



See the
world



through the
eyes of others.

Australian Catholic University (ACU) was established in November 1990 through incorporation as a public company limited by guarantee, established and set up with the resources of the Catholic Church and incorporated pursuant to the *Corporations Act 2001*. It is a national university that operates in a number of jurisdictions domestically and overseas.

It is regulated by the Corporations Act and the *Australian National Charities and Not-for-profits Commission Act 2012* and lodges its *Annual Report* in accordance with those statutory requirements.

The University was formed through the amalgamation of the Catholic College of Education (NSW), the Institute of Catholic Education (Vic), McAuley College (Qld) and Signadou College of Education (ACT). Today, ACU has eight campuses: Brisbane (McAuley at Banyo), North Sydney (MacKillop), Strathfield (Mount Saint Mary), Canberra (Signadou), Ballarat (Aquinas), Melbourne (St Patricks), Adelaide (St Francis of Assisi) and a campus in Rome, Italy.

A public university, recognised and funded by the Commonwealth Government, ACU is open to students and staff of all beliefs. To view this report online visit acu.edu.au/annualreports

LETTER OF TRANSMITTAL

May 2019

Australian Charities and Not-for-profits
Commission GPO Box 5108, Melbourne Vic
3001

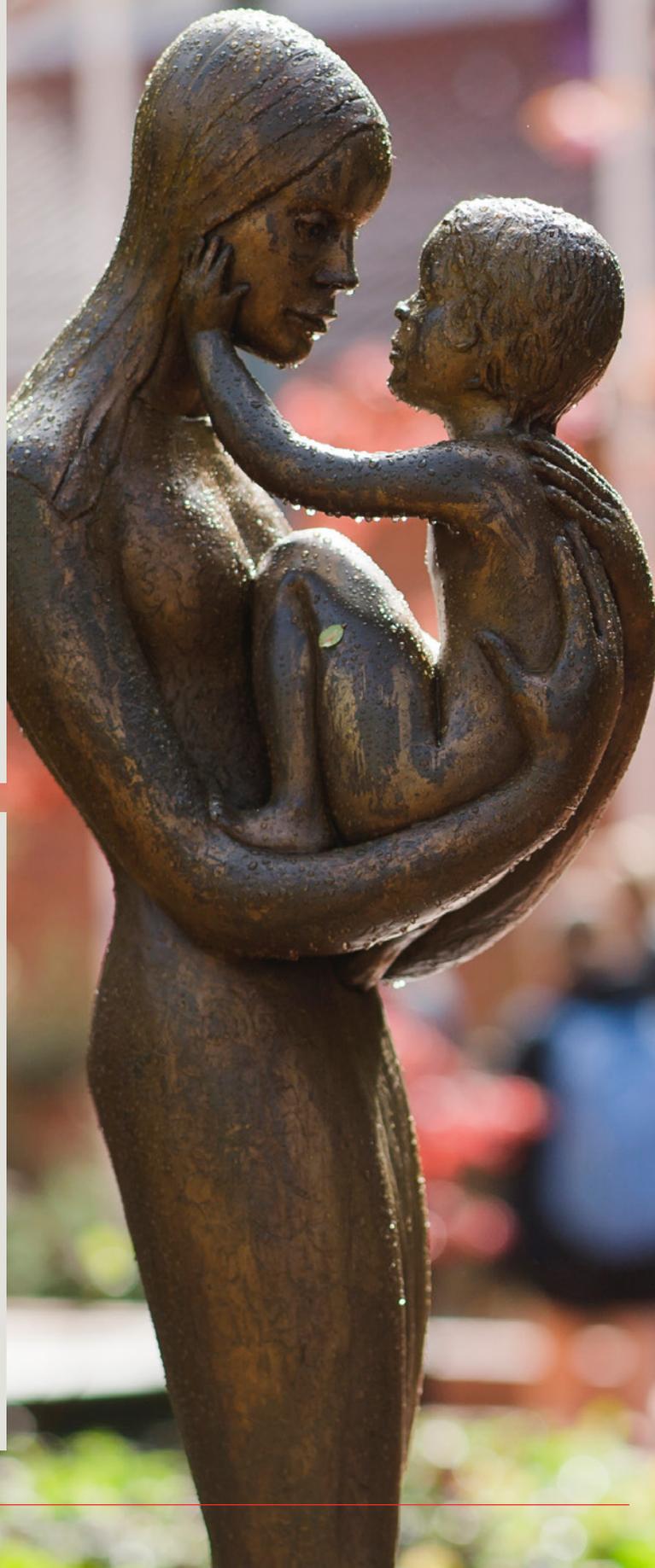
I am pleased to submit for your information the Australian Catholic University *Annual Report* for the year ending 31 December 2018.

The *Annual Report* was approved by the Australian Catholic University Senate on 11 April 2019.

Yours sincerely



**The Honourable John Fahey AC
Chancellor**





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Message from the Chancellor

On behalf of the University's Senate, I am pleased to present ACU's 2018 *Annual Report*. Through this report we recognise the significant contributions and achievements the University has made over the past year.

Throughout the past year, ACU has strengthened its profile as a university of prominence both in Australia and internationally.

We are now ranked in all major rankings systems, with a particular focus on our priority areas of health, education and theology and philosophy.

A consistent improvement in our ranking among Australian universities is an indication of our growing maturity and role as an institution of great teaching and research.

Integral to our Catholic character are the relationships we nurture with other institutions, with our partners across health, education and social networks, and with the Church.

In 2018 we farewelled retiring Melbourne Archbishop Denis Hart from his position as President of ACU Limited, a role he had held since 2014. Archbishop Hart was a member of ACU Limited since its

inception in 1991 and became a member of Corporation in 2001. In his place we welcomed Archbishop of Brisbane, Mark Coleridge who represents the Australian Catholic Bishops Conference (ACBC) on Senate and has taken on the leadership of ACU Limited.

Vice-Chancellor and President Professor Greg Craven has been an important driver of the University's extended period of growth through a significant period of expansion in the Australian higher education sector. We are delighted to have extended his tenure until 2022. The University's growth, its Catholic identity, and its contribution to public policy have been enriched enormously in the last 10 years of his stewardship.

The Senate is confident that the University is on track to embrace the challenges ahead.

The Honourable John Fahey AC



Message from the Vice-Chancellor and President

We are dedicated to maintaining the essential characteristics of a university – its research capacity, teaching excellence, and community and cultural impact – and our Catholic presence.

Australian universities have needed to be agile to adapt to the Australian Government's MYEFO budget announcements and the cap on Commonwealth Supported Places.

ACU's long-term growth and steady advancements right across the University have placed us well to meet these changes but it has not been without challenges.

ACU remains in the top three universities in Australia for combined

undergraduate and postgraduate market share in education, health and philosophy and religious studies.

We are committed to the promotion of equal opportunities and improving the access and outcomes of equity group students. This ambition has resulted in boosting the number of Aboriginal and Torres Strait Islander students since targets were identified. We have also launched ACU Engagement and created additional scholarships through our new Creating Opportunity Fund.

We continue to collaborate with leading institutions from around the world. In October, ACU joined seven international Catholic universities as founding members of the Strategic Alliance of Catholic Research Universities (SACRU). I have been honoured to represent Australia and ACU on the Committee for the Transformation of Catholic Higher Education at the International Federation of Catholic Universities (IFCU) and as the

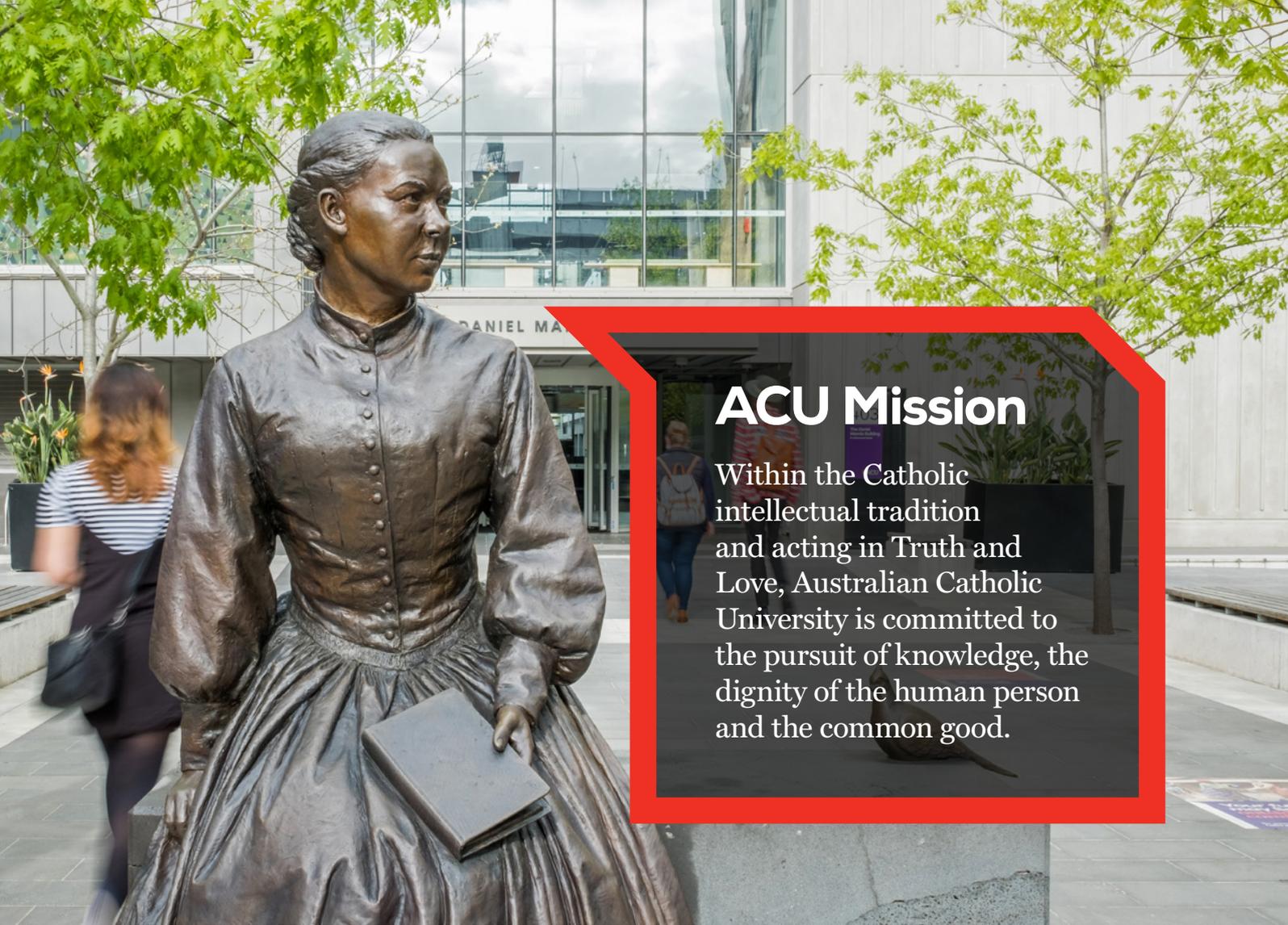
international representative on the Board of the Association of Catholic Colleges and Universities (ACCU).

It is the staff at ACU who remain at the heart of our University and who continue to deliver high-quality education and services to our students and the communities in which we serve.

The year saw us farewell several long-serving employees, including Professor Anne Cummins who retired after a decade as Deputy Vice-Chancellor (Students, Learning and Teaching). The distinguished Professor Zlatko Skrbis took over from Professor Cummins in November, joining ACU from Monash University.

With change comes renewal. The University continues to adapt in order to provide the best possible learning, teaching, research and collaborative environment to emerge stronger and to flourish.

Professor Greg Craven AO, GCSG



ACU Mission

Within the Catholic intellectual tradition and acting in Truth and Love, Australian Catholic University is committed to the pursuit of knowledge, the dignity of the human person and the common good.

Our history and Mission

At ACU, we pride ourselves on offering a welcoming environment for everyone. At the same time, we are a university committed to standing for something clear. We stand up for people in need, and causes that matter.

ACU was opened on 1 January 1991, following the amalgamation of four Catholic tertiary institutions in eastern Australia.

We're young, but we are making our mark. ACU is ranked in the top 50 of Generation Y universities worldwide* and in the top 10 Catholic universities**. We've grown rapidly over the past few years, and now have seven campuses around Australia, and a campus in Rome, Italy. We put our students and staff at the centre of a vibrant global network of scholars, partnerships, and opportunities.

We offer programs in arts, business, education, health, law, science, theology and philosophy. We're closely integrated into our communities and industries, working with them to answer the big questions, and to create tangible results.

Along with significant student growth in recent years, we're prioritising our research intensification. Our research programs tackle enduring and pressing issues in society, in Australia, and around the world.

* *Times Higher Education* Young University Rankings 2018

***Times Higher Education* World University Rankings 2018/2019, ranked IFCU members

Key statistics

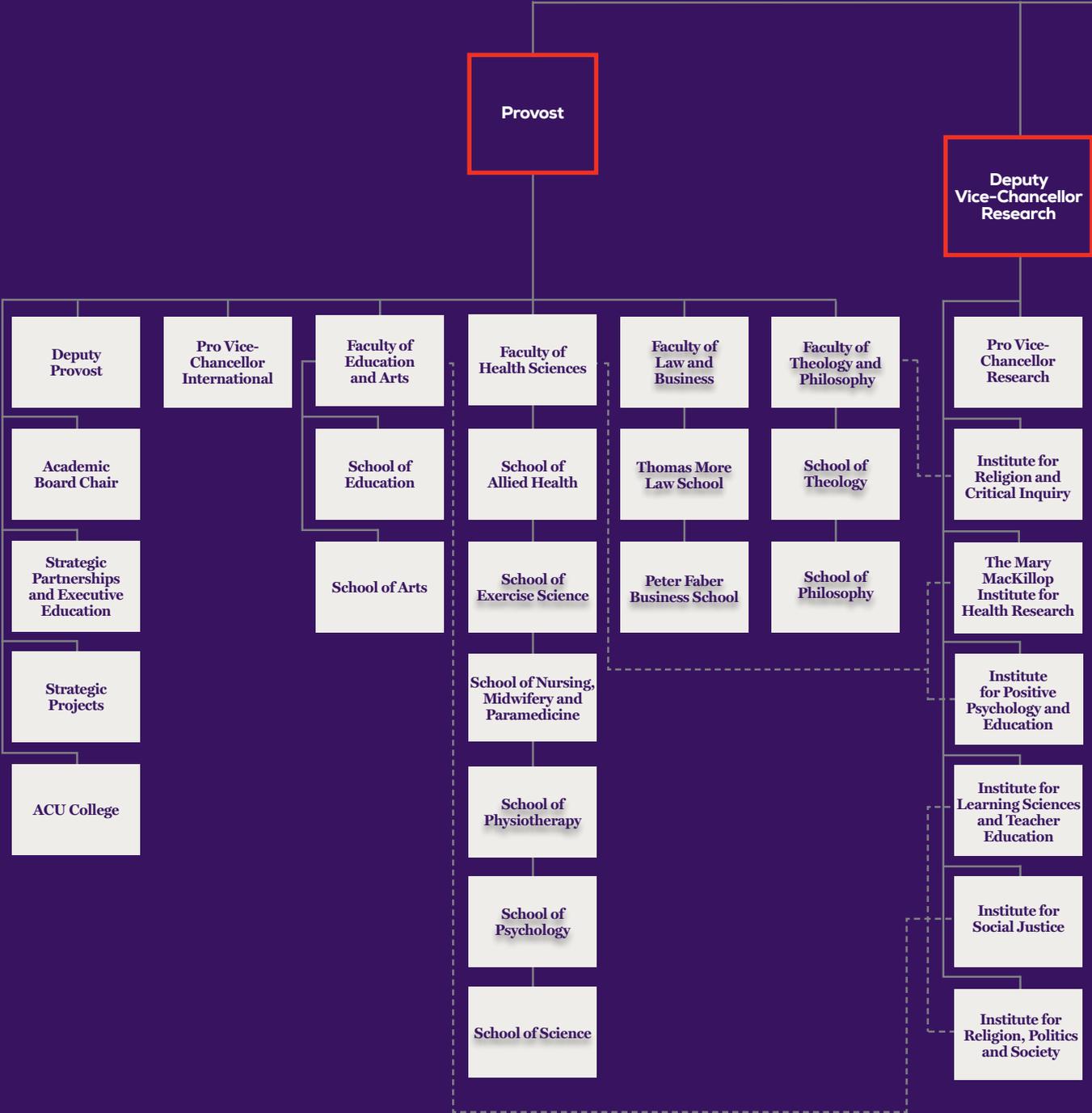
	2018	
ENROLMENTS		
Total	34,852	
Domestic	30,240	
International	4,612	
Undergraduate	26,728	
Postgraduate	6,707	
Non-award	1,417	
STAFF		
Academic	1,189	
Professional	1,229	
RESEARCH (\$'000)		
ARC funding	3,151 ¹	
NHMRC funding	680 ¹	
RESEARCH		
Publication count	n/a ²	
Research strengths ³	11	
INCOME (\$'000) (%)		
Government grants	249,763	45.5%
HELP	172,450	31.4%
Fees and charges	90,634	16.5%
Other	36,177	6.6%
EXPENDITURE (\$'000) (%)		
Employee benefits	332,314	66.4%
Depreciation and amortisation	29,832	6.0%
Repairs and maintenance	8,956	1.8%
Other	129,407	25.8%
Total assets	1,008,109	
Total revenue from continuing operations	549,024	
Total expenses from continuing operations	500,509	

