



THE AUSTRALIAN NATIONAL UNIVERSITY



# Annual Report 2005

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## Further information about ANU

Detailed information about ANU and its achievements is available from the University's website: [www.anu.edu.au](http://www.anu.edu.au)

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# CONTENTS

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Australia's best in teaching & research .....	1
Making the best even better .....	2
In partnership with the world's best .....	3
Working with the nation .....	4
Funding sources .....	5
World class research .....	6
Education at its best .....	9
Governance & Freedom of Information .....	14
Access .....	18
Risk management .....	19
A safe & healthy place .....	20
The environment .....	21
The Council & University Officers .....	22
Council & Council Committees .....	26
University structure .....	28
Auditor-General's Report .....	29
Statement by Directors .....	32
Financial statements .....	33
Glossary .....	82

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6 April 2006

The Hon Julie Bishop MP  
Minister for Education, Science and Training  
Parliament House  
CANBERRA ACT 2600

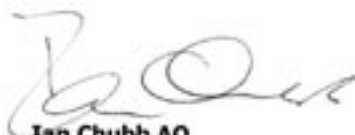
Dear Minister,

**Report of the Council for the period 1 January 2005 to 31 December 2005**

We have the honour to transmit the report of the Council of The Australian National University for the period 1 January 2005 to 31 December 2005 furnished in compliance with Section 9 of the *Commonwealth Authorities and Companies Act 1997*.



**Allan Hawke**  
Chancellor



**Ian Chubb AO**  
Vice-Chancellor



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# AUSTRALIA'S BEST IN TEACHING & RESEARCH

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## World Rankings

The merits of particular university rankings continues to be debated and it is doubtful that there are any that are not seriously flawed. Positions in each table provide some indication of relative performance, however. Once again, ANU performed very well on a broad range of measures and continues to be among the best in world rankings.

**Table 1: World Rankings**

Shanghai Jiao Tong	56
The Times Higher Education Supplement	23
Webometrics	62

## Learning and Teaching Performance Fund

ANU also did well in the inaugural assessment of university teaching performance for the Learning and Teaching Performance Fund, receiving \$2m from the fund as a result. On unadjusted scores the University ranked second. Full details of the components of the Learning and Teaching Performance Fund, and the unadjusted rankings of the top 10 universities can be seen in Table 11 on page 13 of this report.

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# MAKING THE BEST EVEN BETTER

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Last year's Annual Report focused on the independent Quality Review conducted in 2004. As discussed in that report, the Review was completed with outstanding results. It did however make a number of recommendations designed to ensure the University was well positioned to respond to the changing global environment. In keeping with these recommendations, in 2005 the Vice-Chancellor led a comprehensive review of the University's operations, with the intention of giving ANU the base to achieve the following objectives:

- research at the highest standards of excellence
- educational programs informed by current research and active researchers – as a source of knowledge and a way of learning which will give students a memorably good experience of ANU
- graduates with capabilities for global participation
- scholarly outcomes that advance Australia
- service of value to national and international communities.

In June 2005, the University's Council approved the Operational Improvements Plan. Since then, there has been rapid progress in implementing the structural reforms that underpin the plan, in particular the formation of the ANU Colleges. The University's Faculties, Research Schools, and Centres have been grouped along discipline lines into the following seven Colleges:

- ANU College of Arts and Social Sciences
- ANU College of Asia and the Pacific
- ANU College of Business and Economics
- ANU College of Engineering and Computer Science
- ANU College of Law
- ANU College of Medicine and Health Sciences
- ANU College of Science.

This structure builds on the strengths of The Faculties and the Institute of Advanced Studies and will enhance collaboration between both parts of the University.

Membership of each College is shown in the University Structure diagram (see page 28). A Convener and Dean have been appointed to lead each College. College Conveners have responsibility to establish College plans, and annual reports on performance, for the purposes of University strategic planning and budget-setting; and College Deans have authority over all educational matters in the College.



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# IN PARTNERSHIP WITH THE WORLD'S BEST

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ANU, together with the National University of Singapore, has led the formation of an international alliance of ten of the world's best universities. This alliance, known as the International Alliance of Research Universities (IARU), draws together a selected group of research-intensive universities that share similar values, a similar vision and a commitment to educating future world leaders. It is our aim to make this the premier alliance of universities in the world.

## The alliance comprises 10 universities:

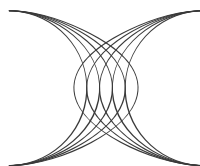
- Australian National University
- ETH (Swiss Federal Institute of Technology) Zurich
- National University of Singapore
- Peking University
- University of California, Berkeley
- University of Cambridge
- University of Copenhagen
- University of Oxford
- The University of Tokyo
- Yale University.

## The alliance will encourage and support the following activities:

- major research programs that are global in scope
- summer internships
- key conferences where participation/contribution from alliance academics will be encouraged
- student exchange at both undergraduate and postgraduate level
- development of joint/dual degree arrangements
- arrangements at each university to support faculty exchange.

In the longer term, the alliance plans to seek corporate/foundation/government support for research projects; work jointly on benchmarking; and develop shared positions on key public policy issues.

The official launch of the alliance was on 14 January 2006 in Singapore. The Vice-Chancellor is the inaugural Chair. Further information is available from <http://info.anu.edu.au/ovc/alliances/IARU>



INTERNATIONAL ALLIANCE OF  
RESEARCH UNIVERSITIES

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# WORKING WITH THE NATION

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ANU researchers act as consultants to many government organisations. Our researchers are often called upon to provide policy advice for different levels of government and regularly serve on government review committees, tribunals, councils, and advisory groups. Examples include: AusAID; Australian Greenhouse Office; Australian Bureau of Statistics; Agriculture, Fisheries, and Forestry; Family and Community Services; and the Productivity Commission. The Commonwealth's Foreign Affairs Council continues to include several members from ANU. Professor Warwick McKibbin serves as a member of the Board of the Reserve Bank of Australia.

The University provides a number of tailored programs for government, including executive programs for the Departments of Treasury, Industry Tourism and Resources, the Public Service Commission, and the Office of National Assessments.

ANU staff are frequently sought out by media, government, business and community groups for advice, research and expert analysis on matters of international, national, and local importance. ANU researchers feature daily in the media.

Specific examples of outreach include:

- UniChe (Universities, Industry, Chemistry): The UniChe project is an industry-linked chemistry outreach program funded by DEST, Orica Pty Ltd, and the Departments of Chemistry and Chemical Engineering at the Universities of Queensland, Melbourne, Newcastle, and ANU. The project is coordinated nationally by Dr P A Reynolds and chaired by Professor C J Easton of the ANU Research School of Chemistry
- National Science Summer School and National Youth Science Forum
- National Mathematics Summer School
- ANU Kioloa Open Week
- National Science Week
- Siding Spring 'Astro Camp' for Year 12 college students
- during the year approximately 15,000 members of the public visited Siding Spring Observatory, and another 35,000 visited Mount Stromlo. Mount Stromlo Observatory, often in conjunction with the Canberra Astronomical Society, runs 'open nights' for the public on most Saturday evenings and for events of special interest
- ANU Dialogues – Indigenous Peoples of the World Series. 'The Sammi' was held on 4 May 2005 and organised with the assistance of the Embassies of Norway, Finland, and Russia
- development of the ANU Secondary College with the ACT Government to provide from 2006, Year 11 & 12 students with advanced courses in Physics, Mathematics, and Chemistry which will count towards their Year 12 result as well as give credit within an ANU undergraduate degree.

## International service

Many ANU researchers are involved in the work of international bodies such as the United Nations, International Monetary Fund, Asian Development Bank and World Health Organisation. For example, Professor William Maley was an observer of the Afghan parliamentary election held in October as a Special Guest of the Joint Electoral Management Body.

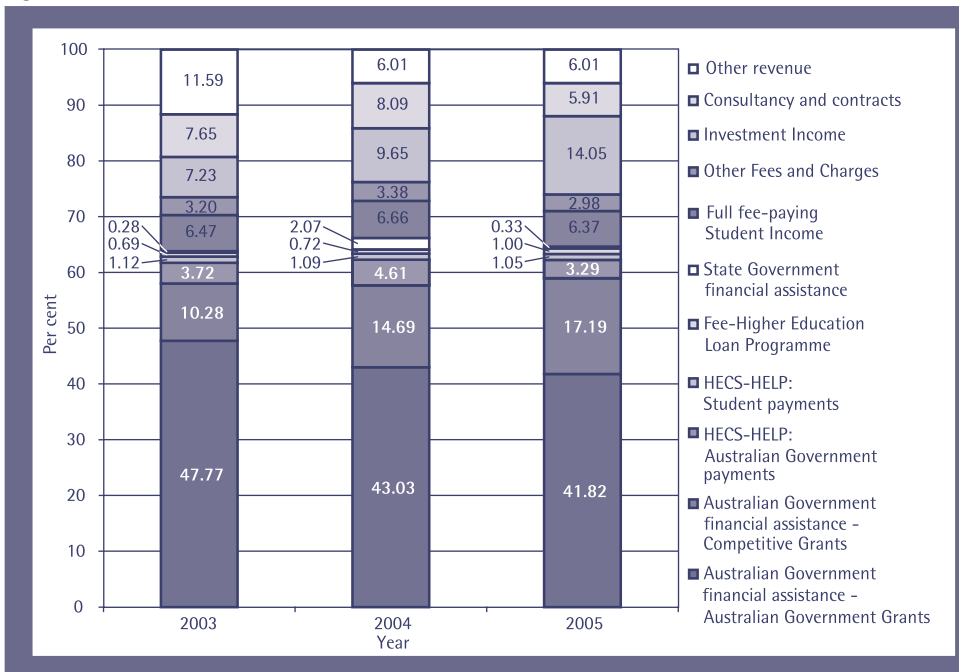
The ANU Law School is the first Australian law school to be invited to join the student traineeship program of the International Court of Justice.

# FUNDING SOURCES

The University's operating income has grown from \$536m in 2003 to \$704m in 2005. The net result of \$46m is an increase of \$44m on the previous year.

Figure 1 shows the changing relative sources of revenue over the last three years.

Figure 1: Revenue Base (% of Total) 2003–2005



Source:

Based on consolidated figures from the Income Statement

# WORLD CLASS RESEARCH

## Performance Measures 2000–2005

- International peer review ratings place 29 per cent of the output of ANU in the world's top five per cent and 68 per cent in the top 25 per cent.<sup>1</sup>
- Group of Eight benchmarking:
  - highest percentage of academic staff with ARC fellowships in 2004 and 2005<sup>2</sup>
  - highest percentage (and \$/FTE) expenditure on research and experimental development places.<sup>3</sup>
  - highest percentage of academic staff affiliated with the Royal Society and Australian Academies<sup>4</sup>
  - highest number of new ARC Discovery Grants per Academic FTE in 2004 and 2005<sup>5</sup>
  - fourth highest number of new ARC Linkage Grants per Academic FTE in 2005 (sixth in dollar terms).<sup>6</sup>

1. Source:  
ANU Capabilities and Performance Statement 2004.

2. Sources:  
(1) ARC Fellowships data, Discovery Projects Fellowships - [www.arc.gov.au/funded\\_grants/selection\\_discovery\\_projects.htm](http://www.arc.gov.au/funded_grants/selection_discovery_projects.htm)  
(2) DEST Staff data, data for 2004 based on FTE for 2003 - [www.dest.gov.au/highered/statistics/staff/03/staff2003.xls](http://www.dest.gov.au/highered/statistics/staff/03/staff2003.xls) (Table 7), data for 2005 based on FTE for 2004 - [www.dest.gov.au/NR/rdonlyres/EC48C875-7617-4817-8849-BAEE97664471/2457/2004\\_staff.xls](http://www.dest.gov.au/NR/rdonlyres/EC48C875-7617-4817-8849-BAEE97664471/2457/2004_staff.xls) (Table 7)

3. The Research Expenditure data for 2002 are the latest data available. No data collection occurred in 2003 as the collection is based on a survey done every two years. The data for 2004 will not be available until mid 2006.  
Source: DEST Finance and Research Expenditure series

4. Sources:  
Royal Society Fellowship at August 2002, [www.royalsoc.ac.uk/fellowsindex.cfm](http://www.royalsoc.ac.uk/fellowsindex.cfm)  
Australian Academy of Science Fellowship at August 2002, [www.science.org.au/academy/fellows/fellow.htm](http://www.science.org.au/academy/fellows/fellow.htm)  
Australian Academy of Technological Sciences and Engineering Fellowship at August 2002, [www.atse.org.au](http://www.atse.org.au)  
Australian Academy of Social Sciences Fellowship at August 2002, <http://coombs.anu.edu.au/ASAA>  
Australian Academy of Humanities Fellowship at August 2002, [www.humanities.org.au/Fellows/overview.htm](http://www.humanities.org.au/Fellows/overview.htm)  
DEST 2002 Staff data, [www.dest.gov.au/highered/statistics/staff/02/staff\\_2002.xls](http://www.dest.gov.au/highered/statistics/staff/02/staff_2002.xls) (Table 7)

5. Sources:  
ARC Discovery Grants data, [www.arc.gov.au/funded\\_grants/selection\\_discovery.htm](http://www.arc.gov.au/funded_grants/selection_discovery.htm)  
DEST Staff data, 2004 based on FTE for 2003 - [www.dest.gov.au/highered/statistics/staff/03/staff2003.xls](http://www.dest.gov.au/highered/statistics/staff/03/staff2003.xls) (Table 7), 2005 based on FTE for 2004 - [www.dest.gov.au/NR/rdonlyres/EC48C875-7617-4817-8849-BAEE97664471/2457/2004\\_staff.xls](http://www.dest.gov.au/NR/rdonlyres/EC48C875-7617-4817-8849-BAEE97664471/2457/2004_staff.xls) (Table 7)

6. Sources:  
ARC Linkage - Projects data, [www.arc.gov.au/funded\\_grants/selection\\_linkage\\_projects.htm](http://www.arc.gov.au/funded_grants/selection_linkage_projects.htm)  
DEST Staff data, 2004 based on FTE for 2003 - [www.dest.gov.au/NR/rdonlyres/FBA4E192-261B-47C8-BACC-3F1B59F8879D/2456/staff2003.xls](http://www.dest.gov.au/NR/rdonlyres/FBA4E192-261B-47C8-BACC-3F1B59F8879D/2456/staff2003.xls) (Table 7), 2005 based on FTE for 2004 - [www.dest.gov.au/NR/rdonlyres/EC48C875-7617-4817-8849-BAEE97664471/2457/2004\\_staff.xls](http://www.dest.gov.au/NR/rdonlyres/EC48C875-7617-4817-8849-BAEE97664471/2457/2004_staff.xls) (Table 7)

**Table 2: Research Grants and Publications for 2003 and 2004<sup>7</sup> (latest data available)**

	2003	2004
<b>Research Grants (\$000)</b>		
Australian Competitive Research Grants	55,635	63,832
Other Public Sector Research Funding	14,470	15,671
Industry and Other Funding for Research	24,954	19,902
CRC Funding	4,036	4,034
<b>TOTAL RESEARCH GRANTS</b>	<b>99,096</b>	<b>103,439</b>
<b>Research Publications (rounded)</b>		
Books	65	70
Book Chapters	371	436
Journal Articles	1,390	1,583
Conference Papers	253	328
<b>UNWEIGHTED TOTAL</b>	<b>2,080</b>	<b>2,416</b>
<b>WEIGHTED TOTAL<sup>8</sup></b>	<b>2,340</b>	<b>2,697</b>

**Table 3: Summary of Research Activity for 2004 and 2005**

Research Grants	2004 (\$)	2005 <sup>9</sup> (\$)
LIEF/SII/MNRF	7,902,001	25,063,156
ARC	45,116,475	56,355,732
NHMRC	12,151,628	15,341,400
Other	46,205,122	33,400,648
<b>Total</b>	<b>111,375,226</b>	<b>130,160,936</b>
LIEF - Linkage Infrastructure, Equipment and Facilities (ARC Funding); SII - Systemic Infrastructure Initiative (DEST Research Grant); MNRF - Major National Research Facilities; ARC - Australian Research Council; NHMRC - National Health and Medical Research Council.		
Staff	2004	2005
ARC Grants and Fellowships	466	484
NHMRC Grants and Fellowships	97	101
Total Academic Staff (FTE) <sup>10</sup>	1,354	1,441
Staff: FTE, Level C+ <sup>10</sup>	754	769
ARC & MHMRC Grants/Staff (FTE, Level C+)	0.75	0.63
Publications index - value (previous year)	2,340	2,695

## 7. Sources:

ANU return to 2003 DEST Higher Education Research Data Collection, [www.dest.gov.au/NR/rdonlyres/12C6376E-A6A7-448D-95D1-BB800F55D5C9/9140/2003\\_HERDCData060106.xls](http://www.dest.gov.au/NR/rdonlyres/12C6376E-A6A7-448D-95D1-BB800F55D5C9/9140/2003_HERDCData060106.xls)

ANU return to 2004 DEST Higher Education Research Data Collection, [www.dest.gov.au/NR/rdonlyres/1A150602-F2D7-489C-9746-808E7D5A5D4B/9141/2004\\_HERDCData060106.xls](http://www.dest.gov.au/NR/rdonlyres/1A150602-F2D7-489C-9746-808E7D5A5D4B/9141/2004_HERDCData060106.xls)

8. Books are weighted as five and other categories as one

9. Based on 2005 projections as at 14 October 2005

10. Based on DEST 31 March submissions

**Table 4: Research Grants by Academic Unit for 2005<sup>11</sup>**

Academic Unit	ARC (\$)	NHMRC (\$)	Other (\$)	TOTAL (\$)
Research School of Astronomy and Astrophysics	1,914,608	0	625,359	2,539,967
Research School of Biological Sciences	3,729,321	478,285	789,528	4,997,134
Research School of Chemistry	3,690,796	0	608,823	4,299,619
Research School of Earth Sciences	3,723,907	0	351,509	4,075,416
Research School of Information Sciences and Engineering	1,023,359	0	235,000	1,258,359
John Curtin School of Medical Research	2,650,105	8,038,876	5,594,339	16,283,320
Research School of Pacific and Asian Studies	3,146,913	0	1,645,735	4,792,648
Research School of Physical Science and Engineering	11,258,508	247,250	2,609,079	14,114,837
Research School of Social Sciences	4,478,648	0	3,288,934	7,767,582
Centre for Resource and Environmental Studies	586,215	0	855,521	1,441,736
Faculty of Arts	1,460,987	0	703,802	2,164,789
Faculty of Asian Studies	648,390	0	420,888	1,069,278
Faculty of Economics and Commerce	845,233	0	0	845,233
Faculty of Engineering and Information Technology	2,893,785	0	431,836	3,325,621
Faculty of Law	532,510	0	724,565	1,257,075
Faculty of Science	8,326,540	942,846	2,095,026	11,364,412
ANU Medical School	0	627,916	619,701	1,247,617
Asia-Pacific School of Economics and Government	80,617	0	1,320,091	1,400,708
Centre for Aboriginal Economic Policy Research	223,194	0	1,244,574	1,467,768
Centre for Cross Cultural Research	1,556,581	0	1,029,469	2,586,050
Centre for Mental Health Research	0	2,189,587	341,820	2,531,407
Humanities Research Centre	429,125	0	219,625	648,750
National Centre for Epidemiology and Population Health	636,604	2,816,640	2,978,691	6,431,935
National Graduate School of Management	66,365	0	25,000	91,365
Mathematical Sciences Institute	2,453,421	0	92,700	2,546,121
Other Units (including APHCRI, CEDAM)	0	0	4,549,033	4,549,033
<b>TOTALS</b>	<b>56,355,732</b>	<b>15,341,400</b>	<b>33,400,648</b>	<b>105,097,780</b>

11. Based on 2005 projections as at 14 October 2005.

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# EDUCATION AT ITS BEST

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## Performance Measures 2003–2005

- The increasing median entry UAI score is now one Australia's highest at 93.10.
- On unadjusted scores the University ranked second in the Learning and Teaching Performance Fund.
- ANU has the highest proportion of Higher Degree Research student load amongst the Group of Eight.<sup>12</sup>
- At a time of declining international student demand, ANU has continued to see increased demand from these students.



12. Sources:

DEST Student data (Actual Student Load (EFTSU) for All Students by State, Institution and Broad Level of Course, for 2002, 2003 and 2004 - [www.dest.gov.au/highered/statpubs.htm](http://www.dest.gov.au/highered/statpubs.htm) - studpubs)

ANU 2005 Student data: Statistical Services, ANU

**Table 5: EFTSL by Program for 2003–2005<sup>13</sup>**

Program	Domestic/International	2003	2004	2005
Higher Degree Research	Domestic	972	1,184	1,184
	International	375	437	456
<b>Higher Degree Research Total</b>		<b>1,347</b>	<b>1,621</b>	<b>1,640</b>
Postgraduate Coursework	Domestic	838	952	950
	International	600	796	778
<b>Postgraduate Coursework Total</b>		<b>1,438</b>	<b>1,748</b>	<b>1,728</b>
Undergraduate	Domestic	6,223	6,375	6,200
	International	1,018	1,114	1,183
<b>Undergraduate Total</b>		<b>7,241</b>	<b>7,490</b>	<b>7,383</b>
Non-award	Domestic	24	36	32
	International	103	156	146
<b>Non-award Total</b>		<b>127</b>	<b>192</b>	<b>178</b>
<b>TOTALS</b>		<b>10,152</b>	<b>11,051</b>	<b>10,929</b>

**Table 6: Median Entry UAI Score for 2003–2005**

	2003	2004	2005
Median Entry UAI Score	88.85	90.40	93.10

**Table 7: Undergraduate Operating Grant Load Against Government Targets for 2003–2005**

	2003	2004	2005 <sup>14</sup>
Actual load	6,213	6,375	6,200
DEST Target	5,940	6,030	6,117
Over-enrolment	4.6%	5.7%	1.0%

13. 2003-EFTSU data (rounded) are based on DEST submissions 1 and 2. For 2005, the EFTSL data (rounded) are based on DEST submissions 1, 2, and x.

14. Based on DEST submissions 1 and 2 for 2005.



**Table 8: Higher Degree and Postgraduate Male/Female Student Enrolments for 2003–2005<sup>15</sup>**

2003					
Program Type	Female	Male	Total	% Female	% Male
Doctorate by Research	700	889	1,589	44.1%	55.9%
Masters by Research	39	69	108	36.1%	63.9%
Higher Degree Coursework	778	1,002	1,780	43.7%	56.3%
Other Postgraduate	662	571	1,233	53.7%	46.3%
<b>Total</b>	<b>2,179</b>	<b>2,531</b>	<b>4,710</b>	<b>46.3%</b>	<b>53.7%</b>
2004					
Program Type	Female	Male	Total	% Female	% Male
Doctorate by Research	837	1,047	1,884	44.4%	55.6%
Masters by Research	54	72	126	42.9%	57.1%
Higher Degree Coursework	944	1,245	2,189	43.1%	56.9%
Other Postgraduate	732	647	1,379	53.1%	46.9%
<b>Total</b>	<b>2,567</b>	<b>3,011</b>	<b>5,578</b>	<b>46.0%</b>	<b>54.0%</b>
2005					
Program Type	Female	Male	Total	% Female	% Male
Doctorate by Research	887	1,088	1,975	44.9%	55.1%
Masters by Research	51	74	125	40.8%	59.2%
Higher Degree Coursework	1,065	1,253	2,318	45.9%	54.1%
Other Postgraduate	691	596	1,287	53.7%	46.3%
<b>Total</b>	<b>2,694</b>	<b>3,011</b>	<b>5,705</b>	<b>47.2%</b>	<b>52.8%</b>

15. Student count by program type as at 31 March. Students enrolled in two programs within program type are only counted once.

