



# Financial Statement Guidelines for Australian Higher Education Providers for the 2014 Reporting Period

19 December 2014

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## ***Disclaimer***

This disclaimer must be retained in a prominent position on, and not be removed from any version of this document. Any extract from this document must include a prominent reference to this document (and this disclaimer) as the source of the extract.

This document has been prepared by the Australian Government Department of Education.

It is provided to higher education providers as defined in the *Higher Education Support Act 2003* (the "Act") as the form approved by the Minister for Education (the "Minister") under paragraph 19-10(2)(a) of the Act. It is intended only for use by higher education providers in providing their financial statements to the Minister under section 19-10 of the Act and not for any other purpose. The Commonwealth accepts no responsibility for any other use of, or any direct or indirect reliance on, this document by any person.

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# Australian Higher Education Providers Annual Financial Reporting 2014

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# Introduction

## *Purpose*

These Guidelines prescribe the form of the financial statements approved by the Australian Government Minister for Education, or their delegates, under section 19-10(2) of the *Higher Education Support Act 2003* (HESA) and section 58 of the *Australian Research Council Act 2001* (ARCA) for listed providers (s16-10 of HESA).

It is a condition of receipt of financial assistance from the Australian Government under the HESA and the ARCA that Australian higher education providers (HEPs) provide financial statements in a form approved by the Minister. Failure to provide financial statements in the approved form may result in the reduction of or requirement to repay an amount of a grant.

The Guidelines apply to each higher education provider in respect of its general purpose financial statements for the 12 month period 1 January to **31 December 2014**.

HEPs' general purpose annual financial statements must present a true and fair view of the HEPs':

- Statement of Financial Position at reporting date;
- Income Statement and Comprehensive Income Statement for the reporting period;
- Cashflow Statement for the reporting period;
- Receipt of Australian Government financial assistance for the reporting period; and
- Use of Australian Government financial assistance for the reporting period.

The guidelines are also designed to:

- Maintain alignment of higher education sector reporting to good practice commercial reporting with due regard being given to the needs of the higher education sector;
- Enhance the transparency, consistency and comparability of annual financial statements;
- Obtain for the Australian Government, data and reasonable assurance that the amount of Australian Government financial assistance expended during the reporting period was for the purpose(s) for which it was provided; and
- Provide guidance on Australian financial reporting disclosure requirements with supporting commentary.

The purpose of the illustrative financial reports is to highlight disclosure requirements, provide sample disclosures and serve as a convenient reference to source material. Please amend the disclosures and notes as appropriate for your organisation. As some HEPs have profit-making subsidiaries, sample disclosures for both for-profit and not-for-profit entities are included.

Reporting requirements covered include:

- *Higher Education Support Act 2003*
- *Australian Research Council Act 2001*
- *Corporations Act 2001*
- Australian standards and other authoritative pronouncements of the Australian Accounting Standards Board (AASB)

This publication should be used in conjunction with the relevant legislation, standards and other reporting pronouncements.

These Guidelines are based on the Framework for the Preparation and Presentation of Financial Statements provided by the Australian Accounting Standards Board (AASB).

## ***Guide to Disclosures***

### **Mandatory Disclosures:**

It is a Department of Education requirement that where a HEP needs to prepare consolidated financial statements, it must include separate statements for the HEP. This requirement is necessitated by the *Higher Education Support Act 2003* financial viability requirements that explicitly apply to the HEP and not the consolidated entity.

Please note that some disclosures have been mandated by the Minister. Mandatory disclosures set out in these Guidelines are shaded grey. Where an entire face statement or note is mandatory, the whole note, including the note title, is shaded. Where only particular line-items are mandatory, only those line-items are shaded.

Mandatory disclosure is not required where the line-item or disclosure is not relevant to the HEP. In such instances, nil or insignificant balances do not have to be reported. However, materiality may be applied in determining whether the components of note 2 - Disaggregated information need to be disclosed, and the need to produce separate statements for the parent entity. Institutions that do not include separate financial statements (ie those for the parent entity), must include an explicit statement in note 1 to the effect that separate statements are not provided as the difference is immaterial for all items.

### **Other Disclosures:**

Other disclosures are based on the Australian Accounting Standards and will generally be required subject to materiality.

## ***Basis of Preparation***

The Financial Statement Guidelines are provided as a supplement to HEPs existing mandatory reporting requirements. In addition to conforming to these Guidelines when preparing general purpose financial statements, HEPs are to follow:

- Australian Accounting Standards;
- Urgent Issues Group and AASB Interpretations;
- Statements of Accounting Concepts;
- Accounting Guidance Releases;
- Accounting Bulletins; and
- Australian Government, State or Territory Legislative and regulatory requirements.

## ***Electing to early adopt Accounting Standards***

AASB9 *Financial Instruments (Dec 2010)* may be, but is not required to be, adopted for the reporting period ending 31 December 2014. Institutions wishing to early adopt must comply with the requirements specified in Appendix 1. One of the requirements specifically limits institutions ability to make an election under AASB9.5.7.5 (fair value through other comprehensive income (OCI)). Note that financial assets other than equity instruments cannot have gains taken to OCI.

## ***Instructions for Submission to the Department of Education***

### **Background**

Data disclosed by HEPs in their Audited Annual Financial Statements and provided electronically to the Department of Education will be consolidated into tables in the Department of Education's Finance publication.

It is recommended that in providing financial statement information electronically to Education for publication, the HEPs have regard to good practice guidance such as GS006 *Electronic Publication of the Auditor's Report* to ensure the accuracy and integrity of the information.

To avoid the possibility of the Department of Education compiling data incorrectly and to minimise the necessity of obtaining supplementary data, all HEPs are required to transcribe their Audited Annual Financial Statements to Excel spreadsheets. This will enable the compilation and publication of data, which are assembled on a comparable basis for all HEPs with a minimum of delay.

The spreadsheets do not require the provision of additional data and simply emulate the sections of the Audited Annual Financial Statements shown in these specifications.

The provision of data to Education in the spreadsheets does not in any way diminish the obligation of HEPs to prepare Audited Annual Financial Statements in accordance to Australian Accounting Standards and these Guidelines.

### **Data to be provided as Excel spreadsheets**

- Income statement
- Statement of other comprehensive income
- Statement of financial position
- Statement of changes in equity
- Statement of cash flows
- Notes for the Acquittal of Australian Government Financial Assistance

### ***Lodgement details***

#### **What is required from HEPs**

HEPs are to provide the Department of Education with:

- one electronic copy of their Audited Annual Financial Statements together with the Auditor's Report; and
- one electronic copy of the Excel spreadsheet (AFR2014.xls); and
- one electronic or hard copy of the Excel spreadsheet (AFR2014.xls) of the HEP, signed by the Chief Financial Officer declaring the accuracy and integrity of the information provided.

#### **Due date**

The Audited Annual Financial Statements for the 2014 reporting period and the AFR spreadsheets, as requested above, are to be returned to Education no later than 30 June 2015. Education however encourages HEPs to provide copies of the audited financial statements and completed AFRs as soon as they become available.

## **Return method**

Electronic copies of the above requested information is to be returned to Education via email at [ppfinance@education.gov.au](mailto:ppfinance@education.gov.au). Should you have any queries or require an alternative method of submission, please contact the Department of Education.

## **Returns via post/courier**

### **If sent by post:**

Branch Manager  
Provider Assurance and Systems Branch  
Department of Education  
Location C50MA7  
GPO Box 9880  
Canberra ACT 2601  
Attention: Director, Financial Viability Team

### **If sent by courier:**

Branch Manager  
Provider Assurance and Systems Branch  
Department of Education  
Location C50MA7  
Level 7, 50 Marcus Clarke Street  
Canberra ACT 2601

## **Contact officers**

Questions concerning Department of Education disclosure requirements can be directed to the:  
Director, Financial Viability Team, Higher Education Support Group  
Telephone (02) 6240 9670  
Email [ppfinance@education.gov.au](mailto:ppfinance@education.gov.au)

Technical questions concerning instructions for the tables, due date and the forwarding of returns can be directed to the Financial Viability Team:  
Email: [ppfinance@education.gov.au](mailto:ppfinance@education.gov.au)

## Definitions

Where an accounting term is used in the Guidelines and is not defined below, the definition in Australian Accounting Standards applies.

**AASB** means the Australian Accounting Standards Board.

**AGAAP** means Australian Generally Accepted Accounting Principles.

**AUASB** means the Australian Auditing and Assurance Standards Board.

**Academic** means members of staff, whether full-time or part-time, who are employed wholly or principally in teaching and/or research or to whom such persons are responsible in relation to their teaching or research. It excludes members of staff (eg technicians, research assistants, etc.) employed wholly or principally in support of other members of staff who are employed in research.

**ARCA** means the *Australian Research Council Act 2001*.

**Australian Government Financial Assistance** means financial assistance provided by the Australian Government under the HESA and the ARCA and other funding provided by Australian Government agencies in the form of grants.

**Board Member** means member of the governing body of the higher education provider.

**Continuing Education** refers to short courses or academic activities that do not lead to the attainment of part of or complete registered award and for which a fee is charged or in which participants are formally enrolled.

**Education** means the Australian Government Department of Education

**Executive** means the Chief Executive Officer and/or any person in a senior management position considered to be part of the University's executive group who is directly accountable and responsible for the strategic direction and operational management of the entity.

**FEE-HELP** is the Higher Education Loan Programme that provides a loan to eligible students, who are not Commonwealth supported, for part or all of their tuition fees for units of study undertaken with a body which is approved as a higher education provider under the HESA.

**HECS-HELP** was formerly known as HECS. HECS-HELP provides eligible Commonwealth supported students with assistance in paying their student contribution amount for Commonwealth supported units of study. It provides a loan to cover their student contribution and/or a discount if they choose to pay all, or at least \$500, of their student contribution up-front.

**HECS** means Higher Education Contribution Scheme.

**HEP** means an Australian institution of higher education as defined by section 4 of the *Higher Education Funding Act 1988* and/or an Australian higher education provider approved under Division 16 of the *Higher Education Support Act 2003*.

**HEPs with dual sector operations** are HEPs that carry out higher education and vocational education and training activities.

**HESA** means the *Higher Education Support Act 2003*.

**Non-academic** means members of staff who are not academic staff.

**Remuneration** has the same meaning as defined in paragraph Aus 9.1 of Australian Accounting Standard AASB124 *Related Party Disclosures*.

**Responsible Person** means a person in a position of fiduciary responsibility including trustees and members of governing bodies of the economic entity of the HEP.



**Restricted Funds** are generally funds that have been contributed to the institution by external parties but do not meet the requirements for recognition as revenue and do not meet the requirements for recognition as a liability. Statutory funds where restrictions or conditions mandated by Act or subordinate legislation restrict the use of those funds are restricted funds.

**SA-HELP** is a loan scheme that assists eligible students to pay for all or part of their student services and amenities fee.

**State Government** means State or Territory government.

**VET (Vocational Education and Training)** means units of a higher education provider which are designated vocational education and training courses (Applies to Disaggregated Information only - Note 2).

# [Higher Education Provider] Report by the Members of the [Governing Body]

## Mandatory<sup>1</sup> Education

The members of the [governing body] present their report on the consolidated entity consisting of [HEP] and the entities it controlled at the end of, or during, the year ended 31 December 2014.

## Members

The following persons were members of [HEP] during the whole of the year and up to the date of this report:

[List members]

[Member A] was appointed a member on [date] and continues in office at the date of this report.

[Member B] was a member from the beginning of the year until his/her resignation on [date].

## Meetings of Members

The numbers of meetings of the members of [HEP]'s [governing body] and of each board committee held during the year ended 31 December 2014, and the numbers of meetings attended by each member were:

Member's Name	Board Meetings		Meetings of committees					
			Audit		Nomination		Remuneration	
	A	B	A	B	A	B	A	B
[Member X]	-	-	-	-	-	-	-	-
[Member Y]	-	-	-	-	-	-	-	-

A = Number of meetings attended

B = Number of meetings held during the time the member held office or was a member of the committee during the year

## Principal Activities

During the year, the principal continuing activities of the consolidated entity consisted of:

- [list activities]

The following significant changes in the nature of the activities of the consolidated entity occurred during the year:

- [list new and ceased activities]

## Review of Operations

[Review of operations during the year and a summary of results in key areas of activities]

## Significant Changes in the State of Affairs

[Details of any significant changes in the consolidated entity's state of affairs during the year]

<sup>1</sup> It is mandatory for the University to include a Director's Report or Board Members' Report in their Annual Report. The report presented above is provided as an example disclosure.

## **Matters Subsequent to the End of the Financial Year**

[Describe matters subsequent to the end of the year that may significantly affect the consolidated entity's operations, results or state of affairs in future years]

## **Likely Developments and Expected Results of Operations**

[Likely developments in the operations and the expected results of those operations of the consolidated entity constituted by [HEP] and the entities it controls from time to time that were not finalised at the date of this report. The report may omit material if it is likely to result in unreasonable prejudice. If material is omitted, the report must say so]

## **Environmental regulation**

[Describe the significant environmental regulations the consolidated entity is subject to]

## **Insurance of officers**

[Describe relevant details including the premium to insure the members of [governing body] and officers of [HEP] and its Australian-based controlled entities]

## **Proceedings on behalf of [HEP]**

[Include relevant details as appropriate]

This report is made in accordance with a resolution of the members of the [governing body].

[Name]

Member of [governing body]

[Location]

[Date]

## ***Commentary - Board Members' Report***

### **Education**

One of the stated purposes of the Financial Statement Guidelines is to align higher education sector reporting to good practice corporate sector reporting. The model Report by the Members of the Governing Body is included for this purpose.

It is mandatory for the HEP to include a Director's Report or Board Members' Report in their Annual Report. The report presented is provided as an example disclosure.

### **Background**

Section 292 of *Corporations Act 2001* requires all disclosing entities, public companies and large proprietary companies to prepare a directors' report for each financial year. A directors' report is required for proprietary companies (privately owned) that meet 2 of the 3 requirements of having a consolidated gross operating revenue of \$25m or more; consolidated gross assets value of \$12.5m or more; and 50 or more employees in the consolidated entity. The directors of Australian Government authorities are required under Part 2-3, Division 4 of *Public Governance, Performance and Accountability Act 2013* to prepare and provide a report of the entity's operations in accordance with the Finance Minister's Orders.

### **Review of operations**

#### ***CA299.1a***

The Department of Education requirement is to present a review of the operations of the HEP and the results of those operations. The above example disclosure is based on the requirements under the *Corporations Act 2001* s298-300. Even though the *Corporations Act* may not be applicable to a HEP, this disclosure is recommended as good practice.

### **Environmental regulation**

#### ***CA299.1f***

If the consolidated entity's operations are subject to any particular and significant environmental regulation under an Australian Government, State or Territory law, details of the consolidated entity's performance in relation to environmental regulation must be disclosed.

### **Meetings of members**

#### ***CA300.10***

HEPs must include the following information about meetings of members:

- (a) the number of meetings of the board of members held during the year and each member's attendance at those meetings; and
- (b) the number of meetings of each board committee held during the year and each member's attendance at those meetings.

#### ***CA298.2***

Dating and signing of report

The members' report must be made in accordance with a resolution of the members, specify the date on which it was made and be signed by a member.

# **[Australian Higher Education Provider] Annual financial report – 31 December 2014**

**Mandatory**

***AASB101.49,51a***

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***AASB110.17***

The financial report was authorised for issue by the members on [date]. [HEP] has the power to amend and reissue the financial report.

## ***Commentary - Financial Report***

### **Accounting standard for financial report presentation and disclosures**

#### ***AASB101.Aus1.1***

AASB101 *Presentation of Financial Statements* applies to each entity that is required to prepare financial reports in accordance with Part 2M.3 of the *Corporations Act 2001*, general purpose financial reports of each reporting entity, and to financial reports that are, or are held out to be, general purpose financial reports.

### **General requirements for financial reports**

#### ***AASB101.49***

The financial report shall be clearly identified and distinguished from other information in the same published document.

#### ***AASB101.51***

Each component of the financial report shall be identified clearly, and the following information shall be displayed prominently, and repeated when it is necessary for a proper understanding of the information presented:

- (a) the name of the entity that is reporting or other means of identification, and any change in that information from the preceding reporting date;
- (b) whether the financial report covers the individual entity or a group of entities;
- (c) the reporting date or the period covered by the financial report, whichever is appropriate to that component of the financial report;
- (d) the presentation currency, as defined in AASB121 *The Effects of Changes in Foreign Exchange Rates*; and
- (e) the level of rounding used in presenting amounts in the financial report.

### **Mandatory disclosures**

#### ***Education***

Mandatory disclosures, required for reporting purposes by the Department of Education, are shaded grey throughout the Guidelines. Where an entire statement or note is mandatory, the whole statement or note, including the title, is shaded. Where only particular line-items are mandatory, only those line-items are shaded. It must be noted however, unless specified in the commentaries, that if the line-item is not relevant to the HEP, disclosure is not required. That is, nil or immaterial balances do not have to be reported.

### **Materiality**

#### ***AASB101.30,31***

An item that is not sufficiently material to warrant separate presentation as a line item in the face statements may warrant separate presentation in the notes. The HEP need not provide a specific disclosure required by an Australian Accounting Standard if the information is not material.

### **Comparative information**

#### ***AASB101.38***

Except when Australian Accounting Standards permit or require otherwise, comparative information shall be disclosed in respect of the previous period for all amounts reported in the financial report. Comparative information shall be included for narrative and descriptive information when it is relevant to an understanding of the current period's financial report.

#### ***AASB101.38A,40A***

HEPs disclosing comparative information shall present as a minimum two sets of each of the statements and related notes. When accounting policies are applied retrospectively, or make a retrospective restatement of

items in its financial statements, the entity shall also present a statement of financial position at the beginning of the previous period (ie 3 statements of financial position).

#### **AASB101.38B**

In some cases, narrative information provided in the financial report for the previous period(s) continues to be relevant in the current period. For example, details of a legal dispute, the outcome of which was uncertain at the last reporting date and is yet to be resolved, are disclosed in the current period. Users benefit from information that the uncertainty existed at the last reporting date, and about the steps that have been taken during the period to resolve the uncertainty.

