



*Blacktown
Exercise
Sports and
Technology Hub*

**Strategically
focused.**



**Ethically
minded.**

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

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

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

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

LETTER OF TRANSMITTAL

May 2024

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 2023.

The Financial Statements were approved by the Australian Catholic University Senate on 3 April 2024.

Yours sincerely



The Honourable Martin Daubney AM KC
Chancellor



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Message from the Chancellor



In his address to the centenary celebration of the International Federation of Catholic Universities, Pope Francis observed of Catholic universities:

It is not enough to award academic degrees: it is necessary to awaken and cherish in each person the desire to 'be'. It is not enough to prepare students for competitive careers: it is necessary to help them discover fruitful vocations, to inspire pathways of authentic existence and to integrate the contribution of each individual within the creative dynamics of the larger community.¹

These statements resonate profoundly for us at ACU, particularly as we navigate the turbulent waters of the contemporary higher education sector in this country.

The Federal Government has unambiguously signalled its intention to make the higher education sector more relevant to modern Australian needs. To that end, the Australian Universities Accord panel set out to create a long-term reform plan to meet Australia's future skills needs. Both the Accord's interim report released in July 2023 and its final report issued in early 2024, focused on equity and access to higher education for all Australians.

This emphasis on fairness, accessibility, and embracing diversity reflects our own mission and values as a Catholic university. ACU welcomes many of the Accord recommendations, in particular the urgent need to increase and expand our national skills base, the creation of a broader and more robust research ecosystem, the need to embrace innovation, and equipping the sector to ensure it can play a crucial role in meeting a broad array of economic, productivity and social challenges. While we are yet to see the Government's response to the Accord recommendations, it is clear that sector change is afoot, which will require robust conversation to ensure optimal outcomes for all.

At the same time, ACU itself is emerging from its own program of reformation with a firm eye on its future. The Senate endorsed significant operational changes implemented by management through 2023 to address financial and structural challenges. This action has not only repositioned us more competitively in the sector but has provided the opportunity to reimagine ACU as a stronger, more agile, and resilient institution to meet future challenges and to achieve our Vision 2033 ambition.

Under the leadership of the Vice-Chancellor, our university has committed to a strategic vision which has strengthened our resolve to serve communities through connection and collaboration, address issues of national significance, promote human dignity, and advance common good, while always working to fortify ACU's institutional foundations. This vision, which is strongly supported by Senate, is being implemented by a dedicated executive team.

In this report you will find examples of some of the following accomplishments:

- a reinvigorated approach that better aligns teaching and research while also prioritising graduate research and the deeper connections with industry and government
- expansion of enterprise capabilities
- student endeavours on an international and national stage
- and further development of a dedicated sustainability framework.

This enterprising and industrious activity provides a foundation of renewal as the university produces a new generation of scholars and graduates with lively intellects, curious minds and an ethical mindset, and allows ACU to serve as a contemporary Catholic university which is true to its mission and well equipped to meet and respond to the sorts of challenges posed by the Holy Father.

This 2023 annual report summarises an important year of achievement and challenge for our university. It reports both high points and low spots which have occurred against a backdrop of transformation. Importantly, it reaffirms our commitment to our mission.

**The Honourable
Martin Daubney AM KC
Chancellor**

¹ Address of His Holiness Pope Francis to the International Federation of Catholic Universities, 19 January 2024

Message from the Vice-Chancellor and President



With a year dominated by challenging decisions around our program of financial recovery, it is easy to overlook the successes achieved during 2023.

Positive news on the enrolment front shows that enrolments have improved in some key areas and we are enrolling a more diversified cohort of students than ever. This includes the largest number of commencing international students in ACU's history.

Significant revenue diversification initiatives are also underway. Our research grant success has improved considerably, and our grant pipeline is building. Consultancy and contract research revenue has more than doubled. The institution's philanthropic funding is now the largest in the history of the organisation, with philanthropic funding exceeding targets.

We received the largest single donor cash donation in the history of ACU and the largest government grant in ACU's history: \$45 million from the NSW Government for a STEM Centre of Education Excellence to be built in Strathfield. Other notable precinct and campus developments include completion of the Blacktown Exercise, Sports and Technology (BEST) facility, the establishment of ACU's Australian Centre for the Advancement of Literacy in North Sydney, and the completion of the Saint Teresa of Kolkata Building on ACU's Melbourne Campus.

ACU has become one of only two education institutions outside the United States to receive the Carnegie Community Engagement Classification, recognising us as a higher education leader in institutionalised community engagement and a university committed to addressing real-world challenges in the community. The Carnegie Classification reaffirms our mission-aligned commitment to working with our local communities and partner organisations to improve the lives of our community members and to undertake research that serves the common good.

ACU reached a strategic inflection point this year, and difficult decisions were made to stabilise the path and change to embrace new opportunities for the university.

We set out to right the size of the staffing profile of the organisation as part of the program of financial recovery to address a significant budget shortfall. Implementation of our strategic operational shift includes a new operating blueprint and research model, as well as making necessary financial reductions. Research institutes have now been integrated into the faculties, the number of research-only staff has been reduced, we have established a new Graduate Research School, and we have consolidated student services under a newly created portfolio with a Deputy Vice-Chancellor (Education).

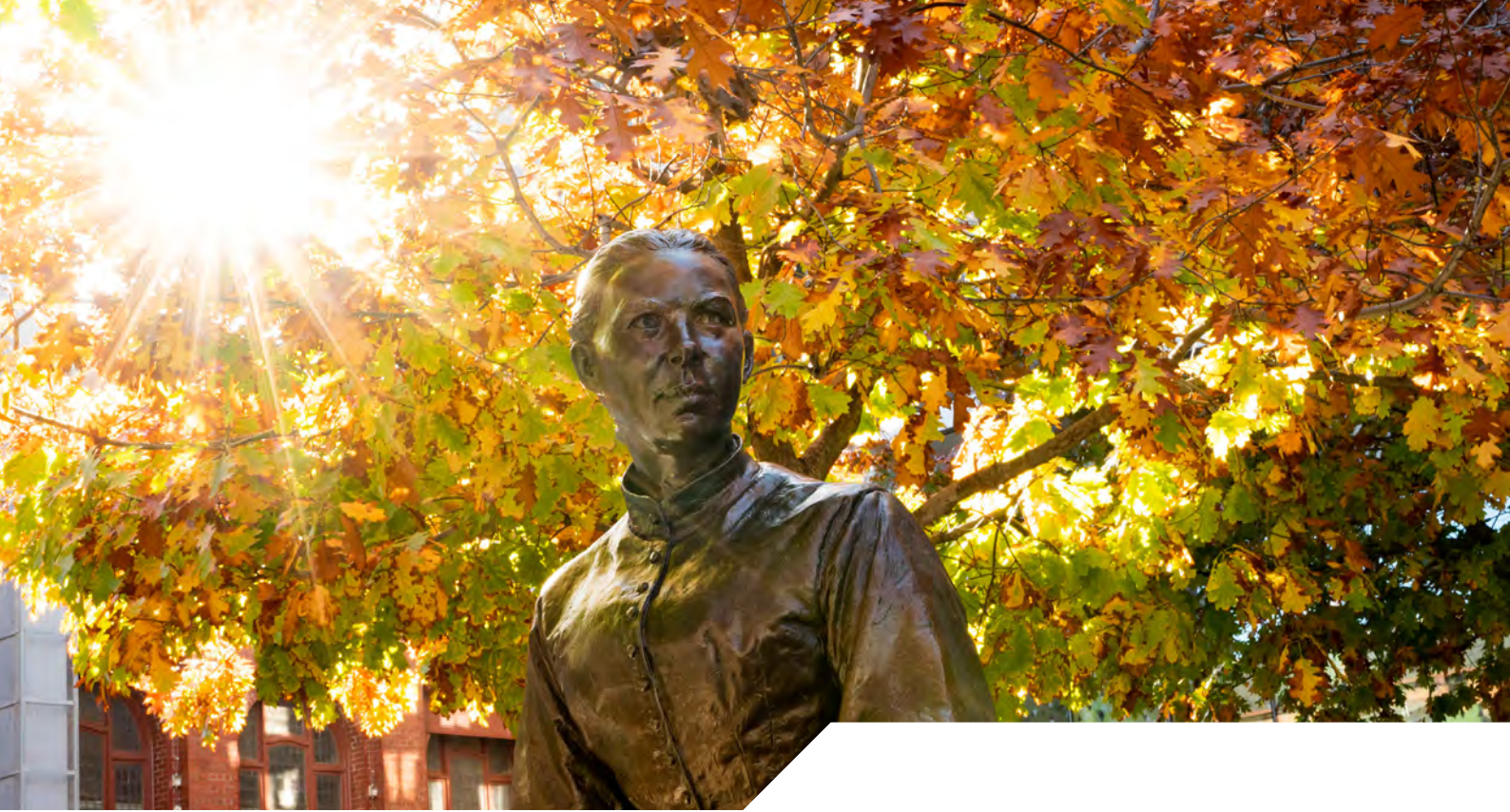
These changes to the university-wide operating model were necessary to achieve our vision for a sustainable future that will deliver an outstanding student experience, build an integrated model for research excellence, and provide operational services that support teaching and research, through provision of a more efficient, effective service delivery.

The university's new strategic plan, Vision 2033, will put ACU on a confident and stable footing to embrace our future.

As a leading Catholic university, our vision is to forge an ethical future founded on thriving communities comprised of flourishing individuals, through collaborative engagement, adaptive education, high-impact research and global influence. We seek to be more deeply engaged with our students, staff, industry, partners and the communities we serve.

There are many opportunities ahead and much exciting work to be done to fulfil our mission of faith and service.

Professor Zlatko Skrbis
Vice-Chancellor and President



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. We're ranked in the top two per cent of universities worldwide* and in the top 10 Catholic universities**. The university has seven campuses around Australia, a campus in Rome,

Italy, and an online campus – ACU Online.

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

* *Times Higher Education World University Rankings 2024*. 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 2023*

Key statistics

	2023	
ENROLMENTS*		
Total	32,283	
Undergraduate	25,037	
Postgraduate coursework	5,841	
Higher degree research	290	
Non-award	1,115	
Domestic	28,094	
International	4,189	
STAFF		
Academic	1,207.8	
Professional	1,296.0	
RESEARCH**		
	\$	
Category 1 – Australian competitive grant R&D income	4,166,191	
Category 2-4 – Other public sector R&D income, industry and other R&D income	6,205,821	
Category 3	2,855,165	
Total	13,227,179	
INCOME		
	\$'000	(%)
Commonwealth Government grants	269,041	46.7
HELP	159,877	27.8
Fees and charges	99,604	17.3
Other	47,115	8.2
Total income	575,637	100.0
EXPENDITURE		
	\$'000	(%)
Employee benefits	406,796	66.5
Depreciation and amortisation	47,816	7.8
Repairs and maintenance	11,054	1.8
Other	145,693	23.8
Total expenditure	611,359	100.0
ASSETS		
	\$'000	
Total assets	1,256,140	

* The 2023 student data (course headcount) is still preliminary and will be finalised in April 2024, after the time of printing.

** Indicative figures. Audited figures not available until mid-2024.

Data sources:

1. Student Enrolments and Load Report, course headcount
2. Annual Staff Data Report, all staff FTE (including casuals)

Governance and management

GOVERNANCE

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

The President of the Corporation is the Most Reverend Mark Coleridge DSS who was elected by the members on 12 November 2018. The Corporation's members are the Catholic Archbishops of the Archdioceses of Sydney, Melbourne, Brisbane and Canberra-Goulburn, the Bishops of the Dioceses of Ballarat and Parramatta, congregational leaders of founding religious institutions, and nominees of the Archbishops and the Bishop of Ballarat. ACU's Constitution may be viewed on the university's website at acu.edu.au/constitution

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

These are:

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

ACU SENATE

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

- The Chancellor, Pro-Chancellor, Vice-Chancellor and President, Chair of Academic Board, and one Cleric nominated by the Australian Catholic Bishops' Conference are ex-officio members. Members of the Corporation appoint the Chancellor and Pro-Chancellor. The Senate appoints the Vice-Chancellor and President subject to the approval of the members.
- Members of the Corporation elect four senators, one from each state and territory, nominated by the relevant State Chapter and approved by the local Archbishop.

- Members of the Corporation elect four senators from nominations provided by members of the Corporation and the Senate.
- Academic staff elect three senators.
- Professional staff elect one senator.
- Students elect one senator.

ACADEMIC BOARD

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

Academic Board has the following standing committees:

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

EXECUTIVE GOVERNANCE

The Vice-Chancellor's Advisory Committee (VCAC) is an advisory forum providing advice on matters of strategic importance to the Vice-Chancellor and President.

It is chaired by the Vice-Chancellor and President and its membership includes members of the senior executive and executive.

The University Consultative Committee (UCC) is a forum for strategic discussion, information sharing and engagement. It is chaired by the Chair, Academic Board and its membership includes a range of university officers drawn from members of the senior executive, executive and senior management.