Table 9: Research and Education Activity by Academic Unit for 2005

Academic Unit	FTE <sup>16</sup>			EFTSL <sup>17</sup>					
	Total Staff	Academic Staff	General Staff	Total Staff	Higher Degree Research	Higher Degree Coursework	Other Postgraduate	Undergraduate	Non-award
Research School of Astronomy and Astrophysics	85	29	56	31	31				
Research School of Biological Sciences	196	89	106	64	64				
Research School of Chemistry	129	60	69	67	67				
Research School of Earth Sciences	135	57	78	48	48	0.13			
Research School of Information Sciences and Engineering	47	24	23	63	63				
John Curtin School of Medical Research	315	96	219	73	73				
Research School of Pacific and Asian Studies	202	93	109	344	180	108	49		7
Research School of Physical Science and Engineering	241	136	104	93	93				
Research School of Social Sciences	169	95	75	112	101	8	1		2
Centre for Resource and Environmental Studies	34	19	15	44	44				
Faculty of Arts	256	183	73	2,637	247	75	40	2,256	19
Faculty of Asian Studies	36	28	9	511	43	17	3	446	2
Faculty of Economics and Commerce	120	96	24	2,182	97	194	27	1,792	72
Faculty of Engineering and Information Technology	87	49	38	654	53	67	7	526	0.44
Faculty of Law	91	52	38	1,258	21	91	350	794	2
Faculty of Science	254	151	102	1,717	235	54	32	1,384	11
ANU Medical School	40	20	20	170	5			165	
Asia-Pacific School of Economics and Government	49	21	29	377	61	165	98	0.13	53
Centre for Aboriginal Economic Policy Research	20	15	5	5	5				
Centre for Cross Cultural Research	23	14	9	23	23				
Centre for Mental Health Research	32	13	19	8	8				
Humanities Research Centre	12	8	5	13	13				
National Centre for Epidemiology and Population Health	52	32	20	43	23	20			0.13
National Graduate School of Management	33	11	22	326	15	294	10		8
Mathematical Sciences Institute	40	35	5	22	22				
Other Units (including ANIP, APAC, APDC, APHCRI, CEDAM)	875	17	858	42	3	8	9	20	2
<b>TOTALS</b>	<b>3,570</b>	<b>1,441</b>	<b>2,129</b>	<b>10,929</b>	<b>1,640</b>	<b>1,101</b>	<b>627</b>	<b>7,383</b>	<b>178</b>

16. Based on DEST 31 March 2005 submissions. Note: all figures have been rounded.

17. EFTSL based on DEST submissions 1, 2 and x for 2005. Note: all figures have been rounded.

Table 10: Research and Education Activity by Academic Area for 2005

Academic Unit	FTE <sup>18</sup>			EFTSL <sup>19</sup>					
	Total Staff	Academic Staff	General Staff	Total Staff	Higher Degree Research	Higher Degree Course-work	Other Postgraduate	Undergraduate	Non-award
Institute of Advanced Studies	1,551	698	853	939	765	115	50		9
Faculties	883	578	305	9,130	701	499	460	7,363	107
Centres	261	151	116	818	149	485	108	0.13	61
Other Areas (including ANIP, APAC, CEDAM)	875	14	855	42	25	2	9	20	2
<b>TOTALS</b>	<b>3,570</b>	<b>1,441</b>	<b>2,129</b>	<b>10,929</b>	<b>1,640</b>	<b>1,101</b>	<b>627</b>	<b>7,383</b>	<b>178</b>

Table 11: Learning and Teaching Performance Fund - Unadjusted Scores

	GDS Employment		GDS Study		CEQ Skills		CEQ Teaching		CEQ Satisfaction		Progress		Attrition		TOTAL	Final Position
	Score	Rank	Score	Rank	Score	Rank	Score	Rank	Score	Rank	Score	Rank	Score	Rank		
The University of Queensland	85	33	38.9	36	82.4	37	56.5	33	79.4	34	92	36	83	27	3,395	1
The Australian National University	85.9	34	36.1	34	76.4	32	52.6	29	80	36	89.8	32	86.2	32	3,264	2
The University of Melbourne	86.2	35	38.7	35	74.6	28	50	23	75.4	30	93.2	37	90.8	38	3,115	3
University of Wollongong	89.98	37	34.4	33	76.58	33	50.27	25	75.75	31	89.65	31	85.45	30	3,104	4
The University of Sydney	82.2	31	30.5	30	76.3	31	49.5	21	71.2	25	91.4	34	86.9	33	2,850	5
The University of Western Australia	81.6	30	46.4	38	75.5	30	47	16	69.6	21	91.4	35	87.4	35	2,768	6
Australian Maritime College	100	38	9.09	1	90.91	38	63.64	38	90.91	38	84.07	11	71.14	3	2,716	7
Swinburne University of Technology	72.83	13	18.02	18	81.4	36	52.91	30	78.82	33	87.61	24	81.62	24	2,708	8
Murdoch University	65.8	4	24.13	25	79.08	34	60.92	36	80.86	37	84.81	13	79.29	16	2,608	9
University of Canberra	78.89	23	17.15	15	72.01	21	49.43	20	70.11	22	88.83	30	81.42	23	2,193	10

18. Based on DEST 31 March 2005 submissions. Note: all figures have been rounded.

19. EFTSL based on DEST submissions 1, 2 and x for 2005. Note: all figures have been rounded.

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# GOVERNANCE & FREEDOM OF INFORMATION

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*This statement has been prepared to comply with sections 15 and 16 of the Commonwealth Authorities and Companies (Report of Operations) Orders 2005 and section 8 of the Freedom of Information Act 1982 (Cth) not covered in other sections of this report.*

## 1. Organisation and Functions of the University's decision-making Council and Boards

### Council

In accordance with the *Australian National University Act 1991(Cth)*, the Council is the governing authority of the University. The Act provides that the Council has the control and management of the University and is to act in all matters concerning the University in such manner as it thinks will best promote the interests of the University. The Council may enact delegated legislation, subject to the scrutiny of the Australian Parliament, known as Statutes, Rules and Orders.

The Council is chaired by the Chancellor and comprises fifteen members: the Chancellor; the Vice-Chancellor; seven members appointed by the Minister on the recommendation of the Nominations Committee of Council; one person who is either a Dean or the Head of a Research School and is elected, in either case, by the Deans and the Heads of the Research Schools voting together; one member of the academic staff of the Institute of Advanced Studies elected by the members of that staff; one member of the academic staff of The Faculties elected by the members of that staff; one member of the general staff of the University elected by members of that staff; one postgraduate student of the University elected by the postgraduate students of the University; and one undergraduate student of the University elected by the undergraduate students of the University.

### Boards and Committees of the Council

Council is assisted in its functions by a number of Boards and Committees.

- **The Executive Committee of Council** acts on behalf of the full Council when appropriate. All of the Committee's decisions are reported to the next full meeting of Council.
- **The Academic Board** advises the Council on aspects of the strategic academic direction of the University, including the development of teaching, learning, scholarship, research and research training in all parts of the University and may advise the Council on all aspects of the academic policy of the University. The Academic Board is assisted by the University Committees on Education, Research and Information Strategy.
- **The Finance Committee** makes recommendations and decisions concerning financial and accounting matters of the University; a report from the Finance Committee is a standard item on the agenda for each meeting of Council.
- **The Audit and Risk Management Committee** advises the Council regarding the quality of the audits conducted and the adequacy of the University's administrative, operating and accounting controls and compliance with relevant legislation and policies; the Committee also oversees risk management planning and implementation within the University.
- **The Honorary Degrees Committee** invites persons, within the terms of the Honorary Degree Rules, to accept nomination for honorary degrees and recommends the names of those who accept nomination to the Council for admission.
- **The Committee on Conditions and Appointment of the Vice-Chancellor and Deputy Vice-Chancellors** determines the conditions of appointment (including salary) of these officers.
- **The Emergency Appointment (Vice-Chancellor) Committee** exercises the power of Council to make acting appointments under sub-section 37 of the *Australian National University Act 1991* in relation to the office of Vice-Chancellor until the next meeting of the Council or its Executive Committee.

## Governance

### Induction and professional development of Council members

New Council members are provided with an induction handbook and education program.

Council members were surveyed in February 2005 concerning professional development needs. Council members were invited to register for the online governance forum run by the National Institute of Governance. A training program on corporate governance and financial reporting was conducted for Council members by the Australian Institute of Company Directors on 5 August 2005. The Deputy Vice-Chancellors have presented overviews to Council of strategic issues in education and research.

### Performance review of Council members

The University's enabling legislation specifies the duties of the members of the University Council<sup>20</sup> and the sanctions for the breach of those duties<sup>21</sup>. Council has the power to remove, by at least a 2/3 majority, a member who has breached their duties.

Council has resolved that it ensure continual assessment of performance and conformity with National Governance Protocol for Higher Education Providers. A Council retreat was held on 25 February 2005 at which Council reviewed its performance in light of responses to questionnaires completed by members. Council reviewed its conformance to the Protocols on 5 August 2005.

### Identifying and managing business risk

This is set out in the Risk Management section on page 19 of this Annual Report.

### Establishment and maintenance of appropriate ethical standards

The University's Code of Conduct applies to all staff. It can be seen at [http://info.anu.edu.au/policies/Codes\\_Of\\_Practice/Human\\_Resources/Other/Code\\_of\\_Conduct.asp](http://info.anu.edu.au/policies/Codes_Of_Practice/Human_Resources/Other/Code_of_Conduct.asp). The University also has a number of Codes of Practice in place for Teaching and Learning, Higher Degree Research Supervision and Academic Honesty that apply to staff and students.

## Academic Structure of the University

The University's formal academic organisational structure consists of the Institute of Advanced Studies, The Faculties and University Schools and Centres. The University is in the process of implementing a college-based structure to align better the interests and collaborations across the IAS, Faculties, and Centres. The new structure is as follows:

- ANU College of Arts and Social Sciences
  - Faculty of Arts
  - Research School of Humanities<sup>22</sup>
    - Humanities Research Centre
    - Centre for Cross Cultural Research
    - Australian Dictionary Centre
    - National Europe Centre
  - Research School of Social Sciences
  - Centre for Aboriginal Economic Policy Research
- ANU College of Asia and the Pacific
  - Faculty of Asian Studies
  - Research School of Pacific and Asian Studies
  - Asia Pacific School of Economics and Government
  - Asia-Pacific College of Diplomacy
- ANU College of Business and Economics
  - Faculty of Economics and Commerce
  - National Graduate School of Management

20. See sections 18A, B, C, D, E, F of the ANU Act 1991 (Cth) and sections 22, 23, 24, 25, 26, 27A, 27B, 27C, 27D, 27E, 27F of *Commonwealth Authorities and Companies Act 1997 (Cth)*.

21. See sub-section 15(1)(k) of the ANU Act 1991 (Cth) and sections 22, 23, 24, 25, 26, 27A, 27B, 27C, 27D, 27E, 27F of *Commonwealth Authorities and Companies Act 1997 (Cth)*.

22. Formation under way

- ANU College of Engineering and Computer Science
  - Faculty of Engineering and Information Technology
  - Research School of Information Sciences and Engineering
- ANU College of Law
  - Faculty of Law
- ANU College of Medicine and Health Sciences
  - The Medical School
  - John Curtin School of Medical Research
  - Institute for Health
    - National Centre for Epidemiology and Population Health
    - Centre for Mental Health Research
    - Australian Primary Health Care Research Institute
    - Australian Centre for Economic Research in Health<sup>23</sup>
- ANU College of Science
  - Faculty of Science
  - Mathematical Sciences Institute
  - Research School of Physical Sciences and Engineering
  - Research School of Astronomy and Astrophysics
  - Research School of Chemistry
  - Research School of Biological Sciences
  - Research School of Earth Sciences
  - Centre for Resource and Environmental Studies
- National Centre for Indigenous Studies

The University structure can be viewed at page 28 of this report or at [http://info.anu.edu.au/OVC/Organisational\\_Structure/Structure.asp](http://info.anu.edu.au/OVC/Organisational_Structure/Structure.asp)

## Indemnities and insurance premiums for officers

All employees of the University are covered by the Code of Conduct. The Code states:

*"The University will indemnify its staff against liabilities incurred by them while carrying out their duties in good faith for the University. It will stand behind its staff and meet the costs of actions that might be taken against them personally as though the action had been taken against the University, provided that the staff member concerned was acting in good faith."*<sup>24</sup>

The University has Directors and Officers insurance. Premiums for 2005 amounted to \$34,175.

## 2. Functions of the University's Statutory Officers

### Chancellor

The Chancellor presides at all meetings of Council and on all ceremonial occasions when available to do so. The Chancellor and the Vice-Chancellor sign the Annual Report of the University to the Parliament.

### Pro-Chancellor

In the absence of the Chancellor, the Pro-Chancellor presides at meetings of the Council and on ceremonial occasions.

23. Formation under way

24. [http://info.anu.edu.au/policies/Codes\\_Of\\_Practice/Human\\_Resources/Other/Code\\_of\\_Conduct.asp](http://info.anu.edu.au/policies/Codes_Of_Practice/Human_Resources/Other/Code_of_Conduct.asp)

## Vice-Chancellor

The Vice-Chancellor is the Chief Executive Officer of the University and has the responsibility of controlling and managing the affairs and concerns of the University including the control and management of real and personal property vested in or acquired by the University. The Vice-Chancellor has, and may exercise, such powers as are necessary or desirable to discharge those duties. The Vice-Chancellor also represents and acts for the University in its relations with the Commonwealth Government and other bodies.

## 3. Powers of the University

The University's powers are based on the *Australian National University Act 1991*. Subject to the Act, the University has power to do all things that are necessary or convenient to be done for, or in connection with, the performance of its functions. The University has made Statutes, Rules and Orders which can be viewed at <http://info.anu.edu.au/policies/Legislation>

The only delegated legislation that affects members of the public who are not members of the University community are Statutes made concerning the management of traffic and parking on campus, which can also be found at <http://info.anu.edu.au/policies/Legislation>

## 4. Documents available for purchase by the public or otherwise accessible in terms of the Freedom of Information Act 1982

- Council statutes, rules and orders
- Annual Report of ANU to Parliament
- Annual reports of schools, faculties, centres and units to the Council
- Undergraduate Handbook
- Graduate Coursework Guide
- Purchasing Policy and Procedures
- Finance and Business Manual (electronic version only)
- Occupational Health and Safety Unit Information

Documents which are customarily made available to the public otherwise than under the *Freedom of Information Act 1982*, free of charge upon request, are the *ANU Reporter*, information pamphlets and booklets on courses and academic requirements in various disciplines, information on external scholarships, leaflets on academic appointments in the Institute of Advanced Studies and in the Faculties, Library Guides, and an accommodation brochure.

Internal working documents include internal user manuals, Financial Authorisations, Personnel and Payroll (General) Manuals and other policy and procedural documents.

## 5. Facilities for access

Limited facilities for the perusal of documents applicable to individual areas are available at the Staffing Services Branch of the Human Resources Division and/or Student and Academic Services. Many documents are also readily available through the internet at the University web site [www.anu.edu.au](http://www.anu.edu.au)

## 6. FOI procedures and initial contact points

Applications for access to documents under the *Freedom of Information Act 1982* should be lodged in writing to the Manager, University Records. The written application should include details of the documents or information sought, the application fee (currently \$30.00) or a request for its remission, an address to which notices may be sent and, to facilitate contact with the applicant, a telephone number effective during normal business hours. Lodged applications for access to documents will be acknowledged and a decision notified to the applicant as quickly as possible in accordance with the FOI Act.

Enquiries regarding freedom of information and access to documents may be made to:

University Records  
 Lower Ground Floor  
 Chancelry, Building No. 10a  
 The Australian National University  
 CANBERRA ACT 0200  
 T: 02 6125 4237

# ACCESS

*Once appointed as staff or enrolled as students the University has obligations under the Disability Discrimination Act (DDA) and section 18 of the Commonwealth Authorities and Companies (Report of Operations) Orders 2005.*

There have been a number of significant developments during 2005, including the introduction of the new Disability Education Standards under the DDA in August and the implementation of the University's Disability Action Plan<sup>25</sup> for the next three years.

A full campus access audit is underway. This will provide the University with a clear list of priorities for addressing access issues. New buildings and upgrades are made as accessible as possible.

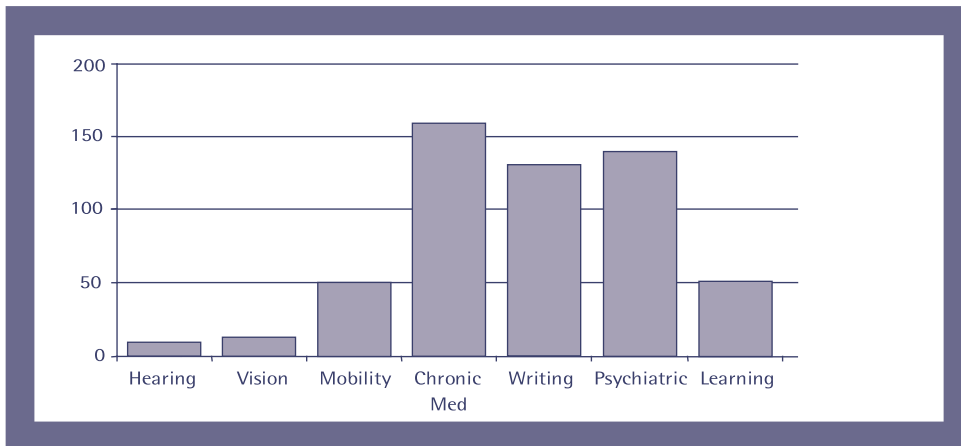
'Assistive software' is increasingly part of the standard suite of software available in University computer labs, significantly enhancing the availability and flexibility of this technology. Until now this software has only been available in select locations supported by the Disability Services Unit. It will now be mainstream. As far as we are aware this is the first time that any university has been able to network all assistive technology software across the whole campus. Programs included in the package are:

- screen reading software *JAWS*
- screen enlarger/screen reader *ZoomText*
- learning disability/vision impairment scan/read software *Kurzweill 3000*
- continuous voice recognition software *Dragon NaturallySpeaking*
- text to speech software *TextAloud*.

The University has developed and implemented the first phase of Digital Lecture Delivery (DLD). The technology to deliver DLD into 35 lecture theatres and to provide digital audio streaming automatically through WebCT has been operational since Semester 1, 2004 and is proving increasingly popular with academics and students. During 2005 further work was undertaken including preparing the modules to facilitate generation of podcasts. Future development may include visual content (video), audio and written transcripts of lectures. DLD is a very exciting example of how developing strategies to improve accessibility for students with disabilities can also provide significant mainstream benefits.

The following chart shows the range of disabilities experienced by students registered with the University's Disability Services Unit.

Figure 2: Registered students by Disability Group (Dec. 2005)



An online survey of students with disabilities was conducted in May and June 2005, providing valuable feedback on student views on a range of issues.

25. Available from [www.anu.edu.au/equity/files/DAPJuly2005.pdf](http://www.anu.edu.au/equity/files/DAPJuly2005.pdf)

*... (N)o students or staff are unnecessarily disadvantaged in their participation in any aspect of university life due to the effects of a disability. The University is committed to making all reasonable adjustments required to ensure effective access for all students and staff, and aims to achieve the best possible standard of accessibility in all aspects of its operations. (Disability Action Plan)*



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# RISK MANAGEMENT

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*This statement has been prepared to comply with section 15 of the Commonwealth Authorities and Companies (Report of Operations) Orders 2005 not covered in other sections of this report.*

During 2005, the Risk Management and Audit Office continued to mature the development and implementation of a risk management framework for the broader University. Key initiatives included the following.

## Governance

- Re-establishing the Audit Committee as an Audit and Risk Management Committee
- Developing a new charter for the Audit and Risk Management Committee to include the oversight of risk management
- Utilising risk assessment outcomes to inform the ANU Audit Plan
- Renaming of the Crisis Committee to the Risk Advisory Committee
- Broadening the terms of reference of the Risk Advisory Committee to include the monitoring and review of strategic and operational risks
- Development and ratification by the ANU Executive of the ANU Fraud Control Plan

## Risk Strategy

- Development of a draft risk management framework for the University
- Completion of 15 risk profile self-assessment workshops for major academic and administrative areas
- Development of a draft strategic and operational risk profile
- Review and assessment of the status of business continuity planning

## Planned Initiatives

Further initiatives planned for 2006 include:

- development of a Council and Executive level risk management-reporting model
- the articulation of College level risk profiles with College planning initiatives
- linking the risk management framework with 'ANU to 2010'
- the further development and maturity of business continuity planning
- the development of an Avian Influenza Pandemic Response Strategy
- local area risk management training and development including fraud control and business continuity planning.

# A SAFE & HEALTHY PLACE

*This is a statement of occupational health and safety matters of The Australian National University under the requirements of section 74 of the Occupational Health and Safety (Commonwealth Employment) Act 1991.*

The ANU Occupational Health and Safety Policy<sup>26</sup> was updated in March 2003. Additionally, the ANU Enterprise Agreement (containing some Occupational Health and Safety clauses)<sup>27</sup> is being rewritten to incorporate the Higher Education Workplace Relations Requirements changes.

The 38 Designated Work Group OHS Committees<sup>28</sup> are generally aligned with the research, teaching and administrative areas of the University. There are however only a fraction of Health and Safety Representatives<sup>29</sup> in these Designated Work Groups, but a strong OHS committee membership.<sup>30</sup>

During 2005, the OHS culture and function within the University were strengthened by:

- Seventy-two training courses, increasing the knowledge of 962 staff and students in hazard awareness, risk management principles and safe work processes and practices. This is slightly up on last year (894).

In addition to the 50 existing ANU Hazard Management Procedures, the following has occurred:

- New, updated or draft Hazard Management Procedures covering
  - electrical safety (updated)
  - OHS requirements for manufacturers and suppliers of substances
  - provision of first aid services, incorporating a memorandum of understanding with Calvary Hospital on high risk processes
  - immunisation
  - footwear.
- Audit and self assessment activities related to
  - OHS management system compliance
  - high pressure systems
  - pressure vessels
  - centrifuges .

Arising from the conduct of undertakings of the University (ie excluding commuting and sporting), the following incidents were reported to Comcare:

- zero deaths (a death of a student from natural causes was reported)
- sixty-four serious personal injuries
- twenty-three dangerous occurrences,

with appropriate corrective action having been taken or currently underway.

During 2005, Comcare conducted one investigation/audit into the Research School of Chemistry fire, August 2005.

*The University endeavours to maintain a workplace that is safe and healthy for staff, students, and visitors, considering the complexities and range of hazards and risks undertaken in its research and teaching activities and supporting functions.*

26. [http://info.anu.edu.au/policies/Policies/Human\\_Resources/ohs/OHS\\_Policy.asp](http://info.anu.edu.au/policies/Policies/Human_Resources/ohs/OHS_Policy.asp)

27. [http://info.anu.edu.au/hr/Salaries\\_and\\_Conditions/Enterprise\\_Agreement/index.asp](http://info.anu.edu.au/hr/Salaries_and_Conditions/Enterprise_Agreement/index.asp)

28. [http://info.anu.edu.au/hr/OHS/OHS\\_Networks/Designated\\_Work\\_Groups.asp](http://info.anu.edu.au/hr/OHS/OHS_Networks/Designated_Work_Groups.asp)

29. [http://info.anu.edu.au/hr/OHS/OHS\\_Networks/Health\\_and\\_Safety\\_Representatives.asp](http://info.anu.edu.au/hr/OHS/OHS_Networks/Health_and_Safety_Representatives.asp)

30. [http://info.anu.edu.au/hr/OHS/OHS\\_Networks/DWG\\_OHS\\_Committee\\_Members.asp](http://info.anu.edu.au/hr/OHS/OHS_Networks/DWG_OHS_Committee_Members.asp)

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# THE ENVIRONMENT

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*This statement has been prepared to comply with section 516A of the Environment Protection and Biodiversity Conservation Act 1999.*

## 1. Activities of The Australian National University and their accordance to the principles of Ecologically Sustainable Development (ESD)

ANU is one of Australia's pre-eminent research and education institutions. ANU provides world-class environmental education to undergraduate and postgraduate students, and undertakes cutting edge research into a diverse array of environment-related fields. ANU has demonstrated its commitment to the principles of ESD, and the value of environmental education, by becoming a signatory to the Talloire Declaration in 2003. ANU is also a signatory to the National Union of Students (NUS) ESD Charter. In its operations, ANU has committed to the principles of ESD through its ESD policy statement, and through its comprehensive Environmental Management Plan (2003-2008).

## 2. The contribution of appropriations outcomes to the principles of Ecologically Sustainable Development

Aside from facilitating the provision of the research and education outcomes outlined in section 1, none of the ANU appropriation outcomes have any ESD implications.

## 3. The impact of the organisation's activities on the environment

### The environmental impact of ANU activities

Through the provision of high quality research-based education in a number of environmental fields, ANU provides undergraduate and postgraduate students with an understanding of the importance of integrating ecological, economic and social dimensions in decision making. This contributes to the growing awareness of the principles of ESD in society as a whole when these students graduate from ANU. ANU also undertakes research that contributes to a sustainable future for Australia and the World, through the development of groundbreaking environmental technologies, and research into environmental problem solving, and the causes of environmental degradation.

### The environmental impacts of ANU operations

ANU has a population of over 15,000 staff and students, and occupies an area of 145 hectares. As such, a number of its operations have impacts on the environment, including: energy and water consumption, waste generation, procurement and development. The environmental impacts of ANU operations are outlined in detail in its annual report to the Australian Greenhouse Office, in accordance with its obligations under the Greenhouse Challenge Program. This report is forwarded to the Commonwealth in April each year. The report includes details on greenhouse gas emissions, energy (electricity, gas and fuel) consumption, recycling and waste management, and the sequestration of carbon dioxide. A detailed report which outlines the progress of the ANU Environmental Management Plan is published in April each year and is available for viewing at: [www.anu.edu.au/facilities/anugreen/EMPC/Reports/index.html](http://www.anu.edu.au/facilities/anugreen/EMPC/Reports/index.html)

## 4. Measures designed to reduce environmental impact

ANU has developed a comprehensive Environmental Management Plan (EMP) 2003-2008, which is designed to reduce its impact on the environment. The plan has been developed in accordance with ISO 14004 guidelines and is overseen by the ANU Environmental Management Planning Committee (EMPC). The EMP includes objectives, targets and Key Performance Indicators (KPI) designed to improve ANU environmental performance in a number of areas including: energy and greenhouse gas emission management, water usage and disposal, stormwater management, pollution prevention, recycling and waste management, biodiversity, transport, community awareness, and integrating environmental management. For further information see: [www.anu.edu.au/facilities/anugreen/admin/plan/index.html](http://www.anu.edu.au/facilities/anugreen/admin/plan/index.html)

## 5. Reporting and review of effectiveness

The ANU EMPC reports annually to the Vice-Chancellor on the progress of the EMP, as well as reporting to the Australian Greenhouse Office on its annual greenhouse gas emissions.