#### **AASB101.41**

When the presentation or classification of items in the financial report is amended, comparative amounts shall be reclassified unless the reclassification is impracticable. When comparative amounts are reclassified, an entity shall disclose:

- (a) the nature of the reclassification;
- (b) the amount of each item or class of items that is reclassified; and
- (c) the reason for the reclassification.

#### **AASB101.42**

When it is impracticable to reclassify comparative amounts, an entity shall disclose:

- (a) the reason for not reclassifying the amounts; and
- (b) the nature of the adjustments that would have been made if the amounts had been reclassified.

## **Electronic presentation of financial reports**

### **GS006**

In publishing annual and other financial reports on their websites, management must ensure their systems and controls address the risks associated with presenting information using this medium in order to maintain the security and integrity of the information in those financial reports.

The Australian Auditing and Assurance Standards Board (AUASB) has released Guidance Statement GS006 *Electronic Publication of the Auditors' Report*, which provides guidance for auditors on issues relating to public electronic reporting. This includes examples of methods to clearly identify audited financial information and to ensure security and controls operate effectively over the inputting and updating of financial information provided on websites. The guidance may also assist management in determining the control systems that should be implemented if information is to be presented on a website.

It is recommended that in providing financial statement information to the Department of Education electronically for publication, HEPs have regard to good practice guidance such as GS006 to ensure the accuracy and integrity of the information provided.

# Income statement

for the year ended 31 December 2014

MANDATORY  
EDUCATION

	Notes	Consolidated		Parent entity	
		2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
<b>Income from continuing operations</b>					
		—	—	—	—
		—	—	—	—
	3	—	—	—	—
	3	—	—	—	—
	4	—	—	—	—
		—	—	—	—
	5	—	—	—	—
	6	—	—	—	—
	7	—	—	—	—
	8	—	—	—	—
	9	—	—	—	—
AASB101.82a		<b>Total revenue from continuing operations</b>	—	—	—
		Gains on disposal of assets	—	—	—
AASB101.82c		Share of profit or loss on investments accounted for using the equity method	—	—	—
	24	Other investment income	—	—	—
	6	Other Income	—	—	—
	9	<b>Total income from continuing operations</b>	—	—	—
<b>Expenses from continuing operations</b>					
	10	Employee related expenses	—	—	—
	11	Depreciation and amortisation	—	—	—
	12	Repairs and maintenance	—	—	—
AASB101.82b	13	Borrowing costs	—	—	—
	14	Impairment of assets	—	—	—
		Losses on disposal of assets	—	—	—
	6	Investment losses	—	—	—
	10/52	Deferred Super expense	—	—	—
	15	Other expenses	—	—	—
		<b>Total expenses from continuing operations</b>	—	—	—
<b>Net result before income tax</b>					
			—	—	—
AASB101.82d AASB110.77	16	Income tax expense	—	—	—
		Net result from continuing operations	—	—	—
AASB5.33a AASB101.82ea	17	Net result from discontinued operations	—	—	—
		Net result after income tax for the period	—	—	—
<b>Net result attributable to:</b>					
AASB101.81Ba(ii)	36(b)	Members	—	—	—
AASB101.81Ba(i)		Non-controlling interest	—	—	—
		<b>Total</b>	—	—	—
<b>Net result attributable to members from:</b>					
AASB5.33d, 33A		Continuing operations	—	—	—
AASB5.33d, 33A		Discontinued operations	—	—	—
		<b>Total</b>	—	—	—

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



# Statement of Comprehensive Income

for the year ended 31 December 2014

MANDATORY EDUCATION		Notes	Consolidated		Parent entity	
			2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
AASB101.81Aa	<b>Net result after income tax for the period</b>		-	-	-	-
AASB101.82Ab	Items that may be reclassified to profit or loss					
	Gain (loss) on value of available for sale financial assets, net of tax		-	-	-	-
	Cash flow hedges, net of tax		-	-	-	-
	Exchange differences on translation of foreign		-	-	-	-
	Reclassification adjustments (ie recycling from OCI to P&L)		-	-	-	-
	[Specify]		-	-	-	-
	<b>Total</b>		-	-	-	-
AASB101.82Aa	Items that will not be reclassified to profit or loss					
	Gain(loss) on revaluation of land and buildings, net	26	-	-	-	-
	Share of other comprehensive income on investments accounted for using the equity method	24	-	-	-	-
	Net Actuarial losses (gains) recognised in respect of Defined Benefit Plans	52	-	-	-	-
	[Specify]		-	-	-	-
	<b>Total</b>		-	-	-	-
AASB101.81Ab	<b>Total other comprehensive income</b>		-	-	-	-
AASB101.81Ac	<b>Total comprehensive income</b>		-	-	-	-
	<b>Total comprehensive income attributable to:</b>					
AASB101.81Bb(ii)	Members		-	-	-	-
AASB101.81Bb(i)	Non-controlling interest		-	-	-	-
	<b>Total</b>		-	-	-	-
	<b>Total comprehensive income attributable to members from:</b>					
	Continuing operations		-	-	-	-
AASB101.82ea	Discontinued operations		-	-	-	-
	<b>Total</b>		-	-	-	-

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

## ***Commentary - Income statement and statement of comprehensive income***

### **Accounting standard for the income statement and statement of comprehensive income**

#### ***AASB101.Aus1.1***

Requirements for the income statement and statement of comprehensive income are set out in AASB101 *Presentation of Financial Statements*. The standard applies to each entity that is required to prepare financial reports in accordance with Part 2M.3 of the *Corporations Act 2001*, general purpose financial reports of each reporting entity, and to financial reports that are, or are held out to be, general purpose financial reports.

### **Single Statement of Comprehensive Income**

In accordance with AASB101 entities may elect to use a single statement of comprehensive income rather than the suggested separate income statement and statement of comprehensive income. Entities adopting the single statement of comprehensive income must transfer all items included in the income statement to the statement of comprehensive income. Additionally, entities adopting this approach must highlight the item “Net result after income tax for the period” such that it stands out from other highlighted lines.

### **On the face of the statement of comprehensive income**

#### ***AASB101.82***

As a minimum, the statement of profit or loss or the profit or loss section in the statement of comprehensive income shall include line items that present the following amounts for the period:

- (a) revenue
- (b) finance costs
- (c) share of the net profit or loss of associates and joint ventures accounted for using the equity method
- (d) tax expense

#### ***AASB5.33a***

- (ea) a single amount for the total of discontinued operations

**AASB101.81A**

An entity may present items (a) to (ea) above on a separate income statement. The Department of Education suggests the adoption of this approach but does not require it. If an entity chooses the single comprehensive income statement, all line items from both the sample income statement and sample comprehensive income statement shall be used in the single statement.

**AASB101.82A**

Line items disclosed in the statement of other comprehensive income shall be grouped into those that will not be reclassified subsequently to profit or loss, and those that will be reclassified subsequently to profit or loss when certain conditions are met.

**AASB101.81B**

The following items must be disclosed on the statement of comprehensive income as allocations of net result for the period:

- (a) profit or loss attributable to non-controlling interest;
- (b) profit or loss attributable to owners of the parent;
- (c) total comprehensive income attributable to non-controlling interest; and
- (d) total comprehensive income attributable to owners of the parent.

**Additional line items, headings and subtotals****AASB101.85**

Additional line items, headings and subtotals shall be presented on the statement of comprehensive income and the income statement (if presented) when such presentation is relevant to an understanding of the entity's financial performance.

**Extraordinary items not permitted****AASB101.87**

An entity shall not present any items of income and expense as extraordinary items, either on the statement of comprehensive income, the income statement or in the notes.

**Discontinued operations**

Please refer to AASB5 Non-current Assets Held for Sale and Discontinued Operations and note 17 for further disclosures in relation to discontinued operations.

## **Either on the face of the income statement or in the notes**

### **Material items of income and expense**

#### ***AASB101.97***

When items of income and expense are material, their nature and amount must be disclosed separately either on the face of the income statement or in the notes. In the case of the HEP, these disclosures are made on the face of the income statement and in notes 3 - 15.

### **Classification of expenses**

#### **By nature or function**

#### ***AASB101.99,100***

An analysis of expenses shall be presented using a classification based on either the nature of expenses or their function within the entity, whichever provides information that is reliable and more relevant. Entities are encouraged, but not required, to present the analysis of expenses on the statement of comprehensive income or the income statement.

#### ***AASB101.105***

The choice of classification between nature and function will depend on historical and industry factors and the nature of the entity. The entity should choose the classification that provides the most relevant and reliable information about its financial performance.

#### **Materiality**

#### ***AASB101.29***

Regardless of whether income and expenses are classified by nature or by function, materiality applies to the classification of income and expenses. Each material class should be separately disclosed, and unclassified income/expenses (shown as "other income" and "other expenses" in the income statement and in the notes) should be immaterial both individually and in aggregate. Accordingly, unclassified income/expenses should not normally exceed 10% of total income/expenses classified by nature or function.

### **Other presentation issues**

#### **Consistency**

#### ***AASB101.45***

The presentation and classification of items in the financial report shall be retained from one period to the next unless:

- (a) it is apparent, following a significant change in the nature of the entity's operations or a review of its financial report, that another presentation or classification would be more appropriate having regard to the criteria for the selection and application of accounting policies in *AASB108 Accounting Policies, Changes in Accounting Estimates and Errors*; or
- (b) an Australian Accounting Standard requires a change in presentation.

#### **Goods and Services Tax (GST)**

#### ***UIG1031.6,7***

UIG 1031 *Accounting for the Goods and Services Tax (GST)* provides that revenues and expenses must be recognised net of the amount of GST, except that where GST relating to expense items is not recoverable from the taxation authority, it must be recognised as part of the item of expense. It is recommended that where entities are not able to recover GST relating to particular expense items, they should include a policy note indicating which expense items disclosed in the financial report are inclusive of non-recoverable GST. They could also amend the wording of specific disclosures (eg auditor's remuneration - refer to commentary

on remuneration of auditors - note 39) to make it clear that the amounts disclosed are inclusive of non-recoverable GST.

### **Offsetting**

#### **AASB101.32**

Assets and liabilities, and income and expenses, must not be offset unless required or permitted by an Australian Accounting Standard. Examples of income and expenses that are required or permitted to be offset are as follows:

#### **AASB101.34a**

(a) gains and losses on the disposal of non-current assets, including investments and operating assets, are reported by deducting from the proceeds on disposal the carrying amount of the asset and related selling expenses;

#### **AASB101.34b**

(b) expenditure related to a provision that is recognised in accordance with AASB137 *Provisions, Contingent Liabilities and Contingent Assets* and reimbursed under a contractual arrangement with a third party (for example, a supplier's warranty agreement) may be netted against the related reimbursement; and

#### **AASB101.35**

(c) gains and losses arising from a group of similar transactions are reported on a net basis, for example, foreign exchange gains and losses or gains and losses arising on financial instruments held for trading. Such gains and losses are, however, reported separately, if they are material.

### **Additional Commentary**

For further guidance in relation to the accounting and reporting requirements of Government grants and Contributions, please refer to AASB120 *Accounting for Government Grants and Disclosure of Government Assistance* (applicable to for-profit entities) and AASB1004 *Contributions* (applicable to not-for-profit entities).

# Statement of Financial Position

as at 31 December 2014

MANDATORY  
EDUCATION

	Notes	Consolidated		Parent entity	
		2014	2013	2014	2013
		\$'000	\$'000	\$'000	\$'000
<b>Assets</b>					
<b>Current assets</b>					
AASB101.60,66					
AASB101.54i	18	—	—	—	—
AASB101.54h	19	—	—	—	—
AASB101.54g	20	—	—	—	—
AASB101.54d	21	—	—	—	—
AASB101.54j AASB5.38	51/17	—	—	—	—
	23	—	—	—	—
<b>Total current assets</b>		—	—	—	—
<b>Non-current assets</b>					
AASB101.60,66					
AASB101.54h	19	—	—	—	—
AASB101.54g	20	—	—	—	—
AASB101.54e	24	—	—	—	—
	21	—	—	—	—
AASB101.54a	26	—	—	—	—
AASB101.54b	25	—	—	—	—
AASB101.54o,56	28	—	—	—	—
AASB101.54c	27	—	—	—	—
	23	—	—	—	—
<b>Total non-current assets</b>		—	—	—	—
<b>Total assets</b>		—	—	—	—
<b>Liabilities</b>					
<b>Current liabilities</b>					
AASB101.60,69					
AASB101.54k	29	—	—	—	—
AASB101.54m	30	—	—	—	—
AASB101.54l	31	—	—	—	—
AASB101.54m	32	—	—	—	—
	34	—	—	—	—
AASB101.54p AASB5.38	17	—	—	—	—
<b>Total current liabilities</b>		—	—	—	—
<b>Non-current liabilities</b>					
AASB101.60,69					
AASB101.54k	29	—	—	—	—
AASB101.54m	30	—	—	—	—
AASB101.54l	31	—	—	—	—
	34	—	—	—	—
<b>Total non-current liabilities</b>		—	—	—	—
<b>Total liabilities</b>		—	—	—	—
<b>Net assets</b>		—	—	—	—

## Statement of Financial Position (cont)

as at 31 December 2014

MANDATORY EDUCATION		Notes	Consolidated		Parent entity	
			2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
	<b>Equity</b>					
	Parent entity interest					
EDUCATION	Restricted funds	35	—	—	—	—
AASB101.54r	Reserves	36	—	—	—	—
	Retained earnings	36	—	—	—	—
	Parent entity interest		—	—	—	—
AASB101.54q	Non-controlling interest	37	—	—	—	—
	<b>Total equity</b>		—	—	—	—

The above statement of financial position should be read in conjunction with the accompanying

### Commentary - Statement of financial position

#### Accounting standard for the statement of financial position

##### AASB101.Aus1.1

Requirements for the statement of financial position are set out in AASB101 *Presentation of Financial Statements*. The standard applies to each entity that is required to prepare financial reports in accordance with Part 2M.3 of the *Corporations Act 2001*, general purpose financial reports of each reporting entity, and to financial reports that are, or are held out to be, general purpose financial reports.

#### Information to be presented

##### On the face of the statement of financial position

##### AASB101.54,55

Paragraph 54 of AASB101 sets out the line items that shall, as a minimum, be presented on the face of the statement of financial position. Additional line items, headings and subtotals shall be presented on the face of the statement of financial position when such presentation is relevant to an understanding of the entity's financial position. The following specific line items are only required to be disclosed on the face of the statement of financial position, where appropriate to the HEP:

- (a) Current tax assets;
- (b) Deferred tax assets;
- (c) Investment property;
- (d) Current tax liabilities; and
- (e) Deferred tax liabilities

##### Either on the face of the statement of financial position or in the notes

##### AASB101.77,78

An entity shall disclose, either on the face of the statement of financial position or in the notes, further sub-classifications of the line items presented, classified in a manner appropriate to the entity's operations. The detail provided in sub-classifications depends on the requirements of Australian Accounting Standards and on the size, nature and function of the amounts involved.

## **Third comparative statement of financial position**

### **AASB101.40A**

When an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements or when it reclassifies items in its financial statements, it shall present, as a minimum, three statements of financial position. The third statement of financial position is the position as at the beginning of the earliest comparative period and should be included with the other statements of financial position.

## **Presentation**

### **Current/Non-current distinction**

#### **AASB101.60**

An entity shall present current and non-current assets, and current and non-current liabilities, as separate classifications on the face of its statement of financial position except when a presentation based on liquidity provides information that is reliable and is more relevant. When that exception applies, all assets and liabilities shall be presented broadly in order of liquidity.

#### **AASB101.61**

Whichever method of presentation is adopted, for each asset and liability line item that combines amounts expected to be recovered or settled (a) no more than twelve months after the reporting date, and (b) more than twelve months after the reporting date, an entity shall disclose the amount expected to be recovered or settled after more than twelve months.

#### **AASB101.70**

Current assets include assets (such as inventories and trade receivables) that are sold, consumed or realised as part of the normal operating cycle even when they are not expected to be realised within twelve months after the reporting date. Similarly, some current liabilities, such as trade payables and some accruals for employee and other operating costs, are part of the working capital used in the entity's normal operating cycle. Such operating items are classified as current liabilities even if they are due to be settled more than twelve months after the reporting date.

### **Consistency**

#### **AASB101.45**

The presentation and classification of items in the financial report shall be retained from one period to the next unless:

- (a) it is apparent, following a significant change in the nature of the entity's operations or a review of its financial report, that another presentation or classification would be more appropriate having regard to the criteria for the selection and application of accounting policies in *AASB108 Accounting Policies, Changes in Accounting Estimates and Errors*; or
- (b) an Australian Accounting Standard requires a change in presentation.

### **Materiality and aggregation**

#### **AASB101.29**

Each material class of similar items shall be presented separately in the financial report. Items of a different nature or function shall be presented separately unless they are immaterial.

### **Restricted Funds**

#### **Education**

Where the HEP has funds or assets donated by external parties (including Government) with specific restrictions that result in the funds or asset not meeting the control requirements necessary for recognition as revenue or as an asset and the contribution is of such a nature that there is no offsetting liability for the



amount of the contribution, then they should be reflected in the restricted funds. If this is not the case, then the HEP should record a 'nil' balance against restricted funds. Generally, the conditions for recognition as an asset and as revenue will be met at the same time.