IN 2023, SENATE MEMBERSHIP COMPRISED OF:**Chancellor**

The Hon Martin Daubney AM KC

Pro-Chancellor

Ms Virginia Bourke

Vice-Chancellor and President

Professor Zlatko Skrbis

Chair of Academic Board

Professor Timothy McKenry

Cleric nominated by the Australian Catholic Bishops' Conference

The Most Reverend Anthony Fisher OP

State Chapter nomination (NSW)

Ms Annette Schmiede (until 30 June 2023)

Ms Marita Winters (from 2 October 2023)

State Chapter nomination (Vic)

Mr Stephen Elder OAM GCSG (until 11 May 2023)

Ms Alice Bailey (from 12 May 2023)

State Chapter nomination (Qld)

Mr Karl Morris AO (until 11 May 2023)

Dr Peter Steer (from 12 May 2023)

State Chapter nomination (ACT)

Mr Ross Fox

Senate Panel and ACU Corporation nominated member (NSW)

Ms Francine Pirola

Senate Panel and ACU Corporation nominated member (Vic)

Ms Helen Cooney

Senate Panel and ACU Corporation nominated member (Qld)

The Hon Justice James Douglas KC

Senate Panel and ACU Corporation nominated member (ACT)

Mr Tim Kirk (until 11 May 2023)

Elected by academic staff ACU

Professor Elspeth Froude

Associate Professor Richard Colledge

Dr Josephine Ryan (until 30 April 2023)

Dr Jessica (Jess) Russ-Smith (from 1 May 2023)

Elected by professional staff ACU

Mr Gerard Goodwin-Moore (until 30 April 2023)

Ms Sarah Beltrame (from 1 May 2023)

Elected by students ACU

Ms Deanna Uremovic (from 1 January 2023)

IN 2023, ACADEMIC BOARD MEMBERSHIP COMPRISED OF:**Chair of Academic Board**

Professor Timothy McKenry

Vice-Chancellor and President

Professor Zlatko Skrbis

Provost

Professor Meg Stuart (Interim)

Chief Operating Officer

Dr Stephen Weller

Deputy Vice-Chancellors

Professor Abid Khan

Professor Hayden Ramsay

IN 2023, ACADEMIC BOARD MEMBERSHIP COMPRISED OF:**Vice President**

Fr Anthony Casamento csma

Pro Vice-Chancellor, Global and Education Pathways

Mr Chris Riley

Pro Vice-Chancellor, Research

Professor Phil Parker (from 1 September 2023)

Deputy Provost

Professor Chris Lonsdale

Executive Deans of faculties

Professor Mary Ryan, Faculty of Education and Arts

Professor Dermot Nestor, Faculty of Theology and

Philosophy (until 18 June 2023)

Associate Professor Richard Colledge (from 19 June 2023)

Professor Andrew O'Neil, Faculty of Law and Business

Professor Suzanne Chambers AO, Faculty of Health Sciences

Two professorial academic staff members elected by each faculty

Professor Susan Dann AM

Professor Clare Johnson

Professor John Gleeson

Professor Kathy Mills

Professor Megan Cassidy-Welch (until 11 October 2023)

Professor Patrick Keyzer

Professor Noah Riseman (until 9 November 2023)

Professor David Greene

Two non-professorial academic staff members elected by each faculty

Associate Professor Jane McCormack

Associate Professor Melissa Bellanta

Associate Professor Stephen Carlson

Associate Professor Monica Wong

Dr Dawn La Valle Norman

Dr Hormoz Ahmadi (until 11 January 2023)

Associate Professor Wendy James

Associate Professor Md Akhtaruzzaman (from 2 February 2023)

Dr Jodie Sita

Academic Registrar

Ms Kathryn Blyth (until 8 September 2023)

Ms Helen Murnane (from 9 September 2023) [Interim]

Director, Education and Innovation (CEI)

Professor Anthony Whitty

Director, Libraries

Ms Janet Fletcher

An external professor

Professor Elisa Martinez Marroquin, University of Canberra

First Peoples and Equity Pathways representative

Ms Jane Ceolin

Student representative

Ms Lorraine Andaloro

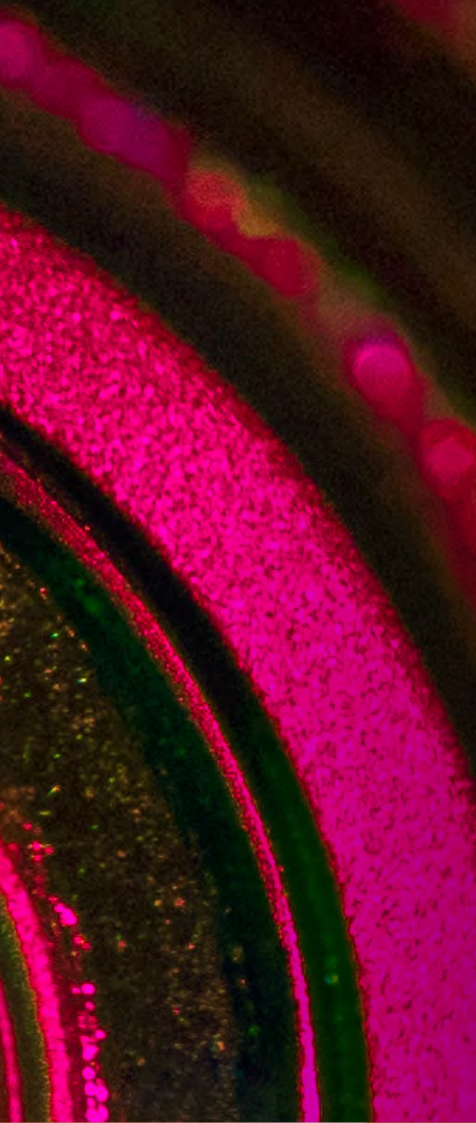
Ms Kaushi Herath



Vision



2033



ACU Strategic Plan Shaping Our Future – ACU Vision 2033

The university's strategy direction for the next decade has been set with the launch of a 10-year strategic plan, Vision 2033.

ACU is at a strategic inflection point. Difficult organisational changes, as well as the successes achieved during the last year, are providing a solid base to address many plateauing organisational fundamentals.

Vision 2033 sets the direction for the next stage of ACU's journey and presents ACU with the opportunity to build a stronger, more agile and resilient ACU. Endorsed by the Senate, this vision places the human person and its flourishing at the core, with our mission and values at the heart of all we do.

Our Catholic identity and mission have been a constant since our formation three decades ago, despite operating in an environment of rapid change. It is this same Catholic identity and mission that we will build upon over the next 10 years, as they provide us with distinct characteristics and opportunities to make a unique contribution to the higher education landscape.

As a leading Catholic university, our vision is to enable flourishing lives, foster thriving communities and forge an ethical future.

To achieve this, we will provide a learning environment that emphasises the growth of the whole person, while offering educational opportunities that lead to future-ready career outcomes. We will serve communities through connection and collaboration, address issues of national significance, promote human dignity, and advance the common good, while always working to strengthen our institutional foundations.

Vision 2033 is a commitment to our mission, growth, innovation and sustainable success. Vision 2033 is designed to navigate the challenges of the future strategically while being highly responsive to contemporary needs, ensuring that we not only adapt but thrive and provide impactful contributions to the communities we serve.



Research and enterprise

AN INTEGRATED ACADEMIC COMMUNITY

ACU underwent significant organisational changes in 2023 as the university moved toward a more integrated and sustainable research and education model, bringing many practices further in line with the sector and in preparation to support the new strategic plan, Vision 2033.

The integration of research institutes into faculties, as outlined in the Academic Final Change Management Plan, aims to provide the whole university academic community with opportunities to grow and cross-pollinate, while also empowering:

- our students to access contemporary research-informed education
- our graduate cohort to build new skills through industry-relevant research training
- our staff to thrive through improved access to research mentoring, opportunities for internal collaborations and career pathways
- our stakeholders through access to a wider research community.

As a mission-oriented, multi-site university, ACU offers our partners distinct, locally relevant precincts with research and education offerings co-designed with local communities.

Leveraging the strength of a wider, more integrated and interdisciplinary community together with our partners will help us deliver on our mission and our shared vision of sustained success in a dynamic national and global landscape.

GRADUATE RESEARCH

In 2023, ACU established a Graduate Research School to grow a new cohort of researchers and develop joint projects with industry, government and international partners. ACU also expanded its research internships through an Australian Postgraduate Research Intern program that connects students with industry through short-term placements. Supported by supervisory and training policy changes, the HDR cohort is already growing.

PhD student Lottie Harris from the Institute for Child Protection Services was the first ACU student to complete an industry PhD internship. Undertaken at the Centre for Excellence in Child and Family Welfare – a peak body supporting more than 150 member organisations providing services in areas such as family violence, disability and child protection – the outcome of the internship was an evidence review on youth participatory practices in out-of-home care settings.

ENGAGING WITH INDUSTRY AND GOVERNMENT

To better align strategically to domestic policies and to identify and access national and state level funding, government relations and major programs were added to the portfolio to oversee research capability and platforms with a particular focus on the care economy and the role of education in addressing workforce challenges in line with national and local priorities.

EXPANDING ENTERPRISE

Alongside expansion of its enterprise capabilities, ACU launched a new Enterprise Clinic, which aims to identify commercially viable concepts across the university. The portfolio's expanded enterprise model now includes contract research, consulting, business development and commercialisation.



University appointments

SENIOR EXECUTIVE LEADER APPOINTMENTS

- Professor Julie Cogin: Provost and Deputy Vice-Chancellor (Academic) (appointed in 2023, commenced February 2024)
- Professor Hayden Ramsay: Deputy Vice-Chancellor Education (commenced in this role in September 2023)

EXECUTIVE LEADER APPOINTMENTS

- Ms Angelle Laurence: Chief People Officer (appointed in 2023, commenced January 2024)
- Professor Richard Colledge: Acting Executive Dean of the Faculty of Theology and Philosophy
- Ms Cheryl Fullwood: Academic Registrar and Director, Student Administration (appointed in 2023, commenced January 2024)
- Mr Russell Parker: Chief Information and Digital Officer
- Professor Susan Dann AM: Campus Dean, Queensland
- Mr Martin Taylor: Director, Strategy and Operations (Provost and Deputy Vice-Chancellor, Research and Enterprise)
- Ms Sharone Ciancio: Director, Strategy and Operations (Corporate Services)
- Ms Sue Bolt: Director, Strategy and Operations (Deputy Vice-Chancellor Education and Vice President)
- Mr David Baker: Director, Strategy and Operations (Faculty of Health Sciences)
- Ms Sally Truelove: Director, Strategy and Operations (Faculty of Law and Business and Faculty of Theology and Philosophy)
- Ms Linda Schofield: Director, Strategy and Operations (Faculty of Education and Arts)
- Associate Professor Belinda von Mengersen: Campus Dean, Strathfield
- Professor Phil Parker: Pro Vice-Chancellor, Research
- Ms Michelle Lopez: Director, Graduate Research School
- Ms Julie Rothacker: Director, Major External Programs (Government)
- Ms Georgina Ledvinka: Director, Student Experience

Sustainability at ACU



ACU's approach to sustainability is a natural part of its commitment to promote human dignity and the common good. In 2020, the university developed a sustainability framework that guides and governs our actions to develop a more sustainable world. The ACU sustainability framework unites Catholic teaching on the relationship between people and planet with the objectives of the United Nations Sustainable Development Goals (SDGs).

This work is an essential dimension of ACU's mission as a Catholic university and particularly in service to the marginalised. Pope Francis's Seven-Year Journey Towards Integral Ecology is a project grounded in the traditions of the Catholic Church and informs our sustainability framework.

ACU expresses its sustainability commitment through the way we conduct research, learning, community engagement and campus operations. In each of those activities, our goal is to minimise our environmental footprint and maximise our positive social impacts.

ENVIRONMENTAL FOOTPRINT

In March, construction of the Saint Teresa of Kolkata Building was completed. The education and research building is the university's sixth major capital project since 2011 to integrate sustainability principles into its design and construction. Nearly one fifth of the university's floorspace has achieved a minimum 5-Star Green Star rating or higher, while a quarter of the university's floorspace incorporates very high levels of environmentally sustainable design.

Sustainable buildings are an important reason for ACU's sector-leading energy efficiency and high levels of water efficiency compared to most Australian universities. Data obtained from the 2022 annual survey of the Tertiary Education Facility Managers' Association shows that ACU consumes just half the amount of energy per unit of floor area as the tertiary sector average, and it is among the top five Australian universities for water efficiency.



ACU's commitment to renewable electricity continued through 2023, enabling the university to obtain 100 per cent of its electricity from renewable sources using a combination of sleeved power purchase agreements and government accredited green power. By 2030, ACU's carbon management will shift from its current focus on operational greenhouse gas emissions to its supply chain emissions instead.

SOCIAL IMPACTS

A key tenet of our contribution to global sustainable development is to ensure our activities in research, community engagement and innovation eradicate slavery from our supply chain and promote an ethical and sustainable use of resources. Wide-ranging initiatives include the following highlights:

- Academic and professional staff represent ACU on the UniSuper Annual Consultative Committee, a body set up to ensure the best financial interest of members, of which ACU is one. UniSuper has adopted a net zero target of carbon emissions by 2050 and in September UniSuper released a 'Climate risk and our investments' report. During the annual meeting in November, the committee discussed what other targets and strategies it could implement to meet targets in the Paris Agreement.
- One of ACU's staff-elected representatives to UniSuper is Dr Alda Balthrop-Lewis from the Institute for Religion and Critical Inquiry, who was also appointed the 2023 Denis Edwards Visiting Fellow at the Laudato Si' Research Institute (LSRI), Campion Hall, Oxford, named after the late ACU theologian and priest Denis Edwards. Dr Balthrop-Lewis's fellowship exploring the ecological and political thought of Trappist monk Thomas Merton drew on Professor Edwards' important contributions to movements within the Catholic Church for ecological conversion in the late 20th and early 21st centuries.
- The ACU-led ENVISAGE consortium of research, health and community partners working with families and caregivers to support children with developmental concerns or disabilities received global recognition through being shortlisted for the 2023 International Triple E Awards in the Community Engagement Initiative of the Year award.
- The Indigenous Game Changers program, led by the Wonnarua Nation Aboriginal Corporation in partnership with ACU and funded by the Australian Research Council and NSW Department of Education, seeks to close the gap for Aboriginal young people, families and communities in the Hunter region of NSW. Adopting a strengths-based approach, the program has co-developed educational programs to build literacy and numeracy skills for children in their early years, providing them with the foundations for academic and life success. Through community-driven partnerships and involvement of Indigenous Research Champions, the program is building an evidence base of Indigenous success enablers that can inform effective policy, practice and interventions.
- ACU collaborates with community organisations through the Clemente Program to provide access to university education for people experiencing disadvantage. Volunteer learning partners and students work together to assist students to achieve their learning goals and increase the number of students achieving success. In 2023, 106 students enrolled in the Certificate of Liberal Arts across urban and regional settings in Queensland, NSW, ACT and Victoria.