# THE COUNCIL & UNIVERSITY OFFICERS

## The Council

### Chancellor

The Hon Emeritus Professor P E Baume AO, MB BS MD Syd, HonDLitt USQ, HonDUniv ANU, FRACP, FAFPHM, FRACGP (Hon) (to 3.2.06)

*Relevant experience: higher education; community service*

Dr A D Hawke, BSc (Hons) PhD ANU, FAIM, FIPAA, FAICD (from 4.2.06)

*Relevant experience: public sector management; governance; international relations*

### Vice-Chancellor

Professor I W Chubb AO, MSc DPhil Oxon, Hon DSc Flinders, FACE

*Relevant experience: higher education*

### Seven members appointed by the Minister on the recommendation of the Nominations Committee of Council

The Hon Justice A C Bennett AO, BSc (Hons) PhD Syd, LLB UNSW

*Relevant experience: higher education; community service; Judge; Senior Counsel; intellectual property; takeovers panel*

Ms I R Atlas, BJuris; LLB (Hons) UWA, LLM Syd

*Relevant experience: Group Executive, People and Performance, Westpac; compliance; human resources*

Mr M Delaney, BA LaT

*Relevant experience: Executive Director, Motor Trades Association of Australia; public administration; higher education*

Dr V W J FitzGerald, BEc UQ/Harv, PhD Harv

*Relevant experience: Chair, The Allen Consulting Group Pty Ltd; public administration; higher education; chair of a firm consulting in economics; public policy and regulation; directorships in the finance, property and arts sectors*

Ms R Hughes AO, BA Syd

*Relevant experience: Independent producer; director and writer; media*

Ms M D Letts, BA ANU

*Relevant experience: Deputy Director, Lowy Institute for International Policy; international relations*

Mr J F Muir AO

*Relevant experience: Chair, Finance Committee; banking; community service*

### One person who is either a Dean or the Head of a Research School & is elected, in either case, by the Deans & the Heads of the Research Schools voting together

Professor M Coper BA LLB (Hons) Syd, PhD UNSW

*Relevant experience: Barrister NSW, Barrister & Solicitor ACT; Dean, Faculty of Law, ANU*

### One member of the academic staff of the Institute of Advanced Studies elected by the members of that staff

Dr I Morgan, BSc Melb, PhD Monash

*Relevant experience: Research Fellow, Research School of Biological Sciences, ANU*

### One member of the academic staff of The Faculties elected by the members of that staff

Dr A Hyslop, BA Adel/LaT, PhD LaT

*Relevant experience: Senior Lecturer, School of Social Sciences, ANU*

### One member of the general staff of the University elected by members of that staff

Ms K Hill

*Relevant experience: General Manager, School of Music, ANU*

### One postgraduate student of the University elected by the postgraduate students of the University

Mr J Sass, BA (Hons) Monash, DipEd Melb (to 17.04.05)

*Relevant experience: tertiary education as a student & researcher*

Mr B C Baker, BA Utah State, MA Wisconsin (from 18.04.05)

*Relevant experience: tertiary education as research student*

### One undergraduate student of the University elected by the undergraduate students of the University

Miss A Rao (to 30.11.05)

*Relevant experience: fourth year student in combined program BSc/LLB*

Miss M L Crespo (from 01.12.05)

*Relevant experience: third year student in combined program BA/BEC*

## University Officers

### Chancellor

The Hon Emeritus Professor Peter Erne Baume AO, MB BS MD Syd, HonDLitt USQ, HonDUniv ANU, FRACP, FAFPHM, FRACGP (Hon)

### Pro-Chancellor

The Hon Justice Annabelle Claire Bennett AO, BSc (Hons), PhD Syd, LLB UNSW

### Vice-Chancellor

Professor Ian William Chubb AO, MSc DPhil Oxon, Hon DSc Flinders, FACE

### Deputy Vice-Chancellor (Research)

Professor Lawrence Cram, BSc (Hons) BE (Hons) PhD Syd

### Deputy Vice-Chancellor (Education)

Professor Malcolm Gillies, BA ANU, MA Camb, MMus PhD Lond, DMus Melb, DipEd Qld, LMusA, LTCL, FLCM, FAHA

### Pro Vice-Chancellor

Professor Robin Barrington Stanton, BE PhD UNSW

### Pro Vice-Chancellor (University Community)

Professor Penelope Oakes, BSc PhD Bristol (from 15.06.05)

### Executive Director (Administration)

Dr David Rosalky, BSc Syd, PhD BEc ANU, FAIM (to 21.02.05)

### Director, Policy & Planning (Resources)

Dr Brok Glenn, BSc (Hons) PhD Lond

### Director, Policy & Planning

Mr Michael Gallagher, BA (Hons) DipEd Macquarie

### Convener, ANU College of Arts & Social Sciences

Professor Frank Jackson, BSc BA Melb, PhD LaT, FAHA FBA

### Convener, ANU College of Asia & the Pacific

Professor Darrell Tryon, MA Cant, PhD ANU, FASSA (to 08.10.05)

Professor James Fox, AB Harv, BLitt DPhil Oxon, KNAW, FASSA (from 09.10.05)

### Convener & Dean, ANU College of Business & Economics

Professor Keith A Houghton, BCom Melb, MSc (Econ) Lond, PhD WAust, FCPA

### Convener & Dean, ANU College of Engineering & Computer Science

Professor John Richards, BE PhD UNSW, FIREE, FIEAust, FIEEE, FTSE, CPEng

### Convener & Dean, ANU College of Law

Professor Michael Coper, BA LLB Syd, PhD UNSW, Barrister NSW, Barrister & Solicitor ACT

### Convener, ANU College of Medicine & Health Sciences

Professor Judith Whitworth AC, DSc MD PhD BS Melb, FRACP

### Convener, ANU College of Science

Professor Denis Evans, BSc Syd, PhD ANU, FRACI, FAA

### Dean, ANU College of Arts & Social Sciences

Professor Adam Shoemaker, BA (Hons) Queen's, PhD ANU

### Dean, ANU College of Asia & the Pacific

Dr Art Vervoorn, BA MA Cant, BA (Asian Studies) PhD ANU

### Dean, ANU College of Medicine & Health Sciences

Professor Paul A Gatenby, MBBS Tas, PhD Syd, FRACP, FRCPA, MRACMA

### Dean, ANU College of Science

Professor Timothy Carlisle Brown, BSc Monash, PhD Camb

### Chair, Institute of Advanced Studies Forum

Professor Graham Farquhar, BSc ANU, BSc (Hons) Qld, PhD ANU, FAA, FRS

### Chair, The Faculties Forum

Dr Ann L Kumar, BA (Oriental Studies), PhD ANU, FAHA

### Dean, Faculty of Arts

Professor Adam Shoemaker, BA (Hons) Queen's, PhD ANU

### Dean, Faculty of Asian Studies

Professor Anthony C Milner, BA Monash, MA PhD Cornell, FASSA

### Dean, Faculty of Economics & Commerce

Professor Keith A Houghton, BCom Melb, MSc (Econ) Lond, PhD WAust, FCPA

### Dean, Faculty of Engineering & Information Technology

Professor John Richards, BE PhD UNSW, FIREE, FIEAust, FIEEE, FTSE, CPEng

### Dean, Faculty of Law

Professor Michael Coper, BA LLB Syd, PhD UNSW, Barrister NSW, Barrister & Solicitor ACT

### Dean, Faculty of Science

Professor Timothy Carlisle Brown, BSc Monash, PhD Camb

**Dean, ANU Medical School**

Professor Paul A Gatenby, MBBS Tas, PhD Syd, FRACP, FRCPA, MRACMA

**Director, John Curtin School of Medical Research**

Professor Judith Whitworth AC, DSc MD PhD BS Melb FRACP

**Director, Research School of Astronomy & Astrophysics**

Professor Penny D Sackett, BS UNO, MS PhD UPIIT

**Director, Research School of Biological Sciences**

Professor Jonathan Stone, BSc(Med) (Hons) PhD DSc Syd, FAAS, FAIB

**Dean, Research School of Chemistry**

Professor Denis Evans, BSc Syd, PhD ANU, FRACI, FAA

**Director, Research School of Earth Sciences**

Professor T Mark Harrison, BSc BritCol, PhD ANU

**Director, Research School of Information Sciences & Engineering**

Professor John Richards, BE PhD UNSW, FIREE, FIEAust, FIEEE, FTSE, CPEng

**Director, Research School of Pacific & Asian Studies**

Professor James Fox, AB Harv, BLitt DPhil Oxon, KNAW, FASSA

**Director, Research School of Physical Sciences & Engineering**

Professor Jim Williams, BSc PhD UNSW, FAIP, FIEAust, FTSE

**Director, Research School of Social Sciences**

Professor Frank Jackson, BSc BA Melb, PhD LaT, FAHA FBA

**Director, Centre for Resource & Environmental Studies**

Professor Mike Hutchinson, BSc (Hons) MSc PhD Dip CompSc Syd (to 30.09.05)

Professor William Lee Steffen, BSc Missouri-Rolla, MSc PhD Florida (from 01.10.05)

**Dean, Mathematical Sciences Institute**

Professor Alan Carey, BSc Syd, MSc Adel, DPhil Oxon

**Director, Asia-Pacific College of Diplomacy**

Professor William Maley AM, BEc LLB MA ANU, PhD UNSW

**Director, Asia Pacific School of Economics & Government**

Professor Andrew MacIntyre, BA (Hons) MA PhD ANU

**Director, Australian Centre for Economic Research on Health**

Professor James Butler, BEcon MPolEcon PhD Qld

**Director, Australian Primary Health Care Research Institute**

Professor Nicholas Glasgow, MBChB, MD, FRNZGP, FRACGP, FACHPM

**Director, Centre for Aboriginal Economic Policy Research**

Professor Jon Altman, BA MA (Hons) Auck, PhD ANU

**Director, Centre for Cross Cultural Research**

Professor Howard Morphy, BSc MPhil Lond, PhD ANU

**Director, Centre for Mental Health Research**

Professor Helen Christensen, BA (Hons) Syd, MPsych PhD UNSW, FASSA

**Director, Humanities Research Centre**

Professor Ian Donaldson, BA (Hons) Melb, MA Oxon, FAHA, FBA, FRSE

**Director, National Centre for Epidemiology & Population Health**

Dr Anthony McMichael, MB BS Adel, PhD Monash, FAFPHM FTSE

**Director, National Centre for Indigenous Studies**

Professor Michael Dodson AM

**Director, National Europe Centre**

Professor Simon Bronitt, LLB Bristol, LLM Camb

**Executive Director, National Graduate School of Management**

Professor Chong-Ju Choi, BA Seoul, MPA Harv, MBA Insead, MPhil PhD Oxon (to 23.02.05)

Professor Keith A Houghton, BCom Melb, MSc (Econ) Lond, PhD WAust, FCPA (from 24.02.05)

**Dean, The Graduate School**

Dr John Hooper, BA (Hons) Syd, PhD Oxon (to 31.03.05)

Professor Gail Florence Huon, BSc MMus PhD UNSW, DipMusEd NSWCM (from 15.08.05)

**Dean of Students**

Professor Penelope Oakes, BSc PhD Bristol

**Chief Finance Officer & Director, Finance & Business Services**

Mr Davis Sturgiss, BComm UNSW, CA MAICD

**Director, Human Resources**

Mr Mark Clisby, BA (Hons) Adel, Grad.Dip (Adult & Further) Ed SACAE, MEd (Human Resources Studies) UniSA

**Director, Student & Academic Services**

Ms Gillian Luck, BBus USQ, MPAdmin Griffith

**Director, Research Office**

Dr Ian McMahon, BSc PhD ANU

**Director, Facilities & Services**

Mr Warwick Raymond Williams, BSc UNSW

**Director, Marketing & Communications Division**

Ms Lee-Ann Norris, BA (Comm) CSU, MBA RMIT, BBus(Marketing) Monash (to 22.01.05)

Mr Timothy John Winkler, BComm Melb (acting from 24.01.05 to 05.07.05)

Mr Phillip Rae McKenzie, BEc Syd (from 06.07.05)

**Director, University Advancement**

Dr Miriam Baltuck, BSc Michigan, PhD California (from 28.04.05)

**Director, Office of Quality Enhancement & Statistical Services**

Professor Marie Carroll, BA (Hons) PhD Otago, MAPS

**Director, Student Recruitment & International Education**

Mr Timothy Beckett, MA Dub

**Director, Scholarly Information Services**

Mr Victor George Elliot, MA Victoria University of Wellington, MLitt Oxon, DipNZLS AALIA FNZLIA

**Director, Corporate Information Services**

Ms Fay Valerie Gibbons, BSc Syd, GradDipCompStud CCAE (to 12.07.05)

Mr Rick Van Haeften, GradDipIT UNSW (from 13.07.05)

**Director, Scholarly Technology Services**

Dr Brian Molinari, BE WAust, PhD Camb (to September 2005)

Mr Victor George Elliot, MA Victoria University of Wellington, MLitt Oxon, DipNZLS AALIA FNZLIA (acting from September 2005)

**Head, ANU Supercomputer Facility**

Dr Bob Gingold, BSc Monash, PhD ANU

**Head, Council & Boards Secretariat**

Ms Jan O'Connor, BA James Cook

**University Solicitor**

Mr Kenneth Grime, BEc LLB Monash, Barrister & Solicitor

**Director, University Accommodation**

Ms Marie Wensing

**Master, University House & Graduate House**

Professor John Richards, BE PhD UNSW, FIREE, FIEAust, FIEEE, FTSE, CPEng

**Head, Bruce Hall**

Mr Bruce Pollard, BEc ANU (to 15.01.05)

Dr Ruth Daphine Shatford, DipEd MA Syd, Doctuer de l'Universite Strasbourg (acting from 17.01.05 to 11.06.05)

Mr Ian Bruce Robert, Dip Teach GCAE, Bed BCAE, GradDipEduAdmin Griffith, MeduAdmin NE (from 20.06.05)

**Head, Burton & Garran Hall**

Mr Timothy Andersen, BSc ANU (to 29.01.05)

Mr Peter Fyfe, GradCertBus GradDipBus Canberra (acting from 01.02.05 to 11.07.05)

Dr Richard Adams, BA Tas, BEd (Hon) MIR PhD WAust (from 11.07.05)

**Head, Fenner Hall**

Mr Peter Fyfe, GradCertBus GradDipBus Canberra

**Head, Toad Hall**

Mr Selwyn Harcourt Cornish AM, BEc WAust

**Head, Ursula Hall**

Mr Keith Conley BA (Hons) ANU

**Officers for Ceremonial Occasions****Marshal**

Mr Selwyn Harcourt Cornish AM, BEc WAust

Mr Timothy Beckett, MA Dub

**Esquire Bedell**

Dr Kristina Murphy, BSc (Hons) PhD ANU

# COUNCIL & COUNCIL COMMITTEES

Number of meetings and Members' attendance for the period 1 January 2005 to 31 December 2005

<b>Council</b>			
<b>Number of Meetings: 7</b>			
Name of Member	Attended	Name of Member	Attended
The Hon Emeritus Professor P Baume (Chair)	7	Ms K Hill	6
The Hon Justice A Bennett	6	Ms R Hughes	5
Professor I Chubb	5	Dr A Hyslop	7
Ms I Atlas	5	Ms M Letts	4
Mr B Baker (from 18.4.05)	4	Dr I Morgan	7
Professor M Coper	5	Mr J F Muir	7
Ms L Crespo (from 1.12.05)	1	Ms A Rao (to 30.11.05)	6
Mr M Delaney	6	Mr J Sass (to 17.4.05)	2
Dr V Fitzgerald	7		

<b>Executive Committee of Council</b>	
<b>Number of Meetings: 0</b>	

<b>Finance Committee</b>			
<b>Number of Meetings: 5</b>			
Name of Member	Attended	Name of Member	Attended
Mr J F Muir	5	Mr R Ferguson	3
Professor I Chubb	5	Mr A Hedley	5
The Hon Justice A Bennett	2	Dr M Keating	2
Professor K Houghton	5	Ms A Terry	2
Mr M Delaney	5		

<b>Academic Board</b>			
<b>Number of Meetings: 3</b>			
Name of Member	Attended	Name of Member	Attended
Professor I Chubb (Chair)	3	Professor F Jackson	3
Mr B Baker (from 18.4.05)	3	Dr A Lowe	2
Professor T Brown (from 1.7.05)	1	Professor A MacIntyre	3
Professor A Carey	2	Mr C Marshall	2



<b>Academic Board</b> (continued)			
Professor M Coper	0	Professor P Oakes	1
Professor L Cram	2	Ms A Rao (to 30.11.05)	3
Professor R Elliman	2	Professor J Richards	3
Professor G Farquhar	2	Professor R Stanton	2
Mr R Ganguly	3	Ms A Steed	1
Professor Paul Gatenby (to 30.6.05)	0	Professor J Whitworth	0
Professor M Gillies	2	Professor I Wright	1
Ms K Hill	2		

<b>Audit and Risk Management Committee</b>			
<b>Number of Meetings: 5</b>			
Name of Member	Attended	Name of Member	Attended
Professor K Houghton (Chair)	5	Dr I Morgan	4
Mr D Lawler	4	Professor P Perkins	5
Mr J F Muir	5		

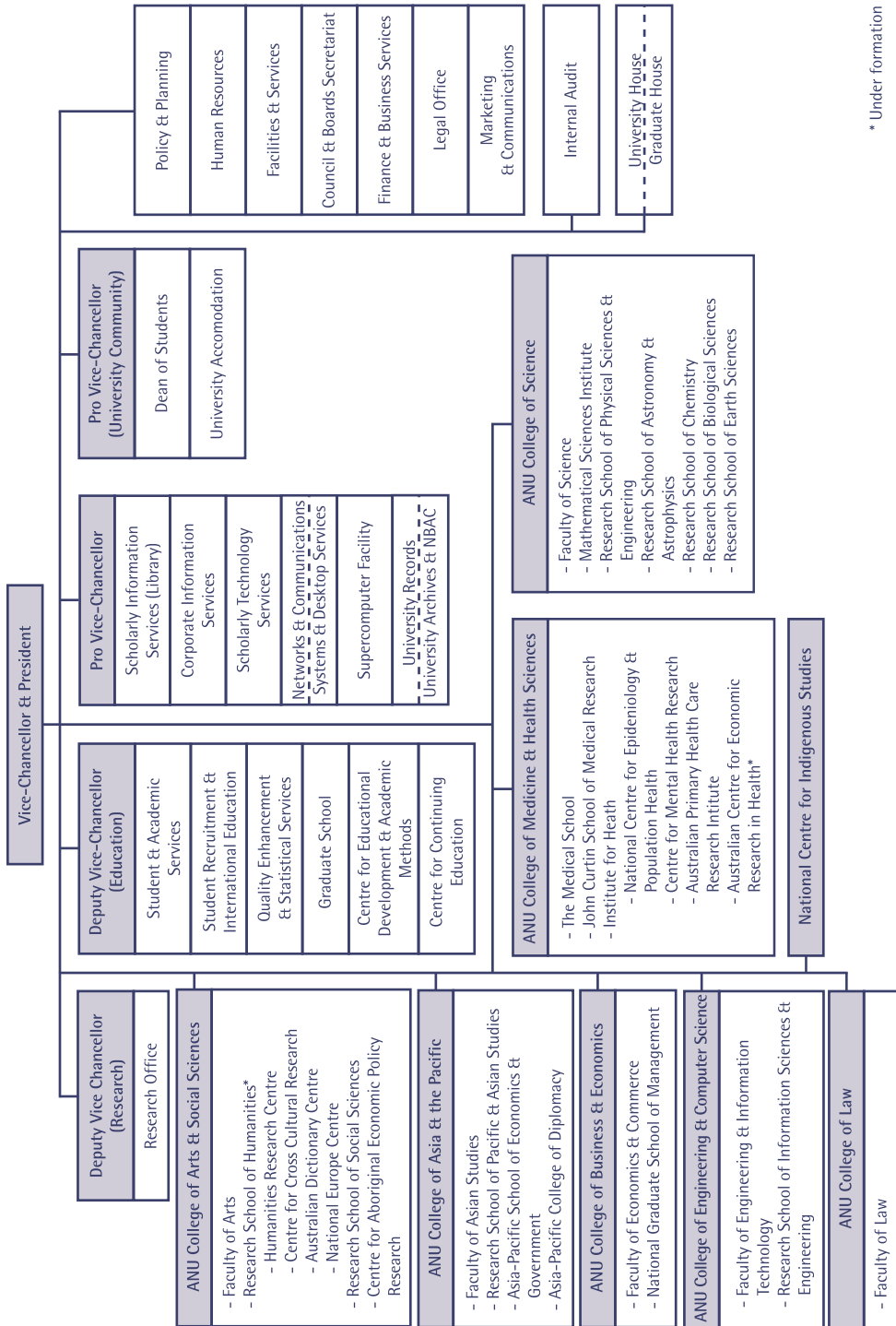
<b>Honorary Degrees Committee</b>			
<b>Number of Meetings: 1</b>			
Name of Member	Attended	Name of Member	Attended
The Hon Emeritus Professor P Baume (Chair)	1	Ms R Hughes	1
The Hon Justice A Bennett	1	Mr J F Muir	1
Professor I Chubb	1	Dr N Peterson	1
Professor L Cram	1	Ms A Rao	1
Dr V Fitzgerald	1	Dr S Von Caemmerer	1
Professor M Gillies	1		

<b>Committee on Conditions of Appointment of the Vice-Chancellor and Deputy Vice-Chancellor</b>		
<b>Number of Meetings: Committee members conferred as required throughout 2005 regarding conditions of appointment of the Vice-Chancellor</b>		
<b>Name of Members</b>		
The Hon Emeritus Professor P Baume	The Hon Justice A Bennett	Mr J F Muir

<b>Emergency Appointment (Vice-Chancellor) Committee</b>
<b>Number of Meetings: 0</b>

Note: A description of the functions of the Council and each of its committees can be found in the Boards and Committees of the Council section on page 14 of this Report.

# UNIVERSITY STRUCTURE



\* Under formation



## **INDEPENDENT AUDIT REPORT**

**To the Minister for Education, Science and Training**

### **Matters relating to the Electronic Presentation of the Audited Financial Statements**

This audit report relates to the financial statements published in both the annual report and on the website of the Australian National University for the year ended 31 December 2005. The members of the University Council are responsible for the integrity of both the annual report and its web site.

The audit report refers only to the financial statements, schedules and notes named below. It does not provide an opinion on any other information which may have been hyperlinked to or from the audited financial statements.

If the users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial statements in the University's annual report.

### **Scope**

#### ***The financial statements and Directors' responsibility***

The financial statements comprise:

- Statement by Directors;
- Income Statement, Balance Sheet, Statement of Changes in Equity and Cash Flow Statement;
- Schedule of Commitments and Schedule of Contingencies; and
- Notes to and forming part of the Accounts

for both the Australian National University and the consolidated entity for the year ended 31 December 2005. The consolidated entity comprises both the Australian National University and the entities it controlled during that year.

The Council members are responsible for preparing the financial statements that give a true and fair view of the financial position and performance of the Australian National University and the consolidated entity, and that comply with Finance Minister's Orders made under the *Commonwealth Authorities and Companies Act 1997*, Australian Accounting Standards and other mandatory financial reporting requirements. The Council members are also responsible for the maintenance of adequate accounting records and

internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial statements.

### ***Audit Approach***

I have conducted an independent audit of the financial statements in order to express an opinion on them to you. My audit has been conducted in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing and Assurance Standards, in order to provide reasonable assurance as to whether the financial statements are free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive, rather than conclusive, evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

While the effectiveness of management's internal controls over financial reporting was considered when determining the nature and extent of audit procedures, the audit was not designed to provide assurance on internal controls.

I have performed procedures to assess whether in all material respects the financial statements present fairly, in accordance with Finance Minister's Orders made under the *Commonwealth Authorities and Companies Act 1997*, Australian Accounting Standards and other mandatory financial reporting requirements, a view which is consistent with my understanding of the Australian National University's and the consolidated entity's financial position and of their performance as represented by the results of their operations, changes in equity and cash flows.

The audit opinion is formed on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial statements; and
- assessing the appropriateness of the accounting policies and disclosures used, and the reasonableness of significant accounting estimates made by the Directors.

### ***Independence***

In conducting the audit, I have followed the independence requirements of the Australian National Audit Office, which incorporate the ethical requirements of the Australian accounting profession.

### **Audit Opinion**

In my opinion, the financial statements of the Australian National University and the consolidated entity:

- (a) have been prepared in accordance with Finance Minister's Orders made under the *Commonwealth Authorities and Companies Act 1997*; and

- (b) give a true and fair view of the Australian National University's and the consolidated entity's financial position as at 31 December 2005 and of their performance for the year then ended, in accordance with:
  - (i) the matters required by the Finance Minister's Orders; and
  - (ii) applicable Accounting Standards in Australia and other mandatory financial reporting requirements.

Australian National Audit Office



John Jones  
Executive Director  
Delegate of the Auditor-General

Canberra  
7 April 2006

**CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED  
31 DECEMBER 2005****STATEMENT BY DIRECTORS**

In the opinion of the Council the Financial Statements for the University and the consolidated Financial Statements for the Economic Entity have been prepared based on properly maintained financial records and give a true and fair view of the matters required by Schedule 1 of the Commonwealth Authorities and Companies (Financial Statements for reporting periods ending on or after 1 July 2005) Orders made under the Commonwealth Authorities and Companies Act 1997 (FMO) and the Guidelines for the Preparation of Annual Financial Reports for the 2005 Reporting Period by Australian Higher Education Institutions issued by the Department of Education, Science and Training.