# Statement of Changes in Equity

for the year ended 31 December 2014

AASB101.106	Consolidated						Parent entity			
	Restricted funds	Reserves	Retained earnings	Total: Owners of the parent	Non-controlling Interest	Total	Restricted funds	Reserves	Retained earnings	Total
	<b>Balance at 1 January 2013</b>									
	-	-	-	-	-	-	-	-	-	-
AASB101.106b	Retrospective changes									
	-	-	-	-	-	-	-	-	-	-
	<b>Balance as restated</b>									
	-	-	-	-	-	-	-	-	-	-
AASB101.106d(i)	Net operating result									
	-	-	-	-	-	-	-	-	-	-
AASB101.106d(ii)	Gain/(loss) on revaluation of buildings, net of tax									
	-	-	-	-	-	-	-	-	-	-
AASB101.106d(ii)	Gain/(loss) on revaluation of available-for-sale financial assets									
	-	-	-	-	-	-	-	-	-	-
AASB101.106d(ii)	Gain/(loss) on cash flow hedges									
	-	-	-	-	-	-	-	-	-	-
AASB101.106d(ii)	Gain/(loss) on foreign exchange									
	-	-	-	-	-	-	-	-	-	-
AASB101.106d(ii)	Share of other comprehensive income of associate and joint ventures, net of tax									
	-	-	-	-	-	-	-	-	-	-
	Remeasurements of Defined Benefit Plans									
	-	-	-	-	-	-	-	-	-	-
	Transfer from revaluation reserves to retained surplus for asset sales									
	-	-	-	-	-	-	-	-	-	-
	Non-controlling equity interest distribution paid									
	-	-	-	-	-	-	-	-	-	-
AASB101.106d(ii)	Other comprehensive income									
	-	-	-	-	-	-	-	-	-	-
AASB101.106a	<b>Total comprehensive income</b>									
	-	-	-	-	-	-	-	-	-	-
AASB101.106d(iii)	Distributions to owners									
	-	-	-	-	-	-	-	-	-	-
AASB101.106d(iii)	Contributions from owners									
	-	-	-	-	-	-	-	-	-	-
	<b>Balance at 31 December 2013</b>									
	-	-	-	-	-	-	-	-	-	-

## Statement of Changes in Equity (cont)

for the year ended 31 December 2014

AASB101.106		Consolidated					Parent entity				
		Restricted funds	Reserves	Retained earnings	Total: Owners of the parent	Non-controlling Interest	Total	Restricted funds	Reserves	Retained earnings	Total
	<b>Balance at 1 January 2014</b>	-	-	-	-	-	-	-	-	-	-
AASB101.106d(i)	Net operating result	-	-	-	-	-	-	-	-	-	-
AASB101.106d(ii)	Gain/(loss) on revaluation of buildings, net of tax	-	-	-	-	-	-	-	-	-	-
AASB101.106d(ii)	Gain/(loss) on revaluation of available-for-sale financial assets	-	-	-	-	-	-	-	-	-	-
AASB101.106d(ii)	Gain/(loss) on cash flow hedges	-	-	-	-	-	-	-	-	-	-
AASB101.106d(ii)	Gain/(loss) on foreign exchange	-	-	-	-	-	-	-	-	-	-
AASB101.106d(ii)	Share of other comprehensive income of associate and joint ventures, net of tax	-	-	-	-	-	-	-	-	-	-
AASB101.106d(ii)	Other comprehensive income	-	-	-	-	-	-	-	-	-	-
AASB101.106a	<b>Total comprehensive income</b>	-	-	-	-	-	-	-	-	-	-
	Transfer to/(from) retained earnings [specify reason]	-	-	-	-	-	-	-	-	-	-
AASB101.106d(iii)	Distributions to owners	-	-	-	-	-	-	-	-	-	-
AASB101.106d(iii)	Contributions from owners	-	-	-	-	-	-	-	-	-	-
	<b>Balance at 31 December 2014</b>	-	-	-	-	-	-	-	-	-	-

The above statement of changes in equity should be read in conjunction with the accompanying notes.

## ***Commentary - Statement of changes in equity***

### **Accounting standard for the statement of changes in equity**

#### ***AASB101.Aus1.1***

Requirements for the statement of changes in equity are set out in AASB101 *Presentation of Financial Statements*. The standard applies to each entity that is required to prepare financial reports in accordance with Part 2M.3 of the *Corporations Act 2001*, general purpose financial reports of each reporting entity, and to financial reports that are, or are held out to be, general purpose financial reports.

### **Information to be disclosed**

#### **On the face of the statement**

##### ***AASB101.106***

An entity shall present a statement of changes in equity including the following information:

- (a) total comprehensive income for the period, showing separately the total amounts attributable to owners of the parent and to non-controlling interest;
- (b) for each component of equity, the effects of retrospective application or retrospective restatement recognised in accordance with AASB108;
- (c) for each component of equity, a reconciliation between the carrying amount at the beginning and the end of the period, separately disclosing changes resulting from:
  - i) profit or loss;
  - ii) other comprehensive income; and
  - iii) transactions with owners in their capacity as owners, showing separately contributions by and distributions to owners and changes in ownership interests in subsidiaries that do not result in a loss of control.

##### ***AASB101.107***

An entity shall present, either in the statement of changes in equity or in the notes, the amount of dividends recognised as distributions to owners during the period, and the related amount of dividends per share.

All line items are mandatory to the extent that they relate to that type of entity. Universities for example, do not undertake financial transactions with owners in their capacity as owners and as such the disclosure of transactions with owners is not required. Disclose only what is required and material.

# Statement of Cash Flows

for the year ended 31 December 2014

MANDATORY  
EDUCATION

		Consolidated Parent entity				
		Notes	2014	2013	2014	2013
			\$'000	\$'000	\$'000	\$'000
AASB107.10,18a	<b>Cash flows from operating activities</b>					
AASB107.14b	Australian Government Grants	3i	-	-	-	-
	OS-HELP (net)	3i	-	-	-	-
	Superannuation Supplementation	3i	-	-	-	-
	State Government Grants		-	-	-	-
	Local Government Grants received		-	-	-	-
	HECS-HELP – Student payments		-	-	-	-
AASB107.14a	Receipts from student fees and other customers		-	-	-	-
AASB107.31,33	Dividends received		-	-	-	-
AASB107.31,33	Interest received		-	-	-	-
AASB107.14c,d	Payments to suppliers and employees (inclusive of GST)		-	-	-	-
AASB107.31-33	Interest and other costs of finance		-	-	-	-
EDUCATION	GST recovered/paid		-	-	-	-
AASB107.14f,35,36	Income taxes paid		-	-	-	-
	<b>Net cash provided by / (used in) operating activities</b>	48	-	-	-	-
AASB107.10,21	<b>Cash flows from investing activities</b>					
AASB107.16b	Proceeds from sale of property, plant and equipment		-	-	-	-
AASB107.16a	Payments for property, plant and equipment		-	-	-	-
AASB107.16d	Proceeds from sale of financial assets		-	-	-	-
AASB107.16b	Proceeds from the sale of discontinued operations		-	-	-	-
AASB107.16c	Payments for financial assets		-	-	-	-
AASB107.16f	Repayments of loans by related parties		-	-	-	-
AASB107.16e	Loans to related parties		-	-	-	-
	Other investing inflows		-	-	-	-
	Other investing outflows		-	-	-	-
	<b>Net cash provided by / (used in) investing activities</b>		-	-	-	-
AASB107.10,21	<b>Cash flows from financing activities</b>					
AASB107.17c	Proceeds from borrowings		-	-	-	-
AASB107.17d	Repayment of borrowings		-	-	-	-
AASB107.17e	Repayment of finance leases		-	-	-	-
	Other financing inflows		-	-	-	-
	Other financing outflows		-	-	-	-
	<b>Net cash provided by / (used in) financing activities</b>		-	-	-	-
	<b>Net increase / (decrease) in cash and cash equivalents</b>		-	-	-	-
AASB107.28	Cash and cash equivalents at the beginning of the financial year		-	-	-	-
	Effects of exchange rate changes on cash and cash equivalents		-	-	-	-
		18	-	-	-	-
	<b>Cash and cash equivalents at the end of the financial year</b>		-	-	-	-
AASB107.50a	Financing arrangements	30	-	-	-	-
AASB107.43	Non-cash financing and investing activities	48	-	-	-	-

The above statement of cash flows should be read in conjunction with the accompanying notes.

## ***Commentary - Statement of cash flows***

### **Accounting standard for the statement of cash flows**

#### ***AASB107.Aus1.1***

Requirements for statement of cash flows are set out in AASB107 *Statement of Cash Flows*. The standard applies to each entity that is required to prepare financial reports in accordance with Part 2M.3 of the *Corporations Act 2001*, general purpose financial reports of each reporting entity, and to financial reports that are, or are held out to be, general purpose financial reports.

### **Format**

#### ***AASB107.50***

Additional line items may be included on the face of the statement, where such presentation is relevant to an understanding of the entity's cash flows.

### **Reporting cash flows**

#### **From operating activities**

##### ***AASB107.18a***

An entity shall report cash flows from operating activities using the direct method, whereby major classes of gross cash receipts and gross cash payments are disclosed. The indirect method as specified in AASB107(18)(b) is not to be used.

#### **From investing and financing activities**

##### ***AASB107.21***

An entity shall report separately major classes of gross cash receipts and gross cash payments arising from investing and financing activities, except to the extent that cash flows described in paragraphs 22 and 24 of AASB107 are reported on a net basis (refer to description below).

#### **On a net basis**

##### ***AASB107.22,23***

Cash flows arising from the following operating, investing or financing activities may be reported on a net basis:

- (a) cash receipts and payments on behalf of customers when the cash flows reflect the activities of the customer rather than those of the entity (eg rents collected on behalf of, and paid over to, the owners of properties); and
- (b) cash receipts and payments for items in which the turnover is quick, the amounts are large, and the maturities are short (eg advances made for, and repayment of, principal amounts relating to credit card customers).

#### **Goods and Services Tax (GST)**

##### ***UIG1031.10***

Cash flows shall be included in the statement of cash flows on a gross basis subject to AASB107.

##### ***UIG1031.11***

The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority shall be classified as operating cash flows and will be included as a net figure of GST recovered/paid, as appropriate.

#### **Interest and dividends**

##### ***AASB107.31***

Cash flows from interest and dividends received and paid shall each be disclosed separately. Each shall be classified in a consistent manner, from period to period, as either; operating, investing or financing activities.

**AASB107.33**

Interest paid and interest and dividends received are usually classified as operating cash flows for a financial institution. However, there is no consensus on the classification of these cash flows for other entities. Interest paid and interest and dividends received may be classified as operating cash flows because they enter into the determination of net operating result. Alternatively, interest paid and interest and dividends received may be classified as financing cash flows and investing cash flows respectively, because they are costs of obtaining financial resources or returns on investments.

**AASB107.34**

Dividends paid shall be classified as a financing cash flow because they are a cost of obtaining financial resources.

**Income taxes****AASB107.35**

Cash flows arising from income taxes shall be separately disclosed and shall be classified as cash flows from operating activities unless they can be specifically identified with financing and investing activities.

**AASB107.36**

Taxes on income arise on transactions that give rise to cash flows that are classified as operating, investing or financing activities in a statement of cash flows. While tax expense may be readily identifiable with investing or financing activities, the related tax cash flows are often impracticable to identify and may arise in a different period from the cash flows of the underlying transaction. Therefore, taxes paid are usually classified as cash flows from operating activities. However, when it is practicable to identify the tax cash flow with an individual transaction that gives rise to cash flows that are classified as investing or financing activities the tax cash flow is classified as an investing or financing activity as appropriate. When tax cash flows are allocated over more than one class of activity, the total amount of taxes paid is disclosed.

**Effects of exchange rate changes****AASB107.28**

Unrealised gains and losses arising from changes in foreign currency exchange rates are not cash flows. However, the effect of exchange rate changes on cash and cash equivalents held or due in a foreign currency is reported in the statement of cash flows in order to reconcile cash and cash equivalents at the beginning and the end of the period. This amount is presented separately from cash flows from operating, investing and financing activities and includes the differences, if any, had those cash flows been reported at end of period exchange rates.

**Nil cash flows**

Where there are no cash flows (and no cash equivalents), ASIC believes it is necessary to include a statement of cash flows showing nil cash flows.

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## ***Commentary - Contents of the notes to the financial statements***

### **Content**

#### ***AASB101.112***

The notes to the financial statements of an entity shall:

- (a) present information about the basis of preparation of the financial statements and the specific accounting policies used in accordance with AASB101.117-124;
- (b) disclose the information required by Australian Accounting Standards that is not presented elsewhere in the financial statements; and
- (c) provide information that is not presented elsewhere, but is relevant to an understanding of any of them.

#### ***Education***

Mandatory notes have been marked MANDATORY with the mandatory line-items shaded. HEPs are not required to present nil or immaterial balances.

### **Systematic structure**

#### ***AASB101.113***

Notes shall, as far as practicable, be presented in a systematic manner. An entity shall cross-reference each item in the statements of financial position and of comprehensive income, in the separate income statement (if presented), and in the statements of changes in equity and of cash flows to any related information in the notes.

#### ***AASB101.114***

Notes are normally presented in the following order, to assist users to understand the financial statements and compare them with financial statements of other entities:

#### ***AASB101.16***

- (a) statement of compliance with International Financial Reporting Standards (IFRS);
- (b) summary of significant accounting policies;
- (c) supporting information for items presented in the statements of financial position and of comprehensive income, in the separate income statement (if presented), and in the statements of changes in equity and of cash flows, in the order in which each statement and each line item is presented; and
- (d) other disclosures including:
  - i) contingent liabilities and unrecognised contractual commitments; and
  - ii) non-financial disclosures; for example, the entity's financial risk management objectives and policies.

## ***Note 1. Summary of significant accounting policies***

### ***AASB101.10e, Mandatory.***

The principal accounting policies adopted in the preparation of these financial statements is set out below. These policies have been consistently applied for all years reported unless otherwise stated. The financial statements include separate statements for [HEP] as the parent entity and the consolidated entity consisting of [HEP] and its subsidiaries.

### ***AASB101.138a***

The principal address of [HEP] is:

## **(a) Basis of preparation**

### ***AASB1054.7***

The annual financial statements represent the audited general purpose financial statements of [HEP]. They have been prepared on an accrual basis and comply with the Australian Accounting Standards.

### ***AASB1053***

[HEP] applies Tier 1 reporting requirements.

### ***AASB1054.8a***

Additionally the statements have been prepared in accordance with following statutory requirements:

- *Higher Education Support Act 2003* (Financial Statement Guidelines)
- [specify state/territory financial management legislation, eg FMA Act]

### ***AASB1054.8b***

### ***AASB101.16***

[HEP] is a not-for-profit entity and these statements have been prepared on that basis. Some of the Australian Accounting Standards requirements for not-for-profit entities are inconsistent with the IFRS requirements.

## **Date of authorisation for issue**

### ***AASB110.17***

The financial statements were authorised for issue by the Board members of [HEP] on [date].

## **Historical cost convention**

### ***AASB101.117a***

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, financial assets and liabilities (including derivative instruments) at fair value through profit or loss, certain classes of property, plant and equipment and investment property.

## **Critical accounting estimates**

### ***AASB101.122,125***

The preparation of financial statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying [HEP]'s accounting policies. The estimates and underlying assumptions are reviewed on an ongoing basis. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed below:

[Describe critical estimates, assumptions and judgements made by management].

## **(b) Basis of consolidation**

### **(i) Subsidiaries**

#### **AASB127.4**

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of [HEP] ("parent entity") as at 31 December 2014 and the results of all subsidiaries for the year then ended. [HEP] and its subsidiaries together are referred to in this financial report as the Group or the consolidated entity.

#### **AASB10.6,7,10,15**

Subsidiaries are all those entities (including structured entities) over which the Group has control. The Group has control over an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Power over the investee exists when the Group has existing rights that give it current ability to direct the relevant activities of the investee. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Returns are not necessarily monetary and can be only positive, only negative, or both positive and negative.

#### **AASB10.20**

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

#### **AASB3.4**

The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group.

#### **AASB10.B86**

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

#### **AASB10.22**

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of comprehensive income, statement of financial position and statement of changes in equity respectively.

### **(ii) Associates**

#### **AASB128.11,13,35**

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for in the parent entity financial statements using the cost method and in the consolidated financial statements using the equity method of accounting, after initially being recognised at cost. The Group's investment in associates includes goodwill (net of any accumulated impairment loss) identified on acquisition (refer to note 24).

#### **AASB128.11**

The Group's share of its associates' post-acquisition profits or losses is recognised in the income statement, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Dividends receivable from associates are recognised in the parent entity's income statement, while in the consolidated financial statements they reduce the carrying amount of the investment.

### **AASB128.29,30**

When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

### **(iii) Joint arrangements**

#### ***Joint operations***

The HEPs share of assets, liabilities, revenue and expenses of a joint operation have been incorporated in the financial statements under the appropriate headings. Details of the joint operation are set out in note 45.

#### ***Joint ventures***

The interest in a joint venture entity is accounted for in the consolidated financial statements using the equity method and is carried at cost by the parent entity. Under the equity method, the share of the profits or losses of the entity is recognised in the income statement, and the share of movements in reserves is recognised in reserves in the statement of comprehensive income and the statement of changes in equity. Details relating to the entity are set out in note 24.

## **(c) Foreign currency translation**

### **AASB101.51D**

#### **(i) Functional and presentation currency**

##### **AASB121.9,17,18**

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Australian dollars, which is [HEP]'s functional and presentation currency.

#### **(ii) Transactions and balances**

##### **AASB121.21,28,32**

##### **AASB139.95,102**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement. Qualifying cash flow hedges and qualifying net investment hedges in a foreign operation shall be accounted for by recognising the portion of the gain or loss determined to be an effective hedge in other comprehensive income and the ineffective portion in profit or loss.

##### **AASB121.30**

If gains or losses on non-monetary items are recognised in other comprehensive income, translation gains or losses are also recognised in other comprehensive income. Similarly, if gains or losses on non-monetary items are recognised in profit or loss, translation gains or losses are also recognised in profit or loss.

#### **(iii) Group companies**

##### **AASB121.39**

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

##### **AASB121.39**

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the end of the reporting period;

- income and expenses for each income statement are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised as a separate component of equity.

**AASB139.102**

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are accounted for by recognising the effective portion in other comprehensive income and the ineffective portion in the income statement. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the gain or loss relating to the effective portion of the hedge that has been recognised in other comprehensive income is reclassified from equity to the income statement as a reclassification adjustment.