Sustainability bond

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

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

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

Total use of funds at 31 December 2023 was \$200 million as detailed below:

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

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

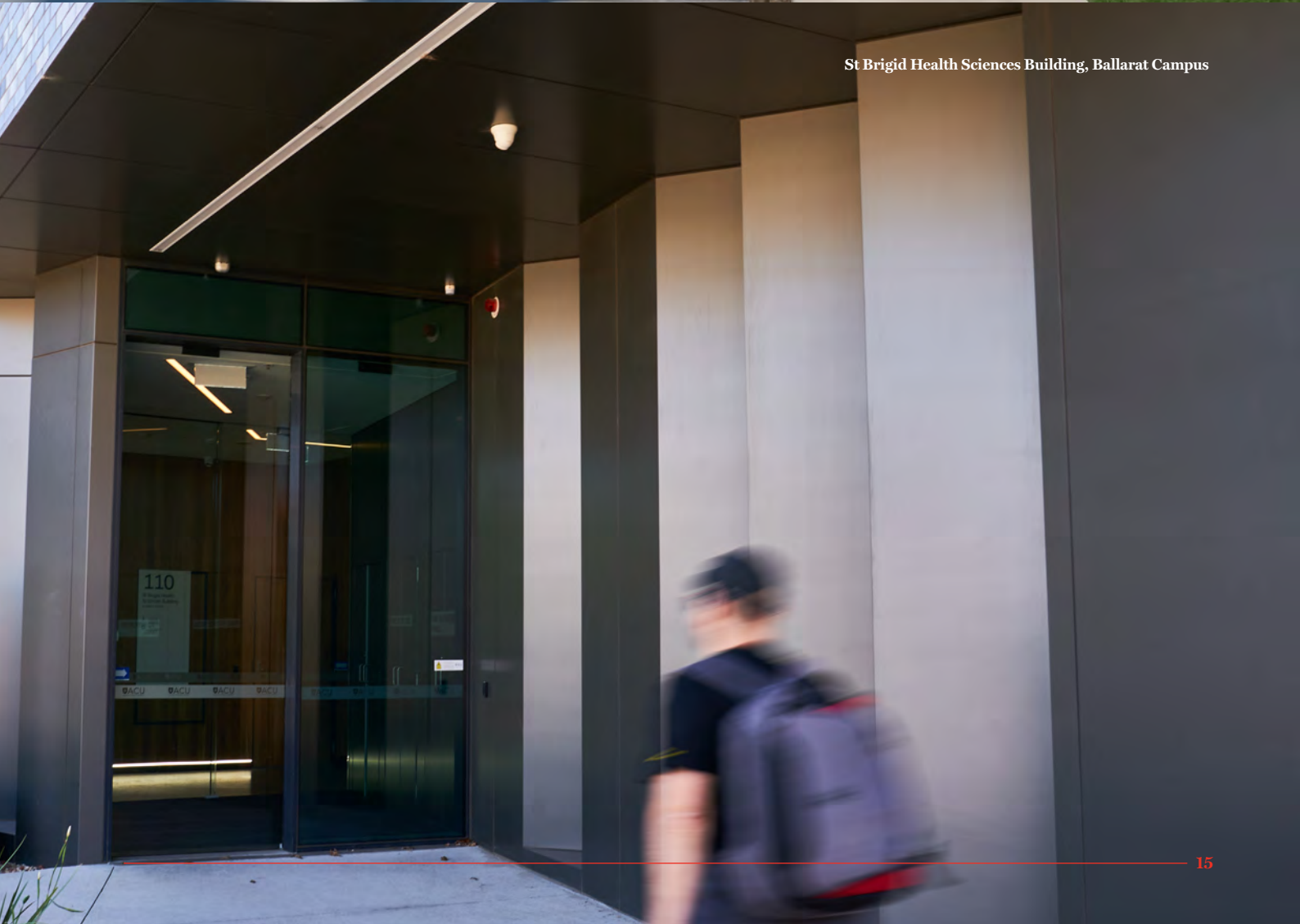
An external audit was undertaken in early 2024 which examined how the funding was utilised against the relevant projects.

This funding has effectively integrated energy efficiency, renewable energy and sustainability into the university's environment as well as delivering social impact projects.





Mercy Building, Brisbane Campus



St Brigid Health Sciences Building, Ballarat Campus



University highlights

STUDENT SPORTING ACHIEVEMENTS

2023 World University Games

Seven ACU students represented Australia at the International University Sports Federation (FISU) World University Games in Chengdu, China, in July and August. All seven students were members of the Elite Athlete and Performer Program, each from a range of disciplines including exercise and sport science, education (primary and secondary), and physiotherapy.

Alec Diamond (decathlon) was the Australian flag bearer for the opening ceremony. Alec, Madison Powells and Lucinda Marsh (women's water polo) and Will Thompson (20km race walk team) all claimed bronze medals. Ambrosia Landsberg (taekwondo), Lachlan Smith (gymnastics) and Emily Britton (athletics) also competed.

ACU took home more medals than any other Australian university.

2023 UniSport Nationals

More than 130 ACU students competed at UniSport Nationals events throughout the year, with ACU placing seventh in the overall champion pennant tally. Seventy-seven students from seven ACU campuses came together on the Gold Coast in September 2023 to compete at the multisport Division 1 and 2 National Championships. The ACU women's netball, football and water polo teams were all crowned national champions in Division 1 and the women's basketball team won the Division 2 national pennant. Five individual medals were also won in surfing and taekwondo.

Sixteen students represented ACU at the Indigenous Nationals Championships in Melbourne in June 2023. As the two-time national champions, ACU were the team to beat, competing in touch football, netball, basketball and volleyball over a packed four-day schedule. ACU took home the silver medal, achieving a top two finish for three consecutive years.

ACU students also competed at individual national championships in May and April 2023 for swimming, athletics and 3x3 basketball, winning multiple medals.



ACU THRIVE: A NEW COMMENCING STUDENT TEACHING MODEL IN 2024

ACU Thrive was the winner of the QS Reimagine Education Blended and Presence Learning Bronze Award in 2023. The teaching model supports students to thrive academically by providing opportunities to access learning material and prepare for classes in advance. Students will have access to ongoing ‘check ins’ that allow them to assess their progress and seek support when they need it.

Student support is achieved through early low stakes assessment, referral, feedback and targeted communications, in particular for students at risk of not successfully completing their units of study.

Online content is easy to navigate, engaging and collaborative. Interactive in-class activities ensure students get the most out of their time spent on campus. ACU Thrive also provides opportunities for students to thrive personally and socially via access to a vast range of student support services, including counselling, academic support, careers services and connection to a vibrant campus community where students can get involved in clubs, societies and events that align with their interests and values. The interactive on-campus classes ensure they meet their fellow students and can exchange ideas and network.

CARNEGIE CLASSIFICATION

ACU was one of only two Australian universities, and the first Catholic university outside of the United States, to be recognised in 2023 with the Carnegie Foundation for the Advancement of Teaching’s classification for community engagement.

Since 2006, the Carnegie Community Engagement Classification has been the benchmark for the highest standards in institutionalised and transformational university-community engagement in higher education.

The classification recognises our institutional strengths in the following areas:

- mission-aligned commitment to community engagement
- understanding of community engagement and ACU Engagement’s definition and principles
- the discipline-specific community engagement units encompassed within the Core Curriculum
- co-design of research with community to address community priorities via the Stakeholder Engaged Scholarship Unit (SESU)
- the redevelopment of the Academic Promotions Criteria to meaningfully include community engagement in learning and teaching, and research domains
- a community of practice that supports improved community engagement practices and outcomes.

The Community engagement accreditation is an elective classification describing the collaboration between institutions of higher education and their larger communities for the mutually beneficial exchange of knowledge and resources in a context of partnership and reciprocity.

Carnegie Classification has identified ACU as a sector leader in university-community engagement and the classification represents a commitment to continual institutional improvement on the depth and impact of our community engagement.

Community Engagement at ACU encompasses activities and initiatives that build capacity and affirm human dignity through sustainable and reciprocal collaborations with communities, especially those which have historically experienced disadvantage or marginalisation.



INAUGURAL MISSION WEEK AT ACU

ACU's inaugural Mission Week was held in August, with the aim of celebrating our mission as a Catholic university and engaging our staff and students more deeply in their understanding that they all contribute to the life of the university's community. An initiative of the Office of the Vice President, Mission Week is a university-wide effort that encouraged all parts of the university – directorates and faculties – to collaborate, participate and contribute by highlighting their mission work in unique ways.

The theme for the week was 'We are ACU', which encapsulated the unique mission perspectives that combine to embody our university community. This was evidenced in the range of activities hosted during Mission Week, such as:

- A community engagement showcase highlighting the research-led community engagement initiatives and opportunities in our local communities.
- The Saint John Bible: 'From Inspiration to Illumination' event highlighting the unique work of art and beauty of the heritage-edition copy of the Saint John Bible held on each campus.
- A 'We Are ACU' festival with inspiring keynotes from both Young Australian of the Year 2022 Dr Daniel Nour and local ACU alumni; live music and good food provided by Student Life; and a mind, body, spirit event focused on wellbeing through exercise and guided meditation.
- A timely and relevant Coffee and a Yarn discussion about the upcoming Voice Referendum, hosted by our First Nations Directorate colleagues.
- An online viewing of *Laudato Si'* documentary *The Letter*, followed by a panel discussion featuring Dr Emmanuel Nathan, Dr Sandie Cornish and Mark Doggett, which was a call to action for many participants.

PHILANTHROPY

ACU's Advancement and Alumni Strategy 2020–2023, 'Creating Transformative Partnerships', came to conclusion in 2023. The past four years has seen a shift to bigger-picture thinking, including a focus on transformative philanthropic activities and broadening support and efforts into pan-institutional donor proposals, international activities and a defined alumni engagement plan.

Philanthropic fundraising results have exceeded all annual goals. Over the past four years, ACU has secured philanthropic support of \$12.65 million, with a total of cash received from philanthropic sources of \$8.73 million. Annual performance of funds secured is up from just under \$1.3 million in 2020 to almost \$4.5 million in 2023, representing growth of 348 per cent over four years.

The number of donors has stabilised at pre-pandemic levels. Productivity ratios continue to improve, with ACU reporting some of the highest improvement rates across all institutions and moving up in peer groups across two years according to the industry-leading Council for the Advancement and Support of Education (CASE).

Aligning to the university's new 10-year strategic plan, Vision 2033, philanthropic efforts for the coming years will focus on ensuring richness and value across constituent experiences, developing and sustaining meaningful relationships with alumni and donors, and leveraging engagement to enhance the reputation of ACU domestically and internationally.



CAMPUS PRECINCTS

ACU manages a rich set of specialised facilities across its seven Australian campuses. The commitment to deliver **impact through ACU precincts** is evidenced by the development of key projects such as the Melbourne Health Precinct with Aikenhead Centre for Medical Discovery, and the Blacktown Exercise, Sports and Technology (BEST) Hub with the Blacktown City Council. ACU's major precinct developments provide for new industry-relevant spaces such as research labs, collaboration thinktanks and industry events. ACU has a defined vision, identity and value for each of its campuses to link to local industry.

ACU engages with industry through mission-aligned partnerships that mobilise the university's resources, excellence in teaching and research, and ACU precincts that allow for locally tailored engagements with national significance.

Some of the most exciting developments for our campuses during the year include finalisation and opening of facilities that have been developed over a period of years and planning for future strategic developments.

The highlights of these are:

- ACU successfully secured a \$45 million New South Wales Government Western Sydney Infrastructure Grant to establish a leading **STEM Centre of Education Excellence** at the Strathfield Campus. The innovative purpose-built centre will provide a suite of educational opportunities to boost in-demand STEM skills among students of all ages, community groups, residents, and a wide range of industries in Strathfield and Western Sydney. The centre will help meet national STEM priorities, engage young people, and prepare members of the local community to respond to changing workforce demands. The centre will offer short courses and

microcredentials covering general STEM skills for learners of all ages, supporting personal interests and changes in career. It will also include new industry training opportunities harnessing the metaverse to enable ACU to work with industry partners to provide immersive virtual training to upskill workers and meet shortages, as well as supporting researchers to collaborate on STEM projects nationally and internationally.

- The opening of **Blackfriars student residence** ahead of Semester 1 2023 represented a significant milestone for the Canberra Campus, marking the return of students living on campus. Situated on the top floor of the Blackfriars building, it comprises 42 studios, each with a small kitchenette and individual study space. Communal amenities include a spacious kitchen, lounge, dining and games area, unlimited internet and easy access to the campus swimming pool and multi-purpose court.
- Cathy Freeman OAM officially opened the **BEST Hub** facility in November. The university has partnered with Blacktown City Council, the AFL, Delaware North, Sydney West Sport Medicine and WentWest to provide a space in Western Sydney for events, training, consultancy and research. Located at the Blacktown International Sports Park, the \$100 million state-of-the-art facility enables ACU to deliver better health outcomes for our research and industry partners, with collaboration to translate research into practice.
- The **Saint Teresa of Kolkata Building** was finished and formally opened in April, with teaching commencing in earnest in Semester 2. The building is a state-of-the-art educational development designed to accommodate student and staff growth on the Melbourne Campus over the next 10 years, and to consolidate teaching spaces and improve the learning environment for students.



