freehold buildings	Leasehold improvements	Plant and equipment	Leased plant and equipment	Library collection	Art collection	Total
CONSOLIDATED	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 January 2005										
– Cost	–	24,697	–	–	–	74,516	6,739	25,644	421	132,017
– Valuation 31 December 2004	–	–	92,714	283,136	–	–	–	–	–	375,850
Accumulated depreciation	–	–	–	(11,857)	–	(55,546)	(6,335)	(10,297)	–	(84,035)
Net book amount	–	24,697	92,714	271,279	–	18,970	404	15,347	421	423,832
Year ended 31 December 2005										
Opening net book amount	–	24,697	92,714	271,279	–	18,970	404	15,347	421	423,832
Revaluation, transfers, impairment	–	–	–	–	–	–	–	–	–	–
Additions	–	1,903	–	11,241	977	5,533	6,349	1,175	–	27,178
Asset disposals	–	–	–	–	–	(321)	–	–	–	(321)
Depreciation charge	–	–	–	(10,576)	(38)	(4,117)	(760)	(2,048)	–	(17,539)
Closing net book amount	–	26,600	92,714	271,944	939	20,065	5,993	14,474	421	433,150
At 31 December 2005										
– Cost	–	26,600	–	11,241	977	67,947	13,088	24,049	421	144,323
– Valuation	–	–	92,714	271,279	–	–	–	–	–	363,993
Accumulated depreciation	–	–	–	(10,576)	(38)	(47,882)	(7,095)	(9,575)	–	(75,166)
Net book amount	–	26,600	92,714	271,944	939	20,065	5,993	14,474	421	433,150
Year ended 31 December 2006										
Opening net book amount	–	26,600	92,714	271,944	939	20,065	5,993	14,474	421	433,150
Revaluation, transfers, impairment	15,000	(15,000)	5,723	(74,258)	–	8,664	4,195	773	–	(54,903)
Additions	–	10,796	465	7,662	4,334	8,422	116	983	383	33,161
Asset disposals	–	–	–	–	–	(8,664)	(4,195)	(1,946)	–	(14,805)
Depreciation charge	–	–	–	(8,660)	(271)	(5,126)	(1,286)	(1,002)	–	(16,345)
Closing net book amount	15,000	22,396	98,902	196,688	5,002	23,361	4,823	13,282	804	380,258
At 31 December 2006										
– Cost	15,000	22,396	–	–	5,312	67,705	9,009	23,085	–	142,507
– Valuation @ 31 December 2006	–	–	98,902	196,688	–	–	–	–	804	296,394
Accumulated depreciation	–	–	–	–	(310)	(44,344)	(4,186)	(9,803)	–	(58,643)
Net book amount	15,000	22,396	98,902	196,688	5,002	23,361	4,823	13,282	804	380,258

Valuation 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 2006 revaluations were undertaken by the Valuer General of Victoria and the results of that valuation have been incorporated in these financial statements.

In undertaking the revaluation, the Valuers have been guided by the directions set under FRD 103A which proposes a generic approach for the valuation of building components and is based on specifications issued by the Australian Procurement and Construction Council. These specifications are well understood by the construction and facilities management industry in the public sector across Australia.

The valuation identifies the components of the building as follows:

Structure/shell/building fabric, Site engineering services and central plant, Fit out and Trunk reticulated building systems. As a result of the above componentisation undertaken in the 2006 revaluation, the fair value of the building assets (as revalued) have been significantly reduced. This reduction has had the effect of reducing building assets by \$74.2 million with a corresponding reduction of \$74.2 million in the Asset Revaluation Reserve.

PARENT ENTITY	Reversionary interest \$'000	Construction in progress \$'000	Freehold land \$'000	Freehold buildings \$'000	Leasehold improvements \$'000	Plant and equipment \$'000	Leased plant and equipment \$'000	Library collection \$'000	Art collection \$'000	Total \$'000
At 1 January 2005										
– Cost	–	9,697	–	–	–	65,504	6,739	24,149	421	106,510
– Valuation 31 December 2004	–	–	74,602	237,705	–	–	–	–	–	312,307
Accumulated depreciation	–	–	–	(5,756)	–	(46,700)	(6,335)	(8,802)	–	(67,593)
Net book amount	–	9,697	74,602	231,949	–	18,804	404	15,347	421	351,224
Year ended 31 December 2005										
Opening net book amount	–	9,697	74,602	231,949	–	18,804	404	15,347	421	351,224
Revaluation, transfers, impairment	–	–	–	–	–	–	–	–	–	–
Additions	–	1,367	–	9,254	977	5,494	6,349	1,175	–	24,616
Asset disposals	–	–	–	–	–	(278)	–	–	–	(278)
Depreciation charge	–	–	–	(5,727)	(38)	(4,108)	(760)	(2,048)	–	(12,681)
Closing net book amount	–	11,064	74,602	235,476	939	19,912	5,993	14,474	421	362,881
At 31 December 2005										
– Cost	–	11,064	–	9,254	977	67,772	13,088	24,048	421	126,624
– Valuation	–	–	74,602	231,949	–	–	–	–	–	306,551
Accumulated depreciation	–	–	–	(5,727)	(38)	(47,860)	(7,095)	(9,574)	–	(70,294)
Net book amount	–	11,064	74,602	235,476	939	19,912	5,993	14,474	421	362,881
Year ended 31 December 2006										
Opening net book amount	–	11,064	74,602	235,476	939	19,912	5,993	14,474	421	362,881
Revaluation, transfers, impairment	–	–	6,448	(49,890)	–	8,664	4,195	773	–	(29,810)
Additions	–	1,529	468	5,876	4,310	8,220	116	983	383	21,885
Asset disposals	–	–	–	–	–	(8,664)	(4,195)	(1,946)	–	(14,805)
Depreciation charge	–	–	–	(6,058)	(271)	(5,103)	(1,286)	(1,002)	–	(13,720)
Closing net book amount	–	12,593	81,518	185,404	4,978	23,029	4,823	13,282	804	326,431
At 31 December 2006										
– Cost	–	12,593	–	–	5,287	67,328	9,009	23,085	–	117,302
– Valuation @ 31 December 2006	–	–	81,518	185,404	–	–	–	–	804	267,726
Accumulated depreciation	–	–	–	–	(309)	(44,299)	(4,186)	(9,803)	–	(58,597)
Net book amount	–	12,593	81,518	185,404	4,978	23,029	4,823	13,282	804	326,431