¹ These are unaudited (audited figures won't be available until mid-2019)

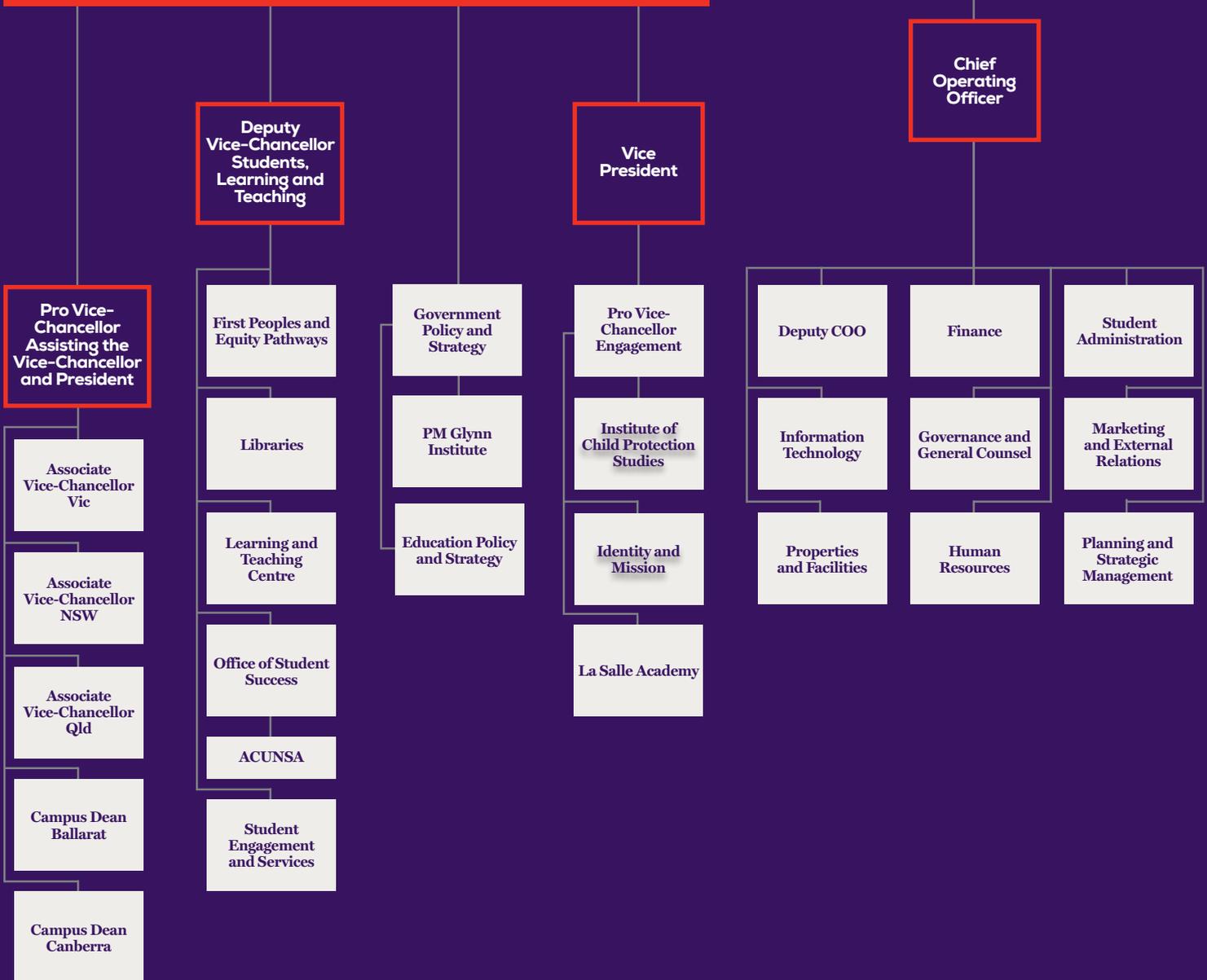
² 2018 publications count will be reported in mid-2019.

³ ACU's research strengths are defined as the number of four-digit Field of Research codes in which the University scored 4 or 5 in the previous ERA round.

Organisational structure



Vice-Chancellor and President



Governance and management

GOVERNANCE

The University is incorporated in Victoria as Australian Catholic University Limited, a public company limited by guarantee.

The Most Reverend Denis J Hart DD was the President of Australian Catholic University until his retirement effective 1 August 2018. The current President of Corporation is the Most Rev Mark Coleridge who was elected by the Members on 12 November 2018. The Corporation's members are the Catholic Archbishops of the Archdioceses of Sydney, Melbourne, Brisbane, and Canberra-Goulburn, the Bishops of the Dioceses of Ballarat and Parramatta, congregational leaders of founding religious institutions, and nominees of the Archbishops and the Bishop of Ballarat. ACU's Constitution may be viewed on the University's website at acu.edu.au/constitution.

The University Senate is the governing authority of the Corporation. Members of Senate are the Board of Directors. Senate has five sub-committees, each one enshrined in the University's Statutes. These are:

- Standing and Finance Committee
- Audit and Risk Committee
- Nominations and Remuneration Committee
- Honorary Awards Committee
- Academic Board

Four State Chapters, based in the Australian Capital Territory, New South Wales, Queensland, and Victoria, provide an interface between the University and the local Archbishop or Bishop located in the Archdiocese or Diocese in which the University operates. With the exception of the Vice-Chancellor and President, the local Archbishop appoints the members of each Chapter. Each Chapter reports to Senate and the Annual General Meeting of the Corporation.

SENIOR EXECUTIVE

The Senior Executive Group (SEG) is the peak senior strategic forum of ACU. The SEG meets to discuss University-wide strategic planning. It provides an opportunity for the Vice-Chancellor and President to brief the senior executive staff of the University on current and emerging strategic matters.

In 2018, Pro Vice-Chancellor Assisting the Vice-Chancellor and the Vice President became members of the SEG.

SEG members are:

- Professor Greg Craven AO, GCSG, Vice-Chancellor and President
- Professor Pauline Nugent, Provost and Deputy Vice-Chancellor Academic
- Dr Stephen Weller, Chief Operating Officer, Deputy Vice-Chancellor, Corporation Secretary
- Professor Anne Cummins, Deputy Vice-Chancellor (Students, Learning and Teaching) (to October 2018)
- Professor Wayne McKenna, Deputy Vice-Chancellor (Research)
- Father Anthony Casamento csma, Vice President
- Professor Hayden Ramsay, Pro Vice-Chancellor Assisting the Vice-Chancellor and President and Professor of Catholic Philosophy
- Professor Zlatko Skrbis, Deputy Vice-Chancellor (Education) from the date of his appointment

ACU SENATE

The 18 members of Senate – the Board of Directors – are appointed in different ways:

- The Chancellor, Pro-Chancellor and Vice-Chancellor and President, Chair of Academic Board, and one Cleric nominated by the Australian Catholic Bishops Conference are ex-officio members. Members of the Corporation appoint the Chancellor and Pro-Chancellor. The Senate appoints the Vice-Chancellor and President subject to the approval of the Members.

- Members of the Corporation elect four senators, one from each state and territory, nominated by the relevant State Chapter and approved by the local Archbishop.
- Members of the Corporation elect four senators from nominations provided by members of the Corporation and the Senate.
- Academic staff elect three senators.
- Professional staff elect one senator.
- Students elect one senator.

ACADEMIC BOARD

The Academic Board is established by Senate and has responsibility for academic governance including administering and implementing the academic policies and programs of the University and advising Senate on quality assurance matters relating to the University's teaching and research activities. Academic Board has the following standing committees:

- Academic Administrative Committee
- Academic Board Executive Committee
- Courses and Academic Quality Committee
- Faculty Boards
- Internationalisation Committee
- Standards and Compliance Committee
- University Learning and Teaching Committee
- University Medals Committee
- University Research Committee

IN 2018, SENATE MEMBERSHIP COMPRISED OF:**Chancellor**

The Hon John Fahey AC (Chair)

Pro-Chancellor

Mr Julien O'Connell AM

Vice-Chancellor and President

Professor Greg Craven AO, GCSG

Chair of Academic Board

Professor Margot Hillel OAM

Cleric nominated by the Australian Catholic Bishops' Conference

The Most Reverend Christopher Charles Prowse DD

State Chapter nomination (NSW)

Ms Annette Schmiede

State Chapter nomination (Vic)

Mr Stephen Elder OAM KSS

State Chapter nomination (Qld)

Ms Margaret Vider DSG

State Chapter nomination (ACT)

Ms Moira Najdecki

Senate Panel and ACU Corporation nominated member (NSW)

The Hon Barbara Perry

Senate Panel and ACU Corporation nominated member (Vic)

Ms Bernadette Steele

Senate Panel and ACU Corporation nominated member (Qld)

The Hon Justice James Douglas

Senate Panel and ACU Corporation nominated member (ACT)

Mr Tim Kirk

Elected by academic staff of the University

Professor Don Ross

Dr Josephine Ryan (from May 2018)

Elected by academic staff of the University

Professor Michael Ondaatje

Elected by academic staff of the University

Dr Bill Franzsen

Elected by professional staff of the University

Ms Danielle Leahy

Elected by students of the University

Miss Ashleigh Maas

IN 2018, ACADEMIC BOARD MEMBERSHIP COMPRISED OF:**Chair of Academic Board**

Professor Margot Hillel OAM (Chair)

Vice-Chancellor and President

Professor Greg Craven AO, GCSG

Provost

Professor Pauline Nugent

Chief Operating Officer

Dr Stephen Weller

Deputy Vice-Chancellors

Professor Anne Cummins (until October 2018)

Professor Zlatko Skrbis (from November 2018)

Professor Wayne McKenna

Vice President

Fr Anthony Casamento csm

Pro Vice-Chancellor, International

Mr Chris Riley

Pro Vice-Chancellor, Research

Professor James McLaren

Chair of Campus Board

Professor Marea Nicholson (until February 2018)

Professor Hayden Ramsay (from February 2018)

Executive Deans of Faculties

Professor Tania Aspland

Professor Michelle Campbell

Professor Dermot Nestor

Professor Terri Joiner

Two professorial academic staff members elected by each faculty

Professor Susan Dann

Professor Peta Goldberg RSM

Professor Suzanne Kuys

Professor Tim McKenry

Professor Neil Ormerod

Professor David Sim

Professor Meg Stuart

Professor Spencer Zifcak

Two non-professorial academic staff members elected by each faculty

Dr Melissa Bellanta

Dr May Cheong

Dr Georgia Clarkson

Dr Richard Colledge

Dr Christian Lorenzen

Dr Sugumar Mariappanadar

Dr Adam Staples

Dr Michael Theophilos

Academic Registrar

Ms Kathryn Blyth

Director, Libraries

Ms Fides Datu Lawton

Deputy Provost

Position vacant

Director, Learning and Teaching

Professor Kevin Ashford-Rowe

An external professor

Associate Professor Paul Wormell, Western Sydney University

First Peoples and Equity Pathways representative

Ms Jane Ceolin

Student member of Senate

Miss Ashleigh Maas



ACU Strategic Plan 2015 – 2020: **Strength to Strength**

The ACU Strategic Plan 2015 – 2020: *Strength to Strength* is the highest plan of the University and is guided by our Mission, vision and values. Our strategic plan has five key goals: an overarching goal of developing ACU's Catholic identity, and four 'goal pillars' that focus on academic profile; students, learning and teaching; research; and corporate services.



The University has performed strongly in a challenging internal and external environment, and some key highlights have been identified in line with ACU's 2020 targets:

ENROLMENTS AND MARKET SHARE

ACU pursued ambitious enrolment targets in a highly competitive market in 2018, enrolling 34,852 students. Enrolment growth was particularly challenging given the government's recent budget announcements and constrained funding for undergraduate courses.

ACU remains in the top three universities in Australia for combined undergraduate and postgraduate market share in education (first, with 7,949 enrolments), health (second, with 13,951 enrolments) and philosophy and religious studies (second, with 586 enrolments).

GRADUATE OUTCOMES

ACU performed strongly against the sector in the 2018 Graduate Outcomes Survey for domestic undergraduate, postgraduate coursework and postgraduate research students. In 2018, ACU achieved:

Undergraduate students

- Highest labour force participation rate at 96.2%
- Top four for overall employed (91.1%)

Postgraduate coursework students

- Top two for overall employed (96.3%)
- Top two for in the labour force (97.5%)
- Top four for full-time employment (91.5%)

Postgraduate research students

- Top two for full-time employment (94.1%)
- Top three for overall employed (95.8%)

ACCESS AND EQUITY OUTCOMES

The University is committed to being at the forefront in the promotion of equal opportunities and improving the access and outcomes of equity group students. To this end, ACU's participation rate for Aboriginal and Torres Strait Islander students has continued to improve since 2015, from 1.6% to 1.7% in 2017. The participation rate for low socio-economic status (SES) students has remained steady and was 12.4% in 2017.

ACU's retention rates for Aboriginal and Torres Strait Islander students and students with a disability were above the sector rate of 73.2% in 2016 by 0.5% and 1.7% (respectively), while low SES students were marginally below the sector rate of 80.2%. The University continues to perform strongly and inclusion rates remain higher than the sector, with Aboriginal and Torres Strait Islander students being 8% of the entire university body, students with a disability 5.7% and low SES students 4.7% above the sector.

Rankings

The University continues to produce high-quality outputs and outcomes, with ACU ranked in the top three per cent of all universities worldwide.* This is the third consecutive year that ACU has participated in the rankings and the University is now ranked in all major rankings systems, with a particular focus on its priority areas of health, education and theology and philosophy.