Freedom of Speech and Academic Freedom Attestation Statement

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

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

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

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

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

Following the approval of Statute 13 by Senate in April 2020, the university has received a small number of complaints related to freedom of speech and academic freedom, with each matter dealt with on a case-by-case basis in accordance with the relevant complaints policies and procedures.

These complaints have principally focused on media articles written by academics associated with the university expressing their personal views on a range of matters. In all instances, the principles of freedom of speech and academic freedom were upheld.

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



Voluntary Code of Best Practice for Governance of Australian Public Universities

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

ACU is compliant with the code to the extent permitted by, or described in, its governing documents (the Constitution, statutes, regulations, policies, procedures and guidelines), the Australian Catholic University Acts in New South Wales, Victoria and Queensland, and relevant Commonwealth legislation including the *Corporations Act 2001* and the *Australian Charities and Not-for-profit Commission Act 2012*.

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

Protected disclosures

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

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

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

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

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



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

Financial statements for the year ended
31 December 2023

Directors' report

The directors present their report together with the financial statements of Australian Catholic University Limited (the university) for the year ended 31 December 2023 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:

Alice Bailey

BCom/BEcon (UQ) and GradDip
AppLaw (UQ)
Senior Economist
12 May 2023

Sarah Beltrame

MInfoStud (Lib) BCreativePrac
(Phtg) (Hons), BA (Phtg), AssocDeg
Multimedia (CSU)
University Administrator
1 May 2023

Virginia Bourke

BA LLB (Hons), MA (Monash), FAICD
Pro-Chancellor
1 July 2022

Associate Professor Richard Colledge

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

Helen Cooney

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

The Hon Martin Daubney AM KC

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

The Hon James Douglas KC

BA LLB (UQ), LLB (Cambridge)
Commissioner
11 June 2013

Stephen Noel Elder OAM GCSG

BEEd (VU), DipEd (La Trobe), FAIM
Educational Administrator
23 May 2008 (12 May 2023)

Most Rev Anthony Fisher OP

DD, BA (Hons) LLB (Uqsyd), BTheol
(Hons), DPhil (Oxon)
Archbishop of Sydney
23 May 2019

Ross Fox

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

Professor Elspeth Froude

PhD, GradDip (NeuroSc), BAppSc
(OT), Graduate of AICD
University Academic
1 May 2019

Gerard Goodwin-Moore

BSc (Hons) (Lond)
University Administrator
1 May 2020 (30 April 2023)

Tim Kirk

BTheol (Aust College Theology), Dip
Ed (ACU)
Winemaker and Business Executive
3 May 2017 (12 May 2023)

Professor Timothy McKenry

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

Karl Morris AO

BCom (Griffith), DipAppFinInv
(FINSIA), Dip (AICD), Professional
Diploma in Stockbroking (SFAA),
Governance in Sport (GIA)
Business Executive
4 November 2019 (24 January 2023)

Francine Pirola

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

Dr Jessica Russ-Smith

PhD (CSU), BSW (Hons) (UNSW),
GradCert Wiradjuri Language, Culture
and Heritage (CSU)
University Academic
1 May 2023

Dr Josephine Ryan

BA (Hons), DipEd (Melb), MEd, EdD
(UMass Amherst)
University Academic
1 January 2021 (24 January 2023)

Annette Schmiede

BEc (USyd)
Executive
1 January 2016 (30 June 2023)

Professor Zlatko Skrbis

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

Dr Peter Steer

MB BS (UQ), FRACP (Paediatrics),
FRCPC (Paediatrics), FAAP (AAP),
GAICD
Executive
12 May 2023

Deanna Uremovic

BN (ACU)
Student
1 January 2023 (31 December 2023)

Julian Widdup

BEc, MBA (ANU), FAICD, FIA,
Non-Executive Director
12 May 2023

Marita Winters

BAComms (UC), MPhil (UNDA),
GradDipTheol (JPII Institute for
Marriage and Family), GAICD
Executive
2 October 2023

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

VICE-CHANCELLOR AND PRESIDENT

Professor Zlatko Skrbis

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

INTERIM PROVOST AND DEPUTY VICE-CHANCELLOR (ACADEMIC)

Professor Meaghan Stuart

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

CHIEF OPERATING OFFICER AND DEPUTY VICE-CHANCELLOR

Dr Stephen Weller

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

DEPUTY VICE-CHANCELLOR (RESEARCH AND ENTERPRISE)

Professor Abid Khan

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

VICE PRESIDENT AND DIRECTOR, IDENTITY AND MISSION

Father Anthony Casamento csm

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

DEPUTY VICE-CHANCELLOR (EDUCATION)

Professor Hayden Ramsay

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

Single dates refer to the time of appointment.
Dates in parentheses refer to the date of
retirement.

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 AND RESOURCES COMMITTEE MEETINGS		HONORARY AWARDS COMMITTEE MEETINGS		AUDIT AND RISK COMMITTEE MEETINGS		SENATE STANDING COMMITTEE MEETINGS	
	A	B	A	B	A	B	A	B	A	B
Alice Bailey	5	5	-	-	-	-	2	3	-	-
Robert Baker (Note i.)	-	-	5	6	-	-	5	5	6	6
Sarah Beltrame	6	6	-	-	-	-	2	3	-	-
Virginia Bourke	9	9	6	6	-	-	-	-	6	6
Assoc Prof Richard Colledge	7	9	6	6	-	-	-	-	-	-
Helen Cooney	8	9	5	6	-	-	-	-	-	-
The Hon Martin Daubney AM KC	9	9	-	-	2	2	-	-	6	6
The Hon James Douglas KC	6	9	-	-	-	2	-	5	-	-
Mr Stephen Elder OAM GCSC	3	3	-	-	-	-	1	2	-	-
Most Rev Anthony Fisher OP	4	9	-	-	-	-	-	-	-	-
Ross Fox	7	9	-	-	2	2	5	5	-	-
Prof Elspeth Froude	9	9	-	-	-	-	4	5	-	-
Gerard Goodwin-Moore	3	3	-	-	-	-	1	1	-	-
Tim Kirk	3	3	1	3	-	-	-	-	-	-
Prof Timothy McKenry	9	9	-	-	2	2	5	5	6	6
Karl Morris AO	-	-	1	1	-	-	-	-	-	-
Francine Pirola	8	9	-	-	-	-	5	5	-	-
Dr Jessica Russ-Smith	4	6	-	-	1	1	-	-	-	-
Dr Josephine Ryan	-	-	-	-	-	-	-	-	-	-
Annette Schmiede	1	4	2	3	-	-	-	-	-	-
Prof Zlatko Skrbis	9	9	6	6	2	2	5	5	6	6
Dr Peter Steer	4	5	3	3	-	-	-	-	-	-
Deanna Uremovic	6	9	-	-	-	-	-	-	-	-
Julian Widdup	5	6	3	3	-	-	-	-	-	-
Marita Winters	2	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 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 financial year were those of a university operating at an undergraduate and postgraduate level with research on seven campuses across Queensland, New South Wales, Victoria and Australian Capital Territory. The university also has a study campus in Rome, Italy.

REVIEW AND RESULT OF OPERATIONS

The pipelined effects of the pandemic and the changing global outlook have created an uncertain operating environment for the entire sector, including ACU. The net result for the period is a deficit of \$35.7m (2022 deficit \$8.0m). Excluding net interest expense for the year, the net result from continuing operations is a deficit of \$27.7m (2022 surplus \$0.2m).

Total revenue including finance income increased \$21.7m (3.9 per cent) largely due to an increase in international students, consultancy and research revenue, and an increase in HECS-HELP contributions, notwithstanding a drop in local supported places. HECS-HELP increased \$6.6m (4.9 per cent) due to domestic students contributing a greater component to course funding. FEE-HELP increased \$1.7m (13.8 per cent) from 2022. Fees and charges increased \$2.8m (2.9 per cent) due largely to an increase in revenue from fee-paying overseas students as students continue to return post COVID and average student payments increased.

Total expenditure including finance expenditure increased \$49.4m (8.8 per cent) largely due to increased employee benefits, computer software and IT consulting costs and offshore administration costs (international

student agents commission). Expenditure on salaries excluding provisions increased by \$36.8m (10.1 per cent). Non-salary expenses excluding provisions, depreciation and amortisation increased by \$4m (2.6 per cent). Depreciation, amortisation and provision expenses increased by \$8.6m (19.3 per cent) largely due to depreciation for the recently opened Saint Teresa of Kolkata Building. Total expenditure includes a provision of \$3.6m for the underpayment of academic salaries.

The working capital position has decreased to a deficit of \$46.5m (\$18.4m deficit in 2022). The deficit is \$18.7m (\$10.7m surplus in 2022) after adjusting for employee benefits classified as current liabilities but expected to be settled in greater than 12 months. The reduction is largely due to using cash resources to pay for the completion of the Saint Teresa of Kolkata Building (the value of all property assets is excluded from the calculation of working capital). At 31 December 2023, there are \$14m in term deposits and approximately \$20m of managed funds classified as current investments that can be readily converted to cash. The university also continues to generate strong operational cash flows.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Implementation of the university's Infrastructure Plan continued in 2023. Work continued on the Saint Teresa of Kolkata Building on the Melbourne Campus following the university's appointment of BESIX Watpac during the latter part of 2018. Practical completion was expected in Quarter 3 2022, but delays resulted in stage one (excluding underground car park) practical completion being achieved in April 2023 with practical completion of

the car park achieved in October 2023. The university is finalising the end of contract and outstanding claims with BESIX Watpac. The project was partly funded by the \$200m sustainability bond issued in 2017 and a further \$50m bond issued in 2020.

Through Education Australia Ltd, the university owned shares in IDP Education Ltd (IDP). In 2021, Education Australia Ltd transferred 1.8m shares in IDP to the university valued at \$53m along with franking credits of \$22.7m that were expected to be received from the ATO in cash. The revaluation of the university's shares in Education Australia Ltd, which included the value of the franking credits, was recognised through other comprehensive income in 2021. The IDP shares received were subject to an escrow arrangement of 100 per cent for six months that ended in February 2022 and 50 per cent for the following six months that ended in August 2022. The IDP shares received were subject to an escrow arrangement of 100 per cent for six months that ended in February 2022 and 50 per cent for the following six months that ended in August 2022. The ATO advised on 5 October 2023 that refund of the franking credit had been denied because the ATO believes the university did not receive immediate custody and control of the IDP shares through the in-specie distribution as required by S207-122 of the *Income Tax Assessment Act 1997*. The university shareholders of Education Australia Ltd collectively have submitted an objection to the decision as they believe the refund is still due to the universities. Notwithstanding this view, the university has derecognised the receivable by restating the corresponding prior periods. Refer to 1(p) for further details.

FINANCIAL HIGHLIGHTS

	2023 \$'000	2022 \$'000	CHANGE PER CENT
Australian Government grants	428,294	420,294	2.1
Other operating revenue	142,632	131,421	8.5
Finance income	4,087	2,254	81.3
Salary expenses excluding provisions	(401,331)	(364,550)	10.1
Non-salary expenses excluding depreciation, amortisation and provisions	(156,747)	(152,756)	2.6
Depreciation, amortisation and provisions	(53,281)	(44,660)	19.3
Net result for the period	(35,722)	(7,997)	346.7
Working capital	(46,510)	(18,407)	(152.7)
Working capital adjusted for employee benefits classified as current but due to be settled in more than 12 months	(18,669)	10,675	(274.9)

ENVIRONMENTAL REGULATION

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

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

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

DIRECTORS' INTERESTS AND BENEFITS

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

INDEMNIFICATION OF DIRECTORS AND OFFICERS

During the year, the university renewed an agreement with its insurers to provide indemnification for all the directors and officers of the university (as listed in this report) against liabilities to another person (other than the university) that may arise from their position as directors and officers. The indemnification is subject to the terms and conditions of that agreement and to the extent permitted by law.

DIRECTORS AND OFFICERS LIABILITY COVER

During the year, the university paid insurance premiums of \$76,762 (2022: \$86,095) 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 court proceedings being pursued on behalf of the university.

LEAD AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration is set out on page 28 and forms part of the directors' report for the financial year ended 31 December 2023.

NON-AUDIT SERVICES

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

The directors of the university are satisfied, based on advice from the Audit and Risk Committee, that the non-audit services provided are compatible with the general standard of independence for auditors and do not undermine the general principles relating to auditor independence as

set out in APES 110 Code of Ethics for Professional Accountants, as they did not involve reviewing or auditing the auditors' 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.

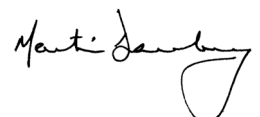
ROUNDING OFF

Amounts in the financial statements and directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated.