**AASB121.47**

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

**(d) Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances rebates and amounts collected on behalf of third parties.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Group and specific criteria have been met for each of the Group's activities as described below. In some cases this may not be probable until consideration is received or an uncertainty is removed. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue is recognised for the major business activities as follows:

**(i) Government grants**

**AASB118.35a**

**AASB1004.8,9**

Grants from the government are recognised at their fair value where the Group obtains control of the right to receive the grant, it is probable that economic benefits will flow to the Group and it can be reliably measured.

**(ii) HELP payments**

Revenue from HELP is categorised into those received from the Australian Government and those received directly from students. Revenue is recognised and measured in accordance with the above disclosure.

**(iii) Student fees and charges**

**AASB118.35a**

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

#### **(iv) Royalties, trademarks and licences**

##### **AASB117.39**

Revenue from royalties, trademarks and licences is recognised as income when earned.

#### **(v) Consultancy and Contracts/ Fee for Service**

##### **AASB118.35a**

Contract revenue is recognised in accordance with the percentage of completion method. The stage of completion is measured by reference to labour hours incurred to date as a percentage of estimated total labour hours for each contract.

Other human resources revenue is recognised when the service is provided.

#### **(vi) Other revenue**

##### **AASB117.39**

[Insert accounting policy here]

#### **(e) Income tax**

##### **AASB112.46**

The income tax expense or income for the period is the tax payable/receivable on the current period's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

##### **AASB112.15,24,47**

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction (other than a business combination) that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

##### **AASB112.24,34**

Deferred tax assets are recognised for deductible temporary differences and unused tax losses, only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

##### **AASB112.39,44**

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

##### **AASB112.71,74**

Current and deferred tax assets and liabilities relating to the same taxation authority are offset when there is a legally enforceable right to offset current tax assets and liabilities and they are intended to be either settled on a net basis, or the asset is to be realised and the liability settled simultaneously.

##### **AASB112.61**

Current and deferred tax balances attributable to amounts recognised outside profit or loss are also recognised outside profit or loss.

#### **Tax consolidation legislation**

[Describe if applicable]

## **(f) Leases**

### ***AASB117.20,25***

Leases of property, plant and equipment where the Group, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the lower of the fair value of the leased property and the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other short-term and long-term payables. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases are depreciated over the shorter of the asset's useful life and the lease term.

### ***AASB117.33***

### ***UIG115.5***

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases (note 41). Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis, over the period of the lease.

## **(g) Business combinations**

### ***AASB3.4,5,10,19,53***

### ***AASB138.36***

The acquisition method shall be applied to account for each business combination; this does not include a combination of entities or businesses under common control, the formation of a joint venture, or the acquisition of an asset or a group of assets. The acquisition method requires identification of the acquirer, determining the acquisition date and recognising and measuring the identifiable assets acquired, liabilities assumed, any goodwill or gain from a bargain purchase and any non-controlling interest in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation. Identifiable assets acquired, liabilities assumed and any non-controlling interest in the acquiree shall be recognised separately from goodwill as of the acquisition date. Intangible assets acquired in a business combination are recognised separately from goodwill if they are separable, but only together with a related contract, identifiable asset or liability. Acquisition related costs are expensed in the periods in which they are incurred with the exception of costs to issue debt or equity securities, which are recognised in accordance with AASB132 and AASB139.

### ***AASB3.10,18,19,23,32,33,36***

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Measurement of any non-controlling interest in the acquiree is at fair value or the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets. All other components of non-controlling interests shall be measured at their acquisition-date fair values, unless another measurement basis is required by Australian Accounting Standards. Contingent liabilities assumed are recognised as part of the acquisition if there is a present obligation arising from past events and the fair value can be reliably measured. The excess at the acquisition date of the aggregate of the consideration transferred, the amount of any non-controlling interest and any previously held equity interest in the acquiree, over the net amounts of identifiable assets acquired and liabilities assumed is recognised as goodwill (refer to note 1(q)). If the cost of acquisition is less than the fair value of the identifiable net assets of the subsidiary acquired, the difference is recognised directly in the income statement of the acquirer, but only after a reassessment of the identification and measurement of the net assets acquired.

### **AASB3.37,41,42**

Consideration transferred in a business combination shall be measured at fair value. Where the business combination is achieved in stages, the acquirer shall remeasure previously held equity interest in the acquiree at its acquisition date fair value and recognise the resulting gain or loss in profit or loss.

## **(h) Impairment of assets**

### **AASB136.9,10,58,65**

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows which are largely independent of the cash inflows from other assets or groups of assets (cash generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

## **(i) Cash and cash equivalents**

### **AASB107.6,8,46**

For statement of cash flows presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

## **(j) Trade receivables**

### **AASB7.21**

### **AASB139.46a**

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Trade receivables are due for settlement no more than 120 days from the date of recognition for land development and resale debtors, and no more than 30 days for other debtors.

### **AASB139.59**

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for impairment of receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. Cash flows relating to short-term receivable are not discounted if the effect of discounting is immaterial. The amount of the provision is recognised in the income statement.

## **(k) Inventories**

### **(i) Raw materials and stores, work in progress and finished goods**

### **AASB102.9,10,25, 36a**

Raw materials and stores, work in progress and finished goods are stated at the lower of cost and net realisable value. Cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Costs are



assigned to individual items of inventory on the basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

## **(ii) Inventories held for distribution**

### ***AASB102.Aus8.1, Aus8.2***

[HEP] holds inventories for distribution in the future for no or nominal consideration. The future economic benefit or service potential of the inventory is reflected by the amount [HEP] would need to pay to acquire the economic benefit or service potential if it were necessary to achieve [HEP]'s objectives. Where the economic benefit or service potential cannot be acquired in a market, the replacement cost is estimated. If the purpose of the inventory changes it will be measured as per (i) above.

## **(iii) Construction work in progress**

### ***AASB111.43,44***

Construction work in progress is stated at the aggregate of contract costs incurred to date plus recognised profits less recognised losses and progress billings. If there are contracts where progress billings exceed the aggregate costs incurred plus profits less losses, the net amounts are presented under other liabilities.

### ***AASB111.16***

Contract costs include all costs directly related to specific contracts, costs that are specifically chargeable to the customer under the terms of the contract and costs that are attributable to contract activity in general and can be allocated to the contract.

## **(l) Non-current assets (or disposal groups) held for sale and discontinued operations**

### ***AASB5.6,15***

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 of disposal if their carrying amount will be recovered principally through a sale transaction rather than through continuing use.

### ***AASB5.20-22***

An impairment loss is recognised for any initial or subsequent write down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of derecognition.

### ***AASB5.25***

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

### ***AASB5.38***

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the statement of financial position. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the statement of financial position.

## **(m) Investments and other financial assets (see Appendix 1 if early adopting AASB9)**

### **Classification**

#### **AASB7.21**

#### **AASB139.45**

The Group classifies its investments in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluates this designation at each reporting date.

#### ***(i) Financial assets at fair value through profit or loss***

#### **AASB139.9,45**

Financial assets at fair value through profit or loss include financial assets held for trading. A financial asset is classified in this category if it is acquired principally for the purpose of selling in the short term. Derivatives are classified as held for trading unless they are designated as hedges. Assets in this category are classified as current assets.

#### ***(ii) Loans and receivables***

#### **AASB139.9**

Loans and receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the end of the reporting period which are classified as non-current assets. Loans and receivables are included in receivables in the statement of financial position.

#### ***(iii) Held-to-maturity investments***

#### **AASB139.9**

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity.

#### ***(iv) Available-for-sale financial assets***

#### **AASB139.9**

Available-for-sale financial assets, comprising principally marketable equity securities, 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 end of the reporting period.

#### **AASB139.38,43**

#### **AASB7.B5c**

Regular purchases and sales of financial assets are recognised on trade date - the date on which the Group 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 carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the income statement. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

#### **AASB139.46,55a,b**

When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in other comprehensive income are included in the income statement as gains and losses from investment securities.

## **Subsequent measurement**

### ***AASB139.46,47***

Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method. Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are included in the income statement within other income or other expenses in the period in which they arise.

Changes in the fair value of a monetary security denominated in a foreign currency and classified as available-for-sale are analysed between translation differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security (other than interest). The translation differences related to changes in the amortised cost are recognised in profit or loss, and other changes in carrying amount (other than interest) are recognised in equity. Changes in the fair value of other monetary and non-monetary securities classified as available-for-sale are recognised in equity.

## **Fair value**

### ***AASB13.61,62***

The fair values of investments and other financial assets are based on quoted prices in an active market. If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value by using valuation techniques, that maximise the use of relevant data. These include reference to the estimated price in an orderly transaction that would take place between market participants at the measurement date. Other valuation techniques used are the cost approach and the income approach based on the characteristics of the asset and the assumptions made by market participants.

## **Impairment**

### ***AASB139.58,63,67-70***

The Group 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 or 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.

## **(n) Derivatives**

### ***AASB139.88***

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates certain derivatives as either; (1) hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge); or (2) hedges of highly probable forecast transactions (cash flow hedges).

### **(i) Fair value hedge**

#### ***AASB139.89***

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the income statement, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

## **(ii) Cash flow hedge**

### ***AASB139.95***

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in the income statement within other income or other expense.

### ***AASB139.100***

Amounts that have been recognised in other comprehensive income are reclassified from equity to profit or loss as a reclassification adjustment in the periods when the hedged item affects profit or loss (for instance when the forecast sale that is hedged takes place). The gain or loss relating to the effective portion of interest rate swaps hedging variable rate borrowings is recognised in the income statement within 'borrowing costs'. The gain or loss relating to the effective portion of forward foreign exchange contracts hedging export sales is recognised in the income statement within 'sales'.

### ***AASB139.98***

However, when the forecast cash flow that is hedged results in the recognition of a non-financial asset (for example, inventory or fixed assets) the gains and losses previously recognised in other comprehensive income are either reclassified as a reclassification adjustment to the income statement or are included in the initial measurement of the cost of the asset. The deferred amounts are ultimately recognised in profit or loss as cost of goods sold in the case of inventory, or as depreciation in the case of fixed assets.

### ***AASB139.101***

When a hedging instrument expires or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss that has been recognised in other comprehensive income from the period when the hedge was effective shall remain separately in equity until the forecast transaction occurs. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was recognised in other comprehensive income shall be reclassified to profit or loss as a reclassification adjustment.

## **(iii) Derivatives that do not qualify for hedge accounting**

### ***AASB139.55a***

Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognised immediately in the income statement and are included in other income or other expenses.

## **(o) Fair value measurement**

### ***AASB13***

The fair value of assets and liabilities must be measured for recognition and disclosure purposes.

### ***AASB13.72***

The Group classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements.

### ***AASB13.70***

The fair value of assets or liabilities traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices for identical assets or liabilities at the end of the reporting period (level 1). The quoted market price used for assets held by the Group is the most representative of fair value in the circumstances within the bid-ask spread.

The fair value of assets or liabilities that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments (level 2) are used for long-term debt instruments held. Other

techniques that are not based on observable market data (level 3), such as estimated discounted cash flows, are used to determine fair value for the remaining assets and liabilities. The fair value of interest-rate swaps is calculated as the present value of the estimated future cash flows. The fair value of forward exchange contracts is determined using forward exchange market rates at the end of the reporting period. The level in the fair value hierarchy is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety.

**AASB13.27**

Fair value measurement of non-financial assets is based on the highest and best use of the asset. The Group considers market participants use of, or purchase of the asset, to use it in a manner that would be highest and best use.

**AASB7.29a**

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short-term nature. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

The Department encourages the application of the fair value method for depreciating assets.

## **(p) Property, plant and equipment**

**AASB116.73a**

**AASB116.35b**

**AASB116.17**

**AASB139.98b**

Land and buildings (except for investment properties – refer to note 1(aa)) are shown at fair value, based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. All other property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include gains or losses that were recognised in other comprehensive income on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment. [Amend disclosures as required]

**AASB116.12**

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 Group 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.

**AASB116.39**

Increases in the carrying amounts arising on revaluation of land and buildings are recognised, net of tax, in other comprehensive income and accumulated in equity under the heading of revaluation surplus. To the extent that the increase reverses a decrease previously recognised in profit or loss, the increase is first recognised in profit or loss. Decreases that reverse previous increases of the same asset class are also recognised in other comprehensive income to the extent of the remaining reserve attributable to the asset class. All other decreases are charged to the income statement.

**AASB116.50,73b**

Land is not depreciated. Depreciation on other assets is calculated using the straight line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives, as follows:

**AASB116.73c**

Depreciable assets	2014	2013
Buildings	25-40 years	25-40 years
Machinery	10-15 years	10-15 years
Vehicles	3-5 years	3-5 years
Furniture, fittings and equipment	3-8 years	3-8 years
[Specify]	x-x years	x -x years

**AASB116.51**

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

**AASB136.59**

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

**(q) Repairs and Maintenance**

Repairs and maintenance costs are recognised as expenses as incurred, except where they relate to the replacement of a component of an asset, in which case, the costs are capitalised and depreciated. Other routine operating maintenance, repair and minor renewal costs are also recognised as expenses, as incurred.

**(r) Intangible Assets****(i) Research****AASB138.8,54**

Expenditure on research activities is recognised in the income statement as an expense, when it is incurred.

**(ii) Development****AASB138.8,54**

[Specify accounting policy for recognition of development expenditure]

**(iii) Goodwill****AASB3.32,33,54**

Goodwill represents the excess of the aggregate of the fair value measurement of the consideration transferred in an acquisition, the amount of any non-controlling interest and any previously held equity interest in the acquiree, over the fair value of the Group's share of the net identifiable assets of the acquiree at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisitions of associates is included in investments in associates. Goodwill is not amortised, instead it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

**(iv) Trademarks and licences****AASB138.74,97,118a-b**

Trademarks and licences have a finite useful life and are carried at cost less accumulated amortisation and impairment losses. Amortisation is calculated using the straight-line method to allocate the cost of trademarks and licences over their estimated useful lives, which vary from 3-5 years.

## **(s) Trade and other payables**

### **AASB7.21**

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year, which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

## **(t) Borrowings**

### **AASB132.43,47**

#### **AASB7.21**

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the income statement over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities, which are not an incremental cost relating to the actual draw-down of the facility, are recognised as prepayments and amortised on a straight-line basis over the term of the facility.

### **AASB132.18**

#### **AASB7.21**

Preference shares, which are mandatorily redeemable on a specific date, are classified as liabilities. The dividends paid on these preference shares are recognised in the income statement as borrowing costs.

### **AASB132.18,**

#### **28,AG31a**

The fair value of the liability portion of a convertible bond is determined using a market interest rate for an equivalent non-convertible bond. This amount is recorded as a liability on an amortised cost basis until extinguished on conversion or maturity of the bonds. The remainder of the proceeds is allocated to the conversion option. This is recognised and included in shareholders' equity, net of income tax effects.

### **AASB139.39, 41**

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in other income or other expenses.

### **AASB101.69, 73**

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period and does not expect to settle the liability for at least 12 months after the end of the reporting period.

## **(u) Borrowing costs**

### **AASB123**

Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed. [Amend disclosures as required]

Finance charges in respect of finance leases, and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs are included in the definition of borrowing costs.

## **(v) Provisions**

### ***AASB137.14,24,63***

Provisions for legal claims and service warranties are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

### ***AASB137.36,45,47,60***

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as a finance cost.

## **(w) Employee benefits**

### **(i) Short-term obligations**

#### ***AASB119.10,11,13***

Liabilities for short-term employee benefits including wages and salaries, non-monetary benefits and profit-sharing bonuses are measured at the amount expected to be paid when the liability is settled, if it is expected to be settled wholly before twelve months after the end of the reporting period, and is recognised in other payables. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates payable.

### **(ii) Other long-term obligations**

#### ***AASB119.153,154***

The liability for other long-term benefits are those that are not expected to be settled wholly before twelve months after the end of the annual reporting period. Other long-term employee benefits include such things as annual leave, accumulating sick leave and long service leave liabilities.

#### ***AASB119.155,156***

It is measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows

#### ***AASB101.69d***

Regardless of the expected timing of settlements, provisions made in respect of employee benefits are classified as a current liability, unless there is an unconditional right to defer the settlement of the liability for at least twelve months after the reporting date, in which case it would be classified as a non-current liability.

### **(iii) Profit-sharing and bonus plans [omit if not applicable]**

#### ***AASB119.19***

The Group recognises a liability and an expense for bonuses and profit-sharing based on a formula that takes into consideration the profit attributable to the company's shareholders after certain adjustments. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation and when a reliable estimate of the obligation can be made.



#### **(iv) Retirement benefit obligations**

##### ***AASB119.120Ab,121***

All employees of the Group are entitled to benefits on retirement, disability or death from the Group's superannuation plan. The Group has a defined benefit section and a defined contribution section within its plan. The defined benefit section provides defined lump sum benefits based on years of service and final average salary. The defined contribution section receives fixed contributions from Group companies and the Group's legal or constructive obligation is limited to these contributions. The employees of the parent entity are all members of the defined contribution section of the Group's plan.

##### ***AASB119.63,67***

A liability or asset in respect of defined benefit superannuation plans is recognised in the statement of financial position, and is measured as the present value of the defined benefit obligation at the reporting date less the fair value of the superannuation fund's assets at that date. The present value of the defined benefit obligation is based on expected future payments which arise from membership of the fund to the reporting date, calculated annually by independent actuaries using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service.

##### ***AASB119.83,Aus83.1***

Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

##### ***AASB119.135b***

##### ***AASB119.120c***

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the statement of financial position.

##### ***AASB119.103***

Past service costs are recognised in profit or loss immediately.

##### ***AASB119.51b***

Contributions to the defined contribution section of [HEP]'s superannuation fund and other independent defined contribution superannuation funds are recognised as an expense as they become payable.

#### **(v) Deferred government benefit for superannuation**

##### ***Education***

In accordance with the 1998 instructions issued by the Department of Education, Training and Youth Affairs (DETYA) now known as the Department of Education (Education), the effects of the unfunded superannuation liabilities of [HEP] and its controlled entities were recorded in the Income Statement and the Statement of Financial Position for the first time in 1998. The prior years' practice had been to disclose liabilities by way of a note to the financial statements.

