

A group of students in a meeting. A young man in a blue ACU polo shirt is speaking to a group. A woman in the background is looking at a laptop. The scene is set in a bright, modern classroom or meeting room.

**Where
innovation**

A group of students in an art studio. They are working on clay sculptures. One student is using a tool to shape a clay head. There are various art supplies on the table, including brushes and a container of clay.

**finds
imagination.**

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

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

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

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

LETTER OF TRANSMITTAL

May 2021

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 2020.

The *Annual Report* was approved by the Australian Catholic University Senate on 22 April 2021.

Yours sincerely



Mr Julien O'Connell AO
Acting Chancellor





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Message from the Acting Chancellor



It is with great pride that I present ACU's 2020 Annual Report on behalf of the university Senate. This report reviews key developments and operations of the university throughout the year.

ACU has demonstrated resourcefulness and resilience in the face of natural disasters and a global pandemic. The year offered a vigorous set of challenges: physical, financial, educational and personal, which the university met with characteristic resolve.

It was with great sadness that we lost our Chancellor, The Hon John Fahey AC GCSG, who died in September. Mr Fahey was a tremendous ambassador for the university. After a long and distinguished career in public service, being able to serve his faith and to lead ACU were close to his heart. We are greater for his leadership. May he rest in peace. (Vale John Fahey, p20)

Under Mr Fahey's guidance, the university flourished, expanding in size, stature and profile in every field from research to collaboration, student population and diversification of academic offerings. His legacies are numerous, however three from the past year are especially notable: the development of a free speech code, the establishment of ACU's newest campus in Blacktown, and the appointment of our fourth Vice-Chancellor and President.

In seeking an outstanding leader who could lead a complex organisation with multiple stakeholders and remain true to its Catholic character, the successful candidate was close to home. ACU Provost Professor Zlatko Skrbiš has demonstrated his willingness and worth to take on such a challenge. He was appointed in August, stepping into the role in January this year.

In response to an review of freedom of speech in Australian higher education, Mr Fahey advocated vigorously for the development of ACU's Statute 13 – Freedom of Speech and Intellectual Freedom code that defends intellectual and academic freedoms and reflects the university's characteristics and mission.

As Chair of the ACU Senate, Mr Fahey was farsighted in perceiving the need for a university in western Sydney – the heart of the city's population yet under-served with tertiary options. Senate's vision led to a highly productive partnership with Blacktown City Council; the campus is open and thriving and we are now teaching our first students in education, health, exercise and sports science, law and business.

While our Rome Campus was closed for much of the year, we have relocated to a new site in Villa Maria. After initially partnering with the Catholic University of America, we have now established our own site where we can continue to offer a unique overseas experience for ACU students, international research partnerships, and connections with the Holy See.

During 2020 we farewelled Vice-Chancellor and President Professor Greg Craven AO, GCSG, who retired after 13 years leading ACU through an extraordinary growth strategy that positioned the university of great standing as an institution not only in Australia, but internationally. He and our former Chancellor were collaborative in the establishment of our Adelaide, Rome and Blacktown Campuses which enable us to build on our reputation for learning and teaching as well as enjoying a rising research profile. Professor Craven will be remembered for putting ACU on the map as a university of note in the Australian tertiary sector, and as a leader in Catholic principles of education and engagement.

On behalf of the ACU Senate and members of the university, I thank Professor Craven for his passion, tremendous contribution and vision for ACU. He has placed ACU in a sound position for the next stage of the university's life, in the hands of Professor Skrbiš. To all who contribute so much now and to the future of ACU, I thank you collectively.

Mr Julien O'Connell AO

Message from the Vice-Chancellor and President



Through challenges innovation is born. Innovation is not simply about creative ideas, but finding ways to overcome obstacles to bring these visions to life.

From the outset, 2020 marked itself as a unique year. Fierce bushfires affected almost all of our campuses and a great many of our communities, and we soon learned that a global pandemic would overshadow this and would shape our activities for the rest of the year, ad infinitum.

COVID-19 did not simply cause the loss of international students or the need to effectively close our Rome, Melbourne and Ballarat Campuses for most of the year. The effects of the pandemic have been comprehensive and touched us all personally, professionally and institutionally.

Endeavours that ACU had made in the previous 12 months to improve digital capabilities became the foundation of moving the entire university into an online campus as we adjusted to teaching and working in a completely different capacity. The need to “pivot” became a mantra for organisations adapting to the new environment, and we managed to do this in enterprising ways that ensured we could offer almost all classes to our existing students and keep operating, albeit in a new mode.

Many of our students were, and continue to be, at the frontline of the healthcare forces. Our nursing students in particular learned about increased safety practices and many are undertaking practical placements in hospital or aged care settings where they are working with patients suffering from the virus.

The effects of the virus have been far-reaching and, while ACU acted quickly to ease the impact, we needed to make difficult decisions in order to manage a significant revenue shortfall, forecast to be \$126 million over two years. Through

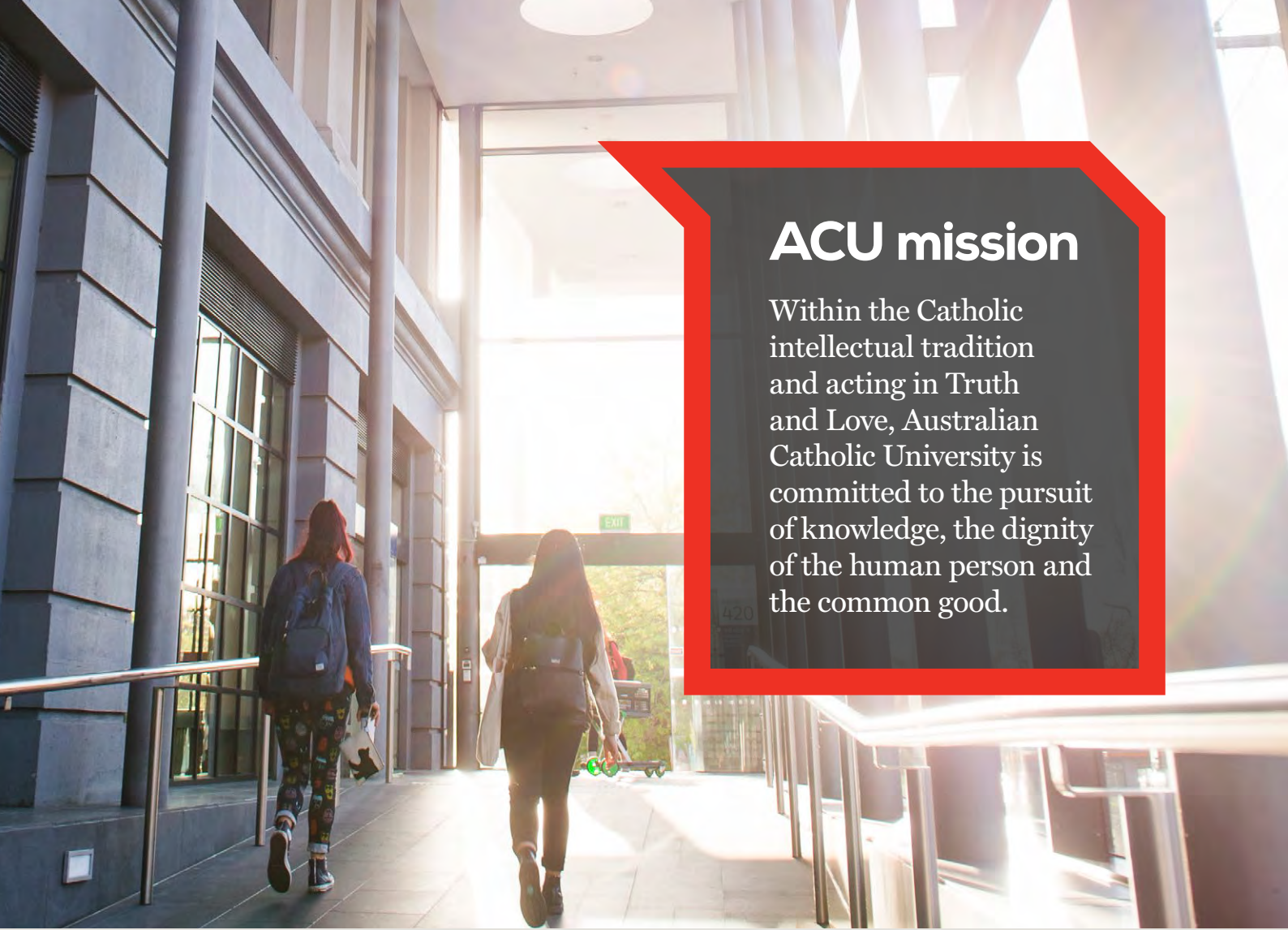
extensive consultation and a careful financial process, we introduced a Recovery Budget that Senate approved in December. This budget will cut \$42 million from salaries, \$53 million surplus reduction and \$31 million non-salary and capital savings. The budget does include unavoidable job losses. We are working hard to minimise these losses and to support our staff through this painful time.

In planning for the impact on our workforce, we said we would remain focused on the university’s strategic priorities and objectives. To this end we are committed to: responsible stewardship of resources; innovation in the pursuit of strategic priorities and modes of revenue generation; being compassionate and fair in our response and actions; agility in our reaction to opportunities to safeguard the ongoing success and sustainability of the university.

These challenges will not divert us from the *Strategic Plan 2020-2023: Impact through empathy* as it so articulately sets out our mission, vision, focus and strategic priorities for the coming years. Significant steps have already been taken to meet its objectives, and its vision continues to be robust and relevant.

The courage and enterprise of our colleagues has been a force of inspiration as they have adapted to challenges and change. Their response both within the university and to our wider community is a true embodiment of our mission to prioritise dignity and common good as well as the pursuit of excellence. In this way, I am confident we will continue to pursue new opportunities and navigate the next set of challenges.

Professor Zlatko Skrbiš



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 eight 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 2021. 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.

** International Federation of Catholic Universities members ranked on *Times Higher Education* World University Rankings 2021

*** Graduate Outcomes Survey – Longitudinal 2020, full-time employment

Key statistics

	2020	
ENROLMENTS		
Total	33,098	
Undergraduate	26,013	
Postgraduate coursework	5,951	
Higher degree research	262	
Non-award	872	
Domestic	28,786	
International	4,312	
STAFF		
Academic	1,111	
Professional	1,260	
RESEARCH		
	(\$'000)**	
ARC funding	3,271	
NHMRC funding	249	
INCOME		
	(\$'000)	(%)
Government grants	245,087	44.1%
HELP	181,461	32.7%
Fees and charges	96,063	17.3%
Other	32,594	5.9%
Total revenue	555,205	
EXPENDITURE		
	(\$'000)	(%)
Employee benefits	347,490	66.3%
Depreciation and amortisation	43,224	8.3%
Repairs and maintenance	11,749	2.2%
Other	121,368	23.2%
Total expenditure	523,831	
ASSETS		
Total assets	1,228,640	

Data sources:

1. Student Enrolments and Load Report, Course headcount
2. Annual Staff Data Report, All Staff FTE (including casuals)

Governance and management

GOVERNANCE

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

These are:

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

Four state chapters, based in the Australian Capital Territory, New South Wales, Queensland, and Victoria, provide an interface between the university and the local Archbishop or Bishop located in the archdiocese or diocese in which the university operates. With the exception of the Vice-Chancellor and President, the local Archbishop appoints the members of each chapter. Each chapter reports to Senate and the Annual General Meeting of the Corporation.

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 the university and advising Senate on quality assurance matters relating to the university's teaching and research activities.

