



Edith Cowan University 2007 Annual Report

EDITH COWAN UNIVERSITY

Mission

To further develop valued citizens for the benefit of Western Australia and beyond, through teaching and research inspired by engagement and partnerships.

Vision

For our staff, students and graduates to be highly regarded as ethical and self-reliant contributors to more prosperous, inclusive and sustainable communities.

Values

We value:

integrity – behaving ethically and pursuing rigorous intellectual positions.

respect – valuing individual differences and diversity.

rational inquiry – motivated by evidence and reasoning.

personal excellence – striving to realise potential and performing at exacting international standards.

Edith Cowan University: Engaging Minds; Engaging Communities. Towards 2020 can be viewed at: http://www.ecu.edu.au/GPPS/ppas/strategic_plan.html.

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1. Overview

Statement of Compliance

The Hon Mark McGowan, MLA
Minister for Education and Training
21st Floor, 197 St George's Terrace
PERTH WA 6000

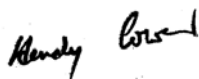
13 March 2008

Dear Minister

In accordance with Section 61 of the *Financial Management Act 2006*, we hereby submit for your information and presentation to Parliament the Annual Report of Edith Cowan University for the year ending 31 December 2007.

The Annual Report has been prepared in accordance with the provisions of the *Financial Management Act 2006* and is made in accordance with a resolution of the University's Council.

Yours sincerely



Hendy Cowan
Chancellor
On behalf of the University Council

Edith Cowan University
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JOONDALUP WA 6027

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Chancellor's Foreword

The University Council and the senior management of the University continue to work together to ensure that the University achieves its goals. 2007 saw the implementation of a new strategic direction, one which built upon the strengths of the past, but looked forward to more active engagement by the University with its many and diverse communities.

As part of this shift in emphasis, Council undertook a number of workshops during the year. Early in the year, Council worked with the University's senior management to agree on goals for the University for 2007. From the extensive work program which the University had set itself, we agreed eight critical goals dealing with academic outreach, teaching quality, attracting and retaining students, the student experience, research outcomes, attraction and retention of staff, leadership capacity and financial strength. Achievement against these goals was reviewed by Council mid-year and at the end of 2007, with the University making good progress.

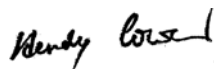
At its July workshop, Council focused on 'Engagement', receiving information about the many projects underway, and providing input into the development of the University's Engagement Plan.

Council continued its governance reform program, approving a revision of the Corporate Governance Statement and a revised evaluation program for Council. In October 2007, Council undertook a self-review exercise, the outcomes of which will provide a starting point for the 2008 professional development program. ECU continued to comply with the National Governance Protocols and reported its compliance to the Commonwealth Minister for Education, Science & Training. Importantly, however, Council is actively engaged in an ongoing process of review and improvement - making it even more effective in guiding and supporting the University in its endeavours.

Council retains great confidence in the ability of the University's Senior Leadership Team. Committees of Council are actively involved in oversight of the University, particularly in Resources, Quality and Audit and Governance areas. Council monitored the key financial and performance indicators during the year, receiving regular reports from the Senior Leadership Team. The Budget for 2008 was approved at the December 2007 meeting of Council, providing a sound financial basis to support the strategic goals of the University for 2008.

It is an honour to serve as Chancellor of Edith Cowan University and to work with outstanding students, staff and Council members. As will be seen from the Annual Report, our students, staff and graduates continue to achieve great results.

The University has much of which to be proud.



Hon Hendy Cowan
Chancellor
13 March 2008

Vice-Chancellor's Commentary

For Edith Cowan University (ECU), 2007 was a year of substantial advances and many exceptional achievements by our students and staff. Particularly outstanding was the success of a team of ECU advertising students who, in competition with 29 other entries from 22 countries, won the prestigious International Advertising Association's Dentsu InterAd XI Global Student Competition. The team presented its winning advertising campaign to the United Nations in New York in July 2007. To have our students judged "best in the world" is an achievement which is a source of immense pride for the ECU community.

ECU's new Mission and Vision commits us to value-add to our communities, particularly by providing opportunities for students from diverse backgrounds to experience and succeed in higher education. During 2007, ECU's alternative entry pathways continued to open the door to a significant number of talented and motivated individuals, who might otherwise have been excluded from university-level education. In adopting the value of Personal Excellence, ECU recognises the potential of all of our students and staff to achieve to high standards, if given appropriate opportunities and support.

The strong commitment of our staff to teaching and learning was reflected in a major achievement this year - the University's success in the Federal Government's Learning and Teaching Performance Fund. As a result of our performance, ECU will receive a grant of \$1.58m in 2008, which will be used strategically to make further improvements to outcomes for our students.

Our research staff continued to make significant contributions in areas of high social impact. Examples include: Professor Donna Cross, who was recognised for her landmark research on bullying; Professor Kamal Alameh, who won the Early Stage category of the Western Australian Inventor of the Year for his work on very high speed digital communication; and Professor Ralph Martins, whose research into newly identified genes linked to Alzheimer's disease, continues to add to the understanding of an illness which is of great community concern.

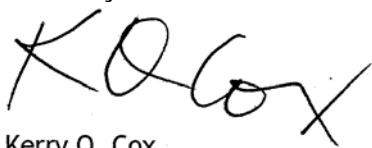
During 2007, ECU's innovative building program continued, with the completion of the Health and Wellness Building on our Joondalup Campus and significant progress was made on the Business and Law Building (to be completed in 2008) on our Mount Lawley Campus. The completion of these two buildings will enable the University to finalise its exit from the Churchlands Campus, completing our ten-year program of campus consolidation.

It was a pleasure for me to announce a number of outstanding staffing appointments during 2007. These appointments included: Professor Arshad Omari who was appointed Deputy Vice-Chancellor (Academic); Professor Ronald Oliver who was appointed Pro-Vice-Chancellor (Teaching & Learning); Professor Brenda Cherednichenko who was appointed Executive Dean (Education & Arts) and Pro-Vice-Chancellor (Equity & Indigenous); and late in 2007, Professor John Finlay-Jones who was appointed Deputy Vice-Chancellor (Research) Designate.

Professor Patrick Garnett, Deputy Vice-Chancellor (Research & Operations), retired on 31 December 2007, after 34 years of distinguished service with ECU and its predecessor organisations. Professor Garnett has made outstanding contributions to the strategic direction and reputation of the University through his exemplary and sustained service. On behalf of the ECU community, I congratulate Patrick on his outstanding career achievements, I thank him for his many contributions to the University and I wish him all the best for the future.

I thank our Chancellor, the Hon Dr Hendy Cowan, for his exemplary leadership and support. Along with the rest of the University community, I welcome his unanimous re-election as Chancellor for a further three-year term, commencing 1 January 2008. I also thank all other members of the University Council and of Council Committees/Boards for their service to ECU.

Finally, I thank all members of the broader University community for their efforts during the year. I acknowledge the hard work and commitment evident within the ECU community, which has enabled us to achieve so much together during 2007. I urge all of you to continue your pursuit of Personal Excellence in the year ahead, and I wish you on-going success.



Professor Kerry O. Cox
Vice-Chancellor
13 March 2008

About ECU

Edith Cowan University (ECU) is a large multi-campus institution providing higher education and vocational education and training courses to communities in Western Australia and beyond.

ECU has almost 21,000 enrolled students; approximately 16,000 undergraduates and 5000 postgraduates. The University educates Australian students, as well as a significant cohort of international students. In 2007, ECU had more than 4000 International On-shore and International Off-shore students originating from approximately 90 countries.

For more than a century ECU, through its forerunner organisations, has been Western Australia's major provider of teacher education. ECU was established as a university in 1991 and has since developed innovative and practical courses across a wide range of disciplines, established a vibrant research culture and attracted quality research partners and researchers, many working at the cutting edge of their fields.

The University has three metropolitan campuses in Mount Lawley, Joondalup and Churchlands and serves Western Australia's South West region from a campus in Bunbury, 200 km south of Perth.

ECU offers high quality education across a broad discipline range including Education, Nursing, Finance, Business, Computing, Communications, Biomedical Sciences, Electronic Engineering and the Creative and the Performing Arts. More than 390 courses are offered through four faculties:

- Business and Law;
- Computing, Health and Science;
- Education and Arts (which incorporates the Western Australian Academy of Performing Arts); and
- Regional Professional Studies.

In addition, the University has a number of administrative service centres which support the University's core activities of teaching and research through the provision of professional expertise in areas such as Information Technology, Facilities' Management, Risk Management and Audit, Governance, Planning, Finance, Student Support, International and Research.

Consistent with its Mission, ECU engages with private and public sector organisations, locally and overseas, in designing study programs which are relevant to the communities it serves. Research is undertaken in collaboration with industry and is valued for its high social, economic, environmental and cultural impacts.

Edith Cowan University is a body corporate established under the *Edith Cowan University Act 1984* (WA). It is domiciled in Australia. ECU has one subsidiary company, ECU Resources For Learning Ltd, which is wholly-owned by ECU.

Mission, Vision, Values and Strategic Priority Areas

At its December 2006 meeting, Council approved ECU's new strategic direction as outlined in a Statement of Strategic Priorities entitled: *Edith Cowan University: Engaging Minds; Engaging Communities. Towards 2020*. This document includes the following Mission, Vision and Values for 2007 and beyond.

Mission

To further develop valued citizens for the benefit of Western Australia and beyond, through teaching and research inspired by engagement and partnerships.

Vision

For our staff, students and graduates to be highly regarded as ethical and self-reliant contributors to more prosperous, inclusive and sustainable communities.

Values

We value:

integrity – behaving ethically and pursuing rigorous intellectual positions.

respect – valuing individual differences and diversity.

rational inquiry – motivated by evidence and reasoning.

personal excellence – striving to realise potential and performing at exacting international standards.

Edith Cowan University: Engaging Minds; Engaging Communities. Towards 2020 can be viewed at: http://www.ecu.edu.au/GPPS/ppas/strategic_plan.html.

ECU's Strategic Priority Areas

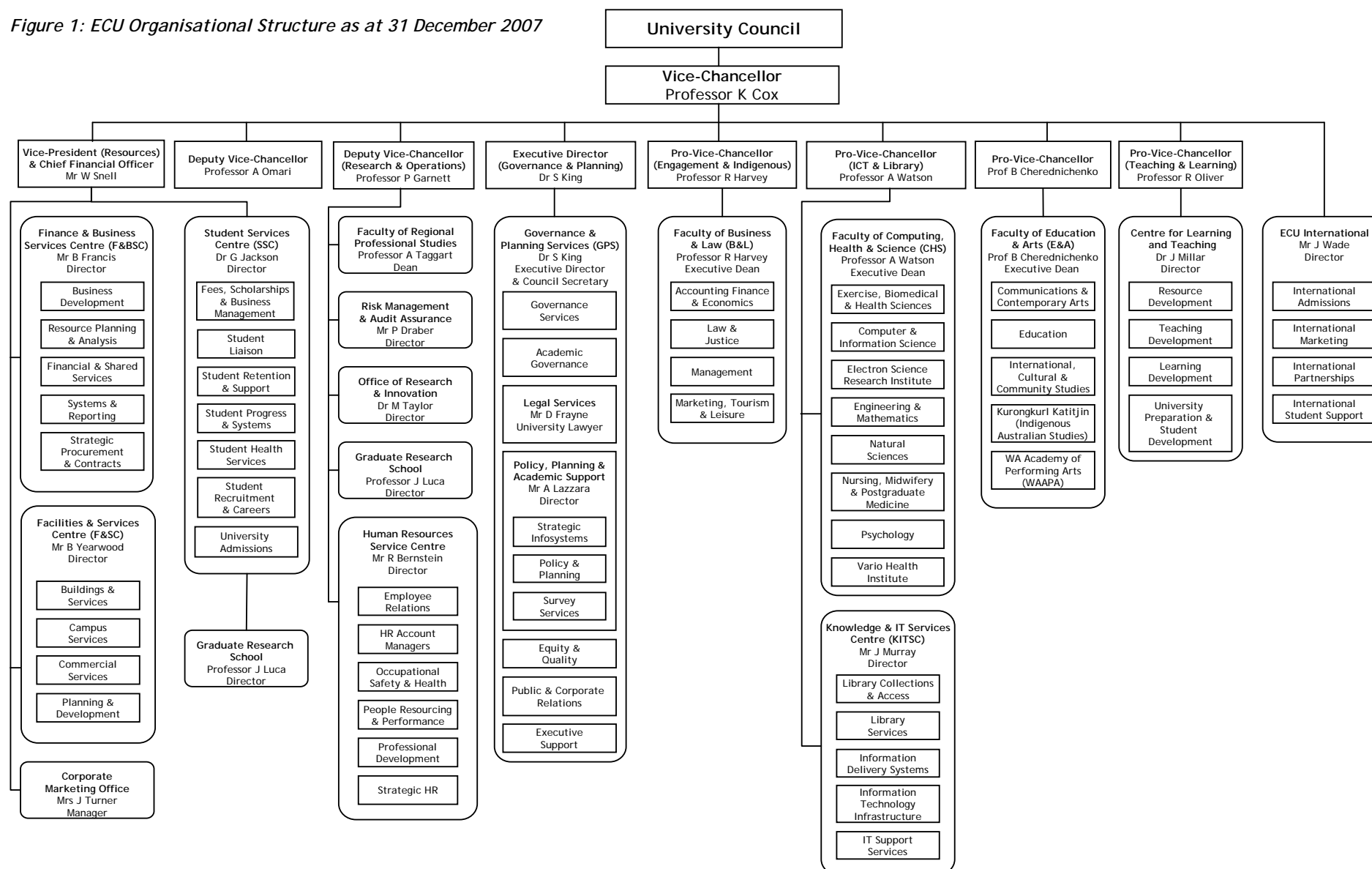
ECU's new strategic direction emphasises a future which is inclusive of all parts of society and which commits the University to mutually beneficial engagement with its many communities. The following four strategic priority areas have been developed to help achieve this strategic direction, which are:

- Engaging and serving our communities;
- Providing a supportive and stimulating learning community;
- Developing research focus, depth and impact; and
- Building organisational sustainability.

These four strategic priority areas have been used to structure the report on operations in this Annual Report (see page 19).

ECU Organisational Structure

Figure 1: ECU Organisational Structure as at 31 December 2007



ECU Governance Structure

Council Membership

(as at 31 December 2007)

Chancellor

Hon Hendy Cowan

01.01.2008 – 31.12.2010

01.01.2005 – 31.12.2007

Members appointed by the Governor (ECU Act, section 9(1)(a))

Mr Steve Abbott (Pro-Chancellor)

30.08.2005 – 29.08.2008

14.05.2002 – 13.05.2005

Ms Leslie Chalmers

12.04.2005 – 26.04.2008

Hon Hendy Cowan

01.03.2007 – 28.02.2010

01.03.2004 – 28.02.2007

Mr Kempton Cowan

19.12.2006 – 19.12.2009

Ms Karen Macdonald

07.12.2007 – 06.12.2010

07.12.2005 – 06.12.2007

19.01.2003 – 19.12.2005

Member nominated by Minister charged with administration of the 'School Education Act 1999' (ECU Act, section 9(1)(aa))

Dr Norman Ashton

30.08.2005 – 29.08.2008

Chief Executive Officer - ex-officio (ECU Act, section 9(1)(b))

Professor Kerry O. Cox

Ex-officio

Academic Staff - elected (ECU Act, section 9(1)(c))

Professor Ron Oliver

01.10.2006 – 30.09.2009

01.10.2003 – 30.09.2006

Dr Alan Needham

21.11.2007 – 30.09.2009

Salaried Staff - elected (ECU Act, section 9(1)(d))

Ms Nerissa Eaton

22.08.2007 – 30.09.2009

Enrolled Students - elected (ECU Act, section 9(1)(e))

Ms Diana Tan

18.10.2007 – 17.10.2008

Ms Natalie Moire

18.10.2007 – 17.10.2008

Alumni - elected (ECU Act, section 9(1)(f))

Mrs Helen Charlesworth

22.12.2005 – 21.12.2008

22.12.2002 – 21.12.2005

Mr Richard Cairnes

20.09.2007 – 19.09.2010

Members co-opted by Council (ECU Act, section 9(1)(i))

Mr Neil Douglas

18.03.2006 – 17.03.2009

(Nb: previously held one term as a Member appointed by the Governor, 28.11.2003 – 01.03.2006)

| | |
|-----------------------|-------------------------|
| Justice Rene Le Miere | 18.08.2005 – 17.08.2008 |
| | 01.01.2005 – 17.08.2005 |
| Ms Denise McComish | 22.03.2007 – 21.03.2010 |
| Mr Simon Holthouse | 12.09.2007 – 11.09.2010 |

Council Secretary:

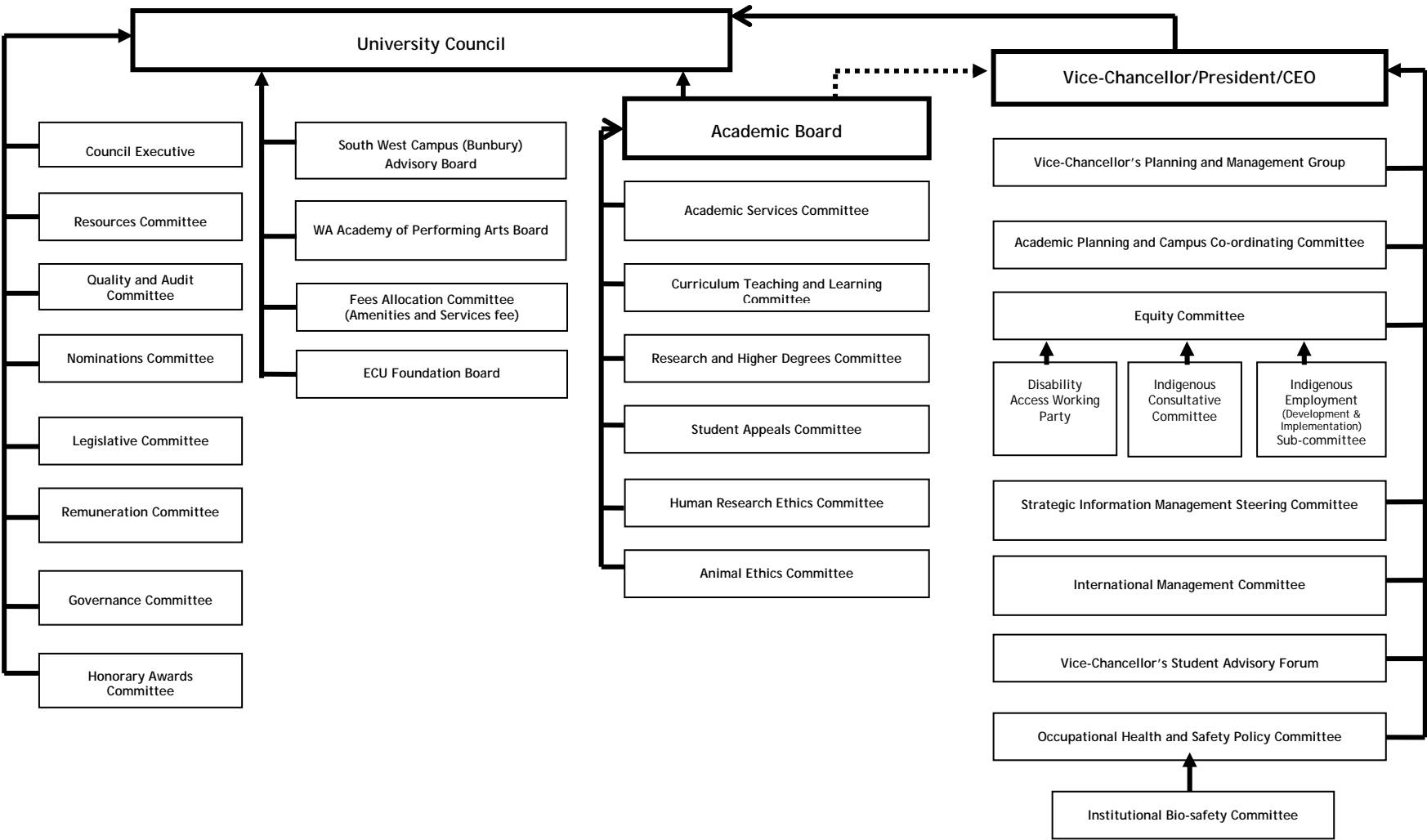
Dr Susan E. King

Accredited Observers:

| | |
|---|---------------------------|
| Deputy Vice-Chancellor (Research & Operations) | Professor Patrick Garnett |
| Deputy Vice-Chancellor | Professor Arshad Omari |
| Vice-President (Resources) & Chief Financial Officer | Mr Warren Snell |
| Executive Director (Governance & Planning) | Dr Susan E. King |
| Chair, Academic Board (if not an elected member of Council) | Professor Ron Oliver |
| ECU Student Guild President | Mr Shane Cucow |
| President, Academic Staff Association | Dr Ute Mueller |

University Committees

Figure 2: University Committees as at 31 December 2007



The Work of the University Council

Edith Cowan University's enabling Act provides that the Council is the governing authority of the University. The fundamental responsibilities of the Council are to determine the strategic direction and governance framework of the University. The Council is chaired by the Chancellor and consists of the Vice-Chancellor (*ex-officio*) and members drawn from the community and the University's alumni, staff and students. Council members fulfil an important duty for the University and the community and do so on an honorary basis.

ECU's Council addressed key strategic and governance tasks and fulfilled a demanding work program in 2007. The Council met on eight occasions during 2007 under the chairmanship of its Chancellor, the Hon Hendy Cowan. It held six regular meetings, and two workshops. The first workshop of the year was held in February and had as its topic: *Goal Setting for 2007*, thus identifying the key goals of the University to be monitored by Council. The second workshop took place in July and focused on 'Engagement' and provided an opportunity for Council to gain insights into the many projects underway, and to shape the University's direction in relation to this key strategic priority. A number of Council members also attended an Engagement seminar, run by the University and facilitated by a recognised international leader in university engagement.

At its December meeting, Council unanimously elected the Hon Hendy Cowan as Chancellor for a further three-year term.

The major activities of Council in 2007 fell into four categories:

- strategic direction of the University;
- self-governance of the Council;
- governance of the University; and
- compliance.

Strategic Direction of the University

To inform and enhance Council's role in shaping the strategic direction of the University, discussion on key strategic issues was included in the Council's meeting and work program for 2007. The strategic issues topics were: Equity Profile; Student Journey/ Student Experience; Key success factors in higher education; Academic Governance, Quality and Standards and the role of the Academic Board; and Internationalisation at ECU.

Council also considered the operations of the ECU Foundation, with an ECU Foundation Board being re-established to help develop a new approach to fundraising at ECU.

At its December 2007 meeting, Council considered and approved the Budget for 2008.

Self-Governance of the Council

During 2007, Council continued to implement its governance reform program. The following governance matters were resolved by Council during the year:

- a revised Corporate Governance Statement;
- all Council members were required to sign the Code of Conduct;
- a revised process for Council Evaluation was approved; and
- a review of Council and individual members' performance was undertaken in October 2007. This included the completion of a questionnaire, the responses to which were analysed by an external consultant. Findings of the evaluations were relayed to Council at its 6 December meeting and will inform professional development activities for 2008.

Governance of the University

Key Council activities relating to the governance of the University included:

- regular meetings of all Council committees occurred during the year. Reports from these committees were subsequently provided to Council to keep it informed of activities across the academic and operational areas of the University;
- the Vice-Chancellor provided a mid-year and end-of-year report on the achievements of the University in relation to its Key Performance Indicators; and
- in June and December 2007, the Vice-Chancellor reported on progress against the key goals of the University, as identified by Council early in the year.

Compliance

Key Council activities related to compliance included approval of measures that ensure compliance with the National Governance Protocols and Higher Education Workplace Relations Requirements. The 2006 Annual Report was approved by Council at its 22 March 2007 meeting. Monitoring of the University, through the Resources Committee and Quality and Audit Committee, provided assurance to Council that the University has appropriate risk management, financial and quality controls in place.

Attendance by Council Members at Council Meetings

Council held six regular meetings during the year. The bracketed figure indicates the potential number of attendances for members whose term of office did not cover the full year.

| | |
|---------------------------------------|-------|
| Hon Hendy Cowan (Chancellor) | 6 |
| Mr Steve Abbott (Pro-Chancellor) | 6 |
| Dr Norman Ashton | 6 |
| Ms Jenni Ballantyne | 1 (2) |
| Ms Marilyn Beresford | 2 (2) |
| Mr Richard Cairnes | 2 (2) |
| Ms Leslie Chalmers | 4 |
| Mrs Helen Charlesworth | 4 |
| Mr Kempton Cowan | 5 (6) |
| Professor Kerry Cox (Vice-Chancellor) | 6 |
| Mr Neil Douglas | 5 |
| Ms Nerissa Eaton | 3 (3) |
| Mr Simon Holthouse | 2 (2) |
| Mr Jerry Koh | 4 (4) |
| Justice Rene Le Miere | 6 |
| Mrs Karen Macdonald | 4 |
| Ms Denise McComish | 3 |
| Ms Natalie Moir | 2 (2) |
| Dr Alan Needham | 1 (1) |
| Professor Ron Oliver | 4 |
| Professor Arshad Omari | 4 (4) |
| Mr James Pollard | 3 (4) |
| Ms Diana Tan | 1 (2) |
| Mr Serge Walberg | 3 (4) |

Highlights of 2007

Student Achievements

- **ECU Advertising Students World Winners** - A Group of ECU Advertising Students were the worldwide winners of a United Nations' competition to produce a comprehensive marketing communications plan for the United Nations' Millennium campaign. The School of Communications & Contemporary Arts student team of Samantha Hassall, Stephen Burge, Donny McDermid, Francis Yang Mu Jia, David Schultink, Bryan Chiang Lip Wai, Anne Hallam, Holly Gibson, Amber Micallef and Annika Van Grootel, were assisted by advertising lecturer Diane Slade and presented their campaign to the UN's Under-Secretary-General for Communications and Public Information and executives from Dentsu in September 2007.
- **Indigenous Students Honoured** - Regional students Travis McGuire and Anthony Gregory were recognised for their academic excellence and their contribution to the community with the award of ECU's 2007 Vice-Chancellor's Indigenous Australian Scholarships.
- **WA Web Award 2007** - Students from ECU's School of Communications and Contemporary Arts won the WA Web Award 2007 Student category. Daniel Roffman, Alex MacRae, Moe Aung, Keith Atkinson, and Andrew Ellis formed the group *Risbec Design and Drafting*, and won the award for their housing and architecture website.
- **Prestigious Writing Award** - ECU Media Studies student Claire Tonkin won the Australian Writer's Guild Industry Award (AWGIE) for her short film *Button*.
- **Japanese Speech Contest** - For the second consecutive year, an ECU Japanese language student won the WA Japanese Speech Contest. ECU's Peter Polmeartagami won the Open Division section of the competition with a five minute speech on homelessness.
- **Journalism Students Win Five Top Tertiary Awards** - ECU students received five of the 13 national tertiary awards for journalism, known as the "2007 Ossie Awards for Journalism Students", which recognise high achievement in journalism at 26 universities in Australia. 3rd Degree won Best On-line Student Publication for the second year in a row.
- **Student Publication Achievements:**
 - Amanda Curtin's PhD novel, *Ellipsis* was given a Special Commendation by the State Records Office at the 2007 Margaret Medcalf Awards for outstanding achievement in the use of the State Archives collection.
 - PhD graduate, Simone Lazaroo, won the Western Australian Premier's Book Award in the fiction category for her novel, *The Travel Writer*.
 - Sally Clarke's PhD biography *In The Space Behind His Eyes. Donald R. Stuart 1913-1983. A Biography* was short-listed for the Western Australian Premier's Book Award.
 - Deanne Leber, ECU PhD Writing student, was nominated for the Western Australian Premier's Book Awards - Premier's Prize.
- **ECU Graduate wins a Western Australian Citizen of the Year Award** - WAAPA graduate, Duncan Rock, won the Youth Arts Award at the Western Australian Citizen of the Year Awards.
- **ECU Graduate receives PR Student of the Year Award** - Public Relations student Chloe Holland was awarded the WW Mitchell Student of the Year Award at the Public Relations Institute of Australia State Awards.
- **National Script Pitching Competition** - Three ECU students were selected as finalists in the Western Australian round of the national Holding Redlich Pitching Competition. Lucinda Marty, Julie Speight and Mark Willig competed against 21 Western Australian writers.
- **National Law Competition** - ECU law students Katie McKenzie and James Graham won a major award at the Sir Harry Gibbs National Constitutional Law Mooting Competition held in Melbourne.
- **Rotary Scholarship** - ECU's Electron Science Research Institute student, Sanjeev Hiremath was awarded the Duane Sterling ambassadorial scholarship from the Rotary Foundation.

Staff Achievements

- **ECU Researcher Named Inventor of the Year** - Professor Kamal Alameh won the Early Stage category of the Western Australian Inventor of the Year for his High-Speed Inter-Chip Optical Interconnect. This invention uses micro-lenses in a novel way to substantially increase the speed and performance of home and office computers. It facilitates higher rates of data transfer at lower cost and reduced energy consumption.
- **The Western Australian Premier's Book Awards** - Associate Professor Quentin Beresford won the non-fiction category of the Western Australian Premier's Book Awards for his book on Western Australian Aboriginal leader Rob Riley.
- **Professor Donna Cross named in the "Smart 100" list** - Professor Donna Cross, Professor of Child and Adolescent Health, was included in *the Bulletin's* "Smart 100" List. The "Smart 100" recognises 100 of the most innovative and creative people working in various industries across Australia. Professor Cross was recognised for her work on child health promotion, particularly her research in prevention of bullying, depression and obesity.
- **Conference Travel Awards** - Professor Ross Dowling won a prestigious \$10,000 Perth Airport Tourism and Aviation Scholarship.
- **Outstanding Young Investigator Award** - ECU's Senior Lecturer in Exercise and Sports Science, Dr Mike McGuigan was awarded the "Outstanding Young Investigator" for 2007 by the National Strength and Conditioning Association at its annual conference in Atlanta, Georgia.
- **Publishing Award** - ECU Senior Lecturer in Music Education Geoff Lowe, was presented with a prestigious award by the Australian Publishers Association for his book *The Jazz and Rock Resource*.
- **National Literacy Award** - ECU's Professor Judith Rivalland was recognised for her outstanding contribution to literacy education with a National Literacy and Numeracy Week Minister's Award.
- **ECU lecturer recognised as one of Australia's best** - Mr Travis Kelleher received \$25,000 in the 2007 Carrick Awards for Australian University Teaching.
- **Carrick Citations** - ECU staff were recognised for their contribution to high quality teaching and learning in the higher education sector:
 - Dr Jan Gray and Dr Danielle Brady (joint citation)
 - Dr Bridget Leggett, Dr Michael Harvey, Associate Professor Glenda Campbell-Evans (group citation)
 - Associate Professor Joseph Luca
 - Professor Judith Rivalland
 - Associate Professor Susan Stoney
- **ICT Achiever of the Year 2006** - At the 16th annual Western Australian Information Technology and Telecommunications Awards (WAITTA) in March 2007 Mr Garry Trinder, of the School of Computer and Information Science, was awarded the prestigious WAITTA "Achiever of the Year" 2006 Award.
- **LOGIE Nomination** - Associate Professor Margaret Sims received the honour of being nominated for a Logie for her documentary on early childhood, *Life at 1*.
- **First Australian to be named Fellow of the Association for the Advancement of Computing in Education** - Professor Ron Oliver was made a Fellow of the Association for the Advancement of Computing in Education (FAACE).
- **Acclaim by Engineers Australia** - Associate Professor Daryoush Habibi, Head of School, Engineering and Mathematics, was made a Fellow of Engineers. Professor Tony Watson was made a Companion of Engineers Australia, the highest level of membership awarded to individuals outside the engineering profession.

- **Book Launch** - Associate Professor Peter van Onselen co-authored with Australian National University's Dr Wayne Errington a biography called *John Winston Howard*.
- **Chemistry Educator of the Year Award** - Dr Magdalena Wajrak was named the inaugural Pearson Education Chemistry Educator of the Year by the Royal Australian Chemical Institute.
- **Professor Patrick Garnett**, Deputy Vice-Chancellor (Research & Operations) retired from ECU at the end of 2007, having served for 34 years with the University and its predecessor organisations. University Council awarded Professor Garnett the title Emeritus Professor and conferred the degree of Doctor of Education *honoris causa* for Professor Garnett's outstanding contribution to the strategic directions and reputation of the University through exemplary and sustained service.

Engaging and Serving Our Communities

- **The Governor of Western Australia**, His Excellency Dr Ken Michael AC, visited ECU's Joondalup Campus in November, touring the new Library and Technology Centre and the new Health and Wellness Centre.
- **On-campus addresses in 2007** included the Vice-Chancellor's 2007 Distinguished Oration by Sam Walsh, Chief Executive of Rio Tinto Iron Ore, who gave an inspiring presentation entitled: *Global discussions, local conversations - how business communicates, involves and engages*. The presentation was attended by over 120 representatives from local government, business and mining sectors and the ECU community.
- **Other public addresses** on issues of relevance to the community included a presentation by the Commissioner of Corruption and Crime, the Hon Len Roberts-Smith RFD, QC.
- The Vice-Chancellor hosted three dinners with school principals from the Joondalup, Mount Lawley and South West areas during the year.
- **Community Policing Award** - ECU, in partnership with the City of Gosnells, was awarded the National Community Crime Prevention Award.
- **ECU Hosts Rural Clinical School in Bunbury** - The Commonwealth Department of Health and Ageing allocated \$1m for the housing of the Rural Clinical School at ECU's South West Campus.
- **ECU Law Students Serve Local Communities** - ECU Law students, under the supervision of legal practitioners and University staff, gained invaluable work experience and assisted the local community, following the opening in May 2007 of the Northern Suburbs Community Legal Centre in Joondalup.
- **The Vario Wellness Clinic at ECU** - This new centre for community health offers a number of programs including: Diabetes Wellness, Weigh to Go Kids, Cancer Survivors and Healthy Ageing.
- **Leadership in Stem Cell Research** - A public forum was held at ECU's Joondalup Campus by Dr Mel Ziman and Dr Meghan Thomas on the issues surrounding the use of stem cells in research and for therapeutic intervention for those with debilitating diseases.
- **Square Kilometre Array (SKA) Project** - ECU hosted a successful public lecture entitled: *What is needed for Australia to win the Square Kilometre Array Project*. The lecture showcased a ground-breaking optical interconnect technology developed by ECU's Professor Kamal Alameh, Director of the Western Australian Centre of Excellence for MicroPhotonic Systems as a potential enabling technology for the SKA project. Guest speakers included Hon Fran Logan, Minister for Energy, Resources, Industry and Enterprise, Professor Lyn Beazley, Chief Scientist for Western Australia and Professor Peter Quinn, Premier's Fellow.

Providing a Supportive and Stimulating Learning Community

- **Learning and Teaching Performance Fund** - ECU was one of 23 universities (from a total of 38 institutions) to be recognised for teaching quality. ECU will receive a grant of \$1.58m in 2008 which will be used strategically to make further improvements to outcomes for students.
- **ECU-Emirates University Centre Opened in Dubai** - ECU expanded its operations with the Emirates Group with the opening of the ECU-Emirates University Centre at Dubai airport.
- **Enrolled Nurse Work Program** - ECU launched an Enrolled Nurse Registration Pathway Program, the first in Western Australia.
- **Combating Teacher Shortages in Western Australia** - ECU developed an innovative approach towards addressing teacher shortages in Western Australia through the introduction of a special two-year teaching degree.
- **New Suite of ECU-funded Scholarships** - ECU introduced a new range of scholarships and prizes recognising excellence and achievement, as well as a new suite of equity-based scholarships, to attract and retain talented students to ECU.
- **ECU Centre to Improve Teaching in the Asia-Pacific Region** - Teaching quality in the Asia-Pacific Region received a major boost, thanks to a new partnership between ECU and the philanthropic Sampoerna Foundation.
- **New Centre for Learning and Teaching (CLT)** - The CLT will actively promote and enhance the quality of the student experience at ECU by building its capacity to deliver world-class educational outcomes.
- **State-of-the-Art Teaching Facilities** - The building program continued with new facilities designed to enhance the quality of the learning experience for ECU students. First-class facilities for ECU's health and wellness programs were completed on the Joondalup Campus. A 350-seat lecture theatre was close to completion at the Joondalup Campus and construction was underway for the new Business and Law Building on the Mount Lawley Campus.
- **2007 saw an increase in international student numbers** with a more than nine per cent increase in enrolments overall and an almost 30 per cent increase in International Off-shore enrolments.
- **Vice-Chancellor's Awards for Excellence in Teaching (VCAET)** - Five staff received this award:
 - Mr Ray Boffey, Faculty of Business and Law (Accounting, Finance and Economics);
 - Dr Trevor Cullen, Faculty of Education and Arts (Communications and Contemporary Arts);
 - Associate Professor Joseph Luca, Faculty of Education and Arts (Communications and Contemporary Arts);
 - Dr Maria Northcote, Faculty of Education and Arts (Education); and
 - Miss Diane Slade, Faculty of Education and Arts (Communications and Contemporary Arts).

One VCAET group award was made to: Associate Professor Gavin Leslie, Ms Kerry Southerland, Ms Fenella Gill and Ms Lucia Gillman, from the Faculty of Computing, Health and Science (Nursing, Midwifery and Postgraduate Medicine).

Developing Research Focus, Depth and Impact

- **Research income for 2007** was \$9.79 million. 136 research projects were awarded funding which will generate \$10.8m in research income over the next four years.
- **New Professorial Chairs** - 12 new professorial chairs were advertised in September 2007.
- **Memorandum of Understanding Signed to Support ECU'S Work in Microphotonics** - An MOU was signed between Shenzhen Institute of Advanced Technology, a world class research institute engaged in the development of chip-to-chip optical interconnects and ECU's Centre of Excellence for Microphotonics Systems.
- **ECU Amongst Top Western Australian Inventors** - Professor Kamal Alameh was named winner of the 2007 Western Australian Inventor of the Year Award - the Early Stage category, for his High-Speed Inter-Chip Optical Interconnect.
- **ARC Grant** - Professor Kamal Alameh was successful in the ARC Grants, winning \$327,500 for his project: *Automated photonic multi-spectral weed discrimination sensor for precision agriculture*.
- **AUSINDUSTRY Grant for Small and Medium Enterprise Research Centre** - The Small and Medium Enterprise Research Centre was successful in gaining \$337,000 for the Green Advantage for Small Business project through AusIndustry.
- **Linkage Grants** - Two ECU research teams were successful in gaining Linkage Grant funding. Dr Judith Cockram and Professor Mark Rapley received \$60,000 to investigate the cost of meeting the need for support services for people with intellectual disabilities. Associate Professor Paul Newhouse, Professor Mark Hackling, Professor Ron Oliver, Associate Professor Cher Ping Lim, Dr Jeremy Pagram, Dr Dawn Penney and Dr Russell Waugh received \$30,000 to investigate the feasibility of using digital representations of work for authentic and reliable performance assessment in senior secondary school courses.
- **Discovery Research Grant** - Professor Craig Standing was awarded \$202,000 over three years to investigate a strategic evaluation model for business-to-business electronic marketplace participation.
- **The Western Australian Centre for Cancer and Palliative Care** - The Western Australian Centre for Cancer and Palliative Care was officially launched.
- **ECU Partnership in Western Australian Marine Science Institute Joint Venture** - The Western Australian Marine Science Institute Joint Venture Agreement was signed at Parliament House on 21 March 2007.
- **Professor Donna Cross Leads Landmark Research on Bullying** - Professor Donna Cross announced findings of research by the Child Health Promotion Research Centre (CHPRC), which show that about 25 per cent of young people who are bullied have been bullied with the use of technology (such as mobile phone text messages and emails).
- **Nanoscale Characterisation Centre** - This State Government Centre of Excellence, in which ECU participates, was officially opened by the Western Australian Chief Scientist Professor Lyn Beazley.
- **Hokkaido University and ECU: Partnering to Combat Alzheimer's** - Japan's Hokkaido University and ECU commenced a joint research project into Alzheimer's disease. Hokkaido's Professor Toshiharu Suzuki and his team will work with ECU's Professor Ralph Martins to conduct research into newly identified genes linked to Alzheimer's disease.

Building Organisational Sustainability

- **Leadership capacity at the University** was enhanced with a number of key leadership appointments in 2007, including the appointment of Professor Brenda Cherednichenko as the Executive Dean for the Faculty of Education & Arts, Professor Ronald Oliver as the Pro-Vice-Chancellor (Teaching & Learning), Professor Arshad Omari as Deputy Vice-Chancellor and Professor John Finlay-Jones as Deputy Vice-Chancellor with responsibility for research.
- **The University's 2007 Operating Result** was \$20.1m which included \$10.6m gain on sale of assets relating to the Churchlands stage 1 and stage 2 development. The 2007 operating result excluding the gain on sale of assets was \$9.5m, which compares favourably to the reforecast budget of \$6.0m. This excellent outcome was due to the significant staff commitment to manage resources effectively within the available funding.
- **Design Awards for ECU's New Library and Technology Centre** - ECU's striking new complex received wide recognition and was voted Best Building in the Royal Australian Institute of Architects (WA)'s 2007 Public Architecture Awards, as well as receiving the Royal Institute of British Architects' International Award.
- **Sports and Recreation Facilities at the South West Campus** - Sport and recreation at Bunbury was given a major boost with the announcement that ECU had successfully secured \$2.2m of Commonwealth funds in two separate competitive funding rounds to build a recreation centre and outdoor courts in a new "recreation hub" - a focal point for sports, recreation and social activities on the South West Campus precinct.
- **Health and Wellness Building** - 2007 saw the occupation of the new \$35m Health and Wellness Building on the Joondalup Campus. The building will house the Vario Health Institute as well as the School of Nursing, Midwifery and Postgraduate Medicine.
- **ECU's Internet Presence** - A review and significant redevelopment of the ECU website was initiated in 2007. The review recommended that the University re-assess its use of the web and apply a stronger governance model. The redesign will deliver a web experience more consistent with users' individual needs.
- **ECU Amongst the Best in Using Energy Efficiently** - ECU's energy usage per student and per square metre is well below usage levels of other Western Australian universities and the average for the Australian university sector as a whole, according to the latest benchmarking survey from the Tertiary Education Facilities Management Association.
- **Nursing Facilities** - In 2007 ECU received additional Commonwealth funding support for the building and fit-out of its Nursing facilities. In total ECU has received more than \$5.2m towards the \$14.0m costs of developing these facilities.
- **Churchlands Exit Nearing Completion** - Good progress was made towards the completion of ECU's campus consolidation strategy, with major new projects at the Joondalup and Mount Lawley campuses to accommodate relocation of activities from the Churchlands Campus.
- **A new five-year Asset Management Plan** was developed in 2007, which will support the quality, growth and maintenance of the University's assets from 2008 onwards.

