



**Personal
approach.**



**Global
impact.**

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.

ACU 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 seven campuses in Australia: Ballarat (Aquinas), Blacktown (Saint Josephine Bakhita), Brisbane (McAuley at Banyo), Canberra (Signadou), Melbourne (St Patrick's), North Sydney (MacKillop), Strathfield (Mount Saint Mary); 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. View this report online at acu.edu.au/annualreports

LETTER OF TRANSMITTAL

May 2023

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 2022.

The *Annual Report* was approved by the Australian Catholic University Senate on 30 March 2023.

Yours sincerely



The Honourable Martin Daubney AM KC
Chancellor





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Message from the Chancellor



One of the great privileges attaching to the office of a university chancellor is the duty to preside at graduation ceremonies.

Between us, the Pro-Chancellor and I personally congratulate thousands of ACU graduates as they cross the stage and doff their caps in the time-honoured academic salute.

Even in the bleak post-pandemic world to which our university, along with many others, is still adapting, our graduation ceremonies glow as bonfires of achievement and celebration. As the presiding officer, I literally have a front row seat to witness the joy of the graduates and the pride of their families and friends, and to savour the pervading aura of accomplishment.

Importantly, for me at least, the graduation ceremonies and other regular occasions on which I meet with our students and our academic and professional staff serve as constant and fundamental reminders of our university's role in Australian higher education as an institution uniquely shaped by the Catholic intellectual tradition. We are blessed with staff who are committed to our mission. We are proud to graduate students who are imbued with a real sense of service, and ready to make an impact through empathy in the lives of others.

As Chair of the university's governing body, I am aware of the challenges which we have faced over the last 12 months and into the foreseeable future. The Vice-Chancellor and his senior management are providing outstanding leadership in these difficult times. Those matters are addressed frankly in the pages of this report.

But life at ACU over the last year has not been all gloom and doom. There are many good reasons to displace the temptation to become elegiac. To mention just a few noted in this report:

- Each of our campuses is a vibrant community of learning and research, including our Blacktown campus which continues to grow in enrolments, industry partnerships, and community engagement.

It exemplifies not just our commitment to our mission, but the results achieved through the support and partnership of the local Church, the municipal authorities, and the incredible work of our staff.

- ACU's international standing as a Catholic institution of higher learning was cemented with the blessing and official opening of our Campus di Roma.
- We continue to grow our endeavours and reputation in diverse fields of research, all of which has been augmented by our involvement in the Strategic Alliance of Catholic Universities (SACRU) – a peak international body for Catholic research universities, of which our Vice-Chancellor was appointed President in 2022.
- ACU continues to demonstrate its commitment to sustainability across all its campuses. This has included improvements in procurement and supply chain processes.
- ACU is an acknowledged leader in providing support to military veterans and their families in accessing and completing tertiary education. This extended in 2022 to opening a Leadership Centre in Townsville, Australia's largest garrison city, to serve the needs of military personnel and their families.

In short, just as I am reminded by our graduation ceremonies, there is much to celebrate in the life of ACU.

I record my sincere thanks to the Pro-Chancellor, all members of Senate, the Vice-Chancellor and all members of the university's senior management, the President and all members of the Corporation, and the many members of the ACU community who have supported me during my first year as Chancellor.

It is with pride that I now present this 2022 Annual Report on behalf of the ACU Senate.

The Honourable Martin Daubney AM KC

Message from the Vice-Chancellor and President



In 2022, our university encountered a combination of challenges it has not faced before.

In recent years, we endeavoured to steady our operations to counter a series of challenging trends. Inspired by our mission, we ensured that no staff lost their job during the pandemic, and the approach served us well. However, the pipelined effects of the global shutdown, continuing economic uncertainty, prolonged downturn in enrolments, and a rapidly shifting higher education landscape made this an especially testing year for ACU, and we ended it facing a financial loss.

We are an increasingly agile and dynamic institution – a proudly Catholic university with the creativity and commitment to meet the challenges of change. While our recovery will require patience and perseverance, we are focused on steadying the organisation and continuing to support our students to success as we plan for a sustainable future.

In 2022, we benefitted greatly from strengthened governance when our fifth Chancellor, the Honourable Martin Daubney AM KC, and our first female Pro-Chancellor, Ms Virginia Bourke, took up their new roles. Together, they bring an exceptional combination of experience and expertise to the ACU Senate and other governing bodies of the institution.

People of service have always been at the heart of our institution. It is our staff who continue to deliver quality education and services to communities across our nation and abroad. In 2022, the university-wide myVoice staff engagement survey showed that ACU scores above the sector standard in a range of areas, including mission and values, organisational direction, and cross-unit cooperation. Since the last staff survey in 2019, we are pleased to report significant improvements in organisational and executive leadership, behaviour and ethics, and staff pride in working at ACU.

Meanwhile, our campuses continue to be lively focal points of the institution, including

in Townsville, where a new Leadership Centre was established to cement ACU's place as the university of choice for veterans and their families. In Rome, the *Campus di Roma* was reopened after a two-year hiatus due to the pandemic. Its new location provides an opportunity to better foster international engagement, identified in our Global Resilience Plan as a key factor in enabling international enrolment growth and recovery. Our international students are returning. Many come from emerging and priority markets, including Vietnam and India. This strengthens our revenue diversification efforts, ensures financial sustainability, and improves operational resilience.

The year also marked our most successful fundraising result to date, with alumni and philanthropic donors contributing to ACU in greater numbers than ever before. Since the commencement of the Advancement and Alumni Strategy in 2020, we have seen a growth in philanthropic funds of almost 330 per cent, and alumni engagement has also risen substantially.

Testament to our continued focus on core business and despite fiscal challenges, ACU remains in the top two per cent of universities worldwide, and one of the top 10 Catholic universities globally. According to most recent QS rankings, ACU is a number one university in the field of theology in the country and 34th globally which, among other successes, highlights our enduring dedication to excellence in teaching, research and engagement.

As we look forward to developing our new 10-year strategy, ACU Vision 2033, we will build on the lessons learned through adversity, and make bold strategic choices to secure our future while staying true to our Catholic mission, and the valuable work that emanates from it.

Professor Zlatko Skrbis



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.

About Australian Catholic University

An ACU education builds on the Catholic understanding of faith and reason working together in pursuit of knowledge and promotion of human dignity and the common good.

An ACU education seeks to transform lives and communities. Students are challenged to look beyond the classroom, solve real-world problems, develop their own search for meaning, and cultivate strong professional ethics.

They are invited to stand up for people in need and causes that matter.

ACU is open to all. As is common with great Catholic institutions the world over, the university is inclusive and supportive of everyone, every day – regardless of their faith or tradition.

ACU is a young university making a serious impact. Ranked in the top two per cent of universities worldwide* and in the top 10 Catholic universities **,

ACU is in the top seven in Australia for graduate employment***. The university has seven campuses around Australia, a campus in Rome, Italy, and an online campus – ACU Online.

Opportunities for personal and professional growth are critical to ACU. This is a university of service – so much so that it is built into the curricula. All ACU courses offer work placements, internships, or volunteering opportunities.

* *Times Higher Education* World University Rankings 2023. Percentage calculated as ACU's world rank as a proportion of the total number of universities in the world: *International Handbook of Universities 2019*, Palgrave MacMillan.

** Based on International Federation of Catholic Universities members ranked on *Times Higher Education* World University Rankings 2023

*** Graduate Outcomes Survey – Longitudinal 2022, medium-term, full-time employment 2020–2022 for domestic undergraduate students

Key statistics

	2022	
ENROLMENTS*		
Total	32,958	
Undergraduate	25,930	
Postgraduate coursework	5,888	
Higher degree research	278	
Non-award	862	
Domestic	29,063	
International	3,895	
STAFF		
Academic	1150.4	
Professional	1228.9	
RESEARCH		
\$'000		
Annual total HERDC research income** (Category 1-4)		
Category 1	3,466	
- Australian Competitive Grants Register, ARC and NHMRC funding		
Category 2-4	5,878	
- Category 2: Other public sector		
- Category 3: Industry and other		
- Category 4: CRC		
Total	9,344	
INCOME		
\$'000 (%)		
Commonwealth Government grants	268,330	48.4
HELP	151,964	27.4
Fees and charges	96,842	17.5
Other	36,833	6.6
Total revenue	553,969	100.0
EXPENDITURE		
\$'000 (%)		
Employee benefits	367,460	65.4
Depreciation and amortisation	41,750	7.4
Repairs and maintenance	11,375	2.0
Other	141,381	25.2
Total expenditure	561,966	100.0
ASSETS		
\$'000		
Total assets	1,306,466	

* The 2022 student data (course headcount) is still preliminary and will be finalised in April 2023, after the time of printing.

** Audited figures not available until mid-2023.

Data sources:

1. Student Enrolments and Load Report, course headcount

2. Annual Staff Data Report, all staff FTE (including casuals)

Governance and management

GOVERNANCE

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

The current President of the Corporation is the Most Reverend Mark Coleridge DSS 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 ACU 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 ACU's statutes.

These are:

- Senate Standing Committee
- Finance and Resources Committee
- Audit and Risk Committee
- Honorary Awards Committee
- Academic Board.

ACU SENATE

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

- The Chancellor, Pro-Chancellor, 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 ACU and advising Senate on quality assurance matters relating to ACU's teaching and research activities.

Academic Board has the following standing committees:

- Student Administrative Lifecycle and Policy Committee
- Courses and Academic Quality Committee
- Faculty Boards
- Internationalisation Committee
- University Learning and Teaching Committee
- University Research Committee.

EXECUTIVE GOVERNANCE

The Vice-Chancellor's Advisory Committee (VCAC) is an advisory forum providing advice on matters of strategic importance to the Vice-Chancellor and President. Key strategic issues discussed at the VCAC are referred to the Vice-Chancellor's Executive Board (VCEB) for detailed discussion and ratification. In 2022, VCAC's membership consisted of members of the senior executive, along with the executive deans of the four faculties.

The Vice-Chancellor's Executive Board (VCEB) is ACU's principal management committee. It is also chaired by the Vice-Chancellor and President and its membership includes a range of university officers drawn from members of the senior executive, executive and senior management.

Rounding out the university's executive governance structures, the University Consultative Committee (UCC) is a forum for strategic discussion, information sharing and engagement.

The UCC provides an opportunity for input into the development of the university's strategy and direction. It is chaired by the Chair, Academic Board and its membership includes a range of university officers drawn from members of the senior executive, executive and senior management.

IN 2022, SENATE MEMBERSHIP COMPRISED OF:**Chancellor**

The Hon Martin Daubney AM KC (from 1 January 2022)

Pro-Chancellor

Mr Julien O'Connell AO (to 30 June 2022)
Ms Virginia Bourke (from 1 July 2022)

Vice-Chancellor and President

Professor Zlatko Skrbis

Chair of Academic Board

Professor Timothy McKenry

Cleric nominated by the Australian Catholic Bishops' Conference

The Most Reverend Anthony Fisher OP

State Chapter nomination (NSW)

Ms Annette Schmiede

State Chapter nomination (Vic)

Mr Stephen Elder OAM GCSG

State Chapter nomination (Qld)

Mr Karl Morris AO

State Chapter nomination (ACT)

Mr Ross Fox

Senate Panel and ACU Corporation nominated member (NSW)

The Hon Barbara Perry (to 4 May 2022)
Ms Francine Pirola (from 4 May 2022)

Senate Panel and ACU Corporation nominated member (Vic)

Ms Bernadette Steele (to 10 March 2022)
Ms Helen Cooney (from 4 May 2022)

Senate Panel and ACU Corporation nominated member (Qld)

The Hon Justice James Douglas KC

Senate Panel and ACU Corporation nominated member (ACT)

Mr Tim Kirk

Elected by academic staff ACU

Associate Professor Elspeth Froude
Dr Judith Norris (to 30 April 2022)
Associate Professor Richard Colledge (from 1 May 2022)
Dr Josephine Ryan

Elected by professional staff ACU

Mr Gerard Goodwin-Moore

Elected by students ACU

Ms Emily Ginis

IN 2022, ACADEMIC BOARD MEMBERSHIP COMPRISED OF:**Chair of Academic Board**

Professor Timothy McKenry

Vice-Chancellor and President

Professor Zlatko Skrbis

Provost

Professor Belinda Tynan (until 4 February 2022)
Professor Meg Stuart (from 5 February 2022) (Interim)

Chief Operating Officer

Dr Stephen Weller

Deputy Vice-Chancellors

Professor James McLaren (until 6 November 2022)
Professor Abid Khan (from 7 November 2022)
Professor Hayden Ramsay

IN 2022, ACADEMIC BOARD MEMBERSHIP COMPRISED OF:**Vice President**

Fr Anthony Casamento csma

Pro Vice-Chancellor, Global and Education Pathways

Mr Chris Riley

Pro Vice-Chancellor, Research

Vacant

Deputy Provost

Professor Meg Stuart (until 4 February 2022)
Professor Chris Lonsdale (from 5 February 2022)

Executive Deans of faculties

Professor Stephen Tobias, Faculty of Education and Arts (until 13 February 2022)
Professor Mary Ryan, Faculty of Education and Arts (from 14 February 2022)
Professor Dermot Nestor, Faculty of Theology and Philosophy
Professor Thérèse Joiner, Faculty of Law and Business (until 13 May 2022)
Professor Susan Dann AM (from 14 May 2022) (Interim)
Professor Suzanne Chambers AO, Faculty of Health Sciences

Two professorial academic staff members elected by each faculty

Professor Susan Dann AM
Professor Clare Johnson
Professor Chris Lonsdale (until 20 July 2022)
Professor John Gleeson (from 21 July 2022)
Professor Kathy Mills
Professor Megan Cassidy-Welch
Professor Patrick Keyzer
Professor Noah Riseman
Professor David Greene

Two non-professorial academic staff members elected by each faculty

Associate Professor Jane McCormack
Associate Professor Melissa Bellanta
Dr Stephen Carlson
Dr Monica Wong
Dr Dawn La Valle
Associate Professor Christian Lorenzen
Dr Hormoz Ahmadi
Associate Professor Wendy James

Academic Registrar

Ms Kathryn Blyth

Director, Education and Innovation (CEI)

Professor Anthony Whitty

Director, Libraries

Ms Susan Lafferty (until 30 October 2022)
Ms Janet Fletcher (from 31 October 2022)

An external professor

Professor Elisa Martinez Marroquin, University of Canberra

First Peoples and Equity Pathways representative

Ms Jane Ceolin

Student representative

Ms Zoe Cobb
Ms Qazi Kabir



ACU Vision

2033

ACU Strategic Plan Shaping Our Future – ACU Vision 2033

The university’s Strategic Plan, *Impact through Empathy* (2020 – 2023) reaches its end in 2023. Building on the institutional successes achieved during this phase, we have embarked on a journey to develop its next strategy, *ACU Vision 2033*.