Times Higher Education Rankings[†]

401–500 in the world

201–250 in education, psychology and life sciences

251–300 in arts and humanities

301–400 in clinical, pre-clinical and health

Academic Ranking of World Universities[‡]

501–600 in the world

26 in sport science

41 in nursing

51–75 in education

201–300 in psychology

401–500 in public health and clinical medicine

University Ranking of Academic Performance

908 in the world

22 in human movement and sport sciences

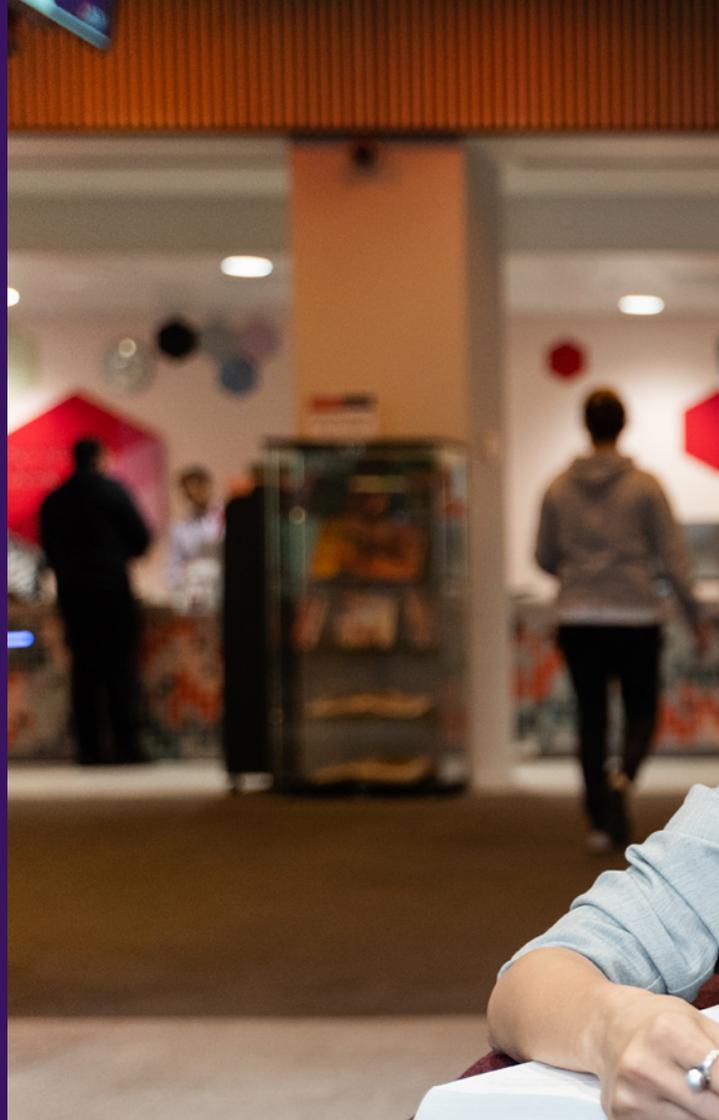
24 in nursing

83 in education

237 in psychology

**Times Higher Education (THE) World University Rankings 2018/2019*. Percentage calculated as ACU's world rank as a proportion of the total number of universities in the world: *International Handbook of Universities 2018*, Palgrave MacMillan.

***Academic Ranking of World Universities 2018*







Executive appointments

SENIOR EXECUTIVE LEADER APPOINTMENTS

- Professor Zlatko Skrbis: Deputy Vice-Chancellor (Education)



Sustainability bond commitments

The University has embarked on an investment strategy to allocate funds raised through the issue of sustainability bonds, in line with our commitment to securing a sustainable future.

In 2017 ACU secured \$200 million through the sale of sustainability bonds to some of Australasia's biggest institutional investors.

It was the first organisation in Australia and first university globally to issue a sustainability bond under the new sustainability guidelines issued that year.

The University adopted this innovative approach to combine green and social bond principles. The funds will be used for projects that reflect our mission in delivering positive social and environmental outcomes. This includes contributions to our research institutes to finance health and education research programs that aim to benefit vulnerable people.

Total use of funds as at 31 December 2018 is \$91 million detailed below:

Funds used in 2017:

- Mercy Building Brisbane, \$31.2 million
- Library and learning commons Canberra, \$17.9 million
- Physiotherapy building Ballarat, \$13 million
- The Institute for Positive Psychology and Education (IPPE), \$5.4 million
- The Mary MacKillop Institute for Health Research, \$9.7 million

Funds used in 2018:

- Construction began on the Saint Teresa of Kolkata building Melbourne, 20,000sqm, 5-star green rated design, teaching and office space, \$9.4 million
- IPPE, \$4.4 million

The remaining funds are earmarked to be used for the completion of the Saint Teresa of Kolkata building Melbourne. The total project is projected to cost \$250 million.

Funds remaining total \$109 million.

University highlights



BUILDING GROWTH AND SUSTAINABILITY

In 2018 ACU achieved three key milestones in capital infrastructure development. In Canberra, the Veritas Building was opened at the start of the first semester, with the new library, teaching and social learning spaces proving immediately popular with students and staff. In June, the Mercy Building at the Brisbane Campus was completed, featuring a significant increase in library facilities, modern teaching space and offices for administration. A particular feature is The Gaudete Centre, a function and conference facility on the highest level of the building with expansive views across Brisbane. The Melbourne Campus also achieved a major milestone in December, when Senate approved an agreement to construct the Saint Teresa of Kolkata Building. The new building is planned to be complete by 2022.

ACU's buildings are designed to be functional and sustainable. In 2018, ACU was named Australia's most energy-efficient university by the annual Benchmark Survey of the Tertiary Education Facilities Management Association (TEFMA). Universities are measured on the operation, maintenance and construction of facilities. We have one of the sector's lowest greenhouse gas emissions and have more than tripled our rate of recycling since 2011.

CREATING OPPORTUNITY FUND

The Creating Opportunity Fund provided its first 20 scholarships this year to enable students to overcome barriers to successful university study. Unlike many equity scholarships, which focus on financial hardship or a narrow set of criteria, these \$4,000 scholarships have flexible criteria that address issues including students experiencing long-term medical conditions, carer responsibilities, domestic violence, or being a refugee, asylum seeker, Aboriginal and Torres Strait Islander or first in family to attend university. The endowed fund is supported by donations from the ACU staff-giving program, the alumni annual appeal, and generous community donors, with the University matching all contributions dollar-for-dollar.



ENGAGEMENT LAUNCH

In 2018 we launched ACU Engagement, a division committed to supporting and enhancing the culture of community engagement at ACU nationally. This includes working to ensure all ACU staff and students have the opportunity to make a contribution to the community that is feasible and meaningful to them, and that meets community needs in a way that is valuable and respectful. In the first year of operation ACU Engagement partnered with the Faculty of Theology and Philosophy to develop ACU's principles of community engagement, which are founded on the principles of Catholic social thought and the Catholic intellectual tradition. The division also facilitated more than 500 student community engagement placements and numerous staff engagements with communities experiencing disadvantage and marginalisation. It also partnered with academic staff to complete the Australian Research Council Engagement and Impact submission, and partnered in flagship community engagement programs such as the award-winning Kicking Goals Together and the Sacred Heart Homework Support Program.

A GROWING RESEARCH REPUTATION

Awarded the Vice-Chancellor's Medal for Excellence in 2018, the Graduate Teacher Performance Assessment (GTPA) brings together a consortium of Australian universities, peak bodies and regulatory authorities, education unions, and international research partners to produce for the first time the standard that preservice teachers are expected to reach to show they are ready for the classroom. Led by the Institute for Learning Sciences and Teacher Education (ILSTE), the longitudinal research program uses rigorous design principles and implementation of evidence-based approaches to validation, standard setting and moderation that set a new precedent in the field of teacher education in Australia. The national impact of this research will continue to produce outcomes with real applications in classroom contexts in direct response to an identified policy need.

Researchers in education, humanities and social sciences received \$2.6 million in Australian Research Council (ARC) funding in 2018, including the only Future Fellowship awarded in education and a Linkage Project in partnership with the Queensland Department of Education, the Western Australian School Curriculum and Standards Authority, and the Catholic Education Office of WA. ACU researchers were also awarded two Discovery projects in education and history, a Discovery Early Career Research Award in politics, and contributed to successful ARC grants with other universities in philosophy, sociology, and medieval history.

ACU also had five researchers in the Clarivate Analytics list of global Highly Cited Researchers in 2018. Released annually, the list identifies exceptional researchers whose publications in science and social science rank in the top one per cent by citations for field and year during the past decade.

ACU's research excellence in our core areas of education, health, and theology and philosophy has been increasingly recognised and has attracted recognition and awards.



YALBALINGA CELEBRATES ITS 30 YEAR ANNIVERSARY

In 2018, the Yalbalinga Indigenous Higher Education Unit at ACU's Strathfield Campus celebrated 30 years of working with Aboriginal and Torres Strait Islander communities and supporting Aboriginal and Torres Strait Islander students.

Included in the first cohort of Aboriginal and Torres Strait Islander graduates in 1992 were Mr Harold (Tom) and Mrs Denise French who completed their studies while raising nine

children and juggling full-time jobs. "Studying is a sacrifice for us but I want to help change our system so it caters for the needs of our kids," Tom French said at the time.

Over the years, facilitating Aboriginal and Torres Strait Islander student success at ACU has strengthened. The University continues to value and recognise the importance of providing a culturally inclusive learning and working environment for Aboriginal and Torres Strait Islander peoples.



WHEN IN ROME

ACU's Rome Campus continues to flourish as a centre for learning, research, engagement and student enrichment. In 2018, the campus hosted 15 intensive academic units, six research seminars, three stakeholder events and the inaugural ACU School Leavers' Program. The total number of students and participants in these programs and offerings increased by 30 per cent between 2017 – 2018. Utilising Rome as the classroom, students' learning is enhanced by community engagement activities embedded in most academic units, linked to ACU's Catholic ethos and complementing Rome site visits as well as classroom dialogue.

ACU's students are able to couple their study with other important achievements, including the 2018 Francis Xavier Conaci scholarship award and world-class training for our Elite Athlete and Performer Program students. The Rome Campus also played a role in facilitating ACU student participation in the Pre-Synodal meetings in Rome from 19 to 24 March 2018, organised by the General Secretariat of the Synod of Bishops. Our students joined 300 other youth delegates from across the globe tasked with preparing a document on 'Young People, the Faith and Discernment' that helped shape the agenda for the October 2018 Synod of Bishops, and ultimately set new directions for the Church, including how to better involve young people in the Church.

The campus hosted a number of important engagement events including the visit of the Australian Governor-General, His Excellency General the Honourable Sir Peter Cosgrove AK MC (Retd), and Lady Cosgrove, who visited the Rome Campus on 25 June 2018 as part of his official visit to the Vatican. The Governor-General delivered an address to ACU students studying at the campus before touring the facilities and having the opportunity to meet and hear about our students' Rome experiences first-hand.

ACU's Executive Health Care Symposium was a great success again for ACU and the campus, with the addition of an Education Symposium, attracting over 30 sector leaders and key decision-makers from Catholic education and health care organisations across Australia and leading members of the Roman Curia.

The Rome Campus in conjunction with faculties, Strategic Partnerships and the Office of the Vice President, incorporates Vatican relationship development and strengthening into the remit of the campus aligned to the Vice-Chancellor and President's role as Consultor to the Holy See's Congregation for Catholic Education.



ONE HUNDRED THOUSAND GRADUATES

Ianee Plaza became the 100,000th person to graduate from ACU at a ceremony in Melbourne. Ianee was accepted into the Community Achiever Program (CAP) (formerly the Early Achievers' Program) in 2014 and started her studies in 2015. She was the recipient of the Emergency Nursing Advocacy Bursary from St Vincent's Hospital Melbourne. Ianee's decision to pursue nursing was inspired by a nurse at the very same hospital, who offered compassion and support to her mother while she was being treated for thyroid cancer six years ago. Today, Ianee's mother is well and Ianee is working as a graduate nurse at St Vincent's Hospital in Melbourne.

When ACU was formed in 1991, four Catholic tertiary institutions came together to create one national university. Some of those institutions had their origins in organisations that were formed when religious orders became involved in preparing nurses for Catholic hospitals.

It is very fitting that as ACU's 100,000th graduate Ianee studied a Bachelor of Nursing – a degree that is synonymous with ACU and is one of the most sought-after courses at the University.

During the 2018 spring and autumn graduation ceremonies across the University, 7,546 students were conferred. Of these, 68 were doctoral students. The University bestowed honorary doctorates on two women who have spent their careers advancing education for young people – Aunty Fay Green OAM and Libby Gleeson AM.

CREATIVITY AND INDUSTRY ENGAGEMENT IN COURSE DESIGN

Innovation in course development and offerings continued for ACU's faculties in 2018 with the successful introduction of the Bachelor of Nutrition Science and the development of the Bachelor of Educational Studies as an important pathway to Initial Teacher Education.

ACU's Peter Faber Business School partnered with Cisco's Mentor Me Program to assist in flipping an employment trend that reveals women represent only about a quarter of those employed in Australia's information and communications technology industries. Selected ACU business students were paired with a Cisco employee to build a mentee/mentor relationship and also participate in weekly workshops and discussion panels on a range of career topics. The Peter Faber Business School participants came from a range of fields including accounting and finance, IT and marketing and describe the program as one of the most valuable experiences that they have ever undertaken.

The Leadership for Mission program designed by and for women who are inspired by the Gospel vision of justice, freedom and the dignity of the human person was launched in 2018. This sponsored graduate certificate program is a joint initiative of ACU, the Council for Australian Catholic Women, the Australian Catholic Bishops Conference, and Catholic Mission.



ELITE ATHLETE AND PERFORMER PROGRAM (EAPP)

Starting in 2018 with the inaugural launch of the Rome program, collaboration with Italian Water Polo Club partner SIS Roma enabled ACU students to train and study on the Rome Campus. Following this initiative, the ACU Spirit of Sport celebration event acknowledged achievements of the 11 students and two alumni who competed at the 2018 Commonwealth Games. The high ACU athlete involvement was attributed to the support and flexibility provided by the program, enabling these athletes to stay enrolled during the competition period. Following the success of the Games, the EAPP welcomed an additional team member to service Victoria-based athletes while also recruiting 27 elite athletes to represent ACU at the UniSport Nationals – the highest participation of elite athletes to date. Establishment of the EAPP Advisory Committee was finalised mid-year with the guiding body endorsing Sport Australia’s Foundations, Talent, Elite and Mastery (FTEM) framework to ratify the allocation of adjustment factors and membership to the EAPP, which will align with the new financial scholarship proposal to be launched in 2019.



Limoges Corpus of Christ, ACU Art Collection

ARTS AND CULTURAL HERITAGE

Drawing on the long and rich heritage of the Catholic Church as a patron of the arts, ACU formalised an Arts and Culture Strategy that is closely linked to its unique Catholic mission and vision. This includes the ambition to pursue knowledge, respect the dignity of the human person and contribute to the common good.

Public universities have a role in promoting culture and the arts in their communities. All leading Australian universities are major repositories of and advocates for the arts, which are activities crucial to their reputation and standing. Consequently, ACU is developing a strong commitment to the arts and to cultural engagement on a principled and coherent basis. This will build on an existing rich diversity of artistic and cultural activity. In 2018 ACU launched an arts and culture website and has advanced further initiatives that will continue to bring to life the aspiration of becoming a champion and custodian of art and culture which will become a legacy for all to share.



Voluntary Code of Best Practice for Governance of Australian Universities

We acknowledge the requirement under clause 14 of the Voluntary Code of Best Practice for the Governance of Australian Universities (Code) to disclose in our *Annual Report* compliance with the Code and provide reasons for any areas of non-compliance. ACU is compliant with the Code to the extent permitted by its governing documents (the Constitution, Statutes, Regulations, Standing Orders, Policies, Procedures and Guidelines), the Australian Catholic University Acts in New South Wales, Victoria and Queensland and relevant Commonwealth legislation including the *Corporations Act 2001* and the *Australian Charities and Not-for-profit Commission Act 2012*.

International research partners

ACU became one of eight universities selected to join the newly formed Strategic Alliance of Catholic Research Universities (SACRU).

Representatives from the eight key international Catholic universities officially signed a partnership agreement establishing a multilateral agreement on 12 October 2018 in Lisbon, Portugal.

Principles of the declaration shared by the partner universities include:

- a university culture inspired by Catholicism, with respect for academic freedom
- a spirit of great rigour in the academic quality of teaching, research and service to the community
- a commitment to cooperation with varying formats, allowing for enhancement of the global alliance via special sector agreements
- a commitment to develop a research-intensive environment championing academic freedom and ethical responsibility.

Provost and Deputy Vice-Chancellor (Academic) Professor Pauline Nugent, Deputy Vice-Chancellor (Research) Professor Wayne McKenna and Pro Vice-Chancellor (International) Mr Chris Riley, represented ACU at the first meeting and ceremonial signing at the Catholic University of Portugal.