2. Agency Performance

Report on Operations

Engaging and Serving Our Communities

ECU's strategic direction gives a particular emphasis to engagement and the positive impact on the communities served by the University. In the long-term, ECU seeks to be recognised for its range and quality of engagement activity, which will be a point of differentiation for ECU, producing mutual benefits and productive relationships with the University's various communities.

In 2007, ECU's goals in this Strategic Priority Area were:

- to build a reputation for academic outreach, research and creative output which impact and serve the needs of ECU's communities;
- to ensure that ECU's curriculum reflects its commitment to engagement;
- to promote broad understanding of ECU as an "engaged university"; and
- to enhance the physical and cultural development of its local communities by promoting access to ECU resources and skills.

In July 2007, a Council workshop was held focusing on the theme of Engagement. This provided an opportunity to highlight some of the excellent engagement activities which were occurring across the University.

A summary of ECU's engagement activities is provided below.

Academic Outreach, Research and Creative Output

ECU seeks to build a reputation for academic outreach, research and creative output which impact and serve the needs of ECU's communities. Some 2007 highlights are listed below.

- **The Vario Institute** - The Institute is a comprehensive, trans-disciplinary alliance of ECU's research capabilities, which aims to improve health and wellness outcomes within the community. The Institute combines the knowledge, skills and resources of researchers in a range of disciplines, including exercise and sports science, nutrition and psychology, to undertake research and develop programs that generate significant health improvements within the community. Current projects include: Diabetes Wellness Program, Cancer Survivor Program, Weigh to go Kids and Healthy Ageing.
- **ECU Psychological Services Centre** - This Centre provides services to the community at a teaching clinic located in Lakeside Joondalup Shopping Centre. The clinic is the primary training centre for postgraduate students in the School of Psychology at ECU. Counsellors are graduate psychologists undergoing specialist advanced training at the Masters or Doctoral level and are closely supervised by ECU staff members.
- **Pilbara Health Challenge** - In August 2007, 20 Nursing students and their supervisors visited Tom Price and Paraburdoo to complete health assessments on Pilbara Iron mine staff and community members. After reviewing the health assessments, the highest ranking health issues were identified, from which the students developed health promotion activities which were subsequently delivered to both mine employees and community members, in collaboration with community based health programs.
- **Child Health Promotion Research Centre** - The Centre has established collaborative partnerships with the Western Australian Primary Principals Association, the Office of Road Safety, the Western Australian Police Service and the Department of Education and Training to deliver improved child health outcomes through a range of projects.
- **Shark Patrol Flights** - On behalf of the Fisheries Department, ECU conducts shark patrol flights along the coast each summer. Patrols are flown by ECU students who are qualified pilots and trainee pilots act as observers, looking for sharks and other marine life. The patrols run between Two Rocks and Mandurah for up to eight hours each day, providing a valuable service to the community and benefiting students by providing work-based learning in Aviation studies.

- **Northern Suburbs Community Legal Centre** - Based in Joondalup, the Centre was launched by the State Attorney General in May 2007 and is a joint initiative of ECU and the Northern Suburbs Community Legal Centre. It aims to make the law accessible to the communities of the northern suburbs and provide an opportunity for law students to gain experience and practical skills in the legal field and reach out to local communities. The Centre provides legal information and advice for the community in the areas of family and criminal law, domestic violence and some areas of civil law.
- **Strengthening relationships with schools** - ECU launched a collaborative partnership with Clarkson Community High School and the Vice-Chancellor hosted three dinners with school principals from the Joondalup and Mount Lawley areas. In addition, 2007 saw the introduction of Year 11 and Year 12 scholarships and awards for a selection of over 160 schools throughout Western Australia.
- **Research@ECU Engagement event** - ECU held a University-wide event in December 2007 to showcase ECU's research excellence and to build potential collaborative links between ECU and business, industry, the professions, government agencies and the community.
- **ECU Industry Collaboration Scheme** - This scheme secures new research partnerships for the University and funding in 2007 was increased by almost 30 per cent to \$500,000 per annum. Historically, more than half of the partners coming into the ECU Industry Collaboration Scheme are new partners for the University.
- **Practical Employee Management Skills Workshops** - Workshops were held in Perth, Denmark, Mount Barker, Katanning and Jerramungup and attended by 470 small business owners who received information and advice on basic HR skills such as recruitment, selection and employee training.
- **ECU Alumni, Donors and Friends** - Alumni and development initiatives include:
 - re-establishment of the ECU Foundation Board and commencement of a review by the Vice-Chancellor of future fundraising strategies and governance arrangements;
 - donations to the ECU Arts Collection totalling \$320,000, including donations of art by one single donor totalling \$200,000;
 - ECU continued its campaign to seek community investment and support for the Vario Health Institute, producing a DVD and brochure, as well as assisting in other profiling opportunities;
 - ECU Alumni relationships were further enhanced through social events, reunions and networking opportunities. A special campaign to gather staff Alumni information resulted in 415 responses to update contact details; and
 - the Path of Honour program welcomed 23 new inductees bringing the total number of Path of Honour tiles to 115. A Path of Honour ceremony in November proved to be a moving and inspirational experience for all involved.

Engagement in the Curriculum

In 2007, ECU continued to build effective relationships with key external stakeholders, including key industry groups, employers and professional bodies. ECU's Academic Profile reflects its strong relationships with external stakeholders, particularly in the areas of health, education, arts and entertainment, law, policing and small business.

ECU's challenge in 2007 and beyond is to ensure that all parts of the curriculum reflect its commitment to engagement. In 2007 there was progress in a number of areas as shown below.

- **Strategies for enhancing engagement in teaching and learning** - A project is underway to identify and implement strategies to fully incorporate engagement into the curriculum and establish engagement as a critical component of program delivery for courses at ECU.
- **Consultative Committees** - Through the operation of ECU's consultative committees, representatives of business and industry are able to influence course design in all disciplines. In 2007, 34 committees went through a process of re-invigoration and one

additional committee was established. This process will continue in 2008, with a further four new committees planned.

- **Practicums**, giving students practical workplace learning experiences, are integral to many course programs including in Education, Health, Paramedicine, Psychology and Planning.
- **New engineering courses and practicums have been developed** as a result of collaborations with WA Main Roads, the Water Corporation, KBR, Western Power and Wood & Grieve, which identified areas of civil and mechanical engineering not taught in the State's universities.
- **ECU-Emirates Education and Research Centre** - In collaboration with the Emirates Group, ECU has established the ECU-Emirates Education and Research Centre in Dubai. Through the Centre, ECU facilitates the delivery of specialised security programs and research. The programs are affiliated with the International Civil Aviation Authority.
- **Postgraduate students in the Child Health Promotion Research Centre** are working with community agencies to develop and assess community health promotion interventions.
- **Final year students in Interactive Media Development** are working with local industry and community groups to apply new technologies to business. Six students were employed by a mining company as a direct result.

ECU as an "Engaged University"

ECU's relationships are multi-layered, diverse and complex and one community partner may have links with a number of different areas of ECU, for a range of purposes. Nevertheless, the University's engagement profile reflects its locations with strong links to the northern corridor of Perth and the South West region of Western Australia. ECU's engagement partners include:

- **Local, State and Federal Government** - e.g.: local government organisations, the Western Australia Department of Health, the Commonwealth Department of Education, Employment and Workplace Relations, local politicians;
- **Other Education Providers** - e.g.: West Coast TAFE, South West Regional College of TAFE, High Schools, Primary Schools, PIBT;
- **Employers** - e.g.: Department of Education and Training, Water Corporation, BHP, Ernst & Young, Department of Environment and Conservation;
- **Professional Bodies** - e.g.: Law Society of Western Australia, CPA Australia, Nurses Board of Western Australia, Institute of Hospitality, Engineers Australia, Child Care Licensing Board, Australian Human Resources Institute, Australian Computer Society; and
- **Community** - e.g.: community groups, Indigenous Australians, Alumni.

ECU seeks to promote broad understanding of itself as an "engaged university". Some 2007 strategic developments are outlined below.

- **An Engagement Plan** was drafted to guide engagement activities.
- **An Engagement Reference Group**, chaired by the Pro-Vice-Chancellor (Engagement) was established, charged co-ordinating engagement activities and building links with businesses and professional bodies.
- **An Engagement Scorecard** was developed as a basis for measuring progress and success in engagement.
- **ECU has contributed to sector-wide debate** on measuring engagement and the establishment of benchmarks, through its participation in the National Engagement Benchmarking Project led by the Australian Universities Community Engagement Alliance.
- **ECU has defined the types of organisations** with which it expects to engage, by categorising these organisations according to interest and influence and recognising that in some cases an organisation can fit into more than one category depending on the engagement activity.

- **The South West Engagement Plan** was implemented in 2007, through links with key industry, government and community organisations. This included a collaboration with the South West Development Commission and local government to host the Regional Futures Conference in early 2007.
- **Early Career Development Program** - ECU's School of Nursing, Midwifery and Postgraduate Medicine has engaged with 31 students from 12 secondary schools as part of this State Government-funded scheme.
- **ECU has introduced incentives and rewards for effective engagement by staff**, including recognition for engagement in the University's Promotions Policy and in the criteria for Vice-Chancellor's Awards to staff.
- **Student Awards** - The University plans to introduce two new student awards in 2008: the Student Award for Outstanding Contribution to University Life; and the Student Award for Engagement.

Physical and Cultural Development of Local Communities

ECU seeks to enhance the physical and cultural development of its local communities by promoting access to ECU resources and skills. Some 2007 Engagement achievements are shown below.

- **Mount Lawley Educational Precinct** - ECU and Mount Lawley Senior High School (MLSHS) have a memorandum of understanding to share resources, facilities and curricula and to provide enhanced opportunities for students. The two institutions have collaborated in sharing facilities, the construction of a shared Sport and Fitness Centre, the construction of a shared multi-level car park, the development of joint MLSHS / ECU programs and many other initiatives.
- **The Western Australian Academy of Performing Arts (WAAPA)** continues to play a key role in generating and maintaining numerous partnerships and close associations. In 2007 WAAPA produced over 200 public performances and held corporate workshops and audition master classes in acting, arts management, broadcasting, dance, music theatre and music, attended by over 400 people. WAAPA also provided rehearsal facilities for the Western Australian Youth Orchestra and Western Australian Youth Jazz Orchestra and both organisations collaborated with WAAPA on a number of projects.
- **The Vice-Chancellor's 2007 Distinguished Oration** was by Rio Tinto Iron Ore Chief Executive, Sam Walsh, who spoke on the value of communications in business to a diverse group of staff, students, businesses and the wider community at ECU's Joondalup Campus.
- **ECU also hosted many other public lectures and on-campus public addresses**, including by the Hon Len Roberts-Smith RFD, QC, newly appointed Commissioner for Corruption and Crime, who gave his first public address at Mount Lawley in October. Lectures on issues of relevance to the community were held on subjects such as stem cell research and Alzheimer's disease.
- **Community initiatives in health** included programs delivered by the Vario Wellness Clinic @ ECU to fight diabetes, provide weight training for overweight children, help cancer survivors and improve health for the elderly.
- **ECU hosted the Creating Safe and Happy Schools - Free from Bullying Conference**, part of the National Safe Schools Week.
- **ECU is working with Twin Cities FM and the Lotteries Commission** to relocate the community radio station from the City of Wanneroo Works Depot to ECU's Joondalup Campus.
- **Perth International Film Festival** movies were again screened at the Joondalup Pines Picture Garden attracting strong community support from more than 16,500 attendees. This event has become part of Western Australia's annual cultural calendar.
- **The Joondalup Learning Precinct (JLP)**, which began in 2002 with the establishment of the Western Australia Police Academy on a site adjacent to the campuses of ECU and West Coast TAFE, develops strategies and programs which, through collaboration and

engagement, add value to the member institutions, their staff and students and the wider community. In 2007 the JLP was reinvigorated and now formally includes the City of Joondalup. The JLP Board met monthly in the latter part of 2007.

- The JLP Centre for Leadership's *Leading Edge* program continued in 2007 with 13 participants recruited from six organisations in the state and local government sector: Western Australian Police Service, Department of Housing and Works, Disability Services Commission, Racing & Gaming Western Australia, City of Joondalup and West Coast College of TAFE. Evaluations of the program from participants and external facilitators have been very positive.
- A successful cross-institutional staff mentoring program involving ECU, the West Coast College of TAFE and the Western Australian Police Academy continued with 28 staff participating in 2007.

Providing a Supportive and Stimulating Learning Community

ECU seeks to be recognised for providing a world-class education and a fulfilling student experience. In 2007, ECU's goals in this Strategic Priority Area were:

- to improve the quality of teaching across the University;
- to optimise student load through attracting and retaining students;
- to be responsive to students and employer needs by providing relevant programs, taught in ways that engage its students; and
- to enhance the overall "student experience".

Quality in Teaching

In order to improve the quality of teaching, during 2007 ECU focused on:

- engaging in debate on the University's performance;
- developing new mechanisms to recognise and reward good teaching;
- better utilising performance measurement and reporting mechanisms; and
- implementing changes to teaching support services.

Much progress was made in 2007, with a number of key initiatives commencing. A Pro-Vice-Chancellor (Teaching & Learning), Professor Ron Oliver, was appointed to co-ordinate these initiatives.

During 2007 the Vice-Chancellor visited each of the schools within ECU, to open up dialogue on teaching performance and opportunities for improvement.

Improving performance in teaching and learning is aided by reliable and timely measurement and reporting of teaching performance data to faculties and schools. In the area of teaching performance measurement and reporting, initiatives in 2007 included:

- Surveying was improved by the introduction of a new standardised on-line Mid-course version of the Course Experience Questionnaire (CEQ) which showed response rates (49 per cent), similar to those of the previous paper survey method.
- An internal Teaching Quality Index was developed using the CEQ/ Graduate Destination Survey (GDS) and Unit and Teaching Evaluation Instrument (UTEI) results and will be used in the 2008 budget process to recognise and reward good teaching.
- Teaching performance was reported to the University community with:
 - the results of the Mid-course CEQ reported to Heads of School;
 - on-line UTEI and CEQ results reported to schools and committees;
 - new course co-ordinators' reports on course evaluation, graduate destinations, student progression and retention; and
 - reports produced which analysed ECU's CEQ and GDS results, particularly with regard to Learning and Teaching Performance Fund outcomes for 2007.

A review of ECU's teaching support services was conducted during 2007, with the resultant McKinnon Walker Report leading to the creation of a Centre for Learning and Teaching (CLT). Professor Sue Stoney was appointed in December 2007 as inaugural head of the CLT, an academic leader with more than 25 years experience in tertiary teaching. The CLT will have a research-led focus on improving the quality of learning & teaching, with learning and teaching award winners utilised as champions to guide CLT projects. Scoping work for early projects included: engagement in learning and teaching; implementing ECU's new Graduate Attributes; quality audits of units; and on-line induction to teaching at ECU for ECU staff teaching offshore.

In addition, the Learning and Teaching website is being redeveloped to provide a more seamless and effective way to support teaching staff and to provide access to learning and teaching information.

Achievements in Teaching

Recognition for ECU

In October 2007, it was announced that ECU was one of 23 universities which will receive funding through the Commonwealth Government's Learning and Teaching Performance Fund for 2008. The assessment uses indicators of performance from the Course Experience Survey (Generic Skills, Good Teaching and Overall Satisfaction), the Graduate Destinations Survey (Full-time Employment and Further Study), together with two further measures of student success (Progress and Retention).

This is the first time that the quality of the University's teaching and learning has been recognised in this way. ECU showed a strong relative performance in the discipline group Science, Computing, Engineering, Architecture and Agriculture and improvement was also seen in the discipline group Business, Law and Economics.

ECU was also successful in its bid to host a Literacy & Numeracy Summer School in January 2008, part of the Australian Government *Summer Schools for Teachers* initiative. The summer school is a collaboration between ECU, the University of Wollongong, the University of New England and the Australian Literacy Educators' Association.

Staff Recognition

The ECU learning community also enjoyed significant success in a variety of awards given by the Carrick Institute for Learning and Teaching in Higher Education. These were:

2007 Carrick Citations for Outstanding Contributions to Student Learning

- Dr Jan Gray, Dr Danielle Brady
- Dr Bridget Leggett, Dr Michael Harvey, Associate Professor Glenda Campbell-Evans (group award)
- Associate Professor Joseph Luca
- Professor Judith Rivalland
- Associate Professor Susan Stoney

2007 Carrick Award for Teaching Excellence - Early Career

- Mr Travis Kelleher

2007 Carrick Award for Programs that Enhance Learning

- The International Student Support Team (Ms Cassandra Colvin, Mr Peter Mitchell, Mr Nicholas Tan, Mr Fozzil Jaffar and Miss Vanessa Trovato) for *The First-Year Experience: ECU's International Student Orientation: a model of collaboration, inclusiveness and student-informed planning.*

Five staff received this year's Vice-Chancellor's Awards for Excellence in Teaching (VCAET):

- Mr Ray Boffey, Faculty of Business and Law (Accounting, Finance and Economics);
- Dr Trevor Cullen, Faculty of Education and Arts (Communications and Contemporary Arts);
- Associate Professor Joseph Luca, Faculty of Education and Arts (Communications and Contemporary Arts);
- Dr Maria Northcote, Faculty of Education and Arts (Education); and
- Miss Diane Slade, Faculty of Education and Arts (Communications and Contemporary Arts).

There was also one group VCAET award:

- Associate Professor Gavin Leslie, Ms Kerry Southerland, Ms Fenella Gill and Ms Lucia Gillman, from the Faculty of Computing, Health and Science (Nursing, Midwifery and Postgraduate Medicine).

Attracting and Retaining Students

ECU seeks to optimise its student load by attracting and retaining students motivated and capable of benefiting from higher education. A number of strategies are employed to achieve this aim, including by widening opportunities, enhancing the "first year at university" experience, re-focusing student marketing strategies and improving ECU's internet presence.

Domestic Student Numbers

In 2007, ECU's domestic student enrolments fell for a fourth consecutive year to 16,207. The continuing economic boom and buoyant labour market in Western Australia is believed to be a major contributor to this downturn (see Economic and Social Trends page 54).

Table 1 shows that domestic student enrolments have been in decline from 2003 to 2007. Domestic student enrolments were 17,077 in 2006 and 16,210 in 2007, a fall of 5 per cent.

Table 1: ECU Domestic Student Enrolments, 2003-2007

| Domestic Student Enrolments | 2003 | 2004 | 2005 | 2006 | 2007 | Change 2006 - 2007 |
|-----------------------------|---------------|---------------|---------------|---------------|---------------|-----------------------|
| Undergraduate and below | 15,557 | 15,223 | 14,448 | 13,975 | 13,256 | -5.1% |
| Postgraduate | 2,717 | 2,790 | 3,086 | 3,102 | 2,954 | -4.8% |
| Total | 18,274 | 18,013 | 17,534 | 17,077 | 16,210 | -5.1% |

Note: 1. Cross-institutional and Non-award enrolments have been allocated to the Undergraduate and below category. 2. Data reference date is 31st March. 3. Domestic Student enrolments include Australian and New Zealand Citizens, Permanent Residents and those with Humanitarian Visas.

International Student Numbers

ECU's international student numbers grew for the second year in a row and in 2007 showed a marked increase of 9.4 per cent (379), which contrasts with the trend in domestic student enrolments. Table 2 below shows that this increase was due to growth in International Off-shore enrolments of almost 30 per cent (419) in 2007 compared with 2006.

Table 2: ECU International Student Enrolments, 2003-2007

| International Student Enrolments | 2003 | 2004 | 2005 | 2006 | 2007 | Change 2006 - 2007 |
|----------------------------------|--------------|--------------|--------------|--------------|--------------|-----------------------|
| International On-shore | 2,100 | 2,297 | 2,443 | 2,616 | 2,576 | -1.5% |
| International Off-shore | 1,337 | 1,359 | 1,127 | 1,400 | 1,819 | 29.9% |
| Total | 3,437 | 3,656 | 3,570 | 4,016 | 4,395 | 9.4% |

Note: 1. The 2006 Annual Report misquoted the 2005 International On-shore enrolment figure as 2240. This has been corrected here. 2. Data reference date is 31st March.

Student Load - all categories

Student load, measured in full-time equivalents (EFTSL), is the usual way to describe student participation across all funding categories.

Table 3 below shows that the majority of the University's load is in the Commonwealth Grant Scheme funding category, which in 2007 accounted for 67.2 per cent of the total load. Fee-paying Overseas load (On-shore and Off-shore) is 22.4 per cent of total load.

Total student load has been in decline for the last four years and the total load for 2007 (15,290 EFTSL) was 618 EFTSL, or 3.9 per cent below target. The total load through the Commonwealth Grant Scheme was 10,279 EFTSL, down by 589 EFTSL, or 5.4 per cent on the previous year.

Fee-paying Overseas load (On-shore and Off-shore) has increased in each year from 2004 to 2007. It is also an increasing proportion of the University's total load and rose from 2792 (or 17.2 per cent of total load) in 2004 to 3419 (or 22.4 per cent of total load) in 2007.

Table 3: Student Load (EFTSL) by Funding Category, 2004-2007

| Funding Category | 2004 | | 2005 | | 2006 | | 2007 ² | |
|---------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|-------------------|---------------|
| | Target | Actual | Target | Actual | Target | Actual | Target | Actual |
| Commonwealth Grant Scheme | 11,205 | 11,876 | 11,722 | 11,384 | 12,025 | 10,868 | 10,868 | 10,279 |
| Research Training Scheme ¹ | 190 | 275 | 242 | 259 | 237 | 264 | 270 | 247 |
| Fee-paying Overseas On-shore | 2,152 | 1,990 | 2,086 | 2,154 | 2,161 | 2,248 | 2,318 | 2,219 |
| Fee-paying Overseas Off-shore | 838 | 802 | 741 | 784 | 579 | 1,013 | 1,196 | 1,200 |
| Fee-paying Australian Postgraduate | 972 | 827 | 920 | 930 | 985 | 894 | 798 | 838 |
| Fee-paying Australian Undergraduate | 75 | 45 | 51 | 69 | 14 | 16 | 24 | 77 |
| Vocational Education & Training | 430 | 430 | 430 | 430 | 430 | 430 | 434 | 430 |
| TOTAL (all categories) | 15,862 | 16,245 | 16,192 | 16,010 | 16,431 | 15,733 | 15,908 | 15,290 |

Notes: All figures are full year as at 23 January 2008 and therefore cannot be compared to the 31 March figures shown in the Summary Statistics table. 1. Includes ECU-funded HDR. 2. 2007 Actuals are provisional. Targets shown are those externally-reported. ECU also uses internal targets for budgetary purposes. **Source:** DEST Educational Profiles Data Collection, Edith Cowan University. **Definition:** Full-year Load by Funding Category, excluding TAFE EFTSL, Tuition Fee exempt (HDR exchange), Tuition waivers and Non Award EFTSL. As per HESA reporting requirements, 2007 figures include total official load figures reported to DEST for 31st March 2007 and 31st August 2007 (includes preliminary load figures for Summer School and post August [Trimester 3 and Term 4]).

Widening Opportunities

During 2007 ECU pursued a number of strategies to improve access by widening opportunities. These strategies included the development of admissions pathways, providing more options for flexible learning and on-line learning and by providing additional support for those students "at risk" of failing or ceasing their studies.

Admission Pathways and Enabling Courses

The Portfolio Entry pathway continued to grow in 2007. In total 423 applications were received, up from 344 applications in 2006. 299 offers were made, compared with 255 in 2006.

ECU continued to develop its non-TER entry pathways. In 2007 approximately 36 per cent of commencing undergraduates entered Bachelor courses directly, rather than through the Tertiary Institutions Service Centre, which mainly processes TER applications. 2007 initiatives included:

- an additional portfolio entry pathway for ECU's Education programs, based on nomination by school principals;
- pathways for TAFE graduates wishing to articulate to ECU's undergraduate programs; and
- the Enrolled Nurse Registration Pathway Program, developed in partnership with the Western Australian Department of Health's Office of the Chief Nurse and the Program.

Enabling courses were expanded with the provision of a greater number of Commonwealth-supported places for the University Preparation Course (UPC), designed for those wishing to develop tertiary learning skills before commencing an undergraduate course. The UPC consistently elicits positive student responses and is a means of equipping students for successful study, providing a pathway for those who might not have otherwise gained entry to ECU.

In 2007 four UPC units gained Curriculum Council recognition as contributing to the new Western Australian Certificate of Education. In a trial project designed to give high school students an experience of study in a university environment, 85 Year 11 students from St Stephen's School studied one unit of the UPC on campus in 2007 Semester 2.

In addition, the TAPS (Teacher Assistants Program) course was converted into an Enabling course.

An analysis of retention and success of students entering ECU through its various admission pathways was conducted in 2007. Extension of ECU's admissions pathways has meant that in 2006 and 2007 190 students, who under previous admission pathways would have not met entry requirements for ECU, have taken up the opportunity offered by ECU and are succeeding in their higher education studies.

Scholarships

In 2007 ECU developed a revised suite of ECU-funded scholarships and awards for 2008 entrants. These have been promoted with secondary schools in Western Australia and especially with those schools in areas in proximity to ECU's campuses. The intention is to encourage students who may not have considered university study to engage with ECU while still in Year 11 and Year 12.

In addition, in a competitive bidding process in 2007, ECU obtained four additional Commonwealth Scholarships for Associate Degree students and 45 new Indigenous Enabling and Access Scholarships. This brings the total Commonwealth Scholarships available to ECU students for 2008 to more than 1100, worth approximately \$3.3m.

Flexible Delivery and Off-Campus Options for Study

The University has completed its move from print-based external studies and will now seek to grow on-line and off-campus courses. Offerings of this nature are largely in the coursework graduate studies area. 2007 saw the introduction of a streamlined process for identifying, offering and promoting on-line and off-campus courses. Off-campus offerings have been clearly identified and possible additions are being evaluated.

ECU further developed its distinctive style of teaching and learning in 2007, with more than 1000 units now available on-line and course developments continue to provide support for flexibility in, and opportunities for, multiple exit modes and delivery formats.

Retention Strategies

The Key Performance Indicator Report at page 155 of the Annual Report includes a retention key performance measure for commencing Bachelor pass students. This shows that ECU's retention rates declined to 79.1 per cent in 2004 and have since improved to 79.6 per cent in 2006. This is slightly below the national average of 80.9 per cent.

Retention strategies continue to be a priority for the University. Retention of students is co-ordinated by a specially designated manager within ECU's Student Services Centre and strategies are in place to identify those students most at risk of dropping out. In 2007 each faculty also put in place a retention strategy.

In addition, the University is responding to the new ESOS National Code with a co-ordinated project to deliver a new approach to identify "at-risk" international students and establish appropriate intervention strategies. Although focusing on international students, all student cohorts are expected to benefit from this initiative.

A Diverse Student Cohort

ECU has created a diverse and contemporary learning and working environment for its students and staff which respects diversity and difference. The University prides itself on its support for this positive environment and continues to instigate and implement policies and processes to develop a welcoming, vibrant culture that is supportive and inclusive and free from discrimination, harassment and bullying, thereby making ECU an attractive place to learn and work.

ECU maintains a broad commitment to removing barriers to access for disadvantaged students and to promote equality of opportunity in higher education. The University has placed a special focus on assisting students from low socio-economic status backgrounds (low SES), from rural areas, with disabilities and from Indigenous backgrounds, with the aim of improving both access to ECU courses and study success.

Consistent with an overall reduction in enrolments at ECU, enrolments for Equity Group students have shown a decline in recent years.

As shown in Figure 3 and Tables 4 and 5, Equity Group participants as a proportion of the total student body have also been in decline and this trend is consistent with the Australian higher education sector.

The number and proportion of students identifying as having a disability increased in 2007 compared with 2006.

Figure 3: Proportion of ECU Student Population by Equity Group, 2003-2007

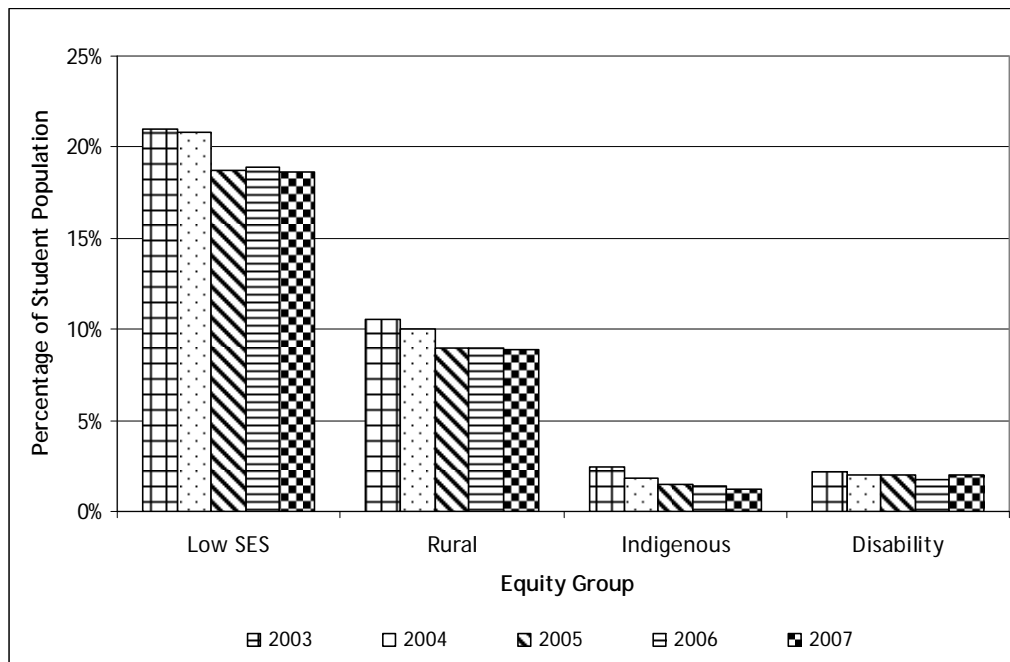


Table 4: Proportion of ECU Student Population by Equity Group, 2003-2007

| Proportion | 2003 | 2004 | 2005 | 2006 | 2007 |
|------------|-------|-------|-------|-------|-------|
| Low SES | 21.0% | 20.8% | 18.7% | 18.9% | 18.6% |
| Rural | 10.5% | 10.0% | 9.0% | 9.0% | 8.9% |
| Indigenous | 2.4% | 1.8% | 1.5% | 1.4% | 1.2% |
| Disability | 2.2% | 2.0% | 2.0% | 1.7% | 2.0% |

Table 5: Number of ECU Student Population by Equity Group, 2003-2007

| Numbers | 2003 | 2004 | 2005 | 2006 | 2007 |
|------------|-------|-------|-------|-------|-------|
| Low SES | 3,714 | 3,750 | 3,155 | 3,078 | 2,910 |
| Rural | 1,855 | 1,805 | 1,518 | 1,464 | 1,390 |
| Indigenous | 417 | 328 | 260 | 230 | 186 |
| Disability | 395 | 352 | 336 | 285 | 318 |

Figure 3 shows that the proportion of low SES, Rural and Disability students has remained relatively steady for the period 2005 to 2007. The proportion of Indigenous students has been in decline over the full period 2003 to 2007.

These trends may be linked to the strong domestic economy, as low unemployment rates may attract people to employment rather than study, particularly for those from disadvantaged

backgrounds. In the case of Indigenous people, the decline in participation may result, in part, from changes to the financial support arrangements introduced by previous Commonwealth Governments.

First Year at University

The commencing year of university study is regarded as a crucial one for student retention. In 2007 the provision of study skills and learning support was reviewed and reorganised. Services will be delivered through Learning Centres, established on each campus.

A First Year at University Working Party was established, leading to the development of a series of discrete programs to support first-year student, including:

- the development of restructured orientation program to provide co-ordinated support to students in early stages of their university study;
- planning for a First Year Website which will contain support materials and relevant supporting information;
- planning for the establishment of Learning Centres to provide enhance learning and language support; and
- the establishment of a pilot project to set up a support group for mature-aged first year students.

A comprehensively enhanced orientation and transition program was developed during 2007, building on initiatives begun in 2006. This program includes a number of projects such as support groups for mature-aged students and rural students; workshops in “survival cooking” and “survival budgeting” and cultural awareness; “Launch Days” to welcome new students; and orientation publications, an orientation website and a Campus Tour podcast.

ECU's Marketing Strategies

In 2007, based on research with students, staff and key stakeholders, a new brand model for ECU was developed and launched. The brand model sets the tone for all ECU external communications, defines the key messages that the university wishes to convey and explains the position that ECU wants to hold in the marketplace. The university's previous marketing revolved around 'great careers' while the current marketing aims to portray ECU as the place to go to 'reach your potential'. Correspondingly, the previous 'ecugreatcareers' marketing website was relaunched as 'reachyourpotential.com'.

A new marketing campaign was also launched in 2007 - “ECU Students Speak for Themselves”. Key to this campaign was a series of television advertisements that demonstrated the quality of the teaching and learning environment at ECU. These featured students in scenarios that showcased the University's excellent study facilities and teaching programs in disciplines such as Sports Science, Nursing, Teacher Education, Engineering and Communications. Supporting press and radio advertisements used student, staff and employer testimonials to deliver key messages relating to the relevance and practical nature of the University's programs and the quality of the teaching staff and facilities at ECU. This highly successful campaign was adopted across the University, in all faculties and schools.

A collaborative advertising campaign featuring a research graduate (an ECU alumnus) was also conducted to attract Research & Higher Degree students to ECU.

A new Student Recruitment and Careers team enabled the University to increase its recruitment activities in schools and in the community for school-leavers and mature-aged prospective students. During August, September and October the team worked to engage with schools and students prior to commencement of the TEE. Two successful open days were also staged and student recruitment staff made presentations to more than 10,000 prospective students. Advice was also provided to 5500 careers event patrons.

Throughout the year recruitment officers handled 24,000 phone inquiries, 6500 queries via e-mail, and 1300 campus visitors. The reachyourpotential.com website attracted 329,000 unique visitors, an increase of 6 per cent compared with 2006. Student Recruitment has utilised a wide variety of

events such as pizza evenings, information seminars and targeted presentations to improve the information available to future students. A monthly e-newsletter was sent to about 12,000 subscribers

Recruitment strategies for international students in 2007 were three-pronged: a focus on source countries with significant growth potential (e.g. China and India); maintenance of markets in key source countries (e.g. Zambia, Kenya, Norway and most of South East Asia); and further development of emerging markets in the Middle East and South America.

Continued attention was given to ECU's network of international student recruitment agents, to supplement direct recruitment and there was further development of an enhanced web presence and electronic processes for marketing, application and admission. Strategic links with offshore partners providing pathways for study onshore were also developed and in 2007 some 24 new twinning, articulation, exchange and study abroad agreements were established with institutions in South East Asia, North America, Europe and Africa, as well as a further 14 memoranda of understanding.

ECU's Internet Presence

A significant redevelopment of the ECU website is underway, led by Professor Arshad Omari, Deputy Vice-Chancellor. Its initial focus will be visual re-design, the development of new website governance processes, a content management system to ensure consistency and accuracy throughout the site, a web portal so users can achieve a web experience more consistent with their individual needs and improvements to a range of systems associated with student support, such as Callista, Blackboard, the Course Management Systems and the reachyourpotential.com website.

Responsiveness to Students and Employers

Assessment Practices

A review of the University's Assessment Policy and practices began in 2007.

The Faculty of Education and Arts conducted seminars on the challenge of assessment.

The "ECU Business Edge" program was established by the Faculty of Business and Law to address employer concerns over perceived business skills deficiencies in graduates. Assessment now includes reviews by "industry judges".

On-line Learning Resources

On-line support for units increased throughout 2007. On-line materials are now also available via Blackboard to "student communities" enrolled in a cluster of awards, in addition to the familiar unit sites, as well as to staff. This allows communication by course co-ordinators with their students both actively via email and via the provision of on-line resources for that course. The number and types of these "student communities" has grown to over 150 over the course of the year.

Good quality in off-campus units is supported by the introduction of standards for the provision of resources for on-line and off-campus courses and for on-line materials where face-to-face teaching is supplemented with resources available on-line via the Blackboard learning management system. A process of auditing against these standards is in operation. In 2007 Semester 2, ECU had Blackboard unit sites for 1262 units, involving 85 per cent of students.

During 2007 the "FlexiLecture" project continued to equip teaching spaces for the automatic capture of lecture material to assist student learning by making lectures available on an ad hoc basis to be viewed on-line (videostreaming) and downloaded as podcasts via Blackboard and faculty servers. Seven such spaces were available at the end of the year, with major lecture theatres on the Joondalup, Mount Lawley and Bunbury campuses fully installed. New installations will be provided for Nursing lectures early in 2008.

A comprehensive roll-out of lecture capture technologies is underway and by mid-2008 over 40 teaching spaces across the University's campuses will be served by state-of-the-art lecture capture facilities.

Review of the Academic Profile

In 2007 there was a review of performance of major academic programs across a range of indicators of student satisfaction and graduate outcomes. This analysis will help to inform a broad review of ECU's Academic Profile in 2008 and to identify new opportunities to further differentiate ECU within the sector.

During 2007 each faculty actively explored new course initiatives to respond to emerging demand for education in a number of new areas. As a result, new programs will be offered in 2008, including in Writing, Criminology and Juvenile Justice, Disability Studies, a two-year teaching degree and the Diploma in Science (at the Faculty of Regional Professional Studies).

Enhancing the "Student Experience"

During 2007 ECU implemented enhanced support services to assist students to maximise the outcomes of their learning experiences at ECU. These enhancements included:

- the introduction of a highly successful information evenings for commencing students, which encouraged students to attend with a support person to begin to engage in and understand the level of support services available to ECU students;
- the implementation of centralised orientation and transition programs to ensure a student's experience are not dependent on the course in which they are enrolled. These programs will be further refined in 2008;
- the introduction of infrastructure to enhance student access to information, services and a tailored experience at ECU. These strategies included:
 - the introduction of an enquiry management system;
 - the opening of "student friendly" Student Central at Mount Lawley Campus with i-point infrastructure;
 - planning for further i-point areas at buildings on the Mount Lawley, Joondalup and South West campuses;
 - provision of additional formal and informal teaching and learning spaces with refit projects on the Joondalup Campus and the Mount Lawley Campus;
 - the amalgamation of student recruitment and careers advisory services to provide a continuous service in career choice and development for prospective students through to alumni; and
 - the implementation of a teaching timetable using a sophisticated system which groups units on certain days to allow students campus free days;
- consulting students at every stage in the planning and implementation of services;
- innovative support programs for students in areas such as pastoral, cultural, health and well-being; and
- support for the development and maintenance of international student groups.

Enquiry Management and Student Admissions

The Enquiry Management System was implemented across the University in early 2007 to help attract and retain students by streamlining sources of information and advice. The system channels enquiries through 23 service points, primarily in the Student Recruitment and Careers Centre and the Student Contact Centre, while more complex enquires go to designated referral points within

faculties and service centres. Each campus has clearly sign-posted information points for face-to-face enquiries.

Student Feedback

The Unit and Teaching Evaluation Instrument (UTEI) provides a student assessment of unit content and teaching quality on a semester by semester basis. 2007 saw the implementation of a revised and on-line UTEI. Through marketing and an incentive scheme to encourage participation, response rates were achieved which were similar or better than the previous paper-based version of the survey.

A new student experience survey was developed and implemented in 2007 with the objective of providing more meaningful and comprehensive data to underpin both short and long-term planning for student needs. The first student survey was conducted on-line in October 2007 with response rates (at around 30 per cent) almost triple the result of the 2004 survey. An interim analysis of survey results was conducted during November and December and reported to student service providers and facilities managers to inform their planning. Further detailed analysis and reporting is planned for the March quarter of 2008.

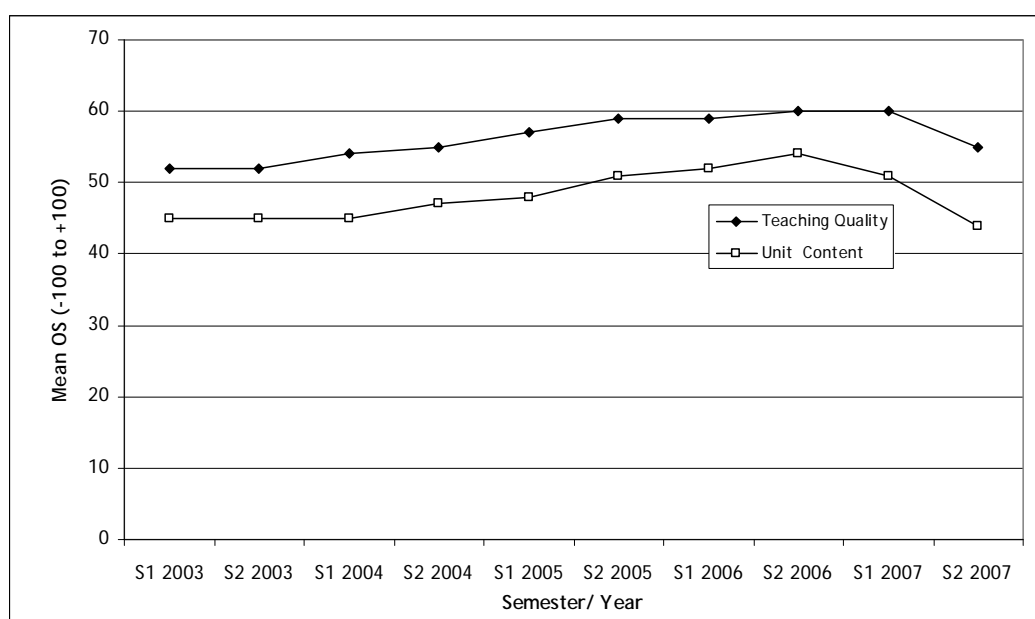
Development of a surveys policy, aimed at ensuring that students are surveyed in a co-ordinated and appropriate manner, commenced in 2007. This policy will be finalised in the first half of 2008.