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



Professor Zlatko Skrbis
Director
3 April 2024, Sydney



The Hon Martin Daubney AM KC
Director
3 April 2024, Sydney



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

To the directors of Australian Catholic University Limited

I declare that, to the best of my knowledge and belief, in relation to the audit of Australian Catholic University Limited for the financial year ended 31 December 2023, there have been:

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

KPMG

KPMG

Stephen Isaac
Partner

Sydney
3 April 2024

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Income statement

For the year ended 31 December 2023

	NOTE	2023 \$'000	2022 \$'000
Revenue and income from continuing operations			
Australian Government financial assistance excluding HECS-HELP	2.1	269,041	268,330
Higher Education Contributions Scheme (HECS-HELP)			
Student contributions	25.2	11,462	10,696
Australian Government payments	2.1, 25.2	129,286	123,465
FEE-HELP	2.1	13,984	12,290
SA-HELP	2.1	5,145	5,428
VET FEE-HELP	2.1	-	85
State and local government financial assistance	2.2	9,108	9,510
Fees and charges	2.3	99,604	96,842
Consultancy and contract research	2.5	10,015	5,852
Other revenue and income	2.6	23,905	19,217
Total revenue and income from continuing operations		571,550	551,715
Expenses from continuing operations			
Employee benefits	3.1	406,796	367,460
Depreciation and amortisation	3.2	47,816	41,750
Repairs and maintenance	3.3	11,054	11,375
Advertising, promotions and publicity		10,318	9,743
Computer software and services	3.4	22,448	19,656
Consultancy	3.5	9,733	11,231
Library acquisitions		7,907	8,171
Minor equipment	3.6	4,870	8,540
Offshore administration		11,644	5,942
Rent		3,685	2,880
Scholarships and student grants		12,991	10,325
Travel	3.7	7,441	8,216
Other	3.8	42,554	46,219
Total expenses from continuing operations		599,257	551,508
Net result from continuing operations		(27,707)	207
Finance income and expense			
Finance income	2.4	4,087	2,254
Finance expense	4	(12,102)	(10,458)
Total finance income and expense		(8,015)	(8,204)
Net result before income tax		(35,722)	(7,997)
Income tax	1(c)	-	-
Net result for the period	17	(35,722)	(7,997)

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

Statement of comprehensive income

For the year ended 31 December 2023

	NOTE	2023 \$'000	2022 \$'000
Net result for the period		(35,722)	(7,997)
Other comprehensive income			
<i>Items that will not be reclassified to profit and loss</i>			
Superannuation – deferred government contributions		(1,036)	(3,859)
Deferred superannuation expense		1,036	3,859
<i>Items that may be reclassified subsequently to profit and loss</i>			
Gain on revaluation of land and buildings	10	6,351	(19,539)
Gain on financial assets	16	(11,609)	(13,995)
Other comprehensive income for the period		(5,258)	(33,534)
Total comprehensive income		(40,980)	(41,531)
Attributable to:			
Members		(40,980)	(41,531)
Total comprehensive income attributable to members		(40,980)	(41,531)

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

Balance sheet

As at 31 December 2023

	NOTE	2023 \$'000	2022 RESTATED* \$'000	1 JAN 22 RESTATED* \$'000
Current assets				
Cash and cash equivalents	6	22,421	14,597	17,818
Trade and other receivables	7	6,995	7,053	4,837
Other investments	8	62,232	71,380	192,785
Other assets	9	20,294	21,506	18,305
Total current assets		111,942	114,536	233,745
Non-current assets				
Other investments	8	62,660	75,435	73,571
Property, plant and equipment	10	1,025,661	1,036,233	955,840
Intangible assets	11	37,389	37,924	38,460
Other assets	9	18,488	19,579	23,495
Total non-current assets		1,144,198	1,169,171	1,091,366
Total assets		1,256,140	1,283,707	1,325,111
Current liabilities				
Trade and other payables	12	42,048	33,037	31,739
Employee benefits	13	49,631	51,581	53,229
Borrowings	14	16,053	15,150	13,424
Other	15	50,720	33,175	30,450
Total current liabilities		158,452	132,943	128,842
Non-current liabilities				
Employee benefits	13	20,024	20,599	25,635
Borrowings	14	307,842	319,506	318,155
Other	15	5,488	5,345	5,634
Total non-current liabilities		333,354	345,450	349,424
Total liabilities		491,806	478,393	478,266
Net assets		764,334	805,314	846,845
Equity				
Reserves	16	764,334	805,314	846,845
Retained earnings	17	-	-	-
Total equity		764,334	805,314	846,845

* The comparative information is restated on account of correction of errors, refer to note 1 (p)
The balance sheet is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 34 to 63.

Statement of changes in equity

For the year ended 31 December 2023

	NOTE	GENERAL RESERVE \$'000	ASSET REVALUATION RESERVE \$'000	FINANCIAL ASSETS REVALUATION RESERVE \$'000	CONTRIBUTION FROM MEMBERS \$'000	TOTAL EQUITY \$'000
2023						
Balance at 1 January 2023		619,844	121,970	6,542	56,958	805,314
Comprehensive income for the period						
Net result for the period	17	(35,722)	-	-	-	(35,722)
Total other comprehensive income for the period		-	6,351	(11,609)	-	(5,258)
Transfer from asset revaluation reserve		1,177	(1,237)	60	-	-
Total comprehensive income for the period		(34,545)	5,114	(11,549)	-	(40,980)
Balance at 31 December 2023		585,299	127,084	(5,007)	56,958	764,334
2022						
Balance at 1 January 2022		649,000	143,109	20,537	56,958	869,604
Prior year restatement (refer to note 1 (p))		(22,759)	-	-	-	(22,759)
Restated balance at 1 January 2022		626,241	143,109	20,537	56,958	846,845
Comprehensive income for the period						
Net result for the period	17	(7,997)	-	-	-	(7,997)
Total other comprehensive income for the period		-	(19,539)	(13,995)	-	(33,534)
Transfer from asset revaluation reserve		1,600	(1,600)	-	-	-
Total comprehensive income for the period		(6,397)	(21,139)	(13,995)	-	(41,531)
Balance at 31 December 2022		619,844	121,970	6,542	56,958	805,314

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

Statement of cash flows

For the year ended 31 December 2023

	NOTE	2023 \$'000	2022 \$'000
Cash flows from operating activities			
Grant revenue			
Australian Government		284,751	282,868
State government		11,734	7,371
Higher Education Contribution Scheme			
Student payments		11,462	10,696
Australian Government payments		134,324	126,745
Other inflows		168,113	123,814
Cash receipts in the course of operations		610,384	551,493
Cash payments in the course of operations		(525,606)	(496,966)
Interest received		4,290	2,124
Interest and other costs of finance		(11,514)	(11,131)
Net cash from operating activities	24(ii)	77,554	45,520
Cash flows from investing activities			
Payments for property, plant and equipment		(67,753)	(125,204)
Proceeds from sale of non-current assets		2,520	4,500
(Payments for)/proceeds from investments		10,375	105,546
Net cash used in investing activities		(54,858)	(15,383)
Cash flows from financing activities			
Lease payments		(14,872)	(33,358)
Net cash provided by financing activities		(14,872)	(33,358)
Net increase in cash held		7,824	(3,221)
Cash and cash equivalents at the beginning of the financial year		14,597	17,818
Cash and cash equivalents at the end of the financial year	24(i)	22,421	14,597

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

Notes to the financial statements

For the year ended 31 December 2023

1. STATEMENT OF MATERIAL ACCOUNTING POLICIES

The directors of the university comprise the senate of the university and the terms senator and director are interchangeable. Australian Catholic University Limited (the university) is domiciled in Australia and is not-for-profit. The financial statements were authorised for issue by the directors on 3 April 2024.

The material 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 AASBs adopted by the Australian Accounting Standards Board, subsection 60.15(2) of the Australian Charities and Not-for-profit Commission Regulation 2013, and the disclosure requirements within the Guidelines for the Preparation of Annual Financial Statements for the 2023 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 3 April 2024.

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; 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.

All financial information has been rounded to the nearest thousand unless otherwise stated.

Historical cost convention

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

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

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

(B) REVENUE FROM CONTRACTS WITH CUSTOMERS AND OTHER INCOME

AASB 15 establishes a comprehensive framework for determining whether,

how much and when revenue is recognised. Revenue is recognised when a customer obtains control of the goods or services. Determining the timing of the transfer of control – at a point in time or over time – requires judgement.

Revenue is recognised as follows:

Government grants

Commonwealth Grant Scheme and HELP income is recognised when a transfer of service is made to the students whereby it is credited to the university's income statement in the financial year in which the goods and services are provided in exchange for the grant received.

Other tuition fee income

Other tuition fee income is generated from fee-paying courses for local and overseas students. Revenue is recognised in the same period as the courses for which the fee income is derived. Prepaid tuition fees for courses being held in the next teaching year are treated as deferred income and recorded as revenue in the following financial year when the course is provided. Agent commissions incurred from obtaining new student contracts are capitalised initially and then expensed over the period of the contract.

Research revenue

Where research income is generated from a contract with a customer that is both legally enforceable and includes sufficiently specific performance obligations, the income will be recognised in accordance with AASB 15 as the performance obligations are met. Where the contract with a customer is either not legally enforceable or does not include sufficiently specific performance obligations, the income will be recognised in accordance with AASB 1058 Income of Not-for-Profit Entities. For these agreements, once the asset (typically cash) has been recognised, the university recognises any related liability amounts for amounts that could be required to be

returned to the funder. Once the assets and liabilities have been recognised then revenue is recognised for any difference between the recorded asset and liability. For many of the university's funding agreements it has been assessed that there are not sufficiently specific performance requirements, however there are obligations to return any unspent funds. In a research context, this means revenue is recognised as funds are spent, with any unspent funds being classified as a liability.

Donations and bequests

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

Interest income

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

Asset sales

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

(C) TAXATION

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

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

(D) CASH AND CASH EQUIVALENTS

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

Short-term deposits of less than the original term of 90 days are classified as cash equivalents.

(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 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 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 after 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 flows 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 flows 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 capital in the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Financial liabilities – classification, subsequent measurement and gains and losses:

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

(iii) Derecognition

Financial assets

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

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

Financial liabilities

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

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

(iv) Offsetting

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

(v) Other companies

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

(G) PROPERTY, PLANT AND EQUIPMENT

Acquisition and additions of non-current assets are capitalised if the value is more than \$10,000. These additions are recorded at cost in the year of acquisition.

Freehold land and buildings are treated as one class of asset and shown at fair value, based on periodic valuations by external independent valuers, less subsequent depreciation for buildings. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Freehold land and buildings are revalued triennially. A desktop valuation is undertaken by management in the other years to determine any material changes. Increases in the carrying amounts arising on revaluation of freehold land and buildings are credited to the Asset Revaluation Reserve in equity. To the extent that the increase reverses a decrease previously recognised in the income statement, the increase is first recognised in the income statement. Decreases that reverse previous increases of the same asset class are first charged against revaluation reserves directly in equity to the extent of the remaining reserve attributable to the asset class; all other decreases are charged to the income statement.

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the university and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation

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

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

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

An asset's carrying amount is impaired to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

See Note 1 (h). Gains and losses on disposal are determined by comparing proceeds with the carrying amount. These are included in the income statement. When revalued assets are sold, it is university policy to transfer the amounts included in the Asset Revaluation Reserve in respect of those assets to retained earnings.

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

Works of art

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

Leased property, plant and equipment

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

i) Definition of a lease

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

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

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

ii) As a lessee

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

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

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

The university presents lease liabilities in the balance sheet.

The university recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses and adjusted for certain remeasurements of the lease liability.

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.

Some property leases contain extension options exercisable by the university up to one year before the end of the non-cancellable contract period.

Where practicable, extension options in new leases are included to provide flexibility. The extension options held are exercisable only by the university and not by the lessors. The university assesses at the lease commencement date whether it is reasonably certain to exercise the extension options.

The university reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

iii) As a lessor

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

(H) IMPAIRMENT OF ASSETS

Non-derivative financial assets

The impairment of financial assets is based on the expected credit loss (ECL) approach under AASB 9.

The entity recognises loss allowances for ECLs on:

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

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

- debt securities that are determined to have low credit risk at the reporting date
- other debt securities and bank balances for which credit risk has not increased significantly since initial recognition.

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

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

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

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

- the borrower is unlikely to pay its credit obligations to the university in full, without recourse by the university to actions such as realising security (if any is held)
- 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. Twelve-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 probability-weighted estimates of credit losses. Credit losses are measured as the present values of all cash shortfalls (ie the difference between the cash flows due to the university in accordance with the contract and the cash flows that the university expects to receive).

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

Credit-impaired financial assets

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

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

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

Non-financial assets

At each reporting date, the university reviews the carrying amount of its non-financial assets (other than contract assets) to determine whether there is any indication of impairment. If any such indication exists, then the assets' recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets.

The recoverable amount if an asset is

the greater of its value in use and its fair value less costs of disposal. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in profit or loss. They are allocated to reduce the carrying amounts of other assets on a pro rata basis. For other assets, an impairment loss is reversed only to the extent that the assets' carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(I) INTANGIBLE ASSETS

Intangible assets consist of the rights to occupy land and buildings that have been granted at nominal rates for a determined period or in perpetuity. The intangible rights are initially recorded at their fair value. Rights to occupy buildings are amortised at the greater of three per cent or the period of the term of the agreement. Where a right of occupancy agreement exists and stipulates the 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 those were billed to the university. Trade accounts payable are normally settled within 30 days. The carrying amount of accounts payable approximates net fair value.

(K) BORROWINGS

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

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

(L) EMPLOYEE BENEFITS

Wages, salaries and sick leave

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

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

Annual leave

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

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

Long service leave

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

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

Superannuation funds

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

An arrangement exists between the Australian Government and the Victorian State Government to meet the unfunded liability for the beneficiaries of the Emergency Services and State Superannuation Scheme on an emerging cost basis. This arrangement is evidenced by the *State Grants (General Revenue) Amendment Act 1987, Higher Education Support Act 2003* and subsequent amending legislation. By letter dated 15 December 2005, DEST (now Department of Education) 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.

Emerging cost superannuation supplementation from government

Funding from government for emerging cost superannuation supplementation is reported in the balance sheet, as this is in effect an agency arrangement. In accordance with AASB 119 Employee Benefits, this amount is disclosed in the notes to the Financial Statements (Refer to Note 13).

(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 income by the university.

(N) GOODS AND SERVICES TAX

Revenues and expenses are recognised net of the amount of goods and services

tax (GST), except where the amount of GST incurred is not recoverable from the ATO. In these circumstances, the GST is recognised as part of the cost of the acquisition of the asset or as part of an item of the expense.

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

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

(O) FAIR VALUE

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

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and equity 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 have each acted knowledgeably, prudently and without compulsion. The university engages an independent third party to value freehold land and buildings on a periodic basis.