Valuation 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 2006 revaluations were undertaken by the Valuer General of Victoria and the results of that valuation have been incorporated in these financial statements.

In undertaking the revaluation, the Valuers have been guided by the directions set under FRD 103A which proposes a generic approach for the valuation of building components and is based on specifications issued by the Australian Procurement and Construction Council. These specifications are well understood by the construction and facilities management industry in the public sector across Australia.

The valuation identifies the components of the building as follows:

Structure/shell/building fabric, Site engineering services and central plant, Fit out and Trunk reticulated building systems. As a result of the above componentisation undertaken in the 2006 revaluation, the fair value of the building assets (as revalued) have been significantly reduced. This reduction has had the effect of reducing building assets by \$49.9 million with a corresponding reduction of \$49.9 million in the Asset Revaluation Reserve.

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 2006, the value of land and buildings at independent valuation in the books attributed to the Crown amounts to \$123.308 million (2005 \$146.676 million).

Note 22. Intangible assets

Consolidated/Parent

	Development costs student system	Software	Total
	\$000	\$000	\$000
At 1 January 2006			
– Cost	–	50	50
– Valuation	–	–	–
Accumulated amortisation and Impairment	–	(12)	(12)
Net book amount	–	38	38
Year ended 31 December 2006			
Opening net book amount	–	38	38
Revaluation increment	–	–	–
Additions	–	–	–
Asset disposals	–	–	–
Amortisation and impairment charge	–	(6)	(6)
Closing net book amount	–	32	32
At 31 December 2006			
– Cost	–	50	50
– Valuation	–	–	–
Accumulated amortisation and impairment	–	(18)	(18)
Net book amount	–	32	32

Note 23. Other non-financial assets

	Consolidated		Parent Entity	
	2006 \$000	2005 \$000	2006 \$000	2005 \$000
Current				
Prepayments	7,762	7,106	7,714	7,074
Total current other non-financial assets	7,762	7,106	7,714	7,074
Non-current				
Other	–	–	–	–
Total non-current other non-financial assets	–	–	–	–
Total other non-financial assets	7,762	7,106	7,714	7,074

Note 24. Trade and other payables

	Consolidated		Parent Entity	
	2006 \$000	2005 \$000	2006 \$000	2005 \$000
Current				
Trade creditors	22,110	31,562	20,746	31,553
Amounts payable to wholly-owned subsidiaries	–	(208)	–	–
Total current payables	22,110	31,354	20,746	31,553
Non-current				
Amounts payable to wholly-owned subsidiaries	–	–	–	–
Total non-current payables	–	–	–	–
Total payables	22,110	31,354	20,746	31,553

Note 25. Borrowings

	Consolidated		Parent Entity	
	2006 \$000	2005 \$000	2006 \$000	2005 \$000
Current				
Secured				
Bank overdrafts	–	–	–	–
Bank loans	–	1,000	–	1,000
Lease liabilities	1,128	1,081	1,128	1,081
Other loans	–	–	–	–
Total current secured interest bearing liabilities	1,128	2,081	1,128	2,081
Unsecured				
Bank loans	1,102	97	1,102	97
Lease liabilities	–	–	–	–
Total current unsecured interest bearing liabilities	1,102	97	1,102	97
Total current interest bearing liabilities	2,230	2,178	2,230	2,178
Non-current				
Secured				
Bank loans	–	2,500	–	2,500
Lease liabilities	3,903	4,928	3,903	4,928
Total non-current secured interest bearing liabilities	3,903	7,428	3,903	7,428
Unsecured				
Bank loans	3,318	1,919	3,318	1,919
Total non-current unsecured interest bearing liabilities	3,318	1,919	3,318	1,919
Total non-current interest bearing liabilities	7,221	9,347	7,221	9,347
Total interest bearing liabilities	9,451	11,525	9,451	11,525
Bank loans				
Payable:				
Within one year	1,102	1,097	1,102	1,097
Later than one year but not later than five years	1,985	2,954	1,985	2,954
Later than five years	1,333	1,465	1,333	1,465
	4,420	5,516	4,420	5,516
Lease liabilities				
Payable:				
Within one year	1,128	1,081	1,128	1,081
Later than one year but not later than five years	3,903	4,928	3,903	4,928
Later than five years	–	–	–	–
	5,031	6,009	5,031	6,009

Note 25. Borrowing (continued)

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

	Consolidated		Parent Entity	
	2006 \$000	2005 \$000	2006 \$000	2005 \$000
Current				
Floating charge				
Cash and cash equivalents	–	–	–	–
Receivables	–	–	–	–
Total current assets pledged as security	–	–	–	–
Non-current				
First mortgage				
Freehold land and buildings	–	35,996	–	35,996
Finance lease				
Plant and equipment	5,993	5,993	5,993	5,993
Floating charge				
Receivables	–	–	–	–
Other financial assets	–	–	–	–
Plant and equipment	–	–	–	–
Total non-current assets pledged as security	5,993	41,989	5,993	41,989
Total assets pledged as security	5,993	41,989	5,993	41,989

