



**Safe  
campuses.**



**Engaged  
communities.**

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 eight campuses: 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 [visit.acu.edu.au/annualreports](http://visit.acu.edu.au/annualreports)

## LETTER OF TRANSMITTAL

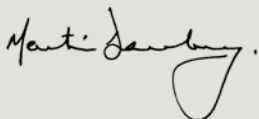
May 2022

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 2021.

The *Annual Report* was approved by the Australian Catholic University Senate on 7 April 2022.

Yours sincerely



**The Honourable Martin Daubney AM QC**  
Chancellor



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# Message from the Chancellor



I am deeply honoured to have been invited to serve as Australian Catholic University's fifth Chancellor and acknowledge the extraordinary contributions of each of my four predecessors.

Whilst the matters under review in this document predate the commencement of my appointment as Chancellor on 1 January 2022, I have no hesitation in endorsing this annual report for the 2021 year.

My enthusiasm in doing so is shaped by a number of factors.

The first is the knowledge that a highly skilled Senate ensured that the university was able to face and meet the many challenges of 2021 with a rock-solid foundation of good governance under the exemplary leadership of the Acting Chancellor, Julien O'Connell AO. As Pro-Chancellor, Julien was already fully engaged in the life and leadership of ACU. With the passing of my distinguished predecessor, Hon John Fahey AC GCSG in September 2020, Julien distinguished himself with his calm and measured leadership as Acting Chancellor. The university owes him a great debt of gratitude for his service.

Secondly, ACU is blessed with an exceptional senior management team, led by an outstanding Vice-Chancellor and President, Professor Zlatko Skrbis. The leadership team inspired and encouraged our whole community not just to weather the storm of the pandemic but to consolidate our status both as a maturing presence in the Australian higher education sector and as a significant institution within the global framework of Catholic education.

Finally, it immediately became apparent to me that all within the ACU community – academics, administration staff, and our marvellous student body – had not allowed an irritant like a global pandemic to deter them from pursuing and living the mission so elegantly encapsulated in the title of the strategic plan: Impact through empathy. That has involved agility and ingenuity in the delivery of our wide range of educational services, a preparedness to seek out and exploit opportunities in the face of adversity and, most fundamentally, adherence to our mission.

The pages which follow report on a national institution which has prevailed in circumstances of global and multi-jurisdictional challenges, particularly in the higher education sector.

Through careful fiscal management, the Vice-Chancellor and senior management have contained the financial repercussions of the pandemic and a constrained funding environment. A recovery budget has made significant inroads

into achieving important savings while managing to deliver a reduced operating surplus while containing the loss of staff and students to smaller than expected numbers.

Importantly, this report highlights the profundity of the Catholic essence of this public university, including:

- An ethical commitment to sustainability;
- A practical commitment to expanding our presence in areas of growth and need. ACU's new campus in Blacktown seeks to ensure deep connections with the community and signals a strong future for ACU in the heart of western Sydney;
- A focused commitment to addressing the needs of Australian Defence Force veterans and their families in accessing higher education and assisting in transition from military to civilian life;
- A real commitment to providing our First People students and staff with an inclusive and supportive environment in which they have every opportunity to excel;
- A faithful commitment to the Catholic intellectual tradition, standing nationally with the schools and colleges which in 2021 celebrated 200 years of Catholic education in Australia;
- A principled commitment to contributing to the future of the Catholic Church in Australia, including by active participation of the Vice-Chancellor and students as delegates to the current Plenary Council.

In short, these and the many other activities and achievements recorded in this report make good the Vice-Chancellor's observation that "ACU has an important role to play in higher education and society more broadly – and it is our ambition to become a global leader in Catholic education and research".

That ambition will be achieved by respecting the ACU foundations so carefully and firmly laid by so many people over the last 30 years, and longer, while looking to the future with the benefit of leadership renewal in the offices of Chancellor, Pro-Chancellor and Vice-Chancellor.

It with pride that I now present this 2021 Annual Report on behalf of the ACU Senate.

**The Honourable Martin Daubney AM QC  
Chancellor**

# Message from the Vice-Chancellor and President



In 2021, the university's staff, students and broader community were further tested on their capacity to cope with the multiple disruptions a global health emergency brings.

Higher education, like many other industries, radically and swiftly adapted as a result of the COVID-19 pandemic, changing the way we work, research and study differently, remotely.

Despite challenges, there is much to be proud of in the university's pandemic response.

The impact of closed international and domestic borders and public health restrictions across different jurisdictions were acutely felt, but it did not slow our ability to adapt and progress.

Who could better embody ACU's resilience than our students themselves, who stepped up to work on the frontline, expressing the very mission that we ask them to embrace?

Notably, our nursing and allied health students were at the heart of the pandemic response, working in hospitals and aged care facilities, caring for patients as well as assisting with the COVID-19 vaccine rollout. Our international students kept their faith in our ability to deliver a quality Australian education; many not able to go home for two years, and many more returning when borders opened.

Activating our campuses has been a priority for the university, and we invested in improved health and safety measures across each one. Campuses have now come to back to life and support our thriving community of students and staff.

Key to the spirit of renewal are innovation and transformation. Over the last decade ACU has advanced an increasingly confident research agenda. Our maturing capabilities ensure our research provides impact, engages stakeholders, and delivers innovative solutions. These are the objectives that the government, industry partners, community and Catholic stakeholders expect of ACU. To this end, the university recently broadened the portfolio to include both Research and Enterprise. We are already seeing the results

of this expansion through new and renewed partnerships, aligning ourselves closely with industries and organisations with whom we share a common goal.

One thing we have learned from the pandemic is the importance of online learning and pedagogical adaptability. Three driving forces shaped our decision-making to provide our own digital campus: enabling access, providing sustainability and responding to demand. Launched at the end of 2021 and opening its virtual doors in 2022, ACU Online is a fully online education portfolio which will complement our existing offerings both on-campus and online. The initiative will be a transformative endeavour for the university so we can now take ACU to the students who cannot come to us.

We plan to further develop our online capability and diversify courses, meeting the demands of our students and providing them with an increasingly flexible and sophisticated digital environment.

Following the theme of firsts, two substantial appointments were made to our governing body during the year: The Honourable Martin Daubney AM QC is our fifth Chancellor and first Brisbane-based Chancellor, taking up the reins at the beginning of 2022; and our new Pro-Chancellor Ms Virginia Bourke will be the first woman in the role when she takes up her position later in the year. The two appointments reinforce our enduring commitment to sound governance and diversity.

During my first year as Vice-Chancellor, I have been buoyed by the enormous support extended to me from within the university and outside, giving me confidence that we are united in the journey we are on to champion our mission, our purpose, and the future.

**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 also first in Australia for graduate employment\*\*\*. The university has seven campuses around Australia and a campus in Rome, Italy.

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 2022. 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 2022

\*\*\* Graduate Outcomes Survey – Longitudinal 2021, medium-term outcomes, full-time employment for domestic undergraduate students

# Key statistics

	2021	
<b>ENROLMENTS*</b>		
<b>Total</b>	<b>33,486</b>	
Undergraduate	26,583	
Postgraduate coursework	5,973	
Higher degree research	267	
Non-award	663	
Domestic	29,884	
International	3,602	
<b>STAFF</b>		
Academic	1,114	
Professional	1,230	
<b>RESEARCH</b>		
<b>(\$'000)</b>		
Annual total HERDC research income (Category 1-4)		
Category 1	3,900	
- Australian Competitive Grants Register ARC and NHMRC funding		
Category 2-4	4,200	
- Category 2: Other public sector		
- Category 3: Industry and other		
- Category 4: CRC		
Total	8,100	
<b>INCOME</b>		
<b>(\$000'S) (%)</b>		
Commonwealth Government Grants	288,926	50.0
HELP	149,324	26.4
Fees and charges	93,895	16.6
Other	33,759	6.0
Total revenue	565,904	100.0
<b>EXPENDITURE</b>		
<b>(\$000'S) (%)</b>		
Employee benefits	346,029	66.8
Depreciation and amortisation	41,741	8.0
Repairs and maintenance	11,914	2.3
Other	118,905	22.9
Total expenditure	518,589	100.0
<b>ASSETS</b>		
<b>(\$000'S)</b>		
Total assets	1,347,870	

\* The 2021 student data (course headcount) is still preliminary and will be finalised in April 2022, after the time of printing.

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 Rev 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](http://acu.edu.au/constitution)

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
- Student Experience and Retention 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 2021,

VCAC's membership consisted of members of the senior executive, along with the Deputy Provost, the Chief Financial Officer and the Director, Office of the Vice-Chancellor and President as advisory members.

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 2021, SENATE MEMBERSHIP COMPRISED OF:****Pro-Chancellor and Acting Chancellor**

Mr Julien O'Connell AO

**Vice-Chancellor and President**Professor Greg Craven AO, GCSG (to 8 January 2021)  
Professor Zlatko Skrbis (from 11 January 2021)**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

**Senate Panel and ACU Corporation nominated member (Vic)**

Ms Bernadette Steele

**Senate Panel and ACU Corporation nominated member (Qld)**

The Hon Justice James Douglas

**Senate Panel and ACU Corporation nominated member (ACT)**

Mr Tim Kirk

**Elected by academic staff ACU**

Associate Professor Elspeth Froude

Dr Judith Norris

Dr Josephine Ryan

**Elected by professional staff ACU**

Mr Gerard Goodwin-Moore

**Elected by students ACU**

Ms Emily Ginis

**IN 2021, ACADEMIC BOARD MEMBERSHIP COMPRISED OF:****Chair of Academic Board**

Professor Timothy McKenry

**Vice-Chancellor and President**Professor Greg Craven AO, GCSG (to 8 January 2021)  
Professor Zlatko Skrbis (from 11 January 2021)**Provost**

Professor Zlatko Skrbis (until 8 January 2021)

Professor Belinda Tynan (from 22 February 2021)

**Chief Operating Officer**

Dr Stephen Weller

**Deputy Vice-Chancellors**

Professor Wayne McKenna (to 29 July 2021)

Professor James McLaren (from 30 July 2021)

Professor Hayden Ramsay

**IN 2021, 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**

Professor James McLaren (to 29 July 2021)

Vacant (from 30 July 2021)

**Deputy Provost**

Professor Meg Stuart

**Executive Deans of faculties**

Professor Elizabeth Labone, Faculty of Education and Arts (to 12 March 2021)

Professor Stephen Tobias, Faculty of Education and Arts (from 13 March 2021)

Professor Dermot Nestor, Faculty of Theology and Philosophy

Professor Thérèse Joiner, Faculty of Law and Business

Professor Justin Kemp, Faculty of Health Sciences (to 25 July 2021)

Professor Suzanne Chambers AO, Faculty of Health Sciences (from 26 July 2021)

**Two professorial academic staff members elected by each faculty**

Professor Susan Dann AO

Professor Clare Johnson

Professor Justin Kemp

Professor Jan Seruga

Professor David Sim

Professor Spencer Zifcak

Professor Noah Riseman

Professor David Greene

**Two non-professorial academic staff members elected by each faculty**

Ms Amy Carroll

Dr Jann Carroll

Dr Richard Colledge

Dr Bill Franzsen

Dr Christiaan Jacobs-Vandegerer

Associate Professor Christian Lorenzen

Dr Sugumar Mariappanadar

Dr Haifeng Shen

**Academic Registrar**

Ms Kathryn Blyth

**Director, Education and Innovation**

Professor Anthony Whitty

**Director, Libraries**

Ms Fides Datu Lawton (to 1 November 2021)

Ms Susan Lafferty (from 2 November 2021)

**An external professor**

Professor Paul Wormell, Western Sydney University

**First Peoples and Equity Pathways representative**

Ms Jane Ceolin

**Student representative**

Ms Zoe Cobb

Mr Matthew Wrigley



2021 Young Alumni of the Year Award Winner  
Malaika Mfula

# ACU Strategic Plan 2020-2023: Impact through empathy

The *ACU Strategic Plan 2020-2023: Impact through empathy* articulates ACU's mission, vision, focus and strategic priorities for the coming years. Implementation of the strategic plan is well advanced. Few could have foreseen the global disruption and economic uncertainty that has occurred since 2020. However, ACU's vision – proved to be robust and relevant during this challenging time.

## OUR VISION

Our vision is hope, faith and reason through opportunity, innovation and ethics.