ECU Teaching Outcomes

Teaching and learning quality at ECU is measured and reviewed through a number of mechanisms including the UTEI, CEQ and GDS survey instruments.

As can be seen from Figure 4 below, student perception of teaching quality has steadily improved since the introduction of the UTEI in 2002 until the end 2006. Likewise overall satisfaction with content has grown from 2002 until the end of 2006. The revised questions and data collection process implemented in 2007 has led to changed outcomes with new baseline data for comparisons. The University will continue to implement activities to improve student satisfaction using student feedback from the UTEI.

Figure 4: ECU UTEI Mean Overall Satisfaction with Teaching Quality and Unit Content, 2003-2007



The most recent results for ECU graduates in 2006 (surveyed in 2007) have not yet been made available by Graduate Careers Australia and so no comment is made in the Annual Report on performance for 2007 concerning the University's Generic Skills, Good Teaching or Overall Satisfaction scores, or on the Graduate Destination Survey outcomes: Full-time Employment and

Further Study. The Key Performance Indicator Report at page 155 of the Annual Report provides the latest information on ECU's performance on these measures.

Analyses and strategies to improve ECU's student satisfaction and graduate outcomes were considered by the Quality and Audit Committee and the Academic Board in 2007. Further work will be done in 2008 to identify areas for particular attention.

"Job-ready" Graduates

Additional work is required to improve the success of ECU graduates in gaining and succeeding in employment and this will continue to be a priority in 2008. Initiatives in 2007 included:

- a volunteer accreditation program, established by the Child Health Promotion Research Centre, allowed more than 25 students to gain research work experience;
- the Student Recruitment and Careers team is now in place and is focusing on working with faculties to ensure opportunities are available to prepare job-ready students; and
- embedding ECU's Graduate Attributes into the University's teaching and learning. ECU Graduates will be valued for their: ability to communicate; ability to work in teams; critical appraisal skills; ability to generate ideas; and cross-cultural and international outlook.

ECU contributed to a Universities Australia proposal for a "national internship scheme" and will engage with others in the sector and with graduates and employer groups to develop this strategy further.

Campus Facilities

ECU continues to develop its campus facilities to enhance the "university experience" of its students. 2007 saw a number of improvements in campus facilities including:

- Completion of a state-of-the-art library building, which includes a 200 seat computer megalab and group study rooms, on the Joondalup Campus;
- Improved food outlet and bookshop facilities on the Joondalup Campus;
- A new short-term childcare facility introduced in response to student feedback;
- A number of security initiatives at the South West Campus precinct, including the upgrade of access control, CCTV and duress alarm systems, the introduction of a Security Officer on campus during University operating hours, the improvement of walkway and campus external lighting and the introduction of pathways from Student Housing; and
- Planning for additional student housing accommodation on the Mount Lawley Campus has commenced.

Developing Research Focus, Depth and Impact

ECU seeks to be recognised for high impact research which contributes social, economic, environmental and cultural benefits. In 2007 ECU's goals in the Strategic Priority Area of research were:

- to build its research enterprise and generate enhanced research outcomes in selected areas of excellence, particularly those with the potential for high social, economic, environmental and cultural impact; and
- to provide high quality research training to produce high rates of research higher degree completions and research graduates with valued knowledge and skills.

High Impact Research

Areas of Strength and Opportunity

The Research and Research Training Functional Plan, 2007-2010 was endorsed by the Academic Board and then approved by Council in July 2007. Based on research income and publications, six areas of strength and two of areas of opportunity were identified and will be fostered for the next three years:

Areas of strength

1. Health and Wellness
2. Education
3. Environment and Sustainability
4. Electronic Engineering and Information and Communications Technology
5. Social and Community
6. Business and Society

Areas of opportunity

1. Communications and Creative Arts
2. Security, Law and Justice

Building Areas of Concentration, Depth and Sustainability

Strategies for building the identified areas of strength include: targeted senior research appointments, generating additional research income, better allocation of research resources and increasing the Higher Degree by Research (HDR) load in strategic areas.

Research Appointments

Senior research appointments in 2007 included three Professors and 12 Associate Professors. In addition, 12 new Professorial Chairs were advertised in September 2007.

The recruitment of these additional senior research-oriented positions is expected to provide a substantial boost to future research productivity at ECU.

Research Income in 2007

Allocation of Research Block Funding is based on ECU's research performance relative to the sector, in income, publications and Higher Degree by Research completions. ECU has continued to improve its overall research performance with consequent increases in Research Block Funding to \$6.7m in 2007, which is a 3.9 per cent increase on 2006 (see Table 6 below).

Table 6: Research Block Funding by Category, 2004-2007

| Research Block Funding Category | Income (\$m) | | | | Change 2006-2007 |
|-------------------------------------|--------------|------|------|------|---------------------|
| | 2004 | 2005 | 2006 | 2007 | |
| Institutional Grants Scheme | 1.53 | 1.70 | 1.83 | 1.94 | 6.0% |
| Research Training Scheme | 3.94 | 3.97 | 4.07 | 4.22 | 3.7% |
| Research Infrastructure Block Grant | 0.52 | 0.47 | 0.55 | 0.54 | -1.8% |
| Total | 5.99 | 6.14 | 6.45 | 6.70 | 3.9% |

Total research grant income grew from 2004 to 2006 and although total research grant income for 2007 (\$9.65m) was slightly lower than 2006, overall there has been a 18 per cent increase since 2004 (see Table 7 below).

Table 7: Research Grant Funding by Category, 2004-2007

| Research Grant Funding Category | Income (\$m) | | | | Change 2006- 2007 |
|--------------------------------------|--------------|-------|-------|------|-------------------------|
| | 2004 | 2005 | 2006 | 2007 | |
| National Competitive Research Grants | 2.27 | 1.95 | 2.03 | 1.28 | -58.7% |
| Other Public Sector Research Funding | 4.19 | 5.47 | 4.83 | 4.33 | -11.4% |
| Industry and Other Funding | 1.80 | 3.06 | 3.07 | 4.09 | 24.9% |
| Co-operative Research Centre Funding | 0.01 | 0.03 | 0.09 | 0.09 | -2.5% |
| Total | 8.27 | 10.51 | 10.02 | 9.79 | -2.3% |

Initiatives to Grow Research Income

Additional research income was generated through a number of initiatives, including:

- the re-introduction of external review of grant applications;
- the establishment of a Grant Mentorship Scheme;
- improved information on research grant applications through a revamped Office of Research and Innovation website; and
- the delivery of a comprehensive program of research seminars to develop grant writing and management capabilities.

Strategic Use of Research Funds

Funding allocations for research will increase for 2008, as flagged in the 2007 budget process, and the following points are noteworthy.

- **Funding for strategic initiatives in research** aligns with the University's new Research and Research Training Functional Plan, Goals and Strategies. Funds are used to support strategic initiatives, matching funding for Centres of Excellence and similar programs and part-funding of institutes. Funding for 2008 has been increased by \$1.34m.
- **The ECU Early Career Researcher Scheme** - This is a key strategy in building capacity and organisational sustainability, which provides seed funding to assist early career researchers gain experience in grant applications, project management and reporting procedures. This scheme will receive a 50 per cent funding increase (from \$100,000 in 2007 to \$150,000 in 2008).
- **Postdoctoral Fellowships** are used strategically to maximise their impact on ECU's research outcomes by increasing the cohort of early-career researchers in the University. As such,

Postdoctoral Fellows are the “backbone” of many research groups and are essential to the development of the research culture at ECU. The amount of funding provided will increase from \$429,000 in 2007 to \$603,000 in 2008.

- **The Research Activity Index (RAI) Scheme** rewards staff for research performance and assists in data collection. Funding will be increased from \$677,000 in 2007 to \$700,000 in 2008.

In addition, the 2008 budget allocation will allow ECU to increase its Higher Degree by Research load in strategic areas by:

- increasing the ECU-funded Higher Degree by Research load from 60 EFTSL to 100 EFTSL (\$500,000) in order to supplement the limited availability of Research Training Scheme (RTS) load funded by DEST; and
- increasing Postgraduate research scholarships from \$1.11m in 2007 to \$1.42m in 2008.

Increasing Research Collaboration

The University continues to pursue new research partnerships through its ECU Industry Collaboration Scheme. This scheme secures new research partnerships to the University which in turn can impact on total research revenue secured from industry. In 2007, industry partners pledged almost \$699,000 towards ECU Industry Collaboration projects.

University funding for the ECU Industry Collaboration Scheme will be increased from \$390,000 in 2007 to \$500,000 in 2008. In previous years, greater than 50 per cent of the partners involved in the ECU Industry Collaboration Scheme have been new to the University.

In an effort to increase opportunities for collaboration, targeted visits between industry partners and potential investors and several research groups at ECU were undertaken in 2007.

A University-wide Research@ECU Engagement event was organised to showcase ECU's research excellence and to build potential collaborative links between ECU and business, industry, the professions, government agencies and the community.

In 2007 several new research collaborations were initiated:

- Western Australian Marine Science Institute;
- Western Australian Centre for Cancer and Palliative Care;
- Asia-Pacific Centre for Excellence for Teacher Education (with Sampoerna Foundation - Indonesia);
- Fudan University (China) in micro- and nano-photonics;
- Shenzhen Institute of Advanced Technology (China) in the development of chip to chip optical interconnects;
- Nanoscale Characterisation Centre;
- CSIRO Flagship program in Alzheimer's Disease research;
- Yadgalah Aboriginal Corporation; and
- Broome Family Relationship Consortium.

These new research partnerships are in addition to existing collaborations, as listed below.

Five State or Commonwealth Centres of Excellence:

- Western Australian Centre of Excellence for Microphotonic Systems;
- Western Australian Centre of Excellence for Alzheimer's Disease Research and Care;
- Nanoscale Characterisation Centre for Western Australia (NCC WA);
- Centre for Comparative Genomics; and

- ARC Centre of Excellence for Creative Industries and Innovation.

Two CSIRO Collaborative Research Flagships:

- Preventative Health Flagship: Detecting and preventing Alzheimer's Disease: Towards diet and lifestyle interventions; and
- Wealth From the Oceans Flagship: Ningaloo Cluster Reef use, biodiversity and socio-economics for integrated management strategy evaluation of Ningaloo.

One Co-operative Research Centre:

- Sustainable Tourism Co-operative Research Centre.

Three ARC Research Networks:

- ARC Financial Integrity Research Network;
- ARC Research Network in Enterprise Information Infrastructure; and
- ARC Research Network for Early European Research.

Five collaborative ARC Linkage Infrastructure, Equipment and Facilities grants:

- AusStage: Gateway to the Australian Performing Arts - live performance phase 3 - enhancing collaborative research methodologies through digital networking technologies;
- High Performance Optical Profilometer for Mapping micro/meso/macrosopic topography;
- The Nanoscale Characterisation Centre WA Focused Ion Beam Nanofabrication and Milling Facility;
- A cryopreparation facility for Western Australia; and
- MALDI Imaging and Protein Analysis Facility WA.

Developing and Implementing ECU's Research Quality Framework Response Plan

A major goal for the year was to prepare ECU for the Research Quality Framework. During 2007:

- an RQF Response Plan for ECU was developed and implemented;
- an RQF Officer was appointed;
- a Digital Repository, administrative staff and information systems for RQF were put in place;
- the allocation of staff to 20 Research Panel groups, spread across 11 of the 13 panels was completed;
- draft evidence portfolios were completed and are being externally reviewed; and
- briefing sessions for ECU Heads of School, senior researchers and group leaders were held, providing information on the latest RQF developments from DEST.

It should be noted that in December 2007 the new Commonwealth Government announced that it would not proceed with the implementation of the RQF process.

ECU's work to develop an Open Access Digital Repository for ECU publications, initiated as part of the RQF process, will continue in 2008.

Commercialisation of Research

ECU has increased its focus on commercialisation of its research outputs and resultant income in 2007 was \$815,000. Significant progress was made in establishing processes and documentation, with the development of a more streamlined Commercialisation Protocol, registers for Projects, Patents and Trademarks, and legal documentation covering Invention Disclosure and Revenue Sharing. A review of the Intellectual Property Policy was also undertaken. Eighteen Commercialisation projects were managed by the Commercialisation Office, one of which won the

2007 Western Australian Inventor of the Year (Early Stage Category). Research commercialisation is University-wide and meets the requirements of the National Principles of Intellectual Property Management for Publicly Funded Research.

The University continued as the preferred contract research organisation for several significant commercial projects, partnered with industry to commercialise outputs from ECU research projects and identified commercially viable technological advances in key areas of its research strength.

High Quality Research Training

Research by Higher Degree Load

Following a period of rapid growth in the 1990s, research higher degree enrolments at ECU peaked at 451 EFTSL in 2001 and then steadily declined in the period 2002 to 2007. This decline was a result of changes in Commonwealth Government policy that reduced funded research higher degree places. With a change in the funding model that rewards completions, ECU has adopted a deliberate strategy of targeting high quality students likely to complete their research higher degree within the time limits prescribed by the Research Training Scheme (RTS).

In 2007, the University exceeded its 2007 Higher Degree by Research Load targets by 2 per cent overall. Compared with 2006, there was a small increase in actual load in the International category (see Table 8 below).

Table 8: Higher Degree by Research Load, 2005-2007

| | 2005 | | | 2006 | | | 2007 | | |
|------------------------|------------|------------|-------------|------------|------------|--------------|------------|------------|-------------|
| | Target | Actual | Variance | Target | Actual | Variance | Target | Actual | Variance |
| Commonwealth Supported | 190 | 192 | 1.1% | 183 | 188 | 2.7% | 191 | 186 | -2.6% |
| ECU Funded | 67 | 68 | 1.5% | 54 | 78 | 44.4% | 79 | 61 | -22.8% |
| International | 60 | 68 | 13.3% | 62 | 80 | 29.0% | 50 | 84 | 68.0% |
| Domestic Tuition Fee | 6 | 6 | 0% | 6 | 4 | -33.3% | 8 | 4 | -50.0% |
| Total | 323 | 334 | 3.4% | 305 | 350 | 14.8% | 328 | 335 | 2.1% |

Research Training Initiatives

In 2007, ECU continued to foster a strengthened research training culture through a number of initiatives, which are listed below.

- Research and writing consultants were appointed in each of the metropolitan-based faculties. One research consultant was appointed to the Centre for Learning & Teaching.
- A series of workshops were conducted to provide staff with strategies for provision of effective research supervision and information relating to research policy and practices.
- A series of postgraduate research seminars was run at each campus. Students and research staff were encouraged to attend these with a view of sharing experience and knowledge. These were accompanied by lunches and social sessions (ten were run in 2007).
- A University-wide research calendar was developed with up-to-date information on seminars, research centres, research proposals, and guest speakers.
- A multi-user blog site on the ECU website was created to provide students with a forum to encourage dialogue, reflection and collaboration across all disciplines, staff and students.
- ECU training courses (including new MS Word and other workshops) were made available to research students.

- A new part-time position was established to help promote research culture and support Higher Degree by Research (HDR) students. The new position will be active in updating the research calendar, and running regular social events with a view to helping students collaborate with others, as well as identifying issues and facilitating the resolution of these (by identifying appropriate help and resources).
- Faculty resources and support for HDR students were reviewed, which included office space, research software licensing and the breadth of research training courses being offered across ECU.
- HDR student marketing was enhanced through a Research Expo (conducted for the first time in August 2007) and a centralised marketing campaign (conducted in September/October 2007 to promote intake across faculties).
- The 2008 Budget, approved in 2007, will provide additional ECU scholarships from 2008. There will be four new International (fee and stipend) Scholarships, five new ECU Excellence (top-up) Scholarships and eight new ECU PRS (stipend) Scholarships.

Postgraduate Research Students' Experience

In September 2007, an analysis of Postgraduate Research Experience Questionnaire (PREQ) data from a three-year survey period was reported by Graduate Careers Australia, in its publication *Postgraduate Research Experience 2006*. Positive results were shown for ECU as follows:

- of the seven qualities of research experience, ECU is ranked 2nd in "Supervision" and "Setting Goals & Expectations", and in the top 20 per cent of institutions for "Skill Development" and "Overall Satisfaction for the Research Experience"; and
- there was an improvement in ECU's national PREQ ranking for each of the seven qualities.

Building Organisational Sustainability

ECU seeks to be recognised for attracting and retaining high quality, committed staff and for approaches to teaching and research which are supported by cost-effective, responsive and sustainable organisational systems.

The Strategic Priority Area of organisational sustainability includes Staffing, Financial Strength and Enabling Infrastructure.

Staffing

ECU recognises its staff as its most valuable resource. In 2007, ECU's goals were:

- to attract and retain the staff required to achieve ECU's strategic priorities;
- to strengthen leadership capacity and build a strong performance culture; and
- to provide a safe, healthy and positive work environment.

Attracting and Retaining Staff

ECU's staff profile is one of the older staff profiles in the higher education sector, although this has improved within the last 12 months. Building on earlier research on staff demographics, in 2007 ECU devised a strategy, due to be implemented in 2008, which addresses both the projected loss of staff due to retirement and issues of attraction and retention in the highly competitive Western Australian labour market. This strategy is similar to the student marketing brand "Reach Your Potential", providing a fresh basis upon which to build ECU's employment brand and its employee value proposition. The strategy encompasses the extension of workforce planning across all business units, succession planning and enhanced career development initiatives and talent management processes.

In 2007, the University complied with the Commonwealth's Higher Education Workplace Relations Requirements (HEWRRs) and offered Australian Workplace Agreements consistent with the HEWRRs, in order to provide additional flexibility in working conditions and attract new staff and retain existing staff.

Analyses indicate that continuing competition within the Western Australian labour market, particularly for discipline experts, has not impacted on staff attrition rates, which are close to sector averages, but applicant rates and acceptance of offer rates are showing some detrimental effects.

In addition, the following 2007 activities are noteworthy:

- ECU undertook benchmarking of its recruitment procedures with two other Australian universities. Results will feed into the upgrade of the existing process and the design of e-recruitment procedures in 2008.
- ECU was successful in obtaining \$535,000 funding under the Commonwealth Government's Workplace Productivity Programme as a contribution towards the development of e-recruitment, on-line performance management and succession planning systems and to improve workforce planning capability. The project is due to commence in 2008.
- The Human Resources Services Centre underwent an external review which identified areas of good practice and opportunities for improvement.
- The ECU Staffing Functional Plan was revised in 2007 and covers the period 2007-2009.
- Work began on a new staff survey to measure satisfaction levels across a range of indicators. The survey will be run in 2008.

Strategies to grow research capacity, including through research staff recruitment, are described on page 36 of the Annual Report. This contributes to general growth in the size of the professoriate of the University. Initiatives aimed at growth of this segment of the staff profile have increased the proportion from 5 per cent to 7 per cent of academic staff since 2003.

Leadership Capacity

Changes to the Senior Leadership Team in 2007 included:

- the appointment of Professor Arshad Omari as Deputy Vice-Chancellor;
- the appointment of Professor Brenda Cherednichenko as Executive Dean (Faculty of Education & Arts); and
- the appointment of Professor John Finlay-Jones, who will take up the position of Deputy Vice-Chancellor (Research) at the end of March 2008.

A number of other key leadership appointments were made in 2007, including:

- Professor Ronald Oliver, who became Pro-Vice-Chancellor (Teaching & Learning);
- Professor Anne Wilkinson, who was appointed to the position of the Cancer Council of Western Australia Chair in Palliative and Supportive Care;
- Professor Clive Barstow, who was appointed Professor of Creative Arts; and
- Professor Sue Stoney, who was appointed as the inaugural head of the Centre for Learning and Teaching.

An additional 12 new Professorial Chairs were advertised in September 2007 to further supplement the professoriate at ECU.

Building leadership capacity was again a major focus for the year. Two leadership programs: the Leadership@ECU Accredited Program and the Academic Leadership Program, operated during 2007 and were accessed by 267 individual ECU staff in 2007, many of whom attended more than one program.

The Leadership@ECU Accredited Program (LEAP) is an internally developed course which articulates into formal University programs and management qualifications. In 2007, LEAP had 25 general staff participants, down from more than 60 staff in 2006. Consequently, the program has been reviewed and restructured.

The Academic Leadership Program (ALP), which targets Course Co-ordinators, Program Directors, Heads of School and Associate Deans, had a small cohort in 2007, most rating the program very highly. The ALP's module offerings continue to be revised in response to staff feedback.

In addition, in November 2007, a two-day Leadership Residential Program was held for 41 senior staff (academic and general), including the University's Senior Leadership Team. The program's objective was to strengthen ECU's senior leaders' understanding of ECU's strategic priorities, leadership culture, coaching and customer engagement. Participants committed to collegial processes by increasing their levels of self-awareness around 'more effective' and 'less effective' thinking styles to improve engagement with staff, students and members of the community.

A Strong Performance Culture

2007 saw the completion of enhancements to objective setting under the Senior Staff Performance Payment System (SSPPS), with the expectation that there will be alignment of SSPPS with ECU's new strategic directions as outlined in *Edith Cowan University: Engaging Minds; Engaging Communities. Towards 2020*.

An audit of the Management for Performance System (MPS) was conducted in 2007 and findings were implemented as improvements to the process. The MPS Policy and Guidelines were revised to incorporate a rating system against each objective, aimed at providing more focused feedback to employees.

A Safe, Healthy and Positive Work Environment

The University has maintained an excellent long-term record with regard to workers' compensation claims. Workers' compensation claims costs and injury rates continue to remain low. This is a strong indication of the University's on-going success in the development and implementation of

occupational safety and health plans for each of ECU's faculties and service centres, a management process supported by the ECU Occupational Safety and Health (OS&H) Office. Each faculty and service centre now has a local OS&H Committee chaired by its respective Business Manager. Key performance indicators will be developed by faculties and service centres as part of the bi-annual reporting process.

In addition, professional development opportunities related to OS&H have been introduced for 'fun and stimulation' (e.g. verbal judo and meditation) and a wellness program was developed by the OS&H Office, in collaboration with ECU Sports and HBF. Corporate membership packages have been developed for staff with private health providers HBF and Medicare Private.

During the year ECU was visited by inspectors from WorkSafe Western Australia as per its annual regulatory framework. The investigation, which focused on plant and machinery, was positive and allowed ECU staff to engage openly on matters of compliance. Although points were raised requiring attention, WorkSafe was satisfied with ECU's approach to the management of Occupational Safety and Health and its adherence to regulatory requirements.

Information on ECU's workers' compensation claims is provided at page 63 of the Annual Report.

Financial Strength

In 2007, ECU's goals in relation to its financial positioning were:

- to maintain a strong financial position and ensure that its financial resources continued to be managed efficiently and effectively; and
- over time, to build alternative sources of revenue such as fee-paying courses, commercial activities, fundraising and its investment portfolio.

Budget Setting

The four strategic priorities in *Edith Cowan University: Engaging Minds; Engaging Communities. Towards 2020* provided the context within which the 2007 budget was developed and are reflected in University-wide strategic budget allocations, as well as the expenditure plans of individual business units. In this way, the 2007 budget acted as a key driver for the University's ongoing strategic growth and development.

Given the challenging environment in which ECU operates, the University needs the capacity to adjust quickly if major changes are forced upon it. Accordingly, strategies have been set in place at both the University-wide and business unit level to ensure that ECU is in a position to respond quickly when external circumstances change. ECU responded promptly to the lower demand for Commonwealth Grant Scheme places and implemented a number of strategies that focused on improving student services, revenue growth initiatives, process efficiencies, marketing and alignment of activities to strategic priorities, while still achieving its key financial performance targets.

These budget initiatives are working in parallel with complementary initiatives designed to:

- continue to focus the University's academic activities and staff profile in areas of strength;
- improve the quality of activities, services and outcomes in teaching and research;
- ensure that ECU remains financially viable by a combination of strategies aimed at cost savings and improved efficiencies, but particularly by achieving revenue targets; and
- consolidate campuses and enhance the communications and information technology infrastructure.

In 2007, ECU operated within the key budget parameters approved by Council.

The 2008 consolidated budget was presented to Council at its December meeting and received its approval. It includes key financial performance measures for 2008.

Financial Position

ECU adopts a prudent approach to financial management and its overall financial position remains sound. The University once again received an unqualified external audit opinion for 2007 and received a "clean bill of health" from the Department of Education, Science and Training, which undertakes an annual review of the financial position of Australian universities.

The University posted a 2007 operating result of \$20.1m, which included \$10.6m gain on sale of assets relating to the Churchlands stage 1 and stage 2 development. The 2007 operating result excluding the gain on sale of assets was \$9.5m, which compares favourably to the reforecast budget of \$6.0m. This excellent outcome was due to the significant staff commitment to manage resources effectively within the available funding.

2007 operating revenue excluding the Churchlands development was \$259m, which compares favourably against the 2007 Reforecast budget of \$251m. Total revenue for the University in 2007 was \$270m compared to \$255m in 2006.

In terms of performance against the 2007 financial targets set by Council, the following financial ratios were achieved:

- operating margin of 7.5 per cent, (favourable), well in excess of the target of 3 per cent;
- interest cover on borrowings of eleven times, (favourable) to a target of three times;
- current ratio of 0.9, above the target of 0.8; and
- debt to equity ratio of 11 per cent against a maximum agreed level of 30 per cent.

Building Alternative Revenues

Revenues from international students increased by \$3.6m (9.4 per cent) in 2007 compared with 2006. International On-shore revenue in 2007 was \$35.0m and for International Off-shore activities, revenue amounted to some \$6.6m.

Research income from sources other than the Commonwealth Government's Research Block Funding (industry, community groups/ organisations and the public sector (other than National Competitive Grants)), was \$9.79m in 2007, a slight decline compared with 2006, but an overall increase of 18 per cent since 2004.

In 2007, an Investment Policy Statement was approved by Council and an investment portfolio was established.

ECU again complied with Commonwealth requirements under the National Governance Protocols and Higher Education Workplace Relations Requirements in order to be eligible for the 7.5 per cent contingent allocation in Commonwealth Grant Scheme funding for 2008.

In 2007, ECU also successfully secured funding in three Commonwealth competitive funding schemes:

- **Capital Development Pool (CDP)** - funding of \$1.73m for 2009 and \$1m for 2010 was granted to assist with construction of the Nursing facilities in the Health and Wellness Building on the Joondalup Campus. ECU has been granted funds for the Nursing facilities in each of the last three CDP funding rounds, totalling \$5.23m, as a contribution to the \$14m building costs;
- **Voluntary Student Unionism Transition Fund for Sporting and Recreational Facilities** - funding allocations of \$360,000 and \$1.85m were made to build outdoor courts and an indoor recreation centre at the South West Campus;
- **Workplace Productivity Programme** - ECU was successful in its bid for \$530,000 funding for its project: *Integrated Human Resource Planning, Recruitment and Performance Development System*, to develop e-recruitment, on-line performance management and succession planning systems and to improve workforce planning capability; and
- **Learning and Teaching Performance Fund 2008** - an allocation to ECU of \$1.58m was announced in October 2007 for high performance in the Science, Computing, Engineering, Architecture and Agriculture discipline group and for improved performance in the Business, Law and Economics discipline group.

ECU Foundation – a comprehensive review of the ECU Foundation commenced in 2007 and is being undertaken under the auspices of the re-established ECU Foundation Board. An interim report from the Board was provided at the December 2007 meeting of Council, with a final report and set of recommendations scheduled to be presented to Council in mid-2008. New funding strategies and governance arrangements will be developed in 2008, informed by best practice.

Enabling Infrastructure

In 2007, ECU's goals in this area were:

- to provide leading edge infrastructure which gives high quality services to stakeholders; and
- to ensure that the University's infrastructure and services were managed efficiently and effectively.

The current Asset Management Plan includes a combination of approved projects, proposed funding allocations, planned maintenance and projects that are in the conceptual stage only. These infrastructure projects incorporate research infrastructure requirements.

A new five-year Asset Management Plan has been developed for 2008 onwards, to support the quality, growth and maintenance of the University's assets.

During 2007, the University progressed major building works, campus enhancement, the Churchlands redevelopment project and a number of communications and information technology development projects. In addition, ECU implemented efficiency measures to streamline administrative processes in a number of areas.

Capital projects, Campus Enhancement and the Churchlands Redevelopment

ECU has a significant capital development program in place. During 2007, in line with the University's Asset Management Plan, expenditure on major capital works and infrastructure totalled \$36.3m and expenditure on minor works totalled \$2.8m.

During 2007, there was good progress towards completion of ECU's campus consolidation strategy. Key priorities of the strategy are: i) the redevelopment of the Churchlands Campus; and ii) the construction of major new projects at the Joondalup and Mount Lawley campuses, to accommodate activities relocated from Churchlands.

With State Government support, the 20ha Churchlands Campus is being redeveloped as a premium housing estate, known as Churchlands Green. This redevelopment has been carefully staged over several years to minimise disruption to ECU's students and staff. A team of consultants has been appointed, a detailed project plan has been prepared and planning is proceeding for the Churchlands Campus exit and redevelopment. The relocation strategy documents and reports on the outcomes for the University and addresses cost, campus operations and University planning requirements. The land sales and relocation strategies were actioned to agreed timelines and on budget. 2007 saw the sale of the majority of residential lots (as part of stage 1 and stage 2) and stage 3 is currently under construction.

In 2007, the Health and Wellness Building (\$35.5m) was completed at the Joondalup Campus. The following major projects were also progressed. All have met their project milestone targets and will be completed in accordance with the campus consolidation strategy:

- a new 350-seat lecture theatre at the Joondalup Campus;
- the library fit-outs at the Mount Lawley and Joondalup campuses;
- new and upgraded teaching and learning facilities at the South West Campus. These include the upgrade of the Student Central and administration area, incorporating the e-lab into the library, and the introduction of a Rural Clinical School and PD Centre;
- planning commenced for new recreational facilities at the South West Campus, with construction of multi-purpose courts, changing rooms and indoor recreation centre and funded through the Voluntary Student Unionism Transition Fund;

- planning commenced for new Student Housing on the Mount Lawley Campus; and
- construction of a Business and Law Building on the Mount Lawley Campus (\$27.9m) began and is due for completion in 2008.

A summary of capital works completed in 2007 and in progress at the end of 2007 is provided on page 61 of the Annual Report.

During the year, architects for the Joondalup Library and Technology Centre won the Royal Australian Institute of Architects (WA)'s 2007 Public Architecture Award for Best Building. The architects also received the Royal Institute of British Architects' International Award.

Information Technology

The IT Capital Asset Plan allowed for \$12.9m of upgrades and improvements to University information technology infrastructure. The majority of the allocation has been directed to network services and notebook and desktop computer replacement.

The second phase of the network roll-out was completed through the installation of a high capacity link between the Mount Lawley and Joondalup campuses. This link effectively connects the disc storage array which is connected to the server fleet at both campuses. Enhanced business continuity, resiliency and reliability will result from this increased capacity.

The third iteration of the University's successful standards for desktop and notebook computers was implemented in the year. The manner of approach to this project was enhanced to reduce the burden on cash flow, and so one third of computers are now replaced each year in a rolling, three-yearly program. Student Laboratory and staff computers with the Windows operating system were replaced with the latest models from Lenovo. Significant efforts were made in preparation for the 2008 release of the Windows Vista operating system and extensive application testing and self-help user training courses were completed.

The University Identification Card was upgraded with the latest smartcard technology to provide students with an integrated payment card for public transport, eLab and library borrowing and photocopying and printing. The ECU smartcard is fully integrated with TransPerth transport services, improving services and convenience for ECU students.

A new server and storage strategy was released in 2007 and has resulted in a renewed five-year relationship with Moncrieff and IBM for servers and storage. These two areas of University infrastructure are rapidly expanding to cope with increased demands from internet downloads, application information and streaming media from captured teaching sessions.

To ensure that the risks associated with IT Governance are well managed, there was an increased focus and priority given to addressing outstanding audit recommendations, with 70 per cent of past recommendations having now been closed. This has resulted in a more secure environment with enhancements to password security, information security awareness, software management and licensing and domain administration and control. On the recommendation of Internal Audit, in 2008 ECU will adopt the Control Objectives for IT (CobIT) framework of IT Governance. This is a program of best practice that will assist the University to ensure it will receive maximum value from the IT investment.

A full review of the University's website was undertaken and a major upgrade initiative is planned for 2008. New website governance procedures and a web content management system will ensure that students and other major stakeholders experience improved access to information and web resources.

Three high-level video capture installations were completed this year to support learning via the Flexilecture system and a further 40 audio-only spaces have been identified for completion early in 2008. The Flexilecture system allows automated capture of teaching content, so that students can review lectures in a more flexible manner from any internet-connected location.

Streamlining Administrative Processes

ECU continued to pursue a range of value-for-money strategies in 2007, while taking into account the need for sound business planning and risk management. This has enabled additional resources

to be re-allocated to teaching and research and other areas of higher priority. 2007 initiatives to increase effectiveness and/ or efficiency included:

- the establishment of the Surveys Services Unit to provide a more cohesive, consistent and higher quality approach to the University's major surveying of students and staff;
- the implementation of a software application to determine maintenance funding levels required to ensure the future integrity of the University's facilities and the management of backlog maintenance;
- a reconfiguration of the University's contract management framework;
- a review of the financial assessment model used to evaluate capital projects was conducted and a new financial model developed;
- the implementation of an improved service delivery model to support financial processes across the University;
- reviews of Admissions, Assessments and Student Records to ensure administrative processes are efficient and effective; and
- undertaking two Workplace Productivity Programme projects: the effective delivery of national benchmarking data; and a comprehensive set of Course and Unit Co-ordinator reports.

Summary Statistics

Table 9: ECU Student and Staff Data as at 31 March 2007

| | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 |
|---|----------------|----------------|----------------|----------------|--------------------|----------------|----------------|----------------------------|
| Students | | | | | | | | |
| Full-time Students | 11,096 | 11,735 | 12,920 | 13,731 | 12,930 | 14,151 | 13,707 | 13,211 |
| Part-time Students | 4,951 | 4,815 | 4,849 | 5,338 | 6,631 | 4,765 | 4,872 | 4,820 |
| External Students | 3,757 | 3,379 | 3,430 | 2,642 | 2,108 | 2,188 | 2,514 | 2,574 |
| Total Students | 19,804 | 19,929 | 21,199 | 21,711 | 21,669 | 21,104 | 21,093 | 20,605 |
| Higher Degree by Research Students | 687 | 707 | 638 | 597 | 559 | 488 | 504 | 481 |
| Master and PhD by Coursework Students | 948 | 1,015 | 1,217 | 1,217 | 1,501 | 1,704 | 2,071 | 2,307 |
| Other Postgraduate Students | 1,166 | 1,061 | 1,540 | 1,654 | 2,024 | 2,015 | 1,992 | 1,939 |
| Undergraduate Students | 17,004 | 17,027 | 17,804 | 18,273 | 17,585 | 16,897 | 16,526 | 15,878 |
| Equivalent Full-time Student Load (EFTSL) | 14,848 | 15,324 | 16,599 | 17,126 | 17,104 | 16,445 | 16,391 | 15,730 |
| Course Completions | 4,135 | 4,458 | 5,173 | 5,366 | 5,616 | 5,809 | 6,411 | Not Available ¹ |
| Fee-paying Overseas Students | 2,180 | 2,559 | 3,069 | 3,393 | 3,638 | 3,567 | 4,016 | 4,398 |
| Staff | | | | | | | | |
| Full-time Equivalent (FTE) Staff ² | 1,775 | 1,794 | 1,817 | 1,813 | 1,834 ² | 1,869 | 1,820 | 1,868 |
| Library³ Volumes Held | 787,487 | 626,766 | 700,591 | 661,420 | 651,980 | 647,644 | 651,829 | 643,561 |
| Serial Subscriptions | 14,611 | 16,343 | 18,693 | 15,005 | 19,279 | 21,109 | 32,003 | 33,982 |
| Total Income (\$000)⁴ | 161,543 | 191,730 | 205,708 | 204,613 | 278,685 | 251,131 | 254,786 | 269,764 |

Notes: 1 - 2007 Course Completions not available until 31 March 2008. 2 - Includes an estimate of casual staff FTE. 3 - Data is at 31 December 2007. 4 - Total Income for the General University 2003-2007 (external reporting) based on current IFRS classification requirements.

Summary Comment on Performance Against Financial and Key Performance Indicator Targets

Performance Against 2007 Financial Targets

2007 Operating Result

The University posted a 2007 operating result of \$20.1m, which included \$10.6m gain on sale of assets relating to the Churchlands stage 1 and 2 development. The 2007 operating result excluding the gain on sale of assets was \$9.5m which compares favourably to the reforecast budget of \$6m.

2007 Revenue

2007 operating revenue excluding the Churchlands development was \$259m, which compares favourably against the 2007 Reforecast budget of \$251m.

Total revenue for the University in 2007 was \$270m compared to \$255m in 2006.

2007 Financial Ratios

Table 10: Financial Ratios, 2007

| | Actual | Target | Variance / Comment |
|------------------------------|--------|-------------------|---|
| Operating Margin | 7.45% | At least 3% | The operating margin exceeded the target set for 2007 |
| Interest cover on borrowings | 11x | At least 3x | The interest cover on borrowings exceeded the target set for 2007 |
| Liquidity - Current Ratio | 0.9 | At least 0.8 | The current ratio exceeded the target set for 2007 |
| Debt to equity ratio | 11% | Not more than 30% | The debt to equity ratio exceeded the target set for 2007 |
| Cash Reserves (no. of weeks) | 11.3 | At least 4 | The number of weeks revenue in cash assets exceeded the target set for 2007 |

Performance Against 2007 Key Performance Indicator Targets

During 2007 ECU's Council reviewed and streamlined the University's KPI Framework and changes included an alignment with the strategic priorities in *Edith Cowan University: Engaging Minds; Engaging Communities. Towards 2020*, as approved by Council in December 2006. A process to establish targets for the KPIs has since commenced and targets will be finalised by mid-2008.

The Key Performance Indicator Report can be found at page 155 of the Annual Report and gives detailed information on the University's performance against the KPIs. Noteworthy trends and comparisons with National and State averages are summarised below, using the latest audited data.

Table 11: Summary of Performance Against KPI Targets, 2007

| Performance Indicator | Commentary |
|---|--|
| Retention | Student retention has increased over the last two years, but is still just below the National average (79.6% for ECU, compared with the National average of 80.9%). |
| Course Satisfaction | Student ratings for Course Satisfaction at ECU have been relatively stable over the last four years. Course Satisfaction is above the National average (89.7% for ECU, compared with the National average of 89.5%), but below the State average of 90.1%. |
| Quality of Teaching | Student ratings for Good Teaching at ECU have increased for the past three years. Good Teaching is above the National and State averages (86.6% for ECU, compared with the National average of 82.3% and the State average of 84.1%). |
| Graduate Employment | ECU graduate employment improved by 5.3 percentage points over the last year, but at 73.4% remains below the National average (82.4%) and the State average (80.2%). |
| Share of First Preference | ECU's share of first preferences through TISC declined slightly over the last year, from 20.2% to 19.4%, although these figures exclude the large number of commencing students whose admissions are not managed by TISC. In 2007 approximately 36% of commencing undergraduates entered Bachelor courses directly, rather than through TISC. |
| Teaching-Related Expenditure per Student Load | Teaching-related expenditure/EFTSL has continued to increase. While this may reflect the fact that most costs are fixed and student numbers have fallen, it may also indicate the success of ECU's budget approach, which is to prioritise funding support for core teaching and learning activities. |
| Research Income | ECU's total research income increased 83% over the last five years (from \$5.48m to \$10.02m). Research income from Industry and Other Funding increased by 166% over this period and makes up 31% of total research income. |
| Higher Degree Research Completions | Higher degree research completions have increased over the last five years (from 73 to 90), with a recent increase in PhD completions more than offsetting a decrease in Masters by Research completions. |
| Research Publications | Although Weighted Publications per 10 Academic Staff FTE has declined in the last two years, ECU's emphasis on "high quality" research publications has seen an increase in the "Articles in Scholarly Refereed Journal" category of research publications in the last year from 4.29 per 10 Academic Staff FTE to 4.78 per 10 Academic Staff FTE. |

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3. Significant Issues and Trends

Economic and Social Trends

2007 saw significant on-going change in the higher education sector emanating from economic, demographic and public policy changes.

The strong domestic economy, coupled with strong labour market pressures, continues to impact on the higher education sector. Western Australia's buoyant economy has led to sustained employment growth, with the State's unemployment rate and youth unemployment rate currently the lowest of all states and territories. This has had the effect of reducing demand for tertiary education, as described below. These factors are exacerbated by disincentives to study such as increases in student financial contributions and cost of living pressures resulting from housing, petrol and food price inflation.

The Western Australian economy and job market is likely to remain buoyant through 2008 and into the medium term, with skills shortages in a number of occupations persisting. The Western Australian Premier has noted that when the "boom" does end, the less skilled and less educated will find it difficult to remain in employment, unless they gain appropriate education and training in the meantime.

Australia's ageing population, in common with most developed countries, will bring skills shortages in the workforce and a greater need for re-training and skills upgrading at both professional and sub-professional levels. Ironically, recent declines in applications for higher education places are most evident amongst the older, non-school leaver cohort. This suggests that in future, higher education providers will need to provide more options for flexible study and shorter or accelerated course programs.

The ageing demographic will also result in significant additional demand for healthcare services and workers.

Skills shortages continue to influence the sector's planning of courses and programs. Critical shortages of university graduates for managerial, professional and associated professional jobs already exist. These have been caused by skills gaps as the "baby boomer" generation begins to retire and increased business and industry demand for workers with tertiary qualifications. State Government concern at skills shortages has resulted in campaigns to encourage university graduates and other skilled workers to migrate from other states and from overseas.

Skills shortages in the following occupations continue to be of particular concern: teachers (in particular secondary school teachers) nurses, other health specialisations such as mental health, engineering and accounting. These have been the focus for Commonwealth and State government training initiatives. These changes have potential implications for university programs, particularly those in teacher education and nursing.