Financing arrangements

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

Credit standby arrangements

Total facilities

Net debt bank overdrafts	30	30	30	30
Online credit limit	500	500	500	500
Bank guarantee	100	100	100	100
Online direct credit	10,500	9,150	10,500	9,150
Documentary letter of credit	3,000	1,000	3,000	1,000
Bill – floating rate	–	2,062	–	2,062
Bill – fixed rate	1,969	2,062	1,969	2,062
Total facilities	16,099	14,904	16,099	14,904

Used at balance date

Net debt bank overdrafts	–	–	–	–
Online credit limit	–	–	–	–
Bank guarantee	100	100	100	100
Online direct credit	–	–	–	–
Documentary letter of credit	927	–	927	–
Bill – floating rate	–	2,062	–	2,062
Bill – fixed rate	1,969	2,062	1,969	2,062
Total facilities used at balance date	2,996	4,224	2,996	4,224

Unused at balance date

Net debt bank overdrafts	30	30	30	30
Online credit limit	500	500	500	500
Bank guarantee	–	–	–	–
Online direct credit	10,500	9,150	10,500	9,150
Documentary letter of credit	2,073	1,000	2,073	1,000
Bill – floating rate	–	–	–	–
Bill – fixed rate	–	–	–	–
Total facilities unused at balance date	13,103	10,680	13,103	10,680

Bank loan facilities

Total facilities	16,099	14,904	16,099	14,904
Used at balance date	2,996	4,224	2,996	4,224
Unused at balance date	13,103	10,680	13,103	10,680

Note 26. Provisions

	Consolidated		Parent Entity	
	2006 \$000	2005 \$000	2006 \$000	2005 \$000
Current				
Employee benefits				
Annual leave	9,367	6,081	9,296	6,039
Long service leave	7,323	7,073	7,323	7,073
Deferred benefits for superannuation	5,600	5,865	5,600	5,865
Performance allowances	1,096	636	1,065	636
Accrued salaries	5,675	4,945	5,611	4,897
Parental leave	528	532	528	532
Total current provisions	29,589	25,132	29,423	25,042
Non-current				
Employee benefits				
Annual leave	–	4,811	–	4,752
Long service leave	9,725	12,471	9,668	12,426
Deferred benefits for superannuation	116,136	121,629	116,136	121,629
Total non-current provisions	125,861	138,911	125,804	138,807
Total provisions	155,450	164,043	155,227	163,849
Current provisions expected to be settled within 12 months				
Annual leave	8,430	5,473	8,366	5,435
Long service leave	2,929	2,829	2,929	2,829
Deferred benefits for superannuation	–	–	–	–
Performance allowances	1,096	636	1,065	636
Accrued salaries	5,675	4,945	5,611	4,897
Parental leave	528	532	528	532
	18,658	14,415	18,499	14,329
Current provisions expected to be settled after more than 12 months				
Annual leave	937	608	930	604
Long service leave	4,394	4,244	4,394	4,244
Deferred benefits for superannuation	5,600	5,865	5,600	5,865
Performance allowances	–	–	–	–
Accrued salaries	–	–	–	–
Parental leave	–	–	–	–
	10,931	10,717	10,924	10,713
	29,589	25,132	29,423	25,042

The Provision for Annual Leave is calculated at the nominal value of expected payments to be made in respect of services provided by employees up to the reporting date. Where employees have significant annual leave balances, an estimate is made of the probability of leave to be taken within 12 months and beyond 12 months. The amount of annual leave estimated to be taken beyond 12 months is discounted.

The Provision for 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. Long Service Leave is available to be taken after 10 years of service 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 2006. 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.

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 2006 contributions were \$9,623,000 (2005: \$9,392,000). No employer contributions were outstanding as at December 2006 (2005, nil).

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 2006 the cost amounted to \$1,252,608 (2005: \$1,376,680) which was fully funded by the Victorian Government's Office of Training and Tertiary Education (OTTE).

State Employees Retirement Benefit Scheme

Superannuation contributions are calculated in accordance with the award agreement and amounted to \$44,711 (2005: \$53,260). No employer contributions were outstanding at 31 December 2006 or December 2005. Employer contributions are made at the rate of 12.5%.

Deferred Government Superannuation

The following information has been provided by the Government Superannuation Office (GSO) which tabulates the net liability for the year ended 30 June 2006 in accordance with the requirements under AASB 119 and is based on the table provided below.

	30 June 2006	30 June 2005
	\$'m	\$'m
Assets	34.451	33.015
Accrued benefit liability	147.131	150.628
Investment tax liability	0.169	0.000
Net liability before contributed tax	112.850	117.613
Tax liability on future contributions	8.886	10.427
Net liability	121.736	128.040

Superannuation Scheme for Australian Universities

UniSuper (The Scheme Trustee) has advised the University that it is a defined contribution plan under Australian Accounting Standard AASB 119 – Employee Benefits as a result of amendments to Clause 34 of the Trust Deed.

Clause 34 of the UniSuper Trust Deed previously outlined the process that UniSuper must undertake (including employer notifications and notice periods) in order to request additional contributions from employers if the UniSuper assets were 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 was required. Employers were then required to jointly determine the amount (if any) they were willing to contribute as additional contributions to UniSuper. If such a request was agreed to by all the employers, then members also had to contribute additional contributions equal to one-half of the rate at which the employers were jointly prepared to contribute. If all the employers did not agree to increase contributions the Trustee was required to reduce benefits payable to 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.

Following recent extensive consultation with UniSuper employers about the operation of clause 34, it was established that there would be no prospect in practice, of all participating employers agreeing in unison to increase their contributions in the event that the clause 34 process ever advanced to that stage (with also a resulting increase in member's contributions).