All our endeavours are grounded in mission. ACU creates opportunity, fosters innovation and embraces ethics. All our endeavours are built on an enduring commitment to our Catholic mission and values. Respect for the dignity of the human person and flourishing of society engender every facet of our impact on learning, research and operations.

## OUR FOCUS

Our mission, vision and strategic priorities are underpinned by three key focus areas: opportunity, innovation and ethics.

### Opportunity

Our focus is to enrich lives through learning and knowledge. We create opportunity and stand for those in need. We believe society is enriched through education, and that everyone should be treated with dignity. We aim to inspire and connect people, and act with empathy and courage. We foster a vibrant intellectual life for students and staff, and we seek new knowledge which has a tangible impact on real-world challenges.



### Innovation

Our focus is to cultivate the imagination and exceed expectations.

We animate hope on the pillars of faith and reason. We are enterprising and bold; we are unique and agile. We stand for reason and for the betterment of society. We invite, explore and embrace new and creative ways to make a difference.

### Ethics

We strive for a better future for humanity, based on the tradition of Catholic intellectual and moral thinking. Our ethical focus gives us a deep understanding of the common good and all it entails. We are open to conversation and engagement from all traditions and perspectives. Our mission, founded in Catholic faith and reason, includes commitment to truth and the promotion of human dignity and wellbeing.

### OUR STRATEGIC PRIORITIES

Our mission is at the heart of everything we do. It guides our approach to education, research, academic excellence and service.

We strive toward building a better world through each of our strategic priorities, which are captured in the following six key areas:

1. All our endeavours, grounded in mission.
2. Distinctive, inclusive, dynamic and student-centred education.
3. World-leading research, with impact.
4. Vibrant academic culture, enriched by innovation and discovery.
5. Deeply engaged, globally renowned.
6. Service, stewardship and sustainability.

Our plan reflects our authentic and longstanding commitment to Aboriginal and Torres Strait Islander reconciliation, social justice and equity, and our action in sustainability.

### STRATEGIC PLAN EXECUTION

Our mission and vision guide ACU's strategic approach with a strong commitment to quality and excellence. The approach integrates planning, quality, project management and risk management activities and is embedded within all areas of our operations through the Strategy Execution Framework, which is simple, accountable, functional and flexible. The framework supports the effective execution of the ACU Strategic Plan 2020 – 2023 to:

- achieve our mission, vision and strategic priorities
- embed our focus on opportunity, innovation and ethics
- manage our resources and risks effectively.

At the mid-point of our strategic plan, we are focused on delivering a suite of critical projects on cross-portfolio engagement, innovation and integrative activities. These annual priorities, identified by the Vice-Chancellor and President, set our strategic focus for the year. In 2021, we focused on delivering projects that aligned with our key focus areas – opportunity, innovation and ethics – as well as the following areas:

- advancement
- financial sustainability and stewardship
- governance and processes
- identity, mission and Catholic partnerships
- institutional performance and reputation
- staff engagement
- student experience.

### Monitoring performance

As well as delivering on our annual priorities, performance and progress, outcomes in the execution of our strategic plan are measured through a set of key performance indicators. Through these, we monitor our progress towards achieving our 2023 targets.

Read the full ACU Strategic Plan 2020 – 2023 at [acu.edu.au/about-acu/acu-2023](https://acu.edu.au/about-acu/acu-2023)

# Research and enterprise rankings and reputation

Our continued success in international research rankings is testament to ACU's commitment to excellence in designated areas.

Ranked in the global top 300 in the *Times Higher Education* World University Rankings, ACU is also recognised as a leader in a range of subject specialisations:

- We are ranked 18th in the world for nursing.
- We are ranked 22nd in the world for sport science.
- We are one of the top 50 universities in the world for education.
- We are one of the top 150 universities in the world for psychology.
- We are one of the top 200 universities in the world for law.
- We are ranked 201–250 in the world for arts and humanities.

Building on our reputation, an expanded Research and Enterprise Portfolio created in 2021 will lead an excellence agenda across the entire research ecosystem, from fundamental research to translational research, its applications, and to the development of future research capacity.

Grounded in ACU's commitment to the common good, we seek to create national and global social benefit through sustained collaboration and partnerships with industry, government, stakeholders, communities, and colleagues in the academy.

In 2021, ACU appointed a Dean of Graduate Research to progress our strategic priority of developing the next generation of researchers.

New graduate research partnerships with industry in 2021 include:

- a PhD collaboration with Chelsea Football Club in Britain and a part-funded PhD stipend with Melbourne Demons Football Club
- Cotutelle PhD programs have been established with international partners KU Leuven and Tor Vergata University of Rome
- the Catholic University of Lyon has joined ACU and four other Catholic universities in the Contemporary Humanism international PhD program.

## VICTORIAN GOVERNMENT FUNDING FOR HEALTH RESEARCH

The Victorian Higher Education State Investment Fund allocated \$8.7 million to ACU for new health research projects, nursing labs and improved student experience.

In collaboration with St Vincent's Institute of Medical Research, the package includes \$2 million for state-of-the-art research equipment that will boost applied research, provide training for early-career scientists, and develop new therapy treatments for people living with life-threatening conditions like obesity and diabetes.

## \$2 MILLION IN AUSTRALIAN RESEARCH COUNCIL GRANTS

ACU researchers were awarded more than \$2 million in Australian Research Council funding in 2021 for projects commencing in 2022. A number of these projects, in collaboration with community and industry partners, will generate new knowledge as well as research impact in areas of Indigenous education, metabolic health, disability, and mathematical thinking.

## CATHOLIC RESEARCH NETWORKS ON SUSTAINABILITY

The annual seminar for the Contemporary Humanism international PhD program was held online in September with representatives from partner institutions Lumsa Università, Pontificia Universidad Católica de Chile, Institut Catholique de Paris, Universidade Católica Portuguesa and ACU. The 2021 program on 'Fraternity' also featured Dianoia Institute of Philosophy's Associate Professor Stephanie Collins as one of the speakers. In October, Professor Ester Cerin from ACU's Mary MacKillop Institute for Health Research presented at an Association of Southeast and East Asian Catholic Colleges and Universities (ASEACCU) workshop on sustainable development; and in November, doctoral students from ACU and around the world participated in the inaugural Strategic Alliance of Catholic Research Universities (SACRU) graduate research seminar on environmental sustainability and development.





# University appointments

## GOVERNANCE APPOINTMENTS

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

## SENIOR EXECUTIVE LEADER APPOINTMENTS

- Professor James McLaren: Interim Deputy Vice-Chancellor Research and Engagement (August 2021 – August 2022)

## EXECUTIVE LEADER APPOINTMENTS

- Professor Meg Stuart: Deputy Provost
- Professor Anthony Whitty: Director, Centre for Education and Innovation
- Ms Anna Phillips: Chief People Officer
- Professor Suzanne Chambers: Executive Dean, Faculty of Health Sciences
- Professor Stephen Tobias: Interim Executive Dean, Faculty of Education and Arts
- Professor Mary Ryan: Executive Dean, Faculty of Education and Arts (appointed October 2021, commenced February 2022)
- Ms Bronwyn Bartsch: Director, Global Engagement (appointed December 2021, commenced January 2022)
- Mr Andrew Condon: Industry Professor Veterans and their Families



# Sustainability at ACU

Responsible and ethical management is vital for the long-term success of the university and the protection of the environment. Committed to the highest standards of ethical behaviour, for many years now, ACU has made a concerted effort to educate, research and demonstrate sustainable practices across our eight campuses. Our commitment to the common good informs all our endeavours and inspires our relationships and networks both in Australia and internationally.

The *ACU Sustainability Report 2021: Caring for our common home* showcases and reaffirms our ongoing commitment. Through our teaching, learning, research and community engagement, we are dedicated to making a positive difference in society and to the lives of individuals with whom we interact. As a Catholic university, we recognise our responsibility and have developed a university-wide framework to deliver a better and more sustainable future, built upon two transformative prescriptions for a better world: Pope Francis's encyclical *Laudato si'* and the United Nations' Sustainable Development Goals (SDGs).

From the *ACU Sustainability Report 2021*, some of our proudest achievements and ongoing efforts are showcased through the following:

- With our focus on stewardship and caring for human dignity and the common good, ACU is taking decisive action on minimising the impacts of modern slavery. We participate in the modern slavery risk management program through the Australian Catholic Anti-Slavery Network (ACAN). Our university has also committed to submitting an annual Modern Slavery Statement that will report on the risks of modern slavery in our operations and supply chains, and the actions we have taken to address those risks.
- Vice-Chancellor and President Professor Zlatko Skrbis was appointed a member of the Domus 8.7 committee and is personally committed to promoting awareness of modern slavery practices and acting to support those affected.
- In 2021, ACU's Australian campuses became powered by 100 per cent renewable electricity. The purchase of 100 per cent renewable electricity is our most significant climate change project to date. It will eliminate at least 16,000 tonnes of greenhouse gas emissions each year, delivering an emissions cut in 2021 at least 65 per cent below the 2019 baseline.
- We recognise that most of our environmental impacts arise from the operation and use of buildings. This is why, for the past decade, the university has constructed only highly sustainable buildings and applied sustainable design principles to renovate and refurbish existing buildings. In 2020, we advanced the construction of the largest capital project in our history, the Saint Teresa of Kolkata building at our Melbourne Campus. The 13-storey building is designed to achieve a 5-Star Green Star rating, indicating Australian excellence in sustainable design and construction. ACU has three buildings already certified under the Green Star rating system. These include one of the first university buildings to achieve a 6-Star rating, Melbourne's Daniel Mannix Building, as well as Canberra's Veritas Building and Ballarat's St Brigids School of Health Science.
- Our world-first sustainability bonds (page 14) also fund key social research programs that focus on improving the lives of some of the most vulnerable people in society, including research from two of ACU's leading research bodies: the Institute for Positive Psychology and Education (IPPE) and the Mary MacKillop Institute for Health Research (MMIHR). Among the IPPE's many current research projects are those that focus on young people at risk of dropping out of school, the impact of Indigenous peoples education programs, and the psychological wellbeing of school principals. MMIHR's research spans the fields of exercise and nutrition, bone health and fractures, and the interaction between behaviour, urban environments and cognitive health.



# Sustainability bond commitments

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

In 2017, ACU secured \$200 million through the sale of sustainability bonds to some of Australasia's biggest institutional investors. 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 as at 31 December 2021 is \$200 million as detailed below.

Funds used in 2017:

- 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), \$5.4 million
- The Mary MacKillop Institute for Health Research (MMIHR), \$9.7 million

Funds used in 2018:

- Construction began on the Saint Teresa of Kolkata Building, Melbourne, \$9.4 million
- IPPE, \$4.4 million.

Funds used in 2019:

- Construction continues for the Saint Teresa of Kolkata Building, \$24 million
- IPPE, \$4.8 million
- MMIHR, \$2.1 million.

Funds used in 2020:

- Construction continues for the Saint Teresa of Kolkata Building, \$41.9 million

Funds used in 2021:

- Saint Teresa of Kolkata Building construction continues, \$37.2 million.

Total funds of the sustainability bond have been fully utilised in line with milestones detailed above.



# University highlights

## INITIATIVES FOR VETERANS

'Credit Where Credit Is Due' is a landmark project, assisting Australian Defence Forces (ADF) veterans' transition into tertiary education. Student veterans form an important and growing part of our community. ACU is a leader in the Australian tertiary education sector in student veteran outcomes. In partnership with Australian Student Veterans Association, a generous grant from the Department of Veterans Affairs supported the creation of a Recognition of Prior Learning (RPL) framework for ADF veterans.