Within the fair value hierarchy, land and buildings and interest rate swap assets/ liabilities fall within Level 2 and listed shares within Level 1. Unlisted shares fall within Level 3, refer to Note 21.

(P) CORRECTION OF ERRORS

The university through Education Australia Ltd, owned shares in IDP. Education Australia Ltd, owned by the Australian Universities, transferred in 2021 1.8m shares of

IDP to the university valued at \$53m with a franking credit of \$22.7m. The university recognised the value of the franking credits under the understanding their receipt was probable.

The Australian Taxation Office (ATO) advised in correspondence dated 5 October 2023 that the refund of the \$22.7m franking credit had been denied because the ATO believes the university did not receive immediate custody and control of the IDP shares through the in-specie distribution as required by S207-122 of the *Income Tax Assessment Act 1997*. A misinterpretation of the threshold at which the franking credits could be recognised under accounting

standards, being virtually certain rather than probable, at the time of the original transaction resulted in the error.

The error has been corrected by restating each of the affected financial statement line items for prior periods. The following table summarises the impacts on the financial statements.

(Q) NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

Certain new accounting standards and interpretations have been published that are not mandatory for the 31 December 2023 reporting period. The university has elected not to early adopt any of these standards and these are not

IMPACT OF CORRECTION OF ERROR			
	AS PREVIOUSLY REPORTED \$'000	ADJUSTMENTS \$'000	AS RESTATED \$'000
31 December 2021 current assets			
Cash and cash equivalents	17,818	-	17,818
Trade and other receivables	27,596	(22,759)	4,837
Other investments	192,785	-	192,785
Other assets	18,305	-	18,305
Total current assets	256,504	(22,759)	233,745
Total non-current assets	1,091,366	-	1,091,366
Total assets	1,347,870	(22,759)	1,325,111
Total liabilities	478,266	-	478,266
Equity			
Reserves	869,604	(22,759)	846,845
Retained earnings	-	-	-
Total equity	869,604	(22,759)	846,845
31 December 2022 current assets			
Cash and cash equivalents	14,597	-	14,597
Trade and other receivables	29,812	(22,759)	7,053
Other investments	71,380	-	71,380
Other assets	21,506	-	21,506
Total current assets	137,295	(22,759)	114,536
Total non-current assets	1,169,171	-	1,169,171
Total assets	1,306,466	(22,759)	1,283,707
Total liabilities	478,393	-	478,393
Equity			
Reserves	828,073	(22,759)	805,314
Retained earnings	-	-	-
Total equity	828,073	(22,759)	805,314

There were no changes to the income statement, statement of comprehensive income and statement of cash flows for the year ended 31 December 2022. As the balance relating to the revaluation of Education Australia and IDP in the Financial Assets Revaluation Reserve had been transferred to the general reserve at the time of the transaction, the adjustment to equity only relates to the general reserve.

expected to have a significant impact on the university's financial statements.

These include:

- Classification of liabilities as current or non-current (Amendments to IAS 1)

- Supplier finance arrangements (Amendments to IAS 7 and IFRS 7)
- Lease liability in a sale and leaseback (Amendments to IFRS 16)
- Lack of exchangeability (Amendments to IAS 21)

Other standards

All other standards effective in 2023 have not had a material impact.

2. REVENUE

	NOTE	2023 \$'000	2022 \$'000
2.1 Commonwealth Government financial assistance			
Commonwealth Grant Scheme and other grants			
Commonwealth Grant Scheme*	25.1	248,165	249,017
Indigenous Student Success Program	25.1	2,211	1,893
Disability Support Program	25.1	217	142
Access and participation funding	25.1	2,843	3,199
Tertiary Access Payment	25.1	-	-
National Priority Industry Linkage Fund*	24.1	7,310	7,063
Total Commonwealth Grant Scheme and other grants		260,746	261,314
Education-research			
Research Support Program	25.3	1,480	1,468
Research Training Program	25.3	2,876	3,121
Total education-research		4,356	4,589
Total education excluding HELP (a)		265,102	265,903
Higher Education Loan Program (HELP)			
HECS-HELP Commonwealth payments	25.2	129,286	123,465
FEE-HELP	25.2	13,984	12,290
VET FEE-HELP	25.2	-	85
SA-HELP	25.2	5,145	5,428
Total Higher Education Loan Programs		148,415	141,268
Total education including HELP		413,517	407,171
Australian Research Council			
Discovery – Projects	25.4	2,069	1,102
Discovery Early Career Researcher Award	25.4	1,167	435
Discovery Indigenous	25.4	(31)	3
Future Fellowships	25.4	25	136
Linkage – Projects	25.4	166	430
Laureate Fellowship	25.4	97	-
Total Australian Research Council (b)		3,500	2,106
Other Australian Government financial assistance – non-capital			
Education		439	321
Total other Australian Government financial assistance (c)		439	321
Total Australian Government financial assistance		417,456	409,598
Total Australian Government financial assistance excluding HELP (a + b + c)		269,041	268,330
Commonwealth Government grants received – cash basis			
OS-HELP (net)	25.5	1,241	(2,200)
Superannuation supplementation	25.6	1,347	1,486
Total Australian Government funding received – cash basis		2,588	(714)

* Comparative information has been reclassified to achieve consistency in disclosure with current financial year amounts.

	NOTE	2023 \$'000	2022 \$'000
2.2 State and local government financial assistance			
NSW Government Department of Education, Technical Innovation and Entrepreneurship		-	997
NSW Government Department of Education Priority Project		-	982
NSW Government Investment NSW BBIP		-	429
NSW Government Department of Regional NSW		9	-
Victorian Department of Education Innovative Initial Teacher Education		8,298	2,659
Victorian Department of Education Master of Education		151	231
Victorian Department of Jobs, Precincts, Region		-	581
Victorian Department of Education, Higher Education Support Infrastructure Fund		655	3,619
Victorian Department of Education other		(5)	12
Total state and local government financial assistance		9,108	9,510
2.3 Fees and charges			
Fee-paying overseas students onshore		80,007	77,423
Fee-paying non-overseas postgraduate students		7,620	7,231
Other			
Non-overseas students undertaking non-award Courses		253	326
Rental charges		3,267	4,414
Charges for student accommodation		4,013	3,127
Registration fees		4,113	4,040
Library fees		2	1
Late fees		329	280
Total fees and charges		99,604	96,842
2.4 Finance income			
Interest		3,336	1,760
Dividends		751	494
Total finance income		4,087	2,254
2.5 Consultancy and contract research			
Consultancy fees		1,604	547
Industry research grants		8,411	5,305
Total consultancy and contract research		10,015	5,852
2.6 Other revenue			
Offshore programs		832	225
Other program income		3,764	3,444
Other grants – other		2,520	3,723
Donations and bequests		2,283	2,229
Profit on disposal of assets		164	1,056
Scholarships and prizes*		6,258	136
Other income*		8,084	8,404
Total other revenue		23,905	19,217

* Comparative information has been reclassified to achieve consistency in disclosure with current financial year amounts.

3. EXPENSES

	NOTE	2023 \$'000	2022 \$'000
3.1 Employee benefits			
Academic			
Salaries			
Academic		183,245	166,385
Contributions to superannuation and pension schemes			
Funded		26,182	22,677
Payroll tax		9,146	7,662
Workers compensation		668	569
Long service leave expense		3,270	1,553
Annual leave expense		(176)	283
Total academic employee-related expenses		222,335	199,129
Professional			
Salaries			
Professional		148,185	137,441
Contributions to superannuation and pension schemes			
Funded		24,662	21,876
Payroll tax		8,614	7,391
Workers compensation		629	549
Long service leave expense		2,734	1,426
Annual leave expense		(363)	(352)
Total professional employee-related expenses		184,461	168,331
Total employee-related expenses		406,796	367,460
3.2 Depreciation and amortisation			
Depreciation of buildings – freehold		11,068	9,612
Amortisation of intangible rights to occupy buildings		536	536
Depreciation of improvements to intangible right to occupy buildings		15,738	10,119
Depreciation of leasehold property improvements		4,196	4,382
Depreciation of furniture and fittings		129	(10)
Depreciation of plant and equipment		2,436	2,050
Depreciation of motor vehicles		4	11
Right-of-use assets		13,709	15,050
Total depreciation and amortisation		47,816	41,750
3.3 Repairs and maintenance			
Buildings		5,346	5,761
Computers		632	430
Equipment and machinery		3,583	3,641
Furniture and fittings		59	203
Grounds		1,434	1,340
Total repairs and maintenance		11,054	11,375

	NOTE	2023 \$'000	2022 \$'000
3.4 Computer software and services			
Software		4,300	1,797
Software maintenance		12,401	11,736
Cloud expenses		1,245	961
IT and communications consultancy		4,502	5,162
Total computer software and services		22,448	19,656
3.5 Consultancy			
Property		853	467
Other		7,721	10,004
Research		1,159	760
Total consultancy		9,733	11,231
3.6 Minor equipment			
IT hardware		2,522	4,509
Other		2,348	4,031
Total minor equipment		4,870	8,540
3.7 Travel			
Domestic		4,171	5,275
International		3,270	2,941
Total travel		7,441	8,216
3.8 Other expenses			
Admission expenses		1,998	1,878
Bank fees		621	544
Cleaning and waste collection		5,278	4,666
Conference expenses		407	683
Copyright fees		669	1,106
Donations		504	2,025
Entertainment		1,333	1,316
Graduation		707	646
Hire of equipment and facilities		1,387	1,728
Insurance		3,137	2,553
Legal fees		728	330
Meeting expenses		573	737
Minor equipment rental expenses		2,552	3,797
Permits, licences and registration fees		966	843
Photocopying		794	784
Printing, stationery and consumables		2,790	2,220
Publications, subscriptions and memberships		1,892	3,223
Security services		3,559	3,585
Staff development and appointment costs		1,182	1,855
Telecommunications		1,829	1,864
Utilities		5,343	4,871
Other expenses		4,305	4,965
Total other expenses		42,554	46,219

4. FINANCE EXPENSE

	NOTE	2023 \$'000	2022 \$'000
Make good on leased premises – unwind of discount on provision	15(a)	517	(741)
Leases		2,604	2,221
Interest expense		8,981	8,978
Total finance expense		12,102	10,458

5. AUDITORS' REMUNERATION – KPMG

	NOTE	2023 \$	2022 \$
Audit of the university's financial statements		208,100	193,100
Other audit and related services			
Grant/research acquittal (Higher Education Research Data Collection, Indigenous Education Program, Australia Awards Scholarships)		29,600	28,400
Sustainability bond assurance		17,000	-
Other services			
FairCall Service (whistleblower hotline)		3,200	14,232
Commercial centres review		-	97,482
Total audit of the university's financial statements		257,900	333,214

6. CASH AND CASH EQUIVALENTS

	NOTE	2023 \$'000	2022 \$'000
Cash at bank		22,421	14,597
Total cash at bank		22,421	14,597

7. TRADE AND OTHER RECEIVABLES

	NOTE	2023 \$'000	2022 \$'000 RESTATED
Current			
Sundry receivables		1,886	2,711
Accrued income		4,664	3,930
ATO EA/IDP imputation credit		-	35
Net GST receivable from ATO		-	377
Overseas student health care		445	-
Total current trade and other receivables		6,995	7,053

8. OTHER INVESTMENTS

	NOTE	2023 \$'000	2022 \$'000
Current			
Term deposits		35,000	52,600
Managed investment funds		27,232	18,780
Total current investments		62,232	71,380
Non-current			
Investments in other entities			
Term deposits		14,000	15,000
Shares in listed companies		37,312	50,351
Shares in other companies		10,864	9,687
Bonds-Burke Fund		484	397
Total non-current investments in other entities		62,660	75,435

9. OTHER ASSETS

	NOTE	2023 \$'000	2022 \$'000
Current			
Prepayments		20,238	21,450
Lease paid in advance		56	56
Total current assets		20,294	21,506
Non-current			
Right to reimbursement from Australian Government for unfunded superannuation liability	13	14,949	15,985
Lease paid in advance		3,539	3,594
Total non-current assets		18,488	19,579

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

10. PROPERTY, PLANT AND EQUIPMENT

	NOTE	2023 \$'000	2022 \$'000
Land – freehold			
At independent valuation		168,889	171,388
At directors' valuation		-	-
Total land – freehold	10(a)	168,889	171,388
Buildings – freehold			
At independent valuation		292,996	291,985
At directors' valuation		-	-
Accumulated depreciation		-	-
Total buildings – freehold	10(a)	292,996	291,985
Improvements to intangible right to occupy buildings			
At cost		584,347	343,939
Accumulated amortisation		(130,002)	(114,263)
Total improvements to intangible right to occupy buildings	10(a)	454,345	229,676
Leasehold improvements			
At cost		59,280	73,036
Accumulated depreciation		(37,897)	(49,375)
Total leasehold improvements	10(a)	21,383	23,661
Furniture and fittings			
At cost		3,477	16,896
Accumulated depreciation		(3,192)	(16,662)
Total furniture and fittings	10(a)	285	234
Plant and equipment			
At cost		22,454	53,391
Accumulated depreciation		(15,914)	(49,609)
Total plant and equipment	10(a)	6,540	3,782
Motor vehicles			
At cost		305	321
Accumulated depreciation		(290)	(302)
Total motor vehicles	10(a)	15	19
Works of art			
At cost		3,841	3,751
Total works of art	10(a)	3,841	3,751
Work in progress			
At cost		260	222,371
Total work in progress	10(a)	260	222,371
Right-of-use assets			
At cost		135,521	142,068
Accumulated depreciation		(58,414)	(52,702)
Total right-of-use assets	10(b)	77,107	89,366
Total property, plant and equipment		1,025,661	1,036,233



10. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

BASIS OF VALUATION

A full valuation of freehold land and buildings was undertaken by AssetVal Pty Ltd as at the end of 2022 and a desktop valuation at the end of 2023.