Academic Board has the following standing committees:

- Academic Administrative Committee (to November)
- Student Administrative Lifecycle and Policy Committee (from November)
- Student Experience and Retention Committee (from November)
- Courses and Academic Quality Committee
- Faculty Boards
- Internationalisation Committee

- Standards and Compliance Committee
- University Learning and Teaching Committee
- University Medals Committee
- University Research Committee

SENIOR EXECUTIVE GROUP

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

SEG members:

- Professor Greg Craven AO, GCSG, Vice-Chancellor and President
- Professor Pauline Nugent AM, Provost and Deputy Vice-Chancellor Academic (to May 2020)
- Professor Zlatko Skrbis, Deputy Vice-Chancellor (Education and Innovation), Acting Provost (14 April-31 May 2020), Interim Provost (from 1 June 2020)
- Dr Stephen Weller, Chief Operating Officer, Deputy Vice-Chancellor, Corporation Secretary
- Professor Wayne McKenna, Deputy Vice-Chancellor (Research)
- Father Anthony Casamento csma, Vice President
- Professor Hayden Ramsay, Deputy Vice-Chancellor (Coordination)

IN 2020, SENATE MEMBERSHIP COMPRISED OF:**Chancellor**

The Hon John Fahey AC, GCSG (Chair)
(to 12 September 2020)

**Pro-Chancellor and Acting Chancellor
(from 12 September 2020)**

Mr Julien O'Connell AO

Vice-Chancellor and President

Professor Greg Craven AO, GCSG

Chair of Academic Board

Professor Margot Hillel OAM (to 6 August 2020)
Professor Timothy McKenry (from 7 August 2020)

**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 of the university

Dr Doseena Fergie (May – December)
Associate Professor Elspeth Froude
Dr Judith Norris

Elected by professional staff of the university

Ms Danielle Leahy (to 30 April 2020)
Mr Gerard Goodwin-Moore (from 1 May 2020)

Elected by students of the university

Ms Chanchal Preet Kaur

**IN 2020, ACADEMIC BOARD MEMBERSHIP
COMPRISED OF:****Chair of Academic Board**

Professor Margot Hillel OAM (Chair) (to 6 August 2020)
Professor Timothy McKenry (from 7 August 2020)

Vice-Chancellor and President

Professor Greg Craven AO, GCSG

Provost

Professor Pauline Nugent AM (to May 2020)
Professor Zlatko Skrbis (from June 2020)

Chief Operating Officer

Dr Stephen Weller

Deputy Vice-Chancellors

Professor Wayne McKenna
Professor Hayden Ramsay

Vice President

Fr Anthony Casamento csma

Pro Vice-Chancellor, Global and Education Pathways

Mr Chris Riley

Pro Vice-Chancellor, Research

Professor James McLaren

Pro-Vice Chancellor (Arts and Academic Culture)

Professor Michael Ondaatje (to July)

Executive Deans of faculties

Professor Elizabeth Labone
Professor Michelle Campbell
Professor Dermot Nestor
Professor Terri Joiner

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

Professor Susan Dann
Professor Clare Johnson
Professor Justin Kemp
Professor Timothy McKenry
Professor Deborah Plath
Professor Jan Seruga
Professor David Sim
Professor Spencer Zifcak
Faculty of Theology and Philosophy (vacant)

**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-Vandegeer
Associate Professor Christian Lorenzen
Dr Sugumar Mariappanadar
Dr Haifeng Shen

Academic Registrar

Ms Kathryn Blyth

Director, Libraries

Ms Fides Datu Lawton

An external professor

Associate Professor Paul Wormell, Western Sydney
University

First Peoples and Equity Pathways representative

Ms Jane Ceolin

Student member of Senate

Ms Wendy Morrison
Ms Deborah Vukic



2020 Alumni of the Year Award Winner
Anne-Marie Reddan

ACU Strategic Plan 2020-2023: Impact through empathy

The ACU Strategic Plan 2020-2023: Impact through empathy articulates the university's mission, vision, focus, and strategic priorities for the coming years. Whilst few could have foreseen the levels of global disruption and economic uncertainty which occurred in 2020, ACU's vision, with its focus on hope, faith, and reason through opportunity, innovation, and ethics, has proven to be robust and relevant during this challenging time.

As a university community, our collective purpose is neatly captured in the title of the plan, 'Impact through empathy', which reflects our intent to make a positive, lasting and measurable difference to our students, staff, communities and societies.

As we move forward, we will create impact by adhering to our Catholic mission and remaining committed to the pursuit of knowledge, the dignity of the human person, and the common good. We will continue to offer our students an inclusive, ethics-based education, and we will search for solutions to local and global challenges through mission-aligned research. We will also support the broader community and advocate for those who are unable to advocate for themselves.



OUR VISION

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

All our endeavours are grounded in mission. ACU will create future opportunity, foster innovation and embrace ethics with hope, faith and reason. All our endeavours are built on an enduring commitment to our Catholic mission and values. The dignity of the human person and flourishing of society will 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 defy 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

Our focus is to strive toward a better future for humanity. Our ethical focus gives us a wide and generous view of the common good. We celebrate diversity and welcome different ideas. Our mission, founded in Catholic faith and tradition, makes a rich contribution to ethics and our ethical approach.

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

Read the full ACU Strategic Plan 2020 – 2023
acu.edu.au/about-acu/acu-2023

Rankings and reputation (research)

Our research institutes boast internationally renowned scholars and produce world-leading research in our areas of priority.

Benchmarked against the best institutions in the world, our impact is growing as we are now recognised as a leader in a range of subject specialisations:

- We are ranked in the top 300 in the Times Higher Education World University Rankings.¹
- We are ranked 22nd in sport science.¹
- We are ranked 18th in the world for nursing.²
- We are one of the top 75 universities in the world for education.²
- We are one of the top 200 universities in the world for psychology.³
- We are ranked 201–250 in the world for arts and humanities.³

During 2020, seven new research centres were created to enhance ACU's reputation in the arts, education, health, and theology and philosophy.

Three centres are affiliated with the newly formed Institute for Humanities and Social Sciences:

- The **Research Centre for Social and Political Change** generates research on the structure and bases of power in contemporary societies and contributes to social and political theory.
- The **Gender and Women's History Research Centre** explores the experiences of a diverse array of women and men in times past.
- The **Research Centre for Refugees, Migration, and Humanitarian Studies** explores the historical and contemporary displacement of refugees across the world as well as government policy on refugees and humanitarian agencies.

Four centres are advancing research in our priority areas:

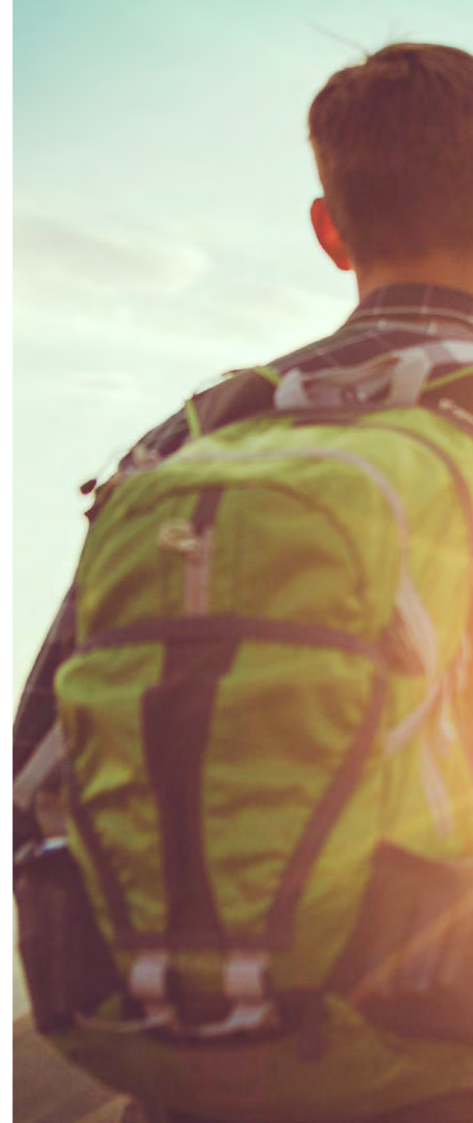
- The **Research Centre for Digital Data and Assessment in Education** explores how technologies are transforming education inside and outside schooling.
- The **Research Centre for Sports Performance, Recovery, Injury and New Technologies (SPRINT)** advances knowledge in the areas of performance, recovery, and injury by developing new, and using established, research techniques.
- The **Healthy Brain and Mind Research Centre** aims to advance knowledge critical to improving mental health, participation and wellbeing.
- The **Research Centre for Studies of the Second Vatican Council** advances understanding of the Second Vatican Council (1962–1965).

These centres, along with others still under consideration and development, are building an academic culture consistent with our research intensification strategy, producing high-quality research that contributes to ACU's international and national reputation.

¹ Times Higher Education World University Rankings 2021. 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

² Academic Ranking of World Universities, Subject Rankings 2020

³ Times Higher Education World University Rankings 2020 by Subject







Executive appointments

SENIOR EXECUTIVE LEADER APPOINTMENTS

- Professor Zlatko Skrbis: Interim Provost (May – December 2020)
Vice-Chancellor and President (appointed August 2021, commenced January 2021)
- Professor Belinda Tynan: Provost (appointed December 2020, commenced February 2021)

EXECUTIVE LEADER APPOINTMENTS

- Professor Joy Damousi: Director, Institute of Humanities and Social Sciences
- Professor Meg Stuart: Acting Deputy Provost
- Professor Timothy McKenry: Chair of Academic Board
- Ms Jane Caton: Director, Office of Student Success



Sustainability bond commitments

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

In 2017, ACU secured \$200 million through the sale of sustainability bonds to some of Australasia's biggest institutional investors. It was the first organisation in Australia and first university globally to issue a sustainability bond under the new sustainability guidelines issued that year.

The university adopted this innovative approach to combine green and social bond principles. The funds 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 2020 is \$163.8 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, \$13 million
- The Institute for Positive Psychology and Education (IPPE), \$5.4 million
- The Mary MacKillop Institute for Health Research, \$9.7 million

Funds used in 2018:

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

Funds used in 2020:

- Construction continues for the Saint Teresa of Kolkata Building, \$24 million
- IPPE, \$4.8 million
- The Mary MacKillop Institute for Health Research, \$2.1 million

Funds used in 2020:

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

Funds remaining total: \$36.2 million

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

University highlights



COVID-19 RESPONSE: MOVE TO ONLINE TEACHING

In March 2020, attention was quickly diverted from business as usual to supporting ACU's response to the COVID-19 pandemic. The Director, Learning and Teaching Centre (LTC) and Associate Deans, Learning and Teaching (ADLTs) led the move to online teaching for Semester 1, 2020. They rapidly developed key interventions to assure consistency of the student experience and business continuity.

Adopting a range of creative strategies and innovations in work practices resulted in a consistent and quality student experience. All lectures, tutorials, assessments, exams, and some laboratory and/or practicum-based content moved from face-to-face to online delivery. Out of 751 Semester 1 units across the university, 110 had an essential face-to-face component which was adapted or deferred. The LTC coordinated rapid upskilling of staff in technology. The Director LTC led the partnership across all learning and teaching stakeholder groups across the university. The

ADLTs led cross faculty partnerships and provided direction and guidance to staff within faculties, and triaged emerging issues.

Key student-centred approaches ensured teaching continuity. A coordinated approach to communications was adopted, which included regular and consistent updates to students and staff. Extra support was provided for specific student cohorts, including students with disabilities, those with placement components, and Aboriginal and Torres Strait Islander students.

With its unique mission grounded in the Catholic intellectual tradition, ACU aims to offer innovative and distinctive learning and teaching practices. The COVID-19 crisis tested the tenets of this mission. University-wide collaboration, focusing on the diverse and individual needs of our students, ensured a positive community-building experience. The holistic strategy was firmly grounded in concerns for the educational future of ACU students.