In our opinion, at the date of this statement there are reasonable grounds to believe that the University will be able to pay its debts as and when they become due and payable.

A D HAWKE  
ChancellorI W CHUBB  
Vice-Chancellor

# FINANCIAL STATEMENTS

## THE AUSTRALIAN NATIONAL UNIVERSITY

### INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2005

	Notes	Consolidated		University	
		2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
<b>INCOME</b>					
Australian Government financial assistance					
Australian Government Grants	2	415,394	350,778	415,394	350,778
Higher Education Contribution Scheme - HELP					
Australian Government payments	2	23,139	28,017	23,139	28,017
Student payments		7,395	6,630	7,395	6,630
Fee-Higher Education Loan Programme	2	7,015	4,372	7,015	4,372
State Government financial assistance	3	2,298	12,551	2,298	12,551
Fees and charges	4	65,825	61,007	62,184	61,007
Investment Income	5	98,934	58,643	98,721	58,432
Consultancy and contracts	6	41,634	49,193	38,248	42,813
Gains on disposal of assets	14	197	317	197	317
Other revenue	7	42,086	36,207	37,288	32,254
<b>Total income</b>		<b>703,917</b>	<b>607,715</b>	<b>691,879</b>	<b>597,171</b>
<b>EXPENSES</b>					
Employees	8	375,907	345,370	373,634	343,118
Services	9	228,875	216,232	219,935	208,533
Depreciation and amortisation	10	39,089	39,444	38,809	39,179
Impairment losses	11	3,425	-	3,425	-
Write-down of assets	12	230	95	242	83
Borrowing cost expense	13	7,185	2,107	7,185	2,107
Losses on disposal of assets	14	2,127	1,426	2,127	1,426
Other expenses	15	254	736	254	736
<b>Total expenses</b>		<b>657,092</b>	<b>605,410</b>	<b>645,611</b>	<b>595,182</b>
<b>Operating result before income tax</b>		<b>46,825</b>	<b>2,305</b>	<b>46,268</b>	<b>1,989</b>
Income tax expense		116	-	-	-
<b>Net operating result</b>		<b>46,709</b>	<b>2,305</b>	<b>46,268</b>	<b>1,989</b>

The above statement should be read in conjunction with the accompanying notes, beginning page 37.

## THE AUSTRALIAN NATIONAL UNIVERSITY

BALANCE SHEET  
AS AT 31 DECEMBER 2005

	Notes	Consolidated		University	
		2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
<b>ASSETS</b>					
<b>FINANCIAL ASSETS</b>					
Cash	17	79,774	134,762	74,705	131,341
Receivables	18	35,821	42,108	29,080	39,593
Investments	19	911,393	736,686	918,524	743,871
<b>TOTAL FINANCIAL ASSETS</b>		<b>1,026,988</b>	<b>913,556</b>	<b>1,022,309</b>	<b>914,805</b>
<b>NON-FINANCIAL ASSETS</b>					
Land, buildings and infrastructure	20	898,442	878,891	891,002	871,961
Plant and equipment	20	159,970	130,037	159,800	129,939
Inventories	21	7,220	2,801	1,976	1,592
Intangibles	22	96	104	-	-
Other	23	12,927	10,157	12,908	10,077
<b>TOTAL NON-FINANCIAL ASSETS</b>		<b>1,078,655</b>	<b>1,021,990</b>	<b>1,065,686</b>	<b>1,013,569</b>
<b>TOTAL ASSETS</b>		<b>2,105,643</b>	<b>1,935,546</b>	<b>2,087,995</b>	<b>1,928,374</b>
<b>LIABILITIES</b>					
<b>INTEREST BEARING LIABILITIES</b>					
Loans Payable	24	115,021	114,722	115,021	114,722
<b>TOTAL INTEREST BEARING LIABILITIES</b>		<b>115,021</b>	<b>114,722</b>	<b>115,021</b>	<b>114,722</b>
<b>PROVISIONS AND PAYABLES</b>					
Employee Benefits	25	578,134	545,193	577,706	544,726
Suppliers	26	18,463	23,407	18,009	22,764
Other	27	24,253	12,243	10,201	7,682
<b>TOTAL PROVISIONS AND PAYABLES</b>		<b>620,850</b>	<b>580,843</b>	<b>605,916</b>	<b>575,172</b>
<b>TOTAL LIABILITIES</b>		<b>735,871</b>	<b>695,565</b>	<b>720,937</b>	<b>689,894</b>
<b>TOTAL ASSETS AND LIABILITIES</b>		<b>1,369,772</b>	<b>1,239,981</b>	<b>1,367,058</b>	<b>1,238,480</b>
<b>EQUITY</b>					
<b>PARENT ENTITY INTEREST</b>					
Reserves	16	910,804	834,119	907,084	831,171
Accumulated surpluses		458,968	405,862	459,974	407,309
<b>TOTAL EQUITY</b>		<b>1,369,772</b>	<b>1,239,981</b>	<b>1,367,058</b>	<b>1,238,480</b>
<b>CURRENT LIABILITIES</b>		<b>95,918</b>	<b>79,541</b>	<b>81,368</b>	<b>74,331</b>
<b>NON-CURRENT LIABILITIES</b>		<b>639,953</b>	<b>616,024</b>	<b>639,569</b>	<b>615,563</b>
<b>CURRENT ASSETS</b>		<b>203,094</b>	<b>244,212</b>	<b>186,021</b>	<b>237,051</b>
<b>NON-CURRENT ASSETS</b>		<b>1,902,549</b>	<b>1,691,334</b>	<b>1,901,974</b>	<b>1,691,323</b>

The above statement should be read in conjunction with the accompanying notes, beginning page 37.



## THE AUSTRALIAN NATIONAL UNIVERSITY

STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2005

Consolidated	Notes	Accumulated Results		Total Asset Revaluation Reserves		Total Special Reserves		Total Equity	
		2005	2004	2005	2004	2005	2004	2005	2004
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Total equity at the beginning of the financial year</b>		405,862	428,485	791,570	633,104	42,549	43,173	1,239,981	1,104,762
Operating surplus/(deficit) from ordinary activities		46,709	2,305	-	-	-	-	46,709	2,305
Net revaluation increase		-	-	106,420	154,948	-	-	106,420	154,948
Transfers to/(from) reserves		9,804	(2,894)	(19,931)	3,518	(9,804)	(624)	(19,931)	-
Adjustment direct to equity - actuarial losses on employee superannuation liability		(3,407)	(22,034)	-	-	-	-	(3,407)	(22,034)
<b>Total equity at the end of the financial year</b>	16	<b>458,968</b>	<b>405,862</b>	<b>878,059</b>	<b>791,570</b>	<b>32,745</b>	<b>42,549</b>	<b>1,369,772</b>	<b>1,239,981</b>

University		Accumulated Results		Total Asset Revaluation Reserves		Total Special Reserves		Total Equity	
		2005	2004	2005	2004	2005	2004	2005	2004
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Total equity at the beginning of the financial year</b>		407,309	430,248	788,622	630,670	42,549	43,173	1,238,480	1,104,091
Operating surplus/(deficit) from ordinary activities		46,268	1,989	-	-	-	-	46,268	1,989
Net revaluation increase		-	-	105,648	154,434	-	-	105,648	154,434
Transfers to/(from) reserves		9,804	(2,894)	(19,931)	3,518	(9,804)	(624)	(19,931)	-
Adjustment direct to equity - actuarial losses on employee superannuation liability		(3,407)	(22,034)	-	-	-	-	(3,407)	(22,034)
<b>Total equity at the end of the financial year</b>	16	<b>459,974</b>	<b>407,309</b>	<b>874,339</b>	<b>788,622</b>	<b>32,745</b>	<b>42,549</b>	<b>1,367,058</b>	<b>1,238,480</b>

The above statement should be read in conjunction with the accompanying notes, beginning page 37.

## THE AUSTRALIAN NATIONAL UNIVERSITY

CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2005

	Notes	Consolidated		University	
		2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Revenues from Australian Government:					
Australian Government financial assistance		352,505	284,601	352,505	284,601
Other Commonwealth financial assistance		59,133	43,291	59,133	43,291
State Government financial assistance		2,341	12,478	2,341	12,478
Higher Education Contribution Scheme - HELP:					
Student payments		7,395	6,631	7,395	6,631
Australian Government Payments		23,139	28,017	23,139	28,017
Fee-Higher Education Loan Programme		7,015	5,034	7,015	5,034
Consultancy and contracts		42,630	47,056	38,442	40,676
Interest and other investment earnings		68,978	35,451	68,775	35,240
Dividends received		43,079	27,227	43,079	27,227
Other receipts		137,454	117,575	128,669	113,337
<b>Total cash received</b>		<b>743,669</b>	<b>607,361</b>	<b>730,493</b>	<b>596,532</b>
<b>Cash used</b>					
Payments to employees and pensioners		(353,626)	(321,142)	(351,314)	(318,907)
Direct investment expenses		(9,147)	(5,164)	(9,147)	(6,172)
Borrowing Expenses		(8,595)	(697)	(8,595)	(697)
Payments to services		(252,431)	(244,145)	(243,339)	(232,981)
<b>Total cash used</b>		<b>(623,799)</b>	<b>(571,148)</b>	<b>(612,395)</b>	<b>(558,757)</b>
<b>NET CASH FROM OPERATING ACTIVITIES</b>	29	<b>119,870</b>	<b>36,213</b>	<b>118,098</b>	<b>37,775</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
Proceeds from sales of property, plant and equipment		1,923	1,178	1,923	1,178
Loan repayments		5,623	53	5,623	53
Proceeds from sale and maturity of investments		801,281	759,736	801,271	759,736
<b>Total cash received</b>		<b>808,827</b>	<b>760,967</b>	<b>808,817</b>	<b>760,967</b>
<b>Cash used</b>					
Loan Advances		(500)	(1,000)	(500)	(1,000)
Acquisition of property, plant and equipment		(87,082)	(59,960)	(86,948)	(59,897)
Acquisition of investments		(896,402)	(834,335)	(896,402)	(834,363)
<b>Total cash used</b>		<b>(983,984)</b>	<b>(895,295)</b>	<b>(983,850)</b>	<b>(895,260)</b>
<b>NET CASH FROM INVESTING ACTIVITIES</b>		<b>(175,157)</b>	<b>(134,328)</b>	<b>(175,033)</b>	<b>(134,293)</b>
<b>FINANCING ACTIVITIES</b>					
Proceeds from borrowings		299	115,000	299	115,000
<b>NET CASH FROM FINANCING ACTIVITIES</b>		<b>299</b>	<b>115,000</b>	<b>299</b>	<b>115,000</b>
<b>NET INCREASE (DECREASE) IN CASH HELD</b>		<b>(54,988)</b>	<b>16,885</b>	<b>(56,636)</b>	<b>18,482</b>
Cash at 1 January	17	134,762	117,877	131,341	112,859
<b>CASH AT 31 DECEMBER</b>	17	<b>79,774</b>	<b>134,762</b>	<b>74,705</b>	<b>131,341</b>

The above statement should be read in conjunction with the accompanying notes, beginning page 37.

## THE AUSTRALIAN NATIONAL UNIVERSITY

SCHEDULE OF COMMITMENTS  
AS AT 31 DECEMBER 2005

	Consolidated		University	
	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
<b>BY TYPE</b>				
<b>CAPITAL COMMITMENTS</b>				
Property, plant and equipment	20,754	46,345	20,754	46,345
<b>TOTAL CAPITAL COMMITMENTS</b>	<b>20,754</b>	<b>46,345</b>	<b>20,754</b>	<b>46,345</b>
<b>OTHER COMMITMENTS</b>				
Operating leases	691	791	-	-
Other commitments	10,931	7,529	10,931	7,529
<b>TOTAL OTHER COMMITMENTS</b>	<b>11,622</b>	<b>8,320</b>	<b>10,931</b>	<b>7,529</b>
<b>COMMITMENTS RECEIVABLE</b>	<b>(2,880)</b>	<b>(4,898)</b>	<b>(2,880)</b>	<b>(4,898)</b>
<b>NET COMMITMENTS PAYABLE</b>	<b>29,496</b>	<b>49,767</b>	<b>28,805</b>	<b>48,976</b>
<b>BY MATURITY</b>				
<b>All net commitments</b>				
One year or less	28,895	45,095	28,775	44,928
From one to five years	334	4,352	30	4,048
Greater than five years	267	320	-	-
<b>NET COMMITMENTS PAYABLE</b>	<b>29,496</b>	<b>49,767</b>	<b>28,805</b>	<b>48,976</b>
<b>Operating/Finance lease commitments</b>				
One year or less	120	167	-	-
From one to five years	304	304	-	-
Greater than five years	267	320	-	-
<b>NET OPERATING LEASE COMMITMENTS PAYABLE</b>	<b>691</b>	<b>791</b>	<b>-</b>	<b>-</b>

NB: Commitments are GST inclusive where relevant

## SCHEDULE OF CONTINGENCIES AS AT 31 DECEMBER 2005

	Notes	Consolidated		University	
		2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
<b>CONTINGENT LIABILITIES</b>					
Guarantees		61	55	61	55
Claims for damages/costs		-	-	-	-
<b>TOTAL CONTINGENT LIABILITIES</b>	<b>38</b>	<b>61</b>	<b>55</b>	<b>61</b>	<b>55</b>
<b>CONTINGENT ASSETS</b>					
Claims for damages/costs		-	-	-	-
<b>TOTAL CONTINGENT ASSETS</b>	<b>37</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

The above schedule should be read in conjunction with the accompanying notes, beginning page 37.

## THE AUSTRALIAN NATIONAL UNIVERSITY

## NOTES TO AND FORMING PART OF THE ACCOUNTS

Note	Contents
1	Significant Accounting Policies
2	Australian Government Financial Assistance
3	State Government Financial Assistance
4	Fees and Charges
5	Investment Income
6	Consultancy and Contracts
7	Other Revenue
8	Employees
9	Services
10	Depreciation and Amortisation
11	Impairment Losses
12	Write-down of Assets
13	Borrowing Cost Expense
14	Gains/(Losses) On Disposal of Assets
15	Other Expenses
16	Reserves
17	Cash and Cash Equivalents
18	Receivables
19	Investments
20	Land, Buildings and Infrastructure, Plant and Equipment
21	Inventories
22	Intangibles
23	Other Non-Financial Assets
24	Loans Payable
25	Employee Benefits
26	Suppliers
27	Other Provisions and Payables
28	Financial Instruments
29	Reconciliation of Operating Result to Net Cash Flows from Operations
30	Land
31	Remuneration of Officers
32	Remuneration of Auditors
33	Number of Employees
34	Superannuation Commitments
35	Cooperative Research Centres
36	Related Party Disclosures
37	Contingent Assets
38	Contingent Liabilities
39	Segment Information
40	Economic Dependency
41	Special Accounts
42	Joint Ventures
43	Acquittal of Australian Government Financial Assistance
44	Programs funded by grants received from United States of America Federal Government Agencies
45	Transition to Australian Equivalent International Financial Reporting Standards

## THE AUSTRALIAN NATIONAL UNIVERSITY

## NOTES continued

**1. SIGNIFICANT ACCOUNTING POLICIES****1.1 Basis of Accounting**

a) The financial statements are a general purpose financial report and have been prepared in accordance with:

- Schedule 1 of the Commonwealth Authorities and Companies (Financial Statements for reporting periods ending on or after 1 July 2005) Orders made under the Commonwealth Authorities and Companies Act 1997 (FMOs) which require that the financial statements are prepared in compliance with Australian Accounting Standards and Accounting Interpretations issued by the Australian Accounting Standards Board, and having regard to Australian Statements of Accounting Concepts:

- the Consensus Views of the Urgent Issues Group; and

- the Guidelines for the Preparation of Annual Financial Reports for the 2005 Reporting Period by Australian Higher Education Institutions (the Guidelines) issued by the Department of Education, Science and Training (DEST).

The financial statements have been prepared on an accrual basis, and are in accordance with historical cost, except for certain assets which, as noted, are at valuation as shown in Notes 1.9 and 1.11.

b) Statement of compliance with International Financial Reporting Standards (IFRS)

*Financial report complies with Australian equivalents to International Financial Reporting Standards (AIFRS)*

The financial report complies with Australian equivalents to International Financial Reporting Standards. Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

This is the first financial report prepared based on AIFRS and comparatives for the year ended 31 December 2004 have been restated accordingly, except to the extent of the prohibition relating to financial instruments contained in FMO Policy 8A.1 in that: a) the comparatives have not been restated; b) for the 2004 financial year losses on sale of investments previously revalued, were recorded as transfers from equity, except for that portion of the loss relating to the 2004 financial year; and c) under AIFRS, the loss of \$3,518,000 would have been taken through the Income Statement.

Reconciliations of AIFRS equity and profit for 31 December 2004 to the balances reported in the 31 December 2004 financial report and at transition to AIFRS are detailed in note 45.

In preparing these financial statements, the University has started from an opening balance sheet as at 1 January 2004, the University's date of transition to AIFRS, and made those changes in accounting policies and other restatements required by AASB 1 First-time adoption of AIFRS.

The following explains the principal adjustments made by the University in restating its AGAAP balance sheet as at 1 January 2004 and its previously published AGAAP financial statements for the year ended 31 December 2004.

*Exemptions applied*

AASB 1 allows first-time adopters certain exemptions from the general requirement to apply AIFRS retrospectively - the University has not applied any of the permitted exemptions.

*Explanation of material adjustments to the cash flow statement*

There are no material differences between the cash flow statement presented under AIFRS and the cash flow statement presented under previous AGAAP.

## THE AUSTRALIAN NATIONAL UNIVERSITY

## NOTES continued

## 1. SIGNIFICANT ACCOUNTING POLICIES continued

## 1.1 Basis of Accounting

## b) International Financial Reporting Standards (IFRS) continued

*Impact of adopting AIFRS*

- 1) AASB 119 Employee Benefits - The adoption of this Standard in relation to the Commonwealth Superannuation account has resulted in changes to the calculation of the liability to be presented in the financial statements. Paragraph 93A permits the University to recognise actuarial gains and losses in the period in which they occur outside the profit or loss - previously the full impact of the movement in the liability was recorded in the profit or loss. The Australian Government Actuary provided the following adjustments: The liability as at 31 December 2003 has increased by \$35,691,447, to \$438,661,447. The liability as at 31 December 2004 has increased by \$32,976,736, to \$471,638,183, requiring an increase in the 2004 provision of \$20,776,736. However of the provision, \$22,034,084 relates to actuarial gains and goes directly against equity, and the previous provision against the Income Statement of \$12,200,000 requires an adjustment of (\$1,257,348).
- 2) AASB 108 Accounting Policies, Change in Accounting Estimates and Errors - When a change in accounting policy is applied retrospectively in accordance with paragraph 19(a) or (b), the entity shall adjust the opening balance of each affected component of equity for the earliest prior period presented and other comparative amounts disclosed for each prior period presented as if the new accounting policy had always been applied. In 2004 the Australian National University implemented one change in accounting policy, being the accounting for grant revenue. In prior years the University had treated operating grants and research income received from the Commonwealth and other funding bodies as income in the year of receipt, except to the extent that the income relates to a future period, or can be reliably measured as relating to a future period, in which case such revenues are treated as income in advance. For 2004 and future years, the University is treating all operating grants and research income received from the Commonwealth and other funding bodies as income in the year of receipt. This change in accounting policy aligned the University's reporting of grant income with other universities, enabling users of the report to more accurately conduct analysis on a university sector basis and secondly reflects more appropriately the substance of grant funding arrangements. For the 2004 financial year, the net effect on operating results has been to increase operating surplus from ordinary activities by \$48,995,000 to \$49,726,000. For the 2004 comparatives as reflected in the 2005 Annual Financial Statements, the financial impact of the change in accounting policy was taken directly against equity.
- 3) AASB 101 Presentation of Financial Instruments - Equity transfers no longer appear within the Profit or Loss Statement, rather they are reflected through the Statement of Changes in Equity. Each year the University will undertake a number of transfers to and from reserves. These transfers are now reflected within the Statement of Changes in Equity and on this basis, the 2004 transfers of \$624,000 (equity) and asset revaluation reserves - investments - (\$3,518,000), are reflected within the Statement of Changes in Equity.
- 4) AASB 1 First Time Adoption of Australian Equivalents to International Financial Reporting Standards - Under the transitional Standard, AASB 1(16), an entity may elect to measure an item of property, plant and equipment at the date of transition to Australian equivalent to IFRS at its fair value as its deemed cost at that date. The University has elected to use the fair values of Plant & Equipment (excluding Artworks and Rare Library Collection) as their deemed cost as at 1 January 2005. Implementation of this policy has provided for the provision for depreciation on plant and equipment (\$33,974,000) to be written back against the gross values for these assets to re-state their net book value and remaining life as at 31 December 2004, to be the deemed cost and remaining life of these assets as at 1 January 2005.

## 1.2 Change in Accounting Policy

There were no changes in accounting policy during 2005.

## 1.3 Principles of Consolidation

The consolidated financial report of the economic entity include the accounts of the parent entity, The Australian National University, and the accounts of the wholly and beneficially owned subsidiary company ANU Enterprise Pty Ltd incorporated in the Australian Capital Territory.

The financial statements of the subsidiary are prepared for the same reporting period as the University using consistent accounting policies except as otherwise indicated.

The balances, and effects of transactions, between controlled entities included in the consolidated financial report have been eliminated.

## THE AUSTRALIAN NATIONAL UNIVERSITY

## NOTES continued

## 1. SIGNIFICANT ACCOUNTING POLICIES continued

## 1.4 Revenue Recognition

The University's operating revenue consists of Australian Government Financial Assistance including Higher Education Contribution Scheme (HECS) and Fee Higher Education Loan Programmes (HELP), Australian Research Council grants, ACT Government Financial Assistance, fees and charges, consultancy and contract research, investment income, sales of goods and services, gains on disposal of assets, and other revenue.

The University treats operating grants and research income received from Australian Government entities and other funding bodies as income in the year of receipt.

Fees and charges are recognised as income in the year of receipt, except to the extent that fees and charges relate to courses to be held in future periods. Such income is treated as income in advance. Conversely, fees and charges relating to debtors are recognised as revenue in the year to which the prescribed course relates.

Interest income is recognised on a time proportionate basis that takes into account the effective yield on the relevant asset.  
Dividend income is recognised as it is received.

Other investment revenue is recognised as it is received, with the exception of unrealised gains and losses which arise from the year end valuation process as described in Note 1.9.

Revenue from sales of goods and services is recognised as it is received.

## 1.5 Goods and Services Tax

The Australian National University and its subsidiary are exempt from all forms of taxation except fringe benefits tax and the good and services tax (GST). Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the item of expense. Receivables and payables are stated with the amount of 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 components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

## 1.6 Income Tax

In respect of ANU Enterprise Pty Ltd no provision for income tax has been made, as the Company is exempt under Section 50-5 of the Income Tax Assessment Act 1997.

For the controlled entity the income tax expense for the period is the tax payable on the current period's taxable income based on the national income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses. Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability.

## 1.7 Borrowing Expenses

All borrowing costs are expensed as incurred.

## 1.8 Cash and Cash Equivalents

Cash and deposits at call in the Balance Sheet comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

## THE AUSTRALIAN NATIONAL UNIVERSITY

## NOTES continued

## 1. SIGNIFICANT ACCOUNTING POLICIES continued

## 1.9 Investments

## 1.9.1 Investment Categories

University Funds are invested in accordance with Section 6(2) of the Australian National University Act 1991 (as amended) using guidelines approved by the Council of the University in the following categories:

Bank accepted bills  
 Capital Indexed Bonds  
 Convertible notes  
 Corporate bonds  
 Debentures  
 Exchanging instalment notes  
 Floating rate notes  
 Government and semi-government stocks and bonds  
 Listed hybrid securities  
 Listed property trusts  
 Managed investment funds  
 Negotiable certificates of deposit  
 Overseas managed investment funds  
 Promissory notes  
 Properties  
 Property trusts  
 Listed shares and share options  
 Short term money market deposits  
 Stapled securities  
 Term deposits  
 Transferable certificates of deposit  
 Unlisted shares and share options

## 1.9.2 Valuation

Investment assets of the University are stated at market value. Market value in relation to investments has been determined as:

Land and buildings - all valuations are based on the deprival methodology which values investment land and buildings at its current market buying price. The University revalued investment land and buildings as at 31 December 2005;

Shares in public companies, stapled securities and convertible notes - the official market quotation price as listed by the Australian Stock Exchange at the close of business on 31 December 2005;

Fixed interest securities, such as semi government bonds - Calculated from yield provided by UBS Warburg Rate Sheet as at 31 December 2005; and

Managed investment funds and overseas managed investment funds - unit valuation supplied by the fund management groups as at 31 December 2005.

## 1.9.3 Recognition

Investments of the University are classified as 'Available-for-Sale' in accordance with AASB 139 Financial Instruments: Recognition and Measurement and Finance Brief No. 22 Issued July 2004.

## 1.9.4 Impairment

If there is objective evidence that an impairment loss on an available-for-sale investment has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the estimated recoverable amount of the asset. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount with the impairment loss being recognised in the profit and loss.