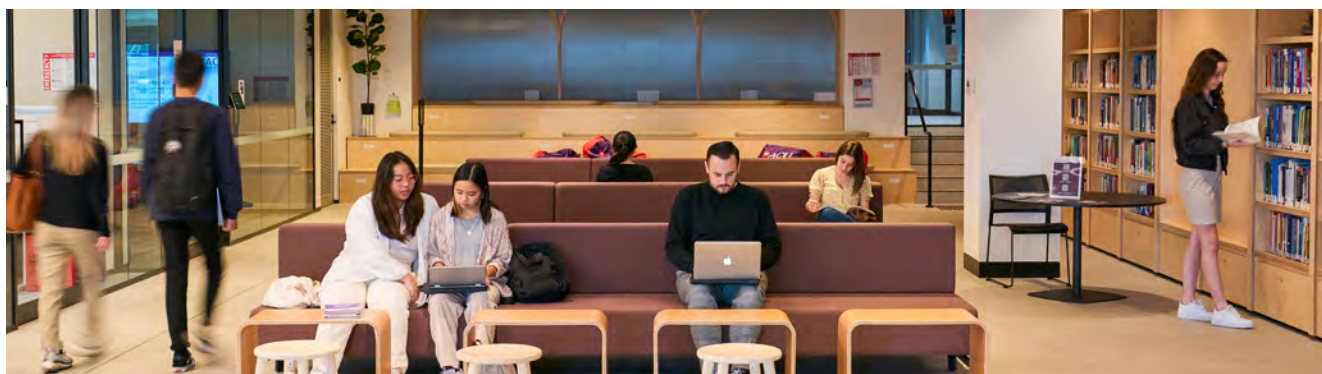
The 'Credit Where Credit Is Due' project unpacked more than 80 ADF initial employment training and promotion courses, mapping the academic outcomes to ACU unit offerings, to be offered as credit towards more than 40 courses at our university. Appropriate packages of credit were assembled with a view towards easing our student veterans' transition out of the ADF and training for new careers.

In its first year, more than 200 eligible student veterans applied for RPL, solidifying ACU's place as the institution of choice for service personnel. Feedback from our student

veterans indicates the credit they have received has given them options in how they study and allowed them to move into their new careers faster.

In further development of our commitment to veterans, a unique initiative was introduced offering immediate family members of current and former ADF personnel access to the Veteran Entry Program (VEP). The move recognises rank and service on applications for undergraduate and postgraduate courses. In extending the program to immediate family members, the university has recognised the impact on families of the mobile nature of defence employment.

ACU has appointed defence veteran Andrew Condon as the university's first Industry Professor Veterans and Their Families. It is the first appointment of its kind at ACU and the latest addition to the university's suite of initiatives aimed at supporting veterans to post-service career pathways in their transition to civilian life.



## CREDIT MANAGEMENT SYSTEM

Credit for prior learning is a significant component in a student's decision to commence study, most notably in the postgraduate market. In July 2021, ACU launched its Credit Management System, bringing automation to the process of recognising students' prior learning. Current and prospective students can search for existing, approved credit via a precedent database and apply through an intuitive online form. Applicants will receive credit for prior learning alongside their offer to study at ACU and the credit will appear on their student record at enrolment. Bespoke automation has decreased the turnaround time on credit applications from weeks to days and relieved the workload associated with assessing and granting credit equally.

ACU processes approximately 3,500 applications for credit each year. Aligning credit with admission improves the student experience by providing transparency of individual requirements to complete a degree. The bespoke Credit Management System has created a collaborative process between Student Administration and our faculties to establish and maintain a deep precedent database to record and automate approval of credit applications. The system ensures consistency in credit application outcomes, improves transparency and aids in quality assurance at ACU.



## ABORIGINAL AND TORRES STRAIT ISLANDER CAPABILITY STRATEGY

ACU's Aboriginal and Torres Strait Islander Cultural Capability Strategy guides development of an institution-wide cultural capability framework by providing ACU's First Peoples students and staff with an environment to excel by investing in and creating culturally safe enabling environments. More broadly, the framework supports developing ACU student graduate capabilities to work in a respectful and informed approach with Australia's First Peoples.

The strategy provides 27 recommendations across seven themes, including: values and principles, community engagement, accountability and decision-making, resources and accountability, education, research, and cultural safety.

Outcomes include:

- Consultation with key partners across the nation to support co-developing the Aboriginal and Torres Strait Islander and ACU Values and Principles Statement, which supports ACU with positioning cultural capability across the university.
- Development of a Community Engagement Report and Protocol Guide.
- Establishment of an Indigenous Research Committee with oversight and expertise on First Peoples research related activities.
- A review of ACU's current governance structure as it relates to First Peoples, which will provide a pathway to reposition First Peoples higher education matters within ACU policy and governance structures.





### 2021 INDIGENOUS NATIONALS TITLE WIN

For the first time in ACU's history, in the middle of a worldwide pandemic, a team united from all campuses to claim the 2021 Indigenous Nationals Championship title.

The four-day event held by the event founders, The University of Newcastle (UON) and the Wollotuka Institute, saw more than 300 university students representing 17 universities challenge each other in basketball, volleyball, netball and touch football. ACU had a strong start to the tournament with a clean sweep of the pool matches before firing up for a dominant performance in the finals to claim the netball pennant over Macquarie University. While strong performances were had in touch football and volleyball, it all came down to the final day of play for ACU to be named overall champions. In a fast-paced contest, we rose to the challenge to beat Macquarie University, taking home the basketball pennant and being crowned the 2021 Indigenous Nationals Overall Champions.



### 200 YEARS OF CATHOLIC EDUCATION IN AUSTRALIA

Catholic institutions nationally marked 200 years of Catholic education in Australia in 2021. A myriad of celebrations across the country honoured the remarkable achievements of two centuries of ingenuity, and an unrelenting commitment to the future of our nation: our children and young people. In honouring the courageous and wise leadership that characterised the establishment of our Catholic education enterprise, ACU set its sights on the future, intent on making a further contribution to the legacy that has served Australian society so well.

The future of the leadership of Catholic education is an area of acute interest across the nation and in response to this ACU, through the La Salle Academy, undertook the Morley Review. George Morley (Marley) was the schoolmaster appointed by Fr John Terry when the first official Catholic school opened in Parramatta, NSW, in 1820.

The Morley Review included a leadership symposium in June 2021 that brought together ACU senior staff with diocesan directors of education, as well as directors of education from religious institutes and public juridic persons from across the country. Through a process of consultation, a report was generated that articulates the shared aspirations for the future of Catholic education leadership and will guide ACU's future work in collaboration with Catholic education partners in forming and supporting leaders into the future.





## ETHICSFINDER

In November, ACU launched an expertly curated ethics search engine for the global community, *EthicsFinder.com*. Curating thousands of links across the web to the best articles, videos and books on more than 100 ethical topics, *EthicsFinder* provides users with a free, one-stop shop for ethical enquiry. It also arranges and collates Church teaching by topic and magisterial authority, offering users a unique and accessible way to navigate the vast teaching of the Catholic Church.

Since launch, it has been accessed by more than 8,000 people in more than 90 countries, speaking 73 languages, who carried out over 1,000 searches. Several universities have already embedded *EthicsFinder* within their library databases, curriculum resources and unit outlines, and plans are underway to include resources for school students and school systems in Australia and in the United States.

All curated resources have gone through a rigorous peer review process involving a global network of over 80 leading philosophers, theologians and specialists from more than 50 universities and institutions. This makes *EthicsFinder* one of the most diverse, collaborative and innovative digital educational projects in the Catholic global landscape. ACU has created a research and study resource by combining the highly practical concept of a search engine with the wealth of ideas articulated in ethics, and especially Catholic ethics. *EthicsFinder* will make the great trove of the Catholic intellectual tradition accessible to everybody, Catholic or otherwise.



### COVID-SAFE CAMPUSES

During the various levels of COVID-19 restrictions, we have aligned our approach to the government protocols and public health orders across all ACU jurisdictions that are guided by a range of public health experts. We have used a mix of online and on-campus activities to continue our higher education and research activities during the pandemic. Working through a pandemic over two years has been challenging for staff and students, and tested staff and students' resilience. Although COVID-19 has impacted ACU financially, we appreciate the ongoing support of the government, partners, staff and students, which has made a significant difference.

We take our responsibilities for the safety of staff, students and visitors seriously and have engaged a broad team of response staff throughout the pandemic. The ACU COVID

response has been guided by the ACU Critical Incident Management Policy and Procedures. This has included the leadership of the Vice-Chancellor and President, Chief Operating Officer, Critical Incident Convenors and the COVID Response Group, who have all provided guidance and support for leaders, staff and students through regular communication, consultation and the ACU COVID website. We are aware that dealing with the pandemic can affect people's mental health and have provided an empathetic approach, flexible work arrangements and support services.

Plans are in progress for transitioning to a COVID-normal state in 2022, which will enable the university to provide the vibrant campus experience that students expect and a vibrant workplace that supports the workforce.



### BLACKTOWN CAMPUS

The Saint Josephine Bakhita Campus, Blacktown Campus was blessed and opened on 12 March 2021. Saint Josephine Bakhita is the patron saint for Sudan, victims of modern slavery and human trafficking, and the ACU Blacktown Campus. The local Blacktown Sudanese Community took an active part in the official campus opening through dance and music. The campus was blessed and opened by the Most Reverend Vincent Long Van Nguyen OFM Conv DD STL, Bishop of Parramatta and the Honourable Alan Tudge MP, Federal Minister for Education and Youth. The Parramatta Diocese and Blacktown City Council continue to play important roles in supporting the establishment and growth of the ACU Blacktown Campus through the development of community and industry partnership.

ACU Blacktown offers a broad range of courses across health sciences, education, arts, theology, philosophy, health sciences, education, arts, theology, philosophy, law, business and pathway programs. Thirty staff work from the Blacktown Campus including two Deputy Heads of School and a broad range of academic and professional staff. We have an infrastructure expansion program for Blacktown that is aligned to the projected growth of higher education, research and engagement in Western Sydney. The key infrastructure initiatives to support growth are the proposed future campus at Warrick Lane and the partnership in Blacktown City Council's International Centre for Training Excellence, where ACU plans to conduct exercise science research, education and consulting and run a lifestyle clinic.



# Freedom of Speech and Academic Freedom Attestation Statement

In November 2018, the then 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. The *Walker Report* identified a small number of minor recommendations designed to further strengthen the university's approach. It is anticipated that the Senate will address any necessary amendments to Statute 13 in 2022 to further strengthen its alignment to the Model Code against a backdrop of the new definition of 'academic freedom' in the *Higher Education Support Act 2003* (Commonwealth),

judicial pronouncements on the extent of freedom of speech and academic freedom at Australian universities, and ongoing negotiations in relation to the new Enterprise 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 2021

# Directors' report

For the year ended 31 December 2021

The directors present their report together with the financial statements of Australian Catholic University Limited (the university) for the year ended 31 December 2021 and the auditors' report thereon.

## DIRECTORS

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

### **Professor Gregory Joseph Craven AO GCSG**

BA LLB(Hons), LLM (Melb)  
Vice-Chancellor and President  
1 February 2008 (8 January 2021)

### **The Hon. Martin Daubney AM QC**

DTS (YTU), BA LLB (UQ)  
Chancellor  
1 January 2022

### **The Hon. James Douglas**

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

### **Associate Professor Elspeth Froude**

PhD (La Trobe), Graduate Diploma (Neuroscience) (La Trobe), BAppSc(OT) (USyd)  
University Academic  
1 May 2019

### **Ms Emily Ginis**

Student  
1 January 2021 (31 December 2021)

### **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

### **Mr Julien O'Connell AO**

DipAcct (BTS), FAICD  
Acting Chancellor, Pro-Chancellor and Business Executive  
1 January 2016

### **The Hon. Barbara Perry**

BA LLB (USyd)  
Retired politician; Church Administrator  
4 May 2016

### **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 Marie Therese Steele**

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

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

## 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

## INTERIM DEPUTY VICE-CHANCELLOR (RESEARCH AND ENTERPRISE)

### **Professor James McLaren**

BA(Hons), MA (UniMelb), DPhil (Oxon)  
30 July 2021

## VICE PRESIDENT AND DIRECTOR, IDENTITY AND MISSION

### **Father Anthony Casamento csm**

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
Professor Gregory Craven AO GCSG	-	-	-	-	-	-	-	-	-	-
The Hon. James Douglas	6	7	-	-	2	2	3	5	-	-
Mr Stephen Elder OAM GCSC	7	7	3	5	-	-	-	-	-	-
Most Reverend Anthony Fisher OP	6	7	-	-	-	-	-	-	-	-
Mr Ross Fox	7	7	-	-	2	2	4	5	-	-
Associate Professor Elspeth Froude	7	7	5	5	-	-	-	-	-	-
Ms Emily Ginis	7	7	-	-	-	-	-	-	-	-
Mr Gerard Goodwin-Moore	6	7	-	-	-	-	4	5	-	-
Mr Tim Kirk	7	7	4	5	-	-	-	-	-	-
Professor Timothy McKenry	7	7	-	-	2	2	5	5	5	5
Mr Karl Morris AO	5	7	4	5	-	-	-	-	-	-
Dr Judith Norris	6	7	-	-	-	-	3	5	-	-
Mr Julien O'Connell AO	7	7	5	5	2	2	-	-	5	5
The Hon. Barbara Perry	6	7	-	-	-	-	4	5	-	-
Dr Josephine Ryan	7	7	-	-	2	2	-	-	-	-
Ms Annette Schmiede	7	7	5	5	-	-	-	-	-	-
Professor Zlatko Skrbis	7	7	5	5	2	2	4	4	5	5
Ms Bernadette Steele	7	7	-	-	-	-	4	4	-	-

A - Number of meetings attended

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

Note:

- i. Mr Karl Morris and Ms Annette Schmiede were not present for items 11 and 12 of the 11 February meeting of Senate;
- ii. Mr Karl Morris left the 9 June meeting of Senate at 12pm;
- iii. Mr Robert Baker is Chair of the Audit and Risk Committee and a member of the Senate Standing Committee and Finance & Resources Committee. However, he is not a director of the university.