The agreement has goals which will enhance the Catholic network of universities and will encourage multilateral cooperation in teaching, research and service to the community. Additionally, this partnership will promote joint research projects and publications and enhance the visibility of the allied universities in a global setting.

The following universities are signatories of the agreement:

- Australian Catholic University (Australia)
- Universidade Católica Portuguesa (Portugal)
- Università Cattolica Del Sacro Cuore (Italy)
- Universitat Ramon Llull (Spain)
- Boston College (USA)
- Pontifícia Universidade Católica Do Rio De Janeiro (Brazil)
- Pontifícia Universidad Católica De Chile (Chile)
- Sophia University (Japan)



Professor Pauline Nugent and Professor Isabel Capeola-Gil, the Rector of the Catholic University of Portugal and Chair of SACRU

The latest *Times Higher Education* World University Rankings placed ACU in the top 500 global institutions and top 10 Catholic universities*, alongside our partners Boston College, which is ranked in the top 350 universities, and the Catholic University of the Sacred Heart, ranked in the top 500.

The Pontifical University of Chile, the Pontifical University of Rio de Janeiro, and the Catholic University of Portugal are all ranked in the top 800 universities worldwide.

This strong membership will ensure that the partnership agreement achieves its objectives and solidifies the positions of our universities among research institutions across the world.

* Based on International Federation of Catholic Universities (IFCU) members ranked on *Times Higher Education* World University Rankings 2018/2019

Review of results and audited financial statements

Financial statements for the year ended
31 December 2018

Directors' report

For the year ended 31 December 2018

The directors present their report together with the financial statements of Australian Catholic University Limited (the University) for the year ended 31 December 2018 and the auditors' report thereon.

DIRECTORS

The directors of the University in office at any time during or since the end of the financial year are:

Professor Gregory Joseph Craven AO GCSG

BA LLB(Hons) LLM (Melb)
Vice-Chancellor and President
1 February 2008

The Hon. Justice James Douglas

BA LLB (UQ), LLB (Cambridge)
Supreme Court Judge
11 June 2013

Mr Stephen Noel Elder OAM KSS

BEd (VU), DipEd (La Trobe), FAIM
Educational administrator
23 May 2008

The Hon. John Fahey AC

Solicitor (LPAB), DipLaw (USyd)
Chancellor and former Premier of NSW
4 September 2014

Dr Bill Franzsen

BSc(Hons) (UWA), GradCertHED
(ACU), PhD (USyd)
University academic
4 May 2016

Professor Margot Hillel OAM

BA (La Trobe), MA (Melb), PhD
(Monash)
University academic and Chair of
Academic Board
16 June 2010

Mr Tim Kirk

B. Theol (Aust College Theology),
Dip Ed (ACU)
Winemaker and business executive
3 May 2017

Ms Danielle Leahy

BA (SportExM) (Hons.) (UTS)
University administrator
4 May 2017

Ms Ashleigh Maas

BEducation (ACU) (in progress)
Student
1 January 2018
(31 December 2018)

Ms Moira Therese Najdecki

BA (ANU), DipEd (CCA), MA
(UNSW), GradDipRelEd MedLead
(ACU)
Educational administrator
19 May 2006

Mr Julien O'Connell AM

DipAcct (BTS), FAICD
Pro-Chancellor and business executive
1 January 2016

Professor Michael Ondaatje

BA(Hons) PhD (UWA)
University academic
4 May 2016

The Hon. Barbara Perry

BA LLB (USyd)
Retired politician; community services
administrator
4 May 2016

The Most Reverend Christopher Prowse DD

BA (Monash), BTheol (MCD),
LicMoralTheol (PUG), DMoralTheol
(PUL)
Archbishop of Canberra and Goulburn
23 May 2014

Dr Josephine Ryan

BA(Hons), DipEd, Med, EdD
University academic
2 May 2018

Ms Annette Schmiede

BEc (USyd)
Health administrator
1 January 2016

Ms Bernadette Marie Therese Steele

BA(Hons) LLB (Melb)
Lawyer
11 August 2009

Ms Margaret Mary Vider DSG

BAppSciNurs (QIT),
GradDipA(LeadSt) (ACU)
Retired health professional
21 May 2010

The senior executive of Australian Catholic University Limited at the date of this report are:

VICE-CHANCELLOR AND PRESIDENT

Professor Gregory Joseph Craven AO GCSG

BA LLB(Hons) LLM (Melb)
1 February 2008

PROVOST AND DEPUTY VICE-CHANCELLOR (ACADEMIC)

Professor Pauline Nugent

BAppSc (LincolnInstHlthSc) MED
(Monash) RN
14 February 2011

CHIEF OPERATING OFFICER AND DEPUTY VICE-CHANCELLOR

Dr Stephen Weller

BA (USyd), MCom (UWS), MBA
(UTS), PhD (VU)
1 April 2013

DEPUTY VICE-CHANCELLOR (EDUCATION)

Professor Zlatko Skrbis

BPhil (Hons) (Ljubljana), BSocCult
(Hons) (Ljubljana), PhD(Flinders)
12 November 2018

DEPUTY VICE-CHANCELLOR (RESEARCH)

Professor Wayne McKenna

BA(Hons) PhD (Leeds)
4 February 2013

VICE PRESIDENT AND DIRECTOR, IDENTITY AND MISSION

Father Anthony Casamento

BTheo (CIS), BSc (Psych) (UNSW),
BA (UNSW), MA (UNSW)
16 August 2010

PRO VICE-CHANCELLOR ASSISTING THE VICE-CHANCELLOR AND PRESIDENT

Professor Hayden Ramsay

M.Mental Phil (First Class)
(Edinburgh), PhD (Edinburgh)
3 July 2017

DIRECTORS' MEETINGS

The number of directors' meetings (including meetings of committees of directors) and the number of meetings attended by each of the directors of the University during the financial year are:

	SENATE MEETINGS		STANDING & FINANCE COMMITTEE MEETINGS		HONORARY AWARDS COMMITTEE MEETINGS		AUDIT & RISK COMMITTEE MEETINGS		NOMINATIONS & REMUNERATION COMMITTEE MEETINGS	
	A	B	A	B	A	B	A	B	A	B
Professor Greg Craven AO GCSG	4	6	3	6	2	2			2	2
The Honourable Justice James Douglas	5	6			1	2	2	3		
Mr Stephen Elder OAM KSS	3	6	2	6						
The Honourable John Fahey AC	6	6			2	2			2	2
Dr Josephine Ryan	3	4			1	1				
Dr Bill Franzsen	4	6					2	3		
Professor Margot Hillel OAM	5	6			2	2	3	3	1	2
Mr Tim Kirk	6	6	5	6						
Ms Danielle Leahy	5	6					1	2		
Ms Ashleigh Maas	6	6								
Ms Moira Najdecki	6	6					2	3		
Mr Julien O'Connell AM	6	6	6	6					2	2
Professor Michael Ondaatje	5	6					3	3		
The Honourable Barbara Perry	5	6					3	3		
The Most Reverend Christopher Prowse DD	4	6								
Ms Annette Schmiede	4	6	5	6						
Ms Bernadette Steele	5	6					2	3		
Ms Margaret Vider DSG	6	6	5	6	2	2				

A - Number of meetings attended

B - Reflects the number of meetings held during the time the director held office throughout the year

Note: Robert Baker, External Chair of Audit and Risk Committee, member of Nominations and Remuneration, and member of the Standing and Finance Committee, is not a director of ACU Ltd. Mr Baker attended 3 of 3 Audit and Risk Committee meetings, 2 of 2 Nominations and Remuneration Committee meetings, and 5 of 6 Standing and Finance Committee meetings.

FINANCIAL HIGHLIGHTS

	2018 \$'000	2017 \$'000	CHANGE %
Commonwealth Government grants	418,784	416,585	0.5
Other operating revenue	125,208	115,959	8.0
Finance income	5,032	3,442	46.2
Salary cash expenses	(328,239)	(333,029)	(1.4)
Non-salary cash expenses	(138,363)	(142,604)	(3.0)
Non-cash expenses (depreciation, amortisation and provisions)	(33,907)	(39,913)	(15.0)
Net result for the period	48,515	20,440	137.4
Working capital surplus	26,886	82,779	(67.5)
Working capital surplus adjusted for employee benefits classified as current but due to be settled in greater than 12 months	45,404	101,354	(55.2)





PRINCIPAL ACTIVITIES

The principal activities of Australian Catholic University Ltd during the course of the financial year were those of a university operating at both an undergraduate and postgraduate level and research on seven campuses across the states of Queensland, New South Wales, Victoria, South Australia and Australian Capital Territory. During 2015, the University began operations of a campus in Rome. The campus is a shared facility with the Catholic University of America.

REVIEW AND RESULT OF OPERATIONS

There is a positive result for the year ended 31 December 2018 of \$48.5 million (m) (2017 \$20.4m), an increase of \$28.1m (137.3%).

Total revenue increased \$13m (2.4%). There has been a continued although small increase in Commonwealth Government Financial Assistance. A change in funding policy has resulted in the Commonwealth Grants Scheme grant being maintained at 2017 levels for 2018. HECS HELP decreased, \$0.6m (0.4%). Fees and charges have increased \$12.2m (15.6%) due largely to an increase in Fee Paying Overseas students \$13.m (23.1%).

Total expenditure decreased \$15m (2.9%) as a result of budget measures put in place in response to the Commonwealth Government funding cuts. Expenditure on cash related

salaries decreased by \$4.8m (1.4%). Non-salary cash expenses decreased by \$4.2m (3.0%). Non-cash expenses decreased by \$6m (15.0%)

The Working Capital position has reduced to a surplus of \$26.9m (\$82.8m surplus in 2017) largely due to an increase in longer dated investments at balance date that have maturities in line with cash flow requirements for significant capital projects. The surplus is \$45.4m (\$101.4m surplus in 2017) after adjusting for employee benefits classified as current liabilities but expected to be settled in greater than 12 months.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Implementation of the University's Infrastructure Plan to accommodate current and planned growth in student and staff numbers continued in 2018. A new building accommodating staff, students and additional library space was completed on the Brisbane Campus. A new building also accommodating staff, students and a new library was completed on the Canberra Campus. Construction of an underground car park was started on the Strathfield Campus during the year. The University appointed Watpac Construction to build the Saint Teresa of Kolkata Building on the Melbourne Campus during the latter part of 2018 with works now commenced. Additional ongoing reconfiguration

and refurbishment of existing spaces on all campuses continues to meet changing requirements.

Following the University undertaking a ratings process in 2016 with Moody's Investors Services where the University was provided with an Aa2 rating, the University undertook a bond issuance during 2017. A sustainability bond issue was undertaken as it best aligned with the University's mission by bringing together green and social bond principles. The University was the first organisation in Australia and first university globally to issue a sustainability bond under the new sustainability guidelines issued in June.

The University raised \$200m through the bond issue, of which, \$100m was used to repay in full NAB loan facilities. The remainder will be used for continuing planned infrastructure works. The University continues to maintain a facility with the Catholic Development Fund (\$50m) which was fully drawn at year end. A number of rate swaps were executed to hedge against interest rate risk.

ENVIRONMENTAL REGULATION

The University's operations are not subject to any significant environmental regulations under either Commonwealth or State legislation. However, the directors believe that the University has adequate systems in place for the management of its environmental requirements and



is not aware of any breach of these environmental requirements.

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

There are no other items, transactions or events of a material or unusual nature that have arisen in the interval between the end of the financial year and the date of this report which are likely in the opinion of directors to affect significantly the operations of the University, the results of these operations or the state of the University in subsequent financial years.

DIRECTORS' INTERESTS AND BENEFITS

Directors' interests and benefits are set out in notes 19 and 20.

INDEMNIFICATION OF DIRECTORS AND OFFICERS

During the year the University renewed an agreement with their insurers to provide indemnification for all the directors and officers of the University (as listed in this report), against all liabilities to another person (other than the University) that may arise from their position as directors and officers.

DIRECTORS AND OFFICERS LIABILITY COVER

During the year, the University paid insurance premiums of \$76,650 (2017: \$76,650) in respect of Directors and Officers Liability insurance contracts for directors and officers of the University. The insurance provides

cover against claims made by reason of any wrongful act committed or alleged to have been committed by a director or officer of the University during the year. The University has not entered into an agreement indemnifying the current auditor, KPMG, against any claims by third parties.

PROCEEDINGS ON BEHALF OF THE UNIVERSITY

There are no proceedings being pursued on behalf of the University.

LEAD AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration is set out on page 31 and forms part of the director's report for the financial year ended 31 December 2018.

NON-AUDIT SERVICES

Amounts paid to the University's auditors for non-audit services are outlined in note 5.

The directors of the University are satisfied, based on advice from the Audit and Risk Committee, that the non-audit services provided are compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001* and do not undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants, as they did not involve reviewing or auditing the auditor's own work, acting in a

management or decision-making capacity for Australian Catholic University, acting as an advocate for Australian Catholic University or jointly sharing risks and rewards.

ROUNDING OFF

The University is of a kind referred to in ASIC Corporations Instrument 2016/191 and in accordance with that Instrument, amounts in the financial statements and directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated.

Signed in accordance with a resolution of the directors and in accordance with subsection 60.15(2) of the Australian Charities and Not for Profit Commission Regulation 2013:

Professor Greg Craven AO GCSG
Director
11 April 2019, Sydney

Mr Julien O'Connell AM
Director
11 April 2019, Sydney



Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To: the directors of Australian Catholic University Limited
I declare that, to the best of my knowledge and belief, in
relation to the audit for the financial year ended 31 December
2018 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

KPMG

Kevin Leighton
Partner

Sydney
11 April 2019

Income statement

For the year ended 31 December 2018

	NOTE	2018 \$'000	2017 \$'000
Revenue from continuing operations			
Commonwealth Government financial assistance excluding HECS-HELP	2.1	246,334	243,939
Higher Education Contribution Scheme (HECS-HELP)			
Student contributions	24.2	10,225	11,285
Commonwealth payments	2.1, 24.2	142,871	142,439
FEE-HELP	2.1	11,320	12,931
SA-HELP	2.1	5,886	5,970
VET-HELP	2.1	2,148	
State and local government financial assistance	2.2	3,429	2,021
Fees and charges	2.3	90,634	78,423
Consultancy and contract research	2.5	6,188	9,758
Other revenue	2.6	24,957	25,717
Total revenue from continuing operations		543,992	532,544
Expenses from continuing operations			
Employee benefits	3.1	332,314	339,363
Depreciation and amortisation	3.2	29,832	33,579
Repairs and maintenance	3.3	8,956	9,349
Consultancy		11,138	12,733
Rent		17,899	15,050
Travel		10,036	13,878
Other	3.4	81,758	84,560
Total expenses from continuing operations		491,933	508,512
Net result from continuing operations		52,059	24,032
Finance income and expense			
Finance income	2.4	5,032	3,442
Finance expense	4	(8,576)	(7,034)
Total finance income and expense		(3,544)	(3,592)
Net result before income tax		48,515	20,440
Income tax	1(c)	-	-
Net result for the period	17	48,515	20,440

The income statement is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 37 to 67.

Statement of comprehensive income

For the year ended 31 December 2018

	NOTE	2018 \$'000	2017 \$'000
Net result for the period		48,515	20,440
Other comprehensive income			
<i>Items that will not be reclassified to profit and loss</i>			
Superannuation – deferred government contributions		1,025	81
Deferred superannuation expense		(1,025)	(81)
<i>Items that may be reclassified subsequently to profit and loss</i>			
Gain on revaluation of land and buildings	10	-	-
Gain on fair value of available for sale financial assets	16	14,180	5,216
Other comprehensive income for the period		14,180	5,216
Total comprehensive income		62,695	25,656
Attributable to:			
Members		62,695	25,656
Total comprehensive income attributable to members		62,695	25,656

The statement of comprehensive income is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 37 to 67.