COVID RESPONSE AND RECOVERY

COVID-19 was challenging and disruptive for ACU's students, staff and stakeholders in 2020. A COVID Recovery Management Team was initiated to lead ACU's response and recovery.

ACU took a proactive approach to campus safety throughout the COVID-19 restrictions.

COVID Safety Plans were introduced for all campuses in all jurisdictions and revised regularly. The university continues to observe the health and safety directions in each of its jurisdictions.

2020 saw a major and rapid shift from on-campus to online delivery of programs and services to support students and staff. This included:

- Creation of online COVID information resources, FAQs and reporting processes.
- Support for ACU staff to work remotely via video conference and collaboration tools, work from home resources and internet-enabled telephony.
- Support for remote and mixed mode learning via tools to support online lectures and tutorials using Zoom or Teams, online assessment/exams, support for accessing course materials from mobile devices, phone and remote technology support, and upgraded teaching rooms to incorporate cutting-edge online teaching tools.
- Student support services moved to online individual consultations and virtual workshops.
- Midyear orientation successfully transitioned to an online platform for academic content and a variety of social events and activities.
- Launch of an online student engagement platform called ACU Life.
- Online examination invigilation.
- Online graduation celebration supplemented by an on-campus professional photography session wearing ACU regalia.
- The move from six physical Open Days to three virtual events, using a combination of platforms to introduce visitors to the university, generated more than three times the usual registrations. The online format also allowed international students to attend.



MAJOR CAMPUS DEVELOPMENTS

Melbourne Campus

The construction of the Saint Teresa of Kolkata Building on the Melbourne Campus progressed well. Despite certain restrictions imposed as a consequence of the COVID-19 pandemic, the momentum was maintained with the successful excavation of the site and commencement of construction of the seven-level underground carpark. This \$250m project will provide high quality learning and teaching, study and social spaces for students, and office space for academic departments. The project is on track for completion in the second half of 2022.

Blacktown Campus

ACU has partnered with Blacktown City Council to open our newest campus in Blacktown, aiming to serve the high population growth in Western Sydney and expanding access to higher education for a range of local communities. Development of the Saint Josephine Bakhita Campus was largely completed during 2020, with a focus on providing a modern, multi-faculty university campus. Purpose-built teaching and learning facilities, including nursing simulation wards, are complete, with the science lab, moot court, Mac lab and dedicated student collaboration spaces due for completion in 2021. ACU has worked with the Diocese of Parramatta and Blacktown City Council, as well as local community partners and industry, to meet student demand through offering a variety of bachelor, postgraduate and sub-bachelor courses – particularly in health, education and business.

Rome Campus

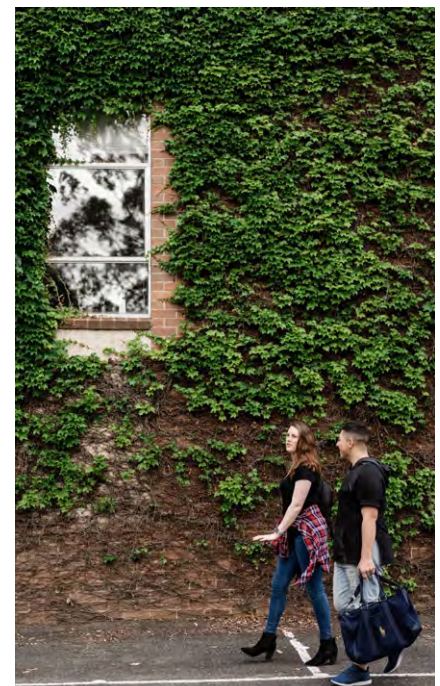
During 2020, ACU's Rome Campus was relocated to a new facility in Monteverde, near Rome's medieval quarter of Trastevere. The Rome Campus has fully equipped conference and learning facilities and offers contemporary, onsite residential accommodation. Our Rome Campus continues to be an integrated international campus of ACU. It is foundational in anchoring our mission by offering staff and students an authentic Catholic experience, with opportunities to connect academic, research and mission priorities through global engagement and outreach.

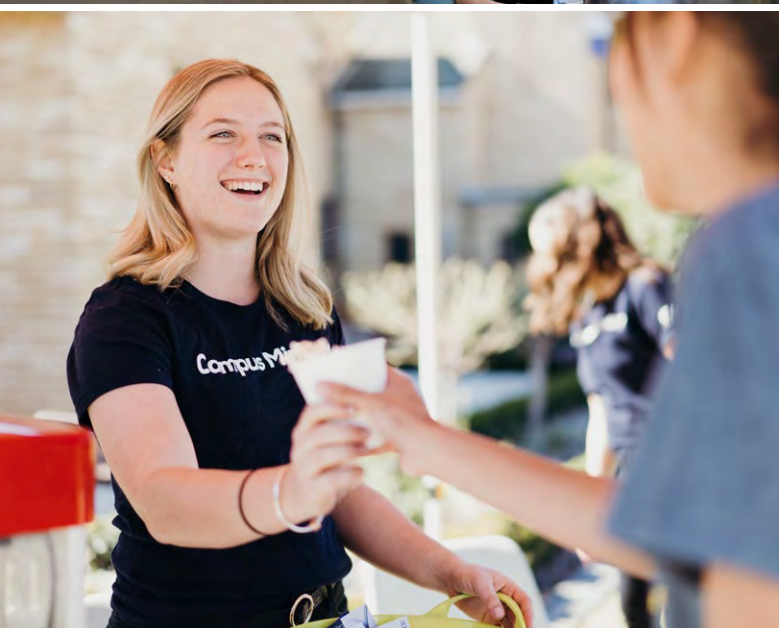
ACU SUSTAINABILITY AGENDA

ACU has a strong commitment to sustainability, grounded in our Catholic mission and the university's values and acknowledging the link between social, economic and environmental sustainability and our university's future. In 2020 ACU developed a university-wide sustainability framework built upon two transformative prescriptions for a better world: Pope Francis' encyclical *Laudato si'* and the United Nations Sustainable Development Goals (SDGs).

The SDGs constitute a comprehensive approach to human development and encompass care for the environment, the fight against poverty and hunger, education for all and the promotion of equality, peace and justice. As a Catholic university, our approach to sustainability and work to promote the common good is guided by the words of Pope Francis in *Laudato si'* – capturing the interconnectedness of social, economic and environmental justice in building and protecting our common home. We recognise our responsibility and have embraced the 17 SDGs to deliver a better and more sustainable future for our common home, aligned to the *Laudato si'* encyclical.

ACU's unique sustainability framework guides our ongoing commitment to care for our common home, from the content of our curriculum, the focus of our research, engagement of our partners and communities and the daily operation of all our campuses. ACU's 2020 Sustainability Report details our sustainability progress and outlines the university's future program of work to apply the teachings of *Laudato si'* and advance the SDGs.





FAITH IN ACTION

The work of Campus Ministry is integral to the realisation of ACU's mission, for both students and staff. Campus Ministry animates the faith life on our campuses and brings ACU's distinctive Catholic identity to life.

When COVID-19 lockdowns made an impact on campus life in early 2020, Campus Ministry quickly adapted and innovated by establishing a proactive online presence.

Online faith sharing groups and virtual group prayer quickly became the norm. Notably, ACU's Melbourne chaplain Fr Michael Kong presented an online cooking show and a series of exercise sessions, both linked by the theme of faith in action. The Frontier Evangelisation and Mentoring Program also moved online, and students engaged with Campus Ministry staff and volunteers for virtual study and residential support sessions which eased stress and uncertainty.

For staff, a broad range of ministry activities became virtual: the staff book club (integrating contemporary literary themes with ACU's mission), Lenten and Advent reflection programs, Christian meditation sessions, online handicraft and conversation gatherings, and short daily staff prayer sessions.

The move to online was supported by new software which enables Campus Ministry staff to collect real time data about the effectiveness of their ministry while at the same time enhancing the reach for ministry event organisation and promotion.

Not surprisingly, given the knock-on effect of COVID-19 isolations and lockdowns, 2020 saw a record number of staff and student interactions occur. There were approximately 700 study support interactions, 2,500 faith/prayer group interactions, 1,500 pastoral interactions, and more than 500 student residence support interactions.

Campus Ministry continued to animate in-person activities where possible. More than 60 staff attended in-person retreats, and frequent gatherings occurred on campuses once local health directives allowed.

Despite the impact of COVID-19 on in-person student and staff ministry, through innovation inspired by the commitment to living out ACU's mission, Campus Ministry rose to the challenges 2020 presented.



RAMSAY CENTRE FOR WESTERN CIVILISATION

A Western Civilisation program was successfully established, initially offering a Bachelor of Arts (Western Civilisation), and introducing a dual law-degree program and a postgraduate program from 2022. The partnership between ACU and the Ramsay Centre for Western Civilisation is a superb intellectual opportunity and is worth in excess of \$50 million over eight years.

The course offers students a structured and integrated humanities curriculum from antiquity to the present. Due to the generous support of the Ramsay Centre, students will be offered the exceptional opportunity to receive one of 30 scholarships of up to \$30,000 per year. Scholarship students will also be offered sponsored overseas travel.

Professor Robert Carver was appointed as the inaugural Director of the Program. Professor Carver taught at Oriel College, Oxford before moving to the University of Durham in 1997. At Durham, he served as Associate Professor of

Renaissance Literature also taking on the role of Deputy Head of the Faculty of Arts and Humanities between 2007 and 2010. Accompanying Professor Carver are two new teaching appointments: Dr Kishore Saval and Dr Tyler Paytas. Dr Saval comes to ACU from School of Literature, Art, and Media at the University of Sydney. Most recently Dr Saval was sessional lecturer at Campion College. Dr Paytas is a lecturer in philosophy, transferring from the Dianioia Institute of Philosophy at ACU which he joined in 2016. The Ramsay Centre has funded 10 more scholars who will be appointed over the life of the agreement.

ACU's Ramsay Program joins with other Ramsay Programs at the University of Wollongong and University of Queensland, forming a community of scholars. The Program seeks to educate its students with the rich dialogue and interdisciplinarity of a genuine liberal arts degree. The university is committed to supporting the Ramsay Program in helping revitalise humanities education throughout Australia.



NEW ACU STRATEGIES

Senate approved the following strategies in 2020 to strengthen focus and action in key areas of impact. Each strategy was developed in alignment with the ACU Strategic Plan 2020–2023.

The **ACU Global Strategy 2020–2023** enables the university to adapt and to focus on new and evolving challenges and opportunities in the international space and develop bold, innovative offerings.

The **Widening Participation Strategy** proposes an inclusive approach to widening participation that encompasses traditional equity groups, but also considers more holistic forms of disadvantage that transcend these groups.

The **ACU Enrolment Plan 2021–2026 Strategy and Objectives** reflects three critical directions: consolidation, a balanced profile, and course diversification. The objectives of the Enrolment Plan Strategy are being delivered in a multi-dimensional approach to meet ACU enrolment targets.

The **ACU Education Strategy** guides the student learning journey by ensuring excellent educational experiences that meet the needs of all students. The strategy will guide students on their pathways to university, optimise their opportunities for engagement and success during their time at university and prepare them for future careers with an ability to demonstrate empathy towards others and contribute to the common good.

The aim of the **Belonging Strategy** is to provide strengthened visibility of First Peoples to enable a consolidated university-wide approach for Aboriginal and Torres Strait Islander peoples' success, including strengthened culturally inclusive structures.

The **Advancement and Alumni Strategy 2020–2024** is designed to significantly lift major gift giving efforts, including strengthening relationships with our donors, and creating new types of partnering opportunities for alumni in line with ACU's strategic plan priorities. The approach is designed to create a strong philanthropic culture at ACU, to inspire lifelong alumni involvement and enhance opportunities for students and staff through our relationships with alumni and donors.