The unfunded liabilities recorded in the Statement of Financial Position under Provisions have been determined by [actuary] and relate to [describe]. [Describe methodology of measurement by actuary]

Deferred government benefits for superannuation are the amounts recognised as reimbursement rights as they are the amounts expected to be received from the Australian Government for the emerging costs of the superannuation funds for the life of the liability.

Note 52 discloses specific treatment.

## **(vi) Termination benefits**

### ***AASB119.159,165,169***

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts an offer of benefits in exchange for the termination of employment. The Group recognises the expense and liability for termination benefits either when it can no longer withdraw the offer of those benefits or when it has recognised costs for restructuring within the scope of AASB137 that involves the payment of termination benefits. The expense and liability are recognised when the Group is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy.

Termination benefits are measured on initial recognition and subsequent changes are measured and recognised in accordance with the nature of the employee benefit. Benefits expected to be settled wholly within twelve months are measured at the undiscounted amount expected to be paid. Benefits not expected to be settled before twelve months after the end of the reporting period are discounted to present value.

## **(x) Rounding of amounts**

### ***AASB101.51e***

Amounts in the financial statements have been rounded off in accordance with Class Order 98/100 as amended by Class Order 04/667 issued by the Australian Securities and Investment Commission (ASIC), relating to the 'rounding off' of amounts in the financial statements. Amounts have been rounded off to the nearest thousand dollars.

## **(y) Web site costs**

### ***UIG132.8***

### ***AASB138.21,57,69***

Costs in relation to web sites controlled by a subsidiary arising from development are recognised as an intangible asset if, and only if, in addition to complying with the general requirements described in AASB138.21 for recognition and initial measurement, the subsidiary can satisfy the requirements in AASB138.57. When these criteria cannot be satisfied, all expenditure on developing such a web site shall be recognised as an expense when incurred. Expenditure on start-up activities is recognised as an expense when incurred.

## **(z) Goods and Services Tax (GST)**

### ***UIG1031.6,7***

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case, it is recognised as part of the cost of acquisition of the asset or as part of the expense.

### ***UIG1031.8,9***

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the statement of financial position.

### ***UIG1031.10,11***

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

## **(aa) Investment properties**

### ***AASB140.Aus9.1***

[Include as appropriate]

Investment properties exclude properties held to meet service delivery objectives of [HEP].

### ***AASB140.Aus20.1***

Investment properties are initially recognised at cost. Costs incurred subsequent to initial acquisition are capitalised when it is probable that future economic benefits in excess of the originally assessed performance of the asset will flow to [HEP]. 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.

### ***AASB140.75a,75d***

### ***AASB13.91a,93d***

Subsequent to initial recognition at cost, investment property is carried at fair value, which is based on active market prices of similar properties, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If this information is not available, the Group uses alternative valuation methods such as recent prices in less active markets or discounted cash flow projections. These valuations are reviewed annually by a member of the Australian Property Institute. Changes in fair values are recorded in the income statement as part of the other income.

### ***AASB140.75f***

### ***AASB117.50***

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

## **(ab) Comparative amounts**

Where necessary, comparative information has been reclassified to enhance comparability in respect of changes in presentation adopted in the current year.

## **(ac) Financial guarantee contracts**

### ***AASB139.47c***

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of the amount determined in accordance with *AASB137 Provisions, Contingent Liabilities and Contingent Assets* and the amount initially recognised less cumulative amortisation, where appropriate.

The fair value of financial guarantees is determined as the present value of the difference in net cash flows between the contractual payments under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

Where guarantees in relation to loans or other payables of subsidiaries or associates are provided for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of the investment.

## **(ad) Correction of prior period errors**

### **(a) Correction of error in the previous reporting period**

### ***AASB108.49a,49c***

[Insert details]

**(b) Revision of estimates**

***AASB108.39***

[Insert details]

## (ae) New Accounting Standards and Interpretations

Certain new Accounting Standards and Interpretations have been published that are not mandatory for 31 December 2014 reporting periods. [HEP]'s assessment of the impact of these new Standards and Interpretations is set out below:

Standard	Application date	Implications
2010-7	1 Jan 2018	Not assessed
2014-1	various	Not assessed
2014-3	1 Jan 2016 (early adoption permitted)	Not assessed
2014-4	1 Jan 2016 (early adoption permitted)	Not assessed
[Specify]	[Specify]	[Specify]

## Commentary - Summary of significant accounting policies

### *Education*

Each HEP is to include or exclude specific accounting policies as it sees fit, bearing in mind information needs of users

### **Summary of accounting policies**

#### *Contents*

A summary of significant accounting policies must include:

#### **AASB101.117a**

(a) the measurement basis (or bases) used in preparing the financial report; and

#### **AASB101.117b**

(b) the other accounting policies used that are relevant to an understanding of the financial report.

### *Whether to disclose an accounting policy*

#### **AASB101.119**

In deciding whether a particular accounting policy should be disclosed, management considers whether disclosure would assist users in understanding how transactions, other events and conditions are reflected in the reported financial performance and financial position. Disclosure of particular accounting policies is especially useful to users when those policies are selected from alternatives allowed in Australian Accounting Standards. Some Australian Accounting Standards specifically require disclosure of particular accounting policies, including choices made by management between different policies they allow. For example, AASB116 *Property, Plant and Equipment* requires disclosure of measurement bases used for classes of property, plant and equipment. AASB123 *Borrowing Costs* requires disclosure of whether borrowing costs are recognised immediately as an expense or capitalised as part of the cost of qualifying assets.

### **(a) Basis of preparation**

#### ***Compliance with Australian Accounting Standards and IFRS***

#### **AASB1054.7**

When the financial statements comply with the Australian Accounting Standards, the entity shall make an explicit and unreserved statement of such compliance.

#### **AASB1048.9,11**

Compliance with Australian Interpretations is required by AASB1048 Interpretation and Application of Accounting Standards.

### **AASB101.16**

An entity whose financial statements and notes comply with IFRS shall make an explicit and unreserved statement of such compliance in the notes. The financial statements and notes shall not be described as complying with IFRS unless they comply with all the requirements of IFRS.

However, a not-for-profit entity is unable to make a statement of explicit and unreserved compliance with IFRS if the entity has applied the not-for-profit provisions of the Australian Accounting Standards that are in some cases inconsistent with IFRS.

### **AASB101.Aust16.3**

For example AASB1004 is inconsistent with IFRS and as all HEPs are required to adopt AASB1004, these statements will not comply with IFRS. Additionally, not-for-profit entities are generally excluded from the requirement to make the explicit statement of compliance with IFRS.

### ***Accrual basis of accounting***

#### **AASB101.27**

An entity shall prepare its financial report, except for cash flow information, using the accrual basis of accounting.

### ***Where compliance with an Australian Accounting Standard is misleading***

#### **AASB101.23**

In the extremely rare circumstances in which management concludes that compliance with a requirement in an Australian Accounting Standard would be so misleading that it would conflict with the objective of financial reports set out in the Framework, the entity shall, to the maximum extent possible, reduce the perceived misleading aspects of compliance by disclosing:

- (a) the title of the Australian Accounting Standard in question, the nature of the requirement, and the reason why management has concluded that complying with that requirement is so misleading in the circumstances that it conflicts with the objective of financial reports set out in the Framework; and
- (b) for each period presented, the adjustments to each item in the financial reports that management has concluded would be necessary to achieve a fair presentation.

### ***Critical accounting estimates***

#### ***Significant judgements***

#### **AASB101.122**

An entity shall disclose, in the summary of significant accounting policies or other notes, the judgements, apart from those involving estimations (refer to 'Key sources of estimation uncertainty' paragraph below), management has made in the process of applying the HEP's accounting policies that have the most significant effect on the amounts recognised in the financial report.

#### **AASB101.123**

In the process of applying the HEP's accounting policies, management makes various judgements, apart from those involving estimations, that can significantly affect the amounts recognised in the financial report. For example, management makes judgements in determining:

- (a) whether financial assets are held-to-maturity investments;
- (b) when substantially all the significant risks and rewards of ownership of financial assets and leased assets are transferred to other entities;
- (c) whether, in substance, particular sales of goods are financing arrangements and therefore do not give rise to revenue; and
- (d) whether the substance of the relationship between the entity and a structured entity indicates that the structured entity is controlled by the entity.

### ***Key sources of estimation uncertainty***

#### ***AASB101.125***

The HEP shall disclose in the notes information about the key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next annual reporting period. In respect of those assets and liabilities, the notes shall include details of:

- (a) their nature; and
- (b) their carrying amount as at the reporting date.

### **(b) Basis of consolidation**

#### ***AASB127.10***

#### ***AASB128.26***

Consistent accounting policies must be employed in the preparation and presentation of consolidated financial statements. Adjustments to achieve consistency must be made where the accounting policies adopted by entities within the consolidated entity are dissimilar (such as the differences between profit and not-for-profit entities) and are not required by another accounting standard.

### **(d) Revenue recognition**

#### ***AASB118.8, App.21***

Revenue includes only gross inflows of economic benefits. Where an arrangement exists with another entity which result in the HEP not having exposure to the significant risks and rewards of the transaction, the gross economic inflow would likely be the commission or some other predetermined amount rather than the total inflow.

### **(f) Leases**

#### ***Arrangements involving the legal form of a lease***

#### ***UIG127.4,10***

The accounting for an arrangement in the legal form of a lease must reflect the substance of the arrangement. All aspects and implications of the arrangement must be evaluated to determine its substance, with weight given to those aspects and implications that have an economic effect. All aspects of an arrangement that does not, in substance, involve a lease under AASB117 *Leases* must be considered in determining the appropriate disclosures that are necessary to understand the arrangement and the accounting treatment adopted. The following must be disclosed in each period that an arrangement exists:

- (a) a description of the arrangement including:
  - i) the underlying asset and any restrictions on its use
  - ii) the life and other significant terms of the arrangement
  - iii) the transactions that are linked together, including any options, and
- (b) the accounting treatment applied to any fee received, the amount recognised as revenue in the period, and the line item of the income statement in which it is included.

#### ***UIG127.11***

The disclosures required must be provided individually for each arrangement or in aggregate for each class of arrangement. A class is a grouping of arrangements with underlying assets of a similar nature (eg power plants).

#### ***Lease incentives***

#### ***UIG115.3***

All incentives for the agreement of a new or renewed operating lease shall be recognised as an integral part of the net consideration agreed for the use of the leased asset, irrespective of the incentive's nature or form or the timing of payments.

#### **UIG115.4**

The lessor shall recognise the aggregate cost of incentives as a reduction in rental income over the lease term, on a straight-line basis unless another systematic basis is representative of the time pattern over which the benefit of the leased asset is diminished.

#### **UIG115.5**

The lessee shall recognise the aggregate benefit of incentives as a reduction of rental expense over the lease term, on a straight line basis unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

#### **UIG115.6**

Costs incurred by the lessee, including those in connection with a pre-existing lease (for example costs for termination, relocation or leasehold improvements), shall be accounted for by the lessee in accordance with Australian Accounting Standards applicable to those costs, including costs which are effectively reimbursed through an incentive arrangement.

### **(m) Financial assets**

#### **AASB139.50**

#### **AASB7.12**

In rare circumstances it may be possible to reclassify a financial asset from one category to another in accordance with AASB139 Paragraphs 50, 50B – 50F, and AG8. The appropriate disclosures for any reclassification are outlined in AASB7.

### **(p) Property, plant and equipment**

#### **AASB116.3**

AASB116 Property, Plant and Equipment prescribes the accounting treatment for property, plant and equipment. AASB116 does not apply to:

- (a) property, plant and equipment classified as held for sale in accordance with AASB5 *Non-current Assets Held for Sale and Discontinued Operations*;
- (b) biological assets related to agricultural activity (refer to AASB141 *Agriculture*);
- (c) the recognition and measurement of exploration and evaluation assets (refer to AASB6 *Exploration for and Evaluation of Mineral Resources*); or
- (d) mineral rights and mineral reserves such as oil, natural gas and similar non-regenerative resources.

However, the Standard applies to property, plant and equipment used to develop or maintain the assets described in (b)-(d).

#### **Revalued amounts as deemed cost**

Where an entity elected to revert to a cost basis for measuring a class of non-current assets on first applying AASB116 and chose to deem the existing carrying amounts to be their cost, the entity may want to continue to make it clear that cost includes deemed cost for the relevant non-current assets at the date of the change in accounting policy.

#### **Revaluations**

Refer to the commentary on non-current assets - property, plant and equipment (note 26) for further comments on revaluations of non-current assets.

### **(q) Intangible assets with indefinite lives**

The intangible assets (other than goodwill) in a HEP have finite lives. An example accounting policy note for an intangible asset with an indefinite life is set out below.

The trademark used to identify and distinguish [product name] has a remaining legal life of five years but is renewable every ten years at little cost and is well established. The Group intends to renew the trademark continuously and evidence supports its ability to do so. An analysis of product life cycle studies and market and competitive trends provides evidence that the product will generate net cash inflows for the Group for



an indefinite period. Therefore, the trademark is carried at cost without amortisation, but is tested for impairment in accordance with note 1(h).

### **(u) Borrowing costs**

#### ***AASB123.8,Aus8.1***

AASB123 *Borrowing Costs* permits borrowing costs for not-for-profit entities to be either:

- (a) expensed as incurred, regardless of how the borrowings are applied: or
- (b) expensed as incurred except where they are directly attributable to the acquisition, construction or production of a qualifying asset, in which case, they are capitalised as part of the cost of that asset.

#### ***AASB123.Aus26.1***

The sample disclosure is based on the second and the Department of Educations preferred option of capitalising borrowing costs when they are directly attributable to acquisition, construction or production of a qualifying asset. Whether the policy is to expense borrowing costs as they are incurred or to capitalise them, the adopted accounting policy must be disclosed by not-for profit entities.

### **(w) Employee benefits**

#### ***Measurement***

#### ***AASB119.11-18***

AASB119.11-18 requires short-term accumulating paid absences to be recognised as an accrued expense, ie liability to be included as a payable. “Short-term employee benefits” are defined as employee benefits that are expected to be settled wholly before twelve months after the end of the reporting period. The example given in AASB119.17 supports this requirement when accounting for situations where the carryover of sick leave is restricted to only one calendar year or the leave is forfeited.

#### ***AASB119.153-158***

AASB119.153-158 deals with the measurement of other long-term employee benefits which are defined as employee benefits that are not expected to be settled wholly before twelve months after the end of the annual reporting period.

#### ***Education***

It is understood that annual and sick leave provisions under university enterprise bargaining agreements (or equivalent) allow for these leave types to be rolled over for more than twelve months.

If this is the case accumulating paid absences such as annual and sick leave are “other long-term employee benefits” and do not meet the criteria for short-term which requires settlement, wholly, before twelve months after the end of the reporting period. They should therefore be treated as a provision and not an accrual. The ability to accumulate both annual and sick leave for periods in excess of twelve months, with uncertain timing of settlement categorises them as long-term employee benefits, and as such are provisions not accruals. The amount recognised for the provision of annual leave and sick leave shall be the best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

#### ***AASB119.9b***

AASB119.9b includes paid annual and paid sick leave as examples of short term employee benefits, however these examples must be taken in the context of the International Accounting Standards Board accepted interpretation of how these leave types operate which are not necessarily consistent with the Australian University or Australian Public Service sectors.

#### ***Disclosure***

#### ***AASB101.61***

Whilst employee benefits such as annual leave are not expected to be settled wholly before twelve months, they are usually due to be settled within twelve months requiring them to be categorised as current. As per AASB101.61, current liabilities are required to be disclosed into amounts expected to be settled a) no more than twelve months after the reporting date, and b) more than twelve months after the reporting date.

## ***Retirement benefit obligations***

### ***AASB119.58***

Entities must determine the net defined benefit liability (asset) with sufficient regularity that the amounts recognised in the financial statements do not differ materially from the amounts that would be determined at the end of the reporting period.

## **(ad) Correction of prior period errors**

### ***Prior period errors***

#### ***Correction***

### ***AASB108.42***

Subject to AASB108.43 an entity shall correct material prior period errors retrospectively in the first financial report authorised for issue after their discovery by:

- (a) restating the comparative amounts for the prior period(s) presented in which the error occurred; or
- (b) if the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and equity for the earliest prior period presented.

### ***AASB108.43***

A prior period error shall be corrected by retrospective restatement except to the extent that it is impracticable to determine either the period-specific effects or the cumulative effect of the error. Retrospective restatement is correcting the recognition, measurement and disclosure of amounts of elements of financial statements as if a prior period error had never occurred.

### ***AASB108.44***

When it is impracticable to determine the period-specific effects of an error on comparative information for one or more prior periods presented, the entity shall restate the opening balances of assets, liabilities and equity for the earliest period for which retrospective restatement is practicable (which may be the current period).

### ***AASB108.45***

When it is impracticable to determine the cumulative effect, at the beginning of the current period, of an error on all prior periods, the entity shall restate the comparative information to correct the error prospectively from the earliest date practicable.

#### ***Disclosure***

### ***AASB108.49***

In applying the above, an entity shall disclose the following:

- (a) the nature of the prior period error;
- (b) for each prior period presented, to the extent practicable, the amount of the correction;
  - i) each financial statement line item affected; and
  - ii) if AASB133 *Earnings per Share* applies to the entity, for basic and diluted earnings per share
- (c) the amount of the correction at the beginning of the earliest prior period presented; and
- (d) if retrospective restatement is impracticable for a particular prior period, the circumstances that led to the existence of that condition and a description of how and from when the error has been corrected.

Financial reports of subsequent periods need not repeat these disclosures.

### ***AASB101.40A***

Where an entity makes a retrospective statement of items in its financial statements, the entity must include a third comparative statement of financial position at the beginning of the comparative period. This disclosure should be included in the statement of financial position.