Balance sheet

As at 31 December 2018

	NOTE	2018 \$'000	2017 \$'000
Current assets			
Cash and cash equivalents	6	66,507	142,302
Trade and other receivables	7	4,129	5,234
Other investments	8	81,412	26,445
Other assets	9	12,877	10,148
Total current assets		164,925	184,129
Non-current assets			
Other investments	8	32,268	17,588
Property, plant and equipment	10	744,261	689,122
Intangible assets	11	40,640	41,283
Other assets	9	26,015	23,246
Total non-current assets		843,184	771,239
Total assets		1,008,109	955,368
Current liabilities			
Trade and other payables	12	28,112	38,573
Employee benefits	13	35,230	35,773
Borrowings	14	50,000	-
Other	15	24,697	27,004
Total current liabilities		138,039	101,350
Non-current liabilities			
Employee benefits	13	30,182	29,705
Borrowings	14	199,355	249,320
Other	15	15,352	12,507
Total non-current liabilities		244,889	291,532
Total liabilities		382,928	392,882
Net assets		625,181	562,486
Equity			
Reserves	16	625,181	562,486
Retained earnings	17	-	-
Total equity		625,181	562,486

The balance sheet is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 37 to 67.

Statement of changes in equity

For the year ended 31 December 2018

	NOTE	GENERAL RESERVE \$'000	ASSET REVALUATION RESERVE \$'000	AVAILABLE FOR SALE FINANCIAL ASSETS REVALUATION RESERVE \$'000	CONTRIBUTION FROM MEMBERS \$'000	TOTAL EQUITY \$'000
2018						
Balance at 1 January 2018		386,606	102,299	16,623	56,958	562,486
Comprehensive income for the period						
Net result for the period	17	48,515	-	-	-	48,515
Total other comprehensive income for the period		-	-	14,180	-	14,180
Total comprehensive income for the period		48,515	-	14,180	-	62,695
Contribution from members	16	-	-	-	-	-
Balance at 31 December 2018		435,121	102,299	30,803	56,958	625,181
2017						
Balance at 1 January 2017		366,166	102,299	11,407	56,958	536,830
Comprehensive income for the period						
Net result for the period	17	20,440	-	-	-	20,440
Total other comprehensive income for the period		-	-	5,216	-	5,216
Total comprehensive income for the period		20,440	-	5,216	-	25,656
Contribution from members	16	-	-	-	-	-
Balance at 31 December 2017		386,606	102,299	16,623	56,958	562,486

The statement of changes in equity is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 37 to 67.

Statement of cash flows

For the year ended 31 December 2018

	NOTE	2018 \$'000	2017 \$'000
Cash flows from operating activities			
Grant revenue			
Commonwealth Government		274,793	265,132
State Government		3,428	1,485
Higher Education Contribution Scheme			
Student payments		10,225	11,285
Commonwealth payments		132,488	142,062
Other inflows		96,072	111,366
Cash receipts in the course of operations		517,006	531,330
Cash payments in the course of operations		(452,995)	(459,858)
Interest received		5,522	2,665
Interest and other costs of finance		(8,181)	(3,801)
Net cash from operating activities	23(ii)	61,352	70,336
Cash flows from investing activities			
Payments for property, plant and equipment		(81,761)	(75,456)
Proceeds from sale of non-current assets		82	28
Proceeds from /(payments for investments)		(55,468)	(18,450)
Net cash used in investing activities		(137,147)	(93,878)
Cash flows from financing activities			
Proceeds from borrowings		-	199,320
Repayment of borrowings		-	(100,000)
Net cash provided by financing activities		-	99,320
Net increase in cash held		(75,795)	75,778
Cash and cash equivalents at the beginning of the financial year		142,302	66,524
Cash and cash equivalents at the end of the financial year	23(i)	66,507	142,302

The statement of cash flows is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 37 to 67.

Notes to the financial statements

For the year ended
31 December 2018

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The directors of the University comprise the Senate of the University and the terms 'senator' and 'director' are interchangeable. Australian Catholic University Ltd (the University) is domiciled in Australia and is not-for-profit. The financial statements were authorised for issue by the directors on 11 April 2019.

The significant policies which have been adopted in the preparation of these financial statements are:

(A) BASIS OF PREPARATION

Statement of Compliance

The financial statements of the University are a general purpose financial statement which has been prepared in accordance with Australian Accounting Standards (AASB's) adopted by the Australian Accounting Standards Board, the *Corporations Act 2001*, subsection 60.15(2) of the Australian Charities and Not for Profit Commission Regulation 2013 and the disclosure requirements within the Guidelines for the Preparation of Annual Financial Statements for the 2018 Reporting Period by Australian Higher Education Institutions issued pursuant to the *Higher Education Support Act 2003*.

The financial statements were authorised for issue by the Senate on 11 April 2019.

Use of estimates and judgement

The preparation of the financial statements, in conformity with Australian Accounting Standards, requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable



under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods if the revision affects both current and future periods.

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant impact on the amount recognised in the financial statements are described in: Note 13 measurement of defined superannuation obligations; Note 1(g) measurement of make good/rectification costs; and Note 10 property, plant and equipment.

Functional and presentation currency

The financial statements are prepared in Australian dollars, which is the University's functional currency.

The University is a Company referred to in ASIC Instrument 2016/191 and in accordance with that Instrument, all financial information has been rounded to the nearest thousand unless otherwise stated.

Historical cost convention

The financial statements have been prepared on the basis of historical costs except for freehold land and buildings, financial instruments classified as available for sale and defined benefit superannuation liabilities. These have been stated at fair value.

Where necessary, comparative information has been reclassified to achieve consistency in disclosure with current financial year amounts and other disclosures.

The accounting policies below have been applied consistently to all periods presented in these financial statements except where stated.

(B) REVENUE RECOGNITION

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

allowances, rebates and amounts collected on behalf of third parties.

Revenue is recognised when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the University and specific criteria have been met for each of the University's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The University bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue is recognised as follows:

Government grants

Commonwealth Grant Scheme and HELP income is recognised on an accrual basis whereby it is credited to the University's income statement in the financial year in which the goods and services are provided in exchange for the grant received.

Other tuition fee income

Other tuition fee income is generated from fee-paying courses for local and overseas students. Revenue is recognised in the same period as the courses for which the fee income is derived. Pre-payments for courses being held in the next teaching year are treated as deferred income and recorded as revenue in the following financial year when the course is provided.

Donations and bequests

Donations and bequests received, which are not subject to conditions under a specific trust deed, are recognised as revenue when they are received.

Interest income

Interest income is recognised as it accrues using the effective interest method.

Asset sales

The net gain on asset sales is included as other income and the net loss as an expense. The profit or loss on disposal of assets is brought to account at the date the unconditional contract is signed.

Emerging cost superannuation supplementation from government

Funding from government for emerging cost superannuation supplementation is reported in the Balance Sheet, as this is in effect an agency arrangement. In accordance with AASB119, Employee Benefits, this amount is disclosed in the notes to the Financial Statements (Refer Note 13).

(C) TAXATION

The Commissioner of Taxation has granted the University an exemption under section 50-5 of the *Income Tax Assessment Act 1997* from the 1 July 2000.

The University is not subject to income tax or capital gains tax but may be liable for other taxes in accordance with federal and state legislation.

(D) CASH AND CASH EQUIVALENTS

Cash at bank is carried at face value of the amounts deposited or drawn and net of unpresented cheques. The carrying amount of cash at bank approximates net fair value.

Short-term deposits of less than a remaining term of 90 days are classified as cash.

(E) TRADE AND OTHER RECEIVABLES

Student Assistance Program

Student loans are generally settled within a 12-month period and are carried at amounts due. The collectability of debts is assessed at balance date and bad debts are written off directly to the income statement. Specific provision is made for any doubtful accounts. The carrying amount of student loans approximates net fair value.

Sundry receivables

Sundry receivables are recognised when expenditure is incurred by the University and requires reimbursement by a third party. The carrying amount of sundry receivables approximates net fair value.

(F) INVESTMENTS

Interest bearing deposits, debentures and bank bonds

Interest bearing deposits, debentures, bank bonds and bank bills are measured at amortised cost using the effective interest method.

Other companies

Investments in listed and unlisted shares are classified as “available for sale” securities and are carried at fair value (See Note 1(o)). Changes in fair value are recorded in the Share Revaluation Reserve except for impairment losses which are recorded directly through the income statement.

When shares governed by a trust deed are sold, the profit or loss on disposal is recognised against a trust fund liability. All other share profits and losses on disposal are recognised in the income statement.

(G) PROPERTY, PLANT AND EQUIPMENT

Acquisition and additions of non-current assets are capitalised if the value is more than \$3,000. These additions are recorded at cost in the year of acquisition.

Freehold land and buildings are treated as one class of asset and shown at fair value, based on periodic valuations by external independent valuers, less subsequent depreciation for buildings.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Freehold land and buildings are revalued triennially with a valuation undertaken on the 31 December 2016. A desktop valuation is undertaken by management in the other years to determine any material changes. Increases in the carrying amounts arising on revaluation of freehold land and buildings are credited to the 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 class are first charged against revaluation reserves directly in equity to the extent of the remaining reserve attributable to the asset class; all other decreases are

charged to the income statement.

All other property, plant and equipment is stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the asset. Cost also includes those costs directly attributable to bringing the asset to its working condition and an estimate of the cost of dismantling and removing the asset. The estimate of dismantling costs is based on prior experience in exiting similar sites or locations.

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.

Depreciation

Depreciation is recognised in the income statement on a straight line basis over the estimated useful lives of each part of an item of property, plant and equipment. The depreciation rates used for each class of asset in the current and comparative year are as follows:

Freehold buildings	2 – 3%
Improvement to intangible rights to occupy buildings	2 – 3%
Furniture and fittings	20%
Computer equipment	33%
Plant and equipment	20%
Motor vehicles	10%

The assets’ residual value and useful life is reviewed and adjusted, if appropriate, at each balance sheet date.

An asset’s carrying amount is impaired to its recoverable amount if the asset’s carrying amount is greater than its estimated recoverable amount. See note 1(h). Gains and losses on disposal are determined by comparing proceeds with the 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 Asset Revaluation Reserve in respect of those assets to retained earnings.

Land is not depreciated. Depreciation on other assets is calculated using the straight line method to allocate the cost or revalued amount, net of residual value, over the estimated useful life.

Works of art

Acquisitions are carried at cost and no depreciation is charged in respect of these assets.

Leased plant and equipment

Leases of plant and equipment under which the University assumes substantially all the risks and benefits of ownership are classified as finance leases. Other leases are classified as operating leases.

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Operating lease expenses are charged against profits in equal instalments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased property.

(H) IMPAIRMENT OF ASSETS

Impairment arises when an asset’s carrying amount exceeds its recoverable amount. *Recoverable amount* is defined as the higher of an asset’s (or cash-generating unit’s) fair value less costs to sell and value in use. Value in use is (i) the present value of the future cash flows expected to be derived from an asset or cash generating unit or (ii) the depreciated replacement cost of the asset when the future economic benefits of an asset of a not-for-profit entity are not primarily dependent on the asset’s ability to generate net cash inflows and where the entity would, if deprived of the asset, replace its remaining future economic benefits.

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset’s carrying amount exceeds its recoverable amount. Impairment losses are recognised in the income statement unless an asset has previously been revalued in which case the impairment loss is recognised as a reversal of the revaluation with any excess recognised through the income statement. For

assets with an indefinite useful life the recoverable amount is estimated at each balance date.

(I) INTANGIBLE ASSETS

Intangible assets consist of the rights to occupy land and buildings that have been granted at nominal rates for a determined period or in perpetuity. The intangible rights are initially recorded at their fair value. Rights to occupy buildings are amortised at the greater of three per cent or the period of the term of the agreement. Where a right of occupancy agreement exists and stipulates the time period, the asset including rights to occupy land is amortised over the period of the right. Indefinite life intangibles are tested annually for impairment.

(J) TRADE AND OTHER PAYABLES

Liabilities are recognised for amounts to be paid in the future for goods or services received, whether or not billed to the University. Trade accounts payable are normally settled within 30 days. The carrying amount of accounts payable approximates net fair value.

(K) BORROWINGS

Borrowings are carried on the balance sheet at amortised cost. Interest expense is recognised on an effective interest basis.

Borrowings are classified as current liabilities unless there is an unconditional right to defer settlement of the liability and does not expect to settle the liability for at least 12 months after the date of the income statement.

(L) EMPLOYEE BENEFITS

Wages, salaries, and sick leave

The provisions for employee entitlements to wages and salaries represent the amount which the University has a present obligation to pay resulting from employees' services provided up to the balance date.

The provisions have been calculated based on wage and salary rates at which they are expected to be paid and includes related on-costs. The carrying amount of the provisions approximates net fair value.

Annual leave

The liability for employee entitlements to annual leave represents the present value of the estimated future cash

outflows to be made by the employer resulting from employees services provided up to the balance date. The liability is calculated from a staff member's commencement date allowing for the probability that the member will take accrued leave. Liabilities are discounted using rates attaching to national corporate securities at balance date, which most closely match the terms of maturity of the related liabilities. The carrying amount of the provision approximates net fair value.

In determining the liability for employee entitlements, consideration has been given to the University's experience with staff taking annual leave. Related on-costs have also been included in the liability.

Long service leave

The liability for employee entitlements to long service leave represents the present value of the estimated future cash outflows to be made by the employer resulting from employees' services provided up to the balance date. The liability is calculated from a staff member's commencement date allowing for the probability that the member will complete seven years of service. Staff members with seven years of service or more are included as current liabilities; those with less than seven years of service are included as non-current liabilities.

Liabilities for employee entitlements for members with less than seven years of service are discounted using the rates attaching to national corporate securities at balance date, which most closely match the terms of maturity of the related liabilities. The carrying amount of the provision approximates net fair value.

In determining the liability for employee entitlements, consideration has been given to the University's experience with staff departures. Related on-costs have also been included in the liability.

Superannuation funds

The University contributes to a range of employee superannuation funds. University contributions are recognised within employee expenses in the income statement. Refer also Note 13.

An arrangement exists between the Australian Government and the State Government to meet the unfunded

liability for the beneficiaries of the Emergency Services and State Superannuation Scheme on an emerging cost basis. This arrangement is evidenced by the *State Grants (General Revenue) Amendment Act 1987*, *Higher Education Support Act 2003* and subsequent amending legislation. By letter dated 15 December 2005, DEST (now Department of Education and Training) confirmed the Australian Government considers the current arrangements have established a pattern of past practice and future intent that has created a valid expectation on the part of universities that the Department on behalf of the Australian Government will discharge the superannuation liability.

Accordingly the unfunded liabilities have been recognised in the Balance Sheet under Provisions with a corresponding asset recognised under Non-current assets. The recognition of both the asset and the liability consequently does not affect the year end net asset position.

(M) FUNDS HELD IN TRUST

Donations and bequests received which are subject to conditions under a specific trust deed, are held in trust on behalf of that specific donor and are not recognised as revenue by the University. Unless specified in the trust deed, any net earnings on these funds are recognised as revenue by the University.

(N) GOODS AND SERVICES TAX

Revenues and expenses are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances the GST is recognised as part of the cost of the acquisition of the asset or as part of an item of the expense.

Receivables and payables are stated with the amount of the GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the balance sheet.

Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flow arising from investing and financing activities, which is recoverable from, or payable to, the ATO is classified as an operating cash flow.

O) FAIR VALUE

Fair value of an asset is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices, adjusted for any movements in price of credit for that instrument, on the balance sheet date (Level 1). The quoted market price used for financial assets held 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, unlisted shares) is determined using valuation techniques with assumptions that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments (Level 2) are used for long-term debt instruments held. Other techniques that are not based on observable market data (Level 3) such as estimated discounted cash flows, are used to determine fair value for the remaining assets and liabilities.

The market value of property is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The University engages an independent third party to value freehold land and buildings on a periodic basis.

Within the fair value hierarchy, land and buildings and interest rate swap assets/liabilities fall within level two and listed shares within level one. Unlisted shares fall within Level 3, refer to note 21.

(P) NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

Certain new accounting standards and interpretations became mandatory for the 31 December 2018 reporting period. These new requirements have not had a material impact on either the results or disclosure of the University.