In recent years, the COVID-19 pandemic demonstrated that success in times of uncertainty is founded upon institutional resilience, adaptability and agility. Likewise, it also revealed that short-term, rigid and tactical strategic roadmaps are ill-suited in the face of rapid change and unpredictable operating environments.

These valuable lessons have informed our approach in formulating a 10-year strategy. To thrive in the coming decade requires zeroing in and crafting a long-term, bold vision for our university. This clarity of purpose and impact will enable us to develop forward-looking and transformative priorities to amplify our mission over the next decade.

We are developing *ACU Vision 2033* at a time of transformative change in the higher education ecosystem. The development of a new long-term vision for the sector via the Universities Accord and the ARC Review attest to this dynamic process of transformation.

Future-proofing our university in times of sector-wide change requires making bold strategic choices as well as carefully delineating where we focus our efforts, resources and capabilities.

Three rounds of broad and multi-channel consultation have enriched the *ACU Vision 2033* journey. Participants have included staff, students, alumni, partners, industry and our communities. The breadth of ideas and diversity of perspectives gathered as part of this process is testament to our commitment to strategically position ACU for success in creating a flourishing future for all.

Bringing *ACU Vision 2033* to life will be a continuation of this collective journey. Our visionary aspiration will follow a staggered roadmap, spanning the following years:

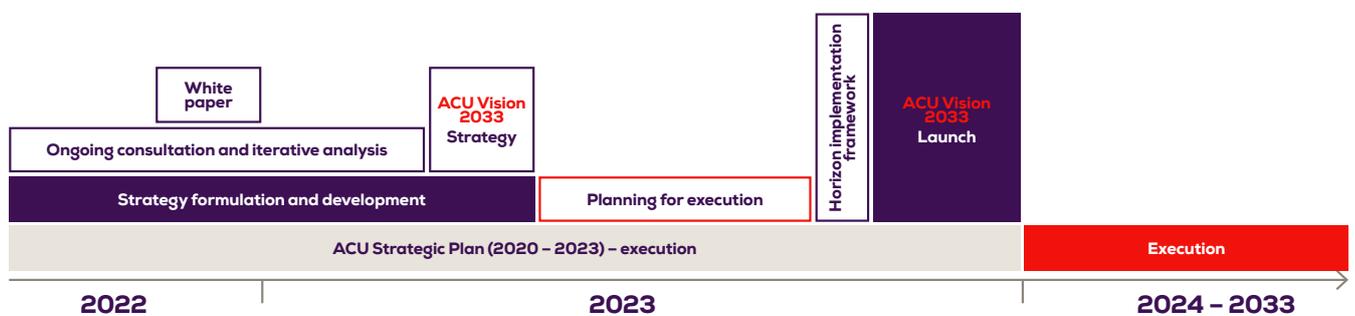
Stage 1: 2024 – 2026

Stage 2: 2027 – 2029

Stage 3: 2030 – 2033

Core institutional plans and integrated strategic initiatives will guide the university’s operations.

ACU Vision 2033 will be launched in the fourth quarter of 2023.





Research and enterprise: A sustainable research agenda

We strive to make a meaningful impact in the world through our research. As a smaller university with strong institutional ties to our community, we need a sustainable focus on both research quality and external engagement in service of our mission over the years ahead.

While our previous research intensification strategy was able to grow scholarly research output quickly, the university largely relied on internal funds to support this research activity, with less emphasis on grants, industry contracts, international scholarships and other external income.

ACU's rise into the top 300 universities in the *Times Higher Education* ranking, for example, was achieved through growth in citations linked to publications in select high-quality journals. As publication levels have plateaued, many other important and complementary indicators in research such as national grant funding, higher degree research, teaching and industry-related income remain low.

To sustain growth in outputs, income and impact, the university must now seek to activate and support a wider community of researchers at all levels. It should leverage larger cohorts of PhD students and early-career researchers, while accessing greater volume and diversity of external funds, linked to an aligned array of domestic and international partners.

Sustainable growth entails a shift toward:

- a pipeline from undergraduate to higher degree and postdoctoral research
- emphasis on quality outputs generated by a wide community of researchers
- external income generation from domestic and international sources
- multidisciplinary teams for building new research areas and infrastructure
- international partnerships to increase research capacity, such as joint PhD programs that target global challenges and large offshore funding sources,
- partnerships at scale with industry, NGOs and governments to increase external funding and raise the reputation of ACU's research.

ACU's transition to a mature and resilient research culture will need to focus on a strategy with greater home-grown strength, institutional partnering centred on major social challenges, and permeable internal structures that leverage resources and facilities across the university and our networks.

Success in this new phase of ACU's growth will not just be about rankings. We aim to be among the world's leading



Catholic research institutions and a national leader in our areas of focus. But we also want to be known for research that is closely linked to industry and leads the sector in support of the care economy.

Central to this strategy will be high levels of early-career and PhD participation as a key factor in our success.

As we look to sustainability, our challenge as an institution is to foster growth toward a more outward-facing, relevant and interconnected university.

FUNDING HIGHLIGHTS

Australian Research Council grant success

In 2022, ACU researchers were awarded more than \$1.3 million in the highly competitive Australian Research Council Discovery Projects grant scheme. The projects, tackling a range of contemporary issues in schools, older populations, democracy and cultural exchange, are examples of ACU's impact-focused research.

Three ACU early-career researchers were also awarded more than \$1 million in the Discovery Early Career Research Awards (DECRA) – the largest DECRA pool ever awarded to ACU and well above the sector success rate for this scheme. The research projects spanning modern legal and gender history, politics and religion in late antiquity, and educational psychology seek to improve women's redress for sexual abuse, examine the role of future thinking during periods of sustained uncertainty, and boost school students' interest in STEM through an online motivation intervention.

Prestigious neuroscience fellowship

ACU neuroscientist and deputy director of ACU's Healthy Brain and Mind Research Centre Associate Professor Valentina Lorenzetti was awarded the 2022 Al and Val Rosenstraus Fellowship to the total value of \$850,000.

Targeted at early-career researchers, the prestigious fellowship will fund a salary and research support package for five years and enable Associate Professor Lorenzetti to consolidate her research on the prevention of addiction and associated mental health issues that has important social impact on young people, educators, parents and public health.

Funding for caregivers of children with disabilities

The Australian Government Department of Social Services awarded \$6.9 million to an ACU-led consortium to deliver an evidence-based program that will empower, support and connect caregivers raising children with developmental concerns or disabilities.

The Enabling Visions and Growing Expectations (ENVISAGE) program was co-designed by parents, service providers, clinicians and researchers in Australia and Canada, and includes a dedicated co-designed First Peoples program. ACU occupational therapist Associate Professor Laura Miller co-leads the consortium of university, research, health and community partners that will deliver ENVISAGE across Australia online and in person.

New industry arts and heritage PhD program in Ballarat

We launched a new industry arts and heritage PhD program at the Ballarat Campus in 2022. Five PhD scholarships worth more than \$30,000 per year will allow doctoral candidates to pursue research projects co-designed with local industry partners, including the City of Ballarat, the Art Gallery of Ballarat and Sovereign Hill.

The PhD initiative in Ballarat, which is currently bidding for UNESCO World Heritage recognition, reflects ACU's ongoing commitment to fostering links in the local community and promoting research and training in the arts and humanities.

University appointments

GOVERNANCE APPOINTMENTS

- The Honourable Martin Daubney AM KC: Chancellor (appointed in 2021, commenced January 2022)
- Ms Virginia Bourke: Pro-Chancellor (appointed in 2021, commenced July 2022)

SENIOR EXECUTIVE LEADER APPOINTMENTS

- Professor Meg Stuart: Interim Provost and Deputy Vice-Chancellor (Academic)
- Professor James McLaren: Interim Deputy Vice-Chancellor Research and Engagement (August 2021 – November 2022)
- Professor Abid Khan: Deputy Vice-Chancellor Research and Engagement (November 2022)

EXECUTIVE LEADER APPOINTMENTS

- Professor Andrew O'Neil: Executive Dean, Faculty of Law and Business (appointed in September 2022, commenced January 2023)
- Professor Mary Ryan: Executive Dean, Faculty of Education and Arts (appointed October 2021, commenced February 2022)
- Bronwyn Bartsch: Director, Global Engagement (appointed December 2021, commenced January 2022)
- Professor Chris Lonsdale: Acting Deputy Provost
- Paul Campbell: Deputy Chief Operating Officer and Director, Campus Leadership
- Leon Bombotas: Chief Data and Insights Officer
- Professor Joy Damousi: Dean of Arts and Director, Institute of Humanities and Social Sciences
- Professor Susan Dann: Acting Executive Dean, Faculty of Law and Business
- Janet Fletcher: Director of Libraries
- Georgina Ledvinka: Director, Student Support Services
- Professor Philip Parker: Acting Pro Vice-Chancellor, Research Impact

Sustainability at ACU



ACU's commitment to sustainability emerges from our commitment to promote human dignity and the common good. The university's sustainability is governed by our Sustainability Framework, which unites Catholic teaching on the relationship between people and planet with the aims of the United Nations Sustainable Development Goals.

The framework means that we express our sustainability through the way we conduct research, learning, community engagement and campus operations. In each of those activities, our goal is to minimise our environmental footprint and maximise our positive social impacts.

ENVIRONMENTAL FOOTPRINT

Historically, energy consumption has been the source of our heaviest environmental impacts. In the decade to 2020, our electricity use alone produced more than 150,000 tonnes of carbon dioxide. In 2022, we emitted no greenhouse gas from the electricity consumption at our Australian campuses. This is because we now source 100 per cent renewable electricity for all of our Australian campuses as part of our commitment to taking action on climate change.

ACU has also continued to prioritise the strict management of our energy consumption, reducing it by 11,000 gigajoules between 2019 and 2022 – equivalent to the amount of energy used at our Canberra and Strathfield campuses combined.

For almost a decade, we have used the lowest amount of energy per unit of floorspace in the Australian tertiary sector, constraining the environmental and financial impacts of our energy use.

ACU's strategic and ethical investment in the construction of sustainable buildings has helped to deliver those benefits. Every major capital project that we have undertaken since 2011 has demonstrated very high levels of sustainable design. We now have three buildings certified to at least five stars under Australia's Green Star rating system, demonstrating Australian excellence in sustainable design and construction.

Meanwhile, the completion in early 2023 of the Saint Teresa of Kolkata Building will lift the proportion of ACU's sustainably designed floorspace to one third of its owned floorspace.

In 2022, we introduced food waste collection at most of our campuses. The service saved almost two tonnes of food waste from landfill, where it would have generated greenhouse gases equal in impact to

almost four tonnes of carbon dioxide. The university's food waste is sent to industrial composting facilities where it is transformed into compost products for farms.

Our waste management again effectively constrained our total generation of waste to less than 15 kilograms per full-time staff and student, a 40 per cent reduction since 2019 and less than half the waste generated per person in the Australian university sector.

SOCIAL IMPACTS

The university's research, community engagement and ongoing work to eradicate slavery from our supply chain drive our contribution to global sustainable development. Highlights include the following:

- The research of Dr Tom Barnes and Dr Scott Doidge, published in the report *Scarring Effects of the Pandemic Economy*, which revealed the losses to jobs and social protections for vulnerable Australians and migrants because of pandemic-response policies.
- Research into the Australian migrant experience by Dr Mary Tomsic, published in the report *Settlement Cities*, and by Dr Haydn Aarons, in the report *Migrating from Settlement to Prosperity*. The reports detail many of the socioeconomic challenges for migrants to Australia and provide policy recommendations to meet those challenges.
- Research by Dr Bridget Pratt at ACU's Queensland Bioethics Centre, which presents the case that global health aid – the delivery of health services to underserved populations in resource-poor parts of the world – must be environmentally sustainable as a matter of climate justice and solidarity.
- The Clemente Program, in which ACU collaborates with community organisations to provide access to university education for people experiencing disadvantage. In 2022, 79 students participated in the program and 19 students completed four units of study and graduated. A further 26 graduates of the program were undertaking a bachelor's degree at ACU during 2022.



Saint Teresa of Kolkata Building, Melbourne

Sustainability bond

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

We adopted this innovative approach to combine green and social bond principles. The funds are being 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 at 31 December 2021 was \$200 million as detailed below:

- Saint Teresa of Kolkata Building, Melbourne, \$112.5 million
- Mercy Building, Brisbane, \$31.2 million
- Library and learning commons, Canberra, \$17.9 million
- Physiotherapy building, Ballarat, \$12 million
- The Institute for Positive Psychology and Education (IPPE), \$14.6 million
- The Mary MacKillop Institute for Health Research (MMIHR), \$11.8 million

Our sustainability bond funds have been fully utilised to achieve these projects.



Mercy Building, Brisbane

University highlights

ACU ONLINE

In 2022, ACU successfully launched a new asynchronous online learning offering, ACU Online. Run fully in house, this new portfolio complements the existing on-campus undergraduate and postgraduate courses and represents the collaboration of academic and professional staff across the university.

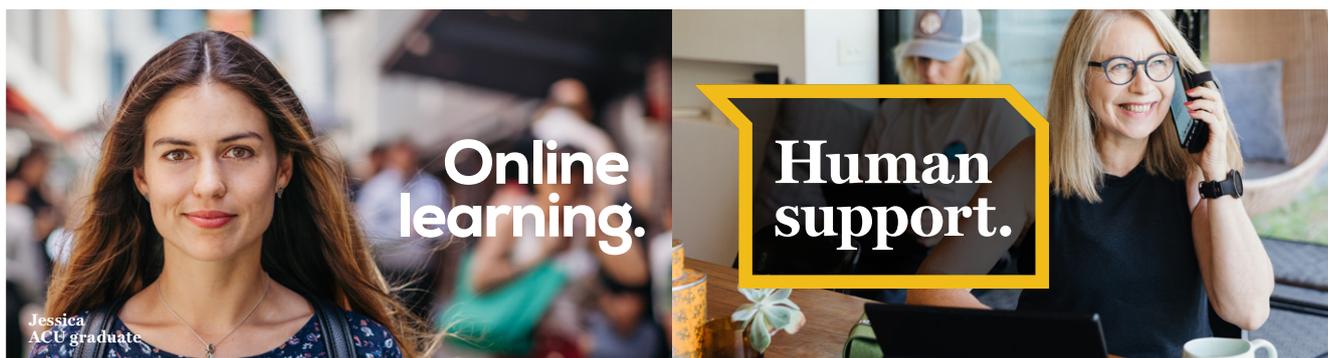
Online learning is recognised as critical to unlocking barriers to education for those whose circumstances may prevent them from studying at a traditional campus. At the same time, ACU Online enables the university to meet market demand, recognising that a growing proportion of students are seeking more flexible, fully online options.