## ***Changes in accounting estimates***

### ***Recognition***

#### ***AASB108.36***

The effect of a change in an accounting estimate, other than a change to which AASB108.37 applies, shall be recognised prospectively by including it in profit or loss in:

- (a) the period of the change, if the change affects that period only, or
- (b) period of the change and future periods, if the change affects both.

#### ***AASB108.37***

To the extent that a change in an accounting estimate gives rise to changes in assets and liabilities, or relates to an item of equity, it shall be recognised by adjusting the carrying amount of the related asset, liability or equity item in the period of the change.

### ***Disclosure***

#### ***AASB108.39***

Disclosure is required of the nature and amount of a change in an accounting estimate that has an effect in the current period or is expected to have an effect in future periods, except for the disclosure of the effect on future periods, when it is impracticable to estimate that effect.

#### ***AASB108.40***

If the amount of the effect in future periods is not disclosed because estimating it is impracticable, that fact shall be disclosed.

#### ***AASB134.26***

If an estimate of an amount reported in an interim period is changed significantly during the final interim period of the annual reporting period but a separate financial report is not published for that final interim period, the nature and amount of that change in estimate shall be disclosed in a note in the annual financial report for that annual reporting period.

## **(ae) New accounting standards and interpretations**

#### ***AASB108.30***

When an entity has not applied a new Australian Accounting Standard that has been issued but is not yet effective, the entity shall disclose:

- (a) this fact; and
- (b) known or reliably estimable information relevant to assessing the possible impact that application of the new Australian Accounting Standard will have on the HEP's financial report in the period of initial application.

#### ***AASB108.31***

In complying with the paragraph above, an entity considers disclosing:

- (a) the title of the new Australian Accounting Standard;
- (b) the nature of the impending change or changes in accounting policy;
- (c) the date by which application of the Standard is required;
- (d) the date as at which it plans to apply the Standard initially; and
- (e) either:
  - i) a discussion of the impact that initial application of the Standard is expected to have on the entity's financial report, or
  - ii) if that impact is not known or reasonably estimable, a statement to that effect.

The disclosures in the paragraphs above must be made even if the impact on the entity is not expected to be material. However, there is no need to mention a standard or interpretation if it is clearly not applicable to the entity. For example, most Australian entities will not be affected by UIG 7, which deals with financial

reporting of entities operating in hyperinflationary economies, and hence will not need to refer to this interpretation. Where a pronouncement introduces a new accounting option that was not previously available, the entity should explain whether and/or how it expects to use the option in future.

### ***Changes in Accounting policies***

#### ***Initial application of Australian Accounting Standard***

##### ***AASB108.28***

When initial application of an Australian Accounting Standard has an effect on the current period or any prior period, would have such an effect except that it is impracticable to determine the amount of the adjustment, or might have an effect on future periods, an entity shall disclose:

- (a) the title of the Australian Accounting Standard;
- (b) when applicable, that the change in accounting policy is made in accordance with its transitional provisions;
- (c) the nature of the change in accounting policy;
- (d) when applicable, a description of the transitional provisions;
- (e) when applicable, the transitional provisions that might have an effect on future periods;
- (f) for the current period and each prior period presented, to the extent practicable, the amount of the adjustment for each financial statement line item affected;
- (g) the amount of the adjustment relating to periods before those presented, to the extent practicable; and
- (h) if retrospective application required by AASB108.19 (a) or (b) is impracticable for a particular prior period, or for periods before those presented, the circumstances that led to the existence of that condition and a description of how and from when the change in accounting policy has been applied.

Financial reports of subsequent periods need not repeat these disclosures.

#### ***Voluntary change in accounting policy***

##### ***AASB108.29***

When a voluntary change in accounting policy has an effect on the current period or any prior period, would have an effect on that period except that it is impracticable to determine the amount of the adjustment, or might have an effect on future periods, an entity shall disclose:

- (a) the nature of the change in accounting policy;
- (b) the reasons why applying the new accounting policy provides reliable and more relevant information;
- (c) for the current period and each prior period presented, to the extent practicable, the amount of the adjustment for each financial statement line item affected;
- (d) the amount of the adjustment relating to periods before those presented, to the extent practicable; and
- (e) if retrospective application is impracticable for a particular prior period, or for periods before those presented, the circumstances that led to the existence of that condition and a description of how and from when the change in accounting policy has been applied.

Financial reports of subsequent periods need not repeat these disclosures.

## Note 2. Disaggregated information (dual sector and/or operations outside Australia)

Mandatory  
Education

<b>(a) Industry - Dual Sector Providers [Parent Entity]</b>							
Notes	Higher Education	VET	Total Parent	Higher Education	VET	Total Parent	
	2014	2014	2014	2013	2013	2013	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
[Reproduce the face statements, ie the Income Statement, Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and Statement of Cash flows, with the column headings as noted above.]							
<b>(b) Geographical [Consolidated Entity]</b>							
	Revenue		Results		Assets		
	2014	2013	2014	2013	2014	2013	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Australia	-	-	-	-	-	-	
[Specify region]	-	-	-	-	-	-	
Total	-	-	-	-	-	-	
Unallocated	-	-	-	-	-	-	
Total	-	-	-	-	-	-	

EDUCATION

### Commentary - Disaggregated information

- Part a) of this note applies only to HEPs with dual sector operations (ie Higher Education and Vocational Education and Training). Part b) of this note only applies to HEPs with operations outside of Australia.
- HEPs that do not operate in the VET sector and do not operate outside of Australia are not required to report under this note.
- HEPs with dual sector operations are required to provide replicated financial statements with the columns split into the categories shown above, although standards of materiality still apply. The sum of these columns must equal the parent entity.
- HEPs with offshore operations are required to report on the consolidated entity's result by geographical regions.

AASB8 *Operating Segments* excludes not-for-profit entities and for-profit entities that do not have debt or equity instruments traded in a public market and have not filed, or are not in the process of filing financial statements with a securities commission or other regulatory organisation for the purposes of issuing any class of instruments in a public market from the requirements of the standard. However, it is a mandatory requirement of these Guidelines that a Provider operating within the Higher Education and Vocational Education and Training sectors or delivering courses outside Australia discloses Disaggregated Information (subject to materiality as indicated in the Introduction - Guide to Disclosures).

### **Note 3. Australian Government financial assistance including Australian Government loan programs (HELP)**

Mandatory  
Education

	Note	Consolidated		Parent entity	
		2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
<b>(a) Commonwealth Grant Scheme and Other Grants</b>	53a				
Commonwealth Grant Scheme <sup>#1</sup>		-	-	-	-
Indigenous Support Program		-	-	-	-
Partnership & Participation Program <sup>#2</sup>		-	-	-	-
Disability Support Program		-	-	-	-
Workplace Reform Program		-	-	-	-
Learning & Teaching Performance Fund		-	-	-	-
National Institutes Funding		-	-	-	-
Capital Development Pool		-	-	-	-
Diversity and Structural Adjustment Fund <sup>#3</sup>		-	-	-	-
Transitional Cost Program		-	-	-	-
Promotion of Excellence in Learning and Teaching		-	-	-	-
Reward Funding		-	-	-	-
Australian Maths & Science Partnership Program		-	-	-	-
Improving the Quality of Maths & Science Teaching Programs		-	-	-	-
Other		-	-	-	-
<b>Total Commonwealth Grant Scheme and Other Grants</b>		-	-	-	-
<b>(b) Higher Education Loan Programs</b>	53b				
HECS-HELP		-	-	-	-
FEE-HELP <sup>#4</sup>		-	-	-	-
VET FEE-HELP		-	-	-	-
SA-HELP		-	-	-	-
<b>Total Higher Education Loan Programs</b>		-	-	-	-
<b>(c) Scholarships</b>	53c				
Australian Postgraduate Awards		-	-	-	-
International Postgraduate Research Scholarship		-	-	-	-
Commonwealth Education Cost Scholarships <sup>#5</sup>		-	-	-	-
Commonwealth Accommodation Scholarships <sup>#5</sup>		-	-	-	-
Indigenous Access Scholarships		-	-	-	-
Indigenous Staff Scholarships		-	-	-	-
<b>Total Scholarships</b>		-	-	-	-
<b>(d) EDUCATION Research</b>	53d				
Joint Research Engagement Program		-	-	-	-
JRE Engineering Cadetships		-	-	-	-
Research Training Scheme		-	-	-	-
Research Infrastructure Block Grants		-	-	-	-
Implementation Assistance Program		-	-	-	-
Australian Scheme for Higher Education Repositories		-	-	-	-
Commercialisation Training Scheme		-	-	-	-
Sustainable Research Excellence in Universities		-	-	-	-
Other		-	-	-	-
<b>Total EDUCATION Research Grants</b>		-	-	-	-

### **Note 3. Australian Government financial assistance including Australian Government loan programs (HELP) (continued)**

Mandatory  
Education

	Notes	Consolidated		Parent entity	
		2014	2013	2014	2013
		\$'000	\$'000	\$'000	\$'000
<b>(e) Voluntary Student Unionism</b>	53e				
VSU Transition Fund		—	—	—	—
Support for Small Businesses		—	—	—	—
Total VSU		—	—	—	—
<b>(f) Other Capital Funding</b>	53f				
Better Universities Renewal Funding		—	—	—	—
Teaching and Learning Capital Fund		—	—	—	—
Education Investment Fund		—	—	—	—
Total Other Capital Funding		—	—	—	—
<b>(g) Australian Research Council</b>	53g				
(i) Discovery	53g(i)				
Project		—	—	—	—
Fellowships <sup>#6</sup>		—	—	—	—
Indigenous Researchers Development		—	—	—	—
Total Discovery		—	—	—	—
(ii) Linkages	53g(ii)				
Infrastructure		—	—	—	—
International		—	—	—	—
Projects		—	—	—	—
Industrial Transformational Research Program		—	—	—	—
Total Linkages		—	—	—	—
(iii) Networks and Centres	53g(iii)				
Research networks		—	—	—	—
Centres		—	—	—	—
Total Networks and Centres		—	—	—	—
Special Research Initiatives		—	—	—	—
Total ARC		—	—	—	—
#1	Includes the basic CGS grant amount, CGS – Regional Loading, CGS – Enabling Loading, Maths and Science Transition Loading and Full Fee Places Transition Loading.				
#2	Includes Equity Support Program				
#3	Includes Collaboration & Structural Adjustment Program				
#4	Program is in respect of FEE-HELP for Higher Education only and excludes funds received in respect of VET FEE-HELP.				
#5	Includes Grandfathered Scholarships, National Priority and National Accommodation Priority Scholarships respectively.				
#6	Includes Early Career Researcher Award				

### **Note 3. Australian Government financial assistance including Australian Government loan programs (HELP) (continued)**

Mandatory  
Education

		Consolidated		Parent entity	
		2014	2013	2014	2013
		\$'000	\$'000	\$'000	\$'000
<b>(h) Other Australian Government financial assistance</b>					
Non-capital					
[Specify]		-	-	-	-
Total		-	-	-	-
Capital					
[Specify]		-	-	-	-
Total		-	-	-	-
Total other Australian Government financial assistance		-	-	-	-
Total Australian Government financial assistance		-	-	-	-
<b>Reconciliation</b>					
Australian Government grants		-	-	-	-
HECS-HELP payments		-	-	-	-
FEE-HELP payments		-	-	-	-
VET FEE-HELP payments		-	-	-	-
SA-HELP payments		-	-	-	-
Total Australian Government financial assistance		-	-	-	-
<b>(i) Australian Government Grants received – cash</b>					
CGS and Other EDUCATION Grants	53a	-	-	-	-
Higher Education Loan Programs	53b	-	-	-	-
Scholarships	53c	-	-	-	-
EDUCATION research	53d	-	-	-	-
Voluntary Student Unionism	53e	-	-	-	-
Other Capital Funding	53f	-	-	-	-
ARC grants – Discovery	53g	-	-	-	-
ARC grants – Linkages	53g	-	-	-	-
ARC grants – Networks and Centres	53g	-	-	-	-
Other Australian Government Grants		-	-	-	-
Total Australian Government Grants received – cash basis		-	-	-	-
OS-HELP (Net)	53h	-	-	-	-
Superannuation Supplementation	53i	-	-	-	-
Total Australian Government funding received – cash basis		-	-	-	-



## **Commentary – Australian Government financial assistance including Australian Government loans programs (HELP)**

### ***Education***

#### ***Revenues***

Sub-notes (a) to (h) of note 3 refer to Australian Government Financial Assistance on an accruals basis. They are cross-referenced with row C in the acquittal tables in note 53. Note (i) provides a breakdown of Australian Government Grants received on a cash basis. It is cross-referenced with the statement of cash flows and row A in the acquittal tables in note 53.

#### ***Required format***

To maintain reporting consistency across the sector and for public accountability, the Department of Education requires Australian Government Financial Assistance to be reported in the format provided above.

#### ***Other Categories***

Commonwealth Grant Scheme and Other Grants is funding provided under the *Higher Education Support Act 2003* (HESA) for the CGS and Other Grants programs. The Other Education Grants item should only be used for Department of Education provided funding under the HESA “Other Grants” Program.

Funding provided by the Department of Education that was not provided under the HESA (ie, not included in UniPay), and is not explicitly disclosed, should be included under “Other Australian Government financial assistance” at (h).

#### ***Other Australian Government Capital***

Only ‘tied capital’ funding is included under capital. ‘Tied capital’ is funding received for a specific capital purpose and excludes any capital portion of recurrent funding. Where a single grant received comprises both capital and non-capital components they are to be split accordingly.

#### ***OS-HELP***

OS-HELP receipts from the Australian Government are not included in the Income Statement. The cash received by the HEP through the loan arrangement does not result in an increase in equity and therefore does not meet the definition of revenue in accordance with AASB118.7. The HEP effectively acts as a transfer agency with regard to the OS-HELP monies received from the Australian Government. The Net OS-HELP amount is the difference between OS-HELP cash received in the year and the amount actually paid to recipients. This net amount is reported in note 3.i and in the Statement of Cash Flows.

#### ***Superannuation Supplementation***

Superannuation supplementation funding received from the Australian Government is partial settlement of the asset recognised in accordance with AASB119.116 and as such it must not be recognised as revenue as per AASB1004. It is reported in note 3.i and in the Statement of Cash Flows. See note 53 for disclosure of income relevant to the Higher Education Superannuation Program.

#### ***Revenue recognition***

##### ***AASB1004.12,14***

HEPs are obliged to comply with AASB1004 *Contributions*. Grants from the government are recognised at their fair value when the Group obtains control of the right to receive the grant, it is probable that economic benefits will flow to the group and it can be reliably measured. An entity does not obtain control of a contribution until it has met conditions or provided services that make it eligible to receive the contribution.

## Note 4. State and Local Government financial assistance

147AASB118

		Consolidated		Parent entity	
		2014	2013	2014	2013
		\$'000	\$'000	\$'000	\$'000
EDUCATION	<b>Non-Capital</b>				
	[Specify]	-	-	-	-
	Total Non-capital	-	-	-	-
EDUCATION	<b>Capital</b>				
	[Specify]	-	-	-	-
	Total capital	-	-	-	-
	Total State and Local Government financial assistance	-	-	-	-

### Commentary – State and Local Government financial assistance

#### Capital

##### Education

Only 'tied capital' funding is included under capital. 'Tied capital' is funding received for a specific capital purpose and excludes any capital portion of recurrent funding. Where a single grant received comprises both capital and non-capital components they are to be split accordingly.

## Note 5. Fees and charges

Mandatory

AASB118

		Consolidated		Parent entity	
		2014	2013	2014	2013
		\$'000	\$'000	\$'000	\$'000
EDUCATION	<b>Course fees and charges</b>				
	Fee-paying onshore overseas students	-	-	-	-
	Fee-paying offshore overseas students	-	-	-	-
	Continuing education	-	-	-	-
	Fee-paying domestic postgraduate students	-	-	-	-
	Fee-paying domestic undergraduate students	-	-	-	-
	Fee-paying domestic non-award students	-	-	-	-
	Other domestic course fees and charges [Specify]	-	-	-	-
	Total course fees and charges	-	-	-	-
	<b>Other non-course fees and charges</b>				
EDUCATION	Student Services and Amenities Fees from students 54j	-	-	-	-
	[Specify]	-	-	-	-
	Total other fees and charges	-	-	-	-
	Total fees and charges	-	-	-	-

## Commentary – Fees and charges

### Required format

#### Education

To maintain reporting consistency across the sector, the Department of Education requires Course Fees and Charges to be reported in the format provided.

#### Overseas and domestic course fees and charges

All course fees and charges from overseas students are to be included as “Fee-paying overseas students”, irrespective of the level and type of course being undertaken, and are to be broken down into onshore and offshore delivery categories. Fees and charges from domestic students undertaking non-award courses are to be reported as a specific item.

#### Other non-course fees and charges

Only major categories of fees and charges need to be shown as individual items; immaterial categories may be grouped as “Other”. Fees and charges included as “Other” must not be greater than 10% of total course fees and charges or other fees and charges accordingly. Examples of such non-course fees and charges are: Amenities and Service fees, Examination fees, Late fees, Library fines, Parking fees, Registration fees, Rental charges, Student accommodation, Other fees and charges.

#### Consultancy and contract fees

Consultancy and contract fees are to be shown as separate revenue items at note 8.

#### Student Services and Amenities Fees from students

SSAF from students should match the acquittals note 53j, which is mandatory.