Certain new accounting standards and interpretations have been published that are not mandatory for the 31 December 2018 reporting period. The University has elected not to early adopt any of these standards.

AASB 15 – Revenue from Contracts with Customers:

The AASB 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue recognition guidance, including AASB 118 Revenue and AASB 111 Construction Contracts. AASB 15 is effective for annual reporting periods beginning on or after 1 January 2019, with early adoption permitted.

The University has completed an initial assessment of the potential impact on its financial statements resulting from the application of AASB 15 and determined that there will be some impact with regard to the cost of agent's commission for the recruitment of international students. This will be recognised in the 2019 financial statements.

AASB 9 Financial Instruments

AASB 9, published in July 2014 replaces the existing guidance in AASB 139 Financial Instruments: Recognition and Measurement. AASB 9 includes revised guidance on the classification and measurement of financial instruments including a new expected credit loss model for calculating impairment on financial instruments, a new expected credit loss model for calculating impairment on financial assets, and the new general hedge accounting requirements. AASB 9 is effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted.

The University's financial statements have been completed in accordance with the new standard. No material change has resulted due to the implementation of this standard.

IFRS 16 Leases

The IASB issued IFRS 16 Leases with an effective date of 1 January 2019.

AASB 16 removes the classification of leases as either operating or finance leases – for lessee – effectively treating all leases as finance leases. Short-term leases (less than 12 months) and leases of low-value assets are exempt from the lease accounting requirements. There are also changes in accounting over the life of the lease, in particular, companies will now recognise a front-loaded pattern of expense for most leases, even when they pay constant annual rentals. Lessor accounting remains similar to current practise.

Early adoption will be permitted for entities that also adopt IFRS 15 Revenue from Contracts with Customers. The AASB approved the Australian equivalent standard, AASB 16 Leases, at the February 2016 meeting.

The University has completed an initial assessment of the impact of AASB 16 on its financial statements but has not as yet fully quantified the impact, however, it expects a significant increase in assets and liabilities due to the number of property-related operating leases the University has. This will be recognised in the 2019 financial statements.



2. REVENUE

	NOTE	2018 \$'000	2017 \$'000
2.1 Commonwealth Government financial assistance			
Commonwealth Grants Scheme and other grants			
Commonwealth Grants Scheme	24.1	229,395	228,466
Indigenous Student Success Program	24.1	2,168	-
Disability Support Programs	24.1	52	57
Promotion of Excellence in Learning and Teaching	24.1	-	10
Access and Participation Funding	24.1	3,230	3,003
Transparency in Higher Education	24.1	25	
Total Commonwealth Grants Scheme and other grants		234,870	231,536
DET-Scholarships			
Australian Postgraduate Awards	24.3	-	379
International Postgraduate Research Scholarships	24.3	-	7
Commonwealth Education Costs Scholarships	24.3	-	-
Commonwealth Accommodation Scholarships	24.3	-	-
Indigenous Access Scholarships	24.3	-	-
National Priority Scholarships	24.3	-	-
Total DET-Scholarships		-	386
DET-Research			
Research Support Program	24.4	3,423	3,542
Research Training Program	24.4	3,772	3,540
Joint Research Engagement Program	24.4	5	-
Total DET-Research		7,200	7,082
Total DET Excluding HELP (a)		242,070	239,004
Higher Education Loan Program (HELP)			
HECS-HELP Commonwealth Payments	24.2	142,871	142,439
FEE-HELP	24.2	11,320	12,931
FEE-HELP VET	24.2	2,148	21
SA-HELP	24.2	5,886	5,970
Total Higher Education Loan Programs		162,225	161,361
Total DET including HELP		404,295	400,365
Australian Research Council			
Discovery – Projects	24.5	1,288	1,133
Discovery Early Career Research Award	24.5	576	359
Discovery Indigenous	24.5	373	173
Future Fellowships	24.5	411	250
Linkage – Projects	24.5	1,003	825
Total Australian Research Council (b)		3,651	2,740
Other Commonwealth Government financial assistance – non-capital			
DET		613	2,195
Total other Commonwealth Government financial assistance (c)		613	2,195
Total Commonwealth Government financial assistance		408,559	405,300
Total Commonwealth Government financial assistance excluding HELP (a + b + c)		246,334	243,939

	NOTE	2018 \$'000	2017 \$'000
Australian Government grants received – cash basis			
OS-HELP (net)	24.6	(590)	992
Superannuation supplementation	24.7	1,475	1,441
Total Australian Government funding received – cash basis		885	2,433

2.2 State and local government financial assistance			
Deferred Victorian Government Grant (Properties)		-	576
Victorian Government Department of Education RTO funding		3,374	837
NSW Department of Industry Grant		44	500
Other		11	148
Total state and local government financial assistance		3,429	2,061

2.3 Fees and charges			
Fee-paying overseas students		70,221	57,052
Fee-paying non-overseas postgraduate students		8,026	7,788
Fee-paying non-overseas undergraduate students		27	5
Other			
Non-overseas students undertaking non-award			
Courses		509	417
Rental charges		3,779	6,338
Charges for student accommodation		4,152	3,707
Registration fees		3,526	2,712
Library fees		21	55
Late fees		373	349
		90,634	78,423

2.4 Finance income			
Interest		5,032	3,442
		5,032	3,442

2.5 Consultancy and contract research			
Consultancy fees		302	427
Industry research grants		5,886	9,331
		6,188	9,758

2.6 Other revenue			
Offshore programs		272	228
Other program income		9,877	14,469
Other grants – other		2,908	2,306
Donations and bequests		1,210	958
Profit on disposal of assets		2	22
Other income		10,688	7,734
		24,957	25,717

3. EXPENSES

	NOTE	2018 \$'000	2017 \$'000
3.1 Employee benefits			
Academic			
Salaries			
Academic		148,944	151,142
Contributions to superannuation and pension schemes			
Funded		21,580	20,152
Payroll tax		7,148	7,675
Workers compensation		206	308
Long service leave expense		2,521	2,621
Annual leave expense		(536)	264
		179,863	182,162
Professional			
Salaries			
Non academic		123,617	126,832
Contributions to superannuation and pension schemes			
Funded		19,946	19,282
Payroll tax		6,607	7,344
Workers compensation		191	294
Long service leave expense		2,326	3,031
Annual leave expense		(236)	418
Total employee related expenses		152,451	157,201
		332,314	339,363
Deferred employee benefits for super	13	1,025	81
Deferred superannuation expense	13	1,475	1,441
Total employee related expenses including deferred employee benefits for superannuation		334,814	340,885

3.2 Depreciation and amortisation

Depreciation of buildings – freehold		10,127	8,980
Amortisation of intangible rights to occupy buildings		643	827
Depreciation of improvements to intangible right to occupy buildings		8,935	8,213
Depreciation of leasehold property improvements		5,606	8,580
Depreciation of furniture and fittings		1,109	2,276
Depreciation of plant and equipment		3,373	4,660
Depreciation of motor vehicles		39	43
		29,832	33,579

3.3 Repairs and maintenance

Buildings		4,544	3,087
Computers		2,091	4,215
Equipment and machinery		1,423	1,182
Furniture and fittings		61	113
Grounds		837	752
		8,956	9,349

	NOTE	2018 \$'000	2017 \$'000
3.4 Other expenses			
Advertising, promotions, publicity, printing and stationery		9,244	10,013
Cleaning and waste collection		3,931	4,712
Computer software and services		10,565	10,581
Conference expenses		562	866
Copyright fees		1,019	981
Hire of equipment and facilities		1,513	2,058
Insurance		1,262	1,200
Legal fees		246	764
Library acquisitions		7,611	7,686
Loss on disposal of assets		10	-
Minor equipment		4,849	5,302
Meeting expenses		946	989
Offshore administration		6,965	6,070
Operating lease rental expenses		3,779	2,882
Publications, subscriptions and memberships		1,712	1,304
Scholarships and prizes		5,835	5,428
Security services		2,856	2,837
Staff development and appointment costs		1,538	2,839
Student grants		903	1,073
Telecommunications		2,037	2,377
Utilities		5,506	4,384
Other expenses		8,869	10,214
		81,758	84,560

4. FINANCE EXPENSE

Make good on leased premises - unwind of discount on provision	15(a)	113	227
Bank loan interest, bond interest, interest rate swap and fees		8,463	6,807
		8,576	7,034

5. AUDITORS' REMUNERATION - KPMG

	NOTE	2018 \$	2017 \$
Audit of the University's financial statements		173,500	160,500
Other audit and related services			
Grant/Research Acquittal (Higher Education Research Data Collection, Indigenous Education Program, AusAid, AITSL Teaching Performance Assessment Grant Program)		35,900	42,400
Other services			
Students Association agreed upon procedures		-	8,200
Sustainability bond		-	12,812
Faircall Service (Whistle Blower Hotline)		8,000	8,000
		217,400	231,912

6. CASH AND CASH EQUIVALENTS

	NOTE	2018 \$'000	2017 \$'000
Cash on hand		-	23
Cash at bank		66,507	142,279
		66,507	142,302

7. TRADE AND OTHER RECEIVABLES

Current			
Sundry receivables		2,260	2,592
Accrued income		1,505	2,011
Net GST receivable from ATO		114	631
OS-HELP receivable		250	-
		4,129	5,234

8. OTHER INVESTMENTS

Current			
Term deposits		68,000	25,000
Managed investment funds		13,412	1,445
		81,412	26,445
Non-current			
<i>Available for sale - investments in other entities</i>			
Shares in listed companies		463	801
Shares in other companies		31,578	16,787
Bonds-Burke Fund		227	-
		32,268	17,588

9. OTHER ASSETS

Current			
Prepayments		12,481	9,375
Lease paid in advance		56	56
Interest rate swap		340	717
		12,877	10,148
Non-current			
Right to reimbursement from Commonwealth Government for unfunded superannuation liability	13	19,666	18,641
Lease paid in advance		3,819	3,875
Interest rate swap		2,530	730
		26,015	23,246

Refer to Note 13 for an explanation of the right to reimbursement from the Commonwealth Government for the unfunded superannuation liability.

10. PROPERTY, PLANT AND EQUIPMENT

	NOTE	2018 \$'000	2017 \$'000
Land – freehold			
At directors' valuation		104,929	96,110
	10(a)	104,929	96,110
Buildings – freehold			
At directors' valuation		358,614	308,322
Accumulated depreciation		(19,107)	(8,980)
	10(a)	339,507	299,342
Improvements to intangible right to occupy buildings			
At cost		312,327	288,513
Accumulated amortisation		(76,623)	(69,724)
	10(a)	235,704	218,789
Leasehold improvements			
At cost		56,010	59,793
Accumulated depreciation		(35,302)	(33,598)
	10(a)	20,708	26,195
Furniture and fittings			
At cost		16,697	15,852
Accumulated depreciation		(14,407)	(13,297)
	10(a)	2,290	2,555
Plant and equipment			
At cost		49,590	47,626
Accumulated depreciation		(43,545)	(40,241)
	10(a)	6,045	7,385
Motor vehicles			
At cost		415	559
Accumulated depreciation		(254)	(399)
	10(a)	161	160
Works of art			
At cost		3,017	2,804
	10(a)	3,017	2,804
Work in progress			
At cost		31,900	35,782
	10(a)	31,900	35,782
Total property, plant and equipment		744,261	689,122



10. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

BASIS OF VALUATION

A full valuation of Freehold Land and Buildings was undertaken by AssetVal Pty Ltd as at the end of 2016. From 2014, Plant and Equipment including Works of Arts items have been included as an asset where cost is greater than or equal to \$3,000.

(a) Reconciliations

Reconciliations of the carrying amounts for each class of property, plant and equipment are set out below:

	LAND – FREEHOLD	BUILDINGS – FREEHOLD	SUB-TOTAL LAND AND BUILDINGS FREEHOLD	IMPROVEMENTS OF INTANGIBLE RIGHT TO OCCUPY BUILDINGS	LEASEHOLD IMPROVEMENTS
2018					
Opening balance	96,110	299,342	395,452	218,789	26,195
Additions	8,819	39,671	48,490	13,038	118
Transfer from WIP		10,621	10,621	28,842	-
Revaluation increment/ (decrement)	-	-	-	-	-
Depreciation	-	(10,127)	(10,127)	(8,935)	(5,605)
Disposals	-	-	-	(16,030)	-
Closing balance	104,929	339,507	444,436	235,704	20,708
2017					
Opening balance	94,480	292,043	386,523	191,037	31,058
Additions	1,630	16,204	17,834	28,005	3,863
Transfer from WIP	-	75	75	10,145	-
Revaluation increment/ (decrement)	-	-	-	-	-
Depreciation	-	(8,980)	(8,980)	(8,213)	(8,580)
Disposals	-	-	-	(2,185)	(146)
Closing balance	96,110	299,342	395,452	218,789	26,195



FURNITURE AND FITTINGS	PLANT AND EQUIPMENT	MOTOR VEHICLES	WORKS OF ART	WORK IN PROGRESS	TOTAL
2,555	7,385	160	2,804	35,782	689,122
844	2,033	123	222	35,581	100,449
-	-	-	-	(39,463)	-
-	-	-	-	-	-
(1,109)	(3,373)	(39)	-	-	(29,188)
-	-	(83)	(9)	-	(16,122)
2,290	6,045	161	3,017	31,900	744,261
4,381	10,259	210	2,471	19,583	645,522
450	1,786	-	333	26,419	78,690
-	-	-	-	(10,220)	-
-	-	-	-	-	-
(2,276)	(4,660)	(43)	-	-	(32,752)
-	-	(7)	-	-	(2,338)
2,555	7,385	160	2,804	35,782	689,122

11. INTANGIBLE ASSETS

	INTANGIBLE RIGHT TO OCCUPY LAND \$'000	INTANGIBLE RIGHT TO OCCUPY BUILDINGS \$'000	TOTAL \$'000
2018			
Cost	40,411	23,088	63,499
Accumulated amortisation			
Opening balance	(4,469)	(20,996)	(25,465)
Amortisation	-	(644)	(644)
Write back on reclass	-	3,250	3,250
Closing balance	(4,469)	(18,390)	(22,859)
Carrying amount at 31 December 2018	35,942	4,698	40,640
2017			
Cost	40,411	26,337	66,748
Accumulated amortisation			
Opening balance	(4,469)	(22,216)	(26,685)
Amortisation	-	(827)	(827)
Write back on reclass	-	2,047	2,047
Closing balance	(4,469)	(20,996)	(25,465)
Carrying amount at 31 December 2017	35,942	5,341	41,283

Under the terms of the trust deeds between the University and the owners of the properties held in trust, the Trustees of the Roman Catholic Church for the Archdioceses of Brisbane, Canberra and Goulburn, Melbourne and Sydney, the University has a right to occupy the properties in perpetuity if used for educational purposes.

12. TRADE AND OTHER PAYABLES

	NOTE	2018 \$'000	2017 \$'000
Accrued expenses		22,366	30,601
Sundry creditors		5,746	7,972
		28,112	38,573

13. EMPLOYEE BENEFITS

Current			
<i>Expected to be settled within 12 months</i>			
Provision for annual leave		12,679	13,219
Provision for long service leave		4,033	3,979
		16,712	17,198
<i>Expected to be settled after 12 months</i>			
Provision for annual leave		5,434	5,665
Provision for long service leave		13,084	12,910
		18,518	18,575
Total current provisions		35,230	35,773
Non-current			
Provision for long service leave		10,516	11,064
Provision for superannuation		19,666	18,641
		30,182	29,705

LONG SERVICE LEAVE

The classification of current employee provisions includes amounts for which there is not an unconditional right to defer settlement by one year. Despite the classification of a component of long service leave as a current liability, the University does not expect the full amount to be settled within one year of reporting date.