By combining contemporary pedagogy with sophisticated learning design, ACU Online meets the increasing student demand for quality of digital offerings. Courses are delivered via an innovative, purpose-built learning platform by expert academic staff who are trained in online teaching. Course content is presented in manageable segments

and guides students with a range of interactive resources.

Services such as Campus Ministry, Counselling, Disability Services, Careers and Employability, Academic Skills, Student Advocacy, AskACU and the library offer students support beyond the online classroom. Success coaches are also available to provide specialised assistance. Through this integrated model, students have access to a vibrant online campus that ensures support for the whole person.

Two key objectives of the ACU Online campus are increasing diversification and widening participation in education. In 2022, within this cohort, 67 per cent of students experienced financial disadvantage backgrounds, 22 per cent were from regional communities, and 70 per cent were female. Over 90 per cent of students are studying part-time and 80 per cent are enrolled in postgraduate study. In 2023, ACU Online will continue to broaden its portfolio offering and demographics.



ROME ACTIVATION

With the reopening of international borders in early 2022, ACU's Rome Campus was the first campus to resume operations with its first full student cohort in July 2022. The campus sits on a sprawling property of garden courtyards and external terraces with views of the city, and offers a modern, newly renovated, 84-bed residential accommodation.

Significant preparations were made for the campus to be activated and fully operational, equivalent to ACU's Australian campuses, including improvements to infrastructure such as internet, systems, audio-visual functionality, signage and commissioning promotional materials.

The campus has been filled with students and staff attending study blocks, semester programs, research symposia and seminars, and professional development programs for external agencies and partner universities. During 2022, the Rome Campus hosted nearly 70 events, including courses, conferences, public lectures and research seminars.

Two new internships were launched: one in collaboration with the Australian Embassy to the Holy See; the other with the Dicastery for Laity, Family and Life. ACU also hosted recipients of the Francis Xavier Conaci Scholarship for Aboriginal and Torres Strait Islander students.

The campus was officially opened on 15 December 2022 with international diplomats, senior Church leaders, guests from partner organisations and representatives of the university.





ACU'S WIDENING PARTICIPATION PLAN 2023 – 2026

In 2022, ACU embarked on a unique institutional journey to rethink our approach to equity and widening participation, with the aim to improve access, participation and success for students from backgrounds underrepresented in tertiary education: students from low socioeconomic backgrounds, students from regional and remote Australia, and Aboriginal and Torres Strait Islander students.

Cross functional cluster groups with members from all faculties, directorates, research institutes and portfolios met over six months and focused on the three different stages of the student life cycle. Members examined institutional culture, structures, systems, policies and processes that may have unintentionally perpetuated higher education outcome disparities for these students.

We undertook an iterative process to embed equity into the very fabric of the university by shifting towards equity enabling policies, systems and pedagogical approaches,

thereby increasing opportunity and reducing disadvantage. This process differentiates our approach from the rest of the sector.

To provide effective oversight, a Widening Participation Steering Group was also established. And after a year-long process, we developed our Widening Participation Plan (2023 – 2026) and Implementation Roadmap to support structural and cultural change within the university. ACU has committed to ambitious equity targets and shared responsibility across the institution to achieve these targets by 2026. Additionally, we established a distributed governance and leadership framework to oversee the implementation of the roadmap until 2026 and to facilitate the ongoing monitoring and bi annual reporting of on performance and progress.

The plan articulates the university's commitment to the provision of equitable higher education for all.

OUR PEOPLE

ACU launched its inaugural People Plan focused on supporting staff and bringing to life the unique and distinctive Catholic character of ACU. The plan sets out six interrelated pillars, each with actionable steps, that support ACU's mission and strategic priorities:

- Leadership capability to bring life to our mission.
- Professional growth and outstanding careers to enable potential.
- Employing the best people for our future success.
- Health, safety and wellbeing in a supportive and caring culture.
- Diversity and inclusion – we welcome everyone.
- Engaged and enabled workforce – free to focus on what matters.

Our plan will ensure we have the right programs and tools in place to support our people to bring their best selves to work and outlines the deliberate steps we are taking to ensure that ACU is a wonderful place to work, thrive and succeed.

A new enterprise agreement

In December 2022, the Australian Catholic University Staff Enterprise Agreement 2022 – 2025 was approved by our workforce. Approval followed extensive consultation and negotiation between ACU management, the Community and Public Sector Union and the National Tertiary Education Union over an 18-month period. The agreement provides significant new benefits for our workforce including enhanced parental leave, personal leave and academic workload arrangements. ACU has also committed to reducing its reliance on casual and sessional academic staff, providing sector-leading study support for our workforce, and making a commitment to increasing our Aboriginal and Torres Strait Islander workforce to a target of 3.2 per cent.

Our commitment to gender equality and diversity

ACU is proud to have received the Employer of Choice for Gender Equality Citation by the Workplace Gender Equality Agency for 12 consecutive years. In 2022, we were one of 120 Australian organisations to be publicly recognised for our commitment to leading-practice policy and initiatives to enhance gender equality outcomes. These principles have underpinned the development of our new Gender Equality, Diversity and Inclusion (GEDI) Framework and Gender Equality Action Plan (GEAP), which build on our previous achievements to support our continued progress.

FURTHERING COMMUNITY ENGAGEMENT WITH OUR CATHOLIC PARTNERS

In 2022, ACU Engagement deepened the university's commitment to community engagement with our Catholic partners both domestically and internationally. Co-designed research and outreach programs further the common good and the Catholic missions of each party. Engagement with the global field of service-learning in Catholic higher education is enhancing the development of our curriculum.

Domestically, the Stakeholder Engaged Scholarship Unit (SESU) embarked on co-designed and co-led research with Catholic Social Services Victoria and St Mary's House of Welcome to uncover the unspoken truth beneath government messaging of positive economy recovery in the wake of the COVID-19 pandemic. *Scarring Effects of the Pandemic Economy* is an important reminder not to overlook those who so frequently are: those on the margins of society, those who were excluded from COVID-relief supplements and those who bore the brunt of the significant job loss and job market insecurity during Victoria's lockdown periods. This report provided stimulus for the Victorian Council of Social Services to reinvigorate the employment policy working group. ACU Engagement's outreach work broke new ground in 2022 through partnering with the Order of Malta to launch a mobile community hub in the East Reservoir region, Melbourne. The hub partners with the community to enable activities that decrease social isolation among elderly residents and enhance the reading literacy of local school



Brisbane Campus

students. Domestically, ACU Engagement partners with 33 Catholic partners.

Internationally, ACU Engagement has furthered our involvement in Uniservitate, the global program for advancing service-learning in Catholic Higher Education Institutions (CHEIs). Through this program, academic staff and senior leaders have been trained in Catholic service-learning, engaged in knowledge exchange with CHEIs globally, and gained recognition through our School of Education's Solomon Islands community engagement program, winning a Uniservitate regional award. As a fitting finale to 2022, ACU Engagement and the Rome Campus were official partners in the Uniservitate III Global Symposium. Staff and students gave several prominent presentations, and Pope Francis formally recognised the symposium.

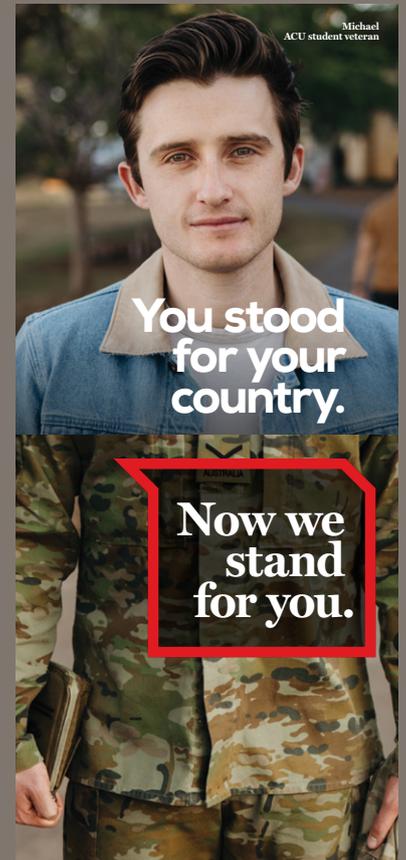
VETERANS SUPPORT INITIATIVES

Transitioning out of the military can be difficult for many veterans, with high rates of unemployment and mental health issues. Higher education is an internationally established pathway to assist veterans in successfully transitioning from the military to civilian life, broadening personal networks, and creating a pathway to gainful employment. Any current or former members of the Australian Defence Force might be eligible for ACU's Veterans Entry Program.

In recognition of their service to country and community, ACU offers three programs to veterans: the **Veteran Entry Program**, **Veteran Transition Program**, and the **Student Veteran Support Program**. Facilities have been developed in Queensland to support the students studying under this initiative, including the Townsville Leadership Centre and 'The Cages'.

Launched in 2022, the **Townsville Leadership Centre** is a learning and meeting space for current and former serving Defence members and their families. The space allows them to study alongside other current and former serving Defence members in a safe, welcoming setting. Presentation rooms with all the amenities of home are available for study groups, virtual lectures, tutorials and meetings. With the Student Veteran Services Liaison Officer based in Townsville, veterans and their families can be supported throughout their higher education journey.

The Cages is a student veteran centred study area at the Banyo Campus in Brisbane, with military memorabilia and PT shirts donated by student veterans. At every unit in the Australian army, equipment is stored in a dedicated space referred to as the cages. To keep junior soldiers out of the way, they were often sent to the cages to work, and this presented a good opportunity to have a chat and a laugh. The Cages provides the veteran cohort with their own space to study, catch up with their mates or just chill out. These spaces, as well as the Student Veteran Liaison Office in Melbourne, help to foster ACU's goal of ensuring veteran friendly campuses.



SAFETY. SUPPORT. NETWORK.

STUDENT SAFETY NETWORK

In June 2022, ACU launched the Safety Support Network as part of the university's ongoing commitment to support students who have experienced sexual assault, sexual harassment, or family and domestic violence. ACU has been active in this area since the first national survey report on sexual misconduct at Australian universities was released in 2017. The Safety Support Network was developed in direct response to a follow-up national student safety survey report which was released in March 2022.

The Safety Support Network is a group of ACU academic and professional staff, known as Safety Support Officers, who undertake specialised training that focuses on receiving, responding to and understanding the sensitive and complex nature of disclosures of sexual assault, sexual harassment, and family and domestic violence. Staff are trained on the psychological, physiological and behavioural effects on victims-survivors, and how best to support them, through a range of support and reporting options at ACU and externally.

The Safety Support Network launched in 2022 with 34 trained Safety Support Officers and has since expanded to 56 representatives across all seven Australian campuses, providing visible and accessible support for students. The network is promoted to students and staff online and at events including Respect at Uni Week and Student Safety Week. Posters are featured in bathrooms across our campuses and Safety Support Officers are identifiable by the badges they wear.

Even though the network was only launched in June 2022, over half (56 per cent) of all 2022 incident reports were received by Safety Support Officers, which demonstrates the value of the Safety Support Network in providing a visible presence and support service for students.

AUTISM AT ACU

Through research, advocacy and a range of projects and initiatives the Autism at ACU program seeks to build a more inclusive society both within and beyond our university where autistic people are supported to recognise challenges, reduce barriers and celebrate their unique strengths and abilities.

The program prioritises autistic voices and is unique in being conceived and guided by autistic people in the form of our Autism Inclusion Advisory Group, consisting of autistic students, alumni and affiliates who meet regularly to provide feedback and perspective on all aspects of the program.

Throughout 2022, the program celebrated a number of successes with highlights including:

- The inaugural Autism Inclusion Awards which recognised and celebrated non-autistic ACU staff members who make our university a more inclusive place to work and study, as nominated by autistic students and staff.
- Our first scholarship students translated findings from Autism at ACU research projects into accessible resources for the autism community.
- We celebrated ACU Autism Awareness-Acceptance-Appreciation Week with a range of activities including video interviews with autistic people and information displays on campus.
- The Autism at Uni program continued to support our autistic students through a range of services including a mentor program to help students get the most out of their university experience, and the establishment of a low-sensory retreat room on our Ballarat and Melbourne campuses.
- Pro Vice-Chancellor (Research Impact) Professor Sandra Jones received the Autism CRC's Award for Achievement in Autism Spectrum Research in Inclusive Autism Research, for her longitudinal qualitative research project, 'Autistics in Academia'.
- Our online Eye on Autism sessions were well attended by staff, students and community members looking to engage with our panel of autistic people and learn more about autism.

We look forward to taking the program from strength to strength throughout 2023.





STUDENT INITIATIVES

In late 2021, the ACU Student Success Agenda was initiated. The vision for this work is an ACU student population that is prepared, connected and empowered. Prepared to begin university; connected to people, places and purpose; and empowered to realise the full benefits of a tertiary education.

One of the projects developed for this program of work was AGILE (the Academy for Global Impact and Leadership through Ethics), which is designed exclusively for commencing 90+ ATAR (Australian Tertiary Admission Rank) students. The retention rate of this cohort had been consistently below that for all other ATAR bands for the past five years. A needs analysis identified that ACU was not offering unique opportunities to these students, attracting them in the first place, or maximising existing initiatives. Commencing students who entered with 90+ ATARs were invited to join AGILE and participate in unique leadership and service opportunities. The program was a resounding success and will be run again in 2023.

In 2022, AGILE:

- included 821 commencing student members
- contributed to an attrition rate in 2022 of 4.6 per cent versus a predicted attrition rate of 9.5 per cent (based on five-year trends)
- helped retain 27 extra students
- made a 159 per cent return on investment.

A second project, the Global Leader Experience (GLE) delivered in partnership with Common Purpose, ran in July 2022. This online pilot program brought together a total of 51 nursing and education students in order to complement ACU's graduate attributes and afford students a unique opportunity to lead with agility, empathy and influence. Over four days, teams of students worked to provide innovative targeted solutions to a grand challenge statement developed by ACU and Common Purpose.