## Note 6. Investment revenue and income

(see Appendix 1 if early adopting AASB9)

		Consolidated		Parent entity	
		2014	2013	2014	2013
		\$'000	\$'000	\$'000	\$'000
AASB118.35b	Interest income:	-	-	-	-
	Bank deposits	-	-	-	-
	Available-for-sale investments	-	-	-	-
	Other loans and receivables	-	-	-	-
	Held-to-maturity investments	-	-	-	-
	Impaired financial assets	-	-	-	-
	Dividends from equity investments	-	-	-	-
	[Specify]	-	-	-	-
	Total investment revenue	-	-	-	-
AASB7.20b	Total interest income earned on financial assets that are not designated as at fair value through profit or loss	-	-	-	-
	Other investment gains and losses:	Consolidated		Parent entity	
		2014	2013	2014	2013
		\$'000	\$'000	\$'000	\$'000
AASB7.20a	Cumulative gain/(loss) reclassified from equity on disposal of available-for-sale investments	-	-	-	-
AASB7.20a	Cumulative loss reclassified from equity on impairment of available-for-sale investments	-	-	-	-
AASB7.20a	Net gain/(loss) arising on financial assets designated at fair value through profit or loss	-	-	-	-
AASB7.20a	Net gain/(loss) arising on financial liabilities designated as at fair value through profit or loss	-	-	-	-
AASB7.20a	Net gain/(loss) arising on financial assets classified as held for trading	-	-	-	-
AASB7.20a	Net gain/(loss) arising on financial liabilities classified as held for trading	-	-	-	-
	[Specify]	-	-	-	-
	Total other investment income/(loss)	-	-	-	-
	Net investment income	-	-	-	-

### Commentary - Investment income

#### AASB7.20

An entity shall disclose net gains or net losses on financial assets or liabilities at fair value through profit or loss, financial assets or liabilities held for trading, available-for-sale financial assets moved from equity (showing separately the amount of gain or loss recognised in OCI and the amount reclassified from equity) and recognised as profit or loss, held-to-maturity investments, loans and receivables, and financial liabilities measured at amortised cost.

## Note 7. Royalties, trademarks and licences

AASB118

	Consolidated		Parent entity	
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
[Specify]	-	-	-	-
Total royalties, trademarks and licences	-	-	-	-

## Note 8. Consultancy and contracts

Mandatory  
Education

	Consolidated		Parent entity	
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
Consultancy	-	-	-	-
Contract research	-	-	-	-
Other contract revenue	-	-	-	-
[Specify]	-	-	-	-
EDUCATION Total consultancy and contracts	-	-	-	-

### Commentary – Consultancy and contracts

#### Education

Australian Government and State government grants are to be reported in notes 3 and 4, respectively.

## Note 9. Other revenue and income

Mandatory  
AASB118

	Consolidated		Parent entity	
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
EDUCATION <b>Other revenue</b>				
Donations and bequests	-	-	-	-
Scholarships and prizes	-	-	-	-
Non-government grants	-	-	-	-
[Specify]	-	-	-	-
Total other revenue	-	-	-	-
<b>Other income</b>				
[Specify]	-	-	-	-
Reversal of previously recognised impairment or write-down <i>[include if appropriate]</i>	-	-	-	-
Total other income	-	-	-	-
Total other revenue and income	-	-	-	-

### Commentary – Other revenue and income

#### AASB101.29

Only material categories of revenue and income need to be shown as individual items; immaterial categories may be grouped as "Other". Revenues and incomes included as "Other" must be immaterial both individually and in aggregate, that is, "Other" must not be greater than 10% of total other revenue or total other income, as appropriate.

## Note 10. Employee related expenses

Mandatory  
Education

	Consolidated		Parent entity	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
<b>Academic</b>				
Salaries	-	-	-	-
Contributions to superannuation and pension schemes				
Contributions to funded schemes	-	-	-	-
Contributions to unfunded schemes	-	-	-	-
Payroll tax	-	-	-	-
Worker's compensation	-	-	-	-
Long service leave expense	-	-	-	-
Annual leave	-	-	-	-
Other	-	-	-	-
Total academic	-	-	-	-
<b>Non-academic</b>				
Salaries	-	-	-	-
Contributions to superannuation and pension schemes				
Contributions to funded schemes	-	-	-	-
Contributions to unfunded schemes	-	-	-	-
Payroll tax	-	-	-	-
Worker's compensation	-	-	-	-
Long service leave expense	-	-	-	-
Annual leave	-	-	-	-
Other	-	-	-	-
Total non-academic	-	-	-	-
Total employee related expenses	-	-	-	-
Deferred superannuation expense	52	-	-	-
Total employee related expenses, including deferred government employee benefits for superannuation	-	-	-	-

## Commentary – Employee related expenses

### Education

#### Required format

To maintain reporting consistency across the sector, the Department of Education requires Employee Benefits to be reported in the format provided.

#### Definition

Please see note 1(w) for a definition of deferred government benefits superannuation.

#### Deferred government employee benefits for superannuation

Deferred government employee benefits for superannuation do not have to be apportioned between academic and non-academic. Note that this line item should refer to the net expense as disclosed in note 52. For institutions whose defined benefit plans are fully covered by the Australian Government Higher Education Superannuation Program (HESP), this amount should be nil. The HESP is a cash only program and should not be included in income or expenses.

### Note 11. Depreciation and amortisation

		Consolidated		Parent entity	
		2014	2013	2014	2013
		\$'000	\$'000	\$'000	\$'000
AASB116.43,48	<b>Depreciation</b>				
	Buildings	-	-	-	-
	Infrastructure	-	-	-	-
	Plant and equipment	-	-	-	-
	Leasehold improvements	-	-	-	-
	Leased plant and equipment	-	-	-	-
	Library	-	-	-	-
	[Specify]	-	-	-	-
	Total depreciation	-	-	-	-
AASB138.118	<b>Amortisation</b>				
	[Specify]	-	-	-	-
	Total amortisation	-	-	-	-
	Total depreciation and amortisation	-	-	-	-

### Note 12. Repairs and maintenance

#### Education

		Consolidated		Parent entity	
		2014	2013	2014	2013
		\$'000	\$'000	\$'000	\$'000
AASB116.12	[Specify]	-	-	-	-
	Total repairs and maintenance	-	-	-	-

## Commentary – Repairs and maintenance

### AASB116.12

Repairs and maintenance costs are recognised as expenses as incurred, except where they relate to the replacement of a component of an asset, in which case, the costs are capitalised and depreciated. Other routine operating maintenance, repair and minor renewal costs are also recognised as expenses, as incurred.

## Note 13. Borrowing Costs

AASB123

		Consolidated		Parent entity	
		2014	2013	2014	2013
		\$'000	\$'000	\$'000	\$'000
AASB123.6a	Interest expense	-	-	-	-
AASB123.6d	Finance charges in respect of finance leases [Specify]	-	-	-	-
AASB123.26a	Less: Amount capitalised	-	-	-	-
	Total borrowing costs expensed	-	-	-	-

## Commentary – Borrowing costs

### Borrowing costs

#### AASB123.5,6

For the purposes of AASB123, borrowing costs (or finance costs) are interest and other costs incurred by an entity in connection with the borrowing of funds. Borrowing costs may include:

- interest expense calculated using the effective interest rate method as described in AASB139 *Financial Instruments: Recognition and Measurement*;
- finance charges in respect of finance leases recognised in accordance with AASB117 *Leases* (refer to note 30); and
- exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

## Note 14. Impairment of assets

		Consolidated		Parent entity	
		2014	2013	2014	2013
		\$'000	\$'000	\$'000	\$'000
AASB136.126	Bad and Doubtful Debts	-	-	-	-
	Impairment of Investments [Specify]	-	-	-	-
	Total impairment of assets	-	-	-	-



## Note 15. Other expenses

Mandatory

		Consolidated		Parent entity	
		2014	2013	2014	2013
		\$'000	\$'000	\$'000	\$'000
EDUCATION	Scholarships, grants and prizes	-	-	-	-
	Non-capitalised equipment	-	-	-	-
	Advertising, marketing and promotional expenses	-	-	-	-
	[Specify]	-	-	-	-
	Miscellaneous	-	-	-	-
	Total other expenses	-	-	-	-

## Commentary - Other expenses

### AASB101.29

Only material categories of other expenses need to be shown as individual items; immaterial categories may be grouped as "Miscellaneous". Expenses included as "Miscellaneous" must be immaterial both individually and in aggregate, that is, "Miscellaneous" must not be greater than 10% of "total other expenses".

## Note 16. Income tax

AASB112

		Consolidated		Parent entity	
		2014	2013	2014	2013
		\$'000	\$'000	\$'000	\$'000
AASB112.79,81g(ii)	<b>(a) Income tax expense</b>				
AASB112.80a	Current tax	-	-	-	-
AASB112.80c	Deferred tax	-	-	-	-
AASB112.80b	Adjustments for current tax of prior periods	-	-	-	-
	Total	-	-	-	-
	Income tax expense is attributable to:				
	Net result from continuing operations	-	-	-	-
AASB5.33b(ii)	Net result from discontinued operations	-	-	-	-
	Aggregate income tax expense	-	-	-	-
AASB112.80c	Deferred income tax (income) / expense included in income tax expense comprises:				
	Decrease / (increase) in deferred tax assets	-	-	-	-
	(Decrease) / increase in deferred tax liabilities	-	-	-	-
	Total	-	-	-	-

## Note 16. Income Tax (continued)

		Consolidated		Parent entity	
		2014	2013	2014	2013
		\$'000	\$'000	\$'000	\$'000
AASB112.81c(i),84,85	<b>(b) Numerical reconciliation of income tax expense to prima facie tax payable</b>				
	Net result before income tax:	-	-	-	-
	From continuing operations	-	-	-	-
	From discontinued operations	-	-	-	-
AASB112.81d	Tax at the Australian tax rate of 30% (2013 - 30%)	-	-	-	-
	Tax effect of amounts which are not deductible / (taxable) in calculating taxable income:				
	Goodwill impairment	-	-	-	-
	Amortisation of intangibles	-	-	-	-
	Entertainment	-	-	-	-
	Share of net result of associates	-	-	-	-
	Tax offset for franked dividends	-	-	-	-
	Non-taxable dividends	-	-	-	-
	Sundry items	-	-	-	-
	Sub total	-	-	-	-
	Difference in overseas tax rates	-	-	-	-
AASB112.80b	Adjustment for current tax of prior periods	-	-	-	-
AASB112.80f	Previously unrecognised tax losses used to reduce deferred tax expense	-	-	-	-
AASB112.80e	Previously unrecognised tax losses now recouped to reduce current tax expense	-	-	-	-
	<b>Total income tax expense:</b>	-	-	-	-
	From continuing operations	-	-	-	-
	From discontinued operations	-	-	-	-
	<b>(c) Amounts recognised directly in equity</b>				
AASB112.81a	Aggregate current and deferred tax arising in the reporting period and not recognised in net result but directly debited or credited to equity:				
	Current tax - credited directly to equity	-	-	-	-
	Net deferred tax - debited / (credited) directly to equity	-	-	-	-
	Total	-	-	-	-
	<b>(d) Tax losses</b>				
AASB112.81e	Unused tax losses for which no deferred tax asset has been recognised	-	-	-	-
	Potential tax benefit @ 30%	-	-	-	-
	All unused tax losses were incurred by Australian entities.				
	<b>(e) Unrecognised temporary differences</b>				
AASB112.81f	Temporary differences relating to investments in subsidiaries for which deferred tax liabilities have not been recognised include:				
	Foreign currency translation	-	-	-	-
	Undistributed earnings	-	-	-	-
	Total	-	-	-	-

## Commentary - Income tax

### General requirement

#### **AASB112.80**

AASB112 *Income Taxes* requires separate disclosure of the major components of tax expense / (income). These may include:

- (a) current tax expense / (income)
- (b) any adjustments recognised in the period for current tax of prior periods
- (c) the amount of deferred tax expense / (income) relating to the origination and reversal of temporary differences
- (d) the amount of deferred tax expense / (income) relating to changes in tax rates or the imposition of new taxes
- (e) the amount of the benefit arising from a previously unrecognised tax loss, tax credit or temporary difference of a prior period that is used to reduce current tax expense
- (f) the amount of the benefit from a previously unrecognised tax loss, tax credit or temporary difference of a prior period that is used to reduce deferred tax expense
- (g) deferred tax expense arising from the write-down, or reversal of a previous write-down, of a deferred tax asset in accordance with AASB112.56, and
- (h) the amount of tax expense / (income) relating to those changes in accounting policies and errors that are included in profit or loss in accordance with AASB108 because they cannot be accounted for retrospectively.

## Note 17. Discontinued operations

AASB5

AASB5.41a,b,d

**(a) [Description of discontinued operation]**

Consolidated		Parent entity	
2014	2013	2014	2013
\$'000	\$'000	\$'000	\$'000

**(b) Financial performance and cash flow information**

The financial performance and cash flow information presented are for the months ended [date] (2014 column) and the year ended 31 December 2013

AASB5.33b(i)	Revenue	-	-	-	-
AASB5.33b(i)	Expenses	-	-	-	-
AASB5.33b(i)	Net result before income tax	-	-	-	-
AASB112.81h(ii)	Income tax expense	-	-	-	-
	Net result after income tax of discontinued operations	-	-	-	-
AASB5.33b(iii)	Gain on sale of the division before income tax	-	-	-	-
AASB112.81h(i)	Income tax expense	-	-	-	-
	Gain on sale of the division after income tax	-	-	-	-
	Profit/(loss) from discontinued operations	-	-	-	-
AASB5.33c	Net cash inflow from ordinary activities	-	-	-	-
AASB5.33c	Net cash / (outflow) from investing activities	-	-	-	-
AASB5.33c	Net cash / (outflow) from financing activities	-	-	-	-
	Net increase in cash generated by the division	-	-	-	-
	<b>Cash reported in statement of cash flows</b>				
AASB107.40b	Cash consideration received /(paid)	-	-	-	-
AASB107.40c	Cash and cash equivalents lost/(obtained)	-	-	-	-
AASB107.39	Total investing inflows/(outflows)	-	-	-	-
AASB5.38	<b>Carrying amounts of assets and liabilities</b>				
AASB107.40d	[Specify]	-	-	-	-
	Total assets	-	-	-	-
	[Specify]	-	-	-	-
	Total liabilities	-	-	-	-
	Net assets	-	-	-	-
AASB107.40b	Details on the sale of the division				
	Consideration received or receivable:				
	Cash	-	-	-	-
	Present value of amount due on [date]	-	-	-	-
	Total disposal consideration	-	-	-	-
AASB107.40a	Carrying amount of net assets sold	-	-	-	-
	Gain on sale before income tax	-	-	-	-
	Income tax expense	-	-	-	-
	Gain on sale after income tax	-	-	-	-

## Note 17. Discontinued operations (continued)

AASB5  
Education

	Notes	Consolidated		Parent entity	
		2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
<b>Income from discontinued operations</b>					
		–	–	–	–
Australian Government financial assistance		–	–	–	–
Australian Government grants	3	–	–	–	–
HELP – Australian Government Payments	3	–	–	–	–
State and local Government financial assistance	4	–	–	–	–
HECS-HELP – Student Payments		–	–	–	–
Fees and charges	5	–	–	–	–
Investment revenue	6	–	–	–	–
Royalties, trademarks and licences	7	–	–	–	–
Consultancy and contracts	8	–	–	–	–
Other Revenue	9	–	–	–	–
AASB101.82a		–	–	–	–
Total revenue from discontinued operations		–	–	–	–
AASB101.82c		–	–	–	–
Gains on disposal of assets		–	–	–	–
Share of profit or loss on investments accounted for using the equity method	25	–	–	–	–
Other investment income	6	–	–	–	–
Other Income	9	–	–	–	–
<b>Total income from discontinued operations</b>		–	–	–	–
<b>Expenses from discontinued operations</b>					
Employee related expenses	10	–	–	–	–
Depreciation and amortisation	11	–	–	–	–
Repairs and maintenance	12	–	–	–	–
AASB101.82b		–	–	–	–
Borrowing costs	13	–	–	–	–
Impairment of assets	14	–	–	–	–
Losses on disposal of assets		–	–	–	–
Investment losses	6	–	–	–	–
Deferred Super expense	10/52	–	–	–	–
Other expenses	15	–	–	–	–
<b>Total expenses from discontinued operations</b>		–	–	–	–
<b>Net result before income tax</b>		–	–	–	–

### Commentary - Discontinued operations

#### Accounting standards for discontinued operations and disposal groups

Accounting standards for discontinued operations and disposal groups are contained in AASB5 *Non-current Assets Held for Sale and Discontinued Operations*. The example disclosures are for a discontinued operation of a controlled entity which is material to the economic entity and where the operation was made available for sale in the previous reporting period and was sold during the current reporting period. The disclosures will need to be amended to cover the specific disclosure requirements of AASB5 relevant to the circumstances of each discontinued operation.

#### Education

The disclosure should contain sufficient detail to enable the reader to differentiate income and expenses from continuing operations with those from discontinued operations.

#### Definitions

##### Discontinued Operations

##### AASB5.32, Appendix A

A discontinued operation is a component of an entity that either has been disposed of or is classified as held for sale and:

- (a) represents a separate major line of business or geographical area of operations;
- (b) is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- (c) is a subsidiary acquired exclusively with a view to resale.

#### **AASB5.Appendix A**

A component of an entity comprises operations and cash flows that can be clearly distinguished, operationally and for financial reporting purposes, from the rest of the entity. In other words, a component of an entity will have been a cash-generating unit or a group of cash-generating units while being held for use.

#### **Disposal group**

##### **AASB5.32,Appendix A**

A disposal group is a group of assets to be disposed of, by sale or otherwise, together as a group in a single transaction, and liabilities directly associated with those assets that will be transferred in the transaction. The group includes goodwill acquired in a business combination if the group is a cash generating unit to which goodwill has been allocated in accordance with AASB136 *Impairment of Assets* or if it is an operation within such a cash generating unit.

#### **General requirement**

##### **AASB5.30**

An entity shall present and disclose information that enables users of the financial report to evaluate the financial effects of discontinued operations and disposals of non-current assets (or disposal groups).

#### **Discounting of deferred proceeds of sale**

##### **AASB118.11**

Deferred proceeds of sale of an asset should be discounted to their present value as at the date of sale.

#### **Statement of cash flows**

##### **AASB107.40**

The information referenced to AASB107 *Statement of Cash Flows* is included to comply with the requirements of that standard relating to disposals of subsidiaries or other business units. Refer to AASB107.39-42 for detailed guidance on required disclosures with respect to obtaining or losing control of subsidiaries or other business units, in an entity's statement of cash flows.