SUPERANNUATION

The University contributes to the following employee superannuation funds:

Fully funded schemes

- UniSuper
- Catholic Superannuation Fund (formerly two funds) National Catholic Superannuation Fund and Catholic Superannuation Fund
- Australian Catholic Superannuation & Retirement Fund (formerly Catholic Superannuation & Retirement Fund)
- Emergency Services and State Superannuation Scheme (formerly State Superannuation Fund of Victoria) – Accumulation account
- Australian Super Pty Ltd
- McKenna Retirement Fund
- HESTA
- First State Super

Partly funded or emerging cost schemes

- State Authorities Superannuation Scheme (Part 2) (NSW)
- Emergency Services and State Superannuation Scheme (formerly State Superannuation Fund of Victoria).

Emergency Services and State Superannuation Scheme (formerly State Superannuation Fund of Victoria)

The latest actuarial investigation of the Emergency Services and State Superannuation Scheme was conducted at 31 December 2018 by PriceWaterhouseCoopers. As at that date the scheme carried total liabilities, including liabilities for members' benefits in excess of the value of the scheme's assets.

Hence, unfunded superannuation liabilities exist which are recognised in the financial statements of the scheme.

The notional share of the scheme's unfunded liabilities attributed to the University is assessed by the Government Superannuation Office to be \$19,666,000 as at 31 December 2018 (\$18,641,000 as at 31 December 2017).

An arrangement exists between the Australian Government and the State Government to meet the unfunded

liability for the beneficiaries of the State Superannuation Scheme on an emerging cost basis. This arrangement is evidenced by the *State Grants (General Revenue) Amendment Act 1987, Higher Education Support Act 2003* and subsequent amending legislation. By letter dated 15 December 2005, the Department of Education, Science and Training (DEST) (now Department of Education and Training) confirmed that the Australian Government considers the current arrangement establishes a pattern of past practice and future intent that has created a valid expectation on the part of universities that the Department on behalf of the Australian Government will discharge the superannuation liability.

Therefore a non-current receivable equal to the scheme's unfunded liabilities attributed to the University has been recognised. DET provided annual supplementation in 2018 of \$1,475,035 (2017: \$1,440,552) to cover emerging costs of the Emergency Services and State Superannuation Scheme.

The following information has been provided by the Emergency Services and State Superannuation Scheme in accordance with the requirements under AASB 119.

The demographic assumptions include the future rate of death, disablement, resignation and retirement. The same assumptions as last year have been used and are detailed in the Emergency Services and State Superannuation Scheme Experience Review 2014–2017 dated May 2018.

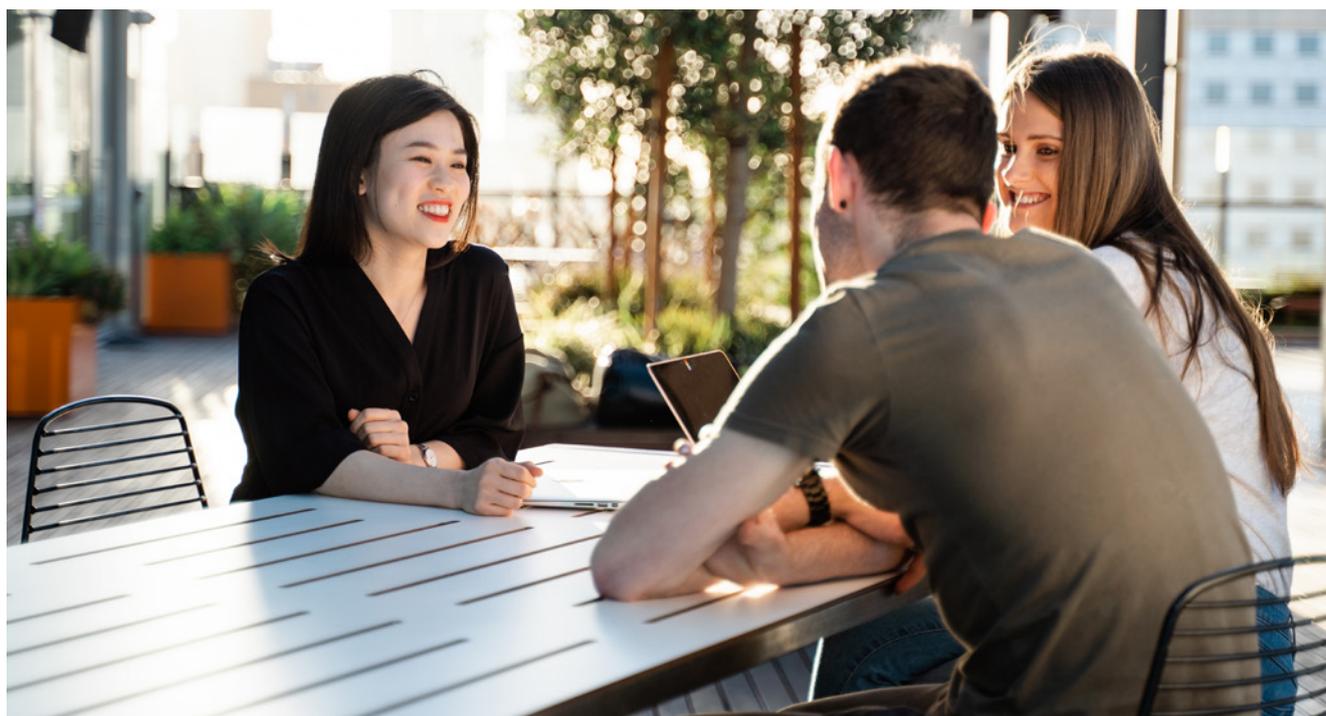
	NOTE	2018 \$'000	2017 \$'000
Net liability			
Fair value of plan assets		101	83
Accrued benefit liability		(19,767)	(18,724)
Net liability before contributions tax		(19,666)	(18,641)
Tax liability on future contributions		-	-
Net liability		(19,666)	(18,641)
Actuarial assumptions			
Discount rate		2.4%	2.9%
Rates of future salary increases		4.0%	4.0%
Rates of pension increases		2.5%	2.5%

14. BORROWINGS

The University raised \$200m through a bond issue during the 2017, of which, \$100m was used to repay in full NAB loan facilities. The remainder will be used for continuing planned infrastructure works. The University continues to maintain a debt facility with the Catholic Development Fund (\$50m) with an initial period of three years. The due date for rollover is the 10 December 2019. The facility was fully drawn at year end.

Interest rate swaps have been entered into totalling \$200m to hedge against interest rate risk for the bond issuance with maturities ranging from August 2019 to August 2026 and weighted average interest rate of 3.25 per cent to hedge against interest variability.

	NOTE	2018 \$'000	2017 \$'000
Current			
Unsecured			
Catholic Development Fund Loan		50,000	-
Total current unsecured borrowings		50,000	-
Non-current			
Unsecured			
Catholic Development Fund Loan		-	50,000
Sustainability bond		199,355	199,320
Total non-current unsecured borrowings		199,355	249,320
Total unsecured borrowings		249,355	249,320
a) Financing arrangements			
Unrestricted access was available at balance date to the following lines of credit:			
Bank loan facilities			
Total facilities			
Catholic Development Fund Loan		50,000	50,000
Sustainability bond		199,355	199,320
Used at balance date			
Catholic Development Fund Loan		50,000	50,000
Sustainability bond		199,355	199,320
Unused at balance date		-	-



15. OTHER LIABILITIES

	NOTE	2018 \$'000	2017 \$'000
Current			
Grants received in advance		8,411	10,243
Fees received in advance		12,248	12,589
Other income received in advance		969	1,497
Sub-total deferred revenue		21,628	24,329
Funds held in trust		2,344	2,015
OS HELP payable		-	436
Bonds – student residences		342	224
Overseas student health care		383	-
		24,697	27,004
Non-current			
Lease liabilities		5,605	4,002
Leasehold make good provision	15 (a)	6,947	7,376
Interest rate swap		2,800	1,129
		15,352	12,507
(A) reconciliation			
Leasehold make good provision			
Balance at beginning of financial year		7,376	6,142
Provisions made during the year		530	1,313
Provisions reversed during the year		(1,073)	(306)
Unwind/adjust discount	4	113	227
Balance at end of financial year		6,946	7,376

Make good is required for leased premises. The provision is estimated based on the rate of the building, the remaining lease period and estimated costs incurred in similar situations.

16. RESERVES

	NOTE	2018 \$'000	2017 \$'000
General reserve			
Balance at beginning of financial year		386,606	366,166
Add: Transfers from retained earnings	17	48,515	20,440
Balance at end of financial year		435,121	386,606
Asset revaluation reserve			
Balance at beginning of financial year		102,299	102,299
Add/(subtract): Increment/(decrement)		-	-
Balance at end of financial year		102,299	102,299
Available for sale financial assets revaluation reserve			
Balance at beginning of financial year		16,623	11,407
Write back revaluation on disposal of listed shares		-	-
Add/(subtract): Revaluation increment			
Shares revaluation reserve		14,180	5,216
Balance at end of financial year		30,803	16,623
Contribution from members			
Balance at beginning of financial year		56,958	56,958
Balance at end of financial year		56,958	56,958
Total reserves		625,181	562,486

NATURE AND PURPOSE OF RESERVES

General

The amount standing to the credit of the general reserve includes the accumulation of prior period and current year profits for non-specific purposes and revenue for capital grants even though assets acquired may not be fully written down.

Asset revaluation

The asset revaluation reserve includes the net revaluation increments and decrements arising from the revaluation of freehold land and buildings.

Available for sale financial assets revaluation reserve

Share revaluation reserve includes increments and decrements arising

from changes in fair value of shares classified as available for sale.

Contribution from members

The amount reflects the contribution by members of rights to occupy and use land and buildings not owned by the University.

17. RETAINED EARNINGS

	NOTE	2018 \$'000	2017 \$'000
Retained earnings at beginning of year		-	-
Net result		48,515	20,440
Transfer to general reserve	16	(48,515)	(20,440)
Retained earnings at the end of the year		-	-

18. COMMITMENTS

(a) Capital expenditure commitments			
Capital expenditure commitments not provided for in the financial statements and payable:			
Within one year		27,985	15,054
One year or later and no later than five years		188,248	-
		216,233	15,054
(b) Non-cancellable operating lease expense commitments			
Future operating lease commitments of premises, plant and equipment, not provided for in the financial statements and payable:			
Within one year		14,325	13,627
One year or later and no later than five years		38,281	41,417
Greater than five years		38,288	46,665
		90,894	101,709

The University leased equipment and machinery under operating leases expiring in a range from one to five years. The University also leased commercial premises with an expiry range of one to 12 years.

19. DIRECTORS AND KEY MANAGEMENT PERSONNEL DISCLOSURES

REMUNERATION OF BOARD MEMBERS

No directors' fees are payable. The number of directors of the University whose compensation from the University or any related party falls within the following bands:

	2018 NUMBER	2017 NUMBER
Nil	13	12
\$10,000 - \$19,999	-	1
\$20,000 - \$29,999	1	-
\$50,000 - \$59,999	-	1
\$90,000 - \$99,999	-	1
\$100,000 - \$109,999	1	-
\$150,000 - \$159,999	1	1
\$220,000 - \$229,999	-	1
\$240,000 - \$249,999	1	2
\$250,000 - \$259,999	1	1
\$290,000 - \$299,999	2	-
\$1,300,000 - \$1,309,999	-	1
\$1,320,000 - \$1,329,999	1	-
	2018 \$	2017 \$
Total compensation paid, or payable or otherwise made available to all directors of the University from the University or any related party.	2,701,242	2,597,090

REMUNERATION OF KEY MANAGEMENT PERSONNEL

In addition to the board members, the remuneration of other key management personnel of the University receiving compensation from the University or any related party falls within the following bands:

	2018 NUMBER	2017 NUMBER
\$70,000 - \$79,999	1	*1
\$170,000 - \$179,999	-	1
\$410,000 - \$419,999	*1	-
\$440,000 - \$449,999	1	-
\$560,000 - \$569,999	-	1
\$630,000 - \$639,999	-	1
\$670,000 - \$679,999	1	-
\$690,000 - \$699,999	2	-
\$700,000 - \$709,999	-	1
\$730,000 - \$739,999	1	-
\$1,300,000 - \$1,309,999	-	1
\$1,320,000 - \$1,329,999	1	-

* Stipend paid to religious congregation

	2018 \$	2017 \$
Total compensation paid, or payable or otherwise made available to all executive officers of the University from the University or any related party.	5,046,643	4,021,312
Short-term employee benefits	-	3,596,397
Post employment benefits	507,628	424,915
	4,539,015	4,021,312

There is no compensation paid to directors or key personnel of the University that is not disclosed in the financial statements.

20. RELATED PARTIES (CONTINUED)

DIRECTORS

The names of each person holding the position of director of the Australian Catholic University Limited during the financial year are:

Professor G.J. Craven AO GCSG, The Hon. Justice J. Douglas, Mr S.N. Elder OAM KSS, The Hon. J. Fahey AC, Dr B. Franzsen, Professor M. Hillel OAM, Mr T. Kirk,

Ms D. Leahy, Ms M.T. Najdecki, Mr J. O'Connell AM, Professor M. Ondaatje, The Most Rev. C Prowse DD, The Hon. B. Perry, Dr J. Ryan, Ms A. Schmiede, Ms B.M.T. Steele, Ms M.M. Vider DSG

Details of directors' compensation are set out in Note 19.

Total amounts transacted with related parties are as follows

	2018 \$'000	2017 \$'000
Income statement		
Income		
Brisbane Catholic Education	68	-
Catholic Archdiocese of Brisbane	298	-
Catholic Archdiocese of Sydney	-	1
Catholic Archdiocese of Sandhurst	3	-
Catholic Diocese of Parramatta	3	-
Catholic Education Melbourne	235	-
Catholic Education Office Parramatta	30	-
Catholic Education Office Rockhampton	9	-
Catholic Education Office Townsville	4	-
Sydney Catholic Schools	-	351
Catholic Education Services Diocese of Cairns	38	-
Queensland Education Commission	58	-
	746	352
Expenditure		
Catholic Archdiocese of Brisbane	97	-
Catholic Archdiocese of Canberra and Goulburn	-	2
Catholic Archdiocese of Melbourne	797	795
Catholic Archdiocese of Sydney	37	75
Sydney Catholic Schools	207	328
Catholic Education Office Parramatta	169	203
Catholic Education Office Broken Bay	40	43
Catholic Education Office Wollongong	25	30
Catholic Education Office Melbourne	59	105
Catholic Education Office Brisbane	11	14
Catholic Development Funds – Interest on Loan	1,413	1,308
Mr J. O'Connell AM (Pro Vice-Chancellor)	71	78
	2,926	2,981
Balance sheet		
Catholic Development Funds – Loan	50,000	50,000
	50,000	50,000

All related party transactions are at arm's length. Transactions between ACU and the various Catholic Archdiocese are largely in relation to rental. Mr O'Connell is providing professional services to the University.

21. FINANCIAL INSTRUMENTS DISCLOSURE

INTEREST RATE AND LIQUIDITY RISK

Interest rate risk

The following tables disclose the income-earning financial assets and interest-bearing financial liabilities and the periods in which they mature. The University manages fluctuations in interest rates by placing funds in both long (greater than one year) and

short-term (less than one year) deposits across a number of institutions.

The University raised \$200m through a bond issue during 2017, of which, \$100m was used to repay in full NAB loan facilities. The University continues to maintain a debt facility with the Catholic Development Fund (\$50m) with an initial period of three years from the 10 December 2015. The due date for rollover is 10 December 2019. Interest rate swaps have been entered into totalling \$200m to hedge against

interest rate risk for the bond issuance with maturities ranging from August 2019 to August 2026, however, these have not been designated in a hedge relationship under AASB 9 Financial instruments.

Liquidity risk

The following tables also contain the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements.