With increased population growth across the Ballarat region and the introduction of the ACU Blacktown Campus in 2020, the GLE offered ACU students from these campuses an innovative opportunity to engage with nine different community partners, grow networks and strengthen partnerships in these targeted areas. At the same time, students were able to build and refine their leadership and professional skills. Student and partner feedback on the program has been overwhelmingly positive and the pilot is being expanded across all campuses in 2023.

Other key student initiatives during 2022 include the inaugural ACU Sport and Performer Awards held in October in the Cathedral Hall on Melbourne Campus. This event symbolised a unique celebration of the ACU spirit and honoured the incredible achievements of our elite student and alumni athletes and performers.

Twenty-one of ACU's first Blues Award recipients were acknowledged at the event. A University Blue is the highest level of recognition an athlete or performer can receive while studying. Three athletes were recognised with Elite Athlete and Performer Program Academic Excellence awards, along with an award for outstanding performance by an athlete/performer with disability. Sporting clubs, volunteers, officials and the team of the year, including the two-time Indigenous UniSport Nationals champions, were also commended. Nationally and internationally recognised Australian sporting and performing heroes, Olympians, Paralympians, world champions, AFL and NRLW stars attended the ceremony.

The Elite Athlete and Performer Program unit is privileged to work with these inspirational students.



Freedom of Speech and Academic Freedom Attestation Statement

In November 2018, former education minister the Honourable Dan Tehan MP announced the Independent Review of Freedom of Speech and Academic Freedom in Australian Higher Education, to be conducted by former High Court Chief Justice the Honourable Robert French AC (French Review). The resulting *Report of the Independent Review of Freedom of Speech in Australian Higher Education Providers* (French Report) led to the promulgation of the *Model Code on Freedom of Speech and Academic Freedom* (Model Code).

The University Senate approved *Statute 13 - Freedom of Speech and Intellectual Freedom* on 8 April 2020. The Senate approved Statute 13 consistent with the principles of the Model Code. Statute 13 extends the concept of academic freedom by enveloping it in the broader concept of intellectual freedom.

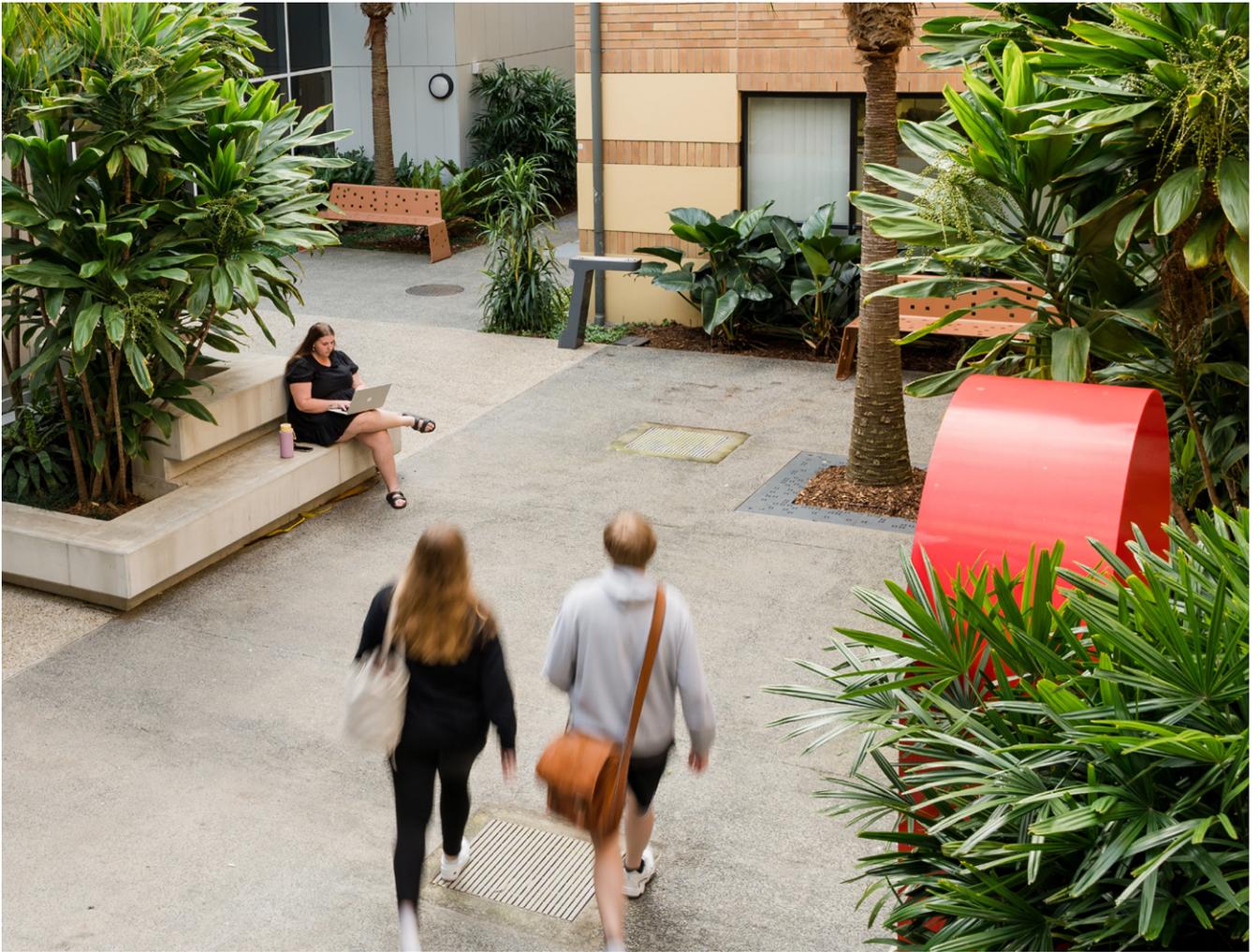
Critically, Statute 13 reconciles the principles of the Model Code with the concept of academic freedom in the Catholic Intellectual Tradition. As a superior governing document in the university's document hierarchy, Statute 13 automatically overrides all policies of the university to the extent of any inconsistency.

The development of Statute 13 was shaped by input from various governance and management bodies, and representative stakeholder groups across the university, including Senate and Academic Board, members of the senior executive and executive, elected student representatives and the unions.

In August 2020, the former education minister announced an independent review by Professor (Emeritus) Sally Walker AM of the Model Code's implementation. In the resulting *Walker Report*, the university was identified as one of only nine universities 'fully aligned' with the Model Code. Against the backdrop of the new (2021) definition of 'academic freedom' in the *Higher Education Support Act 2003* (Commonwealth), the new Australian Catholic University Staff Enterprise Agreement 2022–2025, finalised in 2022, now includes a more rigorous definition of intellectual freedom compared to the previous agreement.

Following the approval of Statute 13 by Senate in April 2020, the university has received a small number of complaints related to freedom of speech and academic freedom, with each matter dealt with on a case-by-case basis in accordance with the relevant complaints policies and procedures. These complaints have principally focused on media articles written by academics associated with the university expressing their personal views on a range of matters. In all instances, the principles of freedom of speech and academic freedom were upheld.

The University Chancellors Council approved a template for an attestation statement for reporting on freedom of speech and academic freedom at its meeting on 4 August 2021. This attestation statement satisfies the requirement of the council's template.



Voluntary Code of Best Practice for Governance of Australian Public Universities

We acknowledge the requirement under clause 14 of the *Voluntary Code of Best Practice for the Governance of Australian Public Universities* to disclose in our annual report alignment with the code and provide reasons for any areas of noncompliance.

ACU is compliant with the code to the extent permitted by, or described in, its governing documents (the Constitution, Statutes, Regulations, 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*.

ACU regularly reviews its governing documents and processes to ensure the highest standards of good governance are maintained.

Protected disclosures

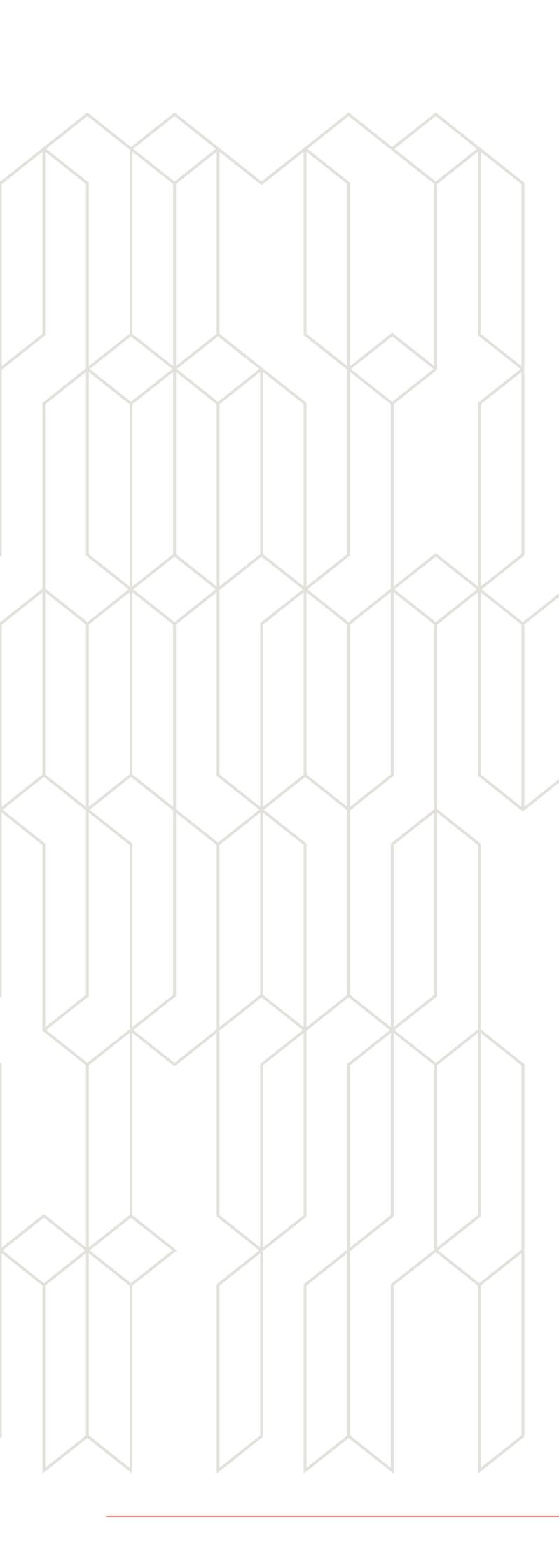
ACU is committed to a culture of corporate compliance and the promotion of lawful and ethical behaviour and transparency in commercial, legal and other stakeholder dealings. We expect our officers, staff, members and affiliates to act in accordance with the law at all times, to behave professionally and to uphold ACU's mission, values and *Code of Conduct for All Staff* in undertaking their duties and activities on behalf of, or in association with, ACU.

In 2016, the University Senate approved the *Protected Disclosures Policy and Protected Disclosures Procedure* (Policy Framework). The Policy Framework is an important tool for detecting undesirable, unethical, fraudulent or illegal conduct or misconduct that might represent an improper state of affairs ('reportable conduct'). It is essential to achieving good corporate governance.

As part of the implementation of the Policy Framework, the university engaged a third-party service provider, FairCall (a business arm of KPMG), through a competitive tender process to provide a whistleblower hotline and reporting service for reportable conduct.

In December 2019, the University Senate approved significant amendments to the Policy Framework consistent with mandatory provisions introduced into Part 9.4AAA of the *Corporations Act 2001* (Cth) and the *Taxation Administration Act 1953* (Cth) by the *Treasury Laws Amendment (Enhancing Whistleblower Protections) Act 2019* (Cth).

Our updated Policy Framework reflects our commitment to identifying and investigating reportable conduct and to supporting and protecting eligible whistleblowers. Ongoing training and communication are essential elements of this compliance framework.



Review **of results** **and audited** **financial** **statements**

Financial statements for the year ended
31 December 2022

Directors' report

For the year ended 31 December 2022

The directors present their report together with the financial statements of Australian Catholic University Limited (the university) for the year ended 31 December 2022 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:

Ms Virginia Bourke
BA LLB (Hons) MA FAICD
Pro-Chancellor
1 July 2022

Associate Professor Richard Colledge
PhD (UQ), MA Philosophy (Leuven),
MTheol (BCT), Grad Dip Couns (QUT),
Grad Dip Teach, Sec (ACU), BA (UQ)
University Academic
30 April 2022

Ms Helen Cooney
BA Hons (UniMelb), M Gov+Comm
Law (ANU), Grad Cert Org Coaching
(Swinburne), GAICD, GAIST
Non-Executive Director, Coach and
Advisor
4 May 2022

The Hon Martin Daubney AM KC
DTS (YTU), BA LLB (UQ)
Chancellor
1 January 2022

The Hon James Douglas KC
BA LLB (UQ), LLB (Cambridge)
Commissioner
11 June 2013

Mr Stephen Noel Elder OAM GCSG
BEd (VU), DipEd (La Trobe), FAIM
Educational Administrator
23 May 2008

Most Rev Anthony Fisher OP
DD, BA (Hons) LLB (USyd), BTheol
(Hons), DPhil (Oxon)
Archbishop of Sydney
23 May 2019

Mr Ross Fox
BE (Mining) (Hons) (UNSW), BA
(PPE) (Hons) (Oxon)
Educational Administrator
1 May 2019

Professor Elspeth Froude
PhD (La Trobe), Grad Dip (NeuroSc),
BAppSc (OT) (USyd), GAICD
University Academic
1 May 2019

Ms Emily Ginis
BCom/LLB (Hons) (ACU)
Student
1 January 2021 (31 December 2022)

Mr Gerard Goodwin-Moore
BSc (Hons)(Lond)
University Administrator
1 May 2020

Mr Tim Kirk
BTheol (Aust College Theology),
Dip Ed (ACU)
Winemaker and Business Executive
3 May 2017

Professor Timothy McKenry
BMus (Hons), MMus PhD (Melb),
AMusA
University Academic and Chair,
Academic Board
7 August 2020

Mr Karl Morris AO
BCom (Griffith), DipAppFinInv
(FINSIA), Dip (AICD)
Professional Diploma in Stockbroking
(SFAA), Governance in Sport (GIA)
Business Executive
4 November 2019

Dr Judith Norris
MEdAdmin (UNSW), EdD (ACU)
University Academic
1 May 2019 (30 April 2022)

Mr Julien O'Connell AO
DipAcet (BTS), FAICD
Pro-Chancellor and Business Executive
1 January 2016 (30 June 2022)