Consequently, the Trustees were unanimous in their view that it was in the members' interests to propose that clause 34 be amended so that in the unlikely event of the assets being insufficient to fund the prescribed benefits, this situation would ultimately lead to some form of reduction in member benefits on a fair and equitable basis, rather than being addressed through additional contributions from employers and members.

Accordingly, an amendment was put to the UniSuper Consultative Committee which was approved and passed at the 3 November 2006 meeting and subsequently approved by the UniSuper Board at its 23 November 2006 meeting, making the change effective 31 December 2006.

From 31 December 2006, Clause 34 states that where UniSuper assets are insufficient to provide benefits payable under the Deed, after an actuarial investigation and valuation of UniSuper, the Trustee must notify each employer. If, after the next two succeeding actuarial investigations and valuation of UniSuper (made in a period of not less than four years) the Trustee still considers that UniSuper is or may be unable to provide the benefits payable under the Deed, the Trustee must reduce the benefits (including benefits in the course of payment) payable on a fair and equitable basis.

The change to the Trust Deed summarised above clearly indicates that UniSuper is a defined contribution fund for the purposes of AASB 119. Clause 25 of AASB 119 defines a defined contribution plan as a plan where: the employer's legal or constructive obligation is limited to the amount that it agrees to contribute to the fund; and the actuarial risk (that benefits will be less than expected) and investment risk (that assets invested will be insufficient to meet expected benefits) fall on the employee.

Superannuation contributions are calculated in accordance with the award agreement and amounted to \$12,379,311 (2005: \$12,368,190). No employer contributions were outstanding at 31 December 2006 or December 2005.

As at 30 June 2006 the assets of the Fund in aggregate were estimated to be \$958 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 Fund.

As at 30 June 2006 the assets of the Fund in aggregate were estimated to be \$1834 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 13 July 2006 on the actuarial investigation of the Fund as at 31 December 2005.

The financial assumptions used were:

	Vested benefits	Accrued benefits
Gross of tax investment return	7.0% p.a.	8.3% p.a.
Net of tax investment return	8.5% p.a.	7.8% p.a.
Consumer Price Index	2.5% p.a.	2.5% p.a.
Inflationary salary increases long term	3.5% p.a.	3.5% p.a.
Inflationary salary increases next three years	5.0% p.a.	5.0% 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.

Note 27. Other liabilities

	Consolidated		Parent Entity	
	2006 \$000	2005 \$000	2006 \$000	2005 \$000
Current				
Student fees in advance	3,416	2,586	3,265	2,388
Income in advance	138	15	138	15
Other	146	45	149	45
Total current other liabilities	3,700	2,646	3,552	2,448
Non-current				
Discount received on capital notes	–	–	–	–
Total non-current other liabilities	–	–	–	–
Total other liabilities	3,700	2,646	3,552	2,448

Note 28. Statutory funds

	Consolidated		Parent Entity	
	2006 \$000	2005 \$000	2006 \$000	2005 \$000
Statutory funds	–	–	–	–
Total statutory funds	–	–	–	–

Note 29. Reserves and retained surplus

	Consolidated		Parent Entity	
	2006 \$000	2005 \$000	2006 \$000	2005 \$000
(a) Reserves				
Asset revaluation reserve				
Land	65,124	59,401	49,140	42,692
Buildings	62,100	136,358	36,031	85,921
Available-for-sale financial assets	2,934	1,415	2,934	1,415
Total reserves	130,158	197,174	88,105	130,028
Asset revaluation reserve – Land				
Balance at beginning of year	59,401	59,401	42,692	42,692
Increment on revaluation of land	5,723	–	6,448	–
Transfer to retained surplus	–	–	–	–
Balance at end of year	65,124	59,401	49,140	42,692
Asset revaluation reserve – Buildings				
Balance at beginning of year	136,358	136,358	85,921	85,921
Increase in valuation of buildings	(74,258)	–	(49,890)	–
Transfer to retained surplus	–	–	–	–
Balance at end of year	62,100	136,358	36,031	85,921
Available-for-sale investment reserve				
Balance at beginning of year	1,415	–	1,415	–
Increment on value of investments	1,519	1,415	1,519	1,415
Balance at end of year	2,934	1,415	2,934	1,415
(b) Retained surplus				
Retained surplus at the beginning of the year	275,488	269,487	275,969	270,767
Net operating result for the year	36,048	5,925	26,496	5,256
Transfer of subsidiary company to parent	–	54	–	(54)
Write back of minority interests	–	22	–	–
Retained surplus at the end of the year	311,536	275,488	302,465	275,969

Note 30. Minority interest

	Consolidated		Parent Entity	
	2006 \$000	2005 \$000	2006 \$000	2005 \$000
Net operating result attributed to outside interests	–	–	–	–
	–	–	–	–

Note 31. Key Management Personnel Disclosures

(a) Names of responsible persons

The names of persons who were responsible persons during the financial year were:

The Hon. Lynne Kosky MP, Minister for Education and Training to 25 November 2006.

The Hon. Jacinta Allan MP, Minister for Skills, Education Services and Employment from 25 November 2006.

The salaries of the responsible Ministers are 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, AM, 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)

Prof. Min Gu, BSc (Shanghai Jiaotong), MSc & PhD (Chinese Acad.Sc.)