	CARRYING AMOUNT \$'000	6 MONTHS OR LESS \$'000	6 TO 12 MONTHS \$'000	1 TO 2 YEARS \$'000	2 TO 5 YEARS \$'000	MORE THAN 5 YEARS \$'000	TOTAL CONTRACTUAL AMOUNT \$'000
2018							
Financial assets							
Cash	66,507	66,507	-	-	-	-	66,507
Trade and other receivables	4,129	4,129	-	-	-	-	4,129
Financial assets	3,163	-	534	949	1,680	-	3,163
Other investments	113,680	68,078	-	3,591	524	41,487	113,680
	187,479	138,714	534	4,540	2,204	41,487	187,479
Financial liabilities							
Trade and other payables	28,112	28,112	-	-	-	-	28,112
Loans	249,355	-	50,000	-	-	200,000	250,000
Financial liabilities	3,092	-	358	1,376	1,358	-	3,092
	280,559	28,112	50,358	1,376	1,358	200,000	281,204
2017							
Financial assets							
Cash	142,302	142,302	-	-	-	-	142,302
Trade and other receivables	5,234	5,234	-	-	-	-	5,234
Financial assets	1,447	-	717	738	157	(165)	1,447
Other investments	44,033	25,000	-	-	-	19,033	44,033
	193,016	172,536	717	738	157	18,868	193,016
Financial liabilities							
Trade and other payables	35,573	35,573	-	-	-	-	35,573
Loans	249,320	-	-	-	50,000	200,000	250,000
Financial liabilities	1,129	-	-	153	850	126	1,129
	286,022	35,573	-	153	50,850	200,126	286,702

The average interest rate of borrowing is 3.25 per cent for the year ended 31 December 2018 (3.2 per cent for 2017)

INTEREST RATE AND LIQUIDITY RISK (CONTINUED)

Liquidity risk (continued)

The exposure of the University's borrowings to interest rate changes and the contractual repricing dates at the balance dates are as follows

	NOTE	2018 \$'000	2017 \$'000
1 – 5 years			
Catholic Development Fund		50,000	50,000
5 – 10 years			
Sustainability bond		199,355	199,320
Non-current borrowings		249,355	249,320

	2018 \$'000			2017 \$'000		
	NOTIONAL	ASSET	LIABILITY	NOTIONAL	ASSET	LIABILITY
Interest rate swaps	\$200,000	\$3,163	\$3,092	\$200,000	\$1,441	\$1,123

The University does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss. A change in interest rates of 100 basis points throughout the period would have increased or decreased the University's equity by the order of \$443,557 (2017: \$354,576).

FOREIGN EXCHANGE RISK

The University at balance date has not hedged against foreign currency risk due to its minimal exposure to foreign currencies.

CREDIT RISK EXPOSURE

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. The entity does not require collateral in respect of financial assets.

Investments are allowed only in liquid securities. Transactions involving derivative financial instruments are with counterparties with whom the University has a signed netting agreement as well as sound credit ratings. Given their high credit

ratings, management does not expect any counterparty to fail to meet its obligations.

At the balance sheet date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset, including derivative financial instruments, in the balance sheet. These are detailed in the table below.

	CARRYING AMOUNT	
	2018 \$'000	2017 \$'000
Cash	66,507	142,302
Trade and other receivables	4,129	5,234
Other investments	113,680	44,033
Interest rate swaps	3,163	1,447
Total	187,479	193,016
Debtors aging		
Current	883	848
30 days	188	695
60 days	150	815
90 days	90	77
Greater than 90 days	949	157
Total	2,260	2,592

No doubtful debt provisions have been recorded. All debtors are deemed recoverable.

NET FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

The carrying amounts of on-statement financial assets and liabilities approximate fair value.

a) Fair value

	2018		2017	
	CARRYING AMOUNT \$'000	FAIR VALUE \$'000	CARRYING AMOUNT \$'000	FAIR VALUE \$'000
Financial assets				
Cash	66,507	66,507	142,302	142,302
Trade and other receivables	4,129	4,129	5,234	5,234
Other investments	113,680	113,680	44,033	44,033
Interest rate swaps	3,163	3,163	1,447	1,447
	187,479	187,479	193,016	193,016
Financial liabilities				
Trade and other payables	28,112	28,112	35,573	35,573
Loans	249,355	250,000	249,320	250,000
Financial liabilities	3,092	3,092	1,129	1,129
	280,559	281,204	286,022	286,702

b) Level 3 fair values

	EQUITY SECURITIES AVAILABLE FOR SALE \$'000
Balance at 1 January 2017	11,028
Net change in fair value in OCI	5,173
Balance at 31 December 2017 receivables	16,201
Balance at 1 January 2018	16,201
Net change in fair value in OCI	9,713
Balance at 31 December 2018 receivables	25,914

22. EQUITY

No share capital has been issued by the University as it is a University limited by guarantee. The number of members of the University as at 31 December 2018 was 23 (2017: 23). The liability of each member is limited to \$50.

23. NOTES TO THE STATEMENT OF CASH FLOWS**(I) RECONCILIATION OF CASH**

For the purposes of the Statement of Cash Flows, cash includes cash on hand and at bank. Cash as at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the balance sheet as follows:

	2018 \$'000	2017 \$'000
Cash on hand	-	23
Cash at bank net	66,507	142,279
	66,507	142,302

(II) RECONCILIATION OF NET RESULT AFTER INCOME**Tax to net cash provided by operating activities**

Net result after income tax	48,515	20,440
<i>Add/(less) items classified as investing/financing activities:</i>		
(Profit) on sale of non-current assets	(2)	(21)
Loss on sale of non-current assets	10	-
<i>Add/(less) non-cash items:</i>		
Depreciation and amortisation	29,832	33,579
Lease in advance	56	56
Unwind/adj discount on make good provision	113	2,241
Increase/(decrease) in interest rate swap	246	992
Unwind bond discount	35	-
Increase/(decrease) in foreign currency	-	-
<i>Amounts set aside to (utilised from) provisions:</i>		
Employee entitlements	(1,091)	2,201
Make good of lease premises	(542)	(1,007)
Net cash provided by operating activities before change in assets	77,172	58,481
Change in assets and liabilities:		
(Increase)/decrease in accrued income	568	(859)
(Increase)/decrease in sundry debtors	332	(665)
(Increase)/decrease in prepayments	(3,106)	118
(Increase)/decrease in other assets	(78)	(46)
Increase/(decrease) in grants in advance	(2,517)	2,393
Increase/(decrease) in fees in advance	(340)	(1,361)
Increase/(decrease) in accrued expenses	(10,892)	6,323
Increase/(decrease) in sundry creditors	(2,226)	7,820
Increase/(decrease) in funds held in trust	328	52
Increase/(decrease) in bonds – university residences	118	25
Increase/(Decrease) in overseas student health care	383	-
Increase/(decrease) in other income in advance	(512)	(652)
Increase/(decrease) in deferred income (properties)	-	(576)
Increase/(Decrease) in net GST	518	(610)
Increase/(Decrease) in lease liabilities	1,604	(107)
Net cash provided by operating activities	61,352	70,336

24. ACQUITTAL OF COMMONWEALTH FINANCIAL ASSISTANCE

24.1 COMMONWEALTH GRANTS SCHEME AND OTHER GRANTS

	NOTE	COMMONWEALTH GRANTS SCHEME		INDIGENOUS STUDENT SUCCESS PROGRAM		DISABILITY SUPPORT PROGRAMS		TRANSPARENCY IN HIGHER EDUCATION	
		2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the programs)		229,394	229,665	1,919	-	52	57	25	-
Net accrual adjustments		1	(1,199)	249	-	-	-	-	-
Revenue for the period	2.1	229,395	228,466	2,168	-	52	57	25	-
Surplus/(deficit) from the previous year		-	-	-	-	-	-	-	-
Funds available for reporting period		229,395	228,466	2,168	-	52	57	25	-
Less expenses including accrued expenses		(229,395)	(228,466)	(2,168)	-	(52)	(57)	(25)	-
Surplus/(deficit) for reporting period		-	-	-	-	-	-	-	-

	NOTE	PROMOTION OF EXCELLENCE IN LEARNING AND TEACHING		PARTNERSHIP AND PARTICIPATION FUNDING	
		2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the programs)		-	10	3,230	3,003
Net accrual adjustments		-	-	-	-
Revenue for the period	2.1	-	10	3,230	3,003
Surplus/(deficit) from the previous year		-	-	-	-
Funds available for reporting period		-	10	3,230	3,003
Less expenses including accrued expenses		-	(10)	(3,230)	(3,003)
Surplus/(deficit) for reporting period		-	-	-	-

24.2 HIGHER EDUCATION LOAN PROGRAMS (HELP)

	HECS-HELP		FEE-HELP		
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the programs)	142,792	142,251	11,756	12,647	
Plus contributions actually received from students	10,225	11,285	-	-	
Total received	153,017	153,536	11,756	12,647	
Net accrual adjustments	79	188	(436)	284	
Revenue for the period	153,096	153,724	11,320	12,931	
Surplus/(deficit) from the previous year	-	-	-	-	
Funds available for reporting period	153,096	153,724	11,320	12,931	
Less expenses including accrued expenses	(153,096)	(153,724)	(11,320)	(12,931)	
Surplus/(deficit) for reporting period	-	-	-	-	

24.3 SCHOLARSHIPS

	NOTE	AUSTRALIAN POSTGRADUATE AWARDS		INTERNATIONAL POSTGRADUATE RESEARCH SCHOLARSHIPS		
		2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the programs)		-	-	-	-	
Net accrual adjustments		-	379	-	7	
Revenue attributed to the period	2.1	-	379	-	7	
Surplus/(deficit) from the previous year		-	-	-	-	
Funds available for reporting period		-	379	-	7	
Less expenses including accrued expenses		-	(379)	-	(7)	
Surplus/(deficit) for reporting period		-	-	-	-	

VET FEE-HELP		SA-HELP	
2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
2,148	21	5,061	6,634
-	-	-	-
2,148	21	5,061	6,634
-	-	825	(664)
2,148	21	5,886	5,970
-	-	-	-
2,148	21	5,886	5,970
(2,148)	(21)	(5,886)	(5,970)
-	-	-	-

COMMONWEALTH EDUCATION COSTS SCHOLARSHIPS		COMMONWEALTH ACCOMMODATION SCHOLARSHIPS		INDIGENOUS ACCESS SCHOLARSHIPS		NATIONAL PRIORITY SCHOLARSHIPS	
2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
141	141	128	128	100	100	5	5
141	141	128	128	100	100	5	5
(141)	-	(128)	-	(100)	-	(5)	-
-	141	-	128	-	100	-	5

24.4 COMMONWEALTH RESEARCH FINANCIAL ASSISTANCE

	NOTE	RESEARCH SUPPORT PROGRAM		RESEARCH TRAINING PROGRAM	
		2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the programs)		3,423	3,542	3,772	3,540
Net accrual adjustments		-	-	-	-
Revenue for the period	2.1	3,423	3,542	3,772	3,540
Surplus/(deficit) from the previous year		-	-	-	-
Funds available for reporting period		3,423	3,542	3,772	3,540
Less expenses including accrued expenses		(3,423)	(3,542)	(3,772)	(3,540)
Surplus/(deficit) for reporting period		-	-	-	-

Note: Reported surpluses for JRE, RTS, Infrastructure, ASHER, IAP, CTS and SRE are expected to be rolled over.

24.5 AUSTRALIAN RESEARCH COUNCIL

	NOTE	DISCOVERY PROJECTS		DISCOVERY EARLY CAREER RESEARCH AWARD	
		2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the programs)		1,316	1,094	513	402
Net accrual adjustments		(28)	39	63	(43)
Revenue for the period	2.1	1,288	1,133	576	359
Surplus/(deficit) from the previous year		-	-	-	-
Funds available for reporting period		1,288	1,133	576	359
Less expenses including accrued expenses		(1,288)	(1,133)	(576)	(359)
Surplus/(deficit) for reporting period		-	-	-	-

JOINT RESEARCH ENGAGEMENT PROGRAM	
2018 \$'000	2017 \$'000
5	-
-	-
5	-
-	-
5	-
(5)	-
-	-

DISCOVERY INDIGENOUS		FELLOWSHIPS		LINKAGE – PROJECTS (INCLUDING STRATEGIC PARTNERSHIPS WITH INDUSTRY AND APA)	
2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
183	338	479	314	660	920
190	(165)	(68)	(64)	343	(95)
373	173	411	250	1,003	825
-	-	-	-	-	-
373	173	411	250	1,003	825
(373)	(173)	(411)	(250)	(1,003)	(825)
-	-	-	-	-	-

24.6 OS-HELP

	NOTE	2018 \$'000	2017 \$'000
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the programs)		2,125	3,060
Cash spent during the reporting period		(2,715)	(2,068)
Net cash received	2.1	(590)	992
Cash surplus/(deficit) from the previous period		340	(652)
Cash surplus/(deficit) for reporting period	7 & 15	(250)	340

24.7 SUPERANNUATION SUPPLEMENTATION

Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the programs)	2.1	1,475	1,441
Cash spent during the reporting period		1,417	(1,423)
Net cash received		58	18
Cash surplus/(deficit) from the previous period		(159)	(177)
Cash surplus/(deficit) for reporting period		(101)	(159)

24.8 STUDENT SERVICES AND AMENITIES FEE

Unspent/(overspent) revenue from previous period		-	-
SA-HELP revenue earned		5,886	5,970
Student service fees direct from students		2,160	1,852
Total revenue expendable in period		8,046	7,822
Student services expenses during the period		(8,046)	(7,822)
Unspent/(overspent) student services revenue		-	-

Directors' Declaration

1. In the opinion of the directors of Australian Catholic University Limited:

- (a) the financial statements and notes, as set out on pages 32 to 67, are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the financial position of the University as at 31 December 2018 and of its performance, as represented by the results of its operations and its cashflows, for the financial year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the Corporation Regulations 2001; and
- (b) there are reasonable grounds to believe that the University will be able to pay its debts as and when they become due and payable; and
- (c) the amount of Commonwealth grants expended during the reporting period was for the purposes for which it was granted
- (d) the financial statements and notes satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

In addition, we are not aware at the date of signing these statements of any circumstances that would render any particulars included in the statements to be misleading or inaccurate.

Dated at Melbourne this 11th day of April 2019.

Signed in accordance with a resolution of the directors and in accordance with subsection 60.15(2) of the Australian Charities and Not-for-profit Commission Regulation 2013:



Professor Greg Craven AO GCSG
Director



Mr Julien O'Connell AM
Director

Independent Auditors' Report to the Members of Australian Catholic University Limited

REPORT ON THE FINANCIAL STATEMENTS

OPINION

We have audited the Financial Statements of Australian Catholic University Limited (the University).

In our opinion, the accompanying Financial Statements of the University is in accordance with the *Australian Charities and Not-for-profits Commission (ACNC) Act 2012*, including:

- i) giving a true and fair view of the University's financial position as at 31 December 2018, and of its financial performance and its cash flows for the year ended on that date; and
- ii) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the Australian Charities and Not-for-profits Commission Regulation 2013.

The Financial Statements comprises:

- statement of financial position as at 31 December 2018
- statement of profit or loss and other comprehensive income, Statement of changes in equity, and Statement of cash flows for the year then ended
- notes including a summary of significant accounting policies
- Directors' Declaration.

BASIS FOR OPINION

We conducted our audit in accordance with Australian Auditing Standards. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the Financial Statements section of our report.

We are independent of the University in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the [Financial Report/Statements] in Australia. We have fulfilled our other ethical responsibilities in accordance with the Code.

OTHER INFORMATION

Other Information is financial and non-financial information in the University's annual reporting which is provided in addition to the Financial Statements and the Auditor's Report. This includes the Directors' Report. The directors are responsible for the Other Information.

Our opinion on the Financial Statements does not cover the Other Information and, accordingly, we do

not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

RESPONSIBILITIES OF THE DIRECTORS FOR THE FINANCIAL STATEMENTS

The directors are responsible for:

- preparing the Financial Statements that give a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosures Requirement and the Australian Charities and Not-for-profits Commission Regulation 2013
- implementing necessary internal control to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error

- assessing the University's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the University or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objective is:

- to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error; and
- to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Financial Statements.

A further description of our responsibilities for the audit of the Financial Statements is located at the Auditing and Assurance Standards Board website at: www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our Auditor's Report.

KPMG

Kevin Leighton
Partner
Sydney
11 April 2019



ACU is committed to sustainability. This guide is printed on paper sourced from PEFC-certified, sustainably managed forests.