The Hon Barbara Perry
BA LLB (USyd)
Retired politician and Church
Administrator
4 May 2016 (4 May 2022)

Ms Francine Pirola
BSc (UNSW), MA (Fordham)
Marriage Formation Specialist
4 May 2022

Dr Josephine Ryan
BA (Hons), DipEd, Med, EdD
University Academic
1 January 2021

Ms Annette Schmiede
BEc (USyd)
Health Administrator
1 January 2016

Professor Zlatko Skrbis
BPhil (Hons) (Ljubljana),
BSocCult (Hons) (Ljubljana),
PhD (Flinders), PFHEA
Vice-Chancellor and President
11 January 2021

Ms Bernadette Steele
BA (Hons), LLB (Melb)
Lawyer
11 August 2009 (10 March 2022)

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

VICE-CHANCELLOR AND PRESIDENT

Professor Zlatko Skrbis
BPhil (Hons) (Ljubljana),
BSocCult (Hons) (Ljubljana),
PhD (Flinders), PFHEA
11 January 2021

INTERIM PROVOST AND DEPUTY VICE-CHANCELLOR (ACADEMIC)

Professor Meaghan Stuart
BAppSc (Cumb), MSc (UNSW) PhD
(USyd), Grad Cert Health Sciences
Education (USyd), PFHEA
4 February 2022

CHIEF OPERATING OFFICER AND DEPUTY VICE-CHANCELLOR

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

DEPUTY VICE-CHANCELLOR (RESEARCH AND ENTERPRISE)

Professor Abid Khan
BSc (Hons) Imperial College London,
ARCS, PhD UCL
7 November 2022

VICE PRESIDENT AND DIRECTOR, IDENTITY AND MISSION

Father Anthony Casamento csma
BTheo (CIS), BSc (Psych) (UNSW),
BA (UNSW), MA (UNSW)
16 August 2010

DEPUTY VICE-CHANCELLOR (ETHICS)

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		FINANCE & RESOURCES COMMITTEE MEETINGS		HONORARY AWARDS COMMITTEE MEETINGS		AUDIT & RISK COMMITTEE MEETINGS		SENATE STANDING COMMITTEE MEETINGS	
	A	B	A	B	A	B	A	B	A	B
Mr Robert Baker (Note i.)	-	-	5	5	-	-	5	5	6	6
Ms Virginia Bourke	3	3	3	3	-	-	-	-	2	2
Associate Professor Richard Colledge	4	4	2	3	-	-	-	-	-	-
Ms Helen Cooney	4	4	2	3	-	-	-	-	-	-
The Hon Martin Daubney AM KC	7	7	-	-	2	2	-	-	6	6
The Hon James Douglas KC	2	7	-	-	1	2	2	5	-	-
Mr Stephen Elder OAM GCSG	6	7	2	3	-	-	2	3	-	-
Most Rev Anthony Fisher OP	4	7	-	-	-	-	-	-	-	-
Mr Ross Fox	4	7	-	-	2	2	4	5	-	-
Professor Elspeth Froude	6	7	2	2	-	-	2	3	-	-
Ms Emily Ginis	6	7	-	-	-	-	-	-	-	-
Mr Gerard Goodwin-Moore	7	7	-	-	-	-	5	5	-	-
Mr Tim Kirk	5	7	5	5	-	-	-	-	-	-
Professor Timothy McKenry	7	7	-	-	2	2	5	5	5	6
Mr Karl Morris AO	-	7	2	5	-	-	-	-	-	-
Dr Judith Norris	3	3	-	-	-	-	1	1	-	-
Julien O'Connell AO	3	4	2	2	1	1	-	-	4	4
The Hon Barbara Perry	3	3	-	-	-	-	1	1	-	-
Ms Francine Pirola	3	4	-	-	-	-	2	3	-	-
Dr Josephine Ryan	7	7	-	-	2	2	-	-	-	-
Ms Annette Schmiede	5	7	3	5	-	-	-	-	-	-
Professor Zlatko Skrbis	7	7	4	5	2	2	4	5	5	6
Ms Bernadette Steele (Note ii)	-	1	-	-	-	-	-	-	-	-

A - Number of meetings attended

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

Note:

- i. Robert Baker is Chair of the Audit and Risk Committee and a member of the Senate Standing Committee and Finance and Resources Committee. However, he is not a director of the university.
- ii. Bernadette Steele is a member of Audit and Risk Committee but no meetings were held preceding the date of her resignation.



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 with research on seven campuses across the states of Queensland, New South Wales, Victoria, South Australia and Australian Capital Territory. The university also has a study campus in Rome.

REVIEW AND RESULT OF OPERATIONS

The net result from continuing operations is a surplus of \$0.2m (2021 \$55.5m) and the net result for the period is a deficit of \$8m (2021 surplus \$47.3m). Revenue declined to \$551.7m from \$562.9m in 2021 due to reduced enrolments and changes to Australian Government funding arrangements. Expenditure increased to \$551.5m from \$507.3m in 2021 due to increased employee benefits, computer software and IT consulting, advertising and travel.

Total revenue including finance income decreased to \$11.9m (2.1 per cent). There has been a decrease in Australian Government Financial Assistance of \$20.6m (7.1 per cent), largely due to reduced transitional funding provided to support changes to Commonwealth funded domestic students. HECS-HELP increased to \$3.1m (2.3 per cent) due to domestic students contributing a greater component to course funding. FEE-HELP remained relatively unchanged, \$12.3m from \$12m in 2021. Fees and charges increased to \$2.9m (3.1 per cent) due largely to an increase in revenue from fee-paying overseas students as borders reopened and average student payments increased. This is expected to continue in 2023.

Total expenditure including finance expenditure increased to \$43.4m (8.4 per cent). Expenditure on cash-related

salaries increased by \$24.1m (7.1 per cent). Non-salary cash expenses increased by \$21.9m (16.8 per cent). Non-cash expenses decreased by \$2.6m (5.6 per cent).

The working capital position has decreased to a surplus of \$4.4m (\$127.7m surplus in 2021). The surplus is \$33.5m (\$158m surplus in 2021) after adjusting for employee benefits classified as current liabilities but is expected to be settled in longer than 12 months. The reduction is largely due to the planned liquidation of investments to pay for the completion of the Saint Teresa of Kolkata Building.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Implementation of the university's Infrastructure Plan continued in 2022. Work continues on the Saint Teresa of Kolkata Building on the Melbourne Campus following the university's appointment of Watpac Constructions during the latter part of 2018. Practical completion was expected in Quarter 3 2022 but further delays as a result of COVID-19 impacts will see the project complete by the end of Quarter 2 2023. The project is being partly funded by the \$200m sustainability bond issued in 2017 and a further \$50m bond issued in 2020. With the impending completion of the building, an audit will be undertaken of the use of the sustainability bond funds.

In March 2019, ACU was selected by Blacktown City Council to be its preferred university partner. Subsequently, governance structures were established and we developed vital plans with Blacktown City Council, the Diocese of Parramatta, and community and industry partners. A campus has been established at 22 Main Street in Blacktown, a Future Student Information Centre opened in June 2020 and course teaching commenced from February 2021.

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

The university, like other organisations, was considerably impacted by the COVID-19 pandemic. The university continues to transition following the pandemic impact. Technology continues to be utilised to provide alternative methods of delivery of courses and staff have now settled into a combination of in-office and work-from-home arrangements. Student experience placements that were severely impacted by the pandemic shutdowns are largely back on track.

The university is continuing to manage the significant changes that have impacted it while meeting statutory obligations. The financial impact continued to be moderated this year through various support measures by state and federal governments. International student revenue continues to be impacted but is beginning to recover and is expected to recover considerably in 2023.

Through Education Australia Ltd, the university owned shares in IDP. Education Australia Ltd was dissolved during 2022 and, in 2021, 1.8m shares of IDP were transferred to the university valued at \$53m with a franking credit of \$22.7m. The transactions were recognised through the Comprehensive Income Statement in 2021. The shares were subject to an escrow arrangement of 100 per cent for six months that ended in February 2022 and 50 per cent for the following six months that ended in August 2022. The Australian Taxation Office (ATO) has questioned the validity of the \$22.7m franking credit. The University's collectively have made a submission to the ATO. The ATO will consider the submission in 2023. The university is of the opinion that the franking credit will be received.

FINANCIAL HIGHLIGHTS

	2022 (\$000s)	2021 (\$000s)	CHANGE %
Australian Government grants	420,294	438,250	(4.1)
Other operating revenue	131,421	124,604	5.5
Finance income	2,254	3,050	(26.1)
Salary cash expenses	(364,550)	(340,478)	7.1
Non-salary cash expenses	(152,756)	(131,819)	16.8
Non-cash expenses (depreciation, amortisation and provisions)	(44,660)	(47,292)	(5.6)
Net result for the period	(7,997)	47,315	(116.9)
Working capital	4,352	127,662	(96.6)
Working capital adjusted for employee benefits classified as current but due to be settled in more than 12 months	33,434	157,971	(78.8)

ENVIRONMENTAL REGULATION

The university's operations are not subject to any significant environmental regulations under either federal 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 its 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 \$86,095 (2021: \$79,004) 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 8 and forms part of the director's report for the financial year ended 31 December 2022.

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 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.

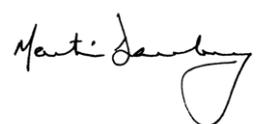
ROUNDING OFF

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 Zlatko Skrbis
Director
30 March 2023, Sydney



The Honourable Martin Daubney
AM KC
Director
30 March 2023, Sydney



**Lead Auditor's
Independence
Declaration**
under subdivision
60-C section 60-
40 of *Australian
Charities and
Not-for-profits
Commission Act
2012*

To: the directors of Australian Catholic University Limited

I declare that, to the best of my knowledge and belief, in relation to the audit of Australian Catholic University Limited for the financial year ended 31 December 2022 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

A handwritten signature in black ink, appearing to read 'S Isaac'.

Stephen Isaac
Partner

30 March 2023, Sydney

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Income statement

For the year ended 31 December 2022

	NOTE	2022 \$'000	2021 \$'000
Revenue from continuing operations			
Australian Government Financial assistance excluding HECS-HELP	2.1	268,330	288,926
Higher Education Contribution Scheme HECS-HELP			
Student contributions	24.2	10,696	9,307
Australian Government payments	2.1, 24.2	123,465	121,777
FEE-HELP	2.1	12,290	12,030
SA-HELP	2.1	5,428	5,159
VET-HELP	2.1	85	1,051
State and local government financial assistance	2.2	9,510	6,654
Fees and charges	2.3	96,842	93,895
Consultancy and contract research	2.5	5,852	3,714
Other revenue and income	2.6	19,217	20,341
Total revenue and income from continuing operations		551,715	562,854
Expenses from continuing operations			
Employee benefits	3.1	367,460	346,029
Depreciation and amortisation	3.2	41,750	41,741
Repairs and maintenance	3.3	11,375	11,914
Advertising, promotions and publicity		9,743	6,053
Computer software and services	3.4	19,656	15,521
Consultancy	3.5	11,231	12,167
Library acquisitions		8,171	8,184
Minor equipment	3.6	8,540	8,633
Offshore administration		5,942	4,967
Rent		2,880	4,126
Scholarships and student grants		10,325	7,746
Travel	3.7	8,216	2,362
Other	3.8	46,219	37,891
Total expenses from continuing operations		551,508	507,337
Net result from continuing operations		207	55,517
Finance income and expense			
Finance income	2.4	2,254	3,050
Finance expense	4	(10,458)	(11,252)
Total finance income and expense		(8,204)	(8,202)
Net result before income tax		(7,997)	47,315
Income tax	1(c)	-	-
Net result for the period	17	(7,997)	47,315

The income statement is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 34 to 63.

Statement of comprehensive income

For the year ended 31 December 2022

	NOTE	2022 \$'000	2021 \$'000
Net result for the period		(7,997)	47,315
Other comprehensive income			
<i>Items that will not be reclassified to profit and loss</i>			
Superannuation – deferred government contributions		(3,859)	(1,438)
Deferred superannuation expense		3,859	1,438
<i>Items that may be reclassified subsequently to profit and loss</i>			
Gain on revaluation of land and buildings	10	(19,539)	30,618
Gain on financial assets	16	(13,995)	41,812
Other comprehensive income for the period		(33,534)	72,430
Total comprehensive income		(41,531)	119,745
Attributable to:			
Members		(41,531)	119,745
Total comprehensive income attributable to members		(41,531)	119,745

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 34 to 63.

Balance sheet

As at 31 December 2022

	NOTE	2022 \$'000	2021 \$'000
Current assets			
Cash and cash equivalents	6	14,597	17,818
Trade and other receivables	7	29,812	27,596
Other investments	8	71,380	192,785
Other assets	9	21,506	18,305
Total current assets		137,295	256,504
Non-current assets			
Other investments	8	75,435	73,571
Property, plant and equipment	10	1,036,233	955,840
Intangible assets	11	37,924	38,460
Other assets	9	19,579	23,495
Total non-current assets		1,169,171	1,091,366
Total assets		1,306,466	1,347,870
Current liabilities			
Trade and other payables	12	33,037	31,739
Employee benefits	13	51,581	53,229
Borrowings	14	15,150	13,424
Other	15	33,175	30,450
Total current liabilities		132,943	128,842
Non-current liabilities			
Employee benefits	13	20,599	25,635
Borrowings	14	319,506	318,155
Other	15	5,345	5,634
Total non-current liabilities		345,450	349,424
Total liabilities		478,393	478,266
Net assets		828,073	869,604
Equity			
Reserves	16	828,073	869,604
Retained earnings	17	-	-
Total equity		828,073	869,604

The balance sheet is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 34 to 63.

Statement of changes in equity

For the year ended 31 December 2022

	NOTE	GENERAL RESERVE \$'000	ASSET REVALUATION RESERVE \$'000	FINANCIAL ASSETS REVALUATION RESERVE \$'000	CONTRIBUTION FROM MEMBERS \$'000	TOTAL EQUITY \$'000
2022						
Balance at 1 January 2022		649,000	143,109	20,537	56,958	869,604
Comprehensive income for the period						
Net result for the period	17	(7,997)	-	-	-	(7,997)
Total other comprehensive income for the period		-	(19,539)	(13,995)	-	(33,534)
Transfer from asset revaluation reserve		1,600	(1,600)	-	-	-
Total comprehensive income for the period		(6,397)	(21,139)	(13,995)	-	(41,531)
Balance at 31 December 2021		642,603	121,970	6,542	56,958	828,073
2021						
Adjusted balance at 1 January 2021		515,594	115,756	61,551	56,958	749,859
Comprehensive income for the period						
Net result for the period	17	47,315	-	-	-	47,315
Total other comprehensive income for the period		-	30,618	41,812	-	72,430
Transfer from asset revaluation reserve		86,091	(3,265)	(82,826)	-	-
Total comprehensive income for the period		133,406	27,353	(41,014)	-	119,745
Balance at 31 December 2021		649,000	143,109	20,537	56,958	869,604

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 34 to 63.