## 1.10 Inventories

Inventories held for resale are valued at the lower of cost or net realisable value. Costs are assigned to inventories using last purchase cost including costs incurred in bringing each product to its present location and condition. Consumables in store are valued at weighted average unit cost. Equipment being constructed for onsale to third parties is held as work in progress at the cost of construction as at balance date.



## THE AUSTRALIAN NATIONAL UNIVERSITY

## NOTES continued

## 1. SIGNIFICANT ACCOUNTING POLICIES continued

## 1.11 Property, Plant and Equipment

## 1.11.1 Depreciation and Amortisation

Purchases of property, plant and equipment are recognised at cost in the Balance Sheet, except for purchases costing less than \$5,000, which are expensed in the year of acquisition (other than where they form part of similar items which are significant in total). Depreciable property, plant and equipment assets are written off to their estimated residual value over their estimated remaining useful lives to the University using, in all cases, the straight line method of depreciation.

Depreciation and amortisation rates are generally based on remaining useful lives determined by valuation or as per the following schedule:

	<u>Years</u>
Dwellings and Campus Buildings	40
Plant and Equipment	
Motor vehicles	7
Computing equipment	5
Research / teaching equipment	7
Other	10

The aggregate amount of depreciation allocated for each class of assets during the reporting period is disclosed in Note 10.

## 1.11.2 Valuation

Plant and Equipment, with the exception of Artworks and Rare Library materials held as at 31 December 2005 are recorded at deemed cost less accumulated depreciation and any accumulated impairment losses. Plant and Equipment purchased subsequent to the adoption of deemed cost valuation are measured at cost. AON International Valuation Consultants assessed the carrying amounts of Plant and Equipment, with the exception of Artworks and Rare Library materials as at 31 December 2004 and advised there were no material differences in the carrying amounts of the assets and their fair values at that time and as such the carrying amounts were representative of fair value. The University has made the election under the FMOs not to apply the requirements of Policies 3A.1 to 3A.5, and AASB 1 First Time Adoption of Australian Equivalent to International Reporting Standards, to use these fair values as their deemed cost as at 1 January 2005.

Land except for holdings in Fiji as identified in Note 30, has been brought to account. Substantially all of the land in the Australian Capital Territory and the Northern Territory was revalued in 2004. The valuation was completed by independent valuers, the Australian Valuation Office and Egan National Valuers. The valuation was on the basis of market value for existing use which is consistent with the establishment of the concept of deprival value for financial reporting purposes. These sites are provided free of charge by lease in perpetuity and the resultant valuation increment has been credited directly to the asset revaluation reserve.

Substantially all of the campus buildings and dwellings were revalued in 2003. The valuation was completed by an independent valuer, AON International Valuation Consultants. The Depreciated Replacement Cost approach was used to establish the Market Value for the Existing Use of the properties. The net revaluation decrement was debited directly to the asset revaluation reserve. Campus buildings completed subsequent to the valuation are disclosed at cost. These assets are revalued every three years. AON International Valuation Consultants completed a further review in respect of buildings as at 1 January 2004 and some adjustments were brought to account in regard to a number of differences arising on this subsequent re-assessment.

The initial costs of developing major administrative systems were initially captured and recognised within plant and equipment and are being amortised. Ongoing maintenance and development costs are expensed as incurred.

Rare library materials were revalued in 2004. The valuation was completed by independent qualified valuers, The Antique Bookshop and Curios.

Works of art were revalued in 2005. The valuation was completed by independent qualified valuers, AON International Valuation Consultants. Works of art purchased subsequent to the valuation are disclosed at cost.

## 1.11.3 Impairment

The carrying values of Land and Buildings, Infrastructure, Plant and Equipment, with the exception of Artworks and Rare Library materials are reviewed for impairment at each reporting date, with recoverable amount being estimated when events or changes in circumstances indicate that the carrying amount may be impaired.

An impairment exists when the carrying value of an asset or cash-generating units exceeds its estimated recoverable amount. The asset or cash-generating unit is then written down to its recoverable amount.

Impairment losses are recognised in the income statement in the write-down of assets.

The University's Land and Buildings, Infrastructure, Plant and Equipment, with the exception of Artworks and Rare Library materials was reviewed by AON International Valuation Consultants in 2005 and no assets were identified as being impaired in any material nature.

## 1.11.4 Derecognition and disposal

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss in the year the asset is derecognised.

THE AUSTRALIAN NATIONAL UNIVERSITY

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## NOTES continued

**1. SIGNIFICANT ACCOUNTING POLICIES continued****1.12 Employee Entitlements**

The liability for long service leave is recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at 31 December 2005. In determining the present value of the liability, probabilities of taking long service leave, and attrition rates and pay increases through promotion and inflation have been taken into account.

The provision for annual leave reflects the value of total annual leave entitlements of all employees at 31 December 2005 and is recognised at its nominal value.

No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave taken by employees is less than the annual entitlement for sick leave.

Provision is also made for separation and redundancy payments in circumstances where the University has formally identified positions as excess to requirements and a reliable estimate of the amount of the payments can be determined.

**1.13 Pensions and Other Post-Employment Benefits**

The University participates in a defined benefit plan (Commonwealth Superannuation Scheme) which requires contributions to be made to the separately administered fund.

The cost of providing benefits under the defined benefit plan is determined separately using the projected unit credit actuarial valuation method.

Actuarial gains and losses are recognised in retained earnings, in accordance with AASB119 Employee Benefits and FMOs Policy 4C.5. Details of the Scheme are outlined in Note 34.1.

**1.14 Foreign Currency Transactions**

Transactions denominated in a foreign currency are converted at the rate of exchange prevailing at the date of the transaction. At balance date, amounts receivable and payable in a foreign currency are translated at the exchange rate prevailing at that date and any exchange differences are brought to account in the Income Statement.

**1.15 Comparative figures**

Where necessary, comparative figures have been adjusted to conform with changes in presentation in these financial statements.

**1.16 Research and Development Costs**

ANU Enterprise Pty Limited's research and development costs are charged to profit from ordinary activities or deferred where it is expected beyond any reasonable doubt that sufficient future benefits will be derived so as to recover those deferred costs. The deferred costs are amortised over the period in which the corresponding benefits are expected to arise, corresponding with the commercial exploitation of the product. The period over which benefits are expected to arise is reviewed regularly to recognise the effects of potential emerging technology and competitive products.

**1.17 Intangible Assets**

Goodwill in relation to ANU Enterprise Pty Limited, representing the excess of the cost of acquisition over the fair value of the identifiable new assets acquired, is amortised by the straight-line method over the period of twenty years. The balances are reviewed annually. Any balance representing future benefits, the realisation of which is considered to be improbable, is written off.

Intellectual property developed internally has not been brought to account because it cannot be reliably measured.

**1.18 Unrecognised Financial Liabilities**

Guarantees, not recognised in the Income Statement are disclosed in the Schedule of Contingencies. At the time of completion of the financial statements, there was no reason to believe that these guarantees would be called upon, and recognition of a liability was therefore not required.

## THE AUSTRALIAN NATIONAL UNIVERSITY

## NOTES continued

**1. SIGNIFICANT ACCOUNTING POLICIES continued****1.19 Interest in a Jointly Controlled Operation**

The University has an interest in a joint venture that is a jointly controlled operation. A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control. A jointly controlled operation involves use of assets and other resources of the venturers rather than establishment of a separate entity. The University recognises its interest in the jointly controlled operation by recognising the assets it controls and the liabilities that it incurs. The University also recognises the expenses that it incurs and its share of income that it earns from the sale of goods and services by the jointly controlled operation.

**1.20 Interest in Jointly Controlled Entity**

The University's investments in jointly controlled entities are accounted for using the equity method of accounting.

Under the equity method, the investment in the entity is carried in the balance sheet at cost plus post-acquisition changes in the University's share of net assets of the entity. After the application of the equity method, the University determines whether it is necessary to recognise any additional impairment loss with respect to the University's net investment in the entity. The income statement reflects the University's share of the results of operations of the entity.

**1.21 Provisions**

Provisions are recognised when the University has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the University expects some or all of the provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement.

**1.22 Impairment of Assets**

The University assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the University makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds the recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in the profit and loss in Impairment Loss expense unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease).

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount.

The increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over the remaining useful life.

## THE AUSTRALIAN NATIONAL UNIVERSITY

## NOTES continued

**2. AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE INCLUDING HIGHER EDUCATION CONTRIBUTION SCHEME (HECS) - HELP AND OTHER AUSTRALIAN GOVERNMENT LOAN PROGRAMMES**

The information provided in this note is only relevant to the University - consolidated figures are not provided.

	Notes	University	
		2005 \$'000	2004 \$'000
<b>(a) Commonwealth Grants Scheme and Other Grants</b>	43.1		
Commonwealth Grants Scheme #		42,721	37,500
Indigenous Support Fund		285	-
Equity Programmes +		169	111
Workplace Reform Programme		662	3,803
Workplace Productivity Programme		-	-
National Institutes Funding		157,880	141,071
Capital Development Pool		-	-
Collaboration & Structural Reform Programme		100	350
<b>Total Commonwealth Grants Scheme and Other Grants</b>		<b>201,817</b>	<b>182,835</b>
<b>(b) Higher Education Loan Programmes</b>	43.2		
HECS - HELP		23,139	28,017
FEE - HELP *		7,015	4,372
<b>Total Higher Education Loan Programmes</b>		<b>30,154</b>	<b>32,389</b>
<b>(c) Scholarships</b>	43.3		
Australian Postgraduate Awards		5,890	4,642
International Postgraduate Research Scholarships		1,205	1,079
Commonwealth Indigenous Scholarships		32	-
Commonwealth Education Costs Scholarships		134	52
Commonwealth Accommodation Scholarships		282	152
<b>Total Scholarships</b>		<b>7,543</b>	<b>5,925</b>
<b>(d) DEST - Research</b>	43.4		
Institutional Grants Scheme		16,668	15,969
Research Training Scheme		25,597	24,009
Systemic Infrastructure Initiative		28,258	22,150
Research Infrastructure Block Grants		14,487	10,603
<b>Total DEST - Research Grants</b>		<b>85,010</b>	<b>72,731</b>
<b>Total DEST</b>		<b>324,524</b>	<b>293,880</b>

# Includes the basic CGS grant amount, CGS-Regional Loading and CGS-Enabling Loading. For 2004, the CGS would be an amount equivalent to the CGS base operating grant amount and would exclude Superannuation Programme and Workplace Productivity Programme.

+ Includes amounts for Higher Education Equity Support Programme and Students with Disabilities Programme

\* For 2004, FEE-HELP would include PELS and BOTPLS

## THE AUSTRALIAN NATIONAL UNIVERSITY

## NOTES continued

**2. AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE INCLUDING HIGHER EDUCATION CONTRIBUTION SCHEME (HECS) - HELP AND OTHER AUSTRALIAN GOVERNMENT LOAN PROGRAMMES continued**

The information provided in this note is only relevant to the University - consolidated figures are not provided.

	Notes	University	
		2005 \$'000	2004 \$'000
<b>(e) Australian Research Council</b>	43.5		
<b>(e)(i) Discovery</b>	43.5(a)		
Project (Large Grants)		35,724	28,458
Fellowships		723	1,771
Federation Fellowship		5,157	3,680
Indigenous Researchers Initiatives		1	(4)
<b>Total Discovery</b>		<b>41,605</b>	<b>33,905</b>
<b>(e)(ii) Linkages</b>	43.5(b)		
Special Research Initiatives		237	(17)
Infrastructure		3,698	1,930
International Researcher Exchange Projects		213	475
		6,756	5,605
<b>Total Linkages</b>		<b>10,904</b>	<b>7,993</b>
<b>(e)(iii) Networks and Centres</b>	43.5(c)		
Research Networks		1,307	640
Centres		4,318	4,229
<b>Total Networks and Centres</b>		<b>5,625</b>	<b>4,869</b>
<b>(f) Other Australian Government financial assistance:</b>			
Health and Aged Care		23,171	20,038
Industry, Science and Resources		2,881	3,769
Foreign Affairs and Trade		4,347	3,810
Agriculture, Fisheries and Forestry		1,510	2,974
Environment and Heritage		2,039	419
Communications, Information Technology & the Arts		2,910	330
Defence		401	812
Education, Science and Training		21,982	8,150
Prime Minister and Cabinet		-	17
Transport and Regional Services		22	2
Family and Community Services		1,090	337
Other		2,537	1,862
<b>Total Other Australian Government financial assistance</b>		<b>62,890</b>	<b>42,520</b>
<b>Total Australian Government financial assistance</b>		<b>445,548</b>	<b>383,167</b>
<b>Reconciliation</b>			
Australian Government grants [a+c+d+e+f]		415,394	350,778
HECS-HELP - Australian Government payments		23,139	28,017
Other Australian Government loan programmes [FEE-HELP]		7,015	4,372
<b>Total Australian Government financial assistance</b>		<b>445,548</b>	<b>383,167</b>

## THE AUSTRALIAN NATIONAL UNIVERSITY

## NOTES continued

	Consolidated		University	
	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000

## 3. STATE GOVERNMENT FINANCIAL ASSISTANCE

ACT Government grants were received by the University during the reporting period:

Contributions	2,298	12,551	2,298	12,551
Total state government financial assistance	2,298	12,551	2,298	12,551

## 4. FEES AND CHARGES

Fees and charges collected during the reporting period were:

**Course fees and charges**

Continuing education	7,122	3,682	3,430	3,682
Full fee paying international students	34,929	32,096	34,929	32,096
Full fee paying domestic students	2,781	4,707	2,781	4,707
less refunds	(12)	(12)	(12)	(12)
Total course fees and charges	44,820	40,473	41,128	40,473

**Other fees and charges**

General services fees	2,453	2,322	2,453	2,322
less disbursement of fees to student bodies	(2,830)	(1,597)	(2,830)	(1,597)
Parking fees	1,648	1,351	1,648	1,351
Rentals and hire facilities	5,593	4,487	5,644	4,487
Student accommodation	13,705	13,391	13,705	13,391
Fines and late fees	436	580	436	580
Total other fees and charges	21,005	20,534	21,056	20,534

## Total fees and charges

	65,825	61,007	62,184	61,007
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## 5. INVESTMENT INCOME

Interest	29,097	22,706	28,894	22,495
Dividends	74,041	83,807	74,041	83,807

**Other investment revenue**

Rentals from investment properties	6,304	4,688	6,304	4,688
<i>Investments unrealised during the period</i>				
Overseas managed investment funds	1,778	(2,188)	1,778	(2,188)
Listed shares and share options	49	75	49	75
<i>Investments realised during the period</i>				
Capital Indexed Bonds	501	56	501	56
Corporate bonds	(2,791)	(76)	(2,791)	(76)
Government and semi-government securities	(1,084)	366	(1,084)	366
Listed hybrid securities	233	-	233	-
Property	5,723	485	5,723	485
Overseas managed investment funds	-	289	-	289
Unlisted shares and share options	884	-	884	-
Listed shares and share options	(6,654)	(45,393)	(6,664)	(45,393)
	4,943	(41,698)	4,933	(41,698)
Direct investment expenditure	(9,147)	(6,172)	(9,147)	(6,172)
Total other investment income less direct investment expenditure	(4,204)	(47,870)	(4,214)	(47,870)
Total investment income	98,934	58,643	98,721	58,432

## THE AUSTRALIAN NATIONAL UNIVERSITY

## NOTES continued

	Consolidated		University	
	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
<b>6. CONSULTANCY AND CONTRACTS</b>				
Consultancy research	216	-	216	-
Contract research	32,015	27,944	30,947	27,944
Consultancy non-research	5,585	4,797	3,267	4,797
Contract non-research	3,818	16,452	3,818	10,072
Total consultancy and contracts	41,634	49,193	38,248	42,813
<b>7. OTHER REVENUE</b>				
Sundry income	10,987	11,500	5,714	7,371
Sales of goods and services	9,010	8,525	9,285	8,525
Recovery of direct expenditure from outside bodies	13,901	12,299	13,901	12,375
Workers compensation reimbursements	526	496	526	496
Scholarships and prizes	766	261	766	261
Donations and bequests	6,896	3,126	7,096	3,226
Total other revenue	42,086	36,207	37,288	32,254
<b>8. EMPLOYEES</b>				
<i>Academic</i>				
Salaries	129,665	117,626	129,665	117,626
Superannuation Contributions	20,055	17,699	20,055	17,699
Payroll Tax	10,520	9,437	10,520	9,437
Workers Compensation	2,126	1,692	2,126	1,692
Long Service Leave Expense	5,099	7,198	5,099	7,198
Total academic	167,465	153,652	167,465	153,652
<i>Non-Academic</i>				
Salaries <sup>1</sup>	128,825	116,935	127,012	115,024
Superannuation Contributions	20,014	17,770	19,766	17,612
Payroll Tax	11,128	9,965	10,939	9,859
Workers Compensation	1,203	939	1,180	920
Long Service Leave Expense	3,689	3,427	3,689	3,394
Annual Leave Expense	13,547	13,542	13,547	13,517
Total non-academic	178,406	162,578	176,133	160,326
<i>Commonwealth Superannuation Account</i>				
Pension payments	17,998	18,198	17,998	18,198
Employee superannuation entitlements expense	12,038	10,942	12,038	10,942
Total commonwealth superannuation account	30,036	29,140	30,036	29,140
Total employee expenses	375,907	345,370	373,634	343,118
1. Non academic staff salaries comprise:				
Administrative staff	83,301	74,927	81,488	73,016
Technical staff	25,106	23,094	25,106	23,094
Research officers	10,881	10,173	10,881	10,173
Service staff including security	6,060	5,779	6,060	5,779
Librarians	1,519	1,536	1,519	1,536
Trade staff	1,958	1,426	1,958	1,426
Total non academic staff salaries	128,825	116,935	127,012	115,024

## THE AUSTRALIAN NATIONAL UNIVERSITY

## NOTES continued

	Consolidated		University	
	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
<b>9. SERVICES</b>				
Site maintenance and servicing <sup>1</sup>	32,543	29,238	32,250	29,137
Consumables, research and training materials	91,499	87,088	83,940	87,211
Travel, conferences and fieldwork	22,939	23,005	22,884	22,920
Project Contributions	35,519	25,743	35,519	26,243
Scholarships	34,648	32,632	34,675	32,654
Miscellaneous operating expenses <sup>2</sup>	11,727	18,526	10,667	10,368
Total cost of services	<u>228,875</u>	<u>216,232</u>	<u>219,935</u>	<u>208,533</u>
1. Site maintenance and servicing includes:				
Building repairs and maintenance	12,418	10,602	12,374	10,602
Electricity and gas	7,337	7,460	7,246	7,450
Cleaning expenses	5,416	4,852	5,329	4,852
Municipality charges	2,254	1,412	2,232	1,412
Grounds maintenance	885	1,370	885	1,370
Other Site Maintenance and servicing expenses	4,233	3,542	4,184	3,451
Total Site Maintenance and servicing	<u>32,543</u>	<u>29,238</u>	<u>32,250</u>	<u>29,137</u>
2. Miscellaneous operating expenses includes:				
Advertising	1,833	2,060	1,832	2,060
Management fees	1,037	800	1,037	802
Membership - professional bodies	965	589	945	589
Staff development	880	805	881	811
Audit expenses, internal and external	418	694	361	648
Patent, copyright and royalties	357	3	458	339
Legal expenses, settlements	1,565	988	1,558	988
Other Miscellaneous operating expenses	4,672	12,587	3,595	4,131
Total Miscellaneous operating expenses	<u>11,727</u>	<u>18,526</u>	<u>10,667</u>	<u>10,368</u>
<b>10. DEPRECIATION AND AMORTISATION</b>				
Property at cost	1,354	-	1,354	-
Property at valuation	17,481	17,119	17,251	16,903
Plant, equipment and motor vehicles at cost	9,313	6,895	9,272	6,855
Plant, equipment and motor vehicles at deemed cost	10,914	15,404	10,914	15,404
License Agreement	18	17	18	17
Goodwill	9	9	-	-
Total depreciation and amortisation	<u>39,089</u>	<u>39,444</u>	<u>38,809</u>	<u>39,179</u>



## THE AUSTRALIAN NATIONAL UNIVERSITY

## NOTES continued

	Consolidated		University	
	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
<b>11. IMPAIRMENT LOSSES</b>				
Provision for impairment losses - unlisted shares and share options	3,425	-	3,425	-
Total impairment losses	<u>3,425</u>	<u>-</u>	<u>3,425</u>	<u>-</u>
<b>12. WRITE-DOWN OF ASSETS</b>				
Financial assets				
Receivables for goods and services - bad debts expense	230	95	242	83
Total write-down of assets	<u>230</u>	<u>95</u>	<u>242</u>	<u>83</u>
<b>13. BORROWING COST EXPENSE</b>				
Borrowing Cost Expense - Interest	7,180	1,416	7,180	1,416
Borrowing Cost Expense - Other Expenses	5	691	5	691
Total Borrowing Cost Expense	<u>7,185</u>	<u>2,107</u>	<u>7,185</u>	<u>2,107</u>
<b>14. GAINS / (LOSSES) ON DISPOSAL OF ASSETS</b>				
Gain on disposal of property, plant, equipment and motor vehicles	197	317	197	317
Loss on disposal of property, plant, equipment and motor vehicles	(2,127)	(1,426)	(2,127)	(1,426)
Net gains / (losses) on disposal of assets	<u>(1,930)</u>	<u>(1,109)</u>	<u>(1,930)</u>	<u>(1,109)</u>
<b>15. OTHER EXPENSES</b>				
Doubtful debts expense	254	736	254	736
Total other expenses	<u>254</u>	<u>736</u>	<u>254</u>	<u>736</u>

## THE AUSTRALIAN NATIONAL UNIVERSITY

	Consolidated		University	
	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
<b>16. RESERVES</b>				
Asset revaluation - Property	647,235	646,846	643,568	643,898
Asset revaluation - Plant & Equipment	84,864	66,034	84,864	66,034
Asset revaluation - Investments	135,316	68,050	135,263	68,050
Asset revaluation - Crown Lease	4,760	4,760	4,760	4,760
Asset revaluation - Rare Library Materials	5,884	5,880	5,884	5,880
	<u>878,059</u>	<u>791,570</u>	<u>874,339</u>	<u>788,622</u>
<i>Special Reserves:</i>				
Building	16,512	20,316	16,512	20,316
Equipment	10,645	10,729	10,645	10,729
Development and Restructuring	-	5,405	-	5,405
Self insurance of dwellings and buildings	5,538	5,997	5,538	5,997
Equipment Replacement	50	102	50	102
	<u>32,745</u>	<u>42,549</u>	<u>32,745</u>	<u>42,549</u>
Total special reserves				
	<u>32,745</u>	<u>42,549</u>	<u>32,745</u>	<u>42,549</u>
Total reserves	<u>910,804</u>	<u>834,119</u>	<u>907,084</u>	<u>831,171</u>
<b>Summary of movements in reserves during the year ended 31 December 2005</b>				
Balance at beginning of year	834,119	676,277	831,171	673,843
Transfer (to)/from income	(19,931)	3,518	(19,931)	3,518
Increments/(decrements) on revaluation	106,420	154,948	105,648	154,434
Transfer (to)/from retained surpluses	(9,804)	(624)	(9,804)	(624)
	<u>910,804</u>	<u>834,119</u>	<u>907,084</u>	<u>831,171</u>
Balance at end of year				
	<u>910,804</u>	<u>834,119</u>	<u>907,084</u>	<u>831,171</u>
<b>Movements in reserves</b>				
<i>Asset revaluation - Property</i>				
Balance at beginning of year	646,846	537,672	643,898	535,238
Increments/(decrements) on revaluation of				
Land	(330)	4,856	(330)	4,856
Buildings	719	104,318	-	103,804
	<u>647,235</u>	<u>646,846</u>	<u>643,568</u>	<u>643,898</u>
Balance at end of year				
	<u>647,235</u>	<u>646,846</u>	<u>643,568</u>	<u>643,898</u>
<i>Asset revaluation - Plant and Equipment</i>				
Balance at beginning of year	66,034	65,760	66,034	65,760
Increments/(decrements) on revaluation	18,830	274	18,830	274
	<u>84,864</u>	<u>66,034</u>	<u>84,864</u>	<u>66,034</u>
Balance at end of year				
	<u>84,864</u>	<u>66,034</u>	<u>84,864</u>	<u>66,034</u>
<i>Asset revaluation - Investments</i>				
Balance at beginning of year	68,050	24,079	68,050	24,079
Transfer (to)/from income	(19,931)	3,518	(19,931)	3,518
Increments/(decrements) on revaluation	87,197	40,453	87,144	40,453
	<u>135,316</u>	<u>68,050</u>	<u>135,263</u>	<u>68,050</u>
Balance at end of year				
	<u>135,316</u>	<u>68,050</u>	<u>135,263</u>	<u>68,050</u>

## THE AUSTRALIAN NATIONAL UNIVERSITY

## NOTES continued

	Consolidated		University	
	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
<b>16. RESERVES continued</b>				
<i>Asset revaluation - Crown Lease</i>				
Balance at beginning of year	4,760	960	4,760	960
Increments on revaluation	-	3,800	-	3,800
Balance at end of year	4,760	4,760	4,760	4,760
<i>Asset revaluation - Rare Library Materials</i>				
Balance at beginning of year	5,880	4,633	5,880	4,633
Increments on revaluation	4	1,247	4	1,247
Balance at end of year	5,884	5,880	5,884	5,880
<i>Building</i>				
Balance at beginning of year	20,316	20,508	20,316	20,508
Transfer from retained surpluses	2,341	2,400	2,341	2,400
Transfer to retained surpluses	(6,145)	(2,592)	(6,145)	(2,592)
Balance at end of year	16,512	20,316	16,512	20,316
<i>Equipment</i>				
Balance at beginning of year	10,729	11,994	10,729	11,994
Transfer from retained surpluses	1,293	3,898	1,293	3,898
Transfer to retained surpluses	(1,377)	(5,163)	(1,377)	(5,163)
Balance at end of year	10,645	10,729	10,645	10,729
<i>Development and Restructuring</i>				
Balance at beginning of year	5,405	5,256	5,405	5,256
Transfer from retained surpluses	300	810	300	810
Transfer to retained surpluses	(5,705)	(661)	(5,705)	(661)
Balance at end of year	-	5,405	-	5,405
<i>Self insurance of dwellings and buildings</i>				
Balance at beginning of year	5,997	5,313	5,997	5,313
Transfer from retained surpluses	781	697	781	697
Transfer to retained surpluses	(1,240)	(13)	(1,240)	(13)
Balance at end of year	5,538	5,997	5,538	5,997
<i>Equipment Replacement</i>				
Balance at beginning of year	102	102	102	102
Transfer from retained surpluses	(52)	-	(52)	-
Balance at end of year	50	102	50	102

## THE AUSTRALIAN NATIONAL UNIVERSITY

## NOTES continued

	Consolidated		University	
	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
<b>17. CASH AND CASH EQUIVALENTS</b>				
Cash on hand	38	38	38	38
Bank	16,659	7,914	15,919	7,150
Deposits at call	63,077	126,810	58,748	124,153
	<u>79,774</u>	<u>134,762</u>	<u>74,705</u>	<u>131,341</u>

**Reconciliation of Cash**

Cash at end of the financial year as shown in the statement of cash flow

	<u>79,774</u>	<u>134,762</u>	<u>74,705</u>	<u>131,341</u>
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Total cash available includes \$32,745,000 (University \$32,745,000) which has been retained for future expenditure as outlined in the Special Reserves (see Note 16).