### PRINCIPAL ACTIVITIES

The principal activities of Australian Catholic University Ltd during the course of the financial year were those of a university operating at both an undergraduate and postgraduate level and research on seven campuses across the states of Queensland, New South Wales, Victoria, South Australia and Australian Capital Territory. The university also has a study campus in Rome.

### REVIEW AND RESULT OF OPERATIONS

There is a positive result for the year ended 31 December 2021 of \$47.3m (2020 \$31.4m), an increase of \$15.9m (50.8%). The 2021 budget estimated revenue conservatively due to the difficulty in assessing ongoing pandemic impacts, accordingly, budgeted expenditure was also reduced. While revenues exceeded budget by \$44m, expenditure exceeded budget by only \$9.8m resulting in a higher than budgeted result. Going forward, it is expected that revenues will stabilise as expenditure grows with targeted operating results dipping in 2022, then moving progressively to a 6% margin.

Total revenue including Finance Income increased \$10.7m (1.9%).

There has been an increase in Commonwealth Government financial assistance \$43.8m (15.2%) largely due to transitional funding provided to support the reduction in HECS funding. HECS HELP decreased \$29m (18.1%) due to an overall reduction in course HECS charges. FEE HELP decreased \$1m (8.5%) due to decreased demand following an increase in 2020 created by the pandemic. Fees and

charges decreased \$2.2m (2.3%) due largely to a decrease in fee-paying overseas students being partly offset by increases in other fees and charges.

Total expenditure including finance expense decreased \$5.2m (1%). Expenditure on cash-related salaries increased by \$2.3m (0.7%). Non-salary cash expenses decreased by \$2.3m (1.7%). Non-cash expenses decreased by \$5.2m (10%).

The working capital position has increased to a surplus of \$127.7m (\$83.4m surplus in 2020). The surplus is \$158m (\$112.8m surplus in 2020) after adjusting for employee benefits classified as current liabilities but expected to be settled in greater than 12 months.

### SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Implementation of the university's Infrastructure Plan continued in 2021. 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 is expected the third quarter of 2022. The project is being partly funded by the \$200m sustainability bond issued in 2017 and a further \$50m bond issued in 2020.

In March 2019, ACU was selected by Blacktown City Council to be their preferred university partner. Subsequently, governance structures were established and vital plans developed with Blacktown City Council, the Diocese of Parramatta, and community and industry partners. A campus has been initially established at 22 Main Street, Blacktown, a Future Student information centre opened

in June 2020 and course teaching commenced in February 2021.

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

The university, like other organisations, has been considerably impacted by the COVID-19 pandemic. There was significant disruption to the operations and delivery of services during lockdowns imposed by federal and state governments. The university quickly mobilised technology to deal with both staff working from home and delivery of teaching online while face-to-face practical teaching and student placements continued where possible. The university is continuing to manage the significant changes that have impacted it while meeting statutory obligations. The financial impact has been moderated this year through various support measures by Commonwealth and state governments. The impact on international student revenue will continue even after international borders have reopened.

Through Education Australia Ltd, the university owned shares in IDP. Education Australia Ltd is now in the process of being dissolved and 1.8m shares of IDP have been transferred to the university valued at \$53m and a franking credit of \$22.7m. The transactions have been recognised in this year's accounts through the comprehensive income statement. The shares are subject to an escrow arrangement of 100% for six months ending in February 2022 and 50% for the following six months to August 2022.

## FINANCIAL HIGHLIGHTS

	2021 \$'000	2020 \$'000	CHANGE %
Commonwealth Government grants	438,250	426,548	2.7
Other operating revenue	124,604	121,591	2.5
Finance income	3,050	7,066	(56.8)
Salary cash expenses	(340,478)	(338,180)	0.7
Non-salary cash expenses	(131,819)	(133,117)	(1.7)
Non-cash expenses (depreciation, amortisation and provisions)	(47,292)	(52,534)	(10)
<b>Net result for the period</b>	<b>47,315</b>	<b>31,374</b>	<b>50.8</b>
Working capital	127,662	83,400	53.1
Working capital adjusted for employee benefits classified as current but due to be settled in greater than 12 months	157,971	112,882	39.9

### ENVIRONMENTAL REGULATION

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

### MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

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

### DIRECTORS' INTERESTS AND BENEFITS

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

### INDEMNIFICATION OF DIRECTORS AND OFFICERS

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

### DIRECTORS AND OFFICERS LIABILITY COVER

During the year, the university paid insurance premiums of \$79,004 (2020: \$59,787) 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 28 and forms part of the director's report for the financial year ended 31 December 2021.

### 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.

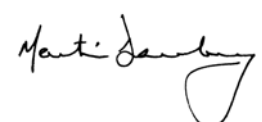
### ROUNDING OFF

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.

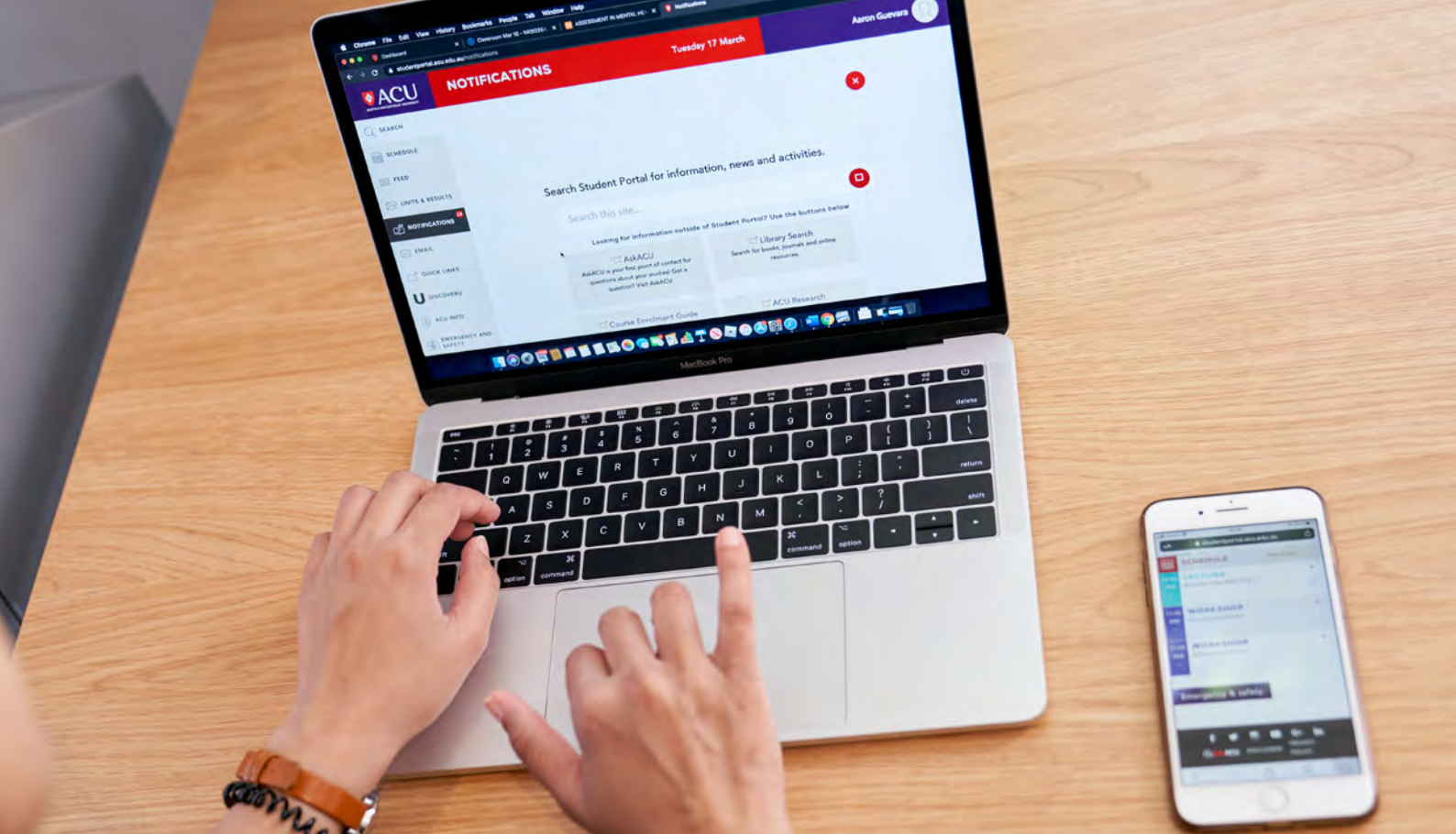
Signed in accordance with a resolution of the directors and in accordance with subsection 60.15(2) of the Australian Charities and Not-for-profits Commission Regulation 2013:



**Professor Zlatko Skrbis**  
Director  
7 April 2022, Sydney



**The Honourable Martin Daubney**  
AM QC  
Director  
7 April 2022, 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 2021, 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

Stephen Isaac  
Partner

Sydney  
7 April 2022

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# Income statement

For the year ended 31 December 2021

	NOTE	2021 \$'000	2020 \$'000
<b>Revenue from continuing operations</b>			
Commonwealth Government financial assistance excluding HECS-HELP	2.1	288,926	245,087
Higher Education Contribution Scheme (HECS-HELP)			
Student contributions	24.2	9,307	9,552
Commonwealth payments	2.1, 24.2	121,777	150,574
FEE-HELP	2.1	12,030	13,057
SA-HELP	2.1	5,159	6,343
VET-HELP	2.1	1,051	1,935
State and local government financial assistance	2.2	6,654	3,465
Fees and charges	2.3	93,895	96,063
Consultancy and contract research	2.5	3,714	4,711
Other revenue	2.6	20,341	17,352
<b>Total revenue from continuing operations</b>		<b>562,854</b>	<b>548,139</b>
<b>Expenses from continuing operations</b>			
Employee benefits	3.1	346,029	347,490
Depreciation and amortisation	3.2	41,741	43,224
Repairs and maintenance	3.3	11,914	11,749
Computer software and services	3.4	15,521	16,666
Consultancy	3.5	12,167	10,855
Minor equipment	3.6	8,633	5,629
Offshore administration		4,967	8,723
Rent		4,126	2,510
Travel	3.7	2,362	2,934
Other	3.8	59,877	63,886
<b>Total expenses from continuing operations</b>		<b>507,337</b>	<b>513,666</b>
<b>Net result from continuing operations</b>		<b>55,517</b>	<b>34,473</b>
<b>Finance income and expense</b>			
Finance income	2.4	3,050	7,066
Finance expense	4	(11,252)	(10,165)
<b>Total finance income and expense</b>		<b>(8,202)</b>	<b>(3,099)</b>
<b>Net result before income tax</b>		<b>47,315</b>	<b>31,374</b>
Income tax	1(c)	-	-
<b>Net result for the period</b>	<b>17</b>	<b>47,315</b>	<b>31,374</b>