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

Mr M Kandelaars

Ms V Kasidis, AssDip(Man)(CollIT)

Mr D Loader, BSc(Hons), Dip Ed, Med (Syd)

Prof H Lueckenhausen, PhD, Grad Dip Industrial Design(RMIT), Dip Ed(Swin), MDIA, AADM

Mr S van der Mye, BComm(Hons), PhD (UNSW)

Ms L Palmer, GradCertAppSci(InstructionalDesign) (Deakin), Dip Teach(UniSA), (Ass Dip Arts (HealthEd) (WACAE)

Mr G Rossiter, Cert IV(Workplace Training)

Ms V Ryan, GradDipAcc (Sut)

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

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)

(b) Remuneration of Council Members and Executives

	Consolidated		Parent Entity	
	2006 \$000	2005 \$000	2006 \$000	2005 \$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:

	1,113	746	1,113	746
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	Consolidated		Parent Entity	
	2006 Number	2005 Number	2006 Number	2005 Number

Remuneration of Council Members

Nil – \$9,999	7	–	7	–
\$10,000 – \$19,999	7	–	7	–
\$40,000 – \$49,999	–	1	–	1
\$50,000 – \$59,999	–	1	–	1
\$60,000 – \$69,999	2	–	2	–
\$90,000 – \$99,000	–	1	–	1
\$110,000 – \$119,999	–	1	–	1
\$140,000 – \$149,999	1	–	1	–
\$160,000 – \$169,999	–	–	–	–
\$170,000 – \$179,999	1	1	1	1
\$180,000 – \$189,999	1	–	1	–
\$250,000 – \$259,999	–	1	–	1
\$360,000 – \$369,999	1	–	1	–
Total number of Members	20	6	20	6

Note 31 Key to Management Personnel Disclosures (continued)

	Consolidated		Parent Entity	
	2006 \$000	2005 \$000	2006 \$000	2005 \$000
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 (Vice Chancellor).	3,220	2,041	2,197	2,041

	Consolidated		Parent Entity	
	2006 Number	2005 Number	2006 Number	2005 Number
Remuneration of executive officers				
\$130,000 – \$139,999	1	1	–	1
\$150,000 – \$159,999	–	1	–	1
\$160,000 – \$169,999	1	2	1	2
\$180,000 – \$189,999	2	2	–	2
\$190,000 – \$199,999	1	2	1	2
\$200,000 – \$209,999	1	2	1	2
\$220,000 – \$229,999	2	–	2	–
\$240,000 – \$249,999	2	–	2	–
\$250,000 – \$259,999	1	1	–	1
\$260,000 – \$269,999	1	–	–	–
\$330,000 – \$339,999	1	–	1	–
\$360,000 – \$369,999	1	–	1	–
Total number of Executive Officers	14	11	9	11

(c) Related party transactions

Deloitte Touche Tohmatsu. Mr T Brown, Deputy Chancellor, is a retired partner of the firm Deloitte Touche Tohmatsu. The firm provided \$8,000 of consulting services to the University in 2006 (2005:Nil)

Note 32. Remuneration of auditors

	Consolidated		Parent Entity	
	2006 \$000	2005 \$000	2006 \$000	2005 \$000
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:				
Assurance services				
1. Audit services				
Fees paid to Auditor General of Victoria Audit and review of financial reports and other audit work under the <i>Corporations Act 2001</i>	64	67	52	54
Fees paid to other audit firms for the audit or review of financial reports of any entity in the consolidated entity	14	21	14	21
Total remuneration for audit services	78	88	66	75
2. Other assurance services				
Fees paid to Auditor General of Victoria	–	–	–	–
Fees paid to non-audit firms	75	41	75	41
Total remuneration for other assurance services	75	41	75	41
Total remuneration for assurance services	153	129	141	116

Note 33. Contingencies

Contingent liabilities

The parent entity and consolidated entity had contingent liabilities at 31 December 2006 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) 2 buildings at the Hawthorn Campus of Swinburne University of Technology 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 was completed and the premises were available for use as from December 2005.

Swinburne University of Technology occupies half of the office space (two floors in the west building) and some retail space at an agreed annual rental. From September 2006 the University has taken up occupancy of one floor of office space in the south building.

The University has an operating lease agreement with the service provider and expenditure is included in the Income Statement each year.

Students have occupied the student accommodation facilities from the commencement of the 2006 academic year. The SPV has continued letting the student accommodation, retail areas and the remaining office space.

The concession period for the BOOT arrangement is 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).

The agreement between the University and the service provider does not include any other outgoing payments or exchange of money (other than operating lease expenditure as stated above) during or at the reversion of the buildings to the University.

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

- Swinburne Ventures Ltd.
- Swinburne Intellectual Property Trust
- Swinburne Holdings Pty Ltd

(3) Guarantees. The parent entity and consolidated entity has provided a bank guarantee in respect of an associated 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. No lease payments exist between the University and the service provider.

Note 34. Commitments

(a) Capital commitments

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

	Consolidated		Parent Entity	
	2006 \$000	2005 \$000	2006 \$000	2005 \$000
Property, plant and equipment				
<i>Payable</i>				
Within one year	10,476	16,562	10,476	11,338
Later than one year but not later than five years	2	–	2	–
Later than five years	–	–	–	–
Total property, plant and equipment	10,478	16,562	10,478	11,338
Intangible assets				
<i>Payable</i>				
Within one year	–	716	–	716
Later than one year but not later than five years	–	366	–	366
Later than five years	–	–	–	–
Total intangible assets	–	1,082	–	1,082

(b) Lease commitments

(i) Operating leases for property and equipment

Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:

Within one year	4,556	5,959	4,556	5,959
Later than one year but not later than five years	14,540	9,725	14,540	9,725
Later than five years	68,276	37,179	68,276	37,179
Total commitments for minimum lease payments	87,372	52,863	87,372	52,863

The weighted average interest rate implicit in the non-cancellable operating leases is 6.14 % (2005: 7.47%)

(ii) Finance leases

Swinburne University of Technology leases computer equipment with a carrying amount of \$4.823m (2005: \$5.993m) 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.