Commonwealth Government policy significantly impacts on the Australian higher education sector, especially as Commonwealth funding is a major source of income for public universities. Some of the policies and initiatives impacting on universities in 2007 are listed below.

- Changes were made to the National Protocols for Higher Education Approval Processes which are likely to increase numbers of private providers becoming self-accrediting institutions and will extend use of the title "university".
- The previous Commonwealth Government sought to encourage further differentiation and stressed that the current model of a large number of comprehensive universities (the "one size fits all" model) was not sustainable.
- Changes in funding arrangements were introduced to allow greater flexibility by removing caps on full-fee paying places and penalties for over-enrolment in Commonwealth Grant Scheme places.
- There were ongoing delays to the implementation of the Research Quality Framework.
- There was continued emphasis on competitive funding for specific programs.
- Contingent funding arrangements, tied to compliance with the National Governance Protocols and Higher Education Workplace Relations Requirements, continued to operate.
- Further support for private higher education providers was evident, with the allocation of additional Commonwealth Grant Scheme places and the extension of FEE-HELP.

- Development of an Australian “Graduation Statement” began, to provide for greater recognition of Australian qualifications in other countries. This initiative is a response to the “diploma supplement” planned by European universities under the so called “Bologna Process” and will help Australian universities to compete for international students.

The policy setting in which higher education operates may well change as a result of the election of the new Commonwealth Government in late 2007. Although some initiatives already in train may be retained by the new government, there is likely to be additional emphasis on early childhood education, replacement of the Research Quality Framework in favour of another means of assessing and funding research, the phasing out of Domestic Tuition Fee places at public universities, reduced Student Contributions for students studying Mathematics and Science and a substantial increase in Commonwealth scholarships and research fellowships.

Current and Emerging Trends in Student Demand

Domestic Student Demand

2007 saw a continuation of the trend of reducing enrolments in higher education. At the national level, demand for higher education was static for 2006-07, having declined by about 4 per cent over 2005-6. The downturn in enrolments has been particularly evident amongst the regional and newer universities. Western Australia, however, with its very buoyant economy, suffered a decline in demand of about 8 per cent for 2005-06 and a further 2.8 per cent for 2006-07.

ECU, in common with other universities with a strong mature-aged student profile, has also faced an enrolment downturn because of a decline in the mature-aged student market. Again, this trend was evident across Australia, as potential students pursue work options in preference to study, but was particularly marked in Western Australia, where mature-aged applications for undergraduate places in 2007 were down approximately 5 per cent.

The downward trend in mature-aged applications seems likely to continue into 2008, with applications (as at end January 2008) down by 14 per cent on the same time in the previous year. Some improvement in school-leaver applications to Western Australian universities is predicted, with applications for 2008 up by 7 per cent, compared with the same time last year.

International Student Demand

International student numbers at Australian universities have grown over a number of years and provide not just an important source of income, but also a mutual benefit in terms of the enrichment of the curriculum and widening cultural experiences for students.

Growth in international student numbers has slowed in the last 12 months as Australian universities continue to face an uncertain global environment and difficult market conditions.

Although the number of international enrolments has continued to increase in absolute terms, the higher education sector's share of the international student market has slowly declined in the last three years, in contrast to the strong growth in the vocational education and training sector. In 2007 (to September), international student enrolments in Australian higher education increased by 4.0 per cent on the same period in 2006. The strongest growth in commencing enrolments was from the Republic of Korea (14.5 per cent), India (13.7 per cent) and Malaysia (8.4 per cent).

Exchange rate changes have significantly increased the cost of Australian higher education in many key source countries and terrorism and safety concerns continue to impact on decisions about where to study. Importantly, Australian universities are experiencing intensified competition from other English-speaking countries and also from traditional source countries such as Singapore and Malaysia. These countries are now more self-sufficient in providing higher education for their citizens, as well as becoming more desirable destinations for international students from elsewhere.

Legislative Impacts

The main legislative impacts on ECU's operations in 2007 were from the following existing and new legislation:

- *Higher Education Support Act 2003* (Cwlth) [HESA]
This legislation determines the University's Commonwealth funding for teaching and research and its responsibilities in terms of governance and acquittal. HESA includes provisions for contingent funding, tied to compliance with the National Governance Protocols and the Higher Education Workplace Reform Requirements, as well as a number of competitive funding schemes in areas such as capital works, improved productivity and teaching excellence.
- *Education Services for Overseas Students Act 2000* (Cwlth) [ESOS] and New National Code
A revised ESOS Act and National Code came into effect in July 2007 and ECU's international student procedures have been amended to comply with the new National Code.
- *Working with Children (Criminal Record Checking) Act 2004* (WA)
This legislation requires compulsory criminal record checking for ECU students and staff engaged in child-related work. ECU policies and guidelines have been developed and are expected to be finalised in 2008, when the maximum age of children for whom a record check is required will be raised to 17.
- *Financial Management Act 2006* (WA)
Revised annual reporting requirements came into effect on 1 February 2007 and ECU's annual reporting processes have been revised to meet the requirements of this Act and of the *Auditor General Act 2006* (WA).

Further legislative developments likely to impact upon ECU's operations in the future include those listed below:

- *Higher Education Support Act 2003* (Cwlth) [HESA]
A range of amendments to HESA are likely, including the replacement of the Research Quality Framework, repeal of sections of HESA providing for contingent funding linked to governance and industrial relations requirements and changes to Voluntary Student Unionism arrangements.
- Information Privacy Bill 2007 (WA)
The Information Privacy Bill 2007 amends the *Freedom of Information Act 1992* and other relevant legislation. At the end of 2007, the Bill's Second Reading was adjourned by the Western Australian Legislative Council. The Bill provides for policies and procedures for obtaining, storing and dealing with the personal and health information of staff, students, suppliers, customers and other persons.
ECU has commenced work on a policy and supporting guidelines in anticipation of the passing of the Bill.
- Australian Standard AS3806 - Compliance Programs
ECU has begun to review its Compliance Policy and Framework to align with the revised Australian standard. This work will be completed in 2008.
- *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (Cwlth)
There may be some limited impact upon ECU operations as a result of new requirements to report physical cash transactions with overseas origins or destinations.

ECU's Response to Significant Issues and Trends

ECU's response to changes in State, national and international higher education environments is through a realistic and flexible approach which attempts to anticipate external change and engages with government, while at the same time progressing its Mission, Vision, Values and Strategic Priorities and pursuing strategic opportunities which will strengthen the University's position.

ECU's strategic direction is focused on ways to further differentiate and position ECU in the competitive environment in which it operates. During 2007 the University implemented steps to help it attract and retain more students and these steps included:

- the introduction of new courses;
- re-examination of TER cut-offs for courses;
- extension of the Portfolio Entry pathway;
- early offer arrangements to students completing TAFE courses;
- re-vitalising and repackaging of ECU-funded scholarships; and
- renewed focus on the student experience and the support provided to students, especially in their first year at ECU.

More broadly, ECU is increasing its emphasis on mutual engagement with its communities and with relevant professions and industries. ECU seeks to position itself to respond to the needs of business and industry and to contribute to the social and economic betterment of its graduates and the communities ECU serves.

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4. Disclosures and Legal Compliance

Financial Statements

ECU's 2007 Financial Statements can be found at Section 5 of the Annual Report.

Key Performance Indicator Report

ECU's 2007 Key Performance Indicator Report can be found at Section 6 of the Annual Report.

Other Financial Disclosures

Pricing Policies

Like the majority of Australian universities, ECU sets the level of the student contribution for Commonwealth-supported places at the maximum allowed under the *Higher Education Support Act 2003*.

Fees for fee-paying courses are determined on the basis of cost and market conditions and take into account Commonwealth requirements regarding fees for non-Commonwealth supported places.

Major Capital Projects

Major capital projects completed during 2007 are shown below:

Table 12: Major Capital Projects Completed, 2007

| Project | Estimated total cost (\$m) | Actual total cost (\$m) |
|-------------------------------|----------------------------|-------------------------|
| JOONDALUP CAMPUS | | |
| Library and Technology Centre | 36.2 | 36.2 |
| Health and Wellness Building | 35.4 | 35.5 |

Major capital projects that were in progress as at 31 December 2007 are shown below:

Table 13: Major Capital Projects in Progress, 2007

| Project | Estimated total cost (\$m) | Actual total cost to complete (\$m) | Expected year of completion |
|--------------------------------|----------------------------|-------------------------------------|-----------------------------|
| JOONDALUP CAMPUS | | | |
| Lecture Theatre | 6.6 | 6.5 | 2008 |
| Refit for Campus Consolidation | 5.4 | 5.4 | 2008 |
| | | | |
| MOUNT LAWLEY CAMPUS | | | |
| Business and Law Building | 27.9 | 27.9 | 2008 |
| Refit for Campus Consolidation | 5.0 | 5.5 ¹ | 2008 |
| Additional Student Housing | 30.0 | 30.0 | 2011 |
| | | | |
| SOUTH WEST CAMPUS | | | |
| Campus Developments | 4.0 | 4.0 | 2009 |

Note: 1. estimated cost increase due to shortage of building industry resources, uncompetitive tendering environment and escalating costs of materials and labour.

Employees and Industrial Relations

Employees

The number of ECU staff, excluding casual staff, in full-time, part-time, permanent and contract employment categories is shown in Table 14 below.

Table 14: Characteristics of the Workforce (excluding casual staff), 2006-2007

| Headcount | | As at 30 June 2006 | | | As at 30 June 2007 | | |
|-----------------|-----------|--------------------|---------------|-------|--------------------|---------------|-------|
| | | Academic Staff | General Staff | Total | Academic Staff | General Staff | Total |
| Full-time | Permanent | 415 | 640 | 1,055 | 375 | 574 | 949 |
| | Contract | 92 | 127 | 219 | 78 | 149 | 227 |
| Full-time Total | | 507 | 767 | 1,274 | 453 | 723 | 1,176 |
| | | | | | | | |
| Part-time | Permanent | 42 | 186 | 228 | 43 | 186 | 229 |
| | Contract | 62 | 113 | 175 | 42 | 120 | 162 |
| Part-time Total | | 104 | 299 | 403 | 85 | 306 | 391 |
| | | | | | | | |
| Grand Total | | 611 | 1,066 | 1,677 | 538 | 1,029 | 1,567 |

Note: In the 2006 Annual Report, headcount numbers as at 30 June 2006, were in fact those as at 30 September 2006. The actual headcount as at 30 June 2006 was 1677 in total and not 1620 as previously reported (variance is 57: 19 for Academic staff and 38 for General staff). Further clarification of variance within part-time/ full-time and permanent/ contract categories is available on request.

In 2007, ECU had 1567 staff (as a head count) compared to 1677 staff in 2006. Preliminary casual staff figures for 2007 were 250.9 (expressed as a conversion to full-time equivalent (FTE) of casual hours paid), compared to 253.0 in 2006.

Staffing Policies

The ECU Staffing Plan is one of several functional plans that identify specific operational priorities and actions which support the strategic priorities identified in *Edith Cowan University: Engaging Minds; Engaging Communities. Towards 2020*.

The ECU Staffing Plan encompasses two key philosophies which are promulgated through ECU's staffing policies. These are:

- ECU believes that it will optimise its human capital through ensuring a diverse and flexible mix of staff and staffing arrangements; and
- ECU will endeavour to provide an environment that recognises and rewards strong, positive leadership and experience.

The University completed all Commonwealth Government requirements relating to the Commonwealth Higher Education Workplace Relations Requirements and successfully bid for funding under the Workplace Productivity Programme.

Industrial Relations

Internal resolution of a number of concerns, grievances and disputes meant that during 2007 the University was not required to attend any conciliation conferences or arbitration hearings in the Western Australian Industrial Relations Commission, the Australian Industrial Relations Commission, the Human Rights & Equal Opportunity Commission or the Equal Opportunity Commission. ECU was

required to attend one formal hearing at the State Administrative Tribunal, at which the Tribunal found in ECU's favour.

Workers' Compensation

ECU's occupational safety and health statistics and performance are reported to two committees of Council: the Resources Committee and the Quality and Audit Committee.

Figure 5 below shows that the University's workers' compensation liabilities, in terms of total projected costs and costs paid, remain low and confirms that the University's workers' compensation claims management is active and successful.

Figure 5: Workers' Compensation Costs & Annual Premium, 1998/99-2007/08

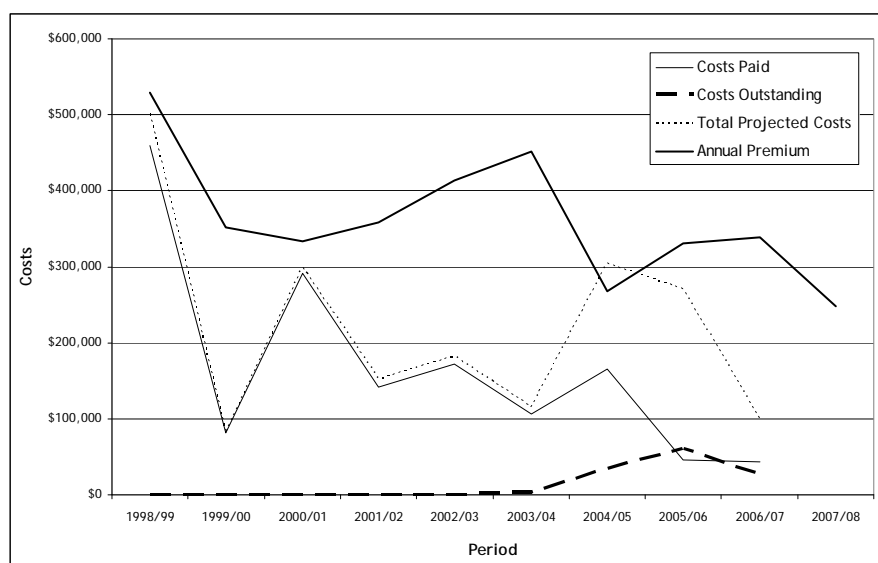
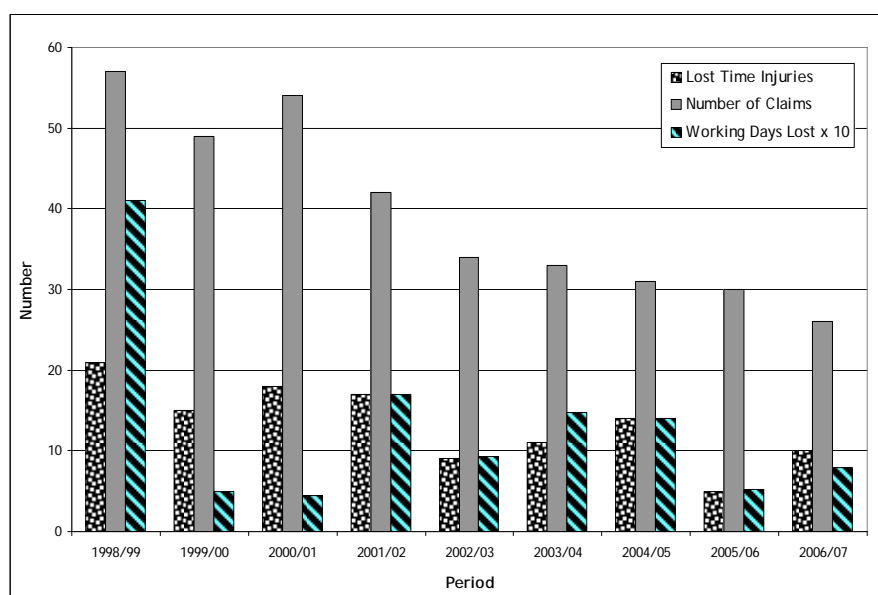


Figure 6 shows that the number of workers' compensation claims lodged continued its downward trend in 2007, while the number of lost time injuries and working days lost rose slightly compared with 2006, the trend continues downwards, demonstrating the successful integration of good OSH practices and application of the University's Return to Work Program.

Figure 6: Lost Time Injuries, Workers' Compensation Claims & Days Lost, 1998/99-2006/07



Governance Disclosures

Corporate Standards and Risk Management

Equity

To meet the requirements of the *Disability Services Act 1993* (WA), ECU continued to deliver its commitments as expressed in the Disability Access and Inclusion Plan 2006-2010. A report on achievements against the Plan's strategies in 2006/2007 was submitted to the Disability Services Commission (see page 74 of the Annual Report). The University's Annual Implementation Plan for 2007/2008 was drafted by ECU's Disability Access Working Party.

In 2007, the University developed a draft Equity Action Plan and a separate, but linked, draft Indigenous Action Plan. These action plans reflect a whole-of-University approach to mainstreaming equity principles and practices and to improving equity outcomes for students and staff.

ECU complies with the *Equal Opportunity for Women in the Workplace Act 1999* (Cwlth) and, as a result of its earlier positive outcomes, was exempted from reporting to the Equal Opportunity for Women in the Workplace Agency (EOWA) until 2008. Work on securing a further waiver has commenced.

The University committee structure for matters relating to equity comprises: the Equity Committee; the Indigenous Employment (Development and Implementation) Sub-committee; the Indigenous Consultative Committee; and the Disability Access Working Party. During 2007, these committees continued to advise on equity issues in the University.

ECU has a number of volunteer Contact Officers trained in Equal Opportunity legislation who can assist students and staff to choose an appropriate course of action to resolve any individual complaints or concerns. They provide confidential advice and information on existing complaints resolution processes at the University.

ECU has also adopted the ALLY program which provides a visible network of trained contacts ("Allies") for Gay, Lesbian, Bisexual, Transgender and Intersex (GLBTI) students and staff on ECU's campuses.

For more information on equity visit: <http://www.ecu.edu.au/equ/>

Quality

During 2007, the Quality@ECU model was reviewed and revised to more closely align it with ECU's strategic directions and priorities as outlined in *Edith Cowan University: Engaging Minds; Engaging Communities. Towards 2020* and the revised *Australian Business Excellence Framework*. The model continues to focus on a *Plan Do Review Improve* cycle of improvement.

Sixteen annual reviews of faculties and service centres were completed in 2007, with action identified to improve performance and strive for excellence.

Guidelines for the Annual Review cycle were streamlined. A program of Annual Reviews for 2007 is scheduled for February to April 2008.

An on-line benchmarking course was developed for staff. In order to share current good practice, the course includes case studies, bulletin boards and communities of practice and interviews with ECU staff who have undertaken benchmarking activities.

For more information on Quality visit: <http://www.ecu.edu.au/equ/>

Risk Management

A major component of corporate governance at ECU is effective risk management. In 2007 progress was made on revisions to the ECU Risk Management Framework and Policy and the identification of strategic risks as they impact upon the University's new Mission and Strategic Priorities.

The Australian Universities Quality Agency (AUQA) has foreshadowed identification of academic risks in its second round of institutional reviews. ECU commenced its own identification of academic risks to assist in the preparation of an AUQA Audit anticipated for 2010.

An external peer review of ECU internal audit, risk management, legislative compliance and business continuity frameworks and functions was completed in 2007. ECU was assessed as conforming to the relevant professional standards.

Training on ECU's Fraud and Misconduct Policy was provided to senior staff and this included presentations by the Corruption and Crime Commission and ECU's Vice-Chancellor. A fraud risk assessment will be performed in 2008, along with further training for new staff on fraud and misconduct avoidance.

Subject to approval of the new Risk Management Framework and Policy by the University Council, it is intended that Risk Register software will be implemented in 2008. This will enable the University to aggregate its risk data and to systematically and strategically manage its risks.

During 2007, the legislative compliance framework was revised and legislation impacting on ECU's operations was re-assessed for the risk posed to the University. Comments on legislative trends are provided at page 56 of the Annual Report.

During 2007, the Office of Risk Management and Audit Assurance issued an audit report on contract management practices which led to improvements in practices to reduce ECU's exposure to contract risk in both outbound and inbound contracts. Revised practices and a contract management system will be implemented in 2008.

The Critical Incident Management Guide for the senior management of the University was updated and this has since been used effectively. At the operational level, automated processes were implemented to ensure that staff and postgraduate students overseas on University business can be located more quickly. These processes will allow the University to respond quickly to overseas threats and events impacting on the safety of its students and staff and on its international operations. Work has also begun to improve and test IT disaster recovery plans.

For more information on Risk Management, visit: www.ecu.edu.au/RMAA/index.html

Risk Management Statement

This statement is consistent with National Governance Protocol 9.

Edith Cowan University has an integrated risk management policy that was initially approved by the University Council in December 2001. It is compliant with *ASNZ Standard 4360: Risk Management (2004)*. This policy is being reviewed to accommodate emerging risk management practices in accord with timelines laid down in the University's policy development framework.

Strategic oversight of risk management is included in the terms of reference for the Council's Quality and Audit Committee and the Quality and Audit Committee Charter approved by Council in December 2006. A Risk Reference Forum, chaired by a Deputy Vice-Chancellor, assists with the exchange of experiences of best practice and dissemination of risk management-related material within the University.

Functionally, the Office of Risk Management and Audit Assurance is responsible for the development and implementation of risk management strategies such as the maintenance of risk registers, risk management methodology, legislative compliance, business continuity as well as fraud and misconduct prevention.

The Finance and Business Services Centre is responsible for the day-to-day operation of the insurance portfolio. The Human Resources Services Centre is responsible for the day-to-day operation of occupational safety and health strategies and workers' compensation. Legal risk is handled by the Legal Services Office, within the Governance and Planning Services Centre.

Corporate Governance Statement

Council endorsed a statement on corporate governance in December 2002. The statement was amended by Council in December 2004 and in June 2007 pursuant to the implementation of the National Governance Protocols. The following is an abridged and updated version summarising the statement. The full statement can be viewed at:

www.ecu.edu.au/GPPS/committees/corp_gov_stmt.html.

Statutory Framework

The governance of the University takes place within a specific statutory framework. At the highest level of that framework is the *Edith Cowan University Act 1984* (WA) ('the Act'), as amended, which establishes the University as a body corporate, consisting of the Council, the members of staff and the enrolled students (s.5).

Functions of the University

Section 7 of the Act sets out, in non-exhaustive terms, the functions of the University which include: providing courses of study to meet the needs of the community in Western Australia; encouraging and providing for tertiary education; supporting and pursuing scholarship and research; fostering the welfare and development of all enrolled students; promoting and encouraging collaboration and consultation with other institutions; and providing such facilities that relate to its functions.

Council: its authority, functions and duties, powers and responsibilities

Section 8 of the Act provides that the Council is *the governing authority of the University*.

Section 16 specifies the functions and duties of Council, with s.16(1)(c) encapsulating the full scope of the Council's functions.

(1) Subject to this Act the Council shall -

- (a) perform any function or duty conferred or imposed upon the University under this Act;*
- (b) act in all matters concerning the University in such manner as appears to it best calculated to promote the objects and interests of the University; and*
- (c) control and manage the operation, affairs, concerns and property of the University.*

Council has, however, exercised its power of delegation to delegate to the Vice-Chancellor powers to manage the University.

Section 17 relates to the powers of Council and provides in the preamble that:

Subject to this Act and the Statutes the Council has power to do all things necessary or convenient to be done for or in connection with the operation, affairs, concerns and property of the University.

Section 17 then specifies a number of specific matters relating to contracts, courses of study, use of facilities, and award degrees, diplomas and certificates.

Under the Act, Council has responsibility for University lands (s.28), finance (s.36), the appointment, termination, terms and conditions of academic and other staff, including the chief executive officer (ss.30 and 31), and to make Statutes, and By-laws and Rules under the Statutes (s.26).

Responsibilities of Council

Pursuant to the National Governance Protocols, Council has adopted the following responsibilities:

- a) appointing the Vice-Chancellor as the chief executive officer of the University, and monitoring his/her performance;

- b) approving the mission and strategic direction of the University, as well as the annual budget and business plan;
- c) overseeing and reviewing the management of the University and its performance;
- d) establishing policy and procedural principles, consistent with legal requirements and community expectations;
- e) approving and monitoring systems of control and accountability, including general overview of any controlled entities. A controlled entity is one that satisfies the test of control in s.50AA of the *Corporations Act*;
- f) overseeing and monitoring the assessment and management of risk across the University, including commercial undertakings;
- g) overseeing and monitoring the academic activities of the University; and
- h) approving significant commercial activities of the University.

These are high order responsibilities and should be read in conjunction with the functions and duties of Council as specified in the Act.

Duties and responsibilities of Council members

The University Council Code of Conduct is designed to:

- a) ensure that members of Council are aware of the legal duties, liabilities and protections arising from their membership of the Council;
- b) promote good practice among Council members by describing the general responsibilities they have to the University, the Council and fellow members and to the staff and students of ECU; and
- c) describe the University's obligations to Council members, which will assist them to carry out their duties and responsibilities to the best of their abilities.

The legal duties of members of Council are set out in Schedule 1 of the Act. Under the Act each member:

- a) must at all times act honestly in the performance of the functions of a member, whether within or outside the State;
- b) must at all times exercise the degree of care and diligence in the performance of the functions of a member, whether within or outside the State, that a reasonable person in that position would reasonably be expected to exercise in the Council's circumstances;
- c) must at all times act in the best interests of the University and give precedence to the interests of the University over the interests of any person appointing or electing a member;
- d) must not, whether within or outside the State, make improper use of information acquired by virtue of the position of member to gain, directly or indirectly, an advantage for any person or to cause detriment to the University;
- e) must not, whether within or outside the State, make improper use of the position of member to gain, directly or indirectly, an advantage for any person or to cause detriment to the University.

Furthermore, under the Act a member who has a material personal interest in a matter being considered or about to be considered by Council must, as soon as possible after the relevant facts have come to the member's knowledge, disclose the nature and extent of the interest at a meeting of the Council.

Under the Code of Conduct, in addition to these legal duties, the responsibilities of members in respect of the general operation of Council include:

- a) attend, unless unavoidably absent, and be prepared to constructively contribute to all Council meetings and meetings of committees on which they serve;
- b) draw relevant matters to the attention of the Chancellor for the information of or possible action by the Council or the Vice-Chancellor;
- c) inform the Chancellor if at any time they consider that the information provided is insufficient to permit the Council to discharge its responsibilities;
- d) inform the Chancellor of any concerns that they might hold about any Council decisions or actions that appear contrary to its public duties, and to do so as soon as these concerns arise;
- e) inform the Chancellor of the possible material interests of other members of the Council in matters before or about to come before the Council, if those interests are not declared by the member or members concerned; and
- f) accept collective responsibility for decisions of the Council and support University management in the implementation of these decisions.

To assist Council members to carry out their duties and responsibilities to the best of their abilities, under the Code of Conduct, the obligations of the University include:

- a) provide Council members with such comprehensive, accurate and timely information as is required for members to act with the degree of care, skill and diligence required of them by the Act, other relevant Statutes and the general law;
- b) provide such legal and financial advice as may be necessary to enable Council members to discharge their duties; and
- c) provide, subject to any contrary legal restrictions, Council members with access to any University documentation required to perform their duties.

Maintaining the distinction between governance and executive management

In order for Council and executive management to perform their respective roles effectively, Council recognises that a distinction needs to be maintained between governance and executive management.

In recognising the importance of this distinction, Council considers that the advice given in the *Higher Education Management Review Report* (Hoare 1995:42) is relevant and pertinent:

The governing body should have strategic planning oversight for the university. It should set the broad strategic framework within which the Vice-Chancellor and senior university administrators can operate. It is important that the governing body does not get caught up in a 'local response syndrome' but should confine itself to strategic and policy issues.

Clarity as to which matters require Council approval is an important foundation for good governance and helps define decision making boundaries. Council has therefore adopted a list of matters it has decided to reserve to itself for approval and a reporting back framework on those matters delegated to executive management.

Evaluating Council Performance

Council is committed to both collective and individual performance appraisal. To allow for more concrete assessment of Council's performance, Council will undertake a regular evaluation of its performance. This will usually be carried out every second year at a suitable time determined by Council.

Induction of Members

Council is committed to its members being well informed about:

- a) their role and responsibilities;
- b) the role of Council as the governing body of the University; and
- c) the strategic direction and key features of the University.

As soon as practicable after appointment, each Council member shall receive:

- a) an invitation to meet with the Chancellor, Pro-Chancellor and Vice-Chancellor;
- b) appropriate materials including those listed below:
 - i. *Edith Cowan University Act 1984*
 - ii. Corporate Governance Statement
 - iii. Council Standing Orders
 - iv. University Council Code of Conduct
 - v. Council Membership list and profiles
 - vi. University Organisational Chart and profiles of Executive Staff
 - vii. Key committees and the University's Meeting Schedule
 - viii. ECU Budget Principles
 - ix. ECU Strategic Plan
 - x. Annual Report
 - xi. Policies approved by Council; and
- c) ECU promotional material.

Professional Development

The University aims to provide a structured but flexible professional development program for members of the Council.

Accordingly, Council has adopted a professional development program that consists of the following components:

- a) series of discussions on agreed topics of strategic interest;
- b) workshops on agreed themes; and
- c) individual professional development activities based on need.

Council Committees

Council establishes committees to assist it to meet its responsibilities. The Standing Committees of Council, as at 31 December 2007, were:

- i. Council Executive
- ii. Quality and Audit
- iii. Resources
- iv. Honorary Awards
- v. Governance
- vi. Nominations
- vii. Remuneration
- viii. Legislative

Academic Board

The Academic Board has a special role within the governance framework of the University. This is indicated by the fact that, while Council can determine its committee structure, the Act under which the University operates specifies that there “shall be an Academic Board of the University” (s18(1)), the constitution of which may be prescribed by Statute.

The Act specifies that the functions of the Academic Board shall include:

the discussion and submission to the Council of opinions and recommendations on academic policy, academic development, the admission of students, instruction, studies and examinations, research, the admission to degrees, the discipline of the University and any other matters which in the opinion of the Academic Board are relevant to the objects of this Act (s.18(3)(a)).

The Council views the Academic Board as a forum through which senior academics within the University can provide advice to Council on the University’s core business of teaching, learning and research. It also looks to the Academic Board to ensure that appropriate quality assurance processes are in place relating to academic programs and services, and that academic standards are maintained.

Role of the Chancellor

The Chancellor is elected by Council to facilitate its work and collegiality by effective and ethical means, providing a focal point to ensure the high standing of the University in the wider community. As part of this role, the Chancellor presides over Council meetings.

Role of the Vice-Chancellor

The Act provides that Council shall appoint a person to be the chief executive officer of the University (s.30(1)). University Statute No. 6 provides that the person appointed as the chief executive officer is the Vice-Chancellor of the University (s.1). This Statute further provides that subject to the Act, the Statutes, By-laws and Rules of the University, and resolutions of the Council, the Vice-Chancellor is responsible for the academic, administrative and other affairs of the University (s.2). As well as being the chief executive officer of the University, the Vice-Chancellor is also its senior academic officer.

Role of the Pro-Chancellor

The Act provides that there shall be a Pro-Chancellor and that the Pro-Chancellor presides at meeting of Council in the absence of the Chancellor (Act s.12). The role of the Pro-Chancellor is to act for the Chancellor in the absence of that Officer and on other occasions support the Chancellor in all the Chancellor’s roles.

EDITH COWAN UNIVERSITY

Compliance with Relevant Written Laws

In the performance of its functions during the year ended 31 December 2007 the University has operated within the provisions of the *Edith Cowan University Act 1984*.

Having made or caused to be made on our behalf all relevant enquiries, but noting the very broad extent of application of written laws to the University, to the best of our knowledge, information and belief, the University has complied with all relevant written law.

We are aware of no fact or circumstance apparent or existing at the date of signing this statement, to lead us to conclude otherwise.



Professor Kerry O. Cox
Vice-Chancellor

7 March 2008



Warren Snell
Vice-President (Resources) and Chief Financial Officer

7 March 2008

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Other Legal Requirements

Advertising

In accordance with the requirements of section 175ZE of the *Electoral Act 1907*, the University is required to report all expenditure incurred by, or on behalf of, the University on advertising, market research, polling, direct mail and media advertising during the financial year.

The amount in each expenditure class and the organisations paid, are listing in Table 15 below.

Table 15: ECU Advertising Expenditure, 2007

| | \$ 000 |
|---|----------------|
| Advertising agencies | \$252 |
| MarketForce Productions | |
| Market research organisations | \$52 |
| The Customers Voice | |
| Customer Service Benchmarking Australia | |
| Polling organisations | \$0 |
| Direct mail organisations | \$105 |
| Mail Makers Pty Ltd | |
| Expo Documents Copy Centre | |
| Media advertising organisations | \$4,172 |
| Media Decisions WA | |
| 303 Advertising Pty Ltd | |
| Total Expenditure | \$4,581 |

Equity and Indigenous

ECU's high order Equity Statement of Commitment and Statement of Commitment to Indigenous Australians align well with the strategic priorities of the University articulated in *Edith Cowan University: Engaging Minds; Engaging Communities. Towards 2020*.

The University's governing Council receives reports on equity issues and performance trends. ECU has four committees which focus on equity issues. These are:

- the Equity Committee;
- the Indigenous Consultative Committee;
- the Indigenous Employment (Development and Implementation) Sub-committee; and
- the Disability Access Working Party.

Membership comprises relevant University staff and, in the case of the Indigenous Consultative Committee, also includes members from the wider community. The committees advise on the implications of University policies and practises and inform institutional responses to equity and disability policy initiatives by government and other external agencies.

During 2007, a draft Equity Action Plan was developed aimed at improving ECU performance and equity outcomes for equity target groups. Once finalised, this will provide a succinct statement of a whole-of-ECU approach to addressing equity issues for students and staff. In addition, an Indigenous Action Plan has also been drafted. This is aligned to the Equity Action Plan, but allows for a greater focus on Indigenous issues, with more targeted strategies and accountabilities.

Strategies within the Equity Action Plan are expected to be mainstreamed and embedded in the core strategic, functional and operational plans of the University, with monitoring by the Equity

Committee. Monitoring will also be through the University's normal review processes, including the annual reviews of faculties and service centres, school reviews and strategic reviews including the external review conducted as part of the Australian Universities Quality Agency audit.

In 2007, ECU:

- reviewed its scholarship program to provide a new range of equity scholarships and successfully secured additional Commonwealth scholarships for Indigenous people wishing to come to ECU to study;
- organised a range of successful equity events as part of NAIDOC week celebrations, International Women's Day, Pride Month and Mental Health Week. NAIDOC events were planned and presented in conjunction with the City of Joondalup and West Coast TAFE and included flag-raising, honouring successful Indigenous students and a cultural forum; and
- adopted the ALLY program to provide a visible network of trained contacts for Gay, Lesbian, Bisexual, Transgender and Intersex students and staff.

Disability Access and Inclusion Plan Outcomes

During 2007, ECU reported on the achievements against its Disability Access and Inclusion Plan (DIAP) for the 2006/2007 reporting year, as required by Schedule 3 of the Disability Services Regulations 2004. This report was submitted to the Disability Services Commission (DSC) in a template produced by the DSC.

It is important to acknowledge that ECU's DAIP covers a five-year period (2006-2010) and many of the strategies will be throughout that timeframe. Some examples of achievements against ECU's DIAP Outcomes in 2006/2007 are listed in Table 16 below.

Table 16: Examples of ECU's Disability Access and Inclusion Plan Outcomes, 2006/2007

| |
|---|
| <i>Outcome 1: People with disabilities have the same opportunities as other people to access the services of, and any events organised by, the University.</i> |
| <ul style="list-style-type: none"> • A review of the events checklist was undertaken. • Invitations to graduation ceremonies and corporate events provide an opportunity for people to identify special requirements. |
| <i>Outcome 2: People with disabilities have the same opportunities as other people to access the buildings and other facilities of the University.</i> |
| <ul style="list-style-type: none"> • Priority items were identified in the ECU Disability Access Audit. All Priority 1 items were completed. Priority items 2 and 3 were partially completed. |
| <i>Outcome 3: People with disabilities receive information from the University in a format that will enable them to access the information as readily as other people are able to access it.</i> |
| <ul style="list-style-type: none"> • Disability Awareness training was provided to staff to assist with information provision in appropriate formats. |
| <i>Outcome 4: People with disabilities receive the same level and quality of service from the staff of the University as other people receive from the staff of the University.</i> |
| <ul style="list-style-type: none"> • Specific support services are provided for students with disabilities including options for laptop scholarships, learning support hardware, software, equipment and iPods. |
| <i>Outcome 5: People with disabilities have the same opportunities as other people to make complaints to the University.</i> |
| <ul style="list-style-type: none"> • A culture of fairness has been developed through training and communication. The University Contact Officer network increased and was publicised widely. |
| <i>Outcome 6: People with disabilities have the same opportunities as other people to participate in any public consultation by the University.</i> |
| <ul style="list-style-type: none"> • Public consultation on the ECU Disability Access and Inclusion Plan included key groups such as the Mental Health Association. |

In addition to the six outcomes prescribed by the Disability Services Regulations 2004, ECU's DIAP includes an additional two outcomes:

| |
|---|
| <i>Outcome 7: People with disabilities have the same opportunities as other people to seek employment and work experience placements with the University.</i> |
| <ul style="list-style-type: none"> • Job vacancies are advertised on ECU's accessible website. An ECU partnership with the Commonwealth Rehabilitation Services has established a link to employment for people with disabilities. |
| <i>Outcome 8: The University promotes an inclusive culture that values diversity, does not tolerate harassment or discrimination and encourages a secure and safe environment for all students and staff.</i> |
| <ul style="list-style-type: none"> • Disability Awareness training was provided. A "Stress Less" event was held during Mental Health Week. |

Equal Employment Opportunities Outcomes

The *Equal Opportunity Act 1984* (WA) requires outcomes against an Equal Opportunity Management Plan to be reported annually.

ECU is developing an Equal Opportunity Management Plan in consultation with the Office of Equal Employment Opportunity. This will draw on ECU's Equity Action Plan and Staffing Plan, which include equity goals and strategies. Progress against these equity goals and strategies will be reported for the first time in late 2008.

Record Keeping

As a university established under State legislation, ECU is subject to the requirements of the *State Records Act 2000* (WA). ECU is committed to compliance in its record keeping activities. ECU's Record Keeping Plan (RKP), a requirement under the State Records Act, was updated and submitted to the State Records Office in December 2005. The plan was approved for a five-year term.

State Records Commission Standard 2 Record Keeping Plans: Principle 6 – Compliance

The efficiency and effectiveness of the organisation's record keeping system is evaluated not less than once every 5 years.

ECU has completed a pilot implementation of an Electronic Document and Records Management System (EDRMS) to increase efficiency. Following the pilot, a business case for full implementation of an EDRMS across the whole of ECU was developed. Phased implementation is envisaged, with the extent and timelines dependent on budget availability. The revised University Records Management Policy was approved in October 2007 and a Disaster Management Plan for records was developed and implemented in 2007.

The organisation conducts a record keeping training program.

Records Management Officers have been deployed to business units across the University to provide record keeping training to system users. The officers have received external training on appraisal and classification, as well as on the record keeping system. Training has been given to all staff involved in the EDRMS pilot program. A computer-based training package, the Records Awareness Training System (RATS), was purchased in late 2007 and will be implemented in 2008 to raise record keeping awareness for staff.

The efficiency and effectiveness of the record keeping training program is reviewed from time to time.

Yearly reviews are conducted on record keeping awareness training. Customer feedback evaluation forms are also utilised.

The organisation's induction program addresses employees' roles and responsibilities with regards to their compliance with the organisation's record keeping plan.

All new ECU employees undergo an induction course which addresses employee roles and responsibilities in regard to the compliance aspects of the RKP. Additionally, this material is included in a handbook issued to employees when they join ECU. The handbook was reviewed in 2007 and will be updated in 2008.

Environmental Performance

Summary of Environmental Performance in 2007

2007 saw the consolidation of many of the environmental management programs initiated during the previous year and the introduction of some new initiatives to further ECU's commitment to environmental sustainability.

Key achievements in 2007 were:

- **Environmental Management System** - ECU began developing a formal Environmental Management System (EMS) based upon ISO 14001 for implementation in 2008/2009. This project will bring the University in line with environmental best practice and further demonstrate its commitment to environmental sustainability. The initial steps involved undertaking a pilot Environmental Risk Assessment for the Facilities and Services Centre, which highlighted a range of environmental issues and risks which require management. An EMS will be developed for other areas of the University in 2008.
- **Environmental Sustainability Platform** - A new reporting platform was developed for trial in the Library and Technology Centre at the Joondalup Campus. The system delivers a comprehensive energy and water monitoring and reporting platform for individual buildings on which management decisions can be made to conserve these utilities.
- **Green Office Program** - The Green Office Program continued to be promoted and supported throughout 2007. The Program now involves over 50 Green Office Representatives from all faculties and service centres on all campuses. Presentations by guest speakers from Al Gore's Climate Change Project were well attended by staff and students.

ECU's environmental programs are described below under the headings of:

- Green Procurement;
- Energy Use and Greenhouse Gas Emissions;
- Water Use; and
- Waste and Recycling.

Green Procurement

ECU continued with its commitment to environmental sustainability and supporting recycled product markets with 98.5 per cent of paper purchases being paper with recycled content. New tenders for copiers and printing services include a requirement for recycled paper content, ensuring that the policy remains viable into the future. Table 17 shows that ECU's paper purchases in 2007 were below 2005 levels, but higher than in 2006. Paper purchases per student and staff full-time equivalent in 2007 were higher than in 2005 and 2006. However, the proportion of recycled paper purchased has increased each year and in 2007 almost all paper purchased was recycled paper.

Table 17: ECU Paper Purchases, 2005-2007

| | 2005 | 2006 | 2007 |
|--|--------|--------|--------|
| Total paper purchased | 38,815 | 31,110 | 35,133 |
| Average annual Earthsaver spend | 18.5% | 27.3% | 38.6% |
| Recycled paper purchased | 4,803 | 8,771 | 34,603 |
| Proportion of recycled paper purchased | 12.4% | 28.2% | 98.5% |
| Paper/EFTSL + FTE | 2.27 | 1.97 | 2.34 |

Note: All figures are in reams (500 sheets/ ream). FTE is staff "full-time equivalent". EFTSL is student full-time equivalent load.

Energy Use and Greenhouse Gas Emissions

ECU is one of the most energy-efficient universities in Australia. According to the latest benchmarking survey from the Tertiary Education Facilities Management Association, on a per capita and area basis, ECU's energy usage is well below levels of other Western Australian universities and the Australian university sector average.

ECU acknowledges that as a large organisation it is a significant contributor to greenhouse gas emissions and therefore strives to reduce or offset its total emissions and influencing staff, students and the broader community to do likewise.