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 2021

	NOTE	2021 \$'000	2020 \$'000
<b>Net result for the period</b>		<b>47,315</b>	<b>31,374</b>
Other comprehensive income			
<i>Items that will not be reclassified to profit and loss</i>			
Superannuation – deferred government contributions		(1,438)	519
Deferred superannuation expense		1,438	(519)
<i>Items that may be reclassified subsequently to profit and loss</i>			
Gain on revaluation of land and buildings	10	30,618	-
Gain on financial assets	16	41,812	12,694
<b>Other comprehensive income for the period</b>		<b>72,430</b>	<b>12,694</b>
<b>Total comprehensive income</b>		<b>117,745</b>	<b>44,068</b>
<b>Attributable to:</b>			
Members		119,745	44,068
<b>Total comprehensive income attributable to members</b>		<b>119,745</b>	<b>44,068</b>

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 2021

	NOTE	2021 \$'000	2020 \$'000
<b>Current assets</b>			
Cash and cash equivalents	6	17,818	54,089
Trade and other receivables	7	27,596	6,684
Other investments	8	192,785	138,294
Other assets	9	18,305	17,629
<b>Total current assets</b>		<b>256,504</b>	<b>216,696</b>
<b>Non-current assets</b>			
Other investments	8	73,571	62,944
Property, plant and equipment	10	955,840	885,015
Intangible assets	11	38,460	38,996
Other assets	9	23,495	24,989
<b>Total non-current assets</b>		<b>1,091,366</b>	<b>1,011,944</b>
<b>Total assets</b>		<b>1,347,870</b>	<b>1,228,640</b>
<b>Current liabilities</b>			
Trade and other payables	12	31,739	40,390
Employee benefits	13	53,229	51,528
Borrowings	14	13,424	11,986
Other	15	30,450	29,392
<b>Total current liabilities</b>		<b>128,842</b>	<b>133,296</b>
<b>Non-current liabilities</b>			
Employee benefits	13	25,635	27,707
Borrowings	14	318,155	312,169
Other	15	5,634	5,609
<b>Total non-current liabilities</b>		<b>349,424</b>	<b>345,485</b>
<b>Total liabilities</b>		<b>478,266</b>	<b>478,781</b>
<b>Net assets</b>		<b>869,604</b>	<b>749,859</b>
<b>Equity</b>			
Reserves	16	869,604	749,859
Retained earnings	17	-	-
<b>Total equity</b>		<b>869,604</b>	<b>749,859</b>

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 2021

	NOTE	GENERAL RESERVE \$'000	ASSET REVALUATION RESERVE \$'000	FINANCIAL ASSETS REVALUATION RESERVE \$'000	CONTRIBUTION FROM MEMBERS \$'000	TOTAL EQUITY \$'000
<b>2021</b>						
<b>Balance at 1 January 2021</b>		<b>515,594</b>	<b>115,756</b>	<b>61,551</b>	<b>56,958</b>	<b>749,859</b>
<b>Comprehensive income for the period</b>						
Net result for the period	17	47,315	-	-	-	<b>47,315</b>
Total other comprehensive income for the period		-	30,618	41,812	-	<b>72,430</b>
Transfer from asset revaluation reserve		86,091	(3,265)	(82,826)	-	-
<b>Total comprehensive income for the period</b>		<b>133,406</b>	<b>27,353</b>	<b>(41,014)</b>	-	<b>119,745</b>
Contribution from members	16	-	-	-	-	-
<b>Balance at 31 December 2021</b>		<b>649,000</b>	<b>143,109</b>	<b>20,537</b>	<b>56,958</b>	<b>869,604</b>
<b>2020</b>						
<b>Adjusted balance at 1 January 2020</b>		<b>484,220</b>	<b>115,756</b>	<b>48,857</b>	<b>56,958</b>	<b>705,791</b>
<b>Comprehensive income for the period</b>						
Net result for the period	17	31,374	-	-	-	<b>31,374</b>
Total other comprehensive income for the period		-	-	12,694	-	<b>12,694</b>
<b>Total comprehensive income for the period</b>		<b>31,374</b>	-	<b>12,694</b>	-	<b>44,068</b>
Contribution from members	16	-	-	-	-	-
<b>Balance at 31 December 2020</b>		<b>515,594</b>	<b>115,756</b>	<b>61,551</b>	<b>56,958</b>	<b>749,859</b>

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 2021

	NOTE	2021 \$'000	2020 \$'000
<b>Cash flows from operating activities</b>			
Grant revenue			
Commonwealth Government		305,994	267,634
State Government		9,074	3,465
Higher Education Contribution Scheme			
Student payments		9,307	9,552
Commonwealth payments		125,953	149,660
Other inflows		90,557	117,902
<b>Cash receipts in the course of operations</b>		<b>540,885</b>	<b>548,213</b>
Cash payments in the course of operations		(451,299)	(447,955)
Interest received		2,613	7,190
Interest and other costs of finance		(11,391)	(10,386)
<b>Net cash from operating activities</b>	<b>23(ii)</b>	<b>80,808</b>	<b>97,062</b>
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment		(85,795)	(69,955)
Proceeds from sale of non-current assets		6,600	40
Proceeds from/(payments for investments)		(23,307)	(60,364)
<b>Net cash used in investing activities</b>		<b>(102,502)</b>	<b>(130,279)</b>
<b>Cash flows from financing activities</b>			
Proceeds from borrowings		-	50,000
Repayment of borrowings		-	-
Lease payments		(14,577)	(12,819)
<b>Net cash provided by financing activities</b>		<b>(14,577)</b>	<b>37,181</b>
<b>Net increase in cash held</b>		<b>(36,271)</b>	<b>3,964</b>
<b>Cash and cash equivalents at the beginning of the financial year</b>		<b>54,089</b>	<b>50,125</b>
<b>Cash and cash equivalents at the end of the financial year</b>	<b>23(i)</b>	<b>17,818</b>	<b>54,089</b>

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 2021

## 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 7 April 2022.

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 2021 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 7 April 2022.

#### Use of estimates and judgement

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

the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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

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

#### Functional and presentation currency

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

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

#### Historical cost convention

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

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

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

## **(B) REVENUE 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. The introduction of AASB 15 Revenue from Contracts with Customers in 2019, required expenses associated with revenue from contracts to be recognised 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 unconditional contract is signed.

## **Emerging cost superannuation supplementation from government**

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

## **(C) TAXATION**

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

The university is not subject to income tax or capital gains tax but may be liable for other taxes in accordance with Federal and State legislation.

## **(D) CASH AND CASH EQUIVALENTS**

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

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

## **(E) TRADE AND OTHER RECEIVABLES**

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.

## **(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 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 fair value through profit and loss (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; and
- 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; and
- 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 fair value in OCI. 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 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 cost of 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 set off 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 with a valuation undertaken on 31 December 2019.

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

AASB 16 introduced a single, on-balance sheet accounting model for lessees. As a result, 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. Lessor accounting remains similar to previous accounting policies.

#### 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 stand-alone 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-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 in 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 at 1 January 2021 of 1.54%, existing payments continued using the incremental borrowing rate of 2.75% for 2020 new or modified leases and 3.86% 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 ended 31 December 2021, the university recognised \$14.2m of depreciation charges and \$2.6m 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 when a sub lease exists, then the sub lease is classified as a finance 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; and
- 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; and
- 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 observable 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% or the period of the term of the agreement. Where a right of occupancy agreement exists and stipulates the time period, the asset including rights to occupy land is amortised over the period of the right. Indefinite life intangibles are tested annually for impairment.

## **(J) TRADE AND OTHER PAYABLES**

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

## **(K) BORROWINGS**

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

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

## **(L) EMPLOYEE BENEFITS**

### **Wages, salaries and sick leave**

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

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

### **Annual leave**

The liability for employee entitlements to annual leave represents the present value of the estimated future cash outflows to be made by the employer resulting from employees' services provided up to the balance date. The liability is calculated from a staff member's commencement date

allowing for the probability that the member will take accrued leave. Liabilities are discounted using rates attaching to 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 Commonwealth 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 Commonwealth Government considers the current arrangements have established a pattern of past practice and future intent that has

created a valid expectation on the part of universities that the Department on behalf of the Commonwealth Government will discharge the superannuation liability.

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

## **(M) FUNDS HELD IN TRUST**

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

## **(N) GOODS AND SERVICES TAX**

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

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

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

**O) FAIR VALUE**

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

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices, adjusted for any movements in price of credit for that instrument, on the balance sheet date (Level 1). The quoted market price used for financial assets held is the current bid price; the appropriate quoted market price for financial liabilities is the current ask price.

The fair value of financial instruments that are not traded in an active market (for example, unlisted shares) is determined using valuation techniques with assumptions that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments (Level 2) are used for long-term debt instruments held. Other techniques that are not based on observable market data (Level 3) such as estimated discounted cash flows, are used to determine fair value for the remaining assets and liabilities.

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

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

**(P) NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED**

Certain new accounting standards and interpretations have been published that are not mandatory for the 31 December 2021 reporting period. The university has elected not to early adopt any of these standards. These include:

- COVID-19 – Related Rent Concessions (Amendment to IFRS 16)
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)
- Reference to Conceptual Framework (Amendments to IFRS 3)
- Classification of Liabilities as Current or Non-current (Amendments to IAS 1)
- IFRS 17 Insurance Contracts and amendments to IFRS 17 Insurance Contracts
- Onerous contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)
- Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)

**Other standards**

All other standards effective in 2021 have not had a material impact.

## 2. REVENUE

	NOTE	2021 \$'000	2020 \$'000
<b>2.1 Commonwealth Government financial assistance</b>			
<b>Commonwealth Grants Scheme and other grants</b>			
Commonwealth Grants Scheme	24.1	272,335	230,217
Indigenous Student Success Program	24.1	2,127	1,823
Disability Support Programs	24.1	131	68
Access and Participation Funding	24.1	2,823	2,951
Tertiary Access Payment	24.1	155	-
<b>Total Commonwealth Grants Scheme and other grants</b>		<b>277,571</b>	<b>235,059</b>
<b>DET-Research</b>			
Research Support Program	24.3	4,930	3,146
Research Training Program	24.3	3,969	3,934
<b>Total DET-Research</b>		<b>8,899</b>	<b>7,080</b>
<b>Total DET Excluding HELP (a)</b>		<b>286,470</b>	<b>242,139</b>
<b>Higher Education Loan Program (HELP)</b>			
HECS-HELP Commonwealth payments	24.2	121,777	150,574
FEE-HELP	24.2	12,030	13,057
FEE-HELP VET	24.2	1,051	1,935
SA-HELP	24.2	5,159	6,343
<b>Total Higher Education Loan Programs</b>		<b>140,017</b>	<b>171,909</b>
<b>Total DET including HELP</b>		<b>426,487</b>	<b>414,048</b>
<b>Australian Research Council</b>			
Discovery – Projects	24.4	848	1,474
Discovery Early Career Research Award	24.4	520	508
Discovery Indigenous	24.4	28	54
Future Fellowships	24.4	174	196
Linkage – Projects	24.4	471	495
<b>Total Australian Research Council (b)</b>		<b>2,041</b>	<b>2,727</b>
<b>Other Commonwealth Government financial assistance – non-capital</b>			
<b>DET</b>		415	221
<b>Total other Australian Government financial assistance (c)</b>		<b>415</b>	<b>221</b>
<b>Total Australian Government financial assistance</b>		<b>428,943</b>	<b>416,996</b>
<b>Total Australian Government financial assistance excluding HELP (a + b + c)</b>		<b>288,926</b>	<b>245,087</b>
<b>Commonwealth Government grants received – cash basis</b>			
OS-HELP (net)	24.5	-	2,257
Superannuation supplementation	24.6	1,084	1,399
<b>Total Australian Government funding received – cash basis</b>		<b>1,084</b>	<b>3,656</b>
<b>2.2 State and local government financial assistance</b>			
Victorian Government Department of Education Research Training Organisation Funding		3,909	3,316
Victorian Government Department of Jobs, Precincts, Region		437	-
Victorian Government Higher Education Support Infrastructure Fund		2,201	-
Qld Government Department of Education		57	149
NSW Government Office of Environment and Heritage		50	-
<b>Total state and local government financial assistance</b>		<b>6,654</b>	<b>3,465</b>