The **ACU Ethics Strategy** has been developed to significantly increase ACU's profile and reputation as the nation's leading hub of Catholic ethical thought, activity, and advice. It will achieve this by adopting an outward facing approach to ACU ethics activities, strengthening our activities in ethical public policy, embedding ethical thinking and analysis into formation activities, and providing an ethics search engine website for the global Catholic community.



Vale

The Honourable John Joseph Fahey AC, GCSG

Australian Catholic University was profoundly saddened by the death of the university's Chancellor the Hon John Fahey AC, GCSG on 12 September 2020, aged 75, after a battle with leukemia.

Mr Fahey was the fourth Chancellor of ACU, appointed in 2014 to replace Sir Peter Cosgrove. He was reappointed for a further term in 2019.

Vice-Chancellor and President Professor Greg Craven spoke of Mr Fahey not just as a Chancellor, "but also an Australian hero. As well as holding some of the highest offices in the land he will always be renowned for bringing the Olympics to Sydney.

"John was greatly loved as Chancellor. He was profoundly committed to the idea of a Catholic university, and brought to office courage, wisdom and dignity."

A man of great integrity and deep faith, Mr Fahey was born in New Zealand and educated at Chevalier College in the NSW Southern Highlands and at the University of Sydney. He practiced law before entering public life as a politician, industry leader, and administrator. In 2002 Mr Fahey was made a Companion of the Order of Australia for his work in the political arena, and for facilitation of industry growth and industrial relations reform.

In 2019 Pope Francis awarded Mr Fahey the Pontifical Equestrian Order of St Gregory the Great, one of the Church's highest awards, in recognition of his significant and distinguished service to the Catholic Church in Australia including ACU.

As Chancellor and chairman of the ACU Senate from 2014, he oversaw an expansion strategy, the establishment of two new campuses,

enhanced research capabilities, deepening partnerships in Australia and internationally, and greater engagement with our communities.

ACU remembers Mr Fahey as being greatly loved as Chancellor by both staff and students.

On behalf of the Vice-Chancellor and President, the President of ACU Corporation, Corporation, Senate and the ACU community, ACU extends condolences to his wife Colleen, children and grandchildren.

NSW held a state funeral for Mr Fahey at St Mary's Cathedral in Sydney on 25 September 2020. ACU held Memorial Masses to honour his memory.

May He Rest in Peace.



Voluntary Code of Best Practice for Governance of Australian Universities

We acknowledge the requirement under clause 14 of the Voluntary Code of Best Practice for the Governance of Australian Public Universities (Code) to disclose in our *Annual Report* alignment with the Code and provide reasons for any areas of non-compliance. 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*.

Protected disclosures

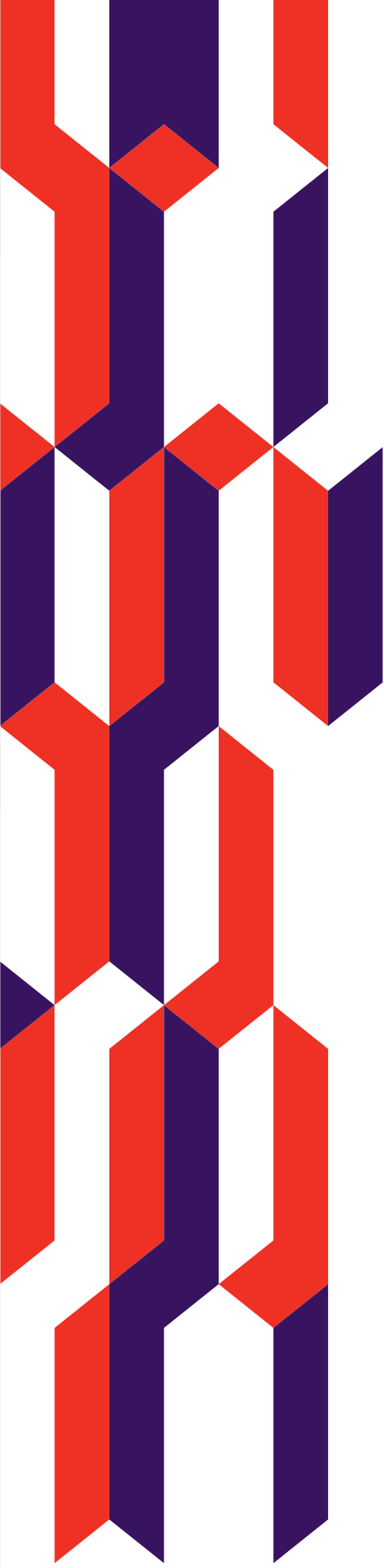
ACU is committed to a culture of corporate compliance and the promotion of lawful and ethical behaviour and transparency in commercial, legal and other stakeholder dealings. ACU expects its officers, staff, members and affiliates to act in accordance with the law at all times, to behave professionally 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).

ACU's updated Policy Framework reflects ACU's commitment to identifying and investigating reportable conduct and to supporting and protecting eligible whistleblowers.



Review of results and audited financial statements

Financial statements for the year ended
31 December 2020

Directors' report

For the year ended 31 December 2020

The directors present their report together with the financial statements of Australian Catholic University Limited (the university) for the year ended 31 December 2020 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. James Douglas

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

Mr Stephen Noel Elder OAM GCSG

BE (VU), DipEd (La Trobe), FAIM
Educational Administrator
23 May 2008

The Hon. John Fahey AC GCSG

Solicitor (LPAB), DipLaw (USyd)
Chancellor and former Premier of NSW
4 September 2014 (passed away 12 September 2020)

Dr Doseena Fergie OAM

OAM Churchill Fellow, FCATSINaM
University Academic
May 2020 (1 May – 9 November 2020)

Most Reverend Anthony Fisher OP

DD BA/LLB (USyd) BTheol (Hons)
(MCD) 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), Bachelor of
Applied Science (Occupational Therapy)
(USyd)
University Academic
1 May 2019

Mr Gerard Goodwin-Moore

BSc(Hons)(Lond)
University Administrator
1 May 2020

Professor Margot Hillel OAM

BA (La Trobe), MA (Melb), PhD
(Monash)
University Academic and Chair of
Academic Board
16 June 2010 (6 August 2020)

Ms Chanchal Preet Kaur

Student
1 January 2020 (31 December 2020)

Mr Tim Kirk

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

Ms Danielle Leahy

BA (SportExM) (Hons.) (UTS)
University Administrator
4 May 2017 (30 April 2020)

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
Pro-Chancellor and Business Executive
1 January 2016

Hon. Barbara Perry

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

Dr Josephine Ryan

BA (Hons), DipEd, Med, EdD
University Academic
2 May 2018 (30 April 2020)

Ms Annette Schmiede

BEc (USyd)
Health Administrator
1 January 2016

Professor Zlatko Skrbis

BPhil (Hons) (Ljubljana),
BSocCult (Hons) (Ljubljana),
PhD (Flinders)
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)
11 January 2021

PROVOST AND DEPUTY VICE- CHANCELLOR (ACADEMIC)

Professor Belinda Tynan

MEd (USQ), PhD (UWA)
8 February 2021

CHIEF OPERATING OFFICER AND DEPUTY VICE-CHANCELLOR

Dr Stephen Weller

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

DEPUTY VICE-CHANCELLOR (RESEARCH)

Professor Wayne McKenna

BA(Hons), PhD (Leeds)
4 February 2013

VICE PRESIDENT AND DIRECTOR, IDENTITY AND MISSION

Father Anthony Casamento csma

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

DEPUTY VICE-CHANCELLOR (CO-ORDINATION)

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 Greg Craven AO GCSG	6	6	5	5	2	2	-	-	2	2
The Honourable James Douglas	6	6	-	-	2	2	3	3	-	-
Mr Stephen Elder OAM GCSC	5	6	4	4	-	-	-	-	-	-
The Honourable John Fahey AC GCSG	4	4	-	-	2	2	-	-	1	1
Dr Doseena Fergie OAM	3	4	-	-	1	1	-	-	-	-
Most Reverend Anthony Fisher OP	6	6	-	-	-	-	-	-	-	-
Mr Ross Fox	5	6	-	-	2	2	2	3	-	-
Associate Professor Elspeth Froude	6	6	5	5	-	-	-	-	-	-
Mr Gerard Goodwin-Moore	4	4	-	-	-	-	1	2	-	-
Professor Margot Hillel OAM	4	4	-	-	2	2	2	2	1	1
Ms Chanchal Kaur	6	6	-	-	-	-	-	-	-	-
Mr Tim Kirk	6	6	5	5	-	-	-	-	-	-
Ms Danielle Leahy	2	2	-	-	-	-	1	1	-	-
Professor Timothy McKenry	2	2	-	-	-	-	1	1	1	1
Mr Karl Morris AO	6	6	4	5	-	-	-	-	-	-
Dr Judith Norris	5	6	-	-	-	-	3	3	-	-
Mr Julien O'Connell AO	6	6	5	5	-	-	-	-	2	2
The Honourable Barbara Perry	6	6	-	-	-	-	3	3	-	-
Dr Josephine Ryan	2	2	-	-	1	1	-	-	-	-
Ms Annette Schmiede	5	6	4	5	-	-	-	-	-	-
Ms Bernadette Steele	6	6	-	-	-	-	1	3	-	-

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 Ross Fox joined the August meeting of Senate at noon.
- ii. Mr Robert Baker is Chair of the Audit and Risk Committee and a member of the Senate Standing Committee and Finance and Resources Committee. However, he is not a director of the university.



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, postgraduate and research level across nine campuses in Queensland, New South Wales, Victoria, South Australia, the Australian Capital Territory and our campus in Rome, Italy.

REVIEW AND RESULT OF OPERATIONS

There is a positive result for the year ended 31 December 2020 of \$31.4m (2019 \$45m), a decrease of \$13.7m (30.3%).

Total revenue decreased \$0.9m (0.2%). There has been a small reduction in Commonwealth Government Financial Assistance largely due to the change in funding policy that has largely capped the grant for Commonwealth supported places. HECS HELP increased \$6.5m (4.2%) due in part to the additional short courses that were made eligible for HECS support in response to the pandemic. FEE HELP increased \$3.4m (35.7%) due to increased demand largely created by the pandemic. Fees and charges increased \$0.8m (0.8%) due largely to a small increase in fee-paying overseas students being offset by reductions in other fees and charges.

Total expenditure increased \$12.8m (2.5%). Expenditure on cash related

salaries increased by \$16m (5%). Non-salary cash expenses decreased by \$3.3m (2.4%). Non-cash expenses increased by \$0.1m (0.2%).

The Working Capital position has increased to a surplus of \$83.4m (\$33.8m surplus in 2019). The surplus is \$112.8m (\$59.8m surplus in 2019) 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 2020. 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 June 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, Blacktown City Council selected ACU to be its preferred university partner. Since March 2019, preliminary work has been underway including establishing governance structures and developing vital plans 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 courses are offered from February 2021.

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

The university has, like other organisations, been considerably impacted by the COVID-19 pandemic. There was significant disruption to the operations and delivery of services during lockdowns imposed by Commonwealth 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 State and Commonwealth governments. There has been a small impact due to international student revenue shortfalls as the majority of students were onshore ahead of border closures. The impact on international student revenue is expected to be significantly greater in 2021 and will continue until international borders are reopened.