Commitments in relation to finance leases are payable as follows:

Within one year	1,291	1,281	1,291	1,281
Later than one year but not later than five years	4,133	5,312	4,133	5,312
Later than five years	–	–	–	–
Minimum lease payments	5,424	6,593	5,424	6,593
Future finance charges	393	584	393	584
Total recognised as a liability	5,031	6,009	5,031	6,009
Total lease liabilities				
Representing lease liabilities:				
Current	1,128	1,081	1,128	1,081
Non-current	3,903	4,928	3,903	4,928
Total recognised as a liability	5,031	6,009	5,031	6,009

The weighted average interest rate implicit in the leases is 3.62 % (2005: 3.62%)

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 year ended 31 December 2006 consisted of:

- Rent from Swinburne University of Technology to Swinburne Ltd. amounting to \$14.851 million. (2005: \$4.843 Million)
- Corporate support services from Swinburne University to NICA amounting to \$0.385 million. (2005: \$0.385 million)
- Transfer of ownership of new building at Green Street, Prahran by NICA to Swinburne University as per agreement with the Australian Government funding body amounting to \$8.222 million.

Note 36. Subsidiaries

NAME OF ENTITY	Country of Incorporation	Class of shares	Ownership Interest		Net equity		Total Revenue		Operational Result		Contribution to operating result	
			2006 %	2005 %	2006 \$000	2005 \$000	2006 \$000	2005 \$000	2006 \$000	2005 \$000	2006 \$000	2005 \$000
Swinburne Limited	Australia	Ltd. By Guarantee	100	100	45,756	58,632	14,851	4,843	12,255	–	12,255	–
Swinburne Holdings SDN BHD (In Liquidation)	Malaysia	Ordinary	100	100	–	–	–	–	–	–	–	–
Swinburne Graduate School of Integrative Medicine Pty Ltd (De-registered 21 May 2006)	Australia	Ordinary	100	100	–	–	–	–	–	–	–	–
National Institute of Circus Arts Ltd	Australia	Ltd. By Guarantee	100	100	2,556	7,946	6,679	3,890	(5,427)	570	(5,427)	570
BR (VIC) Pty Ltd (De-registered 21 May 2006)	Australia	Ordinary	100	60	–	–	–	–	–	–	–	–
Swinburne (Holdings) Pty Ltd	Australia	Ordinary	100	–	(1)	–	–	–	(1)	–	(1)	–
Swinburne Ventures Limited	Australia	Ltd. By Guarantee	100	100	–	–	–	–	–	–	–	–
Swinburne Intellectual Property Trust	Australia	Unincorporated	100	100	(6)	(3)	–	547	(3)	10	(3)	10
Swinburne Student Amenities Association Pty Ltd	Australia	Ltd. By Guarantee	100	100	2,818	89	4,812	94	2,729	89	2,729	89
Total					51,123	66,664	26,342	9,374	9,553	669	9,553	669

Note 37. Investments in associates

NAME OF ENTITY	Principal activity	Country of Incorporation	Ownership Interest		Consolidated Carrying Amount		Parent entity Carrying Amount	
			2006 %	2005 %	2006 \$000	2005 \$000	2006 \$000	2005 \$000
Swinburne University								
Swinburne Sarawak Holdings SDN BHD	Post-Secondary education provider	Malaysia	25	25	–	(5,062)	–	(4,209)

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	Country of Incorporation	Class of shares	Ownership Interest		Net equity		Total Revenue		Operational Result	
			2006 %	2005 %	2006 \$000	2005 \$000	2006 \$000	2005 \$000	2006 \$000	2005 \$000
3DCD (Winding up of company in progress)	Australia	Ordinary	45	45	(144)	(142)	–	–	(2)	(3)
Minifab	Australia	Ordinary	44	44	(59)	(2)	482	192	(59)	5
Sportsbet21 Pty Ltd**	Australia	Ordinary	30	30	16	3	71	20	13	7
Genos**	Australia	Ordinary	24	24	338	82	1,163	466	230	63
OpalTree Systems Pty Ltd**	Australia	Ordinary	9	9	–	718	–	55	–	(1,197)
Cortical Dynamics**	Australia	Ordinary	30	30	(40)	(57)	43	19	(103)	(156)
Nanotechnology Victoria Limited	Australia	Ordinary	–	–	11	11	2,219	1,889	–	–

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

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 the operating result to net cash inflow from operating activities

Notes	Consolidated		Parent Entity	
	2006 \$000	2005 \$000	2006 \$000	2005 \$000
Operating result for the year	36,048	5,925	26,496	5,256
Depreciation and amortisation	11	16,352	13,726	12,687
Net (gain) loss on sale of non-current assets	9 & 15	1,631	1,631	(255)
Change in operating assets and liabilities, net of effects				–
(Increase) decrease in trade debtors	13,258	(13,673)	13,256	(13,673)
Increase (decrease) in prepaid fees	953	2,256	1,000	2,256
(Increase) decrease in inventories	280	(291)	279	(291)
(Increase) decrease in other operating assets	(657)	(3,551)	(640)	(3,508)
Increase (decrease) in trade creditors	(9,143)	24,635	(10,703)	24,736
Increase (decrease) in other provisions	(9,163)	(705)	(9,192)	(797)
Net cash inflow (outflow) from operating activities	49,559	31,886	35,853	26,411

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 being staged over three years with transition from current holdings to incorporate strategic investment objectives commensurate with changes to the University investment policy.

The anticipated completion date of this new strategy is 31 December 2008.

As part of the overall investment policy, this strategy is reviewed annually in conjunction with the VFMC and in line with changes to the University's cash flow requirements and anticipated market returns.