	NOTE	2021 \$'000	2020 \$'000
<b>2.3 Fees and charges</b>			
Fee-paying overseas students onshore		76,099	78,678
Fee-paying non-overseas postgraduate students		8,229	7,460
Other			
Non-overseas students undertaking non-award			
Courses		402	392
Rental charges		2,266	2,796
Charges for student accommodation		2,916	3,874
Registration fees		3,748	2,590
Library fees		-	10
Late fees		235	263
		<b>93,895</b>	<b>96,063</b>
<b>2.4 Finance income</b>			
Interest		1,389	2,616
Dividends		1,661	4,450
		<b>3,050</b>	<b>7,066</b>
<b>2.5 Consultancy and contract research</b>			
Consultancy fees		581	593
Industry research grants		3,133	4,118
		<b>3,714</b>	<b>4,711</b>
<b>2.6 Other revenue</b>			
Offshore programs		-	82
Other program income		3,328	7,252
Other grants – other		2,702	2,845
Donations and bequests		1,974	1,072
Profit on disposal of assets		2,479	1
Scholarships and prizes		151	303
Other income		9,707	5,797
		<b>20,341</b>	<b>17,352</b>

### 3. EXPENSES

	NOTE	2021 \$'000	2020 \$'000
<b>3.1 Employee benefits</b>			
<b>Academic</b>			
Salaries			
Academic		155,637	156,835
Contributions to superannuation and pension schemes			
Funded		21,660	21,702
Payroll tax		6,652	6,585
Workers compensation		511	411
Long service leave expense		2,110	3,006
Annual leave expense		627	891
		<b>187,197</b>	<b>189,430</b>
<b>Professional</b>			
Salaries			
Professional		128,162	125,656
Contributions to superannuation and pension schemes			
Funded		20,932	20,412
Payroll tax		6,429	6,193
Workers compensation		494	386
Long service leave expense		2,423	4,292
Annual leave expense		392	1,121
<b>Total employee related expenses</b>		<b>158,832</b>	<b>158,060</b>
		<b>346,029</b>	<b>347,490</b>

<b>3.2 Depreciation and amortisation</b>			
Depreciation of buildings – freehold		9,185	8,790
Amortisation of intangible rights to occupy buildings		536	1,001
Depreciation of improvements to intangible right to occupy buildings		9,928	12,174
Depreciation of leasehold property improvements		5,503	5,684
Depreciation of furniture and fittings		497	595
Depreciation of plant and equipment		1,918	1,965
Depreciation of motor vehicles		12	25
Right of use assets		14,162	12,990
		<b>41,741</b>	<b>43,224</b>

<b>3.3 Repairs and maintenance</b>			
Buildings		6,538	6,084
Computers		205	324
Equipment and machinery		3,823	2,909
Furniture and fittings		38	212
Grounds		1,310	2,220
		<b>11,914</b>	<b>11,749</b>

	NOTE	2021 \$'000	2020 \$'000
<b>3.4 Computer software and services</b>			
Software		1,773	1,990
Software maintenance		9,625	8,491
Cloud expenses		1,011	929
IT and communications consultancy		3,112	5,256
		<b>15,521</b>	<b>16,666</b>
<b>3.5 Consultancy</b>			
Property		3,780	1,608
Other		6,989	8,887
Research		1,398	360
		<b>12,167</b>	<b>10,855</b>
<b>3.6 Minor equipment</b>			
IT hardware		2,107	2,016
Other		6,526	3,613
		<b>8,633</b>	<b>5,629</b>
<b>3.7 Travel</b>			
Domestic		2,353	2,172
International		9	762
		<b>2,362</b>	<b>2,934</b>
<b>3.8 Other expenses</b>			
Admission expenses		1,727	1,293
Advertising, promotions, publicity, printing and stationery		8,155	9,210
Cleaning and waste collection		3,951	4,647
Conference expenses		200	139
Copyright fees		1,069	1,068
Hire of equipment and facilities		977	337
Insurance		2,116	1,580
Legal fees		557	834
Library acquisitions		8,184	8,615
Loss on disposal of assets		-	18
Meeting expenses		285	258
Minor equipment rental expenses		2,856	3,294
Photocopying		857	861
Publications, subscriptions and memberships		2,265	1,786
Scholarships and prizes		6,863	6,404
Security services		2,878	3,406
Staff development and appointment costs		1,720	1,806
Student grants		883	1,416
Telecommunications		1,980	2,516
Utilities		4,424	4,837
Other expenses		7,930	9,561
		<b>59,877</b>	<b>63,886</b>

#### 4. FINANCE EXPENSE

	NOTE	2021 \$'000	2020 \$'000
Make good on leased premises - unwind of discount on provision	15(a)	206	(285)
Leases		2,622	2,787
Interest expense		8,424	7,663
		<b>11,252</b>	<b>10,165</b>

#### 5. AUDITORS' REMUNERATION - KPMG

	NOTE	2021 \$	2020 \$
Audit of the university's financial statements		175,500	163,000
<b>Other audit and related services</b>			
Grant/Research Acquittal (Higher Education Research Data Collection, Indigenous Education Program, Australia Awards Scholarships)		27,200	26,000
<b>Other services</b>			
FairCall Service (whistleblower hotline)		16,944	3,200
FairCall Service training		-	80,000
Sustainability Bond assurance		-	13,973
Alumni Software Solution consultancy		6,080	73,000
Connected Enterprise Maturity Diagnostic		16,043	-
Commercial Centres Review		210,000	-
		<b>451,767</b>	<b>359,173</b>

#### 6. CASH AND CASH EQUIVALENTS

	NOTE	2021 \$'000	2020 \$'000
Cash at bank		17,818	54,089
		<b>17,818</b>	<b>54,089</b>

#### 7. TRADE AND OTHER RECEIVABLES

<b>Current</b>			
Sundry receivables		1,770	1,290
Accrued income		655	5,080
ATO EA/IDP imputation credit		25,013	-
Net GST receivable from ATO		-	314
Overseas student health care		158	-
		<b>27,596</b>	<b>6,684</b>

#### 8. OTHER INVESTMENTS

<b>Current</b>			
Term deposits		136,600	94,500
Managed investment funds		56,185	43,794
		<b>192,785</b>	<b>138,294</b>
<b>Non-current</b>			
<i>Investments in Other Entities</i>			
Shares in listed companies		63,059	1,910
Shares in other companies		10,244	60,756
Bonds-Burke Fund		268	278
		<b>73,571</b>	<b>62,944</b>

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	2021 \$'000	2020 \$'000
<b>Current</b>			
Prepayments		18,249	17,573
Lease paid in advance		56	56
		<b>18,305</b>	<b>17,629</b>
<b>Non-current</b>			
Right to reimbursement from Australian Government for unfunded superannuation liability	13	19,844	21,282
Lease paid in advance		3,651	3,707
		<b>23,495</b>	<b>24,989</b>

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	2021 \$'000	2020 \$'000
<b>Land – freehold</b>			
At independent valuation		-	-
At directors' valuation		177,792	169,438
	10(a)	<b>177,792</b>	<b>169,438</b>
<b>Buildings – freehold</b>			
At independent valuation		-	-
At directors' valuation		317,914	303,198
Accumulated depreciation		(7,135)	(8,790)
	10(a)	<b>310,779</b>	<b>294,408</b>
<b>Improvements to intangible right to occupy buildings</b>			
At cost		336,511	332,592
Accumulated amortisation		(104,143)	(94,215)
	10(a)	<b>232,368</b>	<b>238,377</b>
<b>Leasehold improvements</b>			
At cost		68,711	62,747
Accumulated depreciation		(45,481)	(40,266)
	10(a)	<b>23,230</b>	<b>22,482</b>
<b>Furniture and fittings</b>			
At cost		16,886	16,787
Accumulated depreciation		(16,673)	(16,283)
	10(a)	<b>213</b>	<b>504</b>
<b>Plant and equipment</b>			
At cost		51,362	50,966
Accumulated depreciation		(47,559)	(48,761)
	10(a)	<b>3,803</b>	<b>2,205</b>
<b>Motor vehicles</b>			
At cost		321	321
Accumulated depreciation		(291)	(279)
	10(a)	<b>30</b>	<b>42</b>
<b>Works of art</b>			
At cost		3,597	3,535
	10(a)	<b>3,597</b>	<b>3,535</b>
<b>Work in progress</b>			
At cost		133,823	89,614
	10(a)	133,823	89,614
<b>Right of use assets</b>			
At cost		108,416	90,375
Accumulated depreciation		(38,213)	(25,965)
	10(b)	70,203	64,410
<b>Total property, plant and equipment</b>		<b>955,840</b>	<b>885,015</b>



## 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 2019.

#### (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
<b>2021</b>					
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)	-	-
<b>Closing balance</b>	<b>177,792</b>	<b>310,779</b>	<b>488,571</b>	<b>232,368</b>	<b>23,230</b>
<b>2020</b>					
Opening balance	169,438	290,527	459,965	252,929	17,899
Additions	-	6,497	6,497	3,796	9,478
Transfer	-	6,174	6,174	(6,174)	789
Depreciation	-	(8,790)	(8,790)	(12,174)	(5,684)
Disposals	-	-	-	-	-
<b>Closing balance</b>	<b>169,438</b>	<b>294,408</b>	<b>463,846</b>	<b>238,377</b>	<b>22,482</b>



FURNITURE AND FITTINGS	PLANT AND EQUIPMENT	MOTOR VEHICLES	WORKS OF ART	WORK IN PROGRESS	TOTAL
504	2,205	42	3,535	89,614	<b>820,605</b>
206	3,516	-	62	46,635	<b>68,001</b>
-	-	-	-	-	<b>30,618</b>
-	-	-	-	(2,426)	(2,426)
(497)	(1,918)	(12)	-	-	<b>(27,043)</b>
-	-	-	-	-	<b>(4,120)</b>
<b>213</b>	<b>3,803</b>	<b>30</b>	<b>3,597</b>	<b>133,823</b>	<b>885,635</b>
1,058	3,440	130	3,244	48,204	<b>786,869</b>
41	730	-	307	42,199	<b>63,048</b>
-	-	-	-	(789)	-
(595)	(1,965)	(25)	-	-	<b>(29,233)</b>
-	-	(63)	(16)	-	<b>(79)</b>
<b>504</b>	<b>2,205</b>	<b>42</b>	<b>3,535</b>	<b>89,614</b>	<b>820,605</b>

**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
<b>2021</b>				
Opening balance	63,430	724	256	<b>64,410</b>
Additions, modifications and remeasurements	19,926	15	14	<b>19,955</b>
Depreciation	(13,733)	(331)	(98)	<b>(14,162)</b>
Closing balance	69,623	408	172	<b>70,203</b>
<b>2020</b>				
Opening balance	66,353	1,072	205	<b>67,630</b>
Additions, modifications and remeasurements	9,613	36	121	<b>9,770</b>
Depreciation	(12,536)	(384)	(70)	<b>(12,990)</b>
Disposals	-	-	-	-
Closing balance	63,430	724	256	<b>64,410</b>

**11. INTANGIBLE ASSETS**

	INTANGIBLE RIGHT TO OCCUPY LAND \$'000	INTANGIBLE RIGHT TO OCCUPY BUILDINGS \$'000	TOTAL \$'000
<b>2021</b>			
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)
<b>Carrying amount at 31 December 2021</b>	<b>35,942</b>	<b>2,518</b>	<b>38,460</b>
<b>2020</b>			
Cost	40,411	19,518	59,929
Accumulated amortisation			
Opening balance	(4,469)	(19,033)	(23,502)
Amortisation *	-	(1,001)	(1,001)
Write back on reclass **	-	3,570	3,570
Closing balance	(4,469)	(16,464)	(20,933)
<b>Carrying amount at 31 December 2020</b>	<b>35,942</b>	<b>3,054</b>	<b>38,996</b>

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. The Canberra Campus (Signadou) was purchased during 2020 and is now classified as Freehold. \*Included in Amortisation is \$465K, to fully amortise the intangible right to occupy buildings at purchase date. \*\*The writeback amount represents the accumulated amortisation being written back at purchase date

**12. TRADE AND OTHER PAYABLES**

	NOTE	2021 \$'000	2020 \$'000
Accrued expenses – other		7,378	8,000
Accrued expenses – payroll		16,902	17,596
Accrued expenses – placements		4,973	6,104
Accrued expenses – capital		-	5,581
Sundry creditors		2,486	3,109
		<b>31,739</b>	<b>40,390</b>

### 13. EMPLOYEE BENEFITS

	NOTE	2021 \$'000	2020 \$'000
<b>Current</b>			
<i>Expected to be settled within 12 months</i>			
Provision for annual leave		15,643	14,930
Provision for long service leave		7,277	7,116
		<b>22,920</b>	<b>22,046</b>
<i>Expected to be settled after 12 months</i>			
Provision for annual leave		6,705	6,399
Provision for long service leave		23,604	23,083
		<b>30,309</b>	<b>29,482</b>
Total current provisions		<b>53,229</b>	<b>51,528</b>
<b>Non-current</b>			
Provision for long service leave		5,791	6,425
Provision for defined benefits		19,844	21,282
		<b>25,635</b>	<b>27,707</b>

#### LONG SERVICE LEAVE

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

#### SUPERANNUATION

The university contributes to the following employee superannuation funds:

##### Fully funded schemes

- UniSuper
- Catholic Superannuation Fund
- Australian Catholic Superannuation and Retirement Fund
- Australian Super
- Aware Super
- Christian Super
- HESTA
- NGS Super
- QSuper
- Vic Super

##### Partly funded or emerging cost schemes

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

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

The latest actuarial investigation of the Emergency Services and State Superannuation Scheme was conducted at 31 December 2021 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 be \$19,844,000 as at 31 December 2021 (\$21,282,000 as at 31 December 2020).