FINANCIAL HIGHLIGHTS

	2020 \$'000	2019 \$'000	CHANGE %
Commonwealth Government grants	426,548	416,964	2.3
Other operating revenue	121,591	132,741	(8.4)
Finance income	7,066	6,391	10.6
Salary cash expenses	(338,180)	(322,146)	5.0
Non-salary cash expenses	(133,117)	(136,462)	(2.4)
Non-cash expenses (depreciation, amortisation and provisions)	(52,534)	(52,454)	0.2
Net result for the period	31,374	45,034	(30.3)
Working capital surplus	83,400	33,768	147
Working capital surplus adjusted for employee benefits classified as current but due to be settled in greater than 12 months	112,882	59,786	88.8

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 \$59,787 (2019: \$79,844) in respect of Directors and Officers Liability insurance contracts for directors and officers of the university. The insurance provides cover against claims made by reason of any wrongful act committed or alleged to have been committed by a director or officer of the university during the year. The university has not entered into an agreement indemnifying the current auditor, KPMG, against any claims by third parties.

PROCEEDINGS ON BEHALF OF THE UNIVERSITY

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

LEAD AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration is set out on page 8 and forms part of the director's report for the financial year ended 31 December 2020.

NON-AUDIT SERVICES

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

The directors of the university are satisfied, based on advice from the Audit and Risk Committee, that the non-audit services provided are compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001* and do

not undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for Australian Catholic University, acting as an advocate for Australian Catholic University or jointly sharing risks and rewards.

ROUNDING OFF

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

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



Professor Zlatko Skrbis
Director

7 April 2021, Sydney



Mr Julien O'Connell AO
Director

7 April 2021, Sydney



Lead Auditor's Independence Declaration
under subdivision 60-C section 60-40 of Australian Charities and Not-for-profits Commission Act 2012 and Section 307C of the Corporations Act 2001

To: the directors of Australian Catholic University Limited
 I declare that, to the best of my knowledge and belief, in relation to the audit of Australian Catholic University Limited for the financial year ended 31 December 2020, 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* and the *Corporations Act 2001* in relation to the audit and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

KPMG

Kevin Leighton
 Partner
 Sydney
 7 April 2021

Income statement

For the year ended 31 December 2020

	NOTE	2020 \$'000	2019 \$'000
Revenue from continuing operations			
Commonwealth Government financial assistance excluding HECS-HELP	2.1	245,087	246,371
Higher Education Contribution Scheme (HECS-HELP)			
Student contributions	24.2	9,552	9,878
Commonwealth payments	2.1, 24.2	150,574	143,795
FEE-HELP	2.1	13,057	9,622
SA-HELP	2.1	6,343	5,642
VET-HELP	2.1	1,935	1,653
State and local government financial assistance	2.2	3,465	2,877
Fees and charges	2.3	96,063	95,296
Consultancy and contract research	2.5	4,711	5,131
Other revenue	2.6	17,352	29,438
Total revenue from continuing operations		548,139	549,703
Expenses from continuing operations			
Employee benefits	3.1	347,490	332,205
Depreciation and amortisation	3.2	43,224	42,395
Repairs and maintenance	3.3	11,749	11,443
Computer software and services	3.4	16,666	12,141
Consultancy	3.5	10,855	13,821
Minor equipment	3.6	5,629	3,689
Offshore administration		8,723	6,671
Rent		2,510	3,672
Travel	3.7	2,934	11,419
Other	3.8	63,886	63,465
Total expenses from continuing operations		513,666	500,921
Net result from continuing operations		34,473	48,782
Finance income and expense			
Finance income	2.4	7,066	6,391
Finance expense	4	(10,165)	(10,139)
Total finance income and expense		(3,099)	(3,748)
Net result before income tax		31,374	45,034
Income tax	1(c)	-	-
Net result for the period	17	31,374	45,034

The income statement is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 14 to 63.

Statement of comprehensive income

For the year ended 31 December 2020

	NOTE	2020 \$'000	2019 \$'000
Net result for the period		31,374	45,034
Other comprehensive income			
<i>Items that will not be reclassified to profit and loss</i>			
Superannuation – deferred government contributions		519	1,097
Deferred superannuation expense		(519)	(1,097)
<i>Items that may be reclassified subsequently to profit and loss</i>			
Gain on revaluation of land and buildings	10	-	13,457
Gain on financial assets	16	12,694	18,054
Other comprehensive income for the period		12,694	31,511
Total comprehensive income		44,068	76,545
Attributable to:			
Members		44,068	76,545
Total comprehensive income attributable to members		44,068	76,545

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 14 to 63.

Balance sheet

As at 31 December 2020

	NOTE	2020 \$'000	2019 \$'000
Current assets			
Cash and cash equivalents	6	54,089	50,125
Trade and other receivables	7	6,684	5,515
Other investments	8	138,294	77,629
Other assets	9	17,629	19,393
Total current assets		216,696	152,662
Non-current assets			
Other investments	8	62,944	50,550
Property, plant and equipment	10	885,015	854,499
Intangible assets	11	38,996	39,997
Other assets	9	24,989	24,525
Total non-current assets		1,011,944	969,571
Total assets		1,228,640	1,122,233
Current liabilities			
Trade and other payables	12	40,390	34,782
Employee benefits	13	51,528	45,770
Borrowings	14	11,986	10,084
Other	15	29,392	28,258
Total current liabilities		133,296	118,894
Non-current liabilities			
Employee benefits	13	27,707	27,027
Borrowings	14	312,169	264,575
Other	15	5,609	5,946
Total non-current liabilities		345,485	297,548
Total liabilities		478,781	416,442
Net assets		749,859	705,791
Equity			
Reserves	16	749,859	705,791
Retained earnings	17	-	-
Total equity		749,859	705,791

The balance sheet is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 14 to 63.

Statement of changes in equity

For the year ended 31 December 2020

	NOTE	GENERAL RESERVE \$'000	ASSET REVALUATION RESERVE \$'000	FINANCIAL ASSETS REVALUATION RESERVE \$'000	CONTRIBUTION FROM MEMBERS \$'000	TOTAL EQUITY \$'000
2020						
Balance at 1 January 2020		484,220	115,756	48,857	56,958	705,791
Comprehensive income for the period						
Net result for the period	17	31,374	-	-	-	31,374
Total other comprehensive income for the period		-	-	12,694	-	12,694
Total comprehensive income for the period		31,374	-	12,694	-	44,068
Contribution from members	16	-	-	-	-	-
Balance at 31 December 2020		515,594	115,756	61,551	56,958	749,859
2019						
Adjusted balance at 1 January 2019		439,186	102,299	30,803	56,958	629,246
Comprehensive income for the period						
Net result for the period	17	45,034	-	-	-	45,034
Total other comprehensive income for the period		-	13,457	18,054	-	31,511
Total comprehensive income for the period		45,034	13,457	18,054	-	76,545
Contribution from members	16	-	-	-	-	-
Balance at 31 December 2019		484,220	115,756	48,857	56,958	705,791

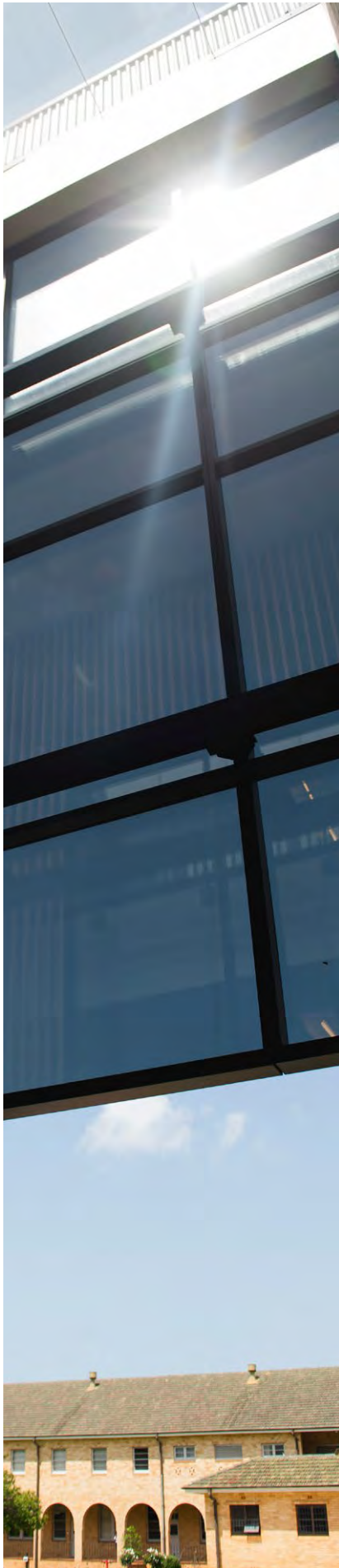
The statement of changes in equity is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 14 to 63.

Statement of cash flows

For the year ended 31 December 2020

	NOTE	2020 \$'000	2019 \$'000
Cash flows from operating activities			
Grant revenue			
Commonwealth Government		267,634	277,622
State Government		3,465	2,877
Higher Education Contribution Scheme			
Student payments		9,552	9,878
Commonwealth payments		149,660	129,213
Other inflows		117,902	132,409
Cash receipts in the course of operations		548,213	551,999
Cash payments in the course of operations		(447,955)	(443,777)
Interest received		7,190	6,531
Interest and other costs of finance		(10,386)	(9,982)
Net cash from operating activities	23(ii)	97,062	104,771
Cash flows from investing activities			
Payments for property, plant and equipment		(69,955)	(63,683)
Proceeds from sale of non-current assets		40	2
Proceeds from/(payments for investments)		(60,364)	3,555
Net cash used in investing activities		(130,279)	(60,126)
Cash flows from financing activities			
Proceeds from borrowings		50,000	-
Repayment of borrowings		-	(50,000)
Lease payments		(12,819)	(11,027)
Net cash provided by financing activities		37,181	(61,027)
Net increase in cash held		3,964	(16,382)
Cash and cash equivalents at the beginning of the financial year		50,125	66,507
Cash and cash equivalents at the end of the financial year	23(i)	54,089	50,125

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 14 to 63.



Notes to the financial statements

For the year ended 31 December 2020

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 2021.

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 2020 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 2021.

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, are recognised as revenue when they are received.

Interest income

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

Asset sales

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

Emerging cost superannuation supplementation from government

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

(C) TAXATION

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

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

(D) CASH AND CASH EQUIVALENTS

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

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

(E) TRADE AND OTHER RECEIVABLES

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

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

Student Assistance Program

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

Sundry receivables

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

(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 assets at fair value through profit and loss.

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, additionally, in 2020 external valuers also undertook a desktop valuation and determined no material change. 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 – i.e. 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 (e.g. 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 2020 of 2.75% all other existing payments continued using 3.86%, the incremental borrowing rate at 1 January 2019.

In relation to those leases under AASB 16, the university has recognised depreciation and interest costs, instead of an operating lease expense. During the twelve months ended 31 December 2020, the university recognised \$13m of depreciation charges and \$2.8m 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 accounting policies applicable to the university as a lessor are not different from those under AASB 117. However, when the university is an intermediate lessor the sub-leases are classified with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset.

The university was not required to make any adjustments on transition to AASB 16 for leases in which it acts as a lessor. However, the university applied AASB 15 Revenue from Contracts with Customers to allocate consideration in the contracts to each lease and non-lease component.

(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 supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the university's historical experience and informed credit assessment and including forward-looking information.

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

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

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

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

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present values of all cash shortfalls (i.e. 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.

An actuarial review was undertaken in 2019 by PriceWaterhouseCoopers to review the assumptions and staff departure experience. The provisions have been calculated based on the revised assumptions and experience identified in the review.

Superannuation funds

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

An arrangement exists between the Australian Government and the State Government to meet the unfunded liability for the beneficiaries of the Emergency Services and State Superannuation Scheme on an emerging cost basis. This arrangement is evidenced by the *State Grants (General Revenue) Amendment Act 1987*, *Higher Education Support Act 2003* and subsequent amending legislation. By

letter dated 15 December 2005, DEST (now Department of Education and Training) confirmed the Australian Government considers the current arrangements have established a pattern of past practice and future intent that has created a valid expectation on the part of universities that the Department on behalf of the Australian Government will discharge the superannuation liability.