ECU can benefit significantly by further improving its energy management practices. Effective energy management can contribute to more than reduced costs; it can drive improved performance through its effect on production, operations, maintenance and environmental management.

Table 18 shows that energy use, and by extrapolation, CO₂ emissions, were higher in 2007 than in 2006, in total, per student and staff full-time equivalent and per square metre.

Table 18: ECU Energy Use, 2004-2007

| | 2004 | 2005 | 2006 | 2007 |
|----------------------------------|-----------|-----------|-----------|------------|
| Energy GJ/yr | 93,121.22 | 97,877.87 | 94,596.55 | 101,247.14 |
| TCO ₂ /yr | 22,851 | 23,709 | 23,215 | 25,178 |
| GJ/m ² | 0.518 | 0.522 | 0.449 | 0.466 |
| GJ/ EFTSL + FTE | 5.320 | 5.719 | 5.996 | 6.734 |
| TCO ₂ /m ² | 0.127 | 0.126 | 0.110 | 0.116 |
| TCO ₂ / EFTSL + FTE | 1.306 | 1.385 | 1.471 | 1.675 |

Note: TCO₂ was calculated using the coefficients 1.052 kg CO₂ per kWh electricity and 68 kg CO₂ per GJ gas consumed. Energy use figures are exclusive of South West Campus and Student Housing. Area is measured as gross useable floor area. FTE is staff "full-time equivalent". EFTSL is student full-time equivalent load.

Initiatives to manage energy use

ECU began work to develop an **Energy Management Program** to set out ECU's energy and greenhouse gas targets and to identify strategies to address significant issues. It will also set out the strategic direction for energy management for 2008 to help address climate change in anticipation of changes in the energy market sector.

The energy management strategies identified in the Energy Management Program will also be incorporated into the University's Environmental Management System based on ISO 14001, in order to ensure integration into established systems and processes and set the stage for reduction targets for energy and greenhouse emissions in 2008.

The **Environmental Sustainability Platform** will input data into the University's Energy Management Program and monitor trends in energy consumption. This is an important initiative to reduce energy use as it gives the management team high quality information on which to base decisions.

The development of the **Green Transport Plan** is another program aimed at reducing the University's greenhouse gas emissions associated with car travel. In 2007 74 per cent of trips made by staff and 46-58 per cent of those made by students (campus dependant) involved driving alone. ECU is committed to reducing these numbers by developing a program of incentives and supporting alternatives to car use. Survey results have shown little change in the use of private vehicles as the dominant means of commuting for students in the last five years.

In 2007 an on-line matching service, ECU Carpool was launched as a strategy to reduce the number of single-occupant car trips to and from the University campuses and offer alternatives to those without access to their own car. To date the program has 428 registered users.

The University has also been proactive in reducing the emissions produced by its vehicle fleet. Initiatives to date include actively introducing more fuel-efficient vehicles, (from 6 cylinder to 4 cylinder) reducing the number of vehicles, and offsetting the remaining emissions through the Carbon Neutral Program. In 2006/2007, 380 tonnes of CO₂ were offset by planting 1680 trees.

Water Use

Rainfall trends across Australia suggest that water will become a more important issue for large organisations such as universities in the near future, with rainfall for the South West of Western Australia predicted to decline by up to 20 per cent by 2030 (Australian Greenhouse Office, 2003).

A number of state and territory governments have responded to significant water shortages by introducing tough new water reduction and efficiency targets for high water users. Water use by large businesses and public organisations (including universities, colleges and schools) will become a particular focus in the future.

While ECU's water management practices are comparable with best practice, there are opportunities for further savings and to promote water conservation with ECU staff and students.

Table 19 shows that ECU's water use has declined from 2004 to 2006, but rose slightly in 2007 in total, per student and staff full-time equivalent and per square metre.

Table 19: ECU Water Use, 2004-2007

| | 2004 | 2005 | 2006 | 2007 |
|---------------------------|---------|------------------|---------|---------|
| Potable kL/yr | 150,776 | 119,033 | 103,944 | 109,583 |
| Potable kL/ EFTSL + FTE | 8.61 | 6.96 | 6.59 | 7.29 |
| Potable kL/m ² | 0.839 | 0.634 | 0.493 | 0.504 |
| Bore kL/yr | 187,978 | Data unavailable | 152,259 | 158,576 |

Note: Water consumption figures are exclusive of the South West Campus and Student Housing. Area is measured as gross useable floor area. FTE is staff "full-time equivalent". EFTSL is student full-time equivalent load.

Initiatives to manage water use

In late 2006 the Commonwealth Government awarded ECU with \$16,550 funding to support a water recycling project at the Joondalup Campus. The project is estimated to reuse around 3000 kL of scheme water per annum. The water will be piped from the cooling towers on site to the storage lake for use on the grounds, which will mean that the equivalent amount of ground water will be conserved. This is an important saving due to the sensitivity of the wetland system abutting the Joondalup Campus to variations in water level. The on-ground works were completed in August 2007 and the project will begin to deliver water savings in 2008. Monitoring of the lake water has begun and will be continued throughout 2008 to ensure that the lake's ecosystem is not adversely affected.

The number of waterless urinals has been increased throughout the University in 2007. The new Health and Wellness Building has been fitted out with in-built waterless urinals and these units will be installed into all new buildings and refurbishments. A staged process will replace urinals with waterless urinals as part of normal maintenance of the facilities.

Waste and Recycling

The Western Australian Government has introduced a waste reduction strategy, Zero Waste 2020 which sets out strategies for the prevention, recovery and safe disposal of waste, with the specific target of zero waste by the year 2020. ECU is supportive of this ambitious target.

A student-based waste audit completed in August 2007 showed that paper waste to landfill decreased by 17.8 tonnes/annum (or 75 per cent overall) at the Joondalup Campus over the period August 2006 to August 2007. Trends will continue to be monitored through annual audits which will be expanded to the Mount Lawley and South West campuses in 2008.

Table 20 shows that waste to landfill has increased over the period 2005 to 2007, although the proportion of paper to landfill has declined to six per cent in 2007. The weight of paper recycled in 2007 is not yet available, but in 2006 more than 50 per cent of paper was recycled.

Table 20: ECU Waste to Landfill, 2005-2007

| | 2005 | 2006 | 2007 |
|------------------------------------|--------|--------|------------------|
| Waste to landfill (t) | 86.85 | 87.11 | 95.40 |
| Paper to landfill (t) | 43.3 | 23.7 | 5.9 |
| Proportion paper to landfill | 42.9% | 27.2% | 6.2% |
| Commingled to landfill (t) | 12.9 | 14.0 | 22.3 |
| Proportion commingled to landfill | 14.9% | 16.1% | 23.2% |
| Paper recycled (t) | 12.4 | 25.4 | Data unavailable |
| Proportion paper recycled | 22% | 52% | Data unavailable |
| Waste to landfill (t/ EFTSL + FTE) | 0.0132 | 0.0138 | 0.0154 |

Note: Waste data is based on annual waste audit results extrapolated across a 50 week for the Joondalup Campus only. Does not include construction, gardening, electronic or furniture waste. FTE is staff "full-time equivalent". EFTSL is student full-time equivalent load.

Initiatives to reduce waste to landfill

ECU continued to expand its recycling programs throughout 2007, encouraging recycling through the Green Office Program and through the introduction of the 'Mini Bin' Recycling Program.

In 2007 ECU initiated a fluorescent tube recycling program. Fluorescent tubes contain small but significant amounts of mercury and other hazardous substances that if left in landfill, contaminate ground water. As mercury is bio-accumulative and persistent it is a risk to both wildlife and human health. Recycling these materials helps reduce land and water pollution.

The 'Mini Bin' Recycling Program was expanded in 2007. This involves replacing desk-side bins with paper recycling boxes and mini bins for general waste, helping staff to separate recyclable and non-recyclable waste and reducing waste to landfill. Data collected from the Chancellery Building on the Joondalup Campus showed that the proportion of paper office waste to landfill reduced by 25 per cent in the year August 2006 to August 2007.

Auditor General's Statement



Auditor General

INDEPENDENT AUDIT OPINION

To the Parliament of Western Australia

EDITH COWAN UNIVERSITY FINANCIAL STATEMENTS AND KEY PERFORMANCE INDICATORS FOR THE YEAR ENDED 31 DECEMBER 2007

I have audited the accounts, financial statements, controls and key performance indicators of the Edith Cowan University and the consolidated entity.

The financial statements comprise the Balance Sheet as at 31 December 2007, and the Income Statement, Statement of Changes in Equity and Cash Flow Statement of the University and the consolidated entity for the year then ended, a summary of significant accounting policies and other explanatory Notes.

The key performance indicators consist of key indicators of effectiveness and efficiency.

University Council's Responsibility for the Financial Statements and Key Performance Indicators

The University Council is responsible for keeping proper accounts, and the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Treasurer's Instructions, and the key performance indicators. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements and key performance indicators that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; making accounting estimates that are reasonable in the circumstances; and complying with the Financial Management Act 2006 and other relevant written law.

Summary of my Role

As required by the Auditor General Act 2006, my responsibility is to express an opinion on the financial statements, controls and key performance indicators based on my audit. This was done by testing selected samples of the audit evidence. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion. Further information on my audit approach is provided in my audit practice statement. Refer "<http://www.audit.wa.gov.au/pubs/Audit-Practice-Statement.pdf>".

An audit does not guarantee that every amount and disclosure in the financial statements and key performance indicators is error free. The term "reasonable assurance" recognises that an audit does not examine all evidence and every transaction. However, my audit procedures should identify errors or omissions significant enough to adversely affect the decisions of users of the financial statements and key performance indicators.

Edith Cowan University
Financial Statements and Key Performance Indicators for the year ended 31 December 2007

Audit Opinion

In my opinion,

- (i) the financial statements are based on proper accounts and present fairly the financial position of the Edith Cowan University and the consolidated entity at 31 December 2007 and their financial performance and cash flows for the year ended on that date. They are in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Treasurer's Instructions;
- (ii) the controls exercised by the University provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions; and
- (iii) the key performance indicators of the University are relevant and appropriate to help users assess the University's performance and fairly represent the indicated performance for the year ended 31 December 2007.



GLEN CLARKE
ACTING AUDITOR GENERAL
11 March 2008

5. Financial Statements

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Certification of Financial Statements

The accompanying financial statements of Edith Cowan University and the accompanying consolidated financial statements have been prepared in compliance with the provision of the *Financial Management Act 2006* from proper accounts and records to present fairly the financial transactions for the financial year ending 31 December 2007 and the financial position as at 31 December 2007.

At the date of signing we are not aware of any circumstances which would render any particulars included in the financial statements misleading or inaccurate.



Hendy Cowan
Chancellor

8 March 2008



Kerry O. Cox
Vice-Chancellor

7 March 2008



Warren Snell
Chief Financial Officer

7 March 2008

Certification of financial statements required by DEST

I declare that:

- at the time of this certification there are reasonable grounds to believe that Edith Cowan University will be able to pay its debts as and when they fall due; and
- the amount of Commonwealth financial assistance expended during the financial year ending 31 December 2007 was for the purpose(s) for which it was provided.



Kerry O. Cox
Vice-Chancellor

7 March 2008

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**Edith Cowan University
Annual Financial Statements
for the year ended 31 December 2007**

Edith Cowan University

Annual Financial Statements - 31 December 2007

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| Balance Sheet | 3 |
| Statement of Changes in Equity | 4 |
| Cash Flow Statement | 5 |
| Notes to the Financial Statements | 6 |

Edith Cowan University
Income Statement
for the year ended 31 December 2007

| | | Consolidated | | Parent | |
|---|-------|---------------------|---------------|----------------|---------------|
| | Notes | 2007 | 2006 | 2007 | 2006 |
| | | \$'000 | \$'000 | \$'000 | \$'000 |
| Revenue from continuing operations | | | | | |
| Australian Government financial assistance | | | | | |
| Australian Government grants | 5 | 111,728 | 108,548 | 111,728 | 108,548 |
| HECS-HELP Australian Government payments | 5 | 45,377 | 45,299 | 45,377 | 45,299 |
| FEE-HELP | 5 | 5,950 | 5,515 | 5,950 | 5,515 |
| State and Local Government financial assistance | 6 | 10,697 | 8,959 | 10,697 | 8,959 |
| HECS-HELP - Student payments | | 7,185 | 6,918 | 7,185 | 6,918 |
| Fees and charges | 7 | 52,460 | 53,477 | 52,460 | 53,477 |
| Investment income | 8 | 2,945 | 2,683 | 2,913 | 2,644 |
| Royalties, trademarks and licences | 9 | 6,338 | 5,404 | 3,930 | 3,379 |
| Consultancy and contracts | 10 | 5,207 | 6,208 | 5,158 | 6,176 |
| Sale of goods | | 7,280 | 6,949 | 7,280 | 6,949 |
| Other revenue | 12 | 1,528 | 853 | 1,528 | 853 |
| Total revenue from continuing operations | | 256,695 | 250,813 | 254,206 | 248,717 |
| Gain on disposal of assets | 11 | 10,700 | 40 | 10,701 | 40 |
| Gain on revaluation of investment property | 28 | - | 1,932 | - | 1,932 |
| Other income | 12 | 4,378 | 3,254 | 1,882 | 1,014 |
| Total income | | 15,078 | 5,226 | 12,583 | 2,986 |
| Total income and revenue from continuing operations before deferred Government superannuation contributions | | 271,773 | 256,039 | 266,789 | 251,703 |
| Deferred government superannuation contributions | 22 | 2,975 | 3,083 | 2,975 | 3,083 |
| Total revenue and income from continuing operations | | 274,748 | 259,122 | 269,764 | 254,786 |
| Expenses from continuing operations | | | | | |
| Employee related expenses | 14 | 141,541 | 147,299 | 139,525 | 145,562 |
| Depreciation and amortisation | 15 | 19,953 | 18,553 | 19,925 | 18,499 |
| Repairs and maintenance | 16 | 6,122 | 4,897 | 6,122 | 4,897 |
| Finance costs | 17 | 2,105 | 1,348 | 2,105 | 1,348 |
| Impairment of assets | 18 | 503 | 716 | 500 | 716 |
| Other expenses | 19 | 77,516 | 68,615 | 74,755 | 66,457 |
| Cost of goods sold | | 3,764 | 3,424 | 3,764 | 3,424 |
| Total expenses from continuing operations before deferred employee benefits for superannuation | | 251,504 | 244,852 | 246,696 | 240,903 |
| Deferred employment benefits superannuation | 14 | 2,975 | 3,083 | 2,975 | 3,083 |
| Total expenses from continuing operations | | 254,479 | 247,935 | 249,671 | 243,986 |
| Operating result before income tax | | 20,269 | 11,187 | 20,093 | 10,800 |
| Income tax income/(expense) | 20 | 56 | (68) | - | - |
| Operating result after income tax for the period | 35(b) | 20,325 | 11,119 | 20,093 | 10,800 |

The above income statements should be read in conjunction with the accompanying notes.

Edith Cowan University
Balance Sheet
as at 31 December 2007

| | | Consolidated | | Parent | |
|--|--------------|---------------------|----------------|----------------|----------------|
| | Notes | 2007 | 2006 | 2007 | 2006 |
| | | \$'000 | \$'000 | \$'000 | \$'000 |
| ASSETS | | | | | |
| Current assets | | | | | |
| Cash and cash equivalents | 21 | 11,792 | 17,758 | 10,790 | 16,802 |
| Receivables | 22 | 13,269 | 12,179 | 12,433 | 11,845 |
| Inventories | 23 | 1,753 | 2,011 | 1,604 | 1,838 |
| Other financial assets | 24 | 10,174 | 11,004 | 10,165 | 11,004 |
| Non-current assets classified as held for sale | 25 | 10,590 | - | 10,590 | - |
| Other non-financial assets | 26 | 5,469 | 598 | 5,240 | 418 |
| Total current assets | | 53,047 | 43,550 | 50,822 | 41,907 |
| Non-current assets | | | | | |
| Receivables | 22 | 26,267 | 29,664 | 26,386 | 29,775 |
| Other financial assets | 24 | 37,689 | 780 | 37,689 | 780 |
| Property, plant and equipment | 27 | 675,367 | 674,821 | 675,237 | 674,670 |
| Investment properties | 28 | 12,493 | 12,493 | 12,493 | 12,493 |
| Deferred tax assets | 29 | 303 | 103 | - | - |
| Intangible assets | 30 | - | 2,834 | - | 2,834 |
| Total non-current assets | | 752,119 | 720,695 | 751,805 | 720,552 |
| Total assets | | 805,166 | 764,245 | 802,627 | 762,459 |
| LIABILITIES | | | | | |
| Current liabilities | | | | | |
| Payables | 31 | 10,013 | 14,907 | 9,435 | 14,520 |
| Borrowings | 32 | 10,187 | 181 | 10,187 | 181 |
| Provisions | 33 | 20,104 | 17,209 | 19,957 | 17,035 |
| Other current liabilities | 34 | 20,696 | 28,201 | 20,275 | 27,949 |
| | | 61,000 | 60,498 | 59,854 | 59,685 |
| Total current liabilities | | 61,000 | 60,498 | 59,854 | 59,685 |
| Non-current liabilities | | | | | |
| Payables | 31 | 427 | 340 | - | - |
| Borrowings | 32 | 61,102 | 36,639 | 61,102 | 36,639 |
| Provisions | 33 | 31,414 | 35,768 | 31,339 | 35,704 |
| Deferred tax liabilities | 29 | 118 | 26 | - | - |
| Total non-current liabilities | | 93,061 | 72,773 | 92,441 | 72,343 |
| Total liabilities | | 154,061 | 133,271 | 152,295 | 132,028 |
| Net assets | | 651,105 | 630,974 | 650,332 | 630,431 |
| EQUITY | | | | | |
| Reserves | 35(a) | 327,538 | 333,091 | 327,521 | 333,072 |
| Retained surplus | 35(b) | 323,567 | 297,883 | 322,811 | 297,359 |
| Total equity | | 651,105 | 630,974 | 650,332 | 630,431 |

The above balance sheets should be read in conjunction with the accompanying notes.

Edith Cowan University
Statement of Changes in Equity
for the year ended 31 December 2007

| Consolidated 2007 | Property plant and equipment revaluation reserve \$'000 | Investments revaluation reserve \$'000 | Foreign currency revaluation reserve \$'000 | Retained surplus \$'000 | Total \$'000 |
|--|--|---|--|---|-------------------------|
| Balance at 1 January 2007 | 333,072 | | 19 | 297,883 | 630,974 |
| Gain/loss on revaluation | - | (192) | (2) | - | (194) |
| Surplus/(deficit) for the year | - | | - | 20,325 | 20,325 |
| Transfers | (5,939) | 58 | - | 5,359 | - |
| Total movements for the year | <u>(5,939)</u> | <u>38</u> | <u>(2)</u> | <u>25,684</u> | <u>20,131</u> |
| Balance at 31 December 2007 | <u>327,133</u> | <u>388</u> | <u>17</u> | <u>323,567</u> | <u>651,105</u> |
| Balance at 1 January 2006 | 222,508 | - | (38) | 286,758 | 509,228 |
| Adjustment to prior year operating result (subsidiary) | - | - | - | 6 | 6 |
| Gain/loss on revaluation | 110,564 | - | - | - | 110,564 |
| Surplus/(deficit) for the year | - | - | - | 11,119 | 11,119 |
| Exchange differences on translation of foreign operations (subsidiary) | - | - | 57 | - | 57 |
| Total movements for the year | <u>110,564</u> | <u>-</u> | <u>57</u> | <u>11,125</u> | <u>121,746</u> |
| Balance at 31 December 2006 | <u>333,072</u> | <u>-</u> | <u>19</u> | <u>297,883</u> | <u>630,974</u> |
| Parent 2007 | Property plant and equipment revaluation reserve \$'000 | Investments revaluation reserve \$'000 | Foreign currency revaluation reserve \$'000 | Retained earnings \$'000 | Total \$'000 |
| Balance at 1 January 2007 | 333,072 | - | - | 297,359 | 630,431 |
| Gain/loss on revaluation | - | (192) | - | - | (192) |
| Surplus/(deficit) for the year | - | - | - | 20,093 | 20,093 |
| Transfers | (5,939) | 580 | - | 5,359 | - |
| Total movements for the year | <u>(5,939)</u> | <u>388</u> | <u>-</u> | <u>25,452</u> | <u>19,901</u> |
| Balance at 31 December 2007 | <u>327,133</u> | <u>388</u> | <u>-</u> | <u>322,811</u> | <u>650,332</u> |
| Balance at 1 January 2006 | 222,508 | - | - | 286,559 | 509,067 |
| Surplus/(deficit) for the year | - | - | - | 10,800 | 10,800 |
| Gain on revaluation | 110,564 | - | - | - | 110,564 |
| Total movements for the year | <u>110,564</u> | <u>-</u> | <u>-</u> | <u>10,800</u> | <u>121,364</u> |
| Balance at 31 December 2006 | <u>333,072</u> | <u>-</u> | <u>-</u> | <u>297,359</u> | <u>630,431</u> |

Edith Cowan University
Cash Flow Statement
for the year ended 31 December 2007

| | | Consolidated | | Parent | |
|---|-------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | Notes | 2007 | 2006 | 2007 | 2006 |
| | | \$'000 | \$'000 | \$'000 | \$'000 |
| Cash flows from operating activities | | | | | |
| Australian Government financial assistance | 5(g) | | | | |
| CGS and other grants | 5(g) | 92,968 | 99,921 | 92,968 | 99,921 |
| Higher Education Loan Programmes | 5(g) | 52,765 | 57,225 | 52,765 | 57,225 |
| Scholarships | 5(g) | 3,948 | 3,286 | 3,948 | 3,286 |
| DEEWR research | 5(g) | 6,902 | 6,444 | 6,902 | 6,444 |
| Australian Research Council Grants | 5(g) | | | | |
| Discovery | 5(g) | 265 | 286 | 265 | 286 |
| Linkages | 5(g) | 371 | 639 | 371 | 639 |
| Other Australian Government financial assistance received | 5(g) | 3,027 | 2,421 | 3,027 | 2,421 |
| HECS-HELP - Student payments | | 7,185 | 6,918 | 7,185 | 6,918 |
| State Government financial assistance | 6 | 10,697 | 8,959 | 10,697 | 8,959 |
| Receipts from student fees and other customers | | 71,223 | 65,133 | 66,655 | 60,722 |
| Dividends and distributions received | 8 | 282 | 291 | 282 | 291 |
| Interest and bill discounts | 8 | 2,663 | 2,392 | 2,631 | 2,353 |
| Payments to employees | | (140,258) | (147,882) | (138,276) | (146,171) |
| Payments to suppliers | | (93,427) | (60,957) | (90,872) | (58,509) |
| Interest paid to WA Treasury Corporation | | (2,105) | (1,335) | (2,105) | (1,335) |
| Interest paid to Homeswest | | - | (13) | - | (13) |
| Net cash provided by operating activities | 43 | <u>16,506</u> | <u>43,728</u> | <u>16,443</u> | <u>43,437</u> |
| Cash flows from investing activities | | | | | |
| Proceeds from sale of property, plant and equipment | | 33,707 | 91 | 33,707 | 91 |
| Bank bills | | 830 | 221 | 839 | 221 |
| Loans to related parties | | - | 200 | - | 200 |
| Payments for property, plant and equipment | | (54,184) | (49,945) | (54,176) | (49,871) |
| Payments for works of art | | (205) | (90) | (205) | (90) |
| Payments for financial assets | | (37,089) | - | (37,089) | - |
| Net cash used in investing activities | | <u>(56,941)</u> | <u>(49,523)</u> | <u>(56,924)</u> | <u>(49,449)</u> |
| Cash flows from financing activities | | | | | |
| Proceeds from borrowings from WA Treasury Corporation | | 34,469 | 12,492 | 34,469 | 12,492 |
| Net cash provided by financing activities | | <u>34,469</u> | <u>12,492</u> | <u>34,469</u> | <u>12,492</u> |
| Net increase in cash and cash equivalents held | | | | | |
| | | (5,966) | 6,697 | (6,012) | 6,480 |
| Cash and cash equivalents at the beginning of the financial year | | <u>17,758</u> | <u>11,061</u> | <u>16,802</u> | <u>10,322</u> |
| Cash and cash equivalents at the end of the financial year | 21 | <u><u>11,792</u></u> | <u><u>17,758</u></u> | <u><u>10,790</u></u> | <u><u>16,802</u></u> |
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The above cash flow statements should be read in conjunction with the accompanying notes.

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1 University Organisation

Edith Cowan University (the University) is a Statutory Authority of the Government of Western Australia and is domiciled in Australia. The address of its registered office is 100 Joondalup Drive, Joondalup, Western Australia.

The University is a public not-for-profit institution of higher education funded primarily through Commonwealth grant funding. Established in 1902 when it began as a teaching college, the University gained university status in 1991. Its principal activities cover teaching, learning and research.

The University Council is the governing body which controls the operations, affairs, concerns and property of the University. The Vice-Chancellor has been delegated the responsibility of managing the operations, affairs, concerns and property of the University.

2 Australian equivalents to International Financial Reporting Standards

General

The University's financial statements for the year ended 31 December 2007 have been prepared in accordance with Australian equivalents to International Financial Reporting Standards (AIFRS), which comprise a Framework for the Preparation and Presentation of Financial Statements (the Framework) and Australian Accounting Standards (including the Australian Accounting Interpretations).

In preparing these financial statements the University has adopted, where relevant to its operations, new and revised Standards and Interpretations from their operative dates as issued by the AASB and formerly the Urgent Issues Group (UIG).

The Australian Accounting Interpretations are adopted through AASB 1048 'Interpretation and Application of Standards' and are classified into those corresponding to IASB Interpretations and those only applicable in Australia.

The AASB has decided to maintain the statements of accounting concepts (SAC 1 and SAC 2) and has continued to revise and maintain accounting standards and the interpretations that are of particular relevance to the Australian environment, especially those that deal more specifically with not-for-profit entity issues and/or do not have an equivalent IASB Standard or Interpretation.

Early adoption of standards

The University cannot early adopt an Australian Accounting Standard or Interpretation unless specifically permitted by Treasurer's Instructions (TI) 1101 'Application of Australian Accounting Standards and Other Pronouncements'. No Standards and Interpretations that have been issued or amended and are not yet effective have been early adopted by the University for the annual reporting period ended 31 December 2007.

3 Summary of significant accounting policies

The following accounting policies have been adopted in the preparation of the financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

General Statement

The financial statements constitute a general purpose financial report which has been prepared in accordance with Australian Accounting Standards, the framework, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board as applied by the Treasurer's Instructions. Several of these are modified by the Treasurer's Instructions to vary application, disclosure, format and wording.

The Financial Management Act and the Treasurer's Instructions are legislative provisions governing the preparation of financial statements and take precedence over Australian Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board.

Where modification is required and has a material or significant financial effect upon the reported results, details of that modification and the resulting financial effect are disclosed in the notes to the financial statements.

Modifications or clarifications to accounting standards through the TI's are to provide certainty and ensure consistency and appropriate reporting across the public sector.

3 Summary of significant accounting policies (continued)

Reporting Entity

The reporting entity is Edith Cowan University and its controlled entity; ECU Resources for Learning Ltd.

Control is taken to exist where:

- (i) the entity is accountable to the University;
- (ii) the University has a residual financial interest in the net assets of the entity
- (iii) the University has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Specific details of controlled entities appear in Note 42.

(a) Basis of preparation

The Balance Sheet and Income Statement have been prepared on an accrual basis and are in accordance with historical cost convention, modified by the revaluation available-for-sale financial assets and financial liabilities and certain classes of property, plant and equipment which have been measured at fair value.

The accounting policies applied in the preparation of the financial statements have been consistently applied throughout all periods unless otherwise stated.

Assets and liabilities are recognised in the Balance Sheet when, and only when, it is probable that future economic benefits will flow and the amounts of the assets or liabilities can be reliably measured.

Contingent liabilities and contingent assets are not recognised in the Balance Sheet, but are discussed in the relevant Notes to the Financial Statements. They may arise from uncertainty as to the existence of a liability or asset, or represent an existing liability or asset in respect of which settlement is not probable or the amount cannot be reliably measured. Where settlement becomes probable, a liability or asset is recognised.

The consolidated financial report is presented in Australian dollars and all amounts are rounded to the nearest thousand dollars (\$'000).

(b) Principles of consolidation

Subsidiary

The consolidated financial statements incorporate the financial statements of Edith Cowan University (the parent entity) and entities controlled by the University (its subsidiary) up to 31 December each year. Control is achieved where the University has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities. A list of controlled entities appears in Note 42. Consistent accounting policies have been employed in the preparation and presentation of the consolidated financial statements.

The consolidated financial statements include the information and results of each controlled entity from the date on which the University obtains control and until such time as the University ceases to control such entities.

Inter-company transactions, balances and unrealised gains on transactions between the University and controlled entities are eliminated in full on consolidation.

3 Summary of significant accounting policies (continued)

(c) Grants and other contributions

Government grants

Grant contributions for financial assistance for operational purposes from the Commonwealth Government and Western Australia State Government are recognised as revenue when the University obtains control over the asset comprising the contributions. When the University does not have control of the contribution or, does not have the right to receive the contribution or, has not fulfilled grant conditions, the grant contribution is treated as deferred income.

Sponsored research

Research funds provide the opportunity for graduate and undergraduate students to work within a faculty in areas of research as part of their educational experience. Research grant contributions from various sources of sponsored research, including corporations, foundations, Commonwealth, State and local governments and research institutes are recognised as revenue when the University obtains control over the asset comprising the contributions. When the University does not have control of the contribution or does not have the right to receive the contribution or, has not fulfilled grant conditions, the grant contribution is treated as deferred income.

Donations

Donations, gifts and other non-reciprocal contributions are recognised as revenue when the University obtains control over the assets comprising the contributions. Control is normally obtained upon their receipt.

Endowment and bequests contributions

The University receives restricted funds from donors who wish to fund specific programs or initiatives of the University. Endowments and bequests are invested to create a source of income which is used for scholarships, research, prizes and special lecture programs. Endowment contributions are recognised as revenue when the University obtains control over the assets comprising the contributions. Control is normally obtained upon their receipt.

(d) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts and Goods and Service Tax (GST).

Revenue is recognised as follows:

(i) Sale of goods

Revenue is recognised from the sale of goods and disposal of other assets when the significant risks and rewards of ownership control transfer to the purchaser and can be measured reliably.

(ii) Fees and charges for services

Revenue from fees and charges is recognised in the accounting period in which the services are rendered, by reference to completion of the specific transaction assessed, on the basis of the actual service provided as a proportion of the total services to be provided.

(iii) Interest income

Interest income is accrued on a time-proportion basis, by reference to the principal outstanding and at the effective interest rate applicable.

(iv) Parking and library fines

Revenue from parking and library fines is recognised on a cash basis, as the purpose of the fine is to act as a deterrent not strictly for raising revenue. Non-payment of these fines is not actively pursued.

(v) Royalty, trademark and licences income

Royalties, trademark and licences income is recognised on an accrual basis in accordance with the substance of the relevant agreements.

(vi) Land development and resale

Revenue is recognised when the risk and rewards have been transferred, which is considered to occur on execution of an unconditional contract for sale.

3 Summary of significant accounting policies (continued)

(vii) Gains

Gains may be realised or unrealised. Realised gains are determined on a net basis as the difference between the sale proceeds received or receivable and the carrying amount of the non-current asset. Unrealised gains are determined on a net basis as the difference between the fair value and the carrying amount of an asset.

The policies adopted for the recognition of significant categories of gains are as follows:

Realised gains on disposal of non-current assets

Gains arising on the disposal or retirement of a non-current asset are recognised when control of the asset and the significant risks and rewards of ownership have passed from the University. Net gains are included in revenue for the period in which they arise.

Unrealised gains associated with investment property at fair value

Gains arising from changes in the fair value of an investment property are included in revenue for the period in which they arise.

(e) Expense recognition

Expenses are recognised when they are incurred and are subsequently reported in the year to which they relate.

The policies adopted for the recognition of significant categories of expenses are as follows:

Depreciation on property, plant and equipment and leasehold improvements is provided on a straight-line basis at rates based on the expected useful lives of those assets. The expected useful lives for each class of depreciable asset are provided under property, plant and equipment.

Amortisation is provided on intangible assets and assets held under finance leases and is calculated on a straight-line basis, generally over the expected useful lives.

Impairment losses are recognised as an expense when an asset's carrying amount exceeds its recoverable amount (unless it relates to a revalued asset, where the value change is recognised directly in equity).

The University receives Commonwealth Government superannuation supplementary funding for employer contributions of the Pension Scheme and Gold State Superannuation (GSS). These contributions are paid to the state-administered Government Employed Superannuation Board (GESB) during the year. The University also receives Commonwealth Government general operating funding for employer contributions of the various UniSuper superannuation plans.

The University includes the following elements in calculating the superannuation expense:

(i) Defined benefit plan – change in the unfunded employer's liability in respect of current employees who are members of the Pension Scheme and current employees who accrued a benefit on transfer from that Scheme to the Gold State Superannuation Scheme; and

(ii) Defined benefit plan – emerging cost in respect of current employees who are members of the Pension Scheme and current employees who accrued a benefit on transfer from that Scheme to the Gold State Superannuation Scheme; and

(iii) Defined contribution plan – employer contributions paid to the Gold State Superannuation Scheme and all of the UniSuper superannuation plans. A revenue 'Superannuation – deferred government contributions' equivalent to (ii) is recognised under Revenue in the Income Statement as emerging cost superannuation which is recouped by the Commonwealth superannuation supplementary grant.

3 Summary of significant accounting policies (continued)

(f) Property, plant and equipment

Land and buildings held for use in the production or supply of goods or services and for administrative purposes, are stated in the Balance Sheet at their fair value, the fair value is determined by independent professional valuers, less any subsequent accumulated depreciation and impairment losses and subsequent accumulated recoverable amount write-down. Revaluations are performed with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair values at the reporting date.

Any revaluation increase arising on the revaluation of such land and buildings is credited to the asset revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset class previously recognised as an expense, in which case the increase is credited to the Income Statement to the extent of the decrease previously charged on a asset class basis. A decrease in carrying amount arising on the revaluation of such land and buildings is charged as an expense to the extent that it exceeds the balance, if any, held in the asset revaluation reserve relating to a previous revaluation of that asset class.

Depreciation on revalued assets is charged to the Income Statement. On the subsequent sale or retirement of a revalued asset, the attributable revaluation surplus remaining in the asset revaluation reserve is transferred directly to the retained surplus.

Properties in the course of construction for production, rental or administrative purposes, or for purposes not yet determined, are carried at cost, less any accumulated impairment losses. Cost includes professional fees and, for qualifying assets, borrowing costs are capitalised. Depreciation of these assets commences when the assets are ready for their intended use.

Fixtures and computer equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. Purchases of fixtures and computer equipment which individually cost less than \$5,000 are expensed in the Income Statement in the year of acquisition.

Depreciation is charged so as to write off the cost or valuation of assets, other than land and properties under construction, over their useful lives, using the straight-line method.

Expected useful lives for each class of depreciable asset are:

| Asset category | Life |
|-------------------------------|--|
| Land | Not depreciated |
| Buildings | 50 years |
| Computing Equipment | 4 years |
| Other equipment and furniture | 6-10 years |
| Motor vehicles | 4-6 years |
| Leased motor vehicles | 6 years |
| Works of art | Not depreciated |
| Library collections | Depreciated at 100% in the fourth year after acquisition |
| Leasehold improvements | Depreciated over life of lease |

3 Summary of significant accounting policies (continued)

During the year the estimated useful life of the buildings on the Churchlands campus was revised. It was determined that the buildings no longer have a useful life due to the redevelopment of the Churchlands campus. As a result the buildings were completely written off in the current period. The additional depreciation charge in the current period due to the change was \$635,330.

Library Collections are stated at cost of the last three years' acquisition of library books. In each year, that year's cost of acquisition is added to the carrying value and the earliest year's cost of acquisition within the carrying value is written off.

Works of art are classified as heritage assets. These artefacts are protected and preserved for public exhibition, education, research and the furtherance of public service. They are neither disposed of for financial gain nor encumbered in any manner. Accordingly, such collections are capitalised, irrespective of value and are not depreciated as it is anticipated that they have indefinite useful lives. Their service potential has not, in any material sense, been consumed during the reporting period.

(g) Investment properties

Investment properties exclude properties held to meet service delivery objectives of the University and comprises land and/or buildings which are held to earn rentals and/or capital appreciation.

Investment properties are initially recognised at cost. Costs incurred subsequent to initial acquisition are capitalised when it is probable that future economics benefits in excess of the originally assessed performance of the asset will flow to the University. Where an investment property is acquired at no cost or for nominal consideration, its cost shall be deemed to be its fair value, as at the date of acquisition.

Subsequent to initial recognition at cost, investment properties are re-valued to fair value with changes in the fair value recognised in the income statements in the period that they arise. The properties are not depreciated.

Rental revenue from the leasing of investment properties is recognised in the income statements in the periods in which it is receivable, as this represents the pattern of service rendered through the provisions of the properties.

(h) Intangible assets

Computer software

The intangible assets comprise of externally acquired Computer software that is customised by the University, stated at historical cost less amortisation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

Computer software is amortised using the straight line method, over its estimated useful life. Computer software is amortised between 2-5 years

During 2007, the estimated useful life of the intangible assets was revised. It was determined that the software had reached the end of its useful life, on the basis that as it requires continuous upgrades and it had significantly changed from its original state due to this upgrades.

(i) Non-current assets (or disposal groups) held for sale and discontinued operations

Non-current assets (or disposal groups) are classified as held for sale and stated at the lower of their carrying amount and fair value less costs to sell if their carrying amount will be recovered principally through a sale transaction rather than through continuing use.

Non current assets are not depreciated or amortised while they are classified as held for sale.

Non current assets classified as held for sale are presented separately from the other assets in the balance sheet.

3 Summary of significant accounting policies (continued)

(j) Impairment

The University is required to assess property, plant and equipment and intangible assets for any indication of impairment at each reporting date. Where there is an indication of impairment, the recoverable amount must be estimated. As the University is a not-for-profit entity, unless an asset has been identified as a surplus asset, AASB 136 prescribes that the recoverable amount is the higher of an asset's fair value less selling costs and depreciated replacement cost. Consequently, the risk of impairment is generally limited to circumstances where an asset's depreciation is materially understated or where the replacement cost is falling.

The University reviews each relevant class of assets annually to verify that the accumulated depreciation/amortisation reflects the level of consumption or expiration of an asset's future economic benefits and to evaluate any impairment risk from falling replacement costs.

For assets identified as surplus assets, the recoverable amount is the higher of fair value less selling costs and the present value of future cash flows expected to be derived from the asset.

(k) Leases

Rentals payable under operating leases are charged as an expense to the income statement on a straight-line basis over the term of the relevant lease.

(l) Cash

For the purposes of the Cashflow Statement, cash includes cash assets and restricted cash assets. These include short-term deposits that are readily convertible to cash on hand and are subject to insignificant risk of changes in value.

(m) Restricted cash

Endowment and bequest funds are classified as restricted cash assets. Endowment and bequest funds have been received from benefactors who, by the terms of their conveying instruments, have stipulated that the use of funds is limited in future years to the purposes designated by the benefactors.

(n) Inventories

Inventories are valued at the lower of cost and net realisable value. Cost comprises direct materials and where applicable, import duties, transport and handling costs that have been incurred to bring the inventories to their present location and condition. Cost is calculated using the weighted average method.

(o) Receivables

Accounts receivable include amounts due from students for tuition fees, housing and other enrolment related services and reimbursements due from sponsors for externally funded research. Accounts receivables are recognised at the amounts receivable as they are due for settlement no more than 30 days from the date of recognition. Accounts receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts.

(p) Investments and other financial assets

The University has classified its financial assets into the following categories: Loans and receivables, held-to-maturity investments and available-for-sale assets.

(i) Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. They typically arise when the University provides money, goods or services directly to a debtor who has no intention of trading the receivable. Assets in this category are currently recorded at amortised cost.

3 Summary of significant accounting policies (continued)

(ii) *Held-to-maturity investments*

Held-to-maturity investments are financial assets with fixed or determinable payments and of fixed maturity that are intended to be held to maturity. The University currently invests in bank bills, which are classified under this category. The University records bank bills at purchase price (not maturity value) and accrues the interest on a monthly basis until that interest is recorded at maturity.

(iii) *Available-for-sale financial assets*

Available-for-sale financial assets, comprising principally of marketable equity securities (held through managed funds), are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date.

Purchases and sales of investments are recognised on trade-date - the date on which the University commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the University has transferred substantially all the risks and rewards of ownership.

Available-for-sale financial assets are subsequently carried at fair value. Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method. Unrealised gains and losses arising from changes in the fair value of non monetary securities classified as available-for-sale are recognised in equity in the investments revaluation reserve. When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments are included in the income statement as gains and losses from investment securities.

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the University establishes fair value by using valuation techniques.

The University assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered in determining whether the security is impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss (measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit and loss) is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement, but are recognised in equity in the available-for-sale investments revaluation reserve.

(q) **Payables**

Payables are recognised when the University becomes obliged to make future payments as a result of a purchase of assets or services. Accounts payable are not interest bearing and are stated at their nominal value.

(r) **Borrowings**

Interest-bearing loans and overdrafts are recorded when the proceeds are received, net of direct issued costs. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accrual basis using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

Interest bearing liabilities are classified as current liabilities unless the University has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

3 Summary of significant accounting policies (continued)

(s) Provisions

Provisions are liabilities of uncertain timing and amount and are recognised where there is a present legal or constructive obligation as a result of a past event and when the outflow of resources embodying economic benefits is probable and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each balance sheet date. See note 33 'Provisions'.

(i) *Employee benefits - annual leave*

The liability for annual leave that will fall due within 12 months after the end of the reporting date is recognised in the provision for employee benefits and is measured at the undiscounted amounts expected to be paid. The liability for annual leave that will fall due more than 12 months after the end of the reporting date is recognised in the provision for employee benefits and is measured at the present value of amounts expected to be paid in the future in respect of services provided by employees up to the reporting date. Consideration is given, when assessing expected future payments, to expected future wage and salary levels including superannuation on-costs. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash flows.