Statement of cash flows

For the year ended 31 December 2022

	NOTE	2022 \$'000	2021 \$'000
Cash flows from operating activities			
Grant revenue			
Australian Government		282,868	305,994
State government		7,371	9,074
Higher Education Contribution Scheme			
Student payments		10,696	9,307
Australian Government payments		126,745	125,953
Other inflows		123,814	90,557
Cash receipts in the course of operations		551,493	540,885
Cash payments in the course of operations		(496,966)	(451,299)
Interest received		2,124	2,613
Interest and other costs of finance		(11,131)	(11,391)
Net cash from operating activities	23(ii)	45,520	80,808
Cash flows from investing activities			
Payments for property, plant and equipment		(125,204)	(85,795)
Proceeds from sale of non-current assets		4,500	6,600
(Payments for)/proceeds from investments		105,546	(23,307)
Net cash used in investing activities		(15,383)	(102,502)
Cash flows from financing activities			
Lease payments		(33,358)	(14,577)
Net cash provided by financing activities		(33,358)	(14,577)
Net increase in cash held		(3,221)	(36,271)
Cash and cash equivalents at the beginning of the financial year		17,818	54,089
Cash and cash equivalents at the end of the financial year	23(i)	14,597	17,818

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 34 to 63.



Notes to the financial statements

For the year ended 31 December 2022

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 30 March, 2023.

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-profits Commission Regulation 2013, and the disclosure requirements within the Guidelines for the Preparation of Annual Financial Statements for the 2022 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 30 March 2023.

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 15 (a) 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 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 FROM CONTRACTS WITH CUSTOMERS AND OTHER INCOME

AASB 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. Revenue is recognised when a customer obtains control of the goods or services. Determining the timing of the transfer of control – at a point in time or over time – requires judgement.

Revenue is recognised as follows:

Government grants

Commonwealth Grant Scheme and HELP income is recognised when a transfer of service is made to the students 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. Prepaid tuition fees 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. Agent commissions incurred from obtaining new student contracts are capitalised initially and then expensed over the period of the contract.

Donations and bequests

Donations and bequests received, which are not subject to conditions under a specific trust deed and are deemed by management to be a genuine donation rather than contract with a customer, are recognised under AASB 1058 Income of Not for Profit Entities 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 control passes.

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 AASB 119, 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 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 unrepresented 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

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost less provision for impairment and expected credit losses (ECLs). Loss allowances for trade and other receivables are always measured as an amount equal to lifetime ECLs.

When determining whether the credit risk of trade and other receivables has increased significantly since initial recognition and when estimating ECLs, the university considers both quantitative and qualitative information and analysis, based on the university's historical experience and informed credit assessment and including forward-looking information. The university assumes that the credit risk on trade and other receivables has increased significantly if it is more than 90 days past due.

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.

IDP Franking Credit

The University through Education Australia Ltd, owned shares in IDP. Education Australia Ltd, owned by the Australian Universities, was dissolved during 2022 and in 2021 1.8m shares of IDP were transferred to the University valued at \$53m with a franking credit of \$22.7m. The transactions were recognised through the Comprehensive Income Statement in 2021. The shares were subject to an escrow arrangement of 100% for six months that ended in February 2022 and 50% for the following six months that ended in August 2022. The Australian Taxation Office (ATO) has questioned the validity of the \$22.7m franking credit. The University's collectively have made a submission to the ATO. The ATO will consider the submission in 2023. The University is of the opinion that the franking credit will be received and is included in other receivables.

(F) FINANCIAL INSTRUMENTS

(i) Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the university becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly

attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and subsequent measurement

The university classifies its financial instruments in accordance with AASB 9 in the following measurement categories: at amortised cost, at FVTPL and at fair value through other comprehensive income (FVOCI).

Financial assets are not reclassified subsequent to their initial recognition unless the university changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows.
- Its contractual terms give rise on a specified date to cash flow that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- It is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
- Its contractual terms give rise on a specified date to cash flow that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the university may irrevocably elect to present subsequent changes in the investment's FVOCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the university may irrevocably designate a financial asset

that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets — subsequent measurement and gains and losses

Financial assets at FVTPL: These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost: These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses, and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Debt investments at FVOCI: These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in other comprehensive income (OCI). On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI: These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the capital in the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Financial liabilities – classification, subsequent measurement and gains and losses: Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit and loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or

loss on derecognition is also recognised in profit or loss.

(iii) Derecognition

Financial assets

The university derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the university neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The university enters into transactions whereby it transfers assets recognised in its balance sheet but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The university derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The university also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(iv) Offsetting

Financial asset and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the university currently has a legally enforceable right to offset the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(v) Other companies

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 \$10,000. 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. 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 property, plant and equipment

The university, as a lessee, has recognised right-of-use assets representing its rights to use the underlying assets and lease liabilities representing its obligations to make lease payments.

i) Definition of a lease

The university assesses whether a contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

At inception or on reassessment of a contract that contains a lease

component, the university allocates the consideration in the contract to each lease and non-lease component on the basis of their relative standalone prices.

ii) As a lessee

The university leases many assets, including properties and equipment. Under AASB 16, the university recognises right-of-use assets and lease liabilities for most leases – ie. these leases are on the balance sheet.

However, the university has elected not to recognise right-of-use-assets and lease liabilities for some short-term leases and low-value assets (eg IT equipment). The university recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The carrying amounts of right-of-use assets are disclosed in note 10 (b).

The university presents lease liabilities on the balance sheet.

The university recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses and adjusted for certain remeasurements of the lease liability. When a right-of-use asset meets the definition of investment property, it is presented in investment property. The right-of-use asset is initially measured at cost, and subsequently measured at fair value, in accordance with the university's accounting policies.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the university's incremental borrowing rate. Generally, the university uses its incremental borrowing rate as the discount rate.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. It is remeasured when there is a change in future lease payment made. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment

of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

The university has applied judgement to determine the lease term for some lease contracts in which it is a lessee that include renewal options. The assessment of whether the university is reasonably certain to exercise such options impacts the lease term, which significantly affects the amount of lease liabilities and right-of-use assets recognised.

The university discounted new or modified lease payments using its incremental borrowing rate of 1.36 per cent for leases commenced in 2022, 1.54 per cent for leases commenced in 2021, 2.75 per cent for lease commenced in 2020 and 3.86 per cent for prior years.

In relation to those leases under AASB 16, the university has recognised depreciation and interest costs instead of an operating lease expense. During the 12 months to 31 December 2022, the university recognised \$14.4m of depreciation charges and \$2.2m of interest costs from these leases. No depreciation is recognised for right-of-use assets that meets the definition of lease receivable.

iii) As a lessor

The university leases out some owned and leased property. All leases are classified as operating leases from a lessor perspective except where a sub-lease exists; in that case, the sub-lease is classified as a finance sub-lease.

(H) IMPAIRMENT OF ASSETS

The impairment of financial assets is based on the expected credit loss (ECL) approach, as introduced by AASB 9.

The entity recognises loss allowances for ECLs on:

- financial assets measured at amortised costs
- debt investments measured at FVOCI.

The university measures loss allowance at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date

- other debt securities and bank balances for which credit risk has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the university considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the university's historical experience and informed credit assessment, and including forward-looking information.

The university assumes that the credit risk on a financial asset has increased significantly if it is more than 90 days past due.

The entity considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the university in full, without recourse by the university to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the university is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present values of all cash shortfalls (ie the difference between the cash flows due to the university in accordance with the contract and the cash flows that the university expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the university assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial assets have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer
- a breach of contract such as a default or being more than 90 days past due
- the restructuring of a loan or advance by the university on terms that the university would not consider otherwise
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the balance sheet

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is recognised in OCI.

Write-off

The gross carrying amount of a financial asset is written off when the university has no reasonable expectation of recovering a financial asset in its entirety or a portion thereof. The university individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The university expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the university's procedures for recovery of amounts due.

(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 3 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 the university 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 government bonds 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.

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 Victorian 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 will discharge the superannuation liability on behalf of the Australian Government.

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 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 2 and listed shares within Level 1. Unlisted shares fall within Level 3, refer to note 21.

(P) NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

Certain new accounting standards and interpretations have been published that are not mandatory for the 31 December 2022 reporting period. The university has elected not to early adopt any of these standards and are not expected to have a significant impact on the university's financial statements. These include:

- Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)
- IFRS 17 Insurance Contracts and amendments to IFRS 17 Insurance Contracts
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)
- Definition of Accounting Estimates (Amendments to IAS 8)

Other standards

All other standards effective in 2022 have not had a material impact.

2. REVENUE

	NOTE	2022 \$'000	2021 \$'000
2.1 Commonwealth Government financial assistance			
Commonwealth Grant Scheme and other grants			
Commonwealth Grant Scheme	24.1	256,080	272,335
Indigenous Student Success Program	24.1	1,893	2,127
Disability Support Program	24.1	142	131
Access and participation funding	24.1	3,199	2,823
Tertiary Access Payment	24.1	-	155
Total Commonwealth Grant Scheme and other grants		261,314	277,571
DET-Research			
Research Support Program	24.3	1,468	4,930
Research Training Program	24.3	3,121	3,969
Total DET-Research		4,589	8,899
Total DET excluding HELP (a)		265,903	286,470
Higher Education Loan Program (HELP)			
HECS-HELP Commonwealth payments	24.2	123,465	121,777
FEE-HELP	24.2	12,290	12,030
FEE-HELP VET	24.2	85	1,051
SA-HELP	24.2	5,428	5,159
Total Higher Education Loan Programs		141,268	140,017
Total DET including HELP		407,171	426,487
Australian Research Council			
Discovery – Projects	24.4	1,102	848
Discovery Early Career Researcher Award	24.4	435	520
Discovery Indigenous	24.4	3	28
Future Fellowships	24.4	136	174
Linkage – Projects	24.4	430	471
Total Australian Research Council (b)		2,106	2,041
Other Commonwealth Government financial assistance – non-capital			
DET		321	415
Total other Australian Government financial assistance (c)		321	415
Total Australian Government financial assistance		409,598	428,943
Total Australian Government financial assistance excluding HELP (a + b + c)		268,330	288,926
Commonwealth Government grants received – cash basis			
OS-HELP (net)	24.5	(2,200)	-
Superannuation supplementation	24.6	1,486	1,084
Total Australian Government funding received – cash basis		(714)	1,084

	NOTE	2022 \$'000	2021 \$'000
2.2 State and local government financial assistance			
NSW Department of Education, Tech Innovation and Entrepreneurship		997	-
NSW Department of Education Priority Project		982	-
NSW Government Investment NSW BBIP		429	-
NSW Government Office of Environment and Heritage		-	50
Queensland Government Department of Education		-	57
Victorian Department of Education Innovative Initial Teacher Education		2,659	-
Victorian Department of Education Master of Ed		231	-
Victorian Department of Education, Registered Training Organisation		-	3,909
Victorian Department of Jobs, Precincts, Region		581	437
Victorian Department of Education, Higher Education Support Infrastructure Fund		3,619	2,201
Victorian Department of Education other		12	-
Total state and local government financial assistance		9,510	6,654

2.3 Fees and charges			
Fee-paying overseas students onshore		77,423	76,099
Fee-paying non-overseas postgraduate students		7,231	8,229
Other			
Non-overseas students undertaking non-award			
Courses		326	402
Rental charges		4,414	2,266
Charges for student accommodation		3,127	2,916
Registration fees		4,040	3,748
Library fees		1	-
Late fees		280	235
		96,842	93,895

2.4 Finance income			
Interest		1,760	1,389
Dividends		494	1,661
		2,254	3,050

2.5 Consultancy and contract research			
Consultancy fees		547	581
Industry research grants		5,305	3,133
		5,852	3,714

2.6 Other revenue			
Offshore programs		225	-
Other program income		3,444	3,328
Other grants - other		3,723	2,702
Donations and bequests		2,229	1,974
Profit on disposal of assets		1,056	2,479
Scholarships and prizes		136	151
Other income		8,404	9,707
		19,217	20,341

3. EXPENSES

	NOTE	2022 \$'000	2021 \$'000
3.1 Employee benefits			
Academic			
Salaries			
Academic		166,385	155,637
Contributions to superannuation and pension schemes			
Funded		22,677	21,660
Payroll tax		7,662	6,652
Workers compensation		569	511
Long service leave expense		1,553	2,110
Annual leave expense		283	627
		199,129	187,197
Professional			
Salaries			
Professional		137,441	128,162
Contributions to superannuation and pension schemes			
Funded		21,876	20,932
Payroll tax		7,391	6,429
Workers compensation		549	494
Long service leave expense		1,426	2,423
Annual leave expense		(352)	392
		168,331	158,832
Total employee-related expenses		367,460	346,029
3.2 Depreciation and amortisation			
Depreciation of buildings – freehold		9,612	9,185
Amortisation of intangible rights to occupy buildings		536	536
Depreciation of improvements to intangible right to occupy buildings		10,119	9,928
Depreciation of leasehold property improvements		4,382	5,503
Depreciation of furniture and fittings		(10)	497
Depreciation of plant and equipment		2,050	1,918
Depreciation of motor vehicles		11	12
Right-of-use assets		15,050	14,162
		41,750	41,741
3.3 Repairs and maintenance			
Buildings		5,761	6,538
Computers		430	205
Equipment and machinery		3,641	3,823
Furniture and fittings		203	38
Grounds		1,340	1,310
		11,375	11,914