(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
2023					
Opening balance	171,388	291,985	463,373	229,676	23,661
Additions	-	5,548	5,548	4,997	1,918
Transfer from WIP	-	-	-	235,410	-
Revaluation increment/ (decrement)	(399)	6,750	6,351	-	-
Depreciation	-	(11,068)	(11,068)	(15,738)	(4,196)
Disposals	(2,100)	(219)	(2,319)	-	-
Closing balance	168,889	292,996	461,885	454,345	21,383
2022					
Opening balance	177,792	310,779	488,571	232,368	23,230
Additions	-	7,397	7,397	7,427	4,813
Revaluation increment/ (decrement)	(3,624)	(15,915)	(19,539)	-	-
Depreciation	-	(9,612)	(9,612)	(10,119)	(4,382)
Disposals	(2,780)	(664)	(3,444)	-	-
Closing balance	171,388	291,985	463,373	229,676	23,661



FURNITURE AND FITTINGS	PLANT AND EQUIPMENT	MOTOR VEHICLES	WORKS OF ART	WORK IN PROGRESS	TOTAL
234	3,782	19	3,751	222,371	946,867
180	5,194	-	90	13,299	31,226
-	-	-	-	(235,410)	-
-	-	-	-	-	6,351
(129)	(2,436)	(4)	-	-	(33,571)
-	-	-	-	-	(2,319)
285	6,540	15	3,841	260	948,554
213	3,803	30	3,597	133,823	885,635
11	2,029	-	154	88,548	110,379
-	-	-	-	-	(19,539)
10	(2,050)	(11)	-	-	(26,164)
-	-	-	-	-	(3,444)
234	3,782	19	3,751	222,371	946,867

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

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

	PROPERTY \$'000	PLANT AND EQUIPMENT \$'000	MOTOR VEHICLES \$'000	TOTAL \$'000
2023				
Opening balance	88,142	1,123	101	89,366
Additions, modifications and remeasurements	1,424	26	-	1,450
Depreciation	(13,293)	(339)	(77)	(13,709)
Closing balance	76,273	810	24	77,107
2022				
Opening balance	69,623	408	172	70,203
Additions, modifications and remeasurements	33,272	933	8	34,213
Depreciation	(14,753)	(218)	(79)	(15,050)
Closing balance	88,142	1,123	101	89,366

11. INTANGIBLE ASSETS

	INTANGIBLE RIGHT TO OCCUPY LAND \$'000	INTANGIBLE RIGHT TO OCCUPY BUILDINGS \$'000	TOTAL \$'000
2023			
Cost	40,411	19,518	59,929
Accumulated amortisation			
Opening balance	(4,469)	(17,536)	(22,005)
Amortisation	-	(535)	(535)
Closing balance	(4,469)	(18,071)	(22,540)
Carrying amount at 31 December 2023	35,942	1,447	37,389
2022			
Cost	40,411	19,518	59,929
Accumulated amortisation			
Opening balance	(4,469)	(17,000)	(21,469)
Amortisation	-	(536)	(536)
Closing balance	(4,469)	(17,536)	(22,005)
Carrying amount at 31 December 2022	35,942	1,982	37,924

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

12. TRADE AND OTHER PAYABLES

	NOTE	2023 \$'000	2022 \$'000
Accrued expenses – other		5,982	6,514
Accrued expenses – payroll		27,070	18,485
Accrued expenses – placements		6,305	5,176
Sundry creditors		2,691	2,862
Total trade and other payables		42,048	33,037

13. EMPLOYEE BENEFITS

	NOTE	2023 \$'000	2022 \$'000
Current			
<i>Expected to be settled within 12 months</i>			
Provision for annual leave		15,217	15,594
Provision for long service leave		6,573	6,905
Total current provisions expected to be settled within 12 months		21,790	22,499
<i>Expected to be settled after 12 months</i>			
Provision for annual leave		6,521	6,684
Provision for long service leave		21,320	22,398
Total current provisions expected to be settled after 12 months		27,841	29,082
Total current provisions		49,631	51,581
Non-current			
Provision for long service leave		5,075	4,614
Provision for defined benefits		14,949	15,985
Total non-current provisions		20,024	20,599

LONG SERVICE LEAVE

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

SUPERANNUATION

During the year the university contributed to the following employee superannuation funds:

Fully funded schemes

- UniSuper
- AMP Flexible Lifetime
- ANZ Smart Choice Super
- Australian Ethical Retail Super Fund
- Australian Retirement Trust
- Australian Super
- Aware Super
- CARE Super
- Catholic Superannuation Fund
- Colonial First State FirstChoice
- Commonwealth Essential Super
- ESSSuper Accumulation Plan
- HESTA
- Hostplus Superannuation Fund
- HUB24 Super
- Macquarie Super
- NGS Super
- REST
- The Golden Days Retirement Fund

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 assessment of the Emergency Services and State Superannuation Scheme was conducted at 31 December 2023 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 \$14,949,000 as at 31 December 2023 (\$15,985,000 as at 31 December 2022).

An arrangement exists between the Commonwealth Government and the Victorian State Government to meet the unfunded liability for the beneficiaries of the Emergency Services and State Superannuation

Scheme on an emerging cost basis. This arrangement is evidenced by the *State Grants (General Revenue) Amendment Act 1987, Higher Education Support Act 2003* and subsequent amending legislation. By letter dated 15 December 2005, the Department of Education, Science and Training (DEST) (now Department of Education) 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. Department of Education provided annual supplementation in 2023 of \$1,347,000 (2022: \$1,486,000) 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	2023 \$'000	2022 \$'000
Net liability			
Fair value of plan assets		-	-
Accrued benefit liability		(14,949)	(15,985)
Net liability before contributions tax		(14,949)	(15,985)
Tax liability on future contributions		-	-
Net liability		(14,949)	(15,985)
Actuarial assumptions			
Discount rate		4.0%	4.1%
Rates of future salary increases		3.3%	2.5%
Rates of pension increases		3.1%	2.5%

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

14. BORROWINGS

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

In November 2020, the university raised \$50m through a bond issue. Funds were largely used to complete the Saint Teresa of Kolkata Building in Melbourne with the first stage completed in April and the final stage in October 2023.

The average interest rate of borrowing is 3.94 per cent for the year ended 31 December 2023 (3.0 per cent in 2022).

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

	NOTE	2023 \$'000	2022 \$'000
Current			
Unsecured			
Lease liabilities		16,053	15,150
Total current unsecured borrowings		16,053	15,150
Non-current			
Unsecured			
Bond		50,000	50,000
Sustainability bond		199,687	199,615
Lease liabilities		58,155	69,891
Total non-current unsecured borrowings		307,842	319,506
Total unsecured borrowings		323,895	334,656
a) Financing arrangements			
Unrestricted access was available at balance date to the following lines of credit:			
Bank loan facilities			
Total facilities			
Bond		50,000	50,000
Sustainability bond		200,000	200,000
NAB overdraft		20,000	-
Used at balance date			
Bond		50,000	50,000
Sustainability bond		200,000	200,000
NAB overdraft		-	-
Unused at balance date		20,000	-

15. OTHER LIABILITIES

	NOTE	2023 \$'000	2022 \$'000
Current			
Grants received in advance		26,686	15,891
Fees received in advance		18,341	12,212
Other income received in advance		1,241	3,237
Sub-total deferred revenue		46,268	31,340
Funds held in trust		1,906	1,189
Net GST payable		740	-
OS-HELP payable		1,499	258
Bonds – student residences		307	279
Overseas student health care		-	109
Total current liabilities		50,720	33,175
Non-current			
Leasehold make good provision	15 (a)	5,488	5,345
Total non-current liabilities		5,488	5,345
(a) Reconciliation			
Leasehold make good provision			
Balance at beginning of financial year		5,345	5,634
Provisions made during the year		649	652
Provisions reversed during the year		(1,023)	(200)
Unwind/adjust discount	4	517	(741)
Balance at end of financial year		5,488	5,345

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	2023 \$'000	2022 \$'000
General reserve			
Adjusted balance at beginning of financial year		619,844	649,000
Add: Net result for the period	17	(35,722)	(7,997)
Add: Transfer from asset revaluation reserve		1,177	1,600
Balance at end of financial year		585,299	642,603
Asset revaluation reserve			
Balance at beginning of financial year		121,970	143,109
Add/(subtract): Increment/(decrement)		6,351	(19,539)
Transfer to general reserve		(1,237)	(1,600)
Balance at end of financial year		127,084	121,970
Financial assets revaluation reserve			
Balance at beginning of financial year		6,542	20,537
Add/(subtract): Revaluation increment			
Shares revaluation reserve		(11,609)	(13,995)
Transfer to general reserve		60	-
Balance at end of financial year		(5,007)	6,542
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		764,334	805,314

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	2023 \$'000	2022 \$'000
Retained earnings at beginning of year		-	-
Net result		(35,722)	(7,997)
Transfer to general reserve	16	35,722	7,997
Retained earnings at the end of the year		-	-

18. COMMITMENTS

	NOTE	2023 \$'000	2022 \$'000
(a) Capital expenditure commitments			
Capital expenditure commitments not provided for in the financial statements and payable:			
Within one year		32,949	22,774
Total capital expenditure commitments		32,949	22,774
(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		430	502
One year or later and no later than five years		3,838	3,356
Total undiscounted contractual cash flows		4,268	3,858
Lease liabilities recognised in the balance sheet		74,208	85,041
Total non-cancellable operating lease expense commitments		78,476	88,899

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

19. DIRECTORS AND KEY MANAGEMENT PERSONNEL DISCLOSURES

REMUNERATION OF BOARD MEMBERS

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

	2023 NUMBER	2022 NUMBER
Nil	3	10
\$0 – \$9,999	2	-
\$10,000 – \$19,999	7	2
\$20,000 – \$29,999	3	2
\$50,000 – \$59,999	1	-
\$60,000 – \$69,999	-	1
\$70,000 – \$79,999	1	1
\$100,000 – \$109,999	-	1
\$140,000 – \$149,999	1	-
\$160,000 – \$169,999	1	1
\$170,000 – \$179,999	1	-
\$180,000 – \$189,999	-	1
\$220,000 – \$229,999	-	1
\$260,000 – \$269,999	1	-
\$270,000 – \$279,999	1	-
\$340,000 – \$349,999	-	1
\$350,000 – \$359,999	1	-
\$1,000,000 – \$1,009,999	-	1
\$1,040,000 – \$1,049,999	1	-
	2023 \$	2022 \$
Total compensation paid or payable or otherwise made available to all directors of the university from the university or any related party	2,748,035	2,255,999

REMUNERATION OF KEY MANAGEMENT PERSONNEL

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

	2023 NUMBER	2022 NUMBER
\$70,000 – \$79,999	-	1
\$270,000 – \$279,999	-	1
\$320,000 – \$329,999	1	-
\$430,000 – \$439,999	-	*1
\$440,000 – \$449,999	*1	-
\$480,000 – \$489,999	-	1
\$520,000 – \$529,999	-	1
\$530,000 – \$539,999	1	-
\$540,000 – \$549,999	1	-
\$610,000 – \$619,999	-	1
\$620,000 – \$629,999	-	1
\$650,000 – \$659,999	1	1
\$750,000 – \$759,999	-	1
\$780,000 – \$789,999	1	-
\$1,000,000 – \$1,009,999	-	1
\$1,040,000 – \$1,049,999	1	-

* Stipend paid to religious congregation

	2023 \$	2022 \$
Short-term employee benefits	3,965,085	4,382,166
Post-employment benefits	365,048	416,738
Total compensation paid or payable or otherwise made available to all executive officers of the university from the university or any related parties	4,330,133	4,798,904

There is no compensation paid to directors or key management 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:

A Bailey, S Beltrame, V Bourke, Assoc. Prof. Richard College, H Cooney, The Hon M Daubney AM KC, The Hon J Douglas KC, SN Elder OAM GCSG, Most Rev A Fisher OP, R Fox, Assoc. Prof. E Froude, G Goodwin-Moore, T Kirk, Prof. T McKenry, K Morris AO, F Pirola, Dr J Russ-Smith, Dr J Ryan, A Schmiede, Prof. Z Skrbis, Dr P Steer, D Uremovic, J Widdup, M Winters.

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

Total amounts transacted with related parties are as follows:

	2023 \$'000	2022 \$'000
Income statement		
Income		
Catholic Archdiocese of Brisbane	252	200
Catholic Archdiocese of Sydney	-	20
Catholic Archdiocese of Melbourne	1	-
Catholic Archdiocese of Canberra and Goulburn	1	13
Total income	254	233
Expenditure		
Catholic Archdiocese of Brisbane	19	9
Catholic Archdiocese of Canberra and Goulburn	-	5
Catholic Archdiocese of Melbourne	4	186
Catholic Archdiocese of Sydney	54	14
Catholic Diocese of Ballarat	3	3
Total expenditure	80	217
Balance sheet		
Asset		
Catholic Archdiocese of Melbourne	17,902	18,129
Total asset	17,902	18,129

Transactions between ACU and the various Catholic Archdioceses are largely in relation to rental. \$18.1m was paid to the Archdiocese of Melbourne for 80-year tenancy rights for premises in Melbourne that expire on 31 December 2101.

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

The university raised \$200m through a bond issue during 2017.

In November 2020, the university raised \$50m with another bond issue. Funds were largely used to complete the Saint Teresa of Kolkata Building in Melbourne with stage one completed in April and the final stage in October 2023.

During 2023, a \$20m overdraft facility was established with the NAB to provide certainty of short-term liquidity requirements. The overdraft was not drawn against during 2023.

Liquidity risk

The following tables also contain the contractual maturities of financial liabilities and the impact of netting agreements.