(ii) *Employee benefits - long service leave*

The liability for long service leave that will fall due within 12 months after the end of the reporting date is recognised in the provision for employee benefits and is measured at the undiscounted amounts expected to be paid. The liability for long service leave that will fall due more than 12 months after the end of the reporting date is recognised in the provision for employee benefits and is measured at the present value of amounts expected to be paid in the future in respect of services provided by employees up to the reporting date. Consideration is given, when assessing expected future payments, to expected future wage and salary levels including superannuation on-costs. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash flows.

Leave benefits are calculated at remuneration rates expected to be paid when liabilities are settled. A liability for long service leave is recognised after an employee has completed four years of service. An actuarial assessment of long service leave undertaken in-house in 2007 determined that the liability measured using the short-hand method was not materially different from the liability measured using the present value of expected future payments.

In 2007, the University has adopted the shorthand method to calculate long service leave liabilities.

All unconditional long service leave is classified as a current liability.

Employee On-Costs

Employee on-costs, including workers' compensation insurance and payroll tax, are not employee benefits and are recognised as liabilities and expenses when the employee benefits to which they relate have occurred. Employee on-costs are not included as part of the University's Employee benefits expense and the related liability is included in Employee on-costs provision.

Other compensated absences

Employees accrue and accumulate sick leave and study leave in accordance with University policies. It is the policy of the University to recognise the cost of sick leave and study leave when paid. Employees who leave University employment are not entitled to be paid for accrued sick leave or study leave. Therefore, no liability is shown in the financial statements.

3 Summary of significant accounting policies (continued)

(iii) Superannuation

The University contributes to the GESB Pension Scheme, GESB Gold State Superannuation Scheme and various UniSuper superannuation schemes on behalf of its employees. The contributions made to these schemes by the University, and emerging costs from unfunded schemes, are expensed in the Income Statement. Actuarial gains and losses are recognised immediately in profit and loss in the year in which they occur.

Refer to Note 49 for details relating to the individual schemes.

GESB Scheme Information

Pension Scheme members' receive pension benefits on retirement, death or invalidity. The Fund Share of the pension benefit, which is based on the members' contributions plus investment earnings, may be commuted to a lump sum benefit. The State Share of the pension benefit, which is employer-financed, cannot be commuted to a lump sum benefit.

Some former Pension Scheme members' have transferred to the Gold State Scheme. The members receive a lump sum benefit in respect of their transferred benefit at retirement, death or invalidity which is related to their salary during their employment and indexed during any deferral period after leaving public sector employment.

(t) Foreign currency translation and hedges

Transactions in currencies other than Australian dollars are recorded at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Gains and losses arising on retranslation are included in the Income Statement for the period.

(u) Disaggregation information

The University has determined reportable segment information on the basis of business segments and geographical segments.

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographic segment is engaged in providing services within a particular economic environment that are subject to risks and returns that are different from those of segments operating in other economic environments.

The University have two reportable business segments consisting of higher education and vocational education and training (VET). The higher education segment is an aggregation of operations that deliver progressive university degree programs for the modern workplace and focus on the service professions. The VET segment primarily delivers nationally accredited flexible training solutions designed to meet the varied needs of businesses and individuals activities.

Geographically, the University and its subsidiary's activities are conducted and operated predominantly in Australia. Off-shore activities are analysed as a separate geographical segment.

Segment revenues, expenses, assets and liabilities are allocated to business and geographic segments on the basis of direct attribution and reasonable estimates of usage. Income tax has not been included in assets and liabilities.

(v) Special reserves

The special reserve represents restricted funds, whose use is limited in future years to the purposes designated by the benefactors, donors or sponsors such as research financial assistance, scholarships and capital equipment replacement.

No funds are currently held in special reserves at the reporting date.

3 Summary of significant accounting policies (continued)

(w) Taxation

The controlled entity, E.C.U. Resources for Learning Ltd. (ECURL) trading as Steps Professional Development, is subject to income tax in Australia under the Income Tax Assessment Act 1997. Authority has been granted to ECURL to adopt a calendar tax year.

The overseas branches are subject to income tax relating to income and expenditure items attributable to permanent establishments in the United Kingdom, the United States of America and New Zealand. The taxation expense represents the sum of tax currently payable and is measured at 31 December each year.

Taxable profit differs from net profit as reported in the Income Statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The liability for current tax is calculated using tax rates that have been enacted by the reporting date.

(x) Deferred tax

The consolidated entity adopts an income statement liability method to account for expected income tax consequences inherent in the financial statements. The provision for deferred income tax liability and deferred tax assets includes the tax effect (at current tax rates) of the differences between income and expense items recognised in different accounting periods for book and tax purposes. The benefit arising from estimated carry-forward tax losses, has also been recorded as a deferred tax asset only where realisation of the asset is considered to be virtually certain. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer virtually certain that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

(y) Comparative figures

Comparative figures have been restated on the AIFRS basis except for financial instruments information which has been prepared under the previous AGAAP Accounting Standard AAS 33 as permitted by AASB 1.36A. The transition to AIFRS for data prepared under AASB 132 and AASB 139 was 1 January 2005.

(z) Rounding

Amounts in the financial statements have been rounded to the nearest thousand dollars.

(aa) New accounting standards and Interpretations

Certain new Accounting Standards and Interpretations have been published that are not mandatory for 31 December 2007 reporting periods. The University's assessment of the impact of these new Standards and Interpretations is set out below:

(i) *AASB 8 Operating Segments* and *AASB 2007-3 Amendments to Australian Accounting Standards arising from AASB 8* AASB 8 and AASB 2007-3 are effective for annual reporting periods commencing on or after 1 January 2009. AASB 8 will result in a significant change in the approach to segment reporting, as it requires adoption of a 'management approach' to reporting on the financial performance. The information being reported will be based on what the key decision-makers use internally for evaluating segment performance and deciding how to allocate resources to operating segments. The University has not yet decided when to adopt AASB 8. Application of AASB 8 may result in different segments, segment results and different type of information being reported in the segment note of the financial report. However, it will not affect any of the amounts recognised in the financial statements.

(ii) *Revised AASB 123 Borrowing Costs* and *AASB 2007-6 Amendments to Australian Accounting Standards arising from AASB 123 [AASB 1, AASB 101, AASB 107, AASB 111, AASB 116 & AASB 138 and Interpretations 1 & 12]*
The revised AASB 123 is applicable to annual reporting periods commencing on or after 1 January 2009. It has removed the option to expense all borrowing costs and - when adopted - will require the capitalisation of all borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset. There will be no impact on the financial report of the University, as the University does already capitalise borrowing costs relating to qualifying assets.

3 Summary of significant accounting policies (continued)

(iii) Revised AASB 101 *Presentation of Financial Statements* and AASB2007-8 *Amendments to Australian Accounting Standards arising from AASB 101*

A revised AASB 101 that was issued in September 2007 is applicable for annual reporting periods beginning on or after 1 January 2009. Local governments, government departments and governments were subject to requirements that differed from requirements applicable to other not-for-profit entities and for-profit entities contained in Australian Accounting Standards. An objective of this standard is to put in place transaction-neutral standards that will prescribe treatment of like transactions and events consistently, the application of this standard will not affect any if the amounts recognised in the financial statements.

4 Disaggregated information

4.1 Industry

| Parent | Higher Education | | VET | | Total Entity | |
|---|------------------|----------------|----------------|----------------|----------------|----------------|
| | 2007 \$'000 | 2006 \$'000 | 2007 \$'000 | 2006 \$'000 | 2007 \$'000 | 2006 \$'000 |
| Income statements | | | | | | |
| Total revenue and income from continuing activities | 255,105 | 240,701 | 14,659 | 14,085 | 269,764 | 254,786 |
| Total expenses from continuing activities | 239,254 | 233,708 | 10,417 | 10,278 | 249,671 | 243,986 |
| Operating result from continuing activities | 15,851 | 6,993 | 4,242 | 3,807 | 20,093 | 10,800 |
| Balance sheets | | | | | | |
| Assets | | | | | | |
| Current assets | 50,770 | 41,858 | 52 | 49 | 50,822 | 41,907 |
| Non-current assets | 751,598 | 720,320 | 207 | 232 | 751,805 | 720,552 |
| Total assets | 802,368 | 762,178 | 259 | 281 | 802,627 | 762,459 |
| Liabilities | | | | | | |
| Current liabilities | 59,436 | 59,327 | 418 | 358 | 59,854 | 59,685 |
| Non-current liabilities | 92,245 | 72,188 | 196 | 155 | 92,441 | 72,343 |
| Total liabilities | 151,681 | 131,515 | 614 | 513 | 152,295 | 132,028 |
| Net Assets | 650,687 | 630,663 | (355) | (232) | 650,332 | 630,431 |
| Equity | 650,687 | 630,663 | (355) | (232) | 650,332 | 630,431 |

4.2 Geographical

| Consolidated | Revenue | | Results | | Assets | |
|--------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | 2007 \$'000 | 2006 \$'000 | 2007 \$'000 | 2006 \$'000 | 2007 \$'000 | 2006 \$'000 |
| Australia | 267,461 | 252,114 | 18,563 | 8,850 | 804,593 | 763,929 |
| Other | 7,287 | 7,008 | 1,762 | 2,269 | 428 | 316 |
| Total | 274,748 | 259,122 | 20,325 | 11,119 | 805,021 | 764,245 |

5 Australian Government financial assistance

| | Consolidated | | Parent | |
|--|----------------|----------------|----------------|----------------|
| | 2007 \$'000 | 2006 \$'000 | 2007 \$'000 | 2006 \$'000 |
| (a) Commonwealth Grants Scheme and other grants | | | | |
| Commonwealth Grants Scheme | 88,099 | 86,907 | 88,099 | 86,907 |
| Indigenous Support Fund | 905 | 986 | 905 | 986 |
| Equity Support programmes | 217 | 392 | 217 | 392 |
| Disability Support Programme | 42 | 46 | 42 | 46 |
| Workplace Reform Programme | 1,144 | 1,232 | 1,144 | 1,232 |
| Workplace Productivity Programme | 1,587 | - | 1,587 | - |
| Capital Development Pool | 585 | 2,129 | 585 | 2,129 |
| Superannuation Programme | 4,660 | 3,681 | 4,660 | 3,681 |
| Total Commonwealth Grants Scheme and other grants | <u>97,239</u> | <u>95,373</u> | <u>97,239</u> | <u>95,373</u> |
| (b) Higher Education Loan Programmes | | | | |
| HECS-HELP | 45,377 | 45,299 | 45,377 | 45,299 |
| FEE-HELP | 5,950 | 5,515 | 5,950 | 5,515 |
| Total Higher Education Loan Programmes | <u>51,327</u> | <u>50,814</u> | <u>51,327</u> | <u>50,814</u> |
| (c) Scholarships | | | | |
| Australian Postgraduate Awards | 873 | 874 | 873 | 874 |
| International Postgraduate Research Scholarships | 140 | 153 | 140 | 153 |
| Commonwealth Education Cost Scholarships | 1,257 | 932 | 1,257 | 932 |
| Commonwealth Accommodation Scholarships | 1,645 | 1,327 | 1,645 | 1,327 |
| Indigenous Scholarships | 33 | - | 33 | - |
| Total Scholarships | <u>3,948</u> | <u>3,286</u> | <u>3,948</u> | <u>3,286</u> |
| (d) DEEWR - Research | | | | |
| Institutional Grants Scheme | 1,945 | 1,825 | 1,945 | 1,825 |
| Research Training Scheme | 4,223 | 4,074 | 4,223 | 4,074 |
| Research Infrastructure Block Grants | 544 | 545 | 544 | 545 |
| Implementation assistance programme | 44 | - | 44 | - |
| Australian scheme for higher education repositories | 98 | - | 98 | - |
| Commercialisation Training Scheme | 48 | - | 48 | - |
| Total DEEWR-Research Grants | <u>6,902</u> | <u>6,444</u> | <u>6,902</u> | <u>6,444</u> |
| (e) Australian Research Council | | | | |
| (i) Discovery | | | | |
| Discovery - Projects | 196 | 359 | 196 | 359 |
| Total Discovery | <u>196</u> | <u>359</u> | <u>196</u> | <u>359</u> |
| (ii) Linkages | | | | |
| Linkages - Other | 416 | 665 | 416 | 665 |
| Total Linkages | <u>416</u> | <u>665</u> | <u>416</u> | <u>665</u> |
| Total Australian Research Council | <u>612</u> | <u>1,024</u> | <u>612</u> | <u>1,024</u> |

5 Australian Government financial assistance (continued)

(f) Other Australian Government financial assistance

| | | | | |
|--|--------------|--------------|--------------|--------------|
| National competitive | 667 | 733 | 667 | 733 |
| Other research grants | 1,083 | 1,322 | 1,083 | 1,322 |
| Other | 1,277 | 366 | 1,277 | 366 |
| Total Other Australian Government financial assistance | <u>3,027</u> | <u>2,421</u> | <u>3,027</u> | <u>2,421</u> |

| | | | | |
|---|-----------------------|-----------------------|-----------------------|-----------------------|
| Total Australian Government financial assistance | <u>163,055</u> | <u>159,362</u> | <u>163,055</u> | <u>159,362</u> |
|---|-----------------------|-----------------------|-----------------------|-----------------------|

Reconciliation

| | | | | |
|---|-----------------------|-----------------------|-----------------------|-----------------------|
| Australian Government grants (a+c+d+e+f) | 111,728 | 108,548 | 111,728 | 108,548 |
| HECS-HELP - Australian Government payments | 45,377 | 45,299 | 45,377 | 45,299 |
| Other Australian Government loan programmes [FEE-HELP] | 5,950 | 5,515 | 5,950 | 5,515 |
| Total Australian Government financial assistance | <u>163,055</u> | <u>159,362</u> | <u>163,055</u> | <u>159,362</u> |

(g) Australian Government grants received - cash basis (Ref Note 50)

| | | | | |
|------------------------------------|--------|--------|--------|--------|
| CGS and Other DEEWR Grants | 92,968 | 99,921 | 92,968 | 99,921 |
| Higher Education Loan Programmes | 52,765 | 57,225 | 52,765 | 57,225 |
| Scholarships | 3,948 | 3,286 | 3,948 | 3,286 |
| DEEWR Research Grants | 6,902 | 6,444 | 6,902 | 6,444 |
| ARC grants - Discovery | 265 | 286 | 265 | 286 |
| ARC grants - Linkages | 371 | 639 | 371 | 639 |
| Other Australian Government Grants | 3,027 | 2,421 | 3,027 | 2,421 |
| | - | - | - | - |

| | | | | |
|---|-----------------------|-----------------------|-----------------------|-----------------------|
| Total Australian Government Grants received - cash basis | <u>160,246</u> | <u>170,222</u> | <u>160,246</u> | <u>170,222</u> |
|---|-----------------------|-----------------------|-----------------------|-----------------------|

| | | | | |
|---------------|---|----|---|----|
| OS-Help (Net) | 3 | 12 | 3 | 12 |
|---------------|---|----|---|----|

| | | | | |
|--|-----------------------|-----------------------|-----------------------|-----------------------|
| Total Australian Government funding received - cash basis | <u>160,249</u> | <u>170,234</u> | <u>160,249</u> | <u>170,234</u> |
|--|-----------------------|-----------------------|-----------------------|-----------------------|

6 State and Local Government financial assistance

| | Consolidated | | Parent | |
|--|----------------------|---------------------|----------------------|---------------------|
| | 2007 | 2006 | 2007 | 2006 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| State financial assistance | | | | |
| WA State Department of Education and Training* | 7,294 | 6,918 | 7,294 | 6,918 |
| Other | 3,403 | 2,041 | 3,403 | 2,041 |
| Total State and Local Government financial assistance | <u>10,697</u> | <u>8,959</u> | <u>10,697</u> | <u>8,959</u> |

* The funding relates to West Australian Academy of Performing Arts (WAAPA@ECU)

7 Fees and charges

| | Consolidated | | Parent | |
|---|----------------------|----------------------|----------------------|----------------------|
| | 2007 | 2006 | 2007 | 2006 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Course fees and charges | | | | |
| Continuing education | 1,023 | 2,869 | 1,023 | 2,869 |
| Fee-paying overseas students | 41,621 | 38,008 | 41,621 | 38,008 |
| Fee-paying domestic postgraduate students | 3,406 | 3,896 | 3,406 | 3,896 |
| Fee-paying domestic undergraduate students | 15 | 818 | 15 | 818 |
| Fee-paying domestic non-award students | - | 38 | - | 38 |
| Total course fees and charges | <u>46,065</u> | <u>45,629</u> | <u>46,065</u> | <u>45,629</u> |
| Other non-course fees and charges | | | | |
| Student accommodation | 1,835 | 1,677 | 1,835 | 1,677 |
| Rental charges | 1,199 | 1,284 | 1,199 | 1,284 |
| Seminar and workshop fees | 846 | 758 | 846 | 758 |
| Examination, registration and photocopying fees | 315 | 512 | 315 | 512 |
| Library fines | 34 | 171 | 34 | 171 |
| Late fees | 203 | 169 | 203 | 169 |
| Parking fees | 1,235 | 1,284 | 1,235 | 1,284 |
| Amenities and service fees | 96 | 947 | 96 | 947 |
| Course consumable fee | 91 | 447 | 91 | 447 |
| All other | 541 | 599 | 541 | 599 |
| Total other non-course fees and charges | <u>6,395</u> | <u>7,848</u> | <u>6,395</u> | <u>7,848</u> |
| Total fees and charges | <u>52,460</u> | <u>53,477</u> | <u>52,460</u> | <u>53,477</u> |

8 Investment income

| | Consolidated | | Parent | |
|---|---------------------|---------------------|---------------------|---------------------|
| | 2007 | 2006 | 2007 | 2006 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Interest revenue on loan to subsidiary | - | - | 8 | 6 |
| Interest from current account | 1,015 | 706 | 975 | 661 |
| Interest from bank bills and trust accounts | 1,648 | 1,686 | 1,648 | 1,686 |
| Dividends received | 197 | 291 | 197 | 291 |
| Distributions from investments in managed funds | 85 | - | 85 | - |
| Total investment income | <u>2,945</u> | <u>2,683</u> | <u>2,913</u> | <u>2,644</u> |

9 Royalties, trademarks and licences

| | Consolidated | | Parent | |
|-----------|---------------------|---------------------|---------------------|---------------------|
| | 2007 | 2006 | 2007 | 2006 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Royalties | <u>6,338</u> | <u>5,404</u> | <u>3,930</u> | <u>3,379</u> |

10 Consultancy and contracts

| | Consolidated | | Parent | |
|--|--------------|--------------|--------------|--------------|
| | 2007 | 2006 | 2007 | 2006 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Research | | | | |
| Consultancy | 712 | 686 | 663 | 654 |
| Contract research | 4,495 | 5,522 | 4,495 | 5,522 |
| Total consultancy and contracts | 5,207 | 6,208 | 5,158 | 6,176 |

11 Gain on disposal of assets

| | Consolidated | | Parent | |
|---|---------------|-----------|---------------|-----------|
| | 2007 | 2006 | 2007 | 2006 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Carrying amounts of disposal of non-current assets | | | | |
| Property, plant and equipment | (25,927) | (51) | (25,926) | (51) |
| Proceeds from disposal of non-current assets | | | | |
| Property, plant and equipment | 36,627 | 91 | 36,627 | 91 |
| Net gain on disposal of assets | 10,700 | 40 | 10,701 | 40 |

12 Other revenue and income

| | Consolidated | | Parent | |
|--|--------------|--------------|--------------|--------------|
| | 2007 | 2006 | 2007 | 2006 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Other revenue | | | | |
| Donations, bequests and scholarships | 730 | 134 | 730 | 134 |
| Prizes, contributions and sponsorships | 309 | 207 | 309 | 207 |
| Commissions and rebates received | 342 | 382 | 342 | 382 |
| Expense recoups | 147 | 130 | 147 | 130 |
| Total other revenue | 1,528 | 853 | 1,528 | 853 |
| Other income | | | | |
| Insurance claims | 26 | 19 | 26 | 19 |
| Box office - WAAPA | 304 | 231 | 304 | 231 |
| Miscellaneous Income | 1,392 | 323 | 1,392 | 323 |
| Medical practitioners fees | 94 | 100 | 94 | 100 |
| Bad debts recovered | 10 | 301 | 10 | 301 |
| Professional development courses | 2,385 | 2,150 | - | - |
| Other | 167 | 130 | 56 | 40 |
| Total other income | 4,378 | 3,254 | 1,882 | 1,014 |
| Total other revenue and income | 5,906 | 4,107 | 3,410 | 1,867 |

13 Change in accounting policy

Change in accounting policy regarding the recording of property plant and equipment in the previous financial year as inventory

The University embarked on the redevelopment of the Churchlands campus into residential blocks to be sold in 6 stages during the 2006 financial year. The land under development was initially interpreted to be treated as Inventory. Considering the substance of the actual transaction pertaining to the purchase of land from WA Government and obtaining technical professional advice and considering the definitions, recognitions requirements and appropriate measurement of the relevant accounting standards, it was established that the development of land does not form part of the ordinary course of business for the University and it was therefore concluded that the initial application of the relevant accounting policies needed to be revised.

It was determined that the appropriate accounting treatment for the development of land is to classify this as property, plant and equipment. All the unsold lots meeting the requirements of AASB 5 at the end of a year should be reclassified to non-current assets classified as held for sale. In the prior year the land and any development costs has been restated back to property, plant and equipment as stages 1 and 2 were not ready for sale as at 31 December 2006.

The change in accounting policy has been effected by restating each of the affected financial statement line items for the prior year. The land under development was held at cost in the prior year at \$23,138,000, as per the University's accounting policy for Inventory. In these financials the prior year carrying value of land and development cost capitalised was restated to property plant and equipment of \$31,735,000 from inventory. This represents the fair value of land as per the accounting policy on property plant and equipment. A corresponding increase to the property, plant and equipment revaluation reserve of \$8,597,000 was accounted for.

14 Employee related expenses

| | Consolidated | | Parent | |
|--|----------------|----------------|----------------|----------------|
| | 2007 | 2006 | 2007 | 2006 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Academic | | | | |
| Salaries | 55,888 | 56,589 | 55,888 | 56,589 |
| Contribution to superannuation and pension schemes: | | | | |
| Emerging cost | 3,972 | 3,510 | 3,972 | 3,510 |
| Funded | 8,032 | 8,093 | 8,032 | 8,093 |
| Long service leave expense | 1,719 | 1,795 | 1,719 | 1,795 |
| Annual leave | 480 | 1,347 | 480 | 1,347 |
| Redundancy payouts | 446 | 4,521 | 446 | 4,521 |
| Other | 1,686 | 688 | 1,686 | 688 |
| Total Academic | <u>72,223</u> | <u>76,543</u> | <u>72,223</u> | <u>76,543</u> |
| Non-academic | | | | |
| Salaries | 57,931 | 57,616 | 56,156 | 56,054 |
| Contribution to superannuation and pension schemes: | | | | |
| Emerging cost | 315 | 1,614 | 124 | 1,467 |
| Funded | 8,049 | 8,028 | 8,049 | 8,028 |
| Long service leave expense | 1,514 | 835 | 1,490 | 823 |
| Annual leave | 396 | (89) | 370 | (105) |
| Redundancy payouts | 778 | 2,532 | 778 | 2,532 |
| Other | 335 | 220 | 335 | 220 |
| Total Non-academic | <u>69,318</u> | <u>70,756</u> | <u>67,302</u> | <u>69,019</u> |
| Total academic and non-academic employee related expenses | <u>141,541</u> | <u>147,299</u> | <u>139,525</u> | <u>145,562</u> |
| Deferred employment benefits for superannuation | 2,975 | 3,083 | 2,975 | 3,083 |
| Total Employee related expenses | <u>144,516</u> | <u>150,382</u> | <u>142,500</u> | <u>148,645</u> |

15 Depreciation and amortisation

| | Consolidated | | Parent | |
|--|----------------------|----------------------|----------------------|----------------------|
| | 2007 | 2006 | 2007 | 2006 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Depreciation | | | | |
| Buildings | 10,189 | 9,397 | 10,189 | 9,397 |
| Leasehold improvements | 616 | 447 | 612 | 444 |
| Other equipment and furniture | 2,816 | 2,582 | 2,810 | 2,570 |
| Computing equipment | 940 | 1,489 | 924 | 1,454 |
| Motor vehicles | 48 | 107 | 46 | 103 |
| Library collections | 2,510 | 2,616 | 2,510 | 2,616 |
| Total depreciation | <u>17,119</u> | <u>16,638</u> | <u>17,091</u> | <u>16,584</u> |
| Amortisation | | | | |
| Intangible assets | <u>2,834</u> | <u>1,915</u> | <u>2,834</u> | <u>1,915</u> |
| Total amortisation | <u>2,834</u> | <u>1,915</u> | <u>2,834</u> | <u>1,915</u> |
| Total depreciation and amortisation | <u><u>19,953</u></u> | <u><u>18,553</u></u> | <u><u>19,925</u></u> | <u><u>18,499</u></u> |

16 Repairs and maintenance

| | Consolidated | | Parent | |
|--------------------------------------|--------------|--------------|--------------|--------------|
| | 2007 | 2006 | 2007 | 2006 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Buildings maintenance | 4,394 | 3,696 | 4,394 | 3,696 |
| Grounds maintenance | 433 | 449 | 433 | 449 |
| Other | 1,295 | 752 | 1,295 | 752 |
| Total repairs and maintenance | <u>6,122</u> | <u>4,897</u> | <u>6,122</u> | <u>4,897</u> |

17 Finance costs

| | Consolidated | | Parent | |
|---------------|--------------|--------------|--------------|--------------|
| | 2007 | 2006 | 2007 | 2006 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Interest cost | <u>2,105</u> | <u>1,348</u> | <u>2,105</u> | <u>1,348</u> |

18 Impairment of assets

| | Consolidated | | Parent | |
|---|--------------|------------|------------|------------|
| | 2007 | 2006 | 2007 | 2006 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Impairments of receivables written off directly | 3 | 2 | - | 2 |
| Impairments of receivables provided for | 500 | 714 | 500 | 714 |
| Total impairments of assets | <u>503</u> | <u>716</u> | <u>500</u> | <u>716</u> |

19 Other expenses

| | Consolidated | | Parent | |
|---|---------------------|---------------|---------------|---------------|
| | 2007 | 2006 | 2007 | 2006 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Employee on-costs* | 8,557 | 8,385 | 8,420 | 8,293 |
| Student related expenditure | 9,558 | 9,451 | 9,558 | 9,451 |
| Telecommunications | 1,545 | 1,454 | 1,511 | 1,424 |
| Non-capitalised equipment | 6,628 | 4,604 | 6,628 | 4,604 |
| Computer software and maintenance | 7,950 | 8,853 | 7,950 | 8,853 |
| Travel, staff development & entertainment | 6,504 | 5,909 | 6,069 | 5,566 |
| Operating lease rental expenses | 556 | 946 | 540 | 936 |
| Professional and consulting fees | 10,826 | 7,845 | 10,504 | 7,755 |
| General consumables | 4,300 | 3,751 | 3,715 | 3,225 |
| Printing, postage and stationery | 3,274 | 3,577 | 3,122 | 3,416 |
| Electricity, gas and rates | 3,659 | 3,389 | 3,532 | 3,260 |
| Advertising & marketing | 6,672 | 3,664 | 6,312 | 3,377 |
| Asset write-offs during the year | 14 | 5 | 14 | 5 |
| Other | 7,473 | 6,782 | 6,880 | 6,292 |
| Total Other expenses | 77,516 | 68,615 | 74,755 | 66,457 |

*Includes workers' compensation insurance, payroll tax and other employment on-costs. The on-costs liability associated with the recognition of annual leave and long service leave liability is included at Note 33 'Provisions'. Superannuation contributions accrued as part of the provision for leave are employee benefits and are not included in employment on-costs.

20 Income tax expense

| | Consolidated | |
|---|---------------------|---------------|
| | 2007 | 2006 |
| | \$'000 | \$'000 |
| (a) Income tax expense | | |
| Current tax | 58 | 68 |
| Deferred tax | (108) | (1) |
| Under / (over) provided in prior years | (6) | 1 |
| | <u>(56)</u> | <u>68</u> |
| Deferred income tax (revenue) / expense included in income tax expense comprises: | | |
| Decrease / (increase) in deferred tax assets | (200) | (3) |
| (Decrease) / increase in deferred tax liabilities | 92 | 2 |
| | <u>(108)</u> | <u>(1)</u> |

Income tax is in relation to the Controlled Entity E.C.U Resources for Learning Ltd. which includes overseas branches.

20 Income tax expense (continued)

| | Consolidated | |
|--|----------------|----------------|
| | 2007 \$'000 | 2006 \$'000 |
| (b) Numerical reconciliation of income tax expense to prima facie tax payable | | |
| Tax at the Australian tax rate of 30% (2006 - 30%) | 49 | 118 |
| Deferred tax underprovision | (10) | - |
| Difference in overseas tax rates | (18) | (38) |
| Under / (over) provision in prior years | (6) | 2 |
| Prior year tax losses not recognised | 23 | 22 |
| | <u>(1)</u> | <u>(14)</u> |
| Income tax expense | 38 | 104 |
| Tax effect of amounts which are not deductible (assessable) in calculating taxable income: | | |
| Depreciation and amortisation | 1 | 1 |
| Sundry items | (21) | - |
| Income tax expense adjusted for permanent differences | <u>(20)</u> | <u>1</u> |
| Benefit of tax losses of prior years recouped | <u>(74)</u> | <u>(37)</u> |
| Income tax expense - tax consolidated group (excluding parent entity) | <u>(94)</u> | <u>(36)</u> |
| Total income tax expense | <u>(56)</u> | <u>68</u> |
| (c) Tax losses | | |
| Unused tax losses for which no deferred tax asset has been recognised | 76 | 149 |
| Potential tax benefit | <u>23</u> | <u>45</u> |

These tax losses include US unused tax losses which will expire in the year ending 31 December 2021.

21 Cash and cash equivalents

| | Consolidated | | Parent | |
|--|----------------|----------------|----------------|----------------|
| | 2007 \$'000 | 2006 \$'000 | 2007 \$'000 | 2006 \$'000 |
| Cash at bank and on hand | 1,404 | 7,906 | 629 | 6,950 |
| Bank Bills | 5,912 | 5,808 | 5,685 | 5,808 |
| Cash held in imprests | 28 | 27 | 28 | 27 |
| Restricted cash and cash equivalents | 4,448 | 4,017 | 4,448 | 4,017 |
| Total cash and cash equivalents | <u>11,792</u> | <u>17,758</u> | <u>10,790</u> | <u>16,802</u> |

21 Cash and cash equivalents (continued)

Reconciliation to cash at the end of the year

The above figures are reconciled to cash at the end of the financial year as shown in the cash flow statement as follows:

| | Consolidated | | Parent | |
|---|---------------|---------------|---------------|---------------|
| | 2007 | 2006 | 2007 | 2006 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Unrestricted cash assets | 7,344 | 13,741 | 6,342 | 12,785 |
| Restricted cash assets (note 36) | 4,448 | 4,017 | 4,448 | 4,017 |
| Balances per cash flow statement | 11,792 | 17,758 | 10,790 | 16,802 |

22 Receivables

| | Consolidated | | Parent | |
|--|---------------|---------------|---------------|---------------|
| | 2007 | 2006 | 2007 | 2006 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Current Receivables | | | | |
| Trade receivables | 10,057 | 9,672 | 9,416 | 9,338 |
| Less: allowance for impairment of receivables | (1,782) | (1,584) | (1,782) | (1,584) |
| | 8,275 | 8,088 | 7,634 | 7,754 |
| Deferred government contribution for superannuation* | 3,550 | 3,128 | 3,550 | 3,128 |
| GST | 1,444 | 963 | 1,249 | 963 |
| Total current receivables | 13,269 | 12,179 | 12,433 | 11,845 |
| Non-current | | | | |
| Deferred government contribution for superannuation* | 26,267 | 29,664 | 26,267 | 29,664 |
| Loans to related parties | - | - | 119 | 111 |
| Total non-current receivables | 26,267 | 29,664 | 26,386 | 29,775 |
| Total trade and other receivables | 39,536 | 41,843 | 38,819 | 41,620 |

*The total income for the 2007 from deferred government superannuation contributions recognised in the income statement is \$2,975,000 (2006: \$3,083,000) which is derived from the difference between current and prior year balances. A corresponding expense is also recognised (Refer to Note 14).

(a) Impaired receivables

As at 31 December 2007 current receivables of the University with a nominal value of \$10,504,000 (2006: \$9,190,000) were impaired. The amount of the provision was \$1,782,000 (2006: \$1,584,000). The individually impaired receivables mainly relate to individual overseas students and trade debt, which are more difficult to collect due to their location. It was assessed that a portion of the receivables is expected to be recovered.

22 Receivables (continued)

The ageing of these receivables is as follows:

| | Consolidated | |
|---------------|---------------------|--------------|
| | 2007 | 2006 |
| | \$'000 | \$'000 |
| 3 to 6 months | 650 | 1,606 |
| Over 6 months | 1,811 | 4,136 |
| | <u>2,461</u> | <u>5,742</u> |

As of 31 December 2007, trade receivables of \$679,000 (2006: \$4,158,000) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default.

The ageing analysis of these receivables is as follows:

| | Consolidated | |
|---------------|---------------------|--------------|
| | 2007 | 2006 |
| | \$'000 | \$'000 |
| 3 to 6 months | 492 | 1,559 |
| Over 6 months | 187 | 2,599 |
| | <u>679</u> | <u>4,158</u> |

Movements in the provision for impaired receivables are as follows:

| | Consolidated | |
|--|---------------------|--------------|
| | 2007 | 2006 |
| | \$'000 | \$'000 |
| At 1 January 2007 | 1,584 | 1,262 |
| Provision for impairment recognised during the year | 500 | 714 |
| Receivables written off during the year as uncollectible | (292) | (91) |
| Unused amount reversed | (10) | (301) |
| | <u>1,782</u> | <u>1,584</u> |

The creation and release of the provision for impaired receivables has been included in 'Impairment of assets' in the income statement. Amounts charged to the provision account are generally written off when there is no expectation of recovering additional cash.

The other classes within trade and other receivables do not contain impaired assets and are not past due. Based on credit history of these other classes, it is expected that these amounts will be received when due

(b) Foreign exchange and interest rate risk

A summarised analysis of the sensitivity of trade and other receivables to foreign exchange and interest rate risk can be found in Note 47.

22 Receivables (continued)

| | Consolidated | | Parent | |
|-------------------------|---------------|---------------|---------------|---------------|
| | 2007 | 2006 | 2007 | 2006 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Australian Dollars | 39,026 | 41,532 | 38,753 | 41,585 |
| U.A.E Dirhams | 66 | - | 66 | - |
| GB Pounds | 228 | 178 | - | - |
| NZ Dollars | 1 | 3 | - | - |
| US Dollars | 215 | 130 | - | 35 |
| | <u>39,536</u> | <u>41,843</u> | <u>38,819</u> | <u>41,620</u> |
| Current receivables | 13,269 | 12,179 | 12,433 | 11,845 |
| Non-current receivables | <u>26,267</u> | <u>29,664</u> | <u>26,386</u> | <u>29,775</u> |
| | <u>39,536</u> | <u>41,843</u> | <u>38,819</u> | <u>41,620</u> |

A summarised analysis of the sensitivity of receivables to foreign exchange and interest rate risk can be found in note 47.

(c) Fair value and credit risk

Due to the short-term nature of these receivables, their carrying amount is assumed to approximate their fair value.

23 Inventories

| | Consolidated | | Parent | |
|----------------|--------------|--------------|--------------|--------------|
| | 2007 | 2006 | 2007 | 2006 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Current | | | | |
| Trading stock | | | | |
| - at cost | <u>1,753</u> | <u>2,011</u> | <u>1,604</u> | <u>1,838</u> |

24 Other financial assets

| | Consolidated | | Parent | |
|---|---------------|---------------|---------------|---------------|
| | 2007 | 2006 | 2007 | 2006 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Current | | | | |
| Other current financial assets | | | | |
| Bank bills | 10,174 | 6,000 | 10,165 | 6,000 |
| Floating rate notes | - | 5,004 | - | 5,004 |
| Total current other financial assets | 10,174 | 11,004 | 10,165 | 11,004 |
| Non-current | | | | |
| Available for sale investments | | | | |
| Investment in shares | 832 | 780 | 832 | 780 |
| Investment in managed funds | 29,853 | - | 29,853 | - |
| Total available for sale | 30,685 | 780 | 30,685 | 780 |
| Held to maturity | | | | |
| Term deposits | 7,004 | - | 7,004 | - |
| Total held to maturity | 7,004 | - | 7,004 | - |
| Total non-current other financial assets | 37,689 | 780 | 37,689 | 780 |
| Total other financial assets | 47,863 | 11,784 | 47,854 | 11,784 |

25 Non-current assets classified as held for sale

| | Consolidated | | Parent | |
|------|--------------|--------|--------|--------|
| | 2007 | 2006 | 2007 | 2006 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Land | 10,590 | - | 10,590 | - |

During the 2006 year the University decided to redevelop the Churchlands campus into residential blocks to be sold off in 6 stages. The redevelopment of stages 1 and 2 has now been completed and all blocks are expected to be sold within the next 12 months. The remaining stages are accounted for as property plant and equipment.