	NOTE	2022 \$'000	2021 \$'000
3.4 Computer software and services			
Software		1,797	1,773
Software maintenance		11,736	9,625
Cloud expenses		961	1,011
IT and communications consultancy		5,162	3,112
		19,656	15,521
3.5 Consultancy			
Property		467	3,780
Other		10,004	6,989
Research		760	1,398
		11,231	12,167
3.6 Minor equipment			
IT hardware		4,509	2,107
Other		4,031	6,526
		8,540	8,633
3.7 Travel			
Domestic		5,275	2,353
International		2,941	9
		8,216	2,362
3.8 Other expenses			
Admission expenses		1,878	1,727
Bank fees		544	415
Cleaning and waste collection		4,666	3,951
Conference expenses		683	200
Copyright fees		1,106	1,069
Donations		2,025	2,503
Entertainment		1,316	690
Graduation		646	742
Hire of equipment and facilities		1,728	977
Insurance		2,553	2,116
Legal fees		330	557
Loss on disposal of assets		-	-
Meeting expenses		737	285
Minor equipment rental expenses		3,797	2,856
Permits, licences and registration fees		843	969
Photocopying		784	857
Printing, stationery and consumables		2,220	1,883
Publications, subscriptions and memberships		3,223	2,265
Security services		3,585	2,878
Staff development and appointment costs		1,855	1,720
Telecommunications		1,864	1,980
Utilities		4,871	4,424
Other expenses		4,965	2,830
		46,219	37,894

4. FINANCE EXPENSE

	NOTE	2022 \$'000	2021 \$'000
Make good on leased premises - unwind of discount on provision	15(a)	(741)	(206)
Leases		2,221	2,622
Interest expense		8,978	8,836
		10,458	11,252

5. AUDITORS' REMUNERATION - KPMG

	NOTE	2022 \$	2021 \$
Audit of the university's financial statements		193,100	175,500
Other audit and related services			
Grant/Research Acquittal (Higher Education Research Data Collection, Indigenous Education Program, Australia Awards Scholarships)		28,400	27,200
Other services			
FairCall Service (whistleblower hotline)		14,232	16,944
Alumni Software Solution consultancy		-	6,080
Connected Enterprise Maturity Diagnostic		-	16,043
Commercial Centres Review		97,482	210,000
		333,214	451,767

6. CASH AND CASH EQUIVALENTS

	NOTE	2022 \$'000	2021 \$'000
Cash at bank		14,597	17,818
		14,597	17,818

7. TRADE AND OTHER RECEIVABLES

Current			
Sundry receivables		2,711	1,770
Accrued income		3,930	655
ATO EA/IDP imputation credit		22,794	25,013
Net GST receivable from ATO		377	-
Overseas student health care		-	158
		29,812	27,596

8. OTHER INVESTMENTS

Current			
Term deposits		52,600	136,600
Managed investment funds		18,780	56,185
		71,380	192,785
Non-current			
Investments in other entities			
Term Deposits		15,000	-
Shares in listed companies		50,351	63,059
Shares in other companies		9,687	10,244
Bonds-Burke Fund		397	268
		75,435	73,571

The change in value in Listed and Other Companies from 2020 mainly reflects the transfer of IDP shares to the university that were previously held through Education Australia Ltd.

9. OTHER ASSETS

	NOTE	2022 \$'000	2021 \$'000
Current			
Prepayments		21,450	18,249
Lease paid in advance		56	56
		21,506	18,305
Non-current			
Right to reimbursement from Australian Government for unfunded superannuation liability	13	15,985	19,844
Lease paid in advance		3,594	3,651
		19,579	23,495

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

10. PROPERTY, PLANT AND EQUIPMENT

	NOTE	2022 \$'000	2021 \$'000
Land – freehold			
At independent valuation		171,388	-
At directors' valuation		-	177,792
	10(a)	171,388	177,792
Buildings – freehold			
At independent valuation		291,985	-
At directors' valuation		-	317,914
Accumulated depreciation		-	(7,135)
	10(a)	291,985	310,779
Improvements to intangible right to occupy buildings			
At cost		343,939	336,511
Accumulated amortisation		(114,263)	(104,143)
	10(a)	229,676	232,368
Leasehold improvements			
At cost		73,036	68,711
Accumulated depreciation		(49,375)	(45,481)
	10(a)	23,661	23,230
Furniture and fittings			
At cost		16,896	16,886
Accumulated depreciation		(16,662)	(16,673)
	10(a)	234	213
Plant and equipment			
At cost		53,391	51,362
Accumulated depreciation		(49,609)	(47,559)
	10(a)	3,782	3,803
Motor vehicles			
At cost		321	321
Accumulated depreciation		(302)	(291)
	10(a)	19	30
Works of art			
At cost		3,751	3,597
	10(a)	3,751	3,597
Work in progress			
At cost		222,371	133,823
	10(a)	222,371	133,823
Right of use assets			
At cost		142,068	108,416
Accumulated depreciation		(52,702)	(38,213)
	10(b)	89,366	70,203
Total property, plant and equipment		1,036,233	955,840



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 2022.

(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
2022					
Opening balance	177,792	310,779	488,571	232,368	23,230
Additions	-	7,397	7,397	7,427	4,813
Revaluation increment/ (decrement)	(3,624)	(15,915)	(19,539)	-	-
Depreciation	-	(9,612)	(9,612)	(10,119)	(4,382)
Disposals	(2,780)	(664)	(3,444)	-	-
Closing balance	171,388	291,985	463,373	229,676	23,661
2021					
Opening balance	169,438	294,408	463,846	238,377	22,482
Additions	-	7,412	7,412	3,919	6,251
Revaluation increment/ (decrement)	11,834	18,784	30,618	-	-
Impairment	-	-	-	-	-
Depreciation	-	(9,185)	(9,185)	(9,928)	(5,503)
Disposals	(3,480)	(640)	(4,120)	-	-
Closing balance	177,792	310,779	488,571	232,368	23,230



FURNITURE AND FITTINGS	PLANT AND EQUIPMENT	MOTOR VEHICLES	WORKS OF ART	WORK IN PROGRESS	TOTAL
213	3,803	30	3,597	133,823	885,635
11	2,029	-	154	88,548	110,379
-	-	-	-	-	(19,539)
10	(2,050)	(11)	-	-	(26,164)
-	-	-	-	-	(3,444)
234	3,782	19	3,751	222,371	946,867
504	2,205	42	3,535	89,614	820,605
206	3,516	-	62	46,635	68,001
-	-	-	-	-	30,618
-	-	-	-	(2,426)	(2,426)
(497)	(1,918)	(12)	-	-	(27,043)
-	-	-	-	-	(4,120)
213	3,803	30	3,597	133,823	885,635

10. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)
(b) Right-of-use assets

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

	PROPERTY \$'000	PLANT AND EQUIPMENT \$'000	MOTOR VEHICLES \$'000	TOTAL \$'000
2022				
Opening balance	69,623	408	172	70,203
Additions, modifications and remeasurements	33,272	933	8	34,213
Depreciation	(14,753)	(218)	(79)	(15,050)
Closing balance	88,142	1,123	101	89,366
2021				
Opening balance	63,430	724	256	64,410
Additions, modifications and remeasurements	19,926	15	14	19,955
Depreciation	(13,733)	(331)	(98)	(14,162)
Closing balance	69,623	408	172	70,203

11. INTANGIBLE ASSETS

	INTANGIBLE RIGHT TO OCCUPY LAND \$'000	INTANGIBLE RIGHT TO OCCUPY BUILDINGS \$'000	TOTAL \$'000
2022			
Cost	40,411	19,518	59,929
Accumulated amortisation			
Opening balance	(4,469)	(17,000)	(21,469)
Amortisation	-	(536)	(536)
Closing balance	(4,469)	(17,536)	(22,005)
Carrying amount at 31 December 2022	35,942	1,982	37,924
2021			
Cost	40,411	19,518	59,929
Accumulated amortisation			
Opening balance	(4,469)	(16,464)	(20,933)
Amortisation	-	(536)	(536)
Closing balance	(4,469)	(17,000)	(21,469)
Carrying amount at 31 December 2021	35,942	2,518	38,460

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, 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	2022 \$'000	2021 \$'000
Accrued expenses – other		6,514	7,378
Accrued expenses – payroll		18,485	16,902
Accrued expenses – placements		5,176	4,973
Sundry creditors		2,862	2,486
		33,037	31,739

13. EMPLOYEE BENEFITS

	NOTE	2022 \$'000	2021 \$'000
Current			
<i>Expected to be settled within 12 months</i>			
Provision for annual leave		15,594	15,643
Provision for long service leave		6,905	7,277
		22,499	22,920
<i>Expected to be settled after 12 months</i>			
Provision for annual leave		6,684	6,705
Provision for long service leave		22,398	23,604
		29,082	30,309
Total current provisions		51,581	53,229
Non-current			
Provision for long service leave		4,614	5,791
Provision for defined benefits		15,985	19,844
		20,599	25,635

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
- Australian Catholic Superannuation and Retirement Fund
- Australian Super
- Aware Super
- Catholic Superannuation Fund
- HESTA
- Hostplus Superannuation Fund
- HUB24 Super
- NGS Super
- REST

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 2022 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 \$15,985,000 as at 31 December 2022 (\$19,844,000 as at 31 December 2021).

An arrangement exists between the Australian Government and the Victorian 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; DET) 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 2022 of \$1,485,621 (2021: \$1,084,138) 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.

	NOTE	2022 \$'000	2021 \$'000
Net liability			
Fair value of plan assets		0	9
Accrued benefit liability		(15,985)	(19,853)
Net liability before contributions tax		(15,985)	(19,844)
Tax liability on future contributions		-	-
Net liability		(15,985)	(19,844)
Actuarial assumptions			
Discount rate		4.1%	1.9%
Rates of future salary increases		2.5%	2.5%
Rates of pension increases		2.5%	2.5%

The demographic assumptions include the future rate of death, disablement, resignation and retirement. The assumptions have been updated based on the experience of the Emergency Services and State Superannuation Scheme over the past three years. These are detailed in the Emergency Services and State Superannuation Review of Experience June 2017 – June 2020, dated May 2021.

14. BORROWINGS

The university raised \$200m through a bond issue during 2017 that was used for planned infrastructure works.

In November 2020, the university raised \$50m through a bond issue, and these funds will be largely used to complete the Saint Teresa of Kolkata Building in Melbourne due for completion in the second quarter of 2023.

The average interest rate of borrowing is 3 per cent for the year ended 31 December 2022 (3.10 per cent 2021).

The university recognises leases with a value of greater than \$10,000 and a term greater than 12 months on the balance sheet as right-of-use assets with corresponding lease liabilities comprising all lease payments.

	NOTE	2022 \$'000	2021 \$'000
Current			
Unsecured			
Lease liabilities		15,150	13,424
Total current unsecured borrowings		15,150	13,424
Non-current			
Unsecured			
Bond		50,000	50,000
Sustainability bond		199,615	199,547
Lease liabilities		69,891	68,608
Total non-current unsecured borrowings		319,506	318,155
Total unsecured borrowings		334,656	331,579
a) Financing arrangements			
Unrestricted access was available at balance date to the following lines of credit:			
Bank loan facilities			
Total facilities			
Bond		50,000	50,000
Sustainability bond		200,000	200,000
Used at balance date			
Bond		50,000	50,000
Sustainability bond		200,000	200,000
Unused at balance date		-	-

15. OTHER LIABILITIES

	NOTE	2022 \$'000	2021 \$'000
Current			
Grants received in advance		15,891	15,395
Fees received in advance		12,212	7,430
Other income received in advance		3,237	3,363
Sub-total deferred revenue		31,340	26,188
Funds held in trust		1,189	1,321
Net GST payable		-	291
OS-HELP payable		258	2,492
Bonds – student residences		279	158
Overseas student health care		109	-
		33,175	30,450
Non-current			
Leasehold make good provision	15 (a)	5,345	5,634
		5,345	5,634
(a) Reconciliation			
Leasehold make good provision			
Balance at beginning of financial year		5,634	5,609
Provisions made during the year		652	331
Provisions reversed during the year		(200)	(100)
Unwind/adjust discount	4	(741)	(206)
Balance at end of financial year		5,345	5,634

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	2022 \$'000	2021 \$'000
General reserve			
Adjusted balance at beginning of financial year		649,000	515,594
Add: Net result for the period	17	(7,997)	47,315
Add: Transfer from asset revaluation reserve		1,600	86,091
Balance at end of financial year		642,603	649,000
Asset revaluation reserve			
Balance at beginning of financial year		143,109	115,756
Add/(subtract): Increment/(decrement)		(19,539)	30,618
Transfer to general reserve		(1,600)	(3,265)
Balance at end of financial year		121,970	143,109
Financial assets revaluation reserve			
Balance at beginning of financial year		20,537	61,551
Add/(subtract): Revaluation increment			
Shares revaluation reserve		(13,995)	41,812
Transfer to general reserve		-	(82,826)
Balance at end of financial year		6,542	20,537
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		828,073	869,604

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.

Financial assets revaluation reserve

Share revaluation reserve includes increments and decrements arising

from changes in fair value of shares classified as fair value through other comprehensive income.

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	2022 \$'000	2021 \$'000
Retained earnings at beginning of year		-	-
Net result		(7,997)	47,315
Transfer to general reserve	16	7,997	(47,315)
Retained earnings at the end of the year		-	-

18. COMMITMENTS

	NOTE	2022 \$'000	2021 \$'000
(a) Capital expenditure commitments			
Capital expenditure commitments not provided for in the financial statements and payable:			
Within one year		22,774	153,311
		22,774	153,311
(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		502	443
One year or later and no later than five years		3,356	3,318
Total undiscounted contractual cash flows		3,858	3,761
Lease liabilities recognised in the balance sheet		85,041	82,032
		88,899	85,793

The university leased low value equipment and machinery under operating leases expiring in a range from one to five years.