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

(M) FUNDS HELD IN TRUST

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

(N) GOODS AND SERVICES TAX

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

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

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

O) FAIR VALUE

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

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

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

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

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

(P) NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

Certain new accounting standards and interpretations have been published that are not mandatory for the 31 December 2020 reporting period. The university has elected not to early adopt any of these standards.

AASB 1059 Service Concession Arrangements

AASB 1059 Service Concession Arrangements is applicable to public sector entities only and is effective for annual periods beginning on or after 1 January 2020. This standard requires the grantor to recognise a service concession asset in a service concession arrangement where it controls the asset. A corresponding financial liability and/or grant of right liability is also recognised depending on the nature of the consideration exchanged. Service concession assets (including those provided by the operator, an upgrade to or a major component replacement of an existing asset of the grantor; and existing assets of the grantor – also applicable to previously unrecognised intangible assets except goodwill) are initially measured at current replacement cost based on AASB 13 Fair Value Measurement principles. They are subsequently accounted for under AASB 116 Property, Plant & Equipment or AASB 138 Intangible Assets. Service concession liabilities are initially measured at the same amount as the service concession asset and subsequently measured using either the 'financial liability' model applying AASB 9 Financial Instruments or, the 'grant of right' model under AASB 1059 Service Concession Arrangements. AASB 1059 Service Concession Arrangements requires retrospective application.

ACU has completed its impact assessment of AASB 1059 by reviewing all material arrangements where the private sector is performing any services on behalf of ACU. Any identified arrangements have been assessed whether it falls within the scope of AASB 1059. If it does meet the scoping guidelines of AASB 1059, financial impacts were calculated.

Upon review, ACU has not identified any arrangements in scope of AASB 1059. ACU has adopted AASB 1059 on 1 January 2020 with no material impacts to the financial statements.

Other Standards

All other standards effective in 2020 have not had a material impact and no material impact is expected for any standards issued but not yet effective.

2. REVENUE

	NOTE	2020 \$'000	2019 \$'000
2.1 Commonwealth Government financial assistance			
Commonwealth Grants Scheme and other grants			
Commonwealth Grants Scheme	24.1	230,217	229,877
Indigenous Student Success Program	24.1	1,823	2,144
Disability Support Programs	24.1	68	69
Access and Participation Funding	24.1	2,951	3,277
Total Commonwealth Grants Scheme and other grants		235,059	235,367
DET-Research			
Research Support Program	24.3	3,146	3,253
Research Training Program	24.3	3,934	3,857
Total DET-Research		7,080	7,110
Total DET Excluding HELP (a)		242,139	242,477
Higher Education Loan Program (HELP)			
HECS-HELP Commonwealth Payments	24.2	150,574	143,795
FEE-HELP	24.2	13,057	9,622
FEE-HELP VET	24.2	1,935	1,653
SA-HELP	24.2	6,343	5,642
Total Higher Education Loan Programs		171,909	160,712
Total DET including HELP		414,048	403,190
Australian Research Council			
Discovery – Projects	24.4	1,474	1,534
Discovery Early Career Research Award	24.4	508	680
Discovery Indigenous	24.4	54	203
Future Fellowships	24.4	196	245
Linkage – Projects	24.4	495	718
Total Australian Research Council (b)		2,727	3,380
Other Commonwealth Government financial assistance – non-capital			
DET		221	514
Total other Commonwealth Government financial assistance (c)		221	514
Total Commonwealth Government financial assistance		416,996	407,084
Total Commonwealth Government financial assistance excluding HELP (a + b + c)		245,087	246,371
Australian Government grants received – cash basis			
OS-HELP (net)	24.5	2,257	485
Superannuation supplementation	24.6	1,399	1,419
Total Australian Government funding received – cash basis		3,656	1,904
2.2 State and local government financial assistance			
Victorian Government Dept. of Ed RTO Funding		3,316	2,796
Victorian Government Dept. of Ed BETDS/BSTEP Funding		-	50
Qld Government Dept of Education		149	31
Total state and local government financial assistance		3,465	2,877

	NOTE	2020 \$'000	2019 \$'000
2.3 Fees and charges			
Fee-paying overseas students onshore		78,678	75,505
Fee-paying non-overseas postgraduate students		7,460	7,206
Other			
Non-overseas students undertaking non-award			
Courses		392	521
Rental charges		2,796	3,864
Charges for student accommodation		3,874	3,860
Registration fees		2,590	3,985
Library fees		10	23
Late fees		263	332
		96,063	95,296
2.4 Finance income			
Interest		2,616	4,491
Dividends		4,450	1,900
		7,066	6,391
2.5 Consultancy and contract research			
Consultancy fees		593	375
Industry research grants		4,118	4,756
		4,711	5,131
2.6 Other revenue			
Offshore programmes		82	378
Other programme income		7,252	10,458
Other grants – other		2,845	1,976
Donations and bequests		1,072	1,067
Profit on disposal of assets		1	2
Scholarships and prizes		303	433
Other income		5,797	15,124
		17,352	29,438

3. EXPENSES

	NOTE	2020 \$'000	2019 \$'000
3.1 Employee benefits			
Academic			
Salaries			
Academic		156,835	149,009
Contributions to superannuation and pension schemes			
Funded		21,702	20,226
Payroll tax		6,585	6,914
Workers compensation		411	349
Long service leave expense		3,006	4,085
Annual leave expense		891	482
		189,430	181,065
Professional			
Salaries			
Non academic		125,656	120,451
Contributions to superannuation and pension schemes			
Funded		20,412	18,539
Payroll tax		6,193	6,338
Workers compensation		386	320
Long service leave expense		4,292	4,770
Annual leave expense		1,121	722
Total employee related expenses		158,060	151,140
		347,490	332,205
Deferred employee benefits for super	13	519	1,097
Deferred superannuation expense	13	1,399	1,419
Total employee related expenses including deferred employee benefits for superannuation		349,408	334,721
3.2 Depreciation and amortisation			
Depreciation of buildings – freehold		8,790	9,716
Amortisation of intangible rights to occupy buildings		1,001	643
Depreciation of improvements to intangible right to occupy buildings		12,174	9,596
Depreciation of leasehold property improvements		5,684	4,753
Depreciation of furniture and fittings		595	1,281
Depreciation of plant and equipment		1,965	3,400
Depreciation of motor vehicles		25	31
Right of use assets		12,990	12,975
		43,224	42,395
3.3 Repairs and maintenance			
Buildings		6,084	6,051
Computers		324	297
Equipment and machinery		2,909	2,484
Furniture and fittings		212	268
Grounds		2,220	2,343
		11,749	11,443

	NOTE	2020 \$'000	2019 \$'000
3.4 Computer software and services			
Software		1,990	951
Software maintenance		8,491	6,719
Cloud expenses		929	1,191
IT and communications consultancy		5,256	3,280
		16,666	12,141
3.5 Consultancy			
Non-capitalised buildings		1,608	978
Other		8,887	11,099
Research		360	1,744
		10,855	13,821
3.6 Minor equipment			
IT hardware		2,016	1,665
Other		3,613	2,024
		5,629	3,689
3.7 Travel			
Domestic		2,172	6,515
International		762	4,904
		2,934	11,419
3.8 Other expenses			
Admission expenses		1,293	840
Advertising, promotions, publicity, printing and stationery		9,210	8,785
Cleaning and waste collection		4,647	3,885
Conference expenses		139	727
Copyright fees		1,068	1,035
Hire of equipment and facilities		337	1,391
Insurance		1,580	1,560
Legal fees		834	371
Library acquisitions		8,615	7,978
Loss on disposal of assets		18	-
Meeting expenses		258	892
Minor equipment rental expenses		3,294	3,602
Photocopying		861	793
Publications, subscriptions and memberships		1,786	1,586
Scholarships and prizes		6,404	6,625
Security services		3,406	3,032
Staff development and appointment costs		1,806	2,103
Student grants		1,416	1,700
Telecommunications		2,516	1,937
Utilities		4,837	5,400
Other expenses		9,561	9,223
		63,886	63,465

4. FINANCE EXPENSE

Make good on leased premises - unwind of discount on provision	15(a)	(285)	24
Leases		2,787	3,126
Bank loan interest, bond interest, interest rate swap and fees		7,663	6,989
		10,165	10,139

5. AUDITORS' REMUNERATION - KPMG

	NOTE	2020 \$	2019 \$
Audit of the university's financial statements		163,000	172,500
Other audit and related services			
Grant/Research Acquittal (Higher Education Research Data Collection, Indigenous Education Programme, Australia Awards Scholarships)		26,000	24,800
Other services			
Students Association agreed upon procedures		-	6,250
Faircall Service (whistle blower hotline)		3,200	8,000
Faircall Service training		80,000	-
Accounting and tax advice		-	45,300
Sustainability Bond assurance		13,973	-
Alumni Software Solution consultancy		73,000	-
		359,173	256,850

6. CASH AND CASH EQUIVALENTS

	NOTE	2020 \$'000	2019 \$'000
Cash at bank		54,089	50,125
		54,089	50,125

7. TRADE AND OTHER RECEIVABLES

Current			
Sundry receivables		1,290	1,788
Accrued income		5,080	3,727
Net GST receivable from ATO		314	-
		6,684	5,515

8. OTHER INVESTMENTS

Current			
Term deposits		94,500	60,600
Managed investment funds		43,794	17,029
		138,294	77,629
Non-current			
<i>Investments in Other Entities</i>			
Shares in listed companies		1,910	1,420
Shares in other companies		60,756	48,880
Bonds-Burke Fund		278	250
		62,944	50,550

9. OTHER ASSETS

	NOTE	2020 \$'000	2019 \$'000
Current			
Prepayments		17,573	19,337
Lease paid in advance		56	56
		17,629	19,393
Non-current			
Right to reimbursement from Commonwealth Government for unfunded superannuation liability	13	21,282	20,763
Lease paid in advance		3,707	3,762
		24,989	24,525

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

10. PROPERTY, PLANT AND EQUIPMENT

	NOTE	2020 \$'000	2019 \$'000
Land – freehold			
At independent valuation		-	169,438
At directors' valuation		169,438	-
	10(a)	169,438	169,438
Buildings – freehold			
At independent valuation		-	290,527
At directors' valuation		303,198	-
Accumulated depreciation		(8,790)	-
	10(a)	294,408	290,527
Improvements to intangible right to occupy buildings			
At cost		332,592	339,148
Accumulated amortisation		(94,215)	(86,219)
	10(a)	238,377	252,929
Leasehold improvements			
At cost		62,747	55,941
Accumulated depreciation		(40,266)	(38,042)
	10(a)	22,482	17,899
Furniture and fittings			
At cost		16,787	16,746
Accumulated depreciation		(16,283)	(15,688)
	10(a)	504	1,058
Plant and equipment			
At cost		50,966	50,287
Accumulated depreciation		(48,761)	(46,847)
	10(a)	2,205	3,440
Motor vehicles			
At cost		321	415
Accumulated depreciation		(279)	(285)
	10(a)	42	130
Works of art			
At cost		3,535	3,244
	10(a)	3,535	3,244
Work in progress			
At cost		89,614	48,204
	10(a)	89,614	48,204
Right of use assets			
At cost		90,375	80,605
Accumulated depreciation		(25,965)	(12,975)
	10(b)	64,410	67,630
Total property, plant and equipment		885,015	854,499



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. From 2019, Plant and equipment including works of arts items have been included as an asset where cost is greater than or equal to \$10,000, previously \$3,000.