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, conditions and accounting policies

Recognised financial instruments	Note	Accounting policies	Terms and conditions
(i) Financial assets			
Cash assets	16	Cash at bank is carried at the principal amount. Interest received on any bank balance is recognised as income when the bank account is credited. Interest receivable at balance date is accounted for by crediting revenue and debiting accrued income in the balance sheet.	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	Shares in corporations are carried at fair value. Dividends are recognised as income when received and changes in fair value are adjusted against equity.	Shares in corporations are listed on Australian and International Stock Exchanges. Dividends are dependent on resolutions of the directors of the corporations concerned.
Unit trusts	19	Managed trust funds, listed equity securities and income securities are carried at fair value. Interest revenue is recognised when it is received and changes in fair value are adjusted against equity. Interest receivable at balance date is accounted for by crediting revenue and debiting accrued income in the balance sheet.	The portfolio is managed by the VFMC against agreed benchmarks for performance.
Dealer term deposits	20	Dealer term deposits are carried at fair value. Interest revenue is recognised when it is received. Interest receivable at balance date is accounted for by crediting revenue and debiting accrued income in the balance sheet.	The average maturity of term deposits can vary up to 180 days.
(ii) Financial liabilities			
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, which consist of bank loans, 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 unsecured. 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% .
Finance 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 assets and liabilities to maturity in accordance with the investment policy which is reviewed annually in conjunction with VFMC and in line with changes to the University's cash flow requirements and anticipated market returns.

	Notes	Fixed interest maturing in:					Total
		Floating interest rate	1 year or less	Over 1 to 5 years	More than 5 years	Non-interest bearing	
		\$000	\$000	\$000	\$000	\$000	\$000
2006							
Financial assets							
Cash and cash equivalents	16	87,079	–	–	–	–	87,079
Trade and other receivables	17	–	–	–	–	13,222	13,222
Available-for-sale financial assets	19	26,936	–	–	–	–	26,936
Other financial assets	20	–	–	–	–	–	–
		114,015	–	–	–	13,222	127,237
Weighted average interest rate		5.96%					
Financial liabilities							
Trade and other payables	24	–	–	–	–	(22,110)	(22,110)
Borrowings	25	–	(1,102)	(1,985)	(1,333)	–	(4,420)
Finance leases	25	–	(1,128)	(3,903)	–	–	(5,031)
		–	(2,230)	(5,888)	(1,333)	(22,110)	(31,561)
Weighted average interest rate			5.12%	4.64%	6.65%		
Net financial assets (liabilities)		114,015	(2,230)	(5,888)	(1,333)	(8,888)	95,676

	Notes	Fixed interest maturing in:					Total
		Floating interest rate	1 year or less	Over 1 to 5 years	More than 5 years	Non-interest bearing	
		\$000	\$000	\$000	\$000	\$000	\$000
2005							
Financial assets							
Cash and cash equivalents	16	79,227	–	–	–	–	79,227
Trade and other receivables	17	–	–	–	–	20,279	20,279
Available-for-sale financial assets	19	7,873	–	–	–	11,668	19,541
Other financial assets	20	–	–	–	–	–	–
		87,100	–	–	–	31,947	119,047
Weighted average interest rate		6.06%					
Financial liabilities							
Trade and other payables	24	–	–	–	–	(31,354)	(31,354)
Borrowings	25	–	(1,097)	(2,954)	(1,465)	–	(5,516)
Finance leases	25	–	(1,081)	(4,928)	–	–	(6,009)
		–	(2,178)	(7,882)	(1,465)	(31,354)	(42,879)
Weighted average interest rate				4.63%	6.65%		
Net financial assets (liabilities)		87,100	(2,178)	(7,882)	(1,465)	593	76,168

Note 40. Financial instruments (continued)

(c) Net fair value of financial assets and liabilities

	Notes	2006		2005	
		Carrying amount	Net fair value	Carrying amount	Net fair value
		\$000	\$000	\$000	\$000
On-balance sheet financial instruments					
Financial assets					
Cash and cash equivalents	16	87,079	87,079	79,227	79,227
Deposits	16	–	–	–	–
Receivables	17	13,222	13,222	20,279	20,279
Dealer term deposits	20	–	–	–	–
Non-traded financial assets		100,301	100,301	99,506	99,506
Traded investments					
Shares in other corporations	19	14,952	14,952	11,668	11,668
Unit trust fixed interest	19	11,984	11,984	7,873	7,873
Traded financial assets		26,936	26,936	19,541	19,541
Total financial assets		127,237	127,237	119,047	119,047
Financial liabilities					
Payables	24	(22,110)	(22,110)	(31,354)	(31,354)
Bank loans	25	(4,420)	(4,420)	(5,516)	(5,517)
Financial leases	25	(5,031)	(5,031)	(6,009)	(6,008)
Non-traded financial liabilities		(31,561)	(31,561)	(42,879)	(42,879)
Total financial liabilities		(31,561)	(31,561)	(42,879)	(42,879)

Note 41. Acquittal of Australian Government financial assistance

41.1 DEST – CGS and other DEST grants

	University only									
	Commonwealth Grants Scheme		Indigenous Support Fund		Equity Programs		Workplace Reform Program		Workplace Productivity Program	
	2006 \$000	2005 \$000	2006 \$000	2005 \$000	2006 \$000	2005 \$000	2006 \$000	2005 \$000	2006 \$000	2005 \$000
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the Programmes)	44,340	41,651	69	74	133	138	614	589	585	–
Net accrual adjustments	–	478	–	–	–	–	–	–	–	–
Revenue for the period	44,340	42,129	69	74	133	138	614	589	585	–
Surplus/(deficit) from the previous year	–	–	–	–	–	–	–	–	–	–
Total revenue including accrued revenue	44,340	42,129	69	74	133	138	614	589	585	–
Less expenses including accrual expenses	44,340	42,129	69	74	133	138	614	589	585	–
Surplus/(deficit) for reporting period	–	–	–	–	–	–	–	–	–	–