An arrangement exists between the Commonwealth Government and the Victorian State Government

to meet the unfunded liability for the beneficiaries of the State Superannuation Scheme on an emerging cost basis. This arrangement is evidenced by the *State Grants (General Revenue) Amendment Act 1987, Higher Education Support Act 2003* and subsequent amending legislation. By letter dated 15 December 2005, the Department of Education, Science and Training (DEST) (now Department of Education and Training) confirmed that the Commonwealth 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 Commonwealth 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 2021 of \$1,084,138 (2020: \$1,398,897) 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	2021 \$'000	2020 \$'000
<b>Net liability</b>			
Fair value of plan assets		9	9
Accrued benefit liability		(19,853)	(21,291)
Net liability before contributions tax		(19,844)	(21,282)
Tax liability on future contributions		-	-
<b>Net liability</b>		<b>(19,844)</b>	<b>(21,282)</b>
<b>Actuarial assumptions</b>			
Discount rate		1.9%	1.1%
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 SSF fund 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, of which \$100m was used to repay in full NAB loan facilities. The remainder is being used for continuing planned infrastructure works.

In November 2020, the university raised \$50m through a bond issue. These funds will be largely used to complete the Saint Teresa of Kolkata building in Melbourne due for completion in quarter 3 2022.

The average interest rate of borrowing is 3.10% for the year ended 31 December 2021 (3.48% 2020).

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

	NOTE	2021 \$'000	2020 \$'000
<b>Current</b>			
<b>Unsecured</b>			
Lease liabilities		13,424	11,986
<b>Total current unsecured borrowings</b>		<b>13,424</b>	<b>11,986</b>
<b>Non-current</b>			
<b>Unsecured</b>			
Bond		50,000	50,000
Sustainability Bond		199,547	199,481
Lease liabilities		68,608	62,688
<b>Total non-current unsecured borrowings</b>		<b>318,155</b>	<b>312,169</b>
<b>Total unsecured borrowings</b>		<b>331,579</b>	<b>324,155</b>
<b>a) Financing arrangements</b>			
Unrestricted access was available at balance date to the following lines of credit:			
<b>Bank loan facilities</b>			
<b>Total facilities</b>			
Bond		50,000	50,000
Sustainability Bond		200,000	200,000
<b>Used at balance date</b>			
Bond		50,000	50,000
Sustainability Bond		200,000	200,000
<b>Unused at balance date</b>		<b>-</b>	<b>-</b>

## 15. OTHER LIABILITIES

	NOTE	2021 \$'000	2020 \$'000
<b>Current</b>			
Grants received in advance		15,395	12,441
Fees received in advance		7,430	8,184
Other income received in advance		3,363	3,515
<b>Sub-total deferred revenue</b>		<b>26,188</b>	<b>24,140</b>
Funds held in trust		1,321	2,283
Net GST Payable		291	-
OS HELP payable		2,492	2,492
Bonds – student residences		158	219
Overseas student health care		-	258
		<b>30,450</b>	<b>29,392</b>
<b>Non-current</b>			
Leasehold make good provision	15 (a)	5,634	5,609
		<b>5,634</b>	<b>5,609</b>
<b>(a) Reconciliation</b>			
<b>Leasehold make good provision</b>			
Balance at beginning of financial year		5,609	5,946
Provisions made during the year		331	830
Provisions reversed during the year		(100)	(882)
Unwind/adjust discount	4	(206)	(285)
<b>Balance at end of financial year</b>		<b>5,634</b>	<b>5,609</b>

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	2021 \$'000	2020 \$'000
<b>General reserve</b>			
Adjusted balance at beginning of financial year		515,594	484,220
Add: Net result for the period	17	47,315	31,374
Add: Transfer from asset revaluation reserve		86,091	-
<b>Balance at end of financial year</b>		<b>649,000</b>	<b>515,594</b>
<b>Asset revaluation reserve</b>			
Balance at beginning of financial year		115,756	115,756
Add/(subtract): increment/(decrement)		30,618	-
Transfer to general reserve		(3,265)	-
<b>Balance at end of financial year</b>		<b>143,109</b>	<b>115,756</b>
<b>Financial assets revaluation reserve</b>			
Balance at beginning of financial year		61,551	48,857
Add/(subtract): Revaluation increment		-	-
Shares revaluation reserve		41,812	12,694
Transfer to general reserve		(82,826)	-
<b>Balance at end of financial year</b>		<b>20,537</b>	<b>61,551</b>
<b>Contribution from members</b>			
Balance at beginning of financial year		56,958	56,958
<b>Balance at end of financial year</b>		<b>56,958</b>	<b>56,958</b>
<b>Total reserves</b>		<b>869,604</b>	<b>749,859</b>

**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	2021 \$'000	2020 \$'000
Retained earnings at beginning of year		-	-
Net result		47,315	31,374
Transfer to general reserve	16	(47,315)	(31,374)
<b>Retained earnings at the end of the year</b>		-	-

**18. COMMITMENTS**

	NOTE	2021 \$'000	2021 \$'000
<b>(a) Capital expenditure commitments</b>			
Capital expenditure commitments not provided for in the financial statements and payable:			
Within one year		153,311	112,043
One year or later and no later than five years		-	60,476
		<b>153,311</b>	<b>172,519</b>
<b>(b) Non-cancellable operating lease expense commitments</b>			
Future operating lease commitments of premises, plant and equipment, not provided for in the financial statements and payable:			
Within one year		443	301
One year or later and no later than five years		3,318	3,539
Total undiscounted contractual cash flows		3,761	3,840
Lease liabilities recognised in the balance sheet		82,032	74,674
		<b>85,793</b>	<b>78,514</b>

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:

	2021 NUMBER	2020 NUMBER
Nil	3	11
\$10,000 - \$19,999	4	1
\$20,000 - \$29,999	2	-
\$30,000 - \$39,999	2	-
\$70,000 - \$79,999	-	1
\$110,000 - \$119,999	1	2
\$140,000 - \$149,999	1	2
\$150,000 - \$159,999	1	-
\$170,000 - \$179,999	-	1
\$180,000 - \$189,999	1	-
\$290,000 - \$299,999	-	1
\$330,000 - \$339,999	1	-
\$470,000 - \$479,999	-	1
\$840,000 - \$849,999	1	-
\$1,080,000 - \$1,089,999	1	-
\$1,340,000 - \$1,349,999	-	1
	<b>2021 \$</b>	<b>2020 \$</b>
Total compensation paid, or payable or otherwise made available to all directors of the university from the university or any related party.	3,030,744	2,908,221

### 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:

	2021 NUMBER	2020 NUMBER
\$440,000 - \$449,999	-	*1
\$470,000 - \$479,999	1	-
\$490,000 - \$499,999	*1	-
\$500,000 - \$509,999	-	1
\$590,000 - \$599,999	1	-
\$610,000 - \$619,999	1	-
\$700,000 - \$709,999	-	1
\$710,000 - \$719,999	-	1
\$780,000 - \$789,999	-	1
\$840,000 - \$849,999	1	-
\$880,000 - \$889,999	1	-
\$920,000 - \$929,999	1	-
\$1,030,000 - \$1,039,999	-	1
\$1,080,000 - \$1,089,999	1	-
\$1,340,000 - \$1,349,999	-	1

\* Stipend paid to religious congregation

	2021 \$	2020 \$
Total compensation paid, or payable or otherwise made available to all executive officers of the university from the university or any related party	5,927,642	5,540,509
Short-term employee benefits	-	-
Post-employment benefits	438,807	517,273
<b>Compensation excluding post-employment benefits</b>	<b>5,488,835</b>	<b>5,023,236</b>

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:

Professor G.J. Craven AO GCSG, The Hon. J. Douglas, Mr S.N. Elder OAM GCSG, Most Reverend A. Fisher OP, Mr R. Fox, Assoc. Professor E. Froude, Ms E. Ginis, Mr G. Goodwin-Moore, Mr T. Kirk, Professor T. McKenry, Mr K. Morris AO, Dr J. Norris, Mr J. O'Connell AO, The Hon. B. Perry, Dr J. Ryan, Ms A. Schmiede, Professor Z. Skrbis, Ms B.M. T. Steele.

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

Total amounts transacted with related parties are as follows:

	2021 \$'000	2020 \$'000
<b>Income statement</b>		
<b>Income</b>		
Catholic Archdiocese of Brisbane	250	200
Catholic Archdiocese of Sydney	-	5
Catholic Archdiocese of Melbourne	6	1,012
Catholic Archdiocese of Canberra and Goulburn	4	-
	<b>260</b>	<b>1,217</b>
<b>Expenditure</b>		
Catholic Archdiocese of Brisbane	14	51
Catholic Archdiocese of Canberra and Goulburn	-	17
Catholic Archdiocese of Melbourne	3,791	1,701
Catholic Archdiocese of Sydney	33	9
Catholic Diocese of Ballarat	1	1
Mr J. O'Connell	33	78
	<b>3,872</b>	<b>1,857</b>
<b>Balance Sheet</b>		
<b>Asset</b>		
Catholic Archdiocese of Canberra and Goulburn*	-	2,400
	-	<b>2,400</b>

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

\* Purchase of the Canberra Campus (Signadou).

## 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 the funds will be largely used to complete the Saint Teresa of Kolkata Building in Melbourne due for completion in July 2022.

#### Liquidity risk

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

	CARRYING AMOUNT \$'000	6 MONTHS OR LESS \$'000	6 TO 12 MONTHS \$'000	1 TO 2 YEARS \$'000	2 TO 5 YEARS \$'000	MORE THAN 5 YEARS \$'000	TOTAL CONTRACTUAL AMOUNT \$'000
<b>2021</b>							
<b>Financial liabilities</b>							
Trade and other receivables	31,739	31,739	-	-	-	-	<b>31,739</b>
Loans	249,547	-	-	-	-	250,000	<b>250,000</b>
Leases	82,033	7,584	6,334	11,638	26,841	43,769	<b>95,896</b>
	<b>363,319</b>	<b>39,323</b>	<b>6,334</b>	<b>11,638</b>	<b>26,841</b>	<b>293,769</b>	<b>377,635</b>
<b>2020</b>							
<b>Financial liabilities</b>							
Trade and other payables	40,390	40,390	-	-	-	-	<b>40,390</b>
Loans	249,481	-	-	-	-	250,000	<b>250,000</b>
Leases	74,674	6,576	6,305	11,042	23,722	38,698	<b>86,343</b>
	<b>364,545</b>	<b>49,966</b>	<b>6,305</b>	<b>11,042</b>	<b>23,722</b>	<b>288,698</b>	<b>376,733</b>

The average interest rate of borrowing is 3.10% for the year ended 31 December 2021 (3.38% 2020)

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

	NOTE	2021 \$'000	2020 \$'000
5-10 years			
Bond		50,000	50,000
Sustainability Bond		199,547	199,481
<b>Non-current borrowings</b>		<b>249,547</b>	<b>249,481</b>

The university does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss. A change in interest rates of 100 basis points throughout the period would have increased or decreased the university's equity by the order of \$404,851 (2020: \$1,714,813).

**FOREIGN EXCHANGE RISK**

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

**CREDIT RISK EXPOSURE**

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

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

ratings. Given their high credit ratings, management does not expect any counterparty to fail to meet its obligations.