	CARRYING AMOUNT \$'000	6 MONTHS OR LESS \$'000	6 TO 12 MONTHS \$'000	1 TO 2 YEARS \$'000	2 TO 5 YEARS \$'000	MORE THAN 5 YEARS \$'000	TOTAL CONTRACTUAL AMOUNT \$'000
2023							
Financial liabilities							
Trade and other receivables	42,048	42,048	-	-	-	-	42,048
Loans	249,686	4,450	4,450	8,900	219,300	68,000	305,100
Leases	74,208	8,220	7,994	13,268	31,631	32,651	93,764
Total	365,942	54,718	12,444	22,168	250,931	100,651	440,912
2022							
Financial liabilities							
Trade and other receivables	33,037	33,037	-	-	-	-	33,037
Loans	249,615	4,450	4,450	8,900	219,300	76,900	314,000
Leases	85,041	8,546	7,700	15,050	36,092	39,474	106,862
Total	367,693	46,033	12,150	23,950	255,392	116,374	453,899

The average interest rate of borrowing is 3.94 per cent for the year ended 31 December 2023 (3.0 per cent in 2022).

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

	NOTE	2023 \$'000	2022 \$'000
More than 10 years			
Bond		50,000	50,000
2-5 years			
Sustainability bond		199,686	199,615
Non-current borrowings		249,686	249,615

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 \$1,507,075 (2022: \$848,462).

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 (excluding EAL Ltd, AARNET Pty Ltd and Uniprojects Pty Ltd) 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 in the balance sheet. These are detailed in the table below.

	CARRYING AMOUNT	
	2023 \$'000	2022 \$'000
Cash	22,421	14,597
Trade and other receivables	6,995	7,018
Other investments	124,892	146,815
Total	154,308	168,465
Debtors ageing		
Current	942	1,478
30 days	208	769
60 days	161	109
90 days	36	9
Greater than 90 days	539	346
Total	1,886	2,711

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

	2023		2022	
	CARRYING AMOUNT \$'000	FAIR VALUE \$'000	CARRYING AMOUNT \$'000	FAIR VALUE \$'000
Financial assets				
Cash	22,421	22,421	14,597	14,597
Trade and other receivables	6,995	6,995	7,053	7,053
Other investments				
Level 1	114,028	114,028	137,128	137,128
Level 2	10,864	10,864	9,687	9,687
Total financial assets	154,308	154,308	168,465	168,465
Financial liabilities				
Trade and other payables	42,048	42,048	33,037	33,037
Loans	249,686	250,000	249,615	250,000
Leases	74,208	84,631	85,041	96,316
Total financial liabilities	365,942	376,679	367,693	379,353

b) Level 3 fair values

The following table is a reconciliation of Level 3 items for the periods ending 31 December 2023 and 31 December 2022.

	EQUITY SECURITIES AT FVOCI \$'000
Balance at 1 January 2022	10,244
Additions	-
Disposal	-
Net change in fair value in OCI	(557)
Balance at 31 December 2022	9,687
Balance at 1 January 2023	9,687
Additions	-
Disposal	-
Net change in fair value in OCI	1,177
Balance at 31 December 2023	10,864

Valuation techniques used to derive level 3 fair values

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

22. EQUITY

No share capital has been issued by the university as it is a university limited by guarantee. The number of members of the university as at 31 December 2023 was 23 (2022: 23). The liability of each member is limited to \$50.

23. CONTINGENT LIABILITIES

The university has received a claim from a third party related to the cost of a construction project. The directors intend to fully defend the matter. Based on all information currently available, the directors are of the opinion that provision is not necessary.

24. 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 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:

	2023 \$'000	2022 \$'000
Cash at bank	22,421	14,597
Total cash at bank	22,421	14,597

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

Net result after income tax	(35,722)	(7,997)
<i>Add/(less) items classified as investing/financing activities:</i>		
(Profit) on sale of non-current assets	(203)	(1,056)
<i>Add/(less) non-cash items:</i>		
Depreciation and amortisation	47,816	41,750
Lease in advance	56	56
Unwind/adj discount on make good provision	517	(741)
Unwind bond discount	71	68
<i>Amounts set aside to (utilised from) provisions:</i>		
Employee entitlements	(1,489)	(2,825)
Make good of lease premises	(374)	452
Net cash provided by operating activities before change in assets and liabilities		
Change in assets and liabilities:	10,672	29,707
(Increase)/decrease in accrued income	21,946	(1,124)
(Increase)/decrease in sundry debtors	826	(940)
(Increase)/decrease in prepayments	1,213	(3,201)
(Increase)/decrease in right-of-use assets	12,258	(19,161)
(Increase)/decrease in other assets	113	68
Increase/(decrease) in operating lease liabilities	4,040	36,366
Increase/(decrease) in grants in advance	12,036	(1,738)
Increase/(decrease) in fees in advance	6,130	4,782
Increase/(decrease) in accrued expenses	9,071	1,033
Increase/(decrease) in sundry creditors	(61)	266
Increase/(decrease) in funds held in trust	717	(132)
Increase/(decrease) in bonds – university residences	28	121
Increase/(decrease) in overseas student health care	(554)	267
Increase/(decrease) in other income in advance	(1,996)	(126)
Increase/(decrease) in net GST	1,115	(668)
Net cash provided by operating activities	77,554	45,520

25. ACQUITTAL OF COMMONWEALTH FINANCIAL ASSISTANCE

25.1 COMMONWEALTH GRANT SCHEME AND OTHER GRANTS

	NOTE	COMMON-WEALTH GRANT SCHEME		INDIGENOUS STUDENT SUCCESS PROGRAM		DISABILITY SUPPORT PROGRAMS		ACCESS AND PARTICIPATION FUNDING		TERTIARY ACCESS PAYMENT		NATIONAL PRIORITIES AND INDUSTRY LINKAGE FUND	
		2023 \$'000	2022 \$'000*	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Financial assistance received in cash during the reporting period (total cash received from the Commonwealth Government for the programs)		252,632	246,164	1,988	2,130	217	142	2,843	2,792	-	-	7,310	7,063
Net accrual adjustments		(4,466)	2,853	223	(237)	-	-	-	407	-	-	-	-
Revenue for the period	2.1	248,166	249,017	2,211	1,893	217	142	2,843	3,199	-	-	7,310	7,063
Surplus/(deficit) from the previous year		-	-	-	-	-	-	-	-	-	-	-	-
Funds available for reporting period		248,166	249,017	2,211	1,893	217	142	2,843	3,199	-	-	7,310	7,063
Less expenses including accrued expenses		(248,166)	(249,017)	(2,211)	(1,893)	(217)	(142)	(2,843)	(3,199)	-	-	(7,310)	(7,063)
Surplus/(deficit) for reporting period		-	-	-	-	-	-	-	-	-	-	-	-

* Comparative information has been reclassified to achieve consistency in disclosure with current financial year amounts.

25.2 HIGHER EDUCATION LOAN PROGRAMS (HELP)

	HECS-HELP		FEE-HELP		VET FEE-HELP		SA-HELP	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the programs)	131,273	127,233	13,653	11,085	-	85	5,190	5,907
Plus contributions actually received from students	11,462	10,696	-	-	-	-	-	-
Total received	142,735	137,929	13,653	11,085	-	85	5,190	5,907
Net accrual adjustments	(1,987)	(3,768)	331	1,205	-	-	(45)	(479)
Revenue for the period	140,748	134,161	13,984	12,290	-	85	5,145	5,428
Surplus/(deficit) from the previous year	-	-	-	-	-	-	-	-
Funds available for reporting period	140,748	134,161	13,984	12,290	-	85	5,145	5,428
Less expenses including accrued expenses	(140,748)	(134,161)	(13,984)	(12,290)	-	(85)	(5,145)	(5,428)
Surplus/(deficit) for reporting period	-	-	-	-	-	-	-	-

25.3 COMMONWEALTH RESEARCH FINANCIAL ASSISTANCE

	NOTE	RESEARCH SUPPORT PROGRAM		RESEARCH TRAINING PROGRAM	
		2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the programs)		1,480	1,468	2,876	3,121
Net accrual adjustments		-	-	-	-
Revenue for the period	2.1	1,480	1,468	2,876	3,121
Surplus/(deficit) from the previous year		-	-	-	-
Funds available for reporting period		1,480	1,468	2,876	3,121
Less expenses including accrued expenses		(1,480)	(1,468)	(2,876)	(3,121)
Surplus/(deficit) for reporting period		-	-	-	-

25.4 AUSTRALIAN RESEARCH COUNCIL

	NOTE	DISCOVERY PROJECTS		DISCOVERY EARLY CAREER RESEARCHER AWARD		DISCOVERY INDIGENOUS		FELLOWSHIPS		LINKAGE - PROJECTS (INCLUDING STRATEGIC PARTNERSHIPS WITH INDUSTRY AND APAI)	
		2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the programs)		1,548	1,492	718	41	-	(1)	108	129	336	479
Net accrual adjustments		521	(390)	449	394	(31)	4	(83)	7	(170)	(49)
Revenue for the period	2.1	2,069	1,102	1,167	435	(31)	3	25	136	166	430
Surplus/(deficit) from the previous year		-	-	-	-	-	-	-	-	-	-
Funds available for reporting period		2,069	1,102	1,167	435	(31)	3	25	136	166	430
Less expenses including accrued expenses		(2,069)	(1,102)	(1,167)	(435)	31	(3)	(25)	(136)	(166)	(430)
Surplus/(deficit) for reporting period		-	-	-	-	-	-	-	-	-	-

25.4 AUSTRALIAN RESEARCH COUNCIL (CONTINUED)

	NOTE	CENTRE OF EXCELLENCE		LAUREATE FELLOWSHIP	
		2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the programs)		7	-	992	-
Net accrual adjustments		-	-	(895)	-
Revenue for the period	2.1	7	-	97	-
Surplus/(deficit) from the previous year		-	-	-	-
Funds available for reporting period		7	-	97	-
Less expenses including accrued expenses		(7)	-	(97)	-
Surplus/(deficit) for reporting period		-	-	-	-

25.5 OS-HELP

	NOTE	2023 \$'000	2022 \$'000
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the programs)		2,497	(1,624)
Cash spent during the reporting period		(1,256)	(611)
Net cash received	2.1	1,241	(2,235)
Cash surplus/(deficit) from the previous period		258	2,493
Cash surplus/(deficit) for reporting period	15	1,499	258

25.6 SUPERANNUATION SUPPLEMENTATION

	NOTE	2023 \$'000	2022 \$'000
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the programs)	2.1	1,347	1,486
Cash spent during the reporting period		(1,351)	(1,393)
Net cash received		(4)	93
Cash surplus/(deficit) from the previous period		(18)	(111)
Cash surplus/(deficit) for reporting period		(22)	(18)

25.7 STUDENT SERVICES AND AMENITIES FEE

	NOTE	2023 \$'000	2022 \$'000
Unspent/(overspent) revenue from previous period		-	-
SA-HELP revenue earned		5,145	5,428
Student services fees direct from students		2,961	2,716
Total revenue expendable in period		8,106	8,144
Student services expenses during the period		(8,106)	(8,144)
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 29 to 63:
 - (i) give a true and fair view of the financial position of the university as at 31 December 2023 and of its performance, as represented by the results of its operations and its cash flows, for the financial year ended on that date
 - (ii) comply with Australian Accounting Standards and the Corporation Regulations 2001; 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 3rd day of April 2024.

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



Professor Zlatko Skrbis
Director



The Honourable Martin Daubney AM KC
Director



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

REPORT ON THE FINANCIAL STATEMENTS

OPINION

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

In our opinion, the accompanying Financial Report of the University is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission (ACNC) Act 2012*, including:

- i. giving a true and fair view of the University's financial position as at 31 December 2023, and of its financial performance and its cash flows for the year ended on that date; and
- ii. complying with Australian Accounting Standards and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2022 (ACNCR)*.

The Financial Statements comprises:

- i. Balance Sheet as at 31 December 2023.
- ii. Income Statement, Statement of comprehensive income, Statement of changes in equity, and Statement of cash flows for the year then ended.
- iii. Notes including a summary of material accounting policies; and
- iv. 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 Report* section of our report.

We are independent of the University in accordance with the auditor independence requirements of the *ACNC Act 2012* and the ethical requirements of the

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

OTHER INFORMATION

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

Our opinion on the Financial Report 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.

EMPHASIS OF MATTER – RESTATEMENT OF COMPARATIVE BALANCES

Without modifying our opinion, we draw attention to Note 1 (p) to the financial statements which describes the restatement of comparatives in the balance sheet due to the incorrect recognition of franking credits in the prior year. Our opinion is not modified in respect of this matter.

RESPONSIBILITIES OF THE DIRECTORS FOR THE FINANCIAL STATEMENTS

The Directors are responsible for:

- i. Preparing the Financial Statements that gives a true and fair view in accordance with Australian Accounting Standards and the ACNC and ACNCR.
- ii. Implementing necessary internal control to enable the preparation of Financial Statements that give a

true and fair view and is free from material misstatement, whether due to fraud or error.

- iii. 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:

- i. to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- ii. 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 Report.

As part of an audit in accordance with *Australian Auditing Standards*, we exercise professional judgement and maintain professional scepticism throughout the audit.

We also:

- i. Identify and assess the risks of material misstatement of the Financial Report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- ii. Obtain an understanding of internal control relevant to the Audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the registered university's internal control.
- iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- iv. Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the registered university's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the Financial Report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's Report. However, future events or conditions may cause the registered University to cease to continue as a going concern.
- v. Evaluate the overall presentation, structure and content of the Financial Report, including the disclosures, and whether the Financial Report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Directors of the registered University regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG

Stephen Isaac
Partner
Sydney
3 April 2024

“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 2024). However, sections may be amended without notice by the university in response to changing circumstances or for any other reason. Check the ACU website for the most up-to-date information.