	University only									
	Capital Development Pool		Superannuation Program		Collaboration and Structural Reform Program		Learning and Teaching Performance Fund		Total	
	2006 \$000	2005 \$000	2006 \$000	2005 \$000	2006 \$000	2005 \$000	2006 \$000	2005 \$000	2006 \$000	2005 \$000
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the Programmes)	–	238	9,623	9,392	–	102	3,852	–	59,216	52,184
Net accrual adjustments	–	–	(2,191)	(980)	–	–	–	–	(2,191)	(502)
Revenue for the period	–	238	7,432	8,412	–	102	3,852	–	57,025	51,682
Surplus/(deficit) from the previous year	–	–	–	–	–	–	–	–	–	–
Total revenue including accrued revenue	–	238	7,432	8,412	–	102	3,852	–	57,025	51,682
Less expenses including accrual expenses	–	238	7,432	8,412	–	102	3,852	–	57,025	51,682
Surplus/(deficit) for reporting period	–	–	–	–	–	–	–	–	–	–

41.2 Higher Education Loan Programmes

	University only							
	HECS-HELP (Australian Government payments only)		FEE-HELP		Overseas-HELP		Total	
	2006 \$000	2005 \$000	2006 \$000	2005 \$000	2006 \$000	2005 \$000	2006 \$000	2005 \$000
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the Programmes)	28,351	26,613	3,593	9,348	140	115	32,084	36,076
Net accrual adjustments	823	(2,041)	3,179	(3,126)	(20)	–	3,982	(5,167)
Revenue for the period	29,174	24,572	6,772	6,222	120	115	36,066	30,909
Surplus/(deficit) from the previous year	–	–	–	–	10	–	10	–
Total revenue including accrued revenue	29,174	24,572	6,772	6,222	130	115	36,076	30,909
Less expenses including accrual expenses	29,174	24,572	6,772	6,222	99	105	36,045	30,899
Surplus/(deficit) for reporting period	–	–	–	–	31	10	31	10

41.3 Scholarships

	Australian Postgraduate Awards		International Postgraduate Research Scholarships		Commonwealth Education Costs Scholarships		Commonwealth Accommodation Scholarships		Total	
	2006 \$000	2005 \$000	2006 \$000	2005 \$000	2006 \$000	2005 \$000	2006 \$000	2005 \$000	2006 \$000	2005 \$000
	Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the Programmes)	908	840	185	109	252	149	408	298	1,753
Net accrual adjustments	–	–	–	–	–	–	–	–	–	–
Revenue for the period	908	840	185	109	252	149	408	298	1,753	1,396
Surplus/(deficit) from the previous year	–	–	–	–	–	–	–	2	–	2
Total revenue including accrued revenue	908	840	185	109	252	149	408	300	1,753	1,398
Less expenses including accrual expenses	908	840	185	109	252	149	408	300	1,753	1,398
Surplus/(deficit) for reporting period	–	–	–	–	–	–	–	–	–	–

41.4 DEST Research

	University only							
	Institutional Grants Scheme		Research Training Scheme		Research Infrastructure Block Grants		Total	
	2006 \$000	2005 \$000	2006 \$000	2005 \$000	2006 \$000	2005 \$000	2006 \$000	2005 \$000
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the Programmes)	2,414	2,176	5,365	5,088	1,218	1,025	8,997	8,289
Net accrual adjustments	–	–	–	–	–	–	–	–
Revenue for the period	2,414	2,176	5,365	5,088	1,218	1,025	8,997	8,289
Surplus/(deficit) from the previous year	–	–	–	–	–	–	–	–
Total revenue including accrued revenue	2,414	2,176	5,365	5,088	1,218	1,025	8,997	8,289
Less expenses including accrual expenses	2,414	2,176	5,365	5,088	1,218	1,025	8,997	8,289
Surplus/(deficit) for reporting period	–	–	–	–	–	–	–	–

Note 41. Acquittal of Australian Government financial assistance (continued)

41.5 Australian Research Council grants

	University only					
	Projects		Fellowships		Total	
	2006 \$000	2005 \$000	2006 \$000	2005 \$000	2006 \$000	2005 \$000
(a) Discovery						
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the Programmes)	1,864	1,724	–	–	1,864	1,724
Net accrual adjustments	–	–	–	–	–	–
Revenue for the period	1,864	1,724	–	–	1,864	1,724
Surplus/(deficit) from the previous year	932	832	–	2	932	834
Total revenue including accrued revenue	2,796	2,556	–	2	2,796	2,558
Less expenses including accrual expenses	1,660	1,624	–	2	1,660	1,626
Surplus/(deficit) for reporting period	1,136	932	–	–	1,136	932

41.6 Australian Research Council grants

	University only							
	Infrastructure		International researcher exchange		Projects (SPIRT)		Total	
	2006 \$000	2005 \$000	2006 \$000	2005 \$000	2006 \$000	2005 \$000	2006 \$000	2005 \$000
(b) Linkages								
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the Programmes)	1,047	114	47	109	1,081	1,134	2,175	1,357
Net accrual adjustments	–	–	–	–	–	–	–	–
Revenue for the period	1,047	114	47	109	1,081	1,134	2,175	1,357
Surplus/(deficit) from the previous year	380	352	117	66	478	350	975	768
Total revenue including accrued revenue	1,427	466	164	175	1,559	1,484	3,150	2,125
Less expenses including accrual expenses	1,008	86	83	58	1,133	1,006	2,224	1,150
Surplus/(deficit) for reporting period	419	380	81	117	426	478	926	975



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