(a) Reconciliations

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

	LAND - FREEHOLD	BUILDINGS - FREEHOLD	SUB-TOTAL LAND AND BUILDINGS FREEHOLD	IMPROVEMENTS OF INTANGIBLE RIGHT TO OCCUPY BUILDINGS	LEASEHOLD IMPROVEMENTS
2020					
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
Revaluation increment/ (decrement)	-	-	-	-	-
Depreciation	-	(8,790)	(8,790)	(12,174)	(5,684)
Disposals	-	-	-	-	-
Closing balance	169,438	294,408	463,846	238,377	22,482
2019					
Opening balance	104,929	339,507	444,436	235,704	20,708
Additions	5,900	5,888	11,788	14,999	1,944
Transfer from WIP	-	-	-	11,822	-
Revaluation increment/ (decrement)	58,609	(45,152)	13,457	-	-
Depreciation	-	(9,716)	(9,716)	(9,596)	(4,753)
Disposals	-	-	-	-	-
Closing balance	169,438	290,527	459,965	252,929	17,899



FURNITURE AND FITTINGS	PLANT AND EQUIPMENT	MOTOR VEHICLES	WORKS OF ART	WORK IN PROGRESS	TOTAL
1,058	3,440	130	3,244	48,204	786,869
41	730	-	307	42,199	63,048
-	-	-	-	(789)	-
-	-	-	-	-	-
(595)	(1,965)	(25)	-	-	(29,233)
-	-	(63)	(16)	-	(79)
504	2,205	42	3,535	89,614	820,605
2,290	6,045	161	3,017	31,900	744,261
49	795	-	227	28,126	57,928
-	-	-	-	(11,822)	-
-	-	-	-	-	13,457
(1,281)	(3,400)	(31)	-	-	(28,777)
-	-	-	-	-	-
1,058	3,440	130	3,244	48,204	786,869

10. PROPERTY, PLANT & EQUIPMENT**(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
2020				
Opening balance	66,353	1,072	205	67,630
Additions	9,613	36	121	9,770
Depreciation	(12,536)	(384)	(70)	(12,990)
Disposals	-	-	-	-
Closing balance	63,430	724	256	64,410
2019				
Opening balance	-	-	-	-
Opening balance adjustment for AASB16	66,915	1,124	254	68,293
additions	11,904	408	-	12,312
Depreciation	(12,466)	(460)	(49)	(12,975)
Disposals	-	-	-	-
Closing balance	66,353	1,072	205	67,630

11. INTANGIBLE ASSETS

	INTANGIBLE RIGHT TO OCCUPY LAND \$'000	INTANGIBLE RIGHT TO OCCUPY BUILDINGS \$'000	TOTAL \$'000
2020			
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)
Carrying amount at 31 December 2020	35,942	3,054	38,996
2019			
Cost	40,411	23,088	63,499
Accumulated amortisation			
Opening balance	(4,469)	(18,390)	(22,859)
Amortisation	-	(643)	(643)
Write back on reclass	-	-	-
Closing balance	(4,469)	(19,033)	(23,502)
Carrying amount at 31 December 2019	35,942	4,055	39,997

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-Signadou campus 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	2020 \$'000	2019 \$'000
Accrued expenses		37,281	28,141
Sundry creditors		3,109	6,641
		40,390	34,782

13. EMPLOYEE BENEFITS

	NOTE	2020 \$'000	2019 \$'000
Current			
<i>Expected to be settled within 12 months</i>			
Provision for annual leave		14,930	13,522
Provision for long service leave		7,116	6,233
		22,046	19,755
<i>Expected to be settled after 12 months</i>			
Provision for annual leave		6,399	5,795
Provision for long service leave		23,083	20,220
		29,482	26,015
Total current provisions		51,528	45,770
Non-current			
Provision for long service leave		6,425	6,264
Provision for superannuation		21,282	20,763
		27,707	27,027

LONG SERVICE LEAVE

The classification of current employee provisions include 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.

An actuarial review was undertaken in 2019 by PriceWaterhouseCoopers to review the assumptions and staff departure experience. The provisions have been calculated based on the revised assumptions and experience from the review.

SUPERANNUATION

The university contributes to the following employee superannuation funds:

Fully funded schemes

- UniSuper
- Catholic Superannuation Fund
- Australian Catholic Superannuation and Retirement Fund
- Emergency Services and State Superannuation Scheme – Accumulation account
- Australian Super Pty Ltd
- Aware Super
- Christian Super
- HESTA
- McKenna retirement fund

- 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 2020 by PriceWaterhouseCoopers. As at that date the scheme carried total liabilities, including liabilities for members' benefits in excess of the value of the scheme's assets.

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

The notional share of the scheme's unfunded liabilities attributed to the university is assessed by the Government Superannuation Office to be \$21,282,000 as at 31 December 2020 (\$20,763,000 as at 31 December 2019).

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

Therefore a non-current receivable equal to the scheme's unfunded liabilities attributed to the university has been recognised. DET provided annual supplementation in 2020 of \$1,398,897 (2019: \$1,419,023) 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	2020 \$'000	2019 \$'000
Net liability			
Fair value of plan assets		9	99
Accrued benefit liability		(21,291)	(20,862)
Net liability before contributions tax		(21,282)	(20,763)
Tax liability on future contributions		-	-
Net liability		(21,282)	(20,763)
Actuarial assumptions			
Discount rate		1.1%	1.5%
Rates of future salary increases		2.5%	4.0%
Rates of pension increases		2.5%	2.5%

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

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.

During 2019, the university repaid a debt facility with the Catholic Development Fund (\$50m).

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

The average interest rate of borrowing is 3.48% for the year ended 31 December 2020 (3.34% 2019).

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	2020 \$'000	2019 \$'000
Current			
Unsecured			
Lease liabilities		11,986	10,084
Total current unsecured borrowings		11,986	10,084
Non-current			
Unsecured			
Bond		50,000	-
Sustainability Bond		199,481	199,417
Lease liabilities		62,688	65,158
Total non-current unsecured borrowings		312,169	264,575
Total unsecured borrowings		324,155	274,659
a) Financing arrangements			
Unrestricted access was available at balance date to the following lines of credit:			
Bank loan facilities			
Total facilities			
Bond		50,000	-
Sustainability Bond		199,481	199,417
Used at balance date			
Bond		50,000	-
Sustainability Bond		199,481	199,417
Unused at balance date		-	-

15. OTHER LIABILITIES

	NOTE	2020 \$'000	2019 \$'000
Current			
Grants received in advance		12,441	10,395
Fees received in advance		8,184	12,944
Other income received in advance		3,515	692
Sub-total deferred revenue		24,140	24,031
Funds held in trust		2,283	2,278
Net GST Payable		-	686
OS HELP payable		2,492	235
Bonds – student residences		219	320
Overseas student health care		258	708
		29,392	28,258
Non-current			
Leasehold make good provision	15 (a)	5,609	5,946
		5,609	5,946
(a) Reconciliation			
Leasehold make good provision			
Balance at beginning of financial year		5,946	6,946
Provisions made during the year		830	620
Provisions reversed during the year		(882)	(1,644)
Unwind/adjust discount	4	(285)	24
Balance at end of financial year		5,609	5,946

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	2020 \$'000	2019 \$'000
General reserve			
Adjusted balance at beginning of financial year		484,220	439,186
Transfers from retained earnings	17	31,374	45,034
Balance at end of financial year		515,594	484,220
Asset revaluation reserve			
Balance at beginning of financial year		115,756	102,299
Increment/(decrement)		-	13,457
Balance at end of financial year		115,756	115,756
Financial assets revaluation reserve			
Balance at beginning of financial year		48,857	30,803
Revaluation increment			
Shares revaluation reserve		12,694	18,054
Balance at end of financial year		61,551	48,857
Contribution from members			
Balance at beginning of financial year		56,958	56,958
Balance at end of financial year		56,958	56,958
Total reserves		749,859	705,791

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	2020 \$'000	2019 \$'000
Retained earnings at beginning of year		-	-
Net result		31,374	45,034
Transfer to general reserve	16	(31,374)	(45,034)
Retained earnings at the end of the year		-	-

18. COMMITMENTS

	NOTE	2020 \$'000	2019 \$'000
(a) Capital expenditure commitments			
Capital expenditure commitments not provided for in the financial statements and payable:			
Within one year		112,043	53,700
One year or later and no later than five years		60,476	136,844
		172,519	190,544
(b) Non-cancellable operating lease expense commitments			
Future operating lease commitments of premises, plant and equipment, not provided for in the financial statements and payable:			
Within one year		301	541
One year or later and no later than five years		3,539	2,597
Total undiscounted contractual cash flows		3,840	3,138
Lease liabilities recognised in the balance sheet		74,674	75,242
		78,514	78,380

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

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

	2020 NUMBER	2019 NUMBER
Nil	11	14
\$10,000 - \$19,999	1	1
\$70,000 - \$79,999	1	1
\$100,000 - \$109,999	-	1
\$110,000 - \$119,999	2	-
\$140,000 - \$149,999	2	-
\$160,000 - \$169,999	-	2
\$170,000 - \$179,999	1	-
\$190,000 - \$199,999	-	1
\$250,000 - \$259,999	-	1
\$290,000 - \$299,999	1	1
\$340,000 - \$349,999	-	1
\$470,000 - \$479,999	1	-
\$1,340,000 - \$1,349,999	1	-
\$1,350,000 - \$1,359,999	-	1
	2020 \$	2019 \$
Total compensation paid, or payable or otherwise made available to all directors of the university from the university or any related party.	2,908,221	2,972,614

REMUNERATION OF KEY MANAGEMENT PERSONNEL

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

	2020 NUMBER	2019 NUMBER
\$150,000 - \$159,999	-	1
\$430,000 - \$439,999	-	*1
\$440,000 - \$449,999	*1	-
\$490,000 - \$499,999	-	1
\$500,000 - \$509,999	1	-
\$520,000 - \$529,999	-	1
\$690,000 - \$699,999	-	1
\$700,000 - \$709,999	1	-
\$710,000 - \$719,999	1	-
\$740,000 - \$749,999	-	2
\$780,000 - \$789,999	1	-
\$1,030,000 - \$1,039,999	1	-
\$1,340,000 - \$1,349,999	1	-
\$1,350,000 - \$1,359,999	-	1

* Stipend paid to religious congregation

	2020 \$	2019 \$
Total compensation paid, or payable or otherwise made available to all executive officers of the university from the university or any related party	5,540,509	5,156,962
Short-term employee benefits	-	-
Post-employment benefits	517,273	490,117
	5,023,236	4,666,845

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; The Hon. J. Fahey AC, GCSG; Dr D. Fergie; Most Reverend A. Fisher OP; Mr R. Fox; Assoc. Professor E. Froude; Mr G. Goodwin-Moore; Professor M. Hillel OAM; Ms C.P. Kaur; Mr T. Kirk; Ms D. Leahy; 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; Ms B.M. T. Steele.

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

Total amounts transacted with related parties are as follows:

	2020 \$'000	2019 \$'000
Income statement		
Income		
Catholic Archdiocese of Brisbane	200	691
Catholic Archdiocese of Sydney	5	16
Catholic Archdiocese of Melbourne	1,012	-
	1,217	707
Expenditure		
Catholic Archdiocese of Brisbane	51	103
Catholic Archdiocese of Canberra and Goulburn	17	2
Catholic Archdiocese of Melbourne	1,701	817
Catholic Archdiocese of Sydney	9	73
Catholic Diocese of Ballarat	1	1
Mr J. O'Connell (Pro Chancellor)	78	78
	1,857	1,074
Balance Sheet		
Asset		
Catholic Archdiocese of Canberra and Goulburn*	2,400	-
	2,400	-

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 Signadou Canberra Campus.

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 1 year) and short term (less than 1 year) deposits across a number of institutions.

The university raised \$200m through a bond issue during 2017. The university repaid a debt facility with the Catholic Development Fund (\$50m) during 2019.