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

	CARRYING AMOUNT	
	2021 \$'000	2020 \$'000
Cash	17,818	54,089
Trade and other receivables	2,583	6,684
ATO EA/IDP imputation credit	25,013	-
Other investments	266,356	201,238
<b>Total</b>	<b>311,770</b>	<b>262,011</b>
<b>Debtors ageing</b>		
Current	724	697
30 days	252	27
60 days	71	59
90 days	255	69
Greater than 90 days	468	438
<b>Total</b>	<b>1,770</b>	<b>1,290</b>

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

	2021		2020	
	CARRYING AMOUNT \$'000	FAIR VALUE \$'000	CARRYING AMOUNT \$'000	FAIR VALUE \$'000
<b>Financial assets</b>				
Cash	17,818	17,818	54,889	54,889
Trade and other receivables	27,596	27,596	6,684	6,684
Other investments	266,356	266,356	201,238	201,238
	<b>311,770</b>	<b>311,770</b>	<b>262,811</b>	<b>262,811</b>
<b>Financial liabilities</b>				
Trade and other payables	31,739	31,739	40,390	40,390
Loans	249,547	250,000	249,481	250,000
Leases	82,033	95,896	74,674	86,343
	<b>363,319</b>	<b>377,635</b>	<b>364,545</b>	<b>376,733</b>

### b) Level 3 fair values

	EQUITY SECURITIES AVAILABLE FOR SALE \$'000
Balance at 1 January 2020	45,861
Additions	-
Disposal	(1,246)
Net change in fair value in OCI	12,845
<b>Balance at 31 December 2020</b>	<b>57,460</b>
Balance at 1 January 2021	57,460
Additions	750
Disposal	(82,826)
Net change in fair value in OCI	34,860
<b>Balance at 31 December 2021</b>	<b>10,244</b>

### 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 2021 was 23 (2020: 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:

	2021 \$'000	2020 \$'000
Cash at bank	17,818	54,089
	<b>17,818</b>	<b>54,089</b>

## (II) RECONCILIATION OF NET RESULT AFTER INCOME

## Tax to net cash provided by operating activities

Net result after income tax	47,315	31,374
<i>Add/(less) items classified as investing/financing activities:</i>		
(Profit) on sale of non-current assets	(2,479)	10
Loss on sale of non-current assets	-	-
<i>Add/(less) non-cash items:</i>		
Depreciation and amortisation	41,741	43,224
Lease in advance	56	56
Unwind/adj discount on make good provision	(206)	(285)
Unwind bond discount	66	64
<i>Amounts set aside to (utilised from) provisions:</i>		
Employee entitlements	1,067	5,919
Make good of lease premises	231	(52)
<b>Net cash provided by operating activities before change in assets and liabilities</b>	<b>87,791</b>	<b>80,310</b>
<b>Change in assets and liabilities:</b>		
(Increase)/decrease in accrued income	(20,682)	(1,500)
(Increase)/decrease in sundry debtors	(481)	498
(Increase)/decrease in prepayments	(676)	1,764
(Increase)/decrease in right of use assets	(5,792)	3,220
(Increase)/decrease in other assets	94	148
Increase/(decrease) in operating lease liabilities	21,936	12,250
Increase/(decrease) in grants in advance	2,955	4,303
Increase/(decrease) in fees in advance	(755)	(4,760)
Increase/(decrease) in accrued expenses	(1,974)	3,085
Increase/(decrease) in sundry creditors	(623)	(3,532)
Increase/(decrease) in funds held in trust	(962)	5
Increase/(decrease) in bonds – university residences	(61)	(101)
Increase/(decrease) in overseas student health care	(416)	(450)
Increase/(decrease) in other income in advance	(152)	2,823
Increase/(decrease) in net GST	606	(1,001)
Increase/(decrease) in lease liabilities	-	-
<b>Net cash provided by operating activities</b>	<b>80,808</b>	<b>97,062</b>

## 24. ACQUITTAL OF COMMONWEALTH FINANCIAL ASSISTANCE

### 24.1 COMMONWEALTH GRANTS SCHEME AND OTHER GRANTS

	NOTE	COMMONWEALTH GRANTS SCHEME		INDIGENOUS STUDENT SUCCESS PROGRAM		DISABILITY SUPPORT PROGRAMS		ACCESS AND PARTICIPATION FUNDING		TERTIARY ACCESS PAYMENT	
		2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Financial assistance received in cash during the reporting period (total cash received from the Commonwealth Government for the programs)		270,416	232,732	2,009	2,057	131	68	3,004	3,176	396	-
Net accrual adjustments		1,919	(2,515)	118	(234)	-	-	(181)	(225)	(241)	-
<b>Revenue for the period</b>	<b>2.1</b>	<b>272,335</b>	<b>230,217</b>	<b>2,127</b>	<b>1,823</b>	<b>131</b>	<b>68</b>	<b>2,823</b>	<b>2,951</b>	<b>155</b>	<b>-</b>
Surplus/(deficit) from the previous year		-	-	-	-	-	-	-	-	-	-
<b>Funds available for reporting period</b>		<b>272,335</b>	<b>230,217</b>	<b>2,127</b>	<b>1,823</b>	<b>131</b>	<b>68</b>	<b>2,823</b>	<b>2,951</b>	<b>155</b>	<b>-</b>
Less expenses including accrued expenses		(272,335)	(230,217)	(2,127)	(1,823)	(131)	(68)	(2,823)	(2,951)	(155)	-
<b>Surplus/(deficit) for reporting period</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

### 24.2 HIGHER EDUCATION LOAN PROGRAMS (HELP)

	HECS HELP		FEE HELP		FEE HELP VET		SA HELP	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Financial assistance received in cash during the reporting period (total cash received from the Commonwealth Government for the programs)	125,563	149,660	12,773	11,147	1,051	1,935	5,246	5,859
Plus contributions actually received from students	9,307	9,552	-	-	-	-	-	-
Total received	134,870	159,212	12,773	11,147	1,051	1,935	5,246	5,859
Net accrual adjustments	(3,787)	914	(743)	1,910	-	-	(87)	484
<b>Revenue for the period</b>	<b>131,083</b>	<b>160,126</b>	<b>12,030</b>	<b>13,057</b>	<b>1,051</b>	<b>1,935</b>	<b>5,159</b>	<b>6,343</b>
Surplus/(deficit) from the previous year	-	-	-	-	-	-	-	-
<b>Funds available for reporting period</b>	<b>131,083</b>	<b>160,126</b>	<b>12,030</b>	<b>13,057</b>	<b>1,051</b>	<b>1,935</b>	<b>5,159</b>	<b>6,343</b>
Less expenses including accrued expenses	(131,083)	(160,126)	(12,030)	(13,057)	(1,051)	(1,935)	(5,159)	(6,343)
<b>Surplus/(deficit) for reporting period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## 24.3 COMMONWEALTH RESEARCH FINANCIAL ASSISTANCE

	NOTE	RESEARCH SUPPORT PROGRAM		RESEARCH TRAINING PROGRAM	
		2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Financial assistance received in cash during the reporting period (total cash received from the Commonwealth Government for the programs)		4,930	3,146	3,969	3,934
Net accrual adjustments		-	-	-	-
<b>Revenue for the period</b>	<b>2.1</b>	<b>4,930</b>	<b>3,146</b>	<b>3,969</b>	<b>3,934</b>
Surplus/(deficit) from the previous year		-	-	-	-
<b>Funds available for reporting period</b>		<b>4,930</b>	<b>3,146</b>	<b>3,969</b>	<b>3,934</b>
Less expenses including accrued expenses		(4,930)	(3,146)	(3,969)	(3,934)
<b>Surplus/(deficit) for reporting period</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Note: Reported surpluses for RSP and RTP are expected to be rolled over.

## 24.4 AUSTRALIAN RESEARCH COUNCIL

	NOTE	DISCOVERY PROJECTS		DISCOVERY EARLY CAREER RESEARCH AWARD		DISCOVERY INDIGENOUS		FELLOWSHIPS		LINKAGE - PROJECTS (INCLUDING STRATEGIC PARTNERSHIPS WITH INDUSTRY AND APAI)	
		2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Financial assistance received in cash during the reporting period (total cash received from the Commonwealth Government for the programs)		1,408	1,513	675	874	298	-	257	257	494	627
Net accrual adjustments		(561)	(39)	(155)	(366)	(270)	54	(83)	(61)	(23)	(132)
<b>Revenue for the period</b>	<b>2.1</b>	<b>848</b>	<b>1,474</b>	<b>520</b>	<b>508</b>	<b>28</b>	<b>54</b>	<b>174</b>	<b>196</b>	<b>471</b>	<b>495</b>
Surplus/(deficit) from the previous year		-	-	-	-	-	-	-	-	-	-
<b>Funds available for reporting period</b>		<b>848</b>	<b>1,474</b>	<b>520</b>	<b>508</b>	<b>28</b>	<b>54</b>	<b>174</b>	<b>196</b>	<b>471</b>	<b>495</b>
Less expenses including accrued expenses		(848)	(1,474)	(520)	(508)	(28)	(54)	(174)	(196)	(471)	(495)
<b>Surplus/(deficit) for reporting period</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



#### 24.5 OS-HELP

	NOTE	2021 \$'000	2020 \$'000
Financial assistance received in cash during the reporting period (total cash received from the Commonwealth Government for the programs)		-	2,444
Cash spent during the reporting period		-	(186)
<b>Net cash received</b>	<b>2.1</b>	<b>-</b>	<b>2,258</b>
Cash surplus/(deficit) from the previous period		2,493	235
<b>Cash surplus/(deficit) for reporting period</b>	<b>15</b>	<b>2,493</b>	<b>2,493</b>

#### 24.6 SUPERANNUATION SUPPLEMENTATION

	NOTE	2021 \$'000	2020 \$'000
Financial assistance received in cash during the reporting period (total cash received from the Commonwealth Government for the programs)	2.1	1,084	1,399
Cash spent during the reporting period		(1,312)	(1,255)
<b>Net cash received</b>		<b>(228)</b>	<b>144</b>
Cash surplus/(deficit) from the previous period		117	(27)
<b>Cash surplus/(deficit) for reporting period</b>		<b>(111)</b>	<b>117</b>

#### 24.7 STUDENT SERVICES AND AMENITIES FEE

	NOTE	2021 \$'000	2020 \$'000
Unspent/(overspent) revenue from previous period		-	-
SA HELP revenue earned		5,645	5,709
Student service fees direct from students		2,746	2,505
<b>Total revenue expendable in period</b>		<b>8,391</b>	<b>8,214</b>
Student services expenses during the period		(8,391)	(8,214)
<b>Unspent/(overspent) student services revenue</b>		<b>-</b>	<b>-</b>

# Directors' Declaration

1. In the opinion of the directors of Australian Catholic University Limited:
- (a) the financial statements and notes, as set out on pages 29 to 63:
    - (i) give a true and fair view of the financial position of the university as at 31 December 2021 and of its performance, as represented by the results of its operations and its cash flows, for the financial year ended on that date; and
    - (ii) comply with Australian Accounting Standards and the Corporation Regulations 2001; and
  - (b) there are reasonable grounds to believe that the university will be able to pay its debts as and when they become due and payable; and
  - (c) the amount of Commonwealth grants expended during the reporting period was for the purposes for which it was granted
  - (d) the financial statements and notes satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*
  - (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.

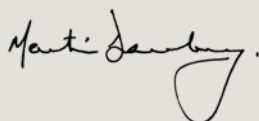
In addition, we are not aware at the date of signing these statements of any circumstances which would render any particulars included in the statements to be misleading or inaccurate.

Dated at Sydney this 7th day of April 2022.

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 QC  
Director



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

## REPORT ON THE FINANCIAL STATEMENTS

### OPINION

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

In our opinion, the accompanying Financial 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 2021, and of its financial performance and its cash flows for the year ended on that date; and
- ii) complying with Australian Accounting Standards, the Australian Charities and Not-for-profits Commission Regulation 2013 (ACNCR).

The Financial Statements comprises:

- balance sheet as at 31 December 2021;
- 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; and
- 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 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the Financial Report 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.

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 are free from material misstatement, whether due to fraud or error
- Assessing the university's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the university or to cease operations, or have no realistic alternative but to do so.

### AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objective is:

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

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

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

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

KPMG

Stephen Isaac  
Partner  
Sydney  
7 April 2022

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

**St. Mary MacKillop**



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