26 Other non-financial assets

| | Consolidated | | Parent | |
|---|--------------|------------|--------------|------------|
| | 2007 | 2006 | 2007 | 2006 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Current | | | | |
| Accrued income | 3,734 | 174 | 3,549 | 64 |
| Advances and prepayments | 1,735 | 424 | 1,691 | 354 |
| Total current other non-financial assets | 5,469 | 598 | 5,240 | 418 |

27 Property, plant and equipment

| Consolidated | Work in progress \$'000 | Land \$'000 | Buildings \$'000 | Works of Art \$'000 | Motor vehicles \$'000 | Leasehold improve- ments \$'000 | Other equipment and furniture \$'000 | Library \$'000 | Computing equipment \$'000 | Total \$'000 |
|--|-------------------------------|----------------|---------------------|---------------------------|-----------------------------|--|---|-------------------|----------------------------------|-----------------|
| Year ended 31 December 2006 | | | | | | | | | | |
| Opening net book amount | 24,473 | 149,445 | 322,532 | 6,745 | 285 | 8,895 | 7,703 | 8,194 | 2,635 | 530,907 |
| Additions/transfers | 44,642 | - | 40,444 | 90 | 26 | 14 | 1,964 | 2,652 | 657 | 90,489 |
| Disposals/transfers | (40,444) | - | - | - | (47) | - | (58) | - | (8) | (40,557) |
| Accumulated depreciation on disposals | - | - | - | - | 34 | - | 10 | - | 2 | 46 |
| Net foreign currency exchange difference | - | - | - | - | - | 2 | 1 | - | - | 3 |
| Revaluation increments | - | 64,015 | 41,764 | 1,988 | - | 2,797 | - | - | - | 110,564 |
| Depreciation | - | - | (9,397) | - | (107) | (447) | (2,582) | (2,616) | (1,489) | (16,638) |
| Adjustment to prior year costs | - | - | - | - | - | 10 | (6) | - | 1 | 5 |
| Reclassifications in/(out) | - | - | - | - | - | - | 3 | - | (1) | 2 |
| Carrying amount at end of year | <u>28,671</u> | <u>213,460</u> | <u>395,343</u> | <u>8,823</u> | <u>191</u> | <u>11,271</u> | <u>7,035</u> | <u>8,230</u> | <u>1,797</u> | <u>674,821</u> |
| At 31 December 2006 | | | | | | | | | | |
| - Cost | 28,671 | - | - | - | 833 | - | 22,477 | 10,846 | 12,435 | 75,262 |
| - Valuation | - | 213,460 | 395,343 | 8,823 | - | 11,282 | - | - | - | 628,908 |
| Accumulated depreciation | - | - | - | - | (642) | (11) | (15,442) | (2,616) | (10,638) | (29,349) |
| Net book amount | <u>28,671</u> | <u>213,460</u> | <u>395,343</u> | <u>8,823</u> | <u>191</u> | <u>11,271</u> | <u>7,035</u> | <u>8,230</u> | <u>1,797</u> | <u>674,821</u> |

27 Property, plant and equipment (continued)

| Consolidated | Work in progress \$'000 | Land \$'000 | Buildings \$'000 | Works of Art \$'000 | Motor vehicles \$'000 | Leasehold improvements \$'000 | Other equipment and furniture \$'000 | Library \$'000 | Computing equipment \$'000 | Total \$'000 |
|--|----------------------------|----------------|---------------------|------------------------|--------------------------|----------------------------------|---|-------------------|-------------------------------|-----------------|
| Year ended 31 December 2007 | | | | | | | | | | |
| Opening net book amount | 28,671 | 213,460 | 395,343 | 8,823 | 191 | 11,271 | 7,035 | 8,230 | 1,797 | 674,821 |
| Additions/transfers | 50,232 | 11,980 | 38,003 | 206 | 40 | 163 | 2,364 | 2,983 | 1,354 | 107,325 |
| Disposals/transfers | (53,130) | (25,774) | - | - | (288) | - | (1,186) | - | (1,886) | (82,264) |
| Accumulated depreciation on disposals | - | - | - | - | 236 | - | 1,108 | - | 1,864 | 3,208 |
| Write-offs during the year | - | - | - | - | - | - | (31) | (2,616) | (60) | (2,707) |
| Accumulated depreciation on write-offs | - | - | - | - | - | - | 21 | 2,616 | 56 | 2,693 |
| Transfers to assets held for sale | - | (10,590) | - | - | - | - | - | - | - | (10,590) |
| Depreciation | - | - | (10,189) | - | (48) | (616) | (2,816) | (2,510) | (940) | (17,119) |
| Reclassifications in/(out) | - | - | - | - | (42) | - | 176 | - | (134) | - |
| Closing net book amount | <u>25,773</u> | <u>189,076</u> | <u>423,157</u> | <u>9,029</u> | <u>89</u> | <u>10,818</u> | <u>6,671</u> | <u>8,703</u> | <u>2,051</u> | <u>675,367</u> |
| At 31 December 2007 | | | | | | | | | | |
| - Cost | 25,773 | - | - | - | 361 | - | 24,761 | 11,213 | 10,930 | 73,038 |
| - Valuation | - | 189,076 | 433,346 | 9,029 | - | 11,446 | - | - | - | 642,897 |
| Accumulated depreciation | - | - | (10,189) | - | (272) | (628) | (18,090) | (2,510) | (8,879) | (40,568) |
| Accumulated impairment | - | - | - | - | - | - | - | - | - | - |
| Net book amount | <u>25,773</u> | <u>189,076</u> | <u>423,157</u> | <u>9,029</u> | <u>89</u> | <u>10,818</u> | <u>6,671</u> | <u>8,703</u> | <u>2,051</u> | <u>675,367</u> |

27 Property, plant and equipment (continued)

| Parent | Work in progress \$'000 | Land \$'000 | Buildings \$'000 | Works of Art \$'000 | Motor vehicles \$'000 | Leasehold improve- ments \$'000 | Other equipment and furniture \$'000 | Library \$'000 | Computing equipment \$'000 | Total \$'000 |
|---------------------------------------|-------------------------------|----------------|---------------------|---------------------------|-----------------------------|--|---|-------------------|----------------------------------|-----------------|
| Year ended 31 December 2006 | | | | | | | | | | |
| Opening net book amount | 24,473 | 149,445 | 322,532 | 6,745 | 276 | 8,871 | 7,658 | 8,194 | 2,581 | 530,775 |
| Additions/transfers | 44,642 | - | 40,444 | 90 | 26 | - | 1,959 | 2,652 | 613 | 90,426 |
| Disposals/transfers | (40,444) | - | - | - | (47) | - | (58) | - | (8) | (40,557) |
| Accumulated depreciation on disposals | - | - | - | - | 34 | - | 10 | - | 2 | 46 |
| Revaluation increments | - | 64,015 | 41,764 | 1,988 | - | 2,797 | - | - | - | 110,564 |
| Depreciation | - | - | (9,397) | - | (103) | (444) | (2,570) | (2,616) | (1,454) | (16,584) |
| Carrying amount at end of year | <u>28,671</u> | <u>213,460</u> | <u>395,343</u> | <u>8,823</u> | <u>186</u> | <u>11,224</u> | <u>6,999</u> | <u>8,230</u> | <u>1,734</u> | <u>674,670</u> |
| At 31 December 2006 | | | | | | | | | | |
| - Cost | 28,671 | - | - | - | 806 | - | 22,377 | 10,846 | 12,188 | 74,888 |
| - Valuation | - | 213,460 | 395,343 | 8,823 | - | 11,224 | - | - | - | 628,850 |
| Accumulated depreciation | - | - | - | - | (620) | - | (15,378) | (2,616) | (10,454) | (29,068) |
| Net book amount | <u>28,671</u> | <u>213,460</u> | <u>395,343</u> | <u>8,823</u> | <u>186</u> | <u>11,224</u> | <u>6,999</u> | <u>8,230</u> | <u>1,734</u> | <u>674,670</u> |

27 Property, plant and equipment (continued)

| Parent | Work in progress \$'000 | Land \$'000 | Buildings \$'000 | Works of Art \$'000 | Motor vehicles \$'000 | Leasehold improvements \$'000 | Other equipment and furniture \$'000 | Library \$'000 | Computing equipment \$'000 | Total \$'000 |
|--|----------------------------|----------------|---------------------|------------------------|--------------------------|----------------------------------|---|-------------------|-------------------------------|-----------------|
| Year ended 31 December 2007 | | | | | | | | | | |
| Opening net book amount | 28,671 | 213,460 | 395,343 | 8,823 | 186 | 11,224 | 6,999 | 8,230 | 1,734 | 674,670 |
| Additions/transfers | 50,232 | 11,980 | 38,003 | 206 | 38 | 164 | 2,363 | 2,983 | 1,348 | 107,317 |
| Disposals/transfers | (53,130) | (25,774) | - | - | (288) | - | (1,180) | - | (1,844) | (82,216) |
| Accumulated depreciation on disposals | - | - | - | - | 236 | - | 1,103 | - | 1,822 | 3,161 |
| Write-offs during the year | - | - | - | - | - | - | (31) | (2,616) | (60) | (2,707) |
| Accumulated depreciation on write-offs | - | - | - | - | - | - | 21 | 2,616 | 56 | 2,693 |
| Depreciation | - | - | (10,189) | - | (46) | (612) | (2,810) | (2,510) | (924) | (17,091) |
| Transfers to assets held for sale | - | (10,590) | - | - | - | - | - | - | - | (10,590) |
| Reclassifications in/(out) | - | - | - | - | (42) | - | 176 | - | (134) | - |
| Carrying amount at end of year | <u>25,773</u> | <u>189,076</u> | <u>423,157</u> | <u>9,029</u> | <u>84</u> | <u>10,776</u> | <u>6,641</u> | <u>8,703</u> | <u>1,998</u> | <u>675,237</u> |
| At 31 December 2007 | | | | | | | | | | |
| - Cost | 25,773 | - | - | - | 333 | - | 24,666 | 11,213 | 10,718 | 72,703 |
| - Valuation | - | 189,076 | 433,346 | 9,029 | - | 11,388 | - | - | - | 642,839 |
| Accumulated depreciation | - | - | (10,189) | - | (249) | (612) | (18,025) | (2,510) | (8,720) | (40,305) |
| Net book amount | <u>25,773</u> | <u>189,076</u> | <u>423,157</u> | <u>9,029</u> | <u>84</u> | <u>10,776</u> | <u>6,641</u> | <u>8,703</u> | <u>1,998</u> | <u>675,237</u> |

Land and buildings were revalued as at 31st December 2006 by an independent professional valuer. The fair value of all land and buildings has been determined by reference to recent market transactions. Refer to note 2(f) Property plant and equipment. During 2007, the fair valuee were assessed by an independant professional valuer nd it was established that there were no material changes in fair values during the year.

The additions to land of \$11,980,000 comprise of redevelopment expenses for conversion of the land into residential blocks on the Churchlands property.

28 Investment property

| | Consolidated | | Parent | |
|---|----------------|----------------|----------------|----------------|
| | 2007 \$'000 | 2006 \$'000 | 2007 \$'000 | 2006 \$'000 |
| At fair value | | | | |
| Opening balance at 1 January | 12,493 | 10,561 | 12,493 | 10,561 |
| Accumulated depreciation at 1 January | - | - | - | - |
| Carrying value as at 1 January | 12,493 | 10,561 | 12,493 | 10,561 |
| Gain on revaluation | - | 1,932 | - | 1,932 |
| | 12,493 | 12,493 | 12,493 | 12,493 |
| Closing balance as at 31 December | 12,493 | 12,493 | 12,493 | 12,493 |
| Accumulated depreciation at 31 December | - | - | - | - |
| Carrying value as at 31 December | 12,493 | 12,493 | 12,493 | 12,493 |

29 Deferred tax assets and liabilities

| | Consolidated | | Parent | |
|----------------------------------|----------------|----------------|----------------|----------------|
| | 2007 \$'000 | 2006 \$'000 | 2007 \$'000 | 2006 \$'000 |
| Deferred tax assets | | | | |
| Deferred tax assets | 303 | 103 | - | - |
| Total deferred tax assets | 303 | 103 | - | - |

| | Consolidated | | Parent | |
|---|----------------|----------------|----------------|----------------|
| | 2007 \$'000 | 2006 \$'000 | 2007 \$'000 | 2006 \$'000 |
| Deferred tax asset | | | | |
| The balance comprises temporary differences attributable to: | | | | |
| <i>Amounts recognised in profit or loss</i> | | | | |
| Doubtful debts | - | - | - | - |
| Employee benefits | 58 | 48 | - | - |
| Provision for employee on costs | 25 | 3 | - | - |
| Accrued expenses | 26 | 8 | - | - |
| Deposits | 52 | - | - | - |
| Other | 13 | - | - | - |
| Tax losses * | 129 | 44 | - | - |
| Net deferred tax assets | 303 | 103 | - | - |

All deferred tax asset movements have been credited directly to the income statement.

29 Deferred tax assets and liabilities (continued)

| | Consolidated | | Parent | |
|---------------------------------------|--------------|-----------|----------|----------|
| | 2007 | 2006 | 2007 | 2006 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Deferred tax liabilities | | | | |
| Deferred tax liability | 118 | 26 | - | - |
| Total deferred tax liabilities | 118 | 26 | - | - |

| | Consolidated | | Parent | |
|---|--------------|-----------|----------|----------|
| | 2007 | 2006 | 2007 | 2006 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| The balance comprises temporary differences attributable to: | | | | |
| <i>Amounts recognised in operating result</i> | | | | |
| Accounts receivable | 73 | 22 | - | - |
| Accelerated capital allowance | 4 | 4 | - | - |
| Accrued income | 24 | - | - | - |
| Other | 16 | - | - | - |
| Depreciation and amortisation | 1 | - | - | - |
| Net deferred tax liabilities | 118 | 26 | - | - |

All deferred tax liability movements have been charged directly to the income statement.

30 Intangible assets

| | Consolidated | | Parent | |
|---------------------------------------|--------------|--------------|----------|--------------|
| | 2007 | 2006 | 2007 | 2006 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Callista student record system | | | | |
| At cost | 7,149 | 7,149 | 7,149 | 7,149 |
| Accumulated amortisation | (7,149) | (4,315) | (7,149) | (4,315) |
| Net book amount | - | 2,834 | - | 2,834 |
| Reconciliation | | | | |
| Opening net book amount | 2,834 | 4,752 | 2,834 | 4,752 |
| Adjustments | - | - | - | - |
| Amortisation expense | (2,834) | (1,918) | (2,834) | (1,918) |
| Closing net book amount | - | 2,834 | - | 2,834 |

The amortization of Callista has been accelerated following revision to its useful life. Refer note 3(g).

31 Payables

| | Consolidated | | Parent | |
|--|---------------|---------------|--------------|---------------|
| | 2007 | 2006 | 2007 | 2006 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Current | | | | |
| Trade payables | 4,762 | 6,526 | 4,184 | 6,139 |
| CGS liability to Australian Government | 5,248 | 8,369 | 5,248 | 8,369 |
| OS-HELP liability to Australian Government | 3 | 12 | 3 | 12 |
| Total current payables | 10,013 | 14,907 | 9,435 | 14,520 |
| Non-current | | | | |
| DETTWA loan | 427 | 340 | - | - |
| Total non-current payables | 427 | 340 | - | - |
| Total trade and other payables | 10,440 | 15,247 | 9,435 | 14,520 |

The fair value of trade and other payables is equal to their carrying value.

Foreign currency risk

The carrying amounts of the University's and parent entity's trade and other payables are denominated in the following currencies:

| | Consolidated | | Parent | |
|--------------------|---------------|---------------|--------------|---------------|
| | 2007 | 2006 | 2007 | 2006 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Australian Dollars | 10,223 | 14,796 | 9,433 | 14,495 |
| GB Pounds | 191 | 288 | - | - |
| NZ Dollar | 3 | 13 | - | - |
| US Dollar | 23 | 150 | 2 | 25 |
| | 10,440 | 15,247 | 9,435 | 14,520 |

For an analysis of the sensitivity of trade and other payables to foreign currency risk refer to note 47.

32 Borrowings

| | Consolidated | | Parent | |
|-------------------------------|----------------------|----------------------|----------------------|----------------------|
| | 2007 | 2006 | 2007 | 2006 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Current - unsecured | | | | |
| WA Treasury Corporation | <u>10,187</u> | <u>181</u> | <u>10,187</u> | <u>181</u> |
| Total current borrowings | <u>10,187</u> | <u>181</u> | <u>10,187</u> | <u>181</u> |
| Non-current- unsecured | | | | |
| WA Treasury Corporation | <u>61,102</u> | <u>36,639</u> | <u>61,102</u> | <u>36,639</u> |
| Total non-current borrowings | <u>61,102</u> | <u>36,639</u> | <u>61,102</u> | <u>36,639</u> |
| Total borrowings | <u><u>71,289</u></u> | <u><u>36,820</u></u> | <u><u>71,289</u></u> | <u><u>36,820</u></u> |

(a) Financing arrangements

Unrestricted access was available at balance date to the following lines of credit:

| | Consolidated | | Parent | |
|------------------------------------|----------------|----------------|----------------|----------------|
| | 2007 | 2006 | 2007 | 2006 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Notes | | | | |
| Credit standby arrangements | | | | |
| Total facilities | | | | |
| WA Treasury Corporation | 81,639 | 81,820 | 81,639 | 81,820 |
| Bank facilities | <u>19,100</u> | <u>19,250</u> | <u>19,100</u> | <u>19,250</u> |
| Total facilities | <u>100,739</u> | <u>101,070</u> | <u>100,739</u> | <u>101,070</u> |
| Used at balance date | | | | |
| WA Treasury Corporation | 71,289 | 36,820 | 71,289 | 36,820 |
| Bank facility | <u>445</u> | <u>4</u> | <u>445</u> | <u>4</u> |
| Total used at balance date | <u>71,734</u> | <u>36,824</u> | <u>71,734</u> | <u>36,824</u> |
| Unused at balance date | | | | |
| WA Treasury Corporation | 10,350 | 45,000 | 10,350 | 45,000 |
| Unsecured bill acceptance facility | <u>18,655</u> | <u>19,246</u> | <u>18,655</u> | <u>19,246</u> |
| Total unused at balance date | <u>29,005</u> | <u>64,246</u> | <u>29,005</u> | <u>64,246</u> |

| | Consolidated | | Parent | |
|-----------------------------|---------------|---------------|---------------|---------------|
| | 2007 | 2006 | 2007 | 2006 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Notes | | | | |
| Bank loan facilities | | | | |
| Total facilities | 100,739 | 101,070 | 100,739 | 101,070 |
| Used at balance date | <u>71,734</u> | <u>36,824</u> | <u>71,734</u> | <u>36,824</u> |
| Unused at balance date | <u>29,005</u> | <u>64,246</u> | <u>29,005</u> | <u>64,246</u> |

The bank loan facilities comprise of loans from WA Treasury Corporation which may be drawn at any time and may be terminated by any party providing at least 30 days written notice. The WA Treasury Corporation loans may be drawn at any time in Australian dollars and have an average maturity of 4.4 years (2006 - 3.9 years).

The average current interest rate on the used balance of the WA Treasury Corporation loan facility is 6.42% (2006 - 5.83%).

Used bank facilities of \$0.445m (2006 - \$0.004m) represent credit card outstandings as at year end which are included in trade creditors.

32 Borrowings (continued)

(b) Fair value

The carrying amounts and fair values of borrowings at balance date are:

| Consolidated | 2007 | | 2006 | |
|---|-----------------------------------|------------------------------|-----------------------------------|------------------------------|
| | Carrying amount \$'000 | Fair value \$'000 | Carrying amount \$'000 | Fair value \$'000 |
| On-balance sheet (i) | | | | |
| <i>Non-traded financial liabilities</i> | | | | |
| WA Treasury Corporation | <u>71,289</u> | <u>71,289</u> | <u>36,820</u> | <u>36,820</u> |
| | <u>71,289</u> | <u>71,289</u> | <u>36,820</u> | <u>36,820</u> |

| Parent | 2007 | | 2006 | |
|---|-----------------------------------|------------------------------|-----------------------------------|------------------------------|
| | Carrying amount \$'000 | Fair value \$'000 | Carrying amount \$'000 | Fair value \$'000 |
| On-balance sheet (i) | | | | |
| <i>Non-traded financial liabilities</i> | | | | |
| WA Treasury Corporation | <u>71,289</u> | <u>71,289</u> | <u>36,820</u> | <u>36,820</u> |
| | <u>71,289</u> | <u>71,289</u> | <u>36,820</u> | <u>36,820</u> |

Other than those classes of borrowings denoted as "traded", none of the classes are readily traded on organised markets in standardised form.

(i) On balance sheet

The fair value of current borrowings equals their carrying amount, as the impact of discounting is not significant.

(c) Risk exposures

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

| | Consolidated | | Parent | |
|--|------------------------|------------------------|------------------------|------------------------|
| | 2007 \$'000 | 2006 \$'000 | 2007 \$'000 | 2006 \$'000 |
| 6 months or less | 596 | 657 | 596 | 657 |
| 6 - 12 months | 10,101 | 108 | 10,101 | 108 |
| 1 - 5 years | 20,680 | 30,736 | 20,680 | 30,736 |
| Over 5 years | <u>39,912</u> | <u>5,319</u> | <u>39,912</u> | <u>5,319</u> |
| | <u>71,289</u> | <u>36,820</u> | <u>71,289</u> | <u>36,820</u> |
| These borrowings are classified as follows: | | | | |
| Current borrowings | 10,187 | 181 | 10,187 | 181 |
| Non-current borrowings | <u>61,102</u> | <u>36,639</u> | <u>61,102</u> | <u>36,639</u> |
| | <u>71,289</u> | <u>36,820</u> | <u>71,289</u> | <u>36,820</u> |

The carrying amounts of the University's borrowings are denominated in Australian Dollars

For an analysis of the sensitivity of borrowings to interest rate risk refer to note 47.

33 Provisions

| | Consolidated | | Parent | |
|---|---------------|---------------|---------------|---------------|
| | 2007 | 2006 | 2007 | 2006 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Current provisions expected to be settled within 12 months | | | | |
| Employee benefits | | | | |
| Annual leave | 1,909 | 1,844 | 1,791 | 1,748 |
| Long service leave | 1,291 | 1,025 | 1,291 | 1,025 |
| Superannuation attributable to GESB | 3,550 | 3,128 | 3,550 | 3,128 |
| TOIL | 75 | 89 | 75 | 89 |
| Staff bonuses | 635 | 631 | 635 | 631 |
| Superannuation attributable to LSL, AL and TOIL | 2,118 | 1,759 | 2,118 | 1,759 |
| Provision for Income Tax | 29 | 78 | - | - |
| Employee on-costs | 888 | 605 | 888 | 605 |
| Subtotal | <u>10,495</u> | <u>9,159</u> | <u>10,348</u> | <u>8,985</u> |
| Current provisions expected to be settled after more than 12 months* | | | | |
| Employee benefits | | | | |
| Annual Leave | 1,373 | 1,306 | 1,373 | 1,306 |
| Long service leave | 8,236 | 6,744 | 8,236 | 6,744 |
| Subtotal | <u>9,609</u> | <u>8,050</u> | <u>9,609</u> | <u>8,050</u> |
| Total current provisions | <u>20,104</u> | <u>17,209</u> | <u>19,957</u> | <u>17,035</u> |
| Non-current | | | | |
| Employee benefits | | | | |
| Long service leave | 4,038 | 5,010 | 3,963 | 4,946 |
| Superannuation attributable to GESB | 26,267 | 29,664 | 26,267 | 29,664 |
| Superannuation attributable to LSL | 656 | 846 | 656 | 846 |
| Employee on-costs | 276 | 314 | 276 | 314 |
| Other | 177 | (66) | 177 | (66) |
| Total non-current provisions | <u>31,414</u> | <u>35,768</u> | <u>31,339</u> | <u>35,704</u> |
| Total provisions | <u>51,518</u> | <u>52,977</u> | <u>51,296</u> | <u>52,739</u> |

*Current provisions expected to be settled after more than 12 months represents a current obligation of the University, however it is the view of the management that they are expected to be settled after more than 12 months.

33 Provisions (continued)

(a) Movements in provisions

Movements in provision during the financial year, other than employee benefits, are set out below:

| | Employee on-costs | Employee on-costs |
|--------------------------------------|----------------------|----------------------|
| | 2007 \$'000 | 2006 \$'000 |
| Consolidated | | |
| Current | | |
| Carrying amount at start of year | 605 | 674 |
| Net additional provisions recognised | <u>283</u> | <u>(69)</u> |
| Carrying amount at end of year | <u>888</u> | <u>605</u> |
| Non-current | | |
| Carrying amount at start of year | 314 | 368 |
| Net additional provisions recognised | <u>(38)</u> | <u>(54)</u> |
| Carrying amount at end of year | <u>276</u> | <u>314</u> |
| Parent | | |
| Current | | |
| Carrying amount at start of year | 605 | 674 |
| Net additional provisions recognised | <u>283</u> | <u>(69)</u> |
| Carrying amount at end of year | <u>888</u> | <u>605</u> |
| Non-current | | |
| Carrying amount at start of year | 314 | 368 |
| Net additional provisions recognised | <u>(38)</u> | <u>(54)</u> |
| Carrying amount at end of year | <u>276</u> | <u>314</u> |

34 Other current liabilities

| | Consolidated | 2006 | Parent | 2006 |
|---|----------------------|---------------|----------------------|---------------|
| | 2007 \$'000 | \$'000 | 2007 \$'000 | \$'000 |
| Financial assistance and fees received in advance | 9,315 | 14,587 | 9,060 | 14,492 |
| Accrued expenses | <u>11,381</u> | 13,614 | <u>11,215</u> | 13,457 |
| Total other current liabilities | <u><u>20,696</u></u> | <u>28,201</u> | <u><u>20,275</u></u> | <u>27,949</u> |

35 Reserves and retained surplus

| | Consolidated | | Parent | |
|--|----------------|----------------|----------------|----------------|
| | 2007 | 2006 | 2007 | 2006 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| (a) Reserves | | | | |
| Property plant and equipment revaluation reserve | 327,133 | 333,072 | 327,133 | 333,072 |
| Investments revaluation reserve | 388 | - | 388 | - |
| Foreign currency translation reserve | 17 | 19 | - | - |
| | <u>327,538</u> | <u>333,091</u> | <u>327,521</u> | <u>333,072</u> |

Movements:

| | | | | |
|--|----------------|----------------|----------------|----------------|
| <i>Property plant and equipment revaluation reserve</i> | | | | |
| Balance 1 January | 333,072 | 222,508 | 333,072 | 222,508 |
| Land | - | 64,015 | - | 64,015 |
| Buildings | - | 41,764 | - | 41,764 |
| Leasehold properties | - | 2,797 | - | 2,797 |
| Works of art | - | 1,988 | - | 1,988 |
| Transfer to retained earnings on disposal of property, plant and equipment | - | - | - | - |
| Adjustments to prior year | - | - | - | - |
| Transfers | (5,939) | - | (5,939) | - |
| Transfer to retained earnings | - | - | - | - |
| Balance 31 December | <u>327,133</u> | <u>333,072</u> | <u>327,133</u> | <u>333,072</u> |

| | | | | |
|--|------------|----------|------------|----------|
| <i>Investments revaluation reserve</i> | | | | |
| Balance 1 January | - | - | - | - |
| Gain/(loss) on revaluation | (192) | - | (192) | - |
| Transfers | 580 | - | 580 | - |
| Balance 31 December | <u>388</u> | <u>-</u> | <u>388</u> | <u>-</u> |

| | | | | |
|--|-----------|-----------|----------|----------|
| <i>Foreign currency translation reserve</i> | | | | |
| Balance 1 January | 19 | (38) | - | - |
| Currency translation differences arising during the year | (2) | 57 | - | - |
| Balance 31 December | <u>17</u> | <u>19</u> | <u>-</u> | <u>-</u> |

(b) Retained surplus

Movements in retained surplus were as follows:

| | | | | |
|--|----------------|----------------|----------------|----------------|
| Retained surplus at the beginning of the year | 297,883 | 286,758 | 297,359 | 286,559 |
| Net operating result attributable to the parent entity | 20,325 | 11,119 | 20,093 | 10,800 |
| Transfer to/from reserves* | 5,359 | - | 5,359 | - |
| Adjustment to prior year operating result (subsidiary) | - | 6 | - | - |
| Retained surplus at 31 December | <u>323,567</u> | <u>297,883</u> | <u>322,811</u> | <u>297,359</u> |

35 Reserves and retained surplus (continued)

(c) Nature and purpose of reserves

(i) Reserves

The property, plant and equipment revaluation reserve is used to record increments and decrements on the revaluation of non-current assets, as described in note 3(f). The balance standing to the credit of the reserve may be used to satisfy the distribution of bonus shares to shareholders and is only available for the payment of cash dividends in limited circumstances as permitted by law.

(ii) Investments revaluation reserve

Changes in the fair value and exchange differences arising on translation of investments, such as equities, classified as available-for-sale financial assets, are taken to the available-for-sale investments revaluation reserve, as described in note 3(p). Amounts are recognised in profit and loss when the associated assets are sold or impaired.

(iii) Foreign currency translation reserve

Exchange differences arising on translation of the foreign controlled branches of the University's subsidiary are taken to the foreign currency translation reserve, as described in note 3(t). The reserve is recognised in profit and loss when the net investment is disposed of.

*Transfer from revaluation reserve of \$5,359,000 represents realisation of revaluation surplus on the lots sold from the Churchlands development.

36 Restricted cash

| | Consolidated | | Parent | |
|------------------------|----------------|----------------|----------------|----------------|
| | 2007 \$'000 | 2006 \$'000 | 2007 \$'000 | 2006 \$'000 |
| Restricted cash | | | | |
| ECU Foundation | <u>4,448</u> | <u>4,017</u> | <u>4,448</u> | <u>4,017</u> |

The purpose of the ECU Foundation is to hold funds received from external sources and these funds are appropriated for a variety of educational and research purposes ranging from scholarships, research, prizes and special lecture programs. The Foundation was established to aid and promote excellence in educational and research activities by seeking, receiving and administering private gifts for the benefit of the University and its community.

37 Remuneration of Members of the Accountable Authority and Senior Officers

(a) Remuneration of Members of the Accountable Authority

Names of Persons who were members of the Accountable Authority

For the purposes of the Financial Management Act, the University Council, is the Accountable Authority of the University.

The University's Council members during 2007 were:

Hon. Hendy Cowan (Chancellor) (term 3yrs end 31/12/10)
Prof Kerry O. Cox (Vice-Chancellor)
Mr Stephen Abbott (Pro-Chancellor) (term 3yrs end 29/8/08, external appt)
Ms Jennifer Ballantyne (term ended 24/6/07)
Mr Serge Walberg (term ended 19/9/07)
Mr Neil Douglas (term ended 17/3/09, co option appt)
Prof Ron Oliver (term 3yrs end 30/9/09, academic staff election)
Ms Karen McDonald (term 3yrs end 6/12/10, external appt)
Mr Kempton Cowan (term 3yrs end 19/12/09, external appt)
Mrs Helen Charlesworth (term 3yrs end 21/12/08, external appt)
Mrs Carol Devitt (resigned Feb 07)
Ms Leslie Chalmers (term 3yrs end 26/4/08, external appt)
Dr Norman Ashton (term 3yrs end 29/8/08, ministerial appt)
Justice Rene Le Miere (term 3yrs end 17/8/08, co-option appt)
Prof Arshad Omari (resigned Sep 07)
Ms Marilyn Beresford (resigned May 07)
Mr Jerry Koh (term ended 4/10/07)
Mr James Pollard (term ended 4/10/07)
Dr Alan Needham (term 2yrs end 30/9/09, academic staff election)
Ms Nerissa Eaton (term 2yrs end 30/9/09, general staff election)
Ms Diana Tan (term 1yr end 17/10/08, enrolled students election)
Ms Natalie Moire (term 1yr end 17/10/08, enrolled students election)
Mr Richard Cairnes (term 3yrs end 19/9/10, Alumni election)
Mr Simon Holthouse (term 3yrs end 11/9/10, co-option appt)

The controlled entity's (refer to note 38) directors were:

ECU Resources for Learning Ltd.
Mr Geoffrey Sherwin (Chairman)
Mr Bruce Wilson
Mr Greg Robson (appointed Jan 07)
Prof Patrick Garnett (appointed Jan 07)
Mr Stephen Kenneth Procter (resigned Jul 07)

All directors of ECU Resources for Learning are appointed by resolution of the members of the Accountable Authority (University Council).

37 Remuneration of Members of the Accountable Authority and Senior Officers (continued)

(b) Names and Positions held of Persons who were Senior Officers of the University:

The University's Senior Officers during 2007 were:

Prof Kerry O. Cox, Vice-Chancellor
 Prof Patrick Garnett, Deputy Vice-Chancellor (Research & Operations)
 Prof John Wood, Deputy Vice-Chancellor (Students & Teaching) [resigned]
 Prof Arshad Omari, Deputy Vice-Chancellor
 Prof Anthony Watson, Executive Dean, Faculty of CHS and Pro-Vice-Chancellor (ICT & Library)
 Prof Robyn Quin, Executive Dean, Faculty of EA [resigned]
 Prof Brenda Cherednichenko, Executive Dean, Faculty of EA and Pro-Vice-Chancellor (Equity & Indigenous)
 Prof Robert Harvey, Executive Dean, Faculty of B&L and Pro-Vice-Chancellor (Engagement)
 Prof Andrew Taggart, Executive Dean, Faculty of RPS
 Mr Warren Snell, Vice-President (Resources) and Chief Financial Officer
 Dr Susan King, Executive Director (Governance & Planning)
 Mr Ross Bindon, Chief Executive Officer (Subsidiary)

(c) Remuneration of Members of the Accountable Authority and Senior Officers

The number of members of the Accountable Authority and Senior Officers, whose total fees, salaries, superannuation and other benefits for the financial year, fall within the following bands:

| | Consolidated | | Parent | |
|--|-----------------|-----------------|-----------------|---------------|
| | 2007 | 2006 | 2007 | 2006 |
| Remuneration of Members of the Accountable Authority | | | | |
| Nil to \$10,000 | 18 | 24 | 18 | 21 |
| \$10,001 to \$20,000 | 1 | 2 | - | - |
| \$20,001 to \$30,000 | 1 | 1 | - | - |
| \$80,001 to \$90,000 | 1 | - | 1 | - |
| \$90,001 to \$100,000 | 1 | - | 1 | - |
| \$100,001 to \$110,000 | 1 | 1 | 1 | 1 |
| \$130,001 to \$140,000 | - | 1 | - | 1 |
| \$140,001 to \$150,000 | 1 | - | - | - |
| \$170,001 to \$180,000 | - | 1 | - | 1 |
| \$180,001 to \$190,000 | 1 | - | - | - |
| \$190,001 to \$200,000 | 1 | - | 1 | - |
| \$210,001 to \$220,000 | 1 | - | 1 | - |
| \$220,001 to \$230,000 | - | 1 | - | - |
| \$340,001 to \$350,000 | 1 | - | - | - |
| \$370,001 to \$380,000 | - | 1 | - | 1 |
| \$460,001 to \$470,000 | 1 | - | 1 | - |
| Aggregate remuneration of members of the Accountable Authority ('000) | \$ 1,882 | \$ 1,047 | \$ 1,170 | \$ 776 |

Council Members include University employees who may be ex-officio Members or elected staff Members. No council member has received any remuneration in his/her capacity as a council member.

18 members of the Accountable Authority receive no remuneration, fees, superannuation or benefits.

No members of the accountable authority are members of the Pension Scheme.

37 Remuneration of Members of the Accountable Authority and Senior Officers (continued)

Council Members may also be senior officers of the University. Where this is the case they have been included in the remuneration above but excluded from the remuneration band of the senior officers below

Remuneration of senior officers

| | | | | |
|---|-----------------|-----------------|-----------------|-----------------|
| \$0 to \$10,000 | 1 | - | 1 | - |
| \$10,001 to \$20,000 | 1 | - | 1 | - |
| \$20,001 to \$30,000 | - | 1 | - | 1 |
| \$30,001 to \$40,000 | 2 | 1 | 1 | - |
| \$40,001 to \$50,000 | - | 1 | - | 1 |
| \$50,001 to \$60,000 | 1 | 1 | 1 | 1 |
| \$60,001 to \$70,000 | 1 | - | 1 | 1 |
| \$70,001 to \$80,000 | - | 3 | - | 3 |
| \$80,001 to \$90,000 | 1 | - | 1 | - |
| \$90,001 to \$100,000 | 1 | - | 1 | - |
| \$100,001 to \$110,000 | - | 2 | - | 2 |
| \$110,001 to \$120,000 | 1 | - | 1 | - |
| \$120,001 to \$130,000 | - | 1 | - | 1 |
| Aggregate remuneration of senior officers ('000) | \$ 1,557 | \$ 2,271 | \$ 1,757 | \$ 2,327 |

2 members of the accountable authority are members of the Pension Scheme.

38 Remuneration of auditors

Remuneration to the Auditor General for the financial year is as follows

| | Consolidated | | Parent | |
|--|--------------|------------|------------|------------|
| | 2007 | 2006 | 2007 | 2006 |
| | \$ | \$ | \$ | \$ |
| Assurance services | | | | |
| <i>Audit services</i> | | | | |
| Auditing the accounts, financial statements and performance indicators | <u>244</u> | <u>189</u> | <u>179</u> | <u>162</u> |

The consolidated amounts for remuneration of auditors are indicative only.

39 Contingencies

Contingent liabilities

In addition to the liabilities incorporated in the financial statements, the University has the following contingent liability:

Native title claims

Native title claims have been made on the University land for which judgement was handed down for on 19 September 2006. It was held that Native Title exists in the area which was the subject of the claim. The existence of these Native Title rights is currently being appealed.

Contaminated sites

During the year ECU reported one known contaminated site and one suspected contaminated sites to DEC. These have yet to be classified. ECU is currently unable to assess the likely outcome of the classification process, and accordingly, it is not practicable to estimate the potential financial effect or to identify the uncertainties relating to the amount or timing of any outflows. Whilst there is no possibility of reimbursement of any future expenses that may be incurred in the remediation of these sites, ECU may apply for funding from the Contaminated Sites Management Account to undertake further investigative work or to meet remediation costs that may be required.

Workers compensation claims

ECU may have some potential liability towards workers compensation claims. The process of defending the claims are still at an early stage, however the claims are not material and sufficient insurance is in place to cover the potential liability against these claims.

40 Commitments

(a) Capital commitments

Capital expenditure commitments, being contracted capital expenditure additional to amounts reported in the financial statements and include amounts for infrastructure, are payable as follows:

| | Consolidated | | Parent | |
|---|---------------|---------------|---------------|---------------|
| | 2007 | 2006 | 2007 | 2006 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| <i>Property, plant and equipment</i> | | | | |
| Payable: | | | | |
| Within one year | 14,697 | 2,957 | 14,697 | 2,957 |
| Later than one year but not later than five years | - | 78,209 | - | 78,209 |
| Later than five years | - | - | - | - |
| | <u>14,697</u> | <u>81,166</u> | <u>14,697</u> | <u>81,166</u> |

(b) Lease commitments : The University as lessee

(i) Operating leases

Commitments in relation to leases contracted for at the reporting date but not recognised as liabilities, are payable as follows:

| | Consolidated | | Parent | |
|---|--------------|--------------|------------|------------|
| | 2007 | 2006 | 2007 | 2006 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Within one year | 465 | 592 | 398 | 519 |
| Later than one year but not later than five years | 384 | 508 | 148 | 222 |
| Later than five years | 154 | 211 | - | - |
| Total operating lease commitments | <u>1,003</u> | <u>1,311</u> | <u>546</u> | <u>741</u> |
| Representing: | | | | |
| Cancellable operating lease | <u>1,003</u> | <u>1,311</u> | <u>546</u> | <u>741</u> |

40 Commitments (continued)

(c) Other expenditure commitments

Commitments in relation to purchase orders, are payable as follows:

| | Consolidated | | Parent | |
|---------------|----------------|----------------|----------------|----------------|
| | 2007 \$'000 | 2006 \$'000 | 2007 \$'000 | 2006 \$'000 |
| Within 1 year | <u>5,919</u> | <u>4,000</u> | <u>5,919</u> | <u>4,000</u> |

41 Related parties

| | Consolidated | | Parent | |
|---|--------------|------------|------------|------------|
| | 2007 \$ | 2006 \$ | 2007 \$ | 2006 \$ |
| <i>Loans to related parties</i> | | | | |
| Loans advanced to subsidiary | - | - | 125 | 125 |
| Amortisation of loan advanced to subsidiary | - | - | (6) | (14) |
| Net loan to related parties | <u>-</u> | <u>-</u> | <u>119</u> | <u>111</u> |

42 Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 3(b):

| Name of entity | Country of incorporation | Class of shares | Equity holding | |
|--|--------------------------|--|----------------|------|
| | | | 2007 | 2006 |
| E.C.U. Resources for Learning Ltd (ECURL)* | Australia | Australian public company limited by guarantee | 100% | 100% |

* The principle activities of ECURL is to develop and deliver professional development resources for teaching professions.

The address of ECURL is Edith Cowan University, Churchlands Campus, Pearson Street, Churchlands, WA, 6018

43 Reconciliation of operating result after income tax to net cash flows from operating activities

| | Consolidated | | Parent | |
|--|----------------------|----------------|----------------------|----------------|
| | 2007 \$'000 | 2006 \$'000 | 2007 \$'000 | 2006 \$'000 |
| Operating result for the period | 20,325 | 11,119 | 20,093 | 10,800 |
| Non-cash items: | | | | |
| Depreciation and amortisation expense | 19,954 | 18,553 | 19,925 | 18,499 |
| Revaluation of investment property | - | (1,932) | - | (1,932) |
| Doubtful debts and bad debts written off | 503 | 716 | 500 | 716 |
| Provision for employee benefits | (1,448) | (3,423) | (1,481) | (3,420) |
| (Increase)/ decrease in fair value of investments | 180 | (53) | 180 | (53) |
| (Profit)/loss on sale of assets | (10,701) | (40) | (10,702) | (40) |
| Net loss on asset write-offs | 14 | - | 14 | - |
| Prepayment of withholding tax to overseas authority | 33 | (28) | 33 | (28) |
| Unrealised foreign exchange loss/(gain) | (2) | 26 | - | - |
| Subtotal | <u>28,858</u> | 24,938 | <u>28,562</u> | 24,542 |
| Change in assets and liabilities | | | | |
| (Increase) / decrease in accrued income | (639) | 49 | (565) | 113 |
| (Increase) / decrease in accounts receivable | 2,281 | 2,582 | 2,592 | 2,471 |
| (Increase) / decrease in tax assets | (200) | 10 | - | - |
| (Increase) / decrease in advances and prepayments | (1,313) | 621 | (1,338) | 633 |
| (Increase) / decrease in inventories | 258 | (113) | 234 | (58) |
| Increase / (decrease) in accounts payable | (5,705) | 6,357 | (5,776) | 6,451 |
| Increase / (decrease) increase in fees received in advance | (5,272) | 4,460 | (5,433) | 4,362 |
| Increase / (decrease) in accrued expenses | (2,231) | 4,635 | (2,239) | 4,831 |
| Increase / (decrease) in tax liabilities | 44 | 97 | - | - |
| (Increase) / decrease in GST recoverable/payable | 425 | 92 | 406 | 92 |
| Subtotal of change in operating assets and liabilities, net of effects from purchases and sale of discontinued operation | <u>(12,352)</u> | 18,790 | <u>(12,119)</u> | 18,895 |
| Net cash provided by / (used in) operating activities | <u>16,506</u> | 43,728 | <u>16,443</u> | 43,437 |
| <i>Reconciliation of operating activities</i> | | | | |
| Cashflow from operating activities | 16,506 | 43,728 | 16,443 | 43,437 |
| Net cash (outflow) inflow from operating activities | <u>16,506</u> | 43,728 | <u>16,443</u> | 43,437 |
| Amount to be allocated | <u>-</u> | - | <u>-</u> | - |

44 Non-cash investing and financing activities

During the financial year, there were no assets / liabilities transferred / assumed from other entities and therefore not reflected in the cash flow statement.

45 Events occurring after the balance sheet date

No events have occurred since balance sheet date that are likely to have a material impact on the financial statements or notes of the University.

46 Explanatory statement

This statement provides details of any significant variations between estimates and actual results for 2007 and between the actual results for 2006 and 2007. Significant variations are considered to be those greater than 10%

Significant variances between actual and prior year actual revenues and expenditures

| Category | Ref: | Parent | | Variance \$'000 | % |
|--|------|--------------------------|--------------------------|--------------------|--------|
| | | 2007 Actual \$'000 | 2006 Actual \$'000 | | |
| Revenue | | | | | |
| State Government financial assistance | 1 | (10,697) | (8,959) | (1,738) | 19 |
| Investment income | 2 | (2,913) | (2,644) | (269) | 10 |
| Royalties, trademarks & licenses | 3 | (3,930) | (3,379) | (551) | 16 |
| Consultancy & contracts | 4 | (5,158) | (6,176) | 1,018 | (16) |
| Net gain on disposal of non-current asset | 5 | (10,701) | (40) | (10,661) | 26,653 |
| Net gain on revaluation of investment property | 6 | - | (1,932) | 1,932 | (100) |
| Other revenue and income | 7 | (3,410) | (1,867) | (1,543) | 83 |
| Expenses | | | | | |
| Repairs and maintenance | 8 | 6,122 | 4,897 | 1,225 | 25 |
| Impairment of Assets | 9 | 500 | 716 | (216) | (30) |
| Finance costs | 10 | 2,105 | 1,348 | 757 | 56 |
| Other expenses | 11 | 74,755 | 66,457 | 8,298 | 12 |

| Ref: | Commentary |
|------|---|
| 1 | The increase in WA Government financial assistance is due to increased state and local government funded research grants. |
| 2 | The increase in investment income relates to higher returns and growth in the investment portfolio. |
| 3 | The increase in royalties, trademarks and licences relates to additional license fees from Perth Institute of Business and Technology (PIBT). |
| 4 | Consultancy and contracts income reduces this year due to a lower number of research contracts. |
| 5 | The increase in net gain on the disposal of a portion of the Churchlands redevelopment during 2007. |
| 6 | No gains were recognised in 2007 on revaluation of investment property. |
| 7 | The increase in other revenue from is due to increased donations, refunds and other miscellaneous items. |
| 8 | The increase in repairs and maintenance is due to increased expenditure in the planned maintenance program and computer maintenance. |
| 9 | Impairment of assets reduces this year due to lower bad and doubtful debts. |
| 10 | Finance costs increase due to interest expenditure from further draw downs of the Western Australian Treasury Corporation (WATC) loan for the campus consolidation project. |
| 11 | The increase in other expenses is due to increases in advertising, professional fees and consulting relating to research and other development projects as well as computer purchases as part of the standard operating environment roll out. |

46 Explanatory statement (continued)

Significant variances between estimate and actual results for the financial year

| Category | Ref: | Parent | | Variance \$'000 | % |
|--|------|----------------------------|--------------------------|--------------------|-------|
| | | 2007 Estimate \$'000 | 2007 Actual \$'000 | | |
| Revenue | | | | | |
| Investment income | 1 | (2,284) | (2,913) | 629 | (22) |
| Royalties, trademarks & licenses | 2 | (2,617) | (3,930) | 1,313 | (33) |
| Consultancy & contracts | 3 | (2,918) | (5,158) | 2,240 | (43) |
| Net gain on disposal of non-current assets | 4 | (16,927) | (10,701) | (6,226) | 58 |
| Other revenue and income | 5 | (2,051) | (3,410) | 1,359 | (40) |
| Deferred Government Superannuation Contributions | 6 | - | (2,975) | 2,975 | (100) |
| Expenses | | | | | |
| Repairs and maintenance | 7 | 4,981 | 6,122 | (1,141) | (19) |
| Impairment of Assets | 8 | - | 500 | (500) | (100) |
| Finance costs | 9 | 2,985 | 2,105 | 880 | 42 |
| Deferred Employee Benefits for Superannuation | 10 | - | 2,975 | (2,975) | (100) |

| Ref: | Commentary |
|------|--|
| 1 | The increase in WA Government financial assistance is due to increased state and local government funded research grants. |
| 2 | The increase in royalties, trademarks and licences relates to additional license fees from Perth Institute of Business and Technology (PIBT). |
| 3 | The variance in consultancy and contract research is due to a higher than expected Non-Government Industry and Other Research funding. |
| 4 | The forecasted sales for the Churchlands redevelopment did not all materialise. These will be recognised in 2008 upon sale of remaining stage 1&2 lots. |
| 5 | The increase in other revenue is due to increased donations, refunds and other miscellaneous items. |
| 6 | The revenue for Superannuation - Deferred Government contributions is not budgeted for because there is an offsetting expenditure in employee benefits and on costs. |
| 7 | The variance in repairs & maintenance is due to higher than expected building and computer maintenance. |
| 8 | The non-inclusion of a budget for bad and doubtful debts was due to the expectation that there would be no increase in value in 2007. |
| 9 | The variance in finance costs is due to interest expenditure from delay in draw downs of the Western Australian Treasury Corporation (WATC) loan. |
| 10 | As per (6) above, the expense for deferred employee benefits for superannuation is not budgeted for because there is an offsetting revenue for the deferred government contribution. |

47 Financial risk management

The University and the subsidiary are exposed to the following financial risks as a result of their activities:

(a) Market risk

(i) Foreign exchange risk

Foreign exchange risk arises due to overseas sources of income from the University's international offshore teaching programs, foreign customers and foreign sourced supplies. The main currencies that the University is exposed to are the US dollar, the UK pound, the Singapore dollar and the Euro. The level of exposure to these currencies is not considered to be material.