**18. RECEIVABLES***Current receivables:*

Goods and services	27,245	29,664	20,490	27,137
Less: Provision for doubtful debts	(1,684)	(1,428)	(1,670)	(1,416)
	<u>25,561</u>	<u>28,236</u>	<u>18,820</u>	<u>25,721</u>
Income due	3,221	2,185	3,221	2,185
Interest receivable	3,704	4,623	3,704	4,623
GST receivable	1,835	441	1,835	441
Loans	-	207	-	207
	<u>34,321</u>	<u>35,692</u>	<u>27,580</u>	<u>33,177</u>
<i>Non-current receivables:</i>				
Loans	1,500	6,416	1,500	6,416
	<u>1,500</u>	<u>6,416</u>	<u>1,500</u>	<u>6,416</u>
Total non-current receivables				
	<u>1,500</u>	<u>6,416</u>	<u>1,500</u>	<u>6,416</u>
Total receivables	<u>35,821</u>	<u>42,108</u>	<u>29,080</u>	<u>39,593</u>

*Ageing of receivables (gross):*

Not overdue	29,374	36,877	22,619	34,350
Less than 30 days overdue	1,337	2,711	1,337	2,711
30 to 60 days overdue	1,011	499	1,011	499
60 to 90 days overdue	1,170	631	1,170	631
More than 90 days	4,613	2,818	4,613	2,818
	<u>37,505</u>	<u>43,536</u>	<u>30,750</u>	<u>41,009</u>

## THE AUSTRALIAN NATIONAL UNIVERSITY

## NOTES continued

	Consolidated		University	
	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
<b>19. INVESTMENTS</b>				
<i>Current investments:</i>				
<i>Investments at valuation (see Note 1.9)</i>				
<i>Listed Securities:</i>				
Corporate bonds	23,230	19,281	23,230	19,281
Debentures	4,000	5,000	4,000	5,000
Government and semi-government securities	-	302	-	302
Listed hybrid securities	11,873	-	11,873	-
Transferable certificate of deposits	17,815	21,589	17,815	21,589
Floating rate notes	12,287	15,063	12,287	15,063
<b>Total current investments</b>	<b>69,205</b>	<b>61,235</b>	<b>69,205</b>	<b>61,235</b>
<i>Non-current investments:</i>				
<i>Investments at valuation (see Note 1.9)</i>				
<i>Listed Securities:</i>				
Capital Indexed Bonds	-	4,802	-	4,802
Convertible notes	6,201	4,558	6,201	4,558
Corporate bonds	54,965	93,086	54,965	93,086
Floating rate notes	170,235	149,087	170,235	149,087
Government and semi-government securities	6,282	16,815	6,282	16,815
Listed hybrid securities	18,040	-	18,040	-
Managed investment funds	103,431	38,104	103,431	38,104
Overseas managed investment funds	37,679	31,857	37,679	31,857
Property trusts	34,828	25,583	34,828	25,583
Shares and share options <sup>1</sup>	381,068	268,312	380,999	268,297
Transferable certificate of deposits	-	2,000	-	2,000
<b>Total listed securities</b>	<b>812,729</b>	<b>634,204</b>	<b>812,660</b>	<b>634,189</b>
<i>Unlisted Securities:</i>				
Unlisted shares and share options	20,906	22,947	20,906	22,947
Provision for impairment - unlisted shares and share options	(3,425)	-	(3,425)	-
Unlisted shares and share options - after impairment	17,481	22,947	17,481	22,947
Properties	11,800	18,300	11,800	18,300
Interests in related parties	178	-	7,378	7,200
<b>Total unlisted securities</b>	<b>29,459</b>	<b>41,247</b>	<b>36,659</b>	<b>48,447</b>
<b>Total non-current investments</b>	<b>842,188</b>	<b>675,451</b>	<b>849,319</b>	<b>682,636</b>
<b>Total investments</b>	<b>911,393</b>	<b>736,686</b>	<b>918,524</b>	<b>743,871</b>

1. \$2,268,000 of securities are being held by Bell Potter Securities Limited as security against present and future trades made by the University.

## THE AUSTRALIAN NATIONAL UNIVERSITY

## NOTES continued

	Consolidated		University	
	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
<b>20. LAND, BUILDINGS AND INFRASTRUCTURE, PLANT AND EQUIPMENT</b>				
<b>Land, Buildings and Infrastructure</b>				
Buildings under construction	35,513	27,257	35,513	27,257
Land at cost	884	-	884	-
Dwellings at cost	53	-	53	-
Accumulated depreciation	(1)	-	(1)	-
Campus buildings at cost	80,750	51,967	80,750	51,967
Accumulated depreciation	(1,353)	-	(1,353)	-
Land, buildings and infrastructure at cost	80,333	51,967	80,333	51,967
Site infrastructure at valuation	21,276	21,276	21,276	21,276
Accumulated depreciation	(1,542)	(772)	(1,542)	(772)
Land at valuation	43,528	43,528	43,528	43,528
Dwellings at valuation	13,480	13,480	13,480	13,480
Accumulated depreciation	(538)	(269)	(538)	(269)
Campus buildings at valuation	732,099	731,919	724,659	724,989
Accumulated depreciation	(31,343)	(15,695)	(31,343)	(15,695)
Land, buildings and infrastructure at valuation	776,960	793,467	769,520	786,537
Crown Lease at valuation	6,200	6,200	6,200	6,200
Accumulated amortisation	(564)	-	(564)	-
Amortised crown lease	5,636	6,200	5,636	6,200
<b>Total land, buildings and infrastructure</b>	<b>898,442</b>	<b>878,891</b>	<b>891,002</b>	<b>871,961</b>
<b>Plant and Equipment</b>				
Plant and equipment under construction	6,424	2,741	6,424	2,741
Plant, equipment and motor vehicles at cost	81,556	51,177	79,816	49,551
Accumulated depreciation	(21,635)	(11,917)	(20,065)	(10,389)
Plant, equipment and motor vehicles at deemed cost	66,656	70,133	66,656	70,133
Accumulated depreciation	(10,141)	-	(10,141)	-
	116,436	109,393	116,266	109,295
Works of art at cost	16	630	16	630
Works of art at valuation	28,931	9,116	28,931	9,116
	28,947	9,746	28,947	9,746
Rare library materials at valuation	8,163	8,157	8,163	8,157
	8,163	8,157	8,163	8,157
<b>Total plant and equipment</b>	<b>159,970</b>	<b>130,037</b>	<b>159,800</b>	<b>129,939</b>
<b>Total land, buildings and infrastructure, plant and equipment</b>	<b>1,058,412</b>	<b>1,008,928</b>	<b>1,050,802</b>	<b>1,001,900</b>

## THE AUSTRALIAN NATIONAL UNIVERSITY

## NOTES continued

## 20. LAND, BUILDINGS AND INFRASTRUCTURE, PLANT AND EQUIPMENT continued

Table A: Reconciliation of the opening and closing balances of land, buildings and infrastructure, plant and equipment (Consolidated only)

	Land \$'000	Buildings \$'000	Infrastructure & Crown Lease \$'000	Total land, buildings and infrastructure \$'000	Plant and equipment \$'000	Total \$'000
<b>Gross value</b>						
As at 1 January 2005	43,528	797,366	54,733	895,627	141,954	1,037,581
Additions	885	28,857	37,002	66,744	48,312	115,056
Revaluations	-	719	-	719	18,830	19,549
Disposals	-	(331)	(28,746)	(29,077)	(17,350)	(46,427)
As at 31 December 2005	44,413	826,611	62,989	934,013	191,746	1,125,759
<b>Accumulated depreciation / amortisation</b>						
As at 1 January 2005	-	15,964	772	16,736	11,917	28,653
Charge for the reporting period	-	17,501	1,334	18,835	20,228	39,063
Revaluations	-	-	-	-	(369)	(369)
As at 31 December 2005	-	33,465	2,106	35,571	31,776	67,347
Net book value as at 31 December 2005	44,413	793,146	60,883	898,442	159,970	1,058,412
Net book value as at 1 January 2005	43,528	781,402	53,961	878,891	130,037	1,008,928

Table B: Reconciliation of the opening and closing balances of land, buildings and infrastructure, plant and equipment (University only)

Item	Land \$'000	Buildings \$'000	Infrastructure & Crown Lease \$'000	Total land, buildings and infrastructure \$'000	Plant and equipment \$'000	Total \$'000
<b>Gross value</b>						
As at 1 January 2005	43,528	790,436	54,733	888,697	140,328	1,029,025
Additions	884	28,837	37,002	66,723	48,199	114,922
Revaluations	-	-	-	-	18,830	18,830
Disposals/Write offs	-	(331)	(28,746)	(29,077)	(17,350)	(46,427)
As at 31 December 2005	44,412	818,942	62,989	926,343	190,007	1,116,350
<b>Accumulated depreciation / amortisation</b>						
As at 1 January 2005	-	15,964	772	16,736	10,389	27,125
Charge for the reporting period	-	17,271	1,335	18,606	20,186	38,792
Revaluations	-	-	-	-	(369)	(369)
As at 31 December 2005	-	33,235	2,107	35,342	30,206	65,548
Net book value as at 31 December 2005	44,412	785,707	60,882	891,001	159,801	1,050,802
Net book value as at 1 January 2005	43,528	774,472	53,961	871,961	129,939	1,001,900

## THE AUSTRALIAN NATIONAL UNIVERSITY

## NOTES continued

## 20. LAND, BUILDINGS AND INFRASTRUCTURE, PLANT AND EQUIPMENT continued

Table C: Reconciliation of the opening and closing balances of land, buildings and infrastructure, plant and equipment at valuation (Consolidated only)

Item	Land \$'000	Buildings \$'000	Infrastructure \$'000	Total land, buildings and infrastructure \$'000	Plant and equipment \$'000	Total \$'000
<b>Gross value</b>						
As at 1 January 2005	43,528	745,399	27,476	816,403	17,273	833,676
Additions	-	20	-	20	991	1,011
Disposals/Write offs	-	(331)	-	(331)	-	(331)
Revaluations	-	491	-	491	18,830	19,321
Other movements						
As at 31 December 2005	43,528	745,579	27,476	816,583	37,094	853,677
<b>Accumulated depreciation / amortisation</b>						
As at 1 January 2005	-	15,964	772	16,736	-	16,736
Charge for the reporting period	-	15,917	1,334	17,251	-	17,251
As at 31 December 2005	-	31,881	2,106	33,987	-	33,987
Net book value as at 31 December 2005	43,528	713,698	25,370	782,596	37,094	819,690
Net book value as at 1 January 2005	43,528	729,435	26,704	799,667	17,273	816,940

Table D: Assets under construction (Consolidated only)

Item	Land \$'000	Buildings \$'000	Infrastructure \$'000	Total land, buildings and infrastructure \$'000	Plant and equipment \$'000	Total \$'000
As at 31 December 2005						
Gross value	-	35,513	-	35,513	6,424	41,937
Accumulated depreciation/amortisation	-	-	-	-	-	-
Net book value	-	35,513	-	35,513	6,424	41,937
As at 31 December 2004						
Gross value	-	27,257	-	27,257	2,741	29,998
Accumulated depreciation/amortisation	-	-	-	-	-	-
Net book value	-	27,257	-	27,257	2,741	29,998



## THE AUSTRALIAN NATIONAL UNIVERSITY

## NOTES continued

	Consolidated		University	
	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
<b>21. INVENTORIES</b>				
Inventory held for sale	148	1,366	148	157
Consumables in store	966	935	966	935
WIP equipment for sale	6,106	500	862	500
	<u>7,220</u>	<u>2,801</u>	<u>1,976</u>	<u>1,592</u>
<b>22. INTANGIBLES</b>				
<i>Current assets:</i>				
Goodwill on acquisition	181	181	-	-
Amortisation of goodwill	(85)	(77)	-	-
Total current assets	<u>96</u>	<u>104</u>	<u>-</u>	<u>-</u>
<b>23. OTHER NON-FINANCIAL ASSETS</b>				
<i>Current assets:</i>				
Advance payments and prepaid expenditure	12,555	9,705	12,536	9,689
Licence Agreement	87	68	87	68
Amortisation of License Agreement	(68)	(51)	(68)	(51)
Total current assets	<u>12,574</u>	<u>9,722</u>	<u>12,555</u>	<u>9,706</u>
<i>Non-current assets:</i>				
Deferred research and development costs	-	64	-	-
Licence Agreement	353	371	353	371
Total non-current assets	<u>353</u>	<u>435</u>	<u>353</u>	<u>371</u>
Total other non-financial assets	<u>12,927</u>	<u>10,157</u>	<u>12,908</u>	<u>10,077</u>
<b>24. LOANS PAYABLE</b>				
<i>Current liability:</i>				
Indexed Annuity Bonds	(1,123)	288	(1,123)	288
Total current liabilities	<u>(1,123)</u>	<u>288</u>	<u>(1,123)</u>	<u>288</u>
<i>Non-current liability:</i>				
Indexed Annuity Bonds	116,144	114,434	116,144	114,434
Total non-current liabilities	<u>116,144</u>	<u>114,434</u>	<u>116,144</u>	<u>114,434</u>
Total loans payable	<u>115,021</u>	<u>114,722</u>	<u>115,021</u>	<u>114,722</u>

The University has issued Indexed Annuity Bonds in October 2004 with a maturity of 25 years. The loan is repayable by quarterly instalments of principal and interest that are indexed in alignment with the Australian Consumer Price Index (CPI). The real yield payable on the Bonds is 3.235% with an effective CPI base of 30 September 2004.

## THE AUSTRALIAN NATIONAL UNIVERSITY

## NOTES continued

	Consolidated		University	
	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
<b>25. EMPLOYEE BENEFITS</b>				
<i>Current liability:</i>				
Accrued salary and related expenses	5,071	2,742	5,071	2,742
Superannuation levy	329	302	329	302
Payroll tax	260	181	260	181
Workers' compensation	30	23	30	23
Employee redundancy and early retirement scheme	9,538	-	9,538	-
Employee superannuation entitlements	17,998	18,198	17,998	18,198
Annual Leave entitlements	15,615	15,197	15,309	14,873
Long Service Leave entitlements	4,695	3,146	4,623	3,048
Total current liability	53,536	39,789	53,158	39,367
<i>Non-current liability:</i>				
Employee redundancy and early retirement scheme	802	-	802	-
Employee superannuation entitlements	469,085	453,439	469,085	453,439
Annual Leave entitlements	4,196	4,077	4,196	4,077
Long Service Leave entitlements	50,515	47,888	50,465	47,843
Total non-current liability	524,598	505,404	524,548	505,359
Total provisions and payables to employees	578,134	545,193	577,706	544,726
<b>26. SUPPLIERS</b>				
Trade creditors	18,463	23,407	18,009	22,764
Total provisions and payables to suppliers	18,463	23,407	18,009	22,764
<b>27. OTHER PROVISIONS AND PAYABLES</b>				
<i>Other current provisions and payables:</i>				
Income in advance	11,887	7,190	5,578	5,061
Other creditors	4,738	2,621	4,623	2,621
Construction project liability	5,972	645	-	-
Incomplete project revenue	1,322	1,371	-	-
Total other current provisions and payables	23,919	11,827	10,201	7,682
<i>Other non-current provisions and payables:</i>				
Income in advance	334	416	-	-
Total other non-current provisions and payables	334	416	-	-
Total other provisions and payables	24,253	12,243	10,201	7,682

## THE AUSTRALIAN NATIONAL UNIVERSITY

## NOTES continued

## 28. FINANCIAL INSTRUMENTS

## 28.1 TERMS, CONDITIONS AND ACCOUNTING POLICIES

Financial Instrument	Notes	Accounting Policies and Methods	Nature of underlying instrument
<b>Financial assets</b>		Financial assets are recognised when control over future economic benefits is established and the amount of the benefit can be reliably measured.	
Cash at bank and deposits at call	17	Cash at bank and deposits are recognised at their nominal amounts. Interest is credited to revenue as it accrues.	Temporarily surplus funds, mainly from fortnightly drawdowns of funding payments and surplus investment funds, are placed on deposit at call with authorised banks. Interest is earned on the daily balance at the prevailing daily rate for money on call and is paid at month end.
Receivables for goods & services	18	Receivables are recognised at the nominal amounts due less any provision for bad and doubtful debts. Provisions are made when collection of the debt is judged to be less rather than more likely.	The University's credit terms are net 30 days. Settlement periods for entities consolidated range from 14-60 days.
Government and semi-government securities (G&SGS) and corporate bonds	19	Commonwealth and State Government Bonds are recognised at market value. Interest is credited to revenue as it accrues.	G&SGS have terms of up to 15 years. G&SGS are guaranteed by the issuing Government and are traded in active markets. Coupons are usually received on the anniversary of the maturity date and six months from the anniversary date. Investment in corporate bonds is restricted to debt securities issued by authorised banks and companies with an A+ credit rating. Terms up to 10 years.
Capital Indexed Bonds	19	Capital Indexed Bonds are recognised at market value. Interest is credited to revenue as it accrues.	Investment in Capital Indexed Bonds is restricted to debt securities issued by authorised banks and companies with an A+ credit rating. Terms up to 10 years. Coupons are usually received on the anniversary of the maturity date and quarterly from the anniversary date.
Debentures	19	The debentures held are recognised at market value. Interest is recognised as it accrues.	Investment in debentures is restricted to companies with an A+ credit rating and affiliated with an authorised bank. Interest is paid quarterly or half yearly.
Transferable certificates of deposits (TCDs)	19	TCDs are recognised at market value. Interest is accrued as it is earned.	TCDs are purchased from authorised banks. Terms are variable but normally less than 5 years.
Overseas managed investment funds and managed investment funds	19	Managed investment funds are carried at the market value of the underlying asset. Converted to AUD at the prevailing spot rate.	Managed funds comprise assets made up of listed companies on world stock markets, foreign cash balances and cash in Australian dollars. Distributions are reinvested in new units.
Convertible notes	19	Convertible notes are quoted on the Australian Stock Exchange and are valued at the last sale price on the day of valuation. Movements in these values between reporting dates are accounted for in accordance with the provisions of AASB 5 "Non-current Assets Held for Sale and Discontinued Operations".	Convertible notes convert to ordinary shares on a predetermined date.

## THE AUSTRALIAN NATIONAL UNIVERSITY

## NOTES continued

## 28.1 TERMS, CONDITIONS AND ACCOUNTING POLICIES (continued)

Properties	19	Physical properties held in the investment portfolio are carried at market value. Formal independent valuations are obtained every three years and internal valuations based on market research are used for interim years.	Physical property held for investment purposes.
Listed property trusts	19	Listed property trusts held by the University are quoted on the Australian Stock Exchange and are valued at the last sale price.	Listed property trusts have underlying assets comprising physical properties and cash balances. Distributions are received in cash.
Shares in listed companies	19	These shares are carried at their quoted last sale price. Movements in these values between reporting dates are accounted for in accordance with the provisions of AASB 5 "Non-current Assets Held for Sale and Discontinued Operations". Dividend income is recognised when dividends are received.	A mixture of ordinary and preference shares are held.
Shares in unlisted companies	19	These shares are carried at their quoted last sale price. These shares are not traded in active markets. Movements in these values between reporting dates are accounted for in accordance with the provisions of AASB 5 "Non-current Assets Held for Sale and Discontinued Operations". Dividend income is recognised when dividends are received.	A mixture of ordinary and preference shares are held.
Floating rate notes (FRNs)	19	Carried at face value plus accrued interest from last coupon payment date.	Income quarterly. Coupon set quarterly at a premium to 90 day Bank Bill Swap Reference Rate. Fixed term. Investment is restricted to FRNs issued by authorised banks or companies with A+ credit ratings.
Listed hybrid securities	19	Listed hybrid securities are recognised at market value. Interest or income is credited to revenue as it accrues.	Investment is restricted to authorised banks and companies with a BBB- credit rating or better with terms of up to 10 years. Coupons/dividends are received on anniversary of maturity and quarterly from anniversary date. Coupons/dividends can also be received each six months.
Loans receivable	18	Third party loans are carried at nominal amounts.	Repayment of principal and interest on loans have varying terms and conditions.
<b>Financial liabilities</b>		Financial liabilities are recognised when a present obligation to another party is entered into and the amount of the liability can be reliably measured.	
Trade creditors	26	Creditors and accruals are recognised at their nominal amounts, being the amounts at which the liabilities will be settled. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced).	Settlement is usually made net 30 days.
Loans Payable	24	Loans payable are recognised at their nominal amounts, being the amounts at which the liabilities will be settled.	Repayments are quarterly, based upon the indexed annuity bond repayment schedule applicable as and when the repayments fall due.

## THE AUSTRALIAN NATIONAL UNIVERSITY

## NOTES continued

## 28.2 INTEREST, CURRENCY, MARKET, CASH FLOW AND CREDIT RISK

2005	Less than 1 year \$'000	Between 1 and 5 years \$'000	Greater than 5 years \$'000	Total carrying amount \$'000	Fair Value \$'000	Weighted average interest rate %
<b>FINANCIAL ASSETS</b>						
<i>Interest Rate Risk</i>						
Corporate bonds	23,230	49,645	5,320	78,195	78,195	6.80
Listed hybrid securities	11,873	18,040	-	29,913	29,913	5.95
Debentures	4,000	-	-	4,000	4,000	6.00
Government and semi-government bonds	-	6,282	-	6,282	6,282	7.91
Capital Indexed Bonds	-	-	-	-	-	0.00
Transferable certificates of deposit	17,815	-	-	17,815	17,815	5.64
<i>Currency Risk</i>						
Overseas managed investment funds	-	-	37,679	37,679	37,679	n/a
<i>Market Risk</i>						
Convertible notes	-	-	6,201	6,201	6,201	
Managed investment funds	-	-	103,431	103,431	103,431	n/a
Properties	-	-	11,800	11,800	11,800	n/a
Listed property trusts	-	-	34,828	34,828	34,828	n/a
Listed shares and share options	-	-	381,068	381,068	381,068	n/a
Unlisted shares and share options	-	-	17,481	17,481	17,481	n/a
Interests in related parties	-	-	178	178	178	n/a
<i>Cash Flow Risk</i>						
Cash	79,774	-	-	79,774	79,774	5.63
Floating rate notes	12,287	137,235	33,000	182,522	182,522	6.22
<i>Credit Risk</i>						
Receivables	34,321	-	-	34,321	34,321	n/a
Loans Receivable	-	1,500	-	1,500	1,500	3.59
<b>Total Financial Assets</b>	<b>183,300</b>	<b>212,702</b>	<b>630,986</b>	<b>1,026,988</b>	<b>1,026,988</b>	
<b>FINANCIAL LIABILITIES</b>						
<i>Credit Risk</i>						
Trade creditors	18,463	-	-	18,463	18,463	n/a
Loans Payable	(1,120)	(2,376)	118,517	115,021	115,021	6.24
<b>Total Financial Liabilities</b>	<b>17,343</b>	<b>(2,376)</b>	<b>118,517</b>	<b>133,484</b>	<b>133,484</b>	

The information provided has been prepared for consolidated activity only.

*Interest rate risk* is the risk that the realisable value of a financial instrument will fluctuate due to changes in market interest rates.

*Currency risk* is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

*Market risk* is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices.

*Cash flow risk* is the risk that realisable future cash flows associated with a monetary financial instrument will fluctuate in amount.