In November 2020, the university raised \$50m through a bond issue, funds will be largely used to complete the Saint Teresa of Kolkata Building in Melbourne due for completion in June 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
2020							
Financial assets							
Cash	54,089	54,089	-	-	-	-	54,089
Trade and other receivables	6,684	6,684	-	-	-	-	6,684
Financial assets	-	-	-	-	-	-	-
Other investments	201,238	53,126	65,900	20,138	16	62,058	201,238
	262,011	113,899	65,900	20,138	16	62,058	262,011
Financial liabilities							
Trade and other payables	40,390	40,390	-	-	-	-	40,390
Loans	249,481	-	-	-	-	250,000	250,000
Leases	74,674	6,576	6,305	11,042	23,722	38,698	86,343
	364,545	49,966	6,305	11,042	23,722	288,698	376,733
2019							
Financial assets							
Cash	50,125	50,125	-	-	-	-	50,125
Trade and other receivables	5,515	5,515	-	-	-	-	5,515
Financial assets	-	-	-	-	-	-	-
Other investments	128,179	49,130	28,499	694	170	49,686	128,179
	183,819	104,770	28,499	694	170	49,686	183,819
Financial liabilities							
Trade and other payables	34,782	34,782	-	-	-	-	34,782
Loans	199,417	-	-	-	-	200,000	200,000
Leases	75,242	6,486	6,307	11,823	24,824	42,978	92,418
	309,441	41,268	6,307	11,823	24,824	242,978	327,200

The average interest rate of borrowing is 3.48% for the year ended 31 December 2020 (3.38% 2019).

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

	NOTE	2020 \$'000	2019 \$'000
5-10 years			
Bond		50,000	-
Sustainability Bond		199,481	199,417
Non-current borrowings		249,481	199,417

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 \$1,714,813 (2019: \$343,948).

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	
	2020 \$'000	2019 \$'000
Cash	54,089	50,125
Trade and other receivables	6,684	5,515
Other investments	201,238	128,179
Total	262,011	183,819
Debtors aging		
Current	697	851
30 days	27	112
60 days	59	421
90 days	69	88
Greater than 90 days	438	316
Total	1,290	1,788

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

	2020		2019	
	CARRYING AMOUNT \$'000	FAIR VALUE \$'000	CARRYING AMOUNT \$'000	FAIR VALUE \$'000
Financial assets				
Cash	54,889	54,889	50,125	50,125
Trade and other receivables	6,684	6,684	5,515	5,515
Other investments	201,238	201,238	128,179	128,179
	262,811	262,811	183,819	183,819
Financial liabilities				
Trade and other payables	40,390	40,390	34,782	34,782
Loans	249,481	250,000	199,417	200,000
Leases	74,674	86,343	75,242	92,418
	364,545	376,733	309,441	327,200

b) Level 3 fair values

	EQUITY SECURITIES AVAILABLE FOR SALE \$'000
Balance at 1 January 2019	25,914
Additions	2,844
Net change in fair value in OCI	17,103
Balance at 31 December 2019 receivables	45,861
Balance at 1 January 2020	45,861
Additions	-
Disposal	(1,246)
Net change in fair value in OCI	12,845
Balance at 31 December 2020 receivables	57,460

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 2020 was 23 (2019: 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:

	2020 \$'000	2019 \$'000
Cash at bank	54,089	50,125
	54,089	50,125

(II) RECONCILIATION OF NET RESULT AFTER INCOME

Tax to net cash provided by operating activities

Net result after income tax	31,374	45,034
<i>Add/(less) items classified as investing/financing activities:</i>		
(Profit) on sale of non-current assets	10	(2)
Loss on sale of non-current assets	-	-
<i>Add/(less) non-cash items:</i>		
Depreciation and amortisation	43,224	42,395
Lease in advance	56	56
Unwind/adj discount on make good provision	(285)	24
Increase/(decrease) in interest rate swap	-	71
Unwind bond discount	64	61
<i>Amounts set aside to (utilised from) provisions:</i>		
Employee entitlements	5,919	6,287
Make good of lease premises	(52)	(1,025)
Net cash provided by operating activities before change in assets and liabilities	80,310	92,901
Change in assets and liabilities:		
<i>Change in assets and liabilities:</i>		
(Increase)/decrease in accrued income	(1,500)	(1,910)
(Increase)/decrease in sundry debtors	498	472
(Increase)/decrease in prepayments	1,764	(6,856)
(Increase)/decrease in right of use Assets	3,220	(67,630)
(Increase)/decrease in other assets	148	(312)
Increase/(decrease) in operating lease liabilities	12,250	86,269
Increase/(decrease) in Grants in advance	4,303	2,468
Increase/(decrease) in fees in advance	(4,760)	696
Increase/(decrease) in accrued expenses	3,085	2,622
Increase/(decrease) in sundry creditors	(3,532)	894
Increase/(decrease) in funds held in trust	5	(66)
Increase/(decrease) in bonds – university residences	(101)	(21)
Increase/(decrease) in overseas student health care	(450)	325
Increase/(decrease) in other income in advance	2,823	(276)
Increase/(decrease) in net GST	(1,001)	800
Increase/(decrease) in lease liabilities	-	(5,605)
Net cash provided by operating activities	97,062	104,771

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	
		2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the programmes)		232,732	230,386	2,057	1,844	68	69	3,176	3,277
Net accrual adjustments		(2,515)	(509)	(234)	300	-	-	(225)	-
Revenue for the period	2.1	230,217	229,877	1,823	2,144	68	69	2,951	3,277
Surplus/(deficit) from the previous year		-	-	-	-	-	-	-	-
Funds available for reporting period		230,217	229,877	1,823	2,144	68	69	2,951	3,277
Less expenses including accrued expenses		(230,217)	(229,877)	(1,823)	(2,144)	(68)	(69)	(2,951)	(3,277)
Surplus/(deficit) for reporting period		-	-	-	-	-	-	-	-

24.2 HIGHER EDUCATION LOAN PROGRAMS (HELP)

	HECS HELP		FEE HELP		FEE HELP VET		SA HELP	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the programmes)	149,660	141,443	11,147	10,783	1,935	1,653	5,859	6,470
Plus contributions actually received from students	9,552	9,878	-	-	-	-	-	-
Total received	159,212	151,321	11,147	10,783	1,935	1,653	5,859	6,470
Net accrual adjustments	914	2,352	1,910	(1,161)	-	-	484	(828)
Revenue for the period	160,126	153,673	13,057	9,622	1,935	1,653	6,343	5,642
Surplus/(deficit) from the previous year	-	-	-	-	-	-	-	-
Funds available for reporting period	160,126	153,673	13,057	9,622	1,935	1,653	6,343	5,642
Less expenses including accrued expenses	(160,126)	(153,673)	(13,057)	(9,622)	(1,935)	(1,653)	(6,343)	(5,642)
Surplus/(deficit) for reporting period	-	-	-	-	-	-	-	-

24.3 COMMONWEALTH RESEARCH FINANCIAL ASSISTANCE

	NOTE	RESEARCH SUPPORT PROGRAM		RESEARCH TRAINING PROGRAM	
		2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the programmes)		3,146	3,253	3,934	3,857
Net accrual adjustments		-	-	-	-
Revenue for the period	2.1	3,146	3,253	3,934	3,857
Surplus/(deficit) from the previous year		-	-	-	-
Funds available for reporting period		3,146	3,253	3,934	3,857
Less expenses including accrued expenses		(3,146)	(3,253)	(3,934)	(3,857)
Surplus/(deficit) for reporting period		-	-	-	-

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)	
		2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the programmes)		1,513	1,920	874	787	-	-	257	58	627	510
Net accrual adjustments		(39)	(386)	(366)	(107)	54	203	(61)	187	(132)	208
Revenue for the period	2.1	1,474	1,534	508	680	54	203	196	245	495	718
Surplus/(deficit) from the previous year		-	-	-	-	-	-	-	-	-	-
Funds available for reporting period		1,474	1,534	508	680	54	203	196	245	495	718
Less expenses including accrued expenses		(1,474)	(1,534)	(508)	(680)	(54)	(203)	(196)	(245)	(495)	(718)
Surplus/(deficit) for reporting period		-	-	-	-	-	-	-	-	-	-

24.5 OS-HELP

	NOTE	2020 \$'000	2019 \$'000
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the programmes)		2,444	2,309
Cash spent during the reporting period		(186)	(1,824)
Net cash received	2.1	2,258	485
Cash surplus / (deficit) from the previous period		235	(250)
Cash surplus / (deficit) for reporting period	15	2,493	235

24.6 SUPERANNUATION SUPPLEMENTATION

	NOTE	2020 \$'000	2019 \$'000
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the programmes)	2.1	1,399	1,419
Cash spent during the reporting period		(1,255)	(1,345)
Net cash received		144	74
Cash surplus / (deficit) from the previous period		(27)	(101)
Cash surplus / (deficit) for reporting period		117	(27)

24.7 STUDENT SERVICES AND AMENITIES FEE

	NOTE	2020 \$'000	2019 \$'000
Unspent/(overspent) revenue from previous period		-	-
SA HELP revenue earned		5,709	5,630
Student service fees direct from students		2,505	2,414
Total revenue expendable in period		8,214	8,044
Student services expenses during the period		(8,214)	(8,044)
Unspent/(overspent) student services revenue		-	-

Directors' Declaration

1. In the opinion of the directors of Australian Catholic University Limited:
- (a) the financial statements and notes, as set out on pages 9 to 63, are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the financial position of the university as at 31 December 2020 and of its performance, as represented by the results of its operations and its cashflows, for the financial year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the Corporation Regulations 2001; and
 - (b) there are reasonable grounds to believe that the university will be able to pay its debts as and when they become due and payable; and
 - (c) the amount of Commonwealth grants expended during the reporting period was for the purposes for which it was granted
 - (d) the financial statements and notes satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*
 - (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 2021.

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



Mr Julien O'Connell AO
Director

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

REPORT ON THE FINANCIAL STATEMENTS

OPINION

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

In our opinion, the accompanying Financial Statements of the university is in accordance with the *Australian Charities and Not-for-profits Commission (ACNC) Act 2012* and the *Corporations Act 2001* including:

- i) giving a true and fair view of the university's financial position as at 31 December 2020, 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 and the Corporations Regulations 2001.

The Financial Statements comprises:

- balance sheet as at 31 December 2020;
- 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 in accordance with the *Corporations Act 2001* 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/Statements] in Australia. We have fulfilled our other ethical responsibilities in accordance with the Code.

OTHER INFORMATION

Other Information is financial and non-financial information in the university's annual reporting which is provided in addition to the Financial Statements and the Auditor's Report. The directors are responsible for the Other Information. The Other Information we obtained prior to the date of this Auditor's Report was the Directors' Report.

Our opinion on the Financial Statements does not cover the Other Information and, accordingly, we do not express any form of assurance conclusion thereon.

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

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

RESPONSIBILITIES OF THE DIRECTORS FOR THE FINANCIAL STATEMENTS

The directors are responsible for:

- Preparing the Financial Statements that give a true and fair view in accordance with Australian Accounting Standards, the Australian Charities and Not-for-profits Commission Regulation 2013 and *Corporations Act 2001*.
- Implementing necessary internal control to enable the preparation of Financial Statements 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 Statements as a whole are free from material misstatement, whether due to fraud or error; and
- to issue an Auditor's Report that includes our opinion.

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

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

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

KPMG

Kevin Leighton
Partner
Sydney
7 April 2021

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

St. Mary MacKillop



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Australian Catholic University attempts to ensure the information contained in this publication is correct at the time of production (April 2021). However, sections may be amended without notice by the university in response to changing circumstances or for any other reason. Check the course browser on the ACU website for the most up-to-date information.