(ii) Price risk

The University investment portfolios' are exposed to fluctuations in the prices of equity securities. The University's investment policy provides strategies for minimisation of price risk with the diversification of that risk through a number of investment managers and regular independent expert monitoring to ensure that there is no concentration of risk in any one area.

(iii) Interest rate risk

The interest rate risk arises from market interest rates and their effects on cashflow associated with interest bearing assets. The University's investment policy provides strategies for minimising the impact from interest rate risk by following a strategy of regular repricing of interest bearing assets to match the benchmarks set by the policy.

The University has no significant variable interest rate bearing liabilities.

(iv) Summarised sensitivity analysis

The following table summarises the sensitivity of the Group's financial assets and financial liabilities to interest rate risk, foreign exchange risk and other price risk.

| Consolidated | | Interest rate risk | | | | Foreign exchange risk | | | | Other price risk | | | |
|-----------------------------------|---------------------------|--------------------|------------------|------------------|------------------|-----------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | | -1% | | +1% | | -10% | | +10% | | -10% | | +10% | |
| 31 December 2007 | Carrying amount \$'000 | Profit \$'000 | Equity \$'000 | Profit \$'000 | Equity \$'000 | Profit \$'000 | Equity \$'000 | Profit \$'000 | Equity \$'000 | Profit \$'000 | Equity \$'000 | Profit \$'000 | Equity \$'000 |
| Financial assets | | | | | | | | | | | | | |
| Cash and cash equivalents | 11,792 | (118) | (118) | 118 | 118 | (79) | (79) | 79 | 79 | - | - | - | - |
| Accounts receivable | 39,536 | - | - | - | - | (51) | (51) | 51 | 51 | - | - | - | - |
| AFS investments | 30,685 | - | - | - | - | - | - | - | - | (3,069) | (3,069) | 3,069 | 3,069 |
| Term deposits | 17,178 | (171) | (171) | 171 | 171 | - | - | - | - | - | - | - | - |
| Financial liabilities | | | | | | | | | | | | | |
| Trade payables | 10,440 | - | - | - | - | (22) | (22) | 22 | 22 | - | - | - | - |
| Borrowings | 71,289 | 713 | 713 | (713) | (713) | - | - | - | - | - | - | - | - |
| Total increase/ (decrease) | | 424 | 424 | (424) | (424) | (152) | (152) | 152 | 152 | (3,069) | (3,069) | 3,069 | 3,069 |

| Parent | | Interest rate risk | | | | Foreign exchange risk | | | | Other price risk | | | |
|----------------------------------|-----------------|--------------------|--------|--------|--------|-----------------------|--------|--------|--------|------------------|---------|--------|--------|
| | | -1% | | +1% | | -10% | | +10% | | -10% | | +10% | |
| 31 December 2007 | Carrying amount | Profit | Equity | Profit | Equity | Profit | Equity | Profit | Equity | Profit | Equity | Profit | Equity |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Financial assets | | | | | | | | | | | | | |
| Cash and cash equivalents | 10,790 | (108) | (108) | 108 | 108 | - | - | - | - | - | - | - | - |
| Accounts receivable | 38,819 | - | - | - | - | (7) | (7) | 7 | 7 | - | - | - | - |
| AFS investments | 30,685 | - | - | - | - | - | - | - | - | (3,069) | (3,069) | 3,069 | 3,069 |
| Term deposits- HTM | 17,169 | (171) | (171) | 171 | 171 | - | - | - | - | - | - | - | - |
| Financial liabilities | | | | | | | | | | | | | |
| Trade payables | 9,435 | - | - | - | - | - | - | - | - | - | - | - | - |
| Borrowings | 71,289 | 713 | 713 | (713) | (713) | - | - | - | - | - | - | - | - |
| Total increase/(decrease) | | 434 | 434 | (434) | (434) | (7) | (7) | 7 | 7 | (3,069) | (3,069) | 3,069 | 3,069 |

(b) Credit risk

The consolidated entity, while exposed to credit related losses in the event of non-performance by counterparties does not expect any counterparties to fail to meet their obligations.

(c) Liquidity risk

Liquidity risk is the risk to the University of having insufficient capacity to fund increases in assets, or is unable to meet its payment obligations as they fall due, including maturing borrowings. The university has put in place Treasury policies to ensure that

- Prudent liquidity management principles are followed and are compliant with regulations.
- Daily liquidity reporting and scenario analysis is conducted to quantify and meet the university's payment obligations.
- A portfolio of high quality liquid assets are held to protect against short term adverse conditions and to support day to day operations.

(d) Fair value estimation

The fair value of financial instruments traded in active markets (such as available-for-sale securities) is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the University is the current exit price.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The University uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date.

The carrying value less impairment provision of trade receivables and payables is a reasonable approximation of their fair values due to the short-term nature of trade receivables.

48 Write-off's

| | Consolidated | | Parent | |
|---|--------------|------------|------------|------------|
| | 2007 | 2006 | 2007 | 2006 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Total write-offs as approved by the Accountable Authority during the financial year | | | | |
| Student debt* | 301 | 566 | 301 | 566 |
| Property plant and equipment | 14 | - | 14 | - |
| Inventory | 15 | 5 | 15 | 5 |
| Total write-off's | 330 | 571 | 330 | 571 |

*The vast majority of the student debt write-off's are relating to international debts incurred prior to 2006, which has been identified as irrecoverable.

49 Superannuation

(a) Unisuper Limited

Defined Benefit Division (DBD) / Investment Choice (ICP)

The UniSuper Defined Benefit Division (DBD) is a defined benefit plan under Superannuation Law but, as a result of amendments to Clause 34 of UniSuper, is a defined contribution plan under Accounting Standard AASB 119, the employer's contribution rate into the defined benefit division as at 31st December 2007 varied between 7% and 14% depending on the level of contribution of member employees.

The University complies with the superannuation guarantee legislation and makes contribution of a minimum of 9% upto a maximum of 17% for all eligible staff.

As at 30 June 2007 the assets of the DBD in aggregate were estimated to be \$1,683 million in excess of vested benefits.

The vested benefits are benefits which 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 DBD.

As at 30 June 2007 the assets of the DBD in aggregate were estimated to be \$2.587 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 13 July 2006 on the actuarial investigation of the DBD as at 31 December 2005. The financial assumptions used were:

| | <i>Vested benefits</i> | <i>Accrued benefits</i> |
|--|------------------------|-------------------------|
| Gross of tax investment return | 7.0% p.a. | 8.3% p.a. |
| Net of tax investment return | 6.5% p.a. | 7.8% p.a. |
| Consumer price index | 2.5% p.a. | 2.5% p.a. |
| Inflationary salary increases long term | 3.5% p.a. | 3.5% p.a. |
| Inflationary salary increases next 3 years | 5.0% p.a. | 5.0% p.a. |

49 Superannuation (continued)

(b) Government Employees Superannuation Board

Unfunded Pension and Unfunded Gold State (Lump sum) Schemes

The University has in its staffing profile a number of employees who are members of the Government Employees Superannuation Board (GESB) Scheme. As the Employer, the University is required to contribute to the scheme as employees are paid a pension or lump sum pay out. Consequently, an unfunded liability has been created. The Commonwealth Government is committed to reimbursing the University for payments actually made to the scheme for these emerging costs.

Pension Scheme

Pension Scheme members receive pension benefits on retirement, death or invalidity. The Fund Share of the pension benefit, which is based on the member's contributions plus investment earnings, may be commuted to a lump sum benefit. The employers do not bear the cost associated with indexation of any pension arising from the Fund Share. The State Share of the pension benefit, which is fully employer-financed, cannot be commuted to a lump sum benefit.

Gold State Super (transferred benefits)

Some former Pension Scheme members have transferred to Gold State Super. In respect of their transferred benefit the members receive a lump sum benefit at retirement, death or invalidity which is related to their salary during their employment and indexed during any deferral period after leaving public sector employment.

Reconciliation of the assets and liabilities recognised in the balance sheet

| | Pension Scheme | | Gold State Super | |
|------------------------------------|----------------|--------|------------------|--------|
| | 2007 | 2006 | 2007 | 2006 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Defined benefit obligation | 28,509 | 30,742 | 1,308 | 2,050 |
| (+) Fair value of assets | - | - | - | - |
| Deficit/(surplus) | 28,509 | 30,742 | 1,308 | 2,050 |
| (-) Unrecognised past service cost | - | - | - | - |
| (-) Unrecognised net (gain)/loss | - | - | - | - |
| Liability/(asset) | 28,509 | 30,742 | 1,308 | 2,050 |

Reconciliation of the present value of the defined benefit obligation

These defined benefit obligations are wholly unfunded, such that there are no Assets. The employer contributes, as required, to meet the benefits paid.

| | Pension Scheme | | Gold State Super | |
|---|----------------|---------|------------------|---------|
| | 2007 | 2006 | 2007 | 2006 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Balance at the beginning of the year | 30,742 | 32,310 | 2,050 | 3,212 |
| Current service cost | 14 | 4 | - | - |
| Interest cost | 1,750 | 1,629 | 115 | 150 |
| Contributions by plan participants | - | - | - | - |
| Actuarial (gains) and losses | (1,128) | (590) | 16 | 157 |
| Benefits paid | (2,869) | (2,611) | (873) | (1,469) |
| Past service cost | - | - | - | - |
| Balance of the defined benefit obligation at the end of the year | 28,509 | 30,742 | 1,308 | 2,050 |

49 Superannuation (continued)

| | Pension Scheme | | Gold State Super | |
|--|----------------|---------|------------------|---------|
| | 2007 | 2006 | 2007 | 2006 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| <i>Reconciliation of the fair value of scheme assets:</i> | | | | |
| Balance at the beginning of the year | - | - | - | - |
| Expected return on plan assets | - | - | - | - |
| Actuarial gains and (losses) | - | - | - | - |
| Contributions by employers | 2,869 | 2,611 | 873 | 1,469 |
| Contributions by plan participants | - | - | - | - |
| Benefits paid | (2,869) | (2,611) | (873) | (1,469) |
| Balance of the fair value of scheme assets at the end of the year | - | - | - | - |

| | Pension Scheme | | Gold State Super | |
|---|----------------|--------------|------------------|------------|
| | 2007 | 2006 | 2007 | 2006 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| <i>Superannuation expense/(income) recognised in the income statement</i> | | | | |
| Current service cost | 14 | 4 | - | - |
| Interest cost | 1,750 | 1,629 | 115 | 150 |
| Expected return on plan assets | - | - | - | - |
| Net actuarial losses (gains) recognised in year | (1,128) | (590) | 16 | 157 |
| Total included in employee benefits expense | 636 | 1,043 | 131 | 307 |

Scheme Assets

There are no assets in the pension scheme or Gold State Super for current employees to support the transferred benefits. Hence, there is

- No fair value of Scheme assets;
- No asset allocation of Scheme assets;
- No assets used by the employer;
- No expected return of Scheme assets;
- No actual return on Scheme assets.

The principal actuarial assumptions used were as follows:

| | Pension Scheme | | Gold State Super | |
|---------------------------------|----------------|-------|------------------|-------|
| | 2007 | 2006 | 2007 | 2006 |
| Discount rate (active members) | 6.08% | 5.98% | 6.08% | 5.98% |
| Discount rate (pensioners) | 6.08% | 5.98% | 6.08% | 5.98% |
| Expected salary increase rates | 4.50% | 4.50% | 4.50% | 4.50% |
| Expected pension increase rates | 2.50% | 2.50% | 2.50% | 2.50% |

The discount rate is based on the 10 year Government bond rate at the relevant date. The decrement rates used (eg mortality and retirement rates) are based on those used at the last actuarial valuation for the Schemes.

49 Superannuation (continued)

(c) Historic summary

| | Pension scheme | Pension scheme | Gold State Super | Gold State Super |
|---|-------------------|-------------------|---------------------|---------------------|
| | 2007 \$'000 | 2006 \$'000 | 2007 \$'000 | 2006 \$'000 |
| <i>Historic information</i> | | | | |
| Present value of defined benefit plan obligation | 28,509 | 30,742 | 1,308 | 2,050 |
| Fair value of scheme assets | - | - | - | - |
| (Surplus) / deficit in scheme | <u>28,509</u> | <u>30,742</u> | <u>1,308</u> | <u>2,050</u> |
| Experience adjustments (gains)/loss- scheme assets | - | - | - | - |
| Experience adjustments (gains)/loss- scheme liabilities | 790 | 874 | 53 | 223 |

The experience adjustment for Scheme liabilities represents the actuarial loss (gain) due to a change in the liabilities arising from the Scheme's experience (eg membership movements, unit entitlements) and excludes the effect of the changes in assumptions (eg movements in the bond rate and changes in pensioner mortality assumptions).

50 Acquittal of Australian Government financial assistance

50.1 DEEWR - CGS and Other DEEWR Grants

| | Commonw'lth Grants Scheme | | Indigenous Support Fund | | Equity Support Programme | | Disability Support Programme | | Workplace Reform Programme | | Workplace Productivity Programme | |
|---|---------------------------|----------------|-------------------------|----------------|--------------------------|----------------|------------------------------|----------------|----------------------------|----------------|----------------------------------|----------------|
| | 2007 \$'000 | 2006 \$'000 | 2007 \$'000 | 2006 \$'000 | 2007 \$'000 | 2006 \$'000 | 2007 \$'000 | 2006 \$'000 | 2007 \$'000 | 2006 \$'000 | 2007 \$'000 | 2006 \$'000 |
| Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the Programmes) | 85,063 | 90,220 | 905 | 986 | 217 | 392 | 42 | 46 | 1,144 | 1,232 | 352 | 1,235 |
| Net accrual adjustments | 3,036 | (3,313) | - | - | - | - | - | - | - | - | 1,235 | (1,235) |
| Revenue for the period | 88,099 | 86,907 | 905 | 986 | 217 | 392 | 42 | 46 | 1,144 | 1,232 | 1,587 | - |
| Surplus / (deficit) from the previous year | - | - | - | - | - | - | - | - | - | - | - | - |
| Total revenue including accrued revenue | 88,099 | 86,907 | 905 | 986 | 217 | 392 | 42 | 46 | 1,144 | 1,232 | 1,587 | - |
| Less expenses including accrued expenses | (88,099) | (86,907) | (905) | (986) | (217) | (392) | (42) | (46) | (1,144) | (1,232) | (1,587) | - |
| Surplus / (deficit) for reporting period | - | - | - | - | - | - | - | - | - | - | - | - |

50 Acquittal of Australian Government financial assistance (continued)

| | Capital Development Pool | | Superannuation Programme | | Total | |
|---|-----------------------------|----------------|-----------------------------|----------------|-----------------|----------------|
| | 2007 \$'000 | 2006 \$'000 | 2007 \$'000 | 2006 \$'000 | 2007 \$'000 | 2006 \$'000 |
| Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the Programmes) | 585 | 2,129 | 4,660 | 3,681 | 92,968 | 99,921 |
| Net accrual adjustments | - | - | - | - | 4,271 | (4,548) |
| Revenue for the period | 585 | 2,129 | 4,660 | 3,681 | 97,239 | 95,373 |
| Surplus / (deficit) from the previous year | - | - | - | - | - | - |
| Total revenue including accrued revenue | 585 | 2,129 | 4,660 | 3,681 | 97,239 | 95,373 |
| Less expenses including accrued expenses | (124) | (2,129) | (4,660) | (3,681) | (96,778) | (95,373) |
| Surplus / (deficit) for reporting period | 461 | - | - | - | 461 | - |

50 Acquittal of Australian Government financial assistance (continued)

50.2 Higher Education Loan Programmes

| | HECS-HELP (Australian Government payments only) | | FEE-HELP | | Total | |
|---|--|----------------|----------------|----------------|-----------------|----------------|
| | 2007 \$'000 | 2006 \$'000 | 2007 \$'000 | 2006 \$'000 | 2007 \$'000 | 2006 \$'000 |
| Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the Programmes) | 48,093 | 51,531 | 4,672 | 5,694 | 52,765 | 57,225 |
| Net accrual adjustments | (2,716) | (6,232) | 1,278 | (179) | (1,438) | (6,411) |
| Revenue for the period | 45,377 | 45,299 | 5,950 | 5,515 | 51,327 | 50,814 |
| Surplus / (deficit) from the previous year | - | - | - | - | - | - |
| Total revenue including accrued revenue | 45,377 | 45,299 | 5,950 | 5,515 | 51,327 | 50,814 |
| Less expenses including accrued expenses | (45,377) | (45,299) | (5,950) | (5,515) | (51,327) | (50,814) |
| Surplus / (deficit) for reporting period | - | - | - | - | - | - |

50 Acquittal of Australian Government financial assistance (continued)

50.3 Scholarships

| | Australian Postgraduate Awards | | International Postgraduate Research Scholarships | | Commonw'lth Education Cost Scholarships | | Commonw'lth Accommodation Scholarships | | Indigenous Staff Scholarships | | Total | |
|---|-----------------------------------|----------------|---|----------------|---|----------------|--|----------------|----------------------------------|----------------|----------------|----------------|
| | 2007 \$'000 | 2006 \$'000 | 2007 \$'000 | 2006 \$'000 | 2007 \$'000 | 2006 \$'000 | 2007 \$'000 | 2006 \$'000 | 2007 \$'000 | 2006 \$'000 | 2007 \$'000 | 2006 \$'000 |
| Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the Programmes) | 873 | 874 | 140 | 153 | 1,257 | 932 | 1,645 | 1,327 | 33 | - | 3,948 | 3,286 |
| Net accrual adjustments | - | - | - | - | - | - | - | - | - | - | - | - |
| Revenue for the period | 873 | 874 | 140 | 153 | 1,257 | 932 | 1,645 | 1,327 | 33 | - | 3,948 | 3,286 |
| Surplus / (deficit) from the previous year | 261 | 123 | 9 | (2) | - | - | - | - | - | - | 270 | 121 |
| Total revenue including accrued revenue | 1,134 | 997 | 149 | 151 | 1,257 | 932 | 1,645 | 1,327 | 33 | - | 4,218 | 3,407 |
| Less expenses including accrued expenses | (739) | (736) | (121) | (142) | (1,257) | (932) | (1,645) | (1,327) | (33) | - | (3,795) | (3,137) |
| Surplus / (deficit) for reporting period | 395 | 261 | 28 | 9 | - | - | - | - | - | - | 423 | 270 |

50 Acquittal of Australian Government financial assistance (continued)

50.4 DEEWR Research

| | Institutional Grants Scheme | | Research Training Scheme | | Research Infrastructure Block Grants | | Implementation Assistance Programme | | Australian Scheme for Higher Education Repositories | | Commercialisat'n Training Scheme | |
|---|-----------------------------|----------------|--------------------------|----------------|--------------------------------------|----------------|-------------------------------------|----------------|---|----------------|----------------------------------|----------------|
| | 2007 \$'000 | 2006 \$'000 | 2007 \$'000 | 2006 \$'000 | 2007 \$'000 | 2006 \$'000 | 2007 \$'000 | 2006 \$'000 | 2007 \$'000 | 2006 \$'000 | 2007 \$'000 | 2006 \$'000 |
| Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the Programmes) | 1,945 | 1,825 | 4,223 | 4,074 | 544 | 545 | 44 | - | 98 | - | 48 | - |
| Net accrual adjustments | - | - | - | - | - | - | - | - | - | - | - | - |
| Revenue for the period | <u>1,945</u> | <u>1,825</u> | <u>4,223</u> | <u>4,074</u> | <u>544</u> | <u>545</u> | <u>44</u> | <u>-</u> | <u>98</u> | <u>-</u> | <u>48</u> | <u>-</u> |
| Surplus / (deficit) from the previous year | - | - | - | - | - | - | - | - | - | - | - | - |
| Total revenue including accrued revenue | 1,945 | 1,825 | 4,223 | 4,074 | 544 | 545 | 44 | - | 98 | - | 48 | - |
| Less expenses including accrued expenses | (1,945) | (1,825) | (4,223) | (4,074) | (544) | (545) | (19) | - | (87) | - | - | - |
| Surplus / (deficit) for reporting period | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>25</u> | <u>-</u> | <u>11</u> | <u>-</u> | <u>48</u> | <u>-</u> |

50 Acquittal of Australian Government financial assistance (continued)

| | Total | |
|---|--------------|--------------|
| | 2007 | 2006 |
| | \$'000 | \$'000 |
| Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the Programmes) | 6,902 | 6,444 |
| Net accrual adjustments | - | - |
| Revenue for the period | <u>6,902</u> | <u>6,444</u> |
| Surplus / (deficit) from the previous year | - | - |
| Total revenue including accrued revenue | 6,902 | 6,444 |
| Less expenses including accrued expenses | (6,818) | (6,444) |
| Surplus / (deficit) for reporting period | <u>84</u> | <u>-</u> |

50 Acquittal of Australian Government financial assistance (continued)

50.5 Australian Research Council Grants

(a) Discovery

| | Projects | | Total | |
|---|--------------|--------------|--------------|--------------|
| | 2007 | 2006 | 2007 | 2006 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the Programmes) | 265 | 286 | 265 | 286 |
| Net accrual adjustments | (69) | 73 | (69) | 73 |
| Revenue for the period | <u>196</u> | <u>359</u> | <u>196</u> | <u>359</u> |
| Surplus / (deficit) from the previous year | <u>137</u> | <u>93</u> | <u>137</u> | <u>93</u> |
| Total revenue including accrued revenue | <u>333</u> | <u>452</u> | <u>333</u> | <u>452</u> |
| Less expenses including accrued expenses | <u>(204)</u> | <u>(315)</u> | <u>(204)</u> | <u>(315)</u> |
| Surplus / (deficit) for reporting period | <u>129</u> | <u>137</u> | <u>129</u> | <u>137</u> |

50 Acquittal of Australian Government financial assistance (continued)

(b) Linkages

| | Linkage - Other | | Total | |
|---|-----------------|--------------|--------------|--------------|
| | 2007 | 2006 | 2007 | 2006 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the Programmes) | 371 | 639 | 371 | 639 |
| Net accrual adjustments | 45 | 26 | 45 | 26 |
| Revenue for the period | <u>416</u> | <u>665</u> | <u>416</u> | <u>665</u> |
| Surplus / (deficit) from the previous year | <u>284</u> | <u>239</u> | <u>284</u> | <u>239</u> |
| Total revenue including accrued revenue | 700 | 904 | 700 | 904 |
| Less expenses including accrued expenses | <u>(490)</u> | <u>(620)</u> | <u>(490)</u> | <u>(620)</u> |
| Surplus / (deficit) for reporting period | <u>210</u> | <u>284</u> | <u>210</u> | <u>284</u> |

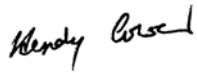
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6. Key Performance Indicator Report

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Key Performance Indicator Report Certification

We hereby certify that the performance indicators are based on proper records, are relevant and appropriate for assisting users to assess Edith Cowan University's performance, and fairly represent the performance of Edith Cowan University for the year ending 31 December 2007.



Hendy Cowan
Chancellor

8 March 2008



Kerry O. Cox
Vice-Chancellor

7 March 2008

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Key Performance Indicator Report

Introduction

In December 2006 Edith Cowan University's Council endorsed a new strategic directions document: *Engaging Minds; Engaging Communities. Towards 2020*. The document recognises four strategic priorities, which are:

- Engaging and Serving Our Communities;
- Providing a Supportive and Stimulating Learning Community;
- Developing Research Focus, Depth and Impact; and
- Building Organisation Sustainability.

Through *Engaging Minds; Engaging Communities. Towards 2020*, Edith Cowan University (ECU) has articulated a commitment to develop valued citizens for the benefit of Western Australia and beyond, through teaching and research inspired by means of engagement and valued partnerships.

This Key Performance Indicator Report provides an opportunity to demonstrate ECU's performance in terms of the strategic priorities of *Providing a Supportive and Stimulating Learning Community* and of *Developing Research Focus, Depth and Impact*. These strategic priorities serve as outcomes for which Key Performance Indicators (KPIs) have been assigned. The KPIs are consistent with those used elsewhere with the higher education sector and focus on the University's core business (teaching, learning and research), and core stakeholders (students).

Where possible, each KPI highlights ECU's performance over the last three to four years and provides comparisons to the overall performance of higher education sector universities in Australia ("National average") and to public universities in Western Australia ("State average"). The KPIs may be either a Key Effectiveness Indicator or a Key Efficiency Indicator.

Strategic Priority 2: Providing a Supportive and Stimulating Learning Community

This outcome has the following Key Effectiveness Indicators:

1. Retention
2. Course Satisfaction
3. Quality of Teaching
4. Graduate Employment
5. Share of First Preferences

This outcome also has the following Key Efficiency Indicator:

6. Teaching-Related Expenditure per Student Load

Strategic Priority 3: Developing Research Focus, Depth and Impact

This outcome has the following Key Effectiveness Indicator:

7. Research Income

This outcome also has the following Key Efficiency Indicators:

8. Higher Degree Research Completions
9. Research Publications

A Note About Targets

ECU's Council reviewed and streamlined the University Key Performance Indicators Framework during 2007 and a process to establish targets for KPIs and performance indicators is under development for implementation in 2008. As indicated above, where applicable, National and State averages have been used for comparison purposes.

Providing a Supportive and Stimulating Learning Community

ECU seeks to improve the quality of its teaching and to optimise student load through attracting and retaining students. The University seeks to be responsive to student and employer needs by providing relevant programs, taught in ways that engage its students and also seeks to enhance the overall "student experience" at ECU.

Key Effectiveness Indicators

1. Retention
2. Course Satisfaction
3. Quality of Teaching
4. Graduate Employment
5. Share of First Preferences

Key Efficiency Indicator

6. Teaching-Related Expenditure per Student Load

1. Retention

ECU seeks to provide a learning community which appropriately supports its diverse student cohort, identifies students "at risk", provide a comprehensive orientation and transition program and an enhanced "first year at university" experience for all students. Retention is an indication of the effectiveness of these strategies.

Retention as a measure is here defined as commencing students who continue into the next year of study, taking into account deferrals and completions.

Table 1 - Retention (Inverse Attrition) Commencing Bachelor Pass Students

| | Year of Commencement | | | | | |
|------------------|----------------------|-------|-------|-------|-------|--|
| | 2002 | 2003 | 2004 | 2005 | 2006 | |
| ECU | 85.0% | 85.4% | 79.1% | 79.3% | 79.6% | Retention is defined as the percentage of students who commence a Bachelor Pass course in a given year and either complete, defer or are still enrolled in the same or an alternative course one year later. |
| National Average | | | | | 80.9% | |

There has been a slight increase in retention in the last two years, following a drop in 2004 below the retention levels of 2002 and 2003. Student retention is still just below the National average. This may reflect students choosing employment in a robust economy, in preference to remaining in higher education. The improving retention for 2004 to 2006 may reflect the positive impact of ECU's retention strategies in recent years.

2. Course Satisfaction

In order to provide a stimulating learning community, ECU seeks to provide high quality learning experiences for its students. Course Satisfaction is used to indicate how satisfied students are with the education and services provided, given their expectations and experience of their course.

Course Satisfaction is measured through the Course Experience Questionnaire (CEQ), a national survey of all students completing degrees, conducted approximately six months after their completion.

For the 2005 CEQ, 3663 graduates were surveyed, of whom 2014 responded to this item, giving a response rate of 55 per cent.

Table 2 - Undergraduate CEQ Overall Satisfaction

| | Year of Completion | | | | | |
|------------------|--------------------|-------|-------|-------|-------------------|--|
| | 2002 | 2003 | 2004 | 2005 | 2006 ¹ | |
| ECU | 89.0% | 88.9% | 88.5% | 89.7% | | Course Satisfaction is defined as the percentage of Domestic Bachelor level students who 'broadly agree' with the overall satisfaction statements from the published Course Experience Questionnaire (CEQ). 'Broadly agree' equates to selection 3, 4 or 5 on a five-point Likert scale. |
| National Average | 89.7% | 89.3% | 89.7% | 89.5% | | |
| State Average | 90.7% | 89.7% | 90.4% | 90.1% | | |

Note: 1. 2006 CEQ/ GDS data was not made available by Graduate Careers Australia in sufficient time to allow inclusion in this Report.

ECU graduates' Overall Satisfaction levels, in terms of course experience, have been relatively stable over the period 2002 to 2005. In 2005 for the first time, satisfaction was slightly above the National average.

3. Quality of Teaching

In order to provide a stimulating learning community, ECU seeks to provide high quality teaching. The CEQ Quality of Teaching measure is used to indicate how satisfied students are with the teaching experience during their course.

For the 2005 CEQ, 3663 graduates were surveyed, of whom 2093 responded to this item, giving a response rate of 57 per cent.

Table 3 - Domestic Undergraduate CEQ Good Teaching Scale

| | Year of Completion | | | | | |
|------------------|--------------------|-------|-------|-------|-------------------|--|
| | 2002 | 2003 | 2004 | 2005 | 2006 ¹ | |
| ECU | 82.9% | 84.2% | 84.3% | 86.6% | | Quality of Teaching is defined as the percentage mean of Domestic Bachelor level students who 'broadly agree' with the six statements which make up the <i>Good Teaching Scale</i> from the Course Experience Questionnaire (CEQ), run as a national survey by the Graduate Careers Council of Australia. 'Broadly agree' equates to selection 3, 4 or 5 on a five-point Likert scale. |
| National Average | 80.7% | 80.8% | 81.7% | 82.3% | | |
| State Average | 83.4% | 83.3% | 83.5% | 84.1% | | |

Note: 1. 2006 CEQ/ GDS data was not made available by Graduate Careers Australia in sufficient time to allow inclusion in this Report.

Student ratings for Good Teaching at ECU have increased in each year for the period 2002 to 2006. Performance in 2005 was better than the National average.

4. Graduate Employment

ECU seeks to be responsive to student and employer needs by providing relevant programs, taught in ways that engage its students. The extent to which graduates find employment is recognised by the sector as a measure of the quality of learning outcomes. It therefore gives an indication of how well the University meets student and employer needs.

Graduate employment outcomes in the year following completion of the course, is measured by the Graduate Destination Survey (GDS).

For the 2005 CEQ/ GDS, 3663 graduates were surveyed, of whom 1997 responded to this item, giving a response rate of 55 per cent.

Table 4 - Domestic Bachelor Pass/Honours Graduates in Full-Time Employment

| | Year of Completion | | | | | |
|------------------|--------------------|-------|-------|-------|-------------------|---|
| | 2002 | 2003 | 2004 | 2005 | 2006 ¹ | |
| ECU | 73.5% | 74.0% | 68.1% | 73.4% | | DEEWR defines this indicator as the number of domestic graduates in full-time employment expressed as a proportion of all domestic bachelor graduates available for full-time employment or seeking full-time work (including those who were working part-time or casual while seeking full-time employment). Domestic students are those with Australian citizenship and Permanent Residency only. |
| National Average | 78.5% | 78.0% | 79.2% | 82.4% | | |
| State Average | 75.4% | 75.3% | 75.9% | 80.2% | | |

Note: 1. 2006 CEQ/ GDS data was not made available by Graduate Careers Australia in sufficient time to allow inclusion in this Report.

In 2005 there was a 5.3 percentage point improvement in ECU's graduate employment rate, although this is still below that for 2002 and 2003 and below the National average. ECU's performance may reflect its student demographics and employment opportunities in businesses and industries in which ECU graduates seek employment.

This KPI is based on responses from graduates who as students were studying full-time. Therefore this is a restrictive measure, not necessarily reflective of ECU student cohort, which includes a large proportion of part-time students. In 2007 some 23 per cent of enrolments were part-time.

5. Share of First Preferences

ECU's share of First Preferences through the Western Australian Tertiary Institutions Service Centre (TISC) is the most public expression of the level of demand for entry to the University within the broader competitive market in the State. It reflects the composite achievements of many of ECU's initiatives and the general perception of the University by potential students and the community.

Table 5 - Undergraduate Share of First Preferences

| | 2003 | 2004 | 2005 | 2006 | 2007 | This is defined as each WA University's share of First Preference applications for undergraduate courses in the year shown, processed by TISC after the closure of all processing in the same year. |
|---------|-------|-------|-------|-------|-------|---|
| ECU | 27.9% | 26.0% | 26.1% | 20.2% | 19.4% | |
| Curtin | 30.3% | 31.3% | 30.2% | 32.4% | 33.0% | |
| Murdoch | 17.0% | 16.8% | 17.4% | 16.3% | 15.3% | |
| UWA | 24.8% | 25.9% | 26.2% | 31.1% | 32.4% | |

ECU's share of first preference applications for undergraduate courses through TISC declined significantly between 2005 and 2007. The absolute numbers of ECU first preferences declined from 3838 in 2006 to 3559 in 2007.

6. Teaching-Related Expenditure per Student Load

This Key Efficiency Indicator is included to give a measure of how efficient the University uses its funds for teaching and learning purposes.

Table 6 - Teaching-Related Expenditure per Student Load

| | 2003 | 2004 | 2005 | 2006 | 2007 | This is defined as teaching related expenditure expressed per EFTSL. Teaching related expenditure is total expenditure less research-only expenditure. |
|--|---------|---------|---------|---------|---------|--|
| Teaching-Related Expenditure (\$'000) | 184,537 | 197,346 | 210,833 | 222,541 | 228,321 | |
| Total Load (EFTSL) ¹ | 15,889 | 16,170 | 15,693 | 15,747 | 15,254 | |
| Teaching-Related Expenditure/Total Load (\$) | 11,614 | 12,204 | 13,435 | 14,132 | 14,968 | |
| Teaching-Related Expenditure/Total Load (2007 \$ equiv) ² | 13,358 | 13,635 | 14,436 | 14,550 | 14,968 | |

Notes: 1. Load figures are as of 30th October with "March & August" plus preliminary "Post August" figures added together. 2. CPI based on December 2007 Qtr.

Teaching-Related Expenditure per EFTSL increased in 2007 relative to 2006, in line with an increasing trend in the period 2003 to 2006. While this may reflect the fact that most costs are fixed and student numbers have fallen, this may also indicate the success of ECU's budget approach, which is to prioritise funding support for core teaching and learning activities.

Developing Research Focus, Depth and Impact

ECU seeks to build its research enterprise and generate enhanced research outcomes in selected areas of excellence, particularly those with the potential for high social, economic, environmental and cultural impact.

The University seeks to provide high quality research training that produces graduates with valued knowledge and skills and which leads to high rates of research higher degree completions.

Key Effectiveness Indicator

7. Research Income

Key Efficiency Indicators

8. Higher Degree Research Completions

9. Research Publications

7. Research Income

ECU seeks to build its research enterprise and generate enhanced research outcomes. Research income is used to indicate the overall level of the University's research activity.

Table 7 - Research Income by Category (\$m)

| Category | 2002 | 2003 | 2004 | 2005 | 2006 | This is a measure of the level of external Research Funding obtained during a prescribed year, in terms of DEEWR categories 1, 2, 3 and 4. |
|---|--------------|--------------|--------------|---------------|---------------|--|
| 1 - National Competitive Research Grants | 1.547 | 1.506 | 2.271 | 1.948 | 2.025 | |
| 2 - Other Public Sector Research Funding | 2.725 | 2.512 | 4.195 | 5.471 | 4.829 | |
| 3 - Industry and Other Funding for Research | 1.155 | 1.354 | 1.797 | 3.058 | 3.069 | |
| 4 - Co-operative Research Centre Funding | 0.057 | 0.028 | 0.010 | 0.026 | 0.091 | |
| Total | 5.484 | 5.399 | 8.273 | 10.502 | 10.015 | |

Levels of Research Funding can be strongly influenced by the receipt of large ARC (Australian Research Council) grants. The relatively small number of such grants may limit the capacity of the institution to sustain research activity at a consistent level.

Between 2002 and 2006:

- Total research income increased from \$5.5m to \$10.0m, an increase of 83 per cent.
- National Competitive Research Grants (Category 1) income increased by 31 per cent, but as a proportion of all research income, it has reduced from 28 per cent to 20 per cent.
- Other Public Sector Research Funding (Category 2) has increased by 77 per cent and has reduced marginally from 50 per cent to 48 per cent of all research income.
- Industry and Other Funding for Research (Category 3) has increased by 166 per cent and has increased from 21 per cent to 31 per cent of all research income.
- Co-operative Research Centre Funding (Category 4) has increased by 60 per cent, but still accounts for less than 1 per cent of all research income.

8. Higher Degree Research Completions

ECU seeks to achieve high rates of research higher degree completions by providing high quality research training.

Table 8 - Higher Degree by Research Completions by level, total number and per 10 Academic FTE

| ECU Completions by Level | 2002 | 2003 | 2004 | 2005 | 2006 |
|--------------------------|------|------|------|------|------|
| Doctorate by Research | 37 | 37 | 54 | 45 | 61 |
| Masters by Research | 36 | 43 | 30 | 35 | 29 |

This is defined as the number of Higher Degree by Research completions per year per 10 FTE 'teaching and research' and 'research only' academic staff at Level B and above. Degrees included are Doctorate and Masters by Research.

| Number of Completions | 2002 | 2003 | 2004 | 2005 | 2006 |
|-----------------------|-------|-------|-------|-------|-------|
| ECU | 73 | 80 | 84 | 80 | 90 |
| State Total | 268 | 639 | 667 | 678 | 685 |
| National Total | 5,842 | 6,321 | 6,470 | 6,820 | 7,103 |

| Completions per 10 FTE | 2002 | 2003 | 2004 | 2005 | 2006 |
|------------------------|------|------|------|------|------|
| ECU | 1.6 | 1.8 | 1.8 | 1.7 | 1.9 |

The University has developed a more focused approach to research supervision to help Higher Degree by Research students to complete within time.

Higher Degree completions are a priority as ECU seeks to help students complete in a timely way. Completions have been trending upwards over the period 2002 to 2006 and a large increase in Doctorate by Research completions was seen in 2006, offset to an extent by a decrease in Masters by Research completions.

9. Research Publications

ECU seeks to achieve improved research publications output as part of its strategy of building high quality research. The Research Publications measure is accepted as one valuable output measure of research activity and has the advantage of being assessed annually in a rigorous system audited by DEEWR.

Table 9 - Research and Development Publications per 10 Academic FTE

| | 2002 | 2003 | 2004 | 2005 | 2006 | This is the number of publications in DEEWR categories A1, B, C1, E1 and J1 per 10 FTE 'teaching and research' and 'research only' academic staff at Level B and above, produced during a prescribed year |
|--|-------|-------|-------|-------|-------|---|
| A1 - Authored Research | 0.21 | 0.10 | 0.20 | 0.11 | 0.14 | |
| B - Book Chapter | 0.65 | 1.36 | 0.99 | 0.99 | 0.89 | |
| C1 - Articles in Scholarly Refereed Journal | 4.25 | 4.60 | 4.40 | 4.29 | 4.78 | |
| E1 - Full Written Paper - Refereed Proceedings | 5.95 | 5.61 | 5.80 | 4.97 | 4.25 | |
| J1 - Major Original Creative Works | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | |
| Total Unweighted Publications | 501.5 | 519.6 | 520.0 | 494.6 | 484.2 | |
| Total Weighted Publications | 539.8 | 538.4 | 554.0 | 516.0 | 510.6 | |
| Academic Staff FTE | 453 | 451 | 457 | 477 | 482 | |
| Weighted Publications 10 FTE | 11.9 | 12.0 | 12.2 | 10.8 | 10.6 | |

In 2006 there was a decline in the number of publications and an increase in the number of relevant Academic Staff which has resulted in a small drop in the weighted measure (per 10 Academic Staff FTE) from 10.8 to 10.6.

ECU has placed increased emphasis on "high quality" publications as the University continues to focus on high impact, high relevance research activity and this has resulted in a decline in Category E1 publications and an increase in Category C1 between 2005 and 2006.