19. DIRECTORS AND KEY MANAGEMENT PERSONNEL DISCLOSURES

REMUNERATION OF BOARD MEMBERS

The number of directors of the university whose compensation from the university or any related party falls within the following bands:

	2022 NUMBER	2021 NUMBER
Nil	10	3
\$10,000 - \$19,999	2	4
\$20,000 - \$29,999	2	2
\$30,000 - \$39,999	-	2
\$60,000 - \$69,999	1	-
\$70,000 - \$79,999	1	-
\$100,000 - \$109,999	1	-
\$110,000 - \$119,999	-	1
\$140,000 - \$149,999	-	1
\$150,000 - \$159,999	-	1
\$160,000 - \$169,999	1	-
\$180,000 - \$189,999	1	1
\$220,000 - \$229,999	1	-
\$330,000 - \$339,999	-	1
\$340,000 - \$349,999	1	-
\$840,000 - \$849,999	-	1
\$1,000,000 - \$1,009,999	1	-
\$1,080,000 - \$1,089,999	-	1
	2022 \$	2021 \$
Total compensation paid or payable or otherwise made available to all directors of the university from the university or any related party.	2,255,999	3,030,744

REMUNERATION OF KEY MANAGEMENT PERSONNEL

The remuneration of key management personnel of the university receiving compensation from the university or any related party falls within the following bands:

	2022 NUMBER	2021 NUMBER
\$70,000 - \$79,999	1	-
\$270,000 - \$279,999	1	-
\$430,000 - \$439,999	*1	-
\$470,000 - \$479,999	-	1
\$480,000 - \$489,999	1	-
\$490,000 - \$499,999	-	*1
\$520,000 - \$529,999	1	-
\$590,000 - \$599,999	-	1
\$610,000 - \$619,999	1	1
\$620,000 - \$629,999	1	-
\$750,000 - \$759,999	1	-
\$840,000 - \$849,999	-	1
\$880,000 - \$889,999	-	1
\$920,000 - \$929,999	-	1
\$1,000,000 - \$1,009,999	1	-
\$1,080,000 - \$1,089,999	-	1

* Stipend paid to religious congregation

	2022 \$	2021 \$
Total compensation paid or payable or otherwise made available to all executive officers of the university from the university or any related party	4,798,904	5,927,642
Short-term employee benefits	-	-
Post-employment benefits	416,738	438,807
Compensation excluding post-employment benefits	4,382,166	5,488,835

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

20. RELATED PARTIES

DIRECTORS

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

Ms V Bourke, Assoc. Prof R College, Ms H Cooney, The Hon M Daubney AM KC, The Hon. J Douglas KC, SN Elder OAM GCSG, Most Rev A Fisher OP, R Fox, Assoc. Prof E Froude, E Ginis, G Goodwin-Moore, T Kirk, Prof T McKenry, K Morris AO, Dr J Norris, J O'Connell AO, The Hon B Perry, F Pirola, Dr J Ryan, A.Schmiede, Prof Z Skrbis, BM T Steele.

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

Total amounts transacted with related parties are as follows:

	2022 \$'000	2021 \$'000
Income statement		
Income		
Catholic Archdiocese of Brisbane	200	250
Catholic Archdiocese of Sydney	20	-
Catholic Archdiocese of Melbourne	-	6
Catholic Archdiocese of Canberra and Goulburn	13	4
	233	260
Expenditure		
Catholic Archdiocese of Brisbane	9	14
Catholic Archdiocese of Canberra and Goulburn	5	-
Catholic Archdiocese of Melbourne	186	3,791
Catholic Archdiocese of Sydney	14	33
Catholic Diocese of Ballarat	3	1
Mr J O'Connell	-	33
	217	3,872
Balance sheet		
Asset		
Catholic Archdiocese of Canberra and Goulburn*	18,129	-
	18,129	-

All related party transactions are at arm's length. Transactions between ACU and the various Catholic Archdioceses are largely in relation to rental. \$18.1m was paid to the Archdiocese of Melbourne for 80-year tenancy rights for premises in Melbourne that expire on 31 December 2101. Mr O'Connell provided professional services to the university in 2021.

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.

In November 2020, the university raised \$50m through a bond issue, and these funds will be largely used to complete the Saint Teresa of Kolkata Building in Melbourne due for completion in Quarter 2 2023.

Liquidity risk

The following tables also contain the contractual maturities of financial liabilities, excluding interest payments and 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
2022							
Financial liabilities							
Trade and other receivables	33,037	33,037	-	-	-	-	33,037
Loans	249,615	-	-	-	250,000	-	250,000
Leases	85,041	7,393	6,622	13,174	32,460	36,667	96,316
	367,693	40,430	6,622	13,174	282,460	36,667	379,353
2021							
Financial liabilities							
Trade and other receivables	31,739	31,739	-	-	-	-	31,739
Loans	249,547	-	-	-	-	250,000	250,000
Leases	82,033	7,584	6,334	11,638	26,841	43,769	96,166
	363,319	39,323	6,334	11,638	26,841	293,769	377,905

The average interest rate of borrowing is 3 per cent for the year ended 31 December 2022 (3.10 per cent 2021)

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

	NOTE	2022 \$'000	2021 \$'000
5 – 10 years			
Bond		50,000	50,000
Sustainability bond		199,615	199,547
Non-current borrowings		249,615	249,547

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 \$848,462 (2021: \$404,851).

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 which have signed netting agreements with the university 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 in the balance sheet. These are detailed in the table below.

	CARRYING AMOUNT	
	2022 \$'000	2021 \$'000
Cash	14,597	17,818
Trade and other receivables	7,018	2,583
ATO EA/IDP imputation credit	22,794	25,013
Other investments	146,815	266,356
Total	191,224	311,770
Debtors ageing		
Current	1,478	724
30 days	769	252
60 days	109	71
90 days	9	255
Greater than 90 days	346	468
Total	2,711	1,770

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

	2022		2021	
	CARRYING AMOUNT \$'000	FAIR VALUE \$'000	CARRYING AMOUNT \$'000	FAIR VALUE \$'000
Financial assets				
Cash	14,597	14,597	17,818	17,818
Trade and other receivables	29,812	29,812	27,596	27,596
Other investments	146,815	146,815	266,356	266,356
	191,224	191,224	311,770	311,770
Financial liabilities				
Trade and other payables	33,037	33,037	31,739	31,739
Loans	249,615	250,000	249,547	250,000
Leases	85,041	96,316	82,033	96,166
	367,693	379,353	363,319	377,905

b) Level 3 fair values

The following table is a reconciliation of Level 3 items for the periods ending 31 December 2022 and 31 December 2021.

	EQUITY SECURITIES AT FVOCI \$'000
Balance at 1 January 2021	57,460
Additions	750
Disposal	(82,826)
Net change in fair value in OCI	34,860
Balance at 31 December 2021	10,244
Balance at 1 January 2022	10,244
Additions	-
Disposal	-
Net change in fair value in OCI	(557)
Balance at 31 December 2022	9,687

Valuation techniques used to derive Level 3 fair values

The fair value of financial instruments that are not traded in an active market is determined using either observable market data or valuation techniques. Where valuation techniques are used, the aim is to maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2. If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

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 2022 was 23 (2021: 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:

	2022 \$'000	2021 \$'000
Cash at bank	14,597	17,818
	14,597	17,818

(II) RECONCILIATION OF NET RESULT AFTER INCOME TAX TO NET CASH PROVIDED BY OPERATING ACTIVITIES

Net result after income tax	(7,997)	47,315
<i>Add/(less) items classified as investing/financing activities:</i>		
(Profit) on sale of non-current assets	(1,056)	(2,479)
<i>Add/(less) non-cash items:</i>		
Depreciation and amortisation	41,750	41,741
Lease in advance	56	56
Unwind/adj discount on make good provision	(741)	(206)
Unwind bond discount	68	66
<i>Amounts set aside to (utilised from) provisions:</i>		
Employee entitlements	(2,825)	1,067
Make good of lease premises	452	231
Net cash provided by operating activities before change in assets and liabilities		
Change in assets and liabilities:	29,707	87,791
(Increase)/decrease in accrued income	(1,124)	(20,682)
(Increase)/decrease in sundry debtors	(940)	(481)
(Increase)/decrease in prepayments	(3,201)	(676)
(Increase)/decrease in right-of-use assets	(19,161)	(5,792)
(Increase)/decrease in other assets	68	94
Increase/(decrease) in operating lease liabilities	36,366	21,936
Increase/(decrease) in grants in advance	(1,738)	2,955
Increase/(decrease) in fees in advance	4,782	(755)
Increase/(decrease) in accrued expenses	1,033	(1,974)
Increase/(decrease) in sundry creditors	266	(623)
Increase/(decrease) in funds held in trust	(132)	(962)
Increase/(decrease) in bonds – university residences	121	(61)
Increase/(decrease) in overseas student health care	267	(416)
Increase/(decrease) in other income in advance	(126)	(152)
Increase/(decrease) in net GST	(668)	606
Increase/(decrease) in lease liabilities	-	-
Net cash provided by operating activities	45,520	80,808

24. ACQUITTAL OF COMMONWEALTH FINANCIAL ASSISTANCE

24.1 COMMONWEALTH GRANT SCHEME AND OTHER GRANTS

	NOTE	COMMONWEALTH GRANT SCHEME		INDIGENOUS STUDENT SUCCESS PROGRAM		DISABILITY SUPPORT PROGRAMS		ACCESS AND PARTICIPATION FUNDING		TERTIARY ACCESS PAYMENT	
		2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Financial assistance received in cash during the reporting period (total cash received from the Commonwealth Government for the programs)		253,227	270,416	2,130	2,009	142	131	2,792	3,004	-	396
Net accrual adjustments		2,853	1,919	(237)	118	-	-	407	(181)	-	(241)
Revenue for the period	2.1	256,080	272,335	1,893	2,127	142	131	3,199	2,823	-	155
Surplus/(deficit) from the previous year		-	-	-	-	-	-	-	-	-	-
Funds available for reporting period		256,080	272,335	1,893	2,127	142	131	3,199	2,823	-	155
Less expenses including accrued expenses		(256,080)	(272,335)	(1,893)	(2,127)	(142)	(131)	(3,199)	(2,823)	-	(155)
Surplus/(deficit) for reporting period		-	-	-	-	-	-	-	-	-	-

24.2 HIGHER EDUCATION LOAN PROGRAMS (HELP)

	HECS-HELP		FEE-HELP		FEE-HELP VET		SA-HELP	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the programs)	127,233	125,563	11,085	12,773	85	1,051	5,907	5,246
Plus contributions actually received from students	10,696	9,307	-	-	-	-	-	-
Total received	137,929	134,870	11,085	12,773	85	1,051	5,907	5,246
Net accrual adjustments	(3,768)	(3,787)	1,205	(743)	-	-	(479)	(87)
Revenue for the period	134,161	131,083	12,290	12,030	85	1,051	5,428	5,159
Surplus/(deficit) from the previous year	-	-	-	-	-	-	-	-
Funds available for reporting period	134,161	131,083	12,290	12,030	85	1,051	5,428	5,159
Less expenses including accrued expenses	(134,161)	(131,083)	(12,290)	(12,030)	(85)	(1,051)	(5,428)	(5,159)
Surplus/(deficit) for reporting period	-	-	-	-	-	-	-	-

24.3 COMMONWEALTH RESEARCH FINANCIAL ASSISTANCE

	NOTE	RESEARCH SUPPORT PROGRAM		RESEARCH TRAINING PROGRAM	
		2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the programs)		1,468	4,930	3,121	3,969
Net accrual adjustments		-	-	-	-
Revenue for the period	2.1	1,468	4,930	3,121	3,969
Surplus/(deficit) from the previous year		-	-	-	-
Funds available for reporting period		1,468	4,930	3,121	3,969
Less expenses including accrued expenses		(1,468)	(4,930)	(3,121)	(3,969)
Surplus/(deficit) for reporting period		-	-	-	-

24.4 AUSTRALIAN RESEARCH COUNCIL

	NOTE	DISCOVERY PROJECTS		DISCOVERY EARLY CAREER RESEARCHER AWARD		DISCOVERY INDIGENOUS		FELLOWSHIPS		LINKAGE - PROJECTS (INCLUDING STRATEGIC PARTNERSHIPS WITH INDUSTRY AND APAI)	
		2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the programs)		1,492	1,408	41	675	(1)	298	129	257	479	494
Net accrual adjustments		(390)	(560)	394	(155)	4	(270)	7	(83)	(49)	(23)
Revenue for the period	2.1	1,102	848	435	520	3	28	136	174	430	471
Surplus/(deficit) from the previous year		-	-	-	-	-	-	-	-	-	-
Funds available for reporting period		1,102	848	435	520	3	28	136	174	430	471
Less expenses including accrued expenses		(1,102)	(848)	(435)	(520)	(3)	(28)	(136)	(174)	(430)	(471)
Surplus/(deficit) for reporting period		-	-	-	-	-	-	-	-	-	-

24.5 OS-HELP

	NOTE	2022 \$'000	2021 \$'000
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the programs)		(1,624)	-
Cash spent during the reporting period		(611)	-
Net cash received	2.1	(2,235)	-
Cash surplus/(deficit) from the previous period		2,493	2,493
Cash surplus/(deficit) for reporting period	15	258	2,493

24.6 SUPERANNUATION SUPPLEMENTATION

	NOTE	2022 \$'000	2021 \$'000
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the programs)	2.1	1,486	1,084
Cash spent during the reporting period		(1,393)	(1,312)
Net cash received		93	(228)
Cash surplus/(deficit) from the previous period		(111)	117
Cash surplus/(deficit) for reporting period		(18)	(111)

24.7 STUDENT SERVICES AND AMENITIES FEE

	NOTE	2022 \$'000	2021 \$'000
Unspent/(overspent) revenue from previous period		-	-
SA-HELP revenue earned		5,428	5,645
Student services fees direct from students		2,716	2,746
Total revenue expendable in period		8,144	8,391
Student services expenses during the period		(8,144)	(8,391)
Unspent/(overspent) student services revenue		-	-

Directors' Declaration



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

1. In the opinion of the directors of Australian Catholic University Limited:
- (a) the financial statements and notes, as set out on pages 29 to 63:
 - (i) give a true and fair view of the financial position of the university as at 31 December 2022 and of its performance, as represented by the results of its operations and its cash flows, for the financial year ended on that date
 - (ii) comply with Australian Accounting Standards and the Corporation Regulations 2001
 - (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
 - (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*
 - (e) the university charged Student Services and Amenities Fees strictly in accordance with the *Higher Education Support Act 2003* and the Administration Guidelines made under the Act. Revenue from the fee was spent strictly in accordance with the Act and only on services and amenities specified in subsection 19-38(4) of the Act.

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

Dated at Sydney this 30th day of March 2023.

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

Professor Zlatko Skrbis
Director

The Honourable Martin Daubney AM KC
Director

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 Report 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 2022, and of its financial performance and its cash flows for the year ended on that date
- ii) complying with Australian Accounting Standards, the Australian Charities and Not-for-profits Commission Regulation 2013 and the Corporations Regulations 2001.

The Financial Statements comprises:

- balance sheet as at 31 December 2022
- income statement, statement of 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 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. The Directors are responsible for the Other Information. The Other Information we obtained prior to the date of this Auditor's Report was the Director's Report.

Our opinion on the Financial Statements does not cover the Other Information and, accordingly, we do not express 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 and the Australian Charities and Not-for-profits Commission Regulation 2013.
- Implementing necessary internal control to enable the preparation of a Financial Statement that gives a true and fair view and is 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 the 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
- to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but it 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 the 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: auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our Auditor's Report.



KPMG



Stephen Isaac
Partner
Sydney

30 March 2023

“We must teach more by
example than by word.”

St Mary MacKillop



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