*Credit risk* is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

The University's maximum exposure to credit risk at 31 December 2005 in relation to each class of recognised financial assets is the carrying amount of those assets as indicated in the Balance Sheet. The University has no significant exposure to any concentration of credit risk. All figures for credit risk referred to do not take into account the value of any collateral or other security.

## THE AUSTRALIAN NATIONAL UNIVERSITY

## NOTES continued

## 28.3 INTEREST, CURRENCY, MARKET, CASH FLOW AND CREDIT RISK

2004	Less than 1 year \$'000	Between 1 and 5 years \$'000	Greater than 5 years \$'000	Total carrying amount \$'000	Fair Value \$'000	Weighted average interest rate %
<b>FINANCIAL ASSETS</b>						
<i>Interest Rate Risk</i>						
Corporate bonds	19,281	82,887	10,200	112,368	112,368	6.61
Debentures	5,000	-	-	5,000	5,000	5.68
Government and semi-government bonds	302	11,805	5,009	17,116	17,116	7.21
Capital Indexed Bonds	-	4,802	-	4,802	4,802	4.00
Transferable certificates of deposit	21,589	2,000	-	23,589	23,589	5.69
<i>Currency Risk</i>						
Overseas managed investment funds	-	-	31,857	31,857	31,857	n/a
<i>Market Risk</i>						
Convertible notes	-	-	4,558	4,558	4,558	5.25
Managed investment funds	-	-	38,104	38,104	38,104	n/a
Properties	-	-	18,300	18,300	18,300	n/a
Property trusts	-	-	25,583	25,583	25,583	n/a
Shares and share options	-	-	291,259	291,259	291,259	n/a
<i>Cash Flow Risk</i>						
Cash	134,762	-	-	134,762	134,762	5.47
Floating rate notes	15,063	110,012	39,075	164,150	164,150	6.07
<i>Credit Risk</i>						
Receivables	35,485	-	-	35,485	35,485	n/a
Loans Receivable	207	5,576	840	6,623	6,623	1.37
<b>Total Financial Assets</b>	<b>231,689</b>	<b>217,082</b>	<b>464,785</b>	<b>913,556</b>	<b>913,556</b>	
<b>FINANCIAL LIABILITIES</b>						
<i>Credit Risk</i>						
Trade creditors	23,407	-	-	23,407	23,407	n/a
Loans Payable	289	3,241	111,192	114,722	114,722	4.91
<b>Total Financial Liabilities</b>	<b>23,696</b>	<b>3,241</b>	<b>111,192</b>	<b>138,129</b>	<b>138,129</b>	

The information provided has been prepared for consolidated activity only.

*Interest rate risk* is the risk that the realisable value of a financial instrument will fluctuate due to changes in market interest rates.

*Currency risk* is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

*Market risk* is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices.

*Cash flow risk* is the risk that realisable future cash flows associated with a monetary financial instrument will fluctuate in amount.

*Credit risk* is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

The University's maximum exposure to credit risk at 31 December 2004 in relation to each class of recognised financial assets is the carrying amount of those assets as indicated in the Balance Sheet. The University has no significant exposure to any concentration of credit risk. All figures for credit risk referred to do not take into account the value of any collateral or other security.

## THE AUSTRALIAN NATIONAL UNIVERSITY

## NOTES continued

	Consolidated		University	
	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
<b>29. RECONCILIATION OF OPERATING RESULT TO NET CASH FLOWS FROM OPERATIONS</b>				
Reported net operating surplus/(deficit) from ordinary activities	46,709	2,305	46,268	1,989
Depreciation and amortisation of property, plant and equipment	39,080	39,476	38,809	39,179
Impairment losses	3,425	-	3,425	-
Net loss on disposal of assets	1,920	1,109	1,930	1,109
Provision for doubtful debts	254	83	254	83
Provision for intellectual property protection	9	9	-	-
Provision for income tax	116	-	-	-
Unrealised (gain)/loss on investments	(1,827)	2,188	(1,827)	2,188
(Increase)/decrease in operating assets				
Receivables	745	(3,475)	5,136	(2,907)
Advance payments and prepaid expenditure	(2,787)	(2,237)	(2,848)	(2,377)
Inventories	(4,420)	(4,116)	(385)	(3,984)
Increase/(decrease) in operating liabilities				
Provision for employee entitlements	14,009	21,413	14,048	21,405
Employee related liabilities	15,524	3,247	15,524	3,247
Trade creditors	(4,909)	5,294	(4,755)	5,654
Other provisions and payables	12,022	(29,083)	2,519	(27,811)
Other		-	-	
Net cash flows from operating activities	119,870	36,213	118,098	37,775

**30. LAND****Australian Capital Territory**

The major teaching and research facilities of the University are located on the Acton Campus site of 148 hectares and the Mt Stromlo site of 81 hectares. These sites are provided free of charge and held on lease in perpetuity. The use of this land is restricted to Australian National University activities. The University occupies other sites of 224 hectares within the Australian Capital Territory on varying leasehold terms and conditions. The value of land in the Australian Capital Territory has been assessed and brought to account.

**New South Wales**

The University owns 148 hectares of freehold land at Coonabarabran on which is located the Siding Spring Observatory and a further 3 hectares is held by the University at Coonabarabran under permissive occupancy. The University owns 349 hectares of freehold land at Kioloa. The value of land in New South Wales has been assessed and brought to account.

**Northern Territory**

The University occupies 26,500 hectares near Tennant Creek held on lease in perpetuity on which is located the Warramunga Seismic Station. The University owns 4 hectares of freehold land at Darwin on which is located field research headquarters. The value of land in the Northern Territory has been assessed and brought to account.

**Fiji**

The University occupies 1 hectare at Suva, which is used for field research purposes and is held on a 75 year lease from November 1965. The value of this site has not been assessed nor brought to account.

## THE AUSTRALIAN NATIONAL UNIVERSITY

## NOTES continued

## 31. REMUNERATION OF OFFICERS

	Consolidated		University	
	2005	2004	2005	2004
	\$	\$	\$	\$
Income received or due and receivable by officers <sup>1</sup>	10,223,324	8,830,065	9,764,141	8,830,065

1. Aggregate remuneration disclosed relates only to those officers captured within the \$15,000 bands above \$130,000. An 'officer' is defined as a person who is concerned in, or takes part in, the management of the university. The directors of entities consolidated are considered officers of the consolidated entity.

The number of officers included in these figures are shown below in the relevant income bands

	Consolidated		University	
	2005	2004	2005	2004
	Number	Number	Number	Number
\$130,000 - \$144,999	8	9	7	9
\$145,000 - \$159,999	8	9	7	9
\$160,000 - \$174,999	11	7	10	7
\$175,000 - \$189,999	7	5	7	5
\$190,000 - \$204,999	4	5	4	5
\$205,000 - \$219,999	3	2	3	2
\$220,000 - \$234,999	4	5	4	5
\$235,000 - \$249,999	2	2	2	2
\$250,000 - \$264,999	2	-	2	-
\$265,000 - \$279,999	-	2	-	2
\$280,000 - \$294,999	2	-	2	-
\$295,000 - \$309,999	1	-	1	-
\$520,000 - \$534,999	-	1	-	1
\$550,000 - \$564,999	1	-	1	-
	53	47	50	47

The aggregate amount of separation and redundancy payments during the year to officers was nil.

Fees are not payable to members of Council with the exception of one Director who receives remuneration as Director of ANU Enterprises P/L (\$12,000) and Board Chairman of Australia Scientific Instruments P/L (\$15,000). Employees of the University who are members of Council do not receive remuneration for Council service other than their salaries.

**Members of Council during the year were:**

The Hon Emeritus Professor P E Baume AO  
 Professor I W Chubb AO  
 The Hon Justice A C Bennett  
 Ms I R Atlas  
 Mr M Delaney  
 Dr V W J Fitzgerald  
 Mr J F Muir AO  
 Ms R Hughes AO  
 Ms M D Letts

Professor M D Coper  
 Dr I G Morgan  
 Dr A M I Hyslop  
 Ms K L Hill  
 Mr B C Baker (from 18 April 2005)  
 Mr J Sass (to 17 April 2005)  
 Ms M L Crespo (from 1 December 2005)  
 Ms A Rao (to 30 November 2005)



## THE AUSTRALIAN NATIONAL UNIVERSITY

## 32. REMUNERATION OF AUDITORS

	Consolidated		University	
	2005	2004	2005	2004
	\$	\$	\$	\$
Remuneration to the Auditor-General for auditing the financial statements for the reporting period <sup>1</sup>	246,000	223,000	192,000	182,000
Total remuneration paid to the Auditor-General	246,000	223,000	192,000	182,000

1. Amounts shown exclude GST paid on these services.

No other services were provided by the Auditor-General during the reporting period.

## 33. NUMBER OF EMPLOYEES

The number of employees at the end of the reporting period was 3,850 for the University (2004 3,831) and 3,903 for the consolidated entity (2004 3,892).

## 34. SUPERANNUATION COMMITMENTS

## 34.1 Commonwealth Superannuation Account

Since 1949, the University has maintained an account, on conditions approved by the Treasurer of the Commonwealth, to meet the emerging costs of the employer's liability under the Commonwealth Superannuation Scheme - a Defined Benefit Scheme. The Commonwealth Government has now closed this Scheme.

The Commonwealth Superannuation Account maintained by the University is not a superannuation fund as defined in AASB 119, the assets supporting the liability are maintained as a component of the overall University investment portfolio. As far as practical the University has adopted the accounting treatment and disclosure requirements of AASB 119. The University is recognising actuarial gains and losses in the period in which they occur outside the profit and loss as permitted under the Standard and the FMOs Policy 4C.5, and as such are disclosed in the Statement of Changes in Equity 2005 \$3,407,773 (2004 \$22,034,084) resulting in a cumulative amount of actuarial gains recognised in equity of \$25,441,857.

Transfers are made to the account each fortnight in accordance with a predetermined formula approved by Council and based on advice from the Commonwealth Actuary. The University's contribution rate in 2005 was 14 per cent of eligible employee superannuable salaries (equivalent to the contribution rate the University is required to make for all employees who are members of UniSuper, formerly known as the Superannuation Scheme for Australian Universities). Pensions are met on an emerging cost basis and paid to the Commonwealth Superannuation Administration.

The following have been recognised in the Income Statement in Employee expenses; Current Service Cost \$4,029,069 (2004 \$3,788,642) and Interest Cost \$26,007,151 (2004 \$25,352,025).

The following principal actuarial assumptions have been adopted as at reporting date (values are expressed as weighted averages):

	2005	2004
Discount rate as at 31 December	5.23%	5.39%
Expected return on plan assets at 31 December	8.60%	8.60%
Future salary increases	4.00%	4.00%
Future pension increases	2.50%	2.50%

The University's Investment Department completed a review of the historical performance of its investment portfolio and the current, and likely future investment environment taking into account economic growth and inflation profiles in each of the investment sectors. The projections were prepared for a twenty year time horizon and a nominal annualised return rate of 8.6% was determined.

## Reconciliation of the Present Value of the Obligation

	Consolidated		University	
	2005	2004	2005	2004
	\$	\$	\$	\$
Previous year closing balance	471,637	438,661	471,637	438,661
Current Service cost	4,029	3,788	4,029	3,788
Interest cost	26,007	25,352	26,007	25,352
Actuarial (gains)/losses	3,408	22,034	3,408	22,034
Benefit payments	(17,998)	(18,198)	(17,998)	(18,198)
Current year closing balance	487,083	471,637	487,083	471,637

## THE AUSTRALIAN NATIONAL UNIVERSITY

## NOTES continued

## 34.1 Commonwealth Superannuation Account continued

## Reconciliation of the Fair Value of Plan Assets

	Consolidated		University	
	2005	2004	2005	2004
	\$	\$	\$	\$
Opening fair value of plan assets	464,428	423,468	464,428	423,468
Expected return on plan assets	39,262	35,729	39,262	35,729
Contributions	2,212	2,171	2,212	2,171
Transfers	(35,000)	-	(35,000)	-
Benefits paid	(17,998)	(18,198)	(17,998)	(18,198)
Actuarial gain/(loss)	64,146	21,258	64,146	21,258
Current year closing balance	517,050	464,428	517,050	464,428

## Reconciliation of the present value of the obligation and the fair value of the plan assets to the assets and liabilities recognised in the Balance Sheet

	Consolidated		University	
	2005	2004	2005	2004
	\$	\$	\$	\$
Present value of funded obligation	487,083	471,637	487,083	471,637
Fair value of plan assets	517,049	464,428	517,049	464,428
Present value of unfunded obligations	-	-	-	-
Unrecognised past service cost	-	-	-	-
Net liability in Balance Sheet	(29,966)	7,209	(29,966)	7,209
Amounts in Balance Sheet				
Liabilities	487,083	471,637	487,083	471,637
Assets	517,049	464,428	517,049	464,428
Net liability in Balance Sheet	(29,966)	7,209	(29,966)	7,209

## 34.2 Superannuation Scheme for Australian Universities

New continuing staff members employed by the University since 1 April 1983 have been required to join the Superannuation Scheme for Australian Universities (SSAU) until 30 September 2000. From 1 October 2000, SSAU and the Tertiary Education Superannuation Scheme merged to become a single scheme, UniSuper. This merged scheme continues to have a defined benefits component which is managed independently of the University. The University contributes to the Scheme at the rate equivalent to 14 per cent of members' salaries. The University's contributions in 2005 were \$47,802,123 (2004 \$42,520,003).

The UniSuper Defined Benefit Plan (DBP) is a defined benefit plan. Sufficient information is not available to account for the defined benefits provided by the DBP as a defined benefit plan. As set out under Paragraph 32 (b) of AASB 119, the DBP exposes the participating employers to actuarial risks associated with the current and former employees of other participating employers, with the result that there is no consistent and reliable basis for allocating the obligation, plan assets and cost to participating employers.

As at 30 June 2005 there is no funding surplus or deficit which currently affects, or is expected to affect, the amount of future contributions payable by participating employers to the DBP.

## THE AUSTRALIAN NATIONAL UNIVERSITY

## NOTES continued

**34.2 Superannuation Scheme for Australian Universities continued**

Historically surplus in the DBP has been used to improve members' benefits and has not affected the amount of participating employers' contributions.

As at 30 June 2005 the assets of the DBP in aggregate were estimated to be \$230 million in excess of vested benefits. The vested benefits are benefits that are not conditional upon continued membership (or any factor other than leaving the service of the participating institution) and include the value of CPI indexed pensions being provided by the DBP.

As at 30 June 2005 the assets of the DBP in aggregate were estimated to be \$1,543 million in excess of accrued benefits. The accrued benefits have been calculated as the present value of expected future benefit payments to members and CPI indexed pensioners which arise from membership of UniSuper up to the reporting date.

The vested benefit and accrued benefit liabilities were determined by the Fund's actuary Russell Employee Benefits using the actuarial demographic assumptions outlined in their report dated 16 May 2003 on the actuarial investigation of the DBP as at 31 December 2002. The financial assumptions used were:

	Vested <u>Benefits</u>	Accrued <u>Benefits</u>
Gross of tax investment return	7.0% p.a.	9.1% p.a.
Net of tax investment return	6.5% p.a.	8.6% p.a.
Consumer Price Index	2.5% p.a.	2.5% p.a.
Inflationary salary increases	3.5% p.a.	3.5% p.a.

(additional promotional salary increases are assumed to apply based on past experience)

Assets have been included at their net market value, i.e. allowing for realisation costs.

Clause 34 of the UniSuper Trust Deed outlines the process UniSuper must undertake (including employer notifications and notice periods) in order to request additional contributions from employers if the UniSuper assets are considered by the Trustee to be insufficient to provide benefits payable under the Deed. At least four years notice that such a request may be made is required. If such a request was agreed to by employers then members must also contribute additional contributions equal to one-half of the rate at which their employer is prepared to contribute. If employers do not agree to increase contributions the Trustee must reduce benefits on a fair and equitable basis. The Trustee notified employers during 2003 that such a request may be made in the future but it considered this was unlikely at that time.

**34.3 Public Sector Superannuation Scheme**

The University has a small number of employees who are members of the Public Sector Superannuation Scheme to which the University contributes at the rate of 9.7 per cent of members salaries. During 2005, the University's contributions amounted to \$116,821 (2004 \$118,935). This scheme is closed to new members of the University's staff.

**34.4 Employee Non Contributory Productivity Superannuation Schemes**

The University's contributions for employees who are contributors to the Commonwealth Superannuation and Public Sector Superannuation Schemes are paid to the Commonwealth Superannuation Administration. The University contributes to the Schemes between 2 to 3 per cent of members' salaries. During 2005, the University's contributions were \$368,048 (2004 \$368,355) and \$32,518 (2004 \$32,370) respectively.

The University paid contributions for eligible employees, other than employees who are contributors to the Commonwealth Superannuation and Public Sector Superannuation Schemes, to the Tertiary Education Superannuation Scheme until 30 September 2000, and since then to the newly established UniSuper. The new scheme continues to offer a cash accumulation component. The University contributes to the Scheme at a rate of 3 per cent of members' salaries for full-time University employees. The University's contributions in 2005 were \$14,513,789 (2004 \$12,535,751).

## THE AUSTRALIAN NATIONAL UNIVERSITY

## NOTES continued

## 35. COOPERATIVE RESEARCH CENTRES

The University received Commonwealth Funding under the Cooperative Research Centres Program for the establishment of the following Cooperative Research Centres:

**Australian Photonics** - an unincorporated collaborative venture established in 1992. The current partners include the University, The University of Melbourne, The University of New South Wales, The University of Sydney, RMIT University, TAFE NSW, DSTO and 21 industry partners. The Centre's area of research, development and commercialisation is telecommunications - new and improved hardware components to facilitate more efficient and effective telecommunications services. The objectives of the CRC include to be a centre of excellence in photonics with internationally recognised, commercially relevant research programs; to improve the international competitiveness of Australian industry through transfer of photonic technology; and to provide industry with knowledge and skills in photonics through educational programs with emphasis on high quality postgraduate training. The University's contribution (representing 13.47 per cent of the total of the partners' contributions) in the form of staff and equipment resources and cash from 1992 has an approximate value of \$10,482,000. The Centre is administered by Australian Photonics Pty Ltd.

**Landscape Environments and Mineral Exploration** - a cooperative research centre established in 1995 with the core participants being the CSIRO, the University, the Australian Geological Survey Organisation, and the University of Canberra. The Centre is developing a framework to increase the understanding of the evolution of the Australian landscape to improve the ability to recognise major new mineral deposits. The Centre's agreement was renewed for seven years from 1 July 2001. The University's in-kind contribution (representing 8.2 per cent of the total of the partners' contributions) will be \$11,416,000 over seven years from 2001. The Centre is administered by the CSIRO.

**Greenhouse Accounting** - a cooperative research centre with the core participants being the Australian Greenhouse Office, the University, the Bureau of Rural Sciences, the CSIRO, the Department of Conservation and Land Management (WA), the Departments of Natural Resources and Primary Industries (QLD) and State Forests (NSW). The Centre is developing methods of accounting for carbon emissions and sinks in Australian landscapes and for reducing greenhouse gases through responsible management of Australian ecosystems. The University's in kind contribution (representing 45 per cent of the total of the partners' contributions) will be \$23,878,000 over seven years from 1999. The University acts as the Centre Agent.

**Tropical Plant Protection** - a cooperative research centre with the core participants being the University, the Bureau of Sugar Experiment Stations, CSIRO, the Departments of Agriculture, Fisheries and Forestry (Australian Quarantine Inspection Service and the National Office of Animal and Plant Health), Primary Industries (QLD), Primary Industries and Fisheries (NT), the Northern Territory University, RhoBio, the University of Queensland. The centre's objective includes establishing programs for improved plant disease and pest management, with major emphasis on improved disease and pest prevention strategies and the increased utilisation of plant resistance to diseases and pests. The University's in kind contribution (representing 2.13 per cent of the total of core participants' contributions) will be \$1,092,000 over seven years from 1999. The University of Queensland acts as the Centre Agent.

**Innovative Dairy Products** - a cooperative research centre with the core partners being Monash University, CSIRO, Genetics Australia Co-operative Limited, the University of Sydney, Dairy Research and Development Corporation, Australian Dairy Farmers Federation and Bonlac Foods Limited. The mission of the centre is to develop and commercialise new genomic technologies and products to underpin a highly innovative, progressive and internationally competitive Australian Dairy industry. As an associate partner, the University's in kind contribution (representing 2.0 per cent of the total of core and supporting participants' contributions) will be \$1,112,000 over seven years from July 2001. The agreement provides for the establishment of a propriety limited company for management purposes.

**Functional Communication Surfaces** - a cooperative research centre with the core partners being the University, Monash University, CSIRO, Amcor Packaging (Australia) Pty Ltd, Carter Holt Harvey Tissues Pty Ltd, Norske Skog Paper Mills (Australia) Ltd, Note Printing Australia Ltd and PaperlinX Ltd. The mission of the centre is to establish a self-funding R&D capability able to fully leverage the market opportunities offered by the rapidly expanding requirements for "smart" print surfaces. The University's in kind contribution (representing 17.1 per cent of the total of core partners' contributions) will be \$5,999,000 over seven years from July 2001. Monash University acts as the Centre Agent.

## THE AUSTRALIAN NATIONAL UNIVERSITY

## NOTES continued

**35. COOPERATIVE RESEARCH CENTRES continued**

Smart Internet Technology - a cooperative research centre with the core partners including the University, Adacel, Hewlett Packard, Motorola, NSW GTA, Telstra, the Universities of New South Wales, Sydney and Wollongong. The centre combines research in artificial intelligence, social interaction and network development to create enabling technologies for smart Internet applications that will allow users and network providers to manage this complexity. The University's in kind contribution (representing 9.5 per cent of the total of core partners' contributions) will be \$4,200,000 over seven years from July 2001. The centre operates as an incorporated management company (CRCSIT Pty Limited). The University withdrew as a full partner at the end of October 2005.

Sustainable Production Forestry - a cooperative research centre with the core participants including the University, the University of Tasmania, CSIRO, Southern Cross University, Griffith University, University of Queensland, and 10 industry partners. The Centre is to undertake high quality research that contributes to national forestry objectives including economic and social development. It also aims to ensure that Australian industry captures the benefits of research by active involvement in the Centre. The University's in kind contribution (representing 14.4 per cent of the total of the core participants' contributions) will be \$1,231,000 over seven years from July 1997. The University of Tasmania is the Centre Agent.

Bushfire CRC - a cooperative research centre with the core participants including CSIRO, University of Melbourne, University of Tasmania, University of Western Australia, Bureau of Meteorology, 5 State Government departments and 7 State fire & emergency authorities. The University is an associate participant. The Centre is to undertake research which enhances the management of the bushfire risk to the community in an economically and ecologically sustainable way. The University's in kind contribution will be \$221,000 over seven years from July 2003. The centre operates as an incorporated management company (Bushfire Cooperative Research Centre Limited).

Costs for all Cooperative Research Centres are expensed as incurred except where future benefits are expected beyond reasonable doubt to exceed these costs. In 2005 all costs were expensed.

**36. RELATED PARTY DISCLOSURES**

The University enters into a number of transactions for the provision of goods and services under normal commercial terms and conditions with student organisations based on campus.

**37. CONTINGENT ASSETS**

The University lost significant assets at the Research School of Astronomy and Astrophysics, Mt Stromlo Observatory as a result of the Canberra firestorms on 18 January 2003. The University insurers have failed to provide adequate compensation to date and as a result the University has issued writs against the insurance companies involved. The final outcome of these actions cannot be reliably measured at this time.

## THE AUSTRALIAN NATIONAL UNIVERSITY

## NOTES continued

## 38. CONTINGENT LIABILITIES

Guarantees of \$6,562 have been given to The Credit Union of Canberra Ltd for loans made to needy students. Guarantees of \$8,963 have been given to the National Australia Bank for the balances of loans provided pursuant to the Legal Workshop Loan Scheme. Guarantees of \$45,660 have been given to various property lessors in respect of ANU student tenancy agreements for 2005 student accommodation.

The University is currently involved in a number of legal matters. The liability of the University in respect of these matters cannot be reliably estimated at this time.

## 39. SEGMENT INFORMATION

The Economic Entity operates predominantly in the Australian Capital Territory for the purpose of teaching and research.

## 40. ECONOMIC DEPENDENCY

The University is to a significant extent dependant on monies received pursuant to the Higher Education Funding Act 1988, the Higher Education Support Act 2003 and the Australian Research Council Act 2001 to fund its operations. In 2005, funding from these Acts (\$352,504,000) represented 50.9 per cent (2004 \$335,679,000 51.5 per cent) of the total operating revenues.

## 41. SPECIAL ACCOUNTS

a) The University has established 'The Australian National University ADS Students Third Party Payments ADS Special Account'. The Account holds funds used to meet costs for students sponsored by Ausaid. The monies are placed in a special bank account and expended on Student stipends in accordance with the terms of the Ausaid agreement. The monies are not available for other purposes of the University and are not recognised in the financial statements.

	University	
	2005	2004
	\$'000	\$'000
Balance carried forward from previous year	4	230
Receipts during the year	5,318	5,138
Interest received	4	45
Available for payments	5,326	5,413
Less payments made	5,324	5,409
Balance carried forward to next year	<u>2</u>	<u>4</u>

b) The University processes Comcare receipts and payments through a distinct location and account code combination in the ledger. The monies are not available for other purposes of the University and are not recognised in the financial statements.

	University	
	2005	2004
	\$'000	\$'000
Balance carried forward from previous year	-	-
Receipts during the year	527	495
Available for payments	527	495
Less payments made	527	495
Balance carried forward to next year	<u>-</u>	<u>-</u>

## THE AUSTRALIAN NATIONAL UNIVERSITY

## NOTES continued

## 42. JOINT VENTURES

## 42.1 Arafura Timor Research Facility

The Australian National University has entered into a joint venture operation called the Arafura Timor Research Facility (ATRF), a major national research facility, whose principal function is to support the conduct of world-class research into marine and coastal ecosystems of the Arafura Timor region, including living and non-living resources, and into the effective use of those resources through science, technology, policy and industry. The purpose of the facility is to facilitate research directed at the growth and regional capacity of commercial enterprises, to assist the economic development and resource security of the littoral states of the regional seas.

The Australian National University has a 50% participating interest in this joint venture and is entitled to 50% of its output. The Australian National University's interests in the assets employed in the joint venture are included in the consolidated statement of financial position for 2005, in accordance with the accounting policy described in Note 1.19, under the following classifications:

	Consolidated		University	
	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
<b>Share of ATRF Assets and Liabilities</b>				
Current Assets				
Cash	407	406	407	406
Receivables	1	-	1	-
Total Current Assets	408	406	408	406
Non-Current Assets				
Work in Progress - Building	-	3,222	-	3,222
Buildings - at cost	2,985	-	2,985	-
Less: Accumulated depreciation	(37)	-	(37)	-
	2,948	3,222	2,948	3,222
Plant, Equipment and Motor Vehicles - at cost	204	29	204	29
Less: Accumulated depreciation	(8)	(4)	(8)	(4)
	196	25	196	25
Total Non Current Assets	3,144	3,247	3,144	3,247
<b>Total Assets</b>	<b>3,552</b>	<b>3,653</b>	<b>3,552</b>	<b>3,653</b>
Current Liabilities				
Other Payables	1,776	1,827	1,776	1,827
Total Current Liabilities	1,776	1,827	1,776	1,827
<b>Total Liabilities</b>	<b>1,776</b>	<b>1,827</b>	<b>1,776</b>	<b>1,827</b>
<b>Share of assets employed in joint venture</b>	<b>1,776</b>	<b>1,826</b>	<b>1,776</b>	<b>1,826</b>
<b>Share of ATRF Revenues, Expenses and Results</b>				
Revenues	427	2,281	427	2,281
Expenses	(478)	(454)	(478)	(454)
<b>Surplus from ordinary activities</b>	<b>(51)</b>	<b>1,827</b>	<b>(51)</b>	<b>1,827</b>

THE AUSTRALIAN NATIONAL UNIVERSITY

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## NOTES continued

**42. JOINT VENTURES continued****42.2 ANU MTAA Super Venture Capital Pty Ltd**

The Australian National University has entered into a joint venture entity called the ANU Super Venture Capital Pty Ltd which is registered in Australia. The entity's principal function is to provide governance and administration services to the ANU MTAA Super Venture Capital Partnership, LP.

The Australian National University has a 50% participating interest in this joint venture. The voting power held by the Australian National University is 50%. The Australian National University's interests in the joint venture have been accounted for under the Equity Method and as such reported ownership interest is included in the consolidated statement in accordance with the accounting policy described in Note 1.20.

Retained earnings attributable to the interest in the joint venture as at 31 December 2005 \$19,162 (2004 \$0). Carrying amount of investment in the joint venture entity as at 31 December 2005 \$19,174 (2004 \$0).

**42.3 ANU MTAA Super Venture Capital Partnership, LP**

The Australian National University has entered into a joint venture entity called the ANU Super Venture Capital Partnership, LP, which is registered under the Partnership Act as an incorporated limited partnership and registered under the Venture Capital Act as a venture capital limited partnership with ANU MTAA Super Venture Capital Limited Partnership acting as the General Partner of the Partnership and the Australian National University and the Motor Trades Association of Australia Superannuation Fund Pty Limited as the limited partners of the Partnership. ANU MTAA Super Venture Capital Partnership, LP is registered in Australia. The entity's principal function is to provide investment in commercialisation, pre-seed and early stage private equity investment opportunities.

The Australian National University has a 50% participating interest in this joint venture. The voting power held by the Australian National University is 50%. The Australian National University's interests in the joint venture have been accounted for under the Equity Method and as such reported ownership interest is included in the consolidated statement in accordance with the accounting policy described in Note 1.20.

Accumulated deficits attributable to the interest in the joint venture as at 31 December 2005 (\$90,990) (2004 \$0). Carrying amount of investment in the joint venture entity as at 31 December 2005 \$159,010 (2004 \$0).



THE AUSTRALIAN NATIONAL UNIVERSITY

NOTES continued

43. ACQUISITION OF AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE

43.1 DEST - CGS and Other DEST Grants

Notes	Commonwealth Grants Scheme #		Indigenous Support Scheme		Equity Programmes *		Workplace Reform Programme		Workplace Productivity Programme	
	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
Financial assistance received in cash during the reporting period (total cash received from the Commonwealth for the Programmes)	42,721	37,500	285	-	169	111	682	3,803	-	-
Net accrual adjustments	-	-	-	-	-	-	-	-	-	-
Revenue for the Period	42,721	37,500	285	-	169	111	682	3,803	-	-
Surplus / (deficit) from the previous year	-	-	-	-	-	-	-	-	-	-
Total revenue including accrued revenue	42,721	37,500	285	-	169	111	682	3,803	-	-
Less expenses including accrued expenses	42,721	37,500	285	-	169	111	682	3,803	-	-
Surplus / (deficit) for reporting period	-	-	-	-	-	-	-	-	-	-

# Includes the basic CGS grant amount, CGS-Regional Loading and CGS-Enabling Loading. Comparatives are pro-rata split for CGSNIF.

\* Includes Higher Education Equity Programme and Students with Disabilities Programme.

43.1 DEST - CGS and Other DEST Grants continued

Notes	Learning & Teaching Performance Fund		National Institutes Funding		Capital Development Pool		Superannuation Programme		Collaboration & Structural Reform Programme		Total	
	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000	2005 \$'000	
Financial assistance received in cash during the reporting period (total cash received from the Commonwealth for the Programmes)	-	-	157,880	141,071	-	-	-	-	100	350	201,817	182,835
Net accrual adjustments	-	-	-	-	-	-	-	-	-	-	-	-
Revenue for the Period	-	-	157,880	141,071	-	-	-	-	100	350	201,817	182,835
Surplus / (deficit) from the previous year	-	-	-	-	-	-	-	-	34	-	34	-
Total revenue including accrued revenue	-	-	157,880	141,071	-	-	-	-	134	350	201,851	182,835
Less expenses including accrued expenses	-	-	157,880	141,071	-	-	-	-	134	316	201,851	182,801
Surplus / (deficit) for reporting period	-	-	-	-	-	-	-	-	-	34	-	34

THE AUSTRALIAN NATIONAL UNIVERSITY

NOTES continued

43. ACQUITTAL OF AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE continued

43.2 Higher Education Loan Programmes

Notes	HECS - HELP (Australian Government payments only)		FEE-HELP *		Total	
	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
Financial assistance received in cash during the reporting period (total cash received from the Commonwealth for the Programmes)	23,139	26,123	7,015	5,034	30,154	31,157
Net accrual adjustments	-	1,894	-	(662)	-	1,232
Revenue for the Period	23,139	28,017	7,015	4,372	30,154	32,389
Surplus / (deficit) from the previous year	-	-	-	-	-	-
Total revenue including accrued revenue	23,139	28,017	7,015	4,372	30,154	32,389
Less expenses including accrued expenses	23,139	28,017	7,015	4,372	30,154	32,389
Surplus / (deficit) for reporting period	-	-	-	-	-	-

\* For 2004, FEE-HELP figures will equal PELS and BOTPLS amounts.

43.3 Scholarships

Notes	Australian Postgraduate Awards		International Postgraduate Research Scholarships		Commonwealth Indigenous Scholarships		Commonwealth Education Costs Scholarships		Commonwealth Accommodation Scholarships		Total	
	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
Financial assistance received in cash during the reporting period (total cash received from the Commonwealth for the Programmes)	5,890	4,642	1,205	1,079	32	-	134	52	282	152	7,543	5,925
Net accrual adjustments	-	-	-	-	-	-	-	-	-	-	-	-
Revenue for the Period	5,890	4,642	1,205	1,079	32	-	134	52	282	152	7,543	5,925
Surplus / (deficit) from the previous year	(518)	-	222	-	-	-	-	-	2	-	(294)	-
Total revenue including accrued revenue	5,372	4,642	1,427	1,079	32	-	134	52	284	152	7,249	5,925
Less expenses including accrued expenses	5,242	5,160	1,381	857	21	-	134	52	266	150	7,044	6,219
Surplus / (deficit) for reporting period	130	(518)	46	222	11	-	-	-	18	2	205	(294)

THE AUSTRALIAN NATIONAL UNIVERSITY

NOTES continued

43. ACQUITTAL OF AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE continued

43.4 DEST Research

Notes	Institutional Grants Scheme		Research Training Scheme		Systemic Infrastructure Initiative		Research Infrastructure Block Grants		Total	
	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
Financial assistance received in cash during the reporting period (total cash received from the Commonwealth for the Programmes)	16,668	15,969	25,597	24,009	28,258	22,150	14,487	10,603	85,010	72,731
Net accrual adjustments	-	-	-	-	-	-	-	-	-	-
Revenue for the Period	16,668	15,969	25,597	24,009	28,258	22,150	14,487	10,603	85,010	72,731
Surplus / (deficit) from the previous year	-	-	-	-	10,733	-	-	-	10,733	-
Total revenue including accrued revenue	16,668	15,969	25,597	24,009	38,991	22,150	14,487	10,603	95,743	72,731
Less expenses including accrued expenses	16,668	15,969	25,597	24,009	35,908	11,417	14,487	10,603	92,660	61,998
Surplus / (deficit) for reporting period	-	-	-	-	3,083	10,733	-	-	3,083	10,733

43.5 Australian Research Council

(a) Discovery

Notes	Projects		Fellowships		Federation Fellowships		Indigenous Research Development		Total	
	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
Financial assistance received in cash during the reporting period (total cash received from the Commonwealth for the Programmes)	35,724	28,458	723	1,771	5,157	3,660	1	(4)	41,605	33,905
Net accrual adjustments	-	-	-	-	-	-	-	-	-	-
Revenue for the Period	35,724	28,458	723	1,771	5,157	3,660	1	(4)	41,605	33,905
Surplus / (deficit) from the previous year	13,157	-	538	-	1,849	-	-	-	15,544	-
Total revenue including accrued revenue	48,881	28,458	1,261	1,771	7,006	3,660	1	(4)	57,149	33,905
Less expenses including accrued expenses	31,309	15,301	1,110	1,233	4,596	1,831	1	(4)	37,016	18,361
Surplus / (deficit) for reporting period	17,572	13,157	151	538	2,410	1,849	-	-	20,133	15,544

THE AUSTRALIAN NATIONAL UNIVERSITY

NOTES continued

43. ACQUITTAL OF AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE continued

43.5 Australian Research Council  
(b) Linkages

Notes	Special Research Initiatives		Infrastructure		International Researcher Exchange		Projects		Total	
	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
Financial assistance received in cash during the reporting period (total cash received from the Commonwealth for the Programmes)	237	(17)	3,698	1,930	213	475	6,756	5,605	10,904	7,993
Net accrual adjustments	-	-	-	-	-	-	-	-	-	-
Revenue for the Period	237	(17)	3,698	1,930	213	475	6,756	5,605	10,904	7,993
Surplus / (deficit) from the previous year	17	-	1,153	-	213	-	4,049	-	5,432	-
Total revenue including accrued revenue	254	(17)	4,851	1,930	426	475	10,805	5,605	16,336	7,993
Less expenses including accrued expenses	7	(34)	3,007	777	206	262	8,076	1,556	11,296	2,561
Surplus / (deficit) for reporting period	247	17	1,844	1,153	220	213	2,729	4,049	5,040	5,432

43.5 Australian Research Council  
(c) Networks and Centres

Notes	Research Networks		Centres		Total	
	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
Financial assistance received in cash during the reporting period (total cash received from the Commonwealth for the Programmes)	1,307	640	4,318	4,229	5,625	4,869
Net accrual adjustments	-	-	-	-	-	-
Revenue for the Period	1,307	640	4,318	4,229	5,625	4,869
Surplus / (deficit) from the previous year	639	-	916	-	1,555	-
Total revenue including accrued revenue	1,946	640	5,234	4,229	7,180	4,869
Less expenses including accrued expenses	834	1	4,185	3,313	5,019	3,314
Surplus / (deficit) for reporting period	1,112	639	1,049	916	2,161	1,555

THE AUSTRALIAN NATIONAL UNIVERSITY

NOTES continued

44. PROGRAMS FUNDED BY GRANTS RECEIVED FROM UNITED STATES OF AMERICA FEDERAL GOVERNMENT AGENCIES

Program	Agency	2005			2004				
		1-Jan \$'000	Income \$'000	Expenditure \$'000	31-Dec \$'000	1-Jan \$'000	Income \$'000	Expenditure \$'000	31-Dec \$'000
Catalina NEO Sky Survey	NASA	163	74	15	222	4	328	169	163
University of Arizona Collaborative Agreement to Search for Near Earth Objects	NASA	-	278	158	120	-	-	-	-
Water Transport in the Lacrimal Gland	NIH	15	36	18	33	(17)	76	44	15
Honeybee Olfaction, the Perception of Time, and the Effects of Caffeine	NSF	-	50	50	-	-	-	-	-
Honeybee Olfaction, the Perception of Time, and the Effects of Caffeine	NIH	-	91	46	45	-	-	-	-
Visually Guided Terrain Following and Landing in UAV's	Office of Naval Research	-	84	20	64	-	-	-	-
Plant Response to Bacterial Quorum Sensing Signals	Dept of Agriculture	-	101	91	10	-	-	-	-
Metabolism and Toxicity of Halogenated	NIH	(20)	20	118	(118)	(174)	153	(1)	(20)
Mechanisms of Mammalian Neuronal Integration	NIH	-	71	3	68	-	-	-	-
Genes for Immunity and Tolerance	NIH	1,728	1,522	3,513	(263)	1,460	1,982	1,714	1,728
The 14th International Conference on Vacuum Ultraviolet Radiation Physics	Office of Naval Research	-	-	-	-	-	7	7	-
New Materials Techniques & Device Concepts for Organic NLO Chromophore Based Electronic Devices	Air Force	-	10	4	6	-	-	-	-
Detection of Nuclear Explosions Using Infrared Techniques	Air Force	(12)	285	188	85	-	-	12	(12)
<b>TOTALS *</b>		<b>1,874</b>	<b>2,622</b>	<b>4,224</b>	<b>272</b>	<b>1,273</b>	<b>2,546</b>	<b>1,945</b>	<b>1,874</b>

\* The Chief Investigators for the above programs have certified that the grant funds have been expended in accordance with the provisions of the grant contracts.

## THE AUSTRALIAN NATIONAL UNIVERSITY

## NOTES Continued

## 45. EXPLANATION OF TRANSITION TO AUSTRALIAN EQUIVALENTS TO IFRS

## 45.1 Income Statement

Restatement of Income Statement for the year ended 31 December 2004

	Consolidated				University			
	Restated 2004 \$'000	DR	CR	Original 2004 \$'000	Restated 2004 \$'000	DR	CR	Original 2004 \$'000
<b>REVENUES FROM ORDINARY ACTIVITIES</b>								
Commonwealth Government financial assistance								
Commonwealth Government Grants	350,778			350,778	350,778			350,778
Higher Education Contribution Scheme								
Commonwealth payments	28,017			28,017	28,017			28,017
Student contributions	6,630			6,630	6,630			6,630
Commonwealth Loan Programmes	4,372			4,372	4,372			4,372
State Government financial assistance	12,551			12,551	12,551			12,551
Fees and charges	41,198			41,198	41,198			41,198
Investment Income	58,643			58,643	58,432			58,432
Consultancy and contract research	49,193			49,193	42,813			42,813
Sales of goods and services	27,731			27,731	27,731			27,731
Gains on disposal of assets	317			317	317			317
Other revenue	28,285			28,285	24,332			24,332
<b>Total revenues from ordinary activities</b>	<b>607,715</b>			<b>607,715</b>	<b>597,171</b>			<b>597,171</b>
<b>EXPENSES FROM ORDINARY ACTIVITIES</b>								
(excluding borrowing cost expense)								
Employees	345,370	30,398	1,258	316,230	343,118	30,398	1,258	313,978
Services	216,232			216,232	208,533			208,533
Depreciation and amortisation	39,444			39,444	39,179			39,179
Write-down of assets	95			95	83			83
Losses on disposal of assets	1,426			1,426	1,426			1,426
Interest	6			6	6			6
Other	736		30,398	31,134	736	30,398		31,134
<b>Total expenses from ordinary activities</b>	<b>603,309</b>			<b>604,567</b>	<b>593,081</b>			<b>594,339</b>
(excluding borrowing cost expense)								
Borrowing cost expense	2,101			2,101	2,101			2,101
<b>Net operating surplus (deficit) from ordinary activities before the effect of the change in accounting policy for grant recognition</b>	<b>2,305</b>			<b>1,047</b>	<b>1,989</b>			<b>731</b>
Cumulative effect of change in accounting policy for recognition of grant income	-	48,995		48,995		48,995		48,995
<b>Net operating surplus (deficit) from ordinary activities</b>	<b>2,305</b>			<b>50,042</b>	<b>1,989</b>			<b>49,726</b>
Net credit/(debit) from/(to) asset revaluation reserve	-		3,518	(3,518)			3,518	(3,518)
Other net credit/(debit) from/(to) equity	-	624		624		624		624
<b>TOTAL CHANGES IN EQUITY OTHER THAN THOSE RESULTING FROM TRANSACTIONS WITH OWNERS AS OWNERS</b>	<b>2,305</b>			<b>47,148</b>	<b>1,989</b>			<b>46,832</b>

## THE AUSTRALIAN NATIONAL UNIVERSITY

Notes continued

## 45. EXPLANATION OF TRANSITION TO AUSTRALIAN EQUIVALENTS TO IFRS continued

## 45.2 Balance Sheet

Restatement of Balance Sheet as at 31 December 2004

	Consolidated				University			
	Restated 2004 \$'000	DR	CR	Original 2004 \$'000	Restated 2004 \$'000	DR	CR	Original 2004 \$'000
<b>ASSETS</b>								
<b>FINANCIAL ASSETS</b>								
Cash	134,762			134,762	131,341			131,341
Receivables	42,108			42,108	39,593			39,593
Investments	736,686			736,686	743,871			743,871
<b>TOTAL FINANCIAL ASSETS</b>	<b>913,556</b>			<b>913,556</b>	<b>914,805</b>			<b>914,805</b>
<b>NON-FINANCIAL ASSETS</b>								
Land, buildings and infrastructure	878,891			878,891	871,961			871,961
Plant and equipment	130,037	33,974	33,974	130,037	129,939	33,974	33,974	129,939
Inventories	2,801			2,801	1,592			1,592
Intangibles	104			104	-			-
Other	10,157			10,157	10,077			10,077
<b>TOTAL NON-FINANCIAL ASSETS</b>	<b>1,021,990</b>			<b>1,021,990</b>	<b>1,013,569</b>			<b>1,013,569</b>
<b>TOTAL ASSETS</b>	<b>1,935,546</b>			<b>1,935,546</b>	<b>1,928,374</b>			<b>1,928,374</b>
<b>LIABILITIES</b>								
<b>INTEREST BEARING LIABILITIES</b>								
Loans Payable	114,722			114,722	114,722			114,722
<b>TOTAL INTEREST BEARING LIABILITIES</b>	<b>114,722</b>			<b>114,722</b>	<b>114,722</b>			<b>114,722</b>
<b>PROVISIONS AND PAYABLES</b>								
Employee Benefits	545,193		56,738	488,455	544,726	56,738		487,988
Suppliers	23,407			23,407	22,764			22,764
Other	12,243			12,243	7,682			7,682
<b>TOTAL PROVISIONS AND PAYABLES</b>	<b>580,843</b>			<b>524,105</b>	<b>575,172</b>			<b>518,434</b>
<b>TOTAL LIABILITIES</b>	<b>695,565</b>			<b>638,827</b>	<b>689,894</b>			<b>633,156</b>
<b>TOTAL ASSETS AND LIABILITIES</b>	<b>1,239,981</b>			<b>1,296,719</b>	<b>1,238,480</b>			<b>1,295,218</b>
<b>EQUITY</b>								
<b>PARENT ENTITY INTEREST</b>								
Reserves	834,119			834,119	831,171			831,171
Statutory Funds (Split to be determined)								
Accumulated surpluses	405,862	105,733	48,995	462,600	407,309	105,733	48,995	464,047
<b>TOTAL EQUITY</b>	<b>1,239,981</b>			<b>1,296,719</b>	<b>1,238,480</b>			<b>1,295,218</b>
<b>CURRENT LIABILITIES</b>	<b>79,541</b>			<b>79,541</b>	<b>74,331</b>			<b>74,331</b>
<b>NON-CURRENT LIABILITIES</b>	<b>616,024</b>	56,738		<b>559,286</b>	<b>615,563</b>	56,738		<b>558,825</b>
<b>CURRENT ASSETS</b>	<b>244,212</b>			<b>244,212</b>	<b>237,051</b>			<b>237,051</b>
<b>NON-CURRENT ASSETS</b>	<b>1,691,334</b>	33,974	33,974	<b>1,691,334</b>	<b>1,691,323</b>	33,974	33,974	<b>1,691,323</b>

Notes continued

## 45. EXPLANATION OF TRANSITION TO AUSTRALIAN EQUIVALENTS TO IFRS continued

45.3 Statement of Changes in Equity  
For the year ended 31 December 2004

	Consolidated				University			
	Restated 2004 \$'000	DR	CR	Original 2004 \$'000	Restated 2004 \$'000	DR	CR	Original 2004 \$'000
Total equity at the beginning of the financial year	1,104,762	35,962	48,995	1,091,729	1,104,091	35,962	48,995	1,091,058
Operating surplus/(deficit) from ordinary activities	2,305	49,619	4,776	47,148	1,989	49,619	4,776	46,832
Net revaluation increase/(decrease)	154,948			154,948	154,434			154,434
Transfers to/(from) reserves	-	3,518	624	2,894	-	3,518	624	2,894
Adjustment direct to equity - actuarial gains/(losses) on employee superannuation liability	(22,034)	22,034	-	-	(22,034)	22,034	-	-
Total equity at the end of the financial year	<u>1,239,981</u>			<u>1,296,719</u>	<u>1,238,480</u>			<u>1,295,218</u>



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# GLOSSARY

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ACERH	Australian Centre for Economic Research on Health	NCEPH	National Centre for Epidemiology and Population Health
ANIP	Australian National Internships Program	NCIS	National Centre for Indigenous Studies
ANU	The Australian National University	NGSM	National Graduate School of Management
ANUMS	ANU Medical School	NHMRC	National Health and Medical Research Council
APCD	Asia-Pacific College of Diplomacy	PELS	Postgraduate Education Loans Scheme
APHCRI	Australian Primary Health Care Research Institute	RSAA	Research School of Astronomy and Astrophysics
APSEG	Asia Pacific School of Economics and Government	RSBS	Research School of Biological Sciences
ARC	Australian Research Council	RSC	Research School of Chemistry
CAEPR	Centre for Aboriginal Economic Policy Research	RSES	Research School of Earth Sciences
CCR	Centre for Cross-Cultural Research	RSISE	Research School of Information Sciences and Engineering
CEDAM	Centre for Educational Development and Academic Methods	RSPAS	Research School of Pacific and Asian Studies
CEQ	Course Experience Questionnaire (see <a href="http://www.graduatecareers.com.au/content/view/full/870">www.graduatecareers.com.au/content/view/full/870</a> )	RSPHYSSE	Research School of Physical Science and Engineering
CMHR	Centre for Mental Health Research	RSSS	Research School of Social Sciences
CRES	Centre for Resource and Environmental Studies	UAI	Universities Admission Index
DEST	Commonwealth Department of Education, Science and Training		
DLD	Digital Lecture Delivery, the process of capturing content from ANU lectures and converting it into a format which can be delivered to students through the web		
EFTSU	Equivalent Full-time Student Unit – used until 2004 defined in the Higher Education Funding Act 1988		
EFTSL	Equivalent Full-time Student Load – same concept as EFTSU which it replaced introduced from 2005 with the Higher Education Support Act 2003.		
ESD	Ecologically Sustainable Development		
FEC	Faculty of Economics and Commerce		
FEIT	Faculty of Engineering and Information Technology		
FTE	Full-time equivalent		
GDS	Graduate Destination Survey (see <a href="http://www.graduatecareers.com.au/content/view/full/821">www.graduatecareers.com.au/content/view/full/821</a> )		
HECS	Higher Education Contribution Scheme		
HRC	Humanities Research Centre		
IARU	International Alliance of Research Universities		
JCSMR	John Curtin School of Medical Research		
LIEF	Linkage Infrastructure, Equipment and Facilities (ARC Funding)		
MNRF	Major National Research Facilities		
MSI	Mathematical Sciences Institute		
NEC	National Europe Centre		

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