##### **AASB107.40c**

The amount of cash and cash equivalents in the subsidiary or business unit over which control is obtained or lost must also be disclosed. Refer to the commentary on current assets (note 18) for the definitions of cash and cash equivalents.

## Note 18. Cash and cash equivalents

		Consolidated		Parent entity	
		2014	2013	2014	2013
		\$'000	\$'000	\$'000	\$'000
AASB107.45	Cash at bank and on hand	-	-	-	-
	Deposits at call	-	-	-	-
	Other [specify]	-	-	-	-
	Total cash and cash equivalents	-	-	-	-
	<b>(a) Reconciliation to cash at the end of the year</b>				
AASB107.45	The above figures are reconciled to cash at the end of the year as shown in the statement of cash flows as follows:				
	Balances as above	-	-	-	-
AASB107.8	Less: Bank overdrafts	-	-	-	-
	Balance per statement of cash flows	-	-	-	-
	<b>(b) Cash at bank and on hand</b>				
AASB7.31	These are non-interest bearing.				
	<b>(c) Deposits at call</b>				
AASB7.31	The deposits are bearing floating interest rates between X% and X% (2013 – X% and X%). These deposits have an average maturity of X days.				

## Commentary - Cash and cash equivalents

### Definitions of cash and cash equivalents

#### AASB107.6

Cash is cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value.

### Additional disclosures

#### Cash not available for use

#### AASB107.48

An entity shall disclose, together with a commentary by management, the amount of significant cash and cash equivalent balances held by the entity that are not available for use by the Group.

## Note 19. Receivables

AASB101

		Consolidated		Parent entity	
		2014	2013	2014	2013
		\$'000	\$'000	\$'000	\$'000
AASB101.60	<b>Current</b>				
	Trade receivables	-	-	-	-
	Student fees	-	-	-	-
	Less: Provision for impaired receivables	-	-	-	-
	Subtotal	-	-	-	-
EDUCATION	Deferred government benefit for superannuation	52	-	-	-
	[Specify]	-	-	-	-
	Total current receivables	-	-	-	-
	<b>Non-current</b>				
	Student fees	-	-	-	-
	Less: Provision for impaired receivables	-	-	-	-
	Subtotal	-	-	-	-
EDUCATION	Deferred government benefit for superannuation	52	-	-	-
	[Specify]	-	-	-	-
	Total non-current receivables	-	-	-	-
	Total receivables	-	-	-	-

### (a) Impaired receivables

AASB7.37b As at 31 December 2014 current receivables of the group with a nominal value of \$xx (2013: \$xx) were impaired. The amount of the provision was \$xx (2013: \$xx). The individually impaired receivables mainly relate to wholesalers, which are in unexpectedly difficult economic situations. It was assessed that a portion of the receivables is expected to be recovered. There were no impaired receivables for the parent in 2014 or 2013. The ageing of these receivables is as follows:

		Consolidated		Parent	
		2014	2013	2014	2013
		\$'000	\$'000	\$'000	\$'000
	3 to 6 months	-	-	-	-
	Over 6 months	-	-	-	-
	Total current impaired receivables	-	-	-	-

AASB7.37a As of 31 December 2014, trade receivables of \$xx (2013: \$xx) 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		Parent	
		2014	2013	2014	2013
		\$'000	\$'000	\$'000	\$'000
	3 to 6 months	-	-	-	-
	Over 6 months	-	-	-	-
	Total past due but not impaired trade receivables	-	-	-	-



## Note 19. Receivables (continued)

AASB7.16

Movements in the provision for impaired receivables are as follows:

	Consolidated		Parent	
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
At 1 January	-	-	-	-
Provision for impairment	-	-	-	-
AASB7.20e Provision for impairment recognised during the year	-	-	-	-
Receivables written off during the year as uncollectible	-	-	-	-
Unused amount reversed	-	-	-	-
At 31 December	-	-	-	-

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

AASB7.36a,b,c

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

## Commentary – Receivables

### Fair value

#### AASB7.29a

For financial instruments such as short-term trade receivables and payables, no disclosure of fair value is required when the carrying amount is a reasonable approximation of fair value.

### Impairment of financial assets

#### AASB7.20d

In addition to the nature and amount of any impairment loss recognised in profit or loss, entities shall also disclose the amount of interest income accrued on impaired financial assets, in accordance with AASB139.AG93, where applicable.

## Note 20. Inventories

AASB102

	Consolidated		Parent entity	
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
<b>Current</b>				
[Specify]	-	-	-	-
AASB102.Aus36.1 Held for distribution	-	-	-	-
Total current inventories	-	-	-	-
<b>Non-current</b>				
[Specify]	-	-	-	-
AASB102.Aus36.1 Held for distribution	-	-	-	-
Total non-current inventories	-	-	-	-
Total inventories	-	-	-	-

## Commentary – Inventories

### Disclosures

Disclosure requirements of AASB102 *Inventories* that may be applicable are as follows:

#### AASB102.36f

(a) the amount of any reversal of any write-down that is recognised as a reduction in the amount of inventories recognised as expense in the period in accordance with AASB102.34;

#### AASB102.36g

(b) the circumstances or events that led to the reversal of a write-down of inventories in accordance with AASB102.34; and

**AASB102.36h**

(c) the carrying amount of inventories pledged as security for liabilities.

**Not-for-profit entities**

**AASB102.Aus 9.1**

Not-for-profit entity shall measure inventories held for distribution at cost, adjusted when applicable for any loss of service potential.

In respect of not-for-profit entities, disclosure is required of the following:

**AASB102.Aus36.1a**

(a) the accounting policies adopted in measuring inventories held for distribution, including the cost formula used;

**AASB102.Aus36.1b**

(b) the total carrying amount of inventories held for distribution and the carrying amount in classifications appropriate to the entity;

**AASB102.Aus36.1c**

(c) the amount of inventories held for distribution recognised as an expense during the period in accordance with AASB102.Aus34.1;

**AASB102.Aus36.1d**

(d) the amount of any write-down of inventories held for distribution recognised as an expense in the period in accordance with AASB102.Aus34.1;

**AASB102.Aus36.1e**

(e) the amount of any reversal of a write-down of inventories held for distribution in accordance with AASB102.Aus34.1;

**AASB102.Aus36.1f**

(f) the circumstances or events that led to the reversal of a write-down of inventories held for distribution in accordance with AASB102.Aus34.1;

**AASB102.Aus36.1g**

(g) the carrying amount of inventories held for distribution pledged as security for liabilities.

## Note 21. Other financial assets

(see Appendix 1 if early adopting AASB9)

AASB7.8a-d, AASB101.60		Consolidated		Parent entity	
		2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
	<b>Current</b>				
	Fair value through profit or loss (held for trading)	-	-	-	-
	Fair value through profit or loss (other)	-	-	-	-
	Held-to-maturity	-	-	-	-
	Available for sale	-	-	-	-
	Loans and receivables	-	-	-	-
	[Specify others]	-	-	-	-
	Total current other financial assets	-	-	-	-
	<b>Non-current</b>				
	Held-to-maturity	-	-	-	-
	Available for sale	-	-	-	-
	Loans and receivables	-	-	-	-
	[Specify others]	-	-	-	-
	Total non-current other financial assets	-	-	-	-
	Total other financial assets	-	-	-	-

Changes in fair values of other financial assets at fair value through profit or loss are recorded in other income in the income statement (note 6 – Investment Income).

## Note 22. Non-current assets or disposal groups classified as held for sale

AASB5.38		Consolidated		Parent entity	
		2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
	[Specify]	-	-	-	-
	Total non-current assets or disposal groups classified as held for sale	-	-	-	-

NCA's (or disposal groups) held for sale are carried at the lower of the carrying amount of the fair value less costs to sell. For the fair value of the NCA (or disposal group) see note 51.

## Commentary - Non-current assets classified as held for sale

### Definition

#### AASB5.11

An entity shall classify a non-current asset (or disposal group) as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. For this to be the case the asset (or disposal group) must be available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets (or disposal groups) and its sale must be highly probable.

#### AASB5.36A

If an entity is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of the subsidiary shall be classified as held for sale regardless of whether the entity will retain an interest in the former subsidiary after the sale.

## Note 23. Other non-financial assets

AASB101.54m		Consolidated		Parent entity	
		2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
	[Specify]	-	-	-	-
	Total other non-financial assets	-	-	-	-

## Note 24. Investments accounted for using the equity method

AASB12.21bi, AASB12.21biii, AASB12.21a	a) Associates						
	Name of Entity	Place of business/ Country of incorporation	Measurement method	Quoted fair value		Ownership Interest %	
				2014	2013	2014	2013
	Associate [Specify]						

AASB12.21b Summarised financial information for individually material associates is set out below.

	Associate 1		Associate 2	
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
<b>Financial Position</b>				
AASB12.B12i	Current assets	-	-	-
AASB12.B12ii	Non-current assets	-	-	-
AASB128.37b	Total assets	-	-	-
AASB12.B12iii	Current liabilities	-	-	-
AASB12.B12iv	Non-current liabilities	-	-	-
	Total liabilities	-	-	-
	Net assets	-	-	-
	Share of associates' net assets	-	-	-
<b>Reconciliation of carrying amounts:</b>				
AASB12.B14	Balance at 1 January	-	-	-
	Share of profit for year	-	-	-
	Share of other comprehensive income for the period	-	-	-
	Dividends	-	-	-
	Additions/(Disposals)	-	-	-
	Balance at 31 December	-	-	-
<b>Financial Performance</b>				
AASB12.B12v	Income	-	-	-
AASB12.B12vi	Profit/(loss) from continuing operations	-	-	-
	Profit/(loss) from continuing operations after income tax	-	-	-
AASB12.B12vii	Post tax profit/(loss) from discontinued operations	-	-	-
AASB12.B12viii	Other comprehensive income	-	-	-
AASB12.B12ix	Total comprehensive income	-	-	-
AASB128.38	Share of associates' profit/(loss)	-	-	-

## Note 24. Investments accounted for using the equity method (continued)

b) Joint Ventures				Quoted fair value		Ownership Interest	
Name of Entity	Place of business/ Country of incorporation	Measurement method			%		
			2014	2013	2014	2013	
Joint ventures [Specify]							
AASB12.21b	Summarised financial information for individually material joint ventures is set out below.						
			Joint venture 1		Joint venture 2		
			2014	2013	2014	2013	
			\$'000	\$'000	\$'000	\$'000	
	<b>Financial Position</b>						
AASB12.B12i	Current assets		-	-	-	-	
AASB12.B13a	Cash and cash equivalents		-	-	-	-	
AASB12.B12ii	Non-current assets		-	-	-	-	
AASB128.37b	Total assets		-	-	-	-	
AASB12.B12iii	Current liabilities		-	-	-	-	
AASB12.B13b	Current financial liabilities (excl. trade and other payables and provisions)		-	-	-	-	
AASB12.B12iv	Non-current liabilities		-	-	-	-	
	Non-current financial liabilities (excl. trade and other payables and provisions)		-	-	-	-	
	Total liabilities		-	-	-	-	
	Net assets		-	-	-	-	
	Share of joint ventures' net assets		-	-	-	-	
AASB12.B14	<b>Reconciliation of carrying amounts:</b>						
	Balance at 1 January		-	-	-	-	
	Share of profit for year		-	-	-	-	
	Share of other comprehensive income for the period		-	-	-	-	
	Dividends		-	-	-	-	
	Additions/(Disposals)		-	-	-	-	
	Balance at 31 December		-	-	-	-	
	<b>Financial Performance</b>						
AASB12.B12v	Income		-	-	-	-	
AASB12.B13e	Interest income		-	-	-	-	
	Expenses		-	-	-	-	
AASB12.B13f	Interest expense		-	-	-	-	
AASB12.13d	Depreciation and amortisation		-	-	-	-	
AASB12.13g	Interest tax expense		-	-	-	-	
AASB12.B12vi	Profit/(loss) from continuing operations		-	-	-	-	
	Profit/(loss) from continuing operations after income tax		-	-	-	-	
AASB12.B12vii	Post tax profit/(loss) from discontinued operations		-	-	-	-	
AASB12.B12viii	Other comprehensive income		-	-	-	-	
AASB12.B12ix	Total comprehensive income		-	-	-	-	
AASB128.38	Share of joint ventures' profit/(loss)		-	-	-	-	
AASB12.22c	[Include the unrecognised share of losses of a joint venture or associate (for the reporting period and cumulatively) if the group has stopped recognising its share of losses when applying the equity method]						
AASB12.7	[Include significant judgements and assumptions made in determining joint control over another entity or significant influence over another entity]						

## **Note 24. Investments accounted for using the equity method (continued)**

### **Restrictions**

AASB12.22 [Provide details of the nature and extent of any significant restrictions on the ability of joint ventures or associates to transfer funds to the group in the form of cash dividends or to repay loans or advances]

### **c) Individually immaterial joint ventures or associates**

AASB12.B16 Aggregate carrying amount of interests in joint ventures and associates accounted for using the equity method that are not individually material in the consolidated financial statements:

	Associates		Joint Ventures	
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
Profit/(loss) from continuing operations	-	-	-	-
Profit/(loss) from continuing operations after income tax	-	-	-	-
Post-tax profit or loss from discontinued operations	-	-	-	-
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	-	-

AASB12.23 Capital commitments arising from the Group's interest in joint arrangements and contingent liabilities arising from the Group's interests in associates and joint arrangements are disclosed in notes 41 and 40 respectively.

## **Commentary – Investments accounted for using the equity method**

### **AASB11.24**

All joint ventures and associates must be accounted for using the equity method under AASB128.

### **AASB12.B16**

Interests in joint ventures and associates should be disclosed separately.

### **IFRS11 project summary and feedback statement**

AASB12 requires HEPs to disclose information that helps users evaluate the nature, extent and financial effects of its interests in joint arrangements and associates, including the nature and effects of its relationship with other parties or investors in the joint arrangement and associates and the nature of the risks associated with those interests.

### **AASB128.3,5**

An associate is an entity, including an unincorporated entity such as a partnership, over which the investor has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. If an entity holds, directly or indirectly 20 per cent or more of the voting power of an investee, it is presumed that the entity has significant influence, unless it can be clearly demonstrated that this is not the case. A substantial ownership by another investor does not necessarily preclude an entity from having significant influence.

### **AASB11.17,B14-15**

HEPs should exercise judgement in assessing whether a joint arrangement is a joint operation or a joint venture. Each party to the arrangement should assess its rights and obligations under the arrangement by considering its structure and legal form, including terms agreed by the parties and where relevant other facts and circumstances.

### **AASB11.B18**

When the parties to a joint arrangement have rights to the assets and obligations for the liabilities relating to the joint arrangement, it is a joint operation. Joint operations are disclosed in note 45.

**AASB11.16,24,B23**

When the HEP has rights to the net assets of the joint arrangement (and the assets and liabilities of the arrangement belong to the separate vehicle, not to the separate parties to the arrangement) it is a joint venture and should be accounted for using the equity method. For more guidance see paragraphs B12-33 of AASB11.

**AASB11.B16,B23**

The structure of the joint arrangement can determine its classification. Arrangements not structured through a separate vehicle are joint operations. Arrangements structured through a separate vehicle can be joint operations or joint ventures. HEPs must assess whether the legal form of the separate vehicle classifies the arrangement as a joint venture or joint operation, however the considerations of contractual terms and other factors in paragraph B15 of AASB11 can override this assessment.

**AASB128.20****AASB12.B17**

Equity accounting is not applied when the investment is classified as held for sale in accordance with AASB5 *Non-current Assets Held for Sale and Discontinued Operations* (in which case the investment is accounted for in accordance with AASB5), or under certain other circumstances specified in AASB128.17-19.

**AASB12.B14**

The summarised financial information described in AASB12.B12-13 is the amounts included in the joint venture or associate's financial statements, not the parent's share of those amounts. If the parent's interest is accounted for using the equity method the joint venture/associate's financial statement amounts should be adjusted to reflect the adjustments made using the equity method, and a reconciliation of the summarised financial information to its carrying amount will need to be provided.

**IFRS11 project summary and feedback statement,****AASB12.B17**

Summarised financial information under AASB12.21 and B12-13 should be disclosed for each individual material joint venture. If the interest in an associate or joint venture is classified as held for sale, the parent is not required to disclose this information.

**AASB12.22b****AASB128.33-34**

When the financial statements of a joint venture/associate used in applying the equity method are as of a different date to the group, this fact and the reason for using a different date must be disclosed. When this occurs adjustments should be made to account for the different dates, however this gap can be no longer than 3 months.

**AASB128.26-39**

Equity method procedures are detailed in AASB128.26-39.

## Note 25. Investment properties

		Consolidated		Parent entity	
		2014	2013	2014	2013
		\$'000	\$'000	\$'000	\$'000
<b>At Fair value</b>					
AASB140.76	Opening balance at 1 January [Specify]	-	-	-	-
AASB140.76	Closing balance at 31 December	-	-	-	-
For fair value hierarchy categorisation of investment properties see note 51.					
AASB140.75f	<b>(a) Amounts recognised in profit or loss for investment properties</b>				
		Consolidated		Parent entity	
		2014	2013	2014	2013
		\$'000	\$'000	\$'000	\$'000
	Rental income	-	-	-	-
	Direct operating expenses (rent generating properties)	-	-	-	-
	Other direct operating expenses	-	-	-	-
	Sale from cost model to fair value pool [Specify]	-	-	-	-
	Total recognised in profit or loss	-	-	-	-
AASB140.75a,d,e AASB13.91a,93d	<b>(b) Valuation basis</b> [Specify]				
AASB140.75g	<b>(c) Non-current assets pledged as security</b> [Specify]				
AASB140.75h	<b>(d) Contractual obligations</b> [Specify]				
AASB117.56c	<b>(e) Leasing arrangements</b> [Specify]				
		Consolidated		Parent entity	
		2014	2013	2014	2013
		\$'000	\$'000	\$'000	\$'000
AASB117.56a	[Specify]	-	-	-	-
	Total	-	-	-	-



## Note 26. Property, plant and equipment

MANDATORY

<b>Consolidated</b>		Construction in progress \$'000	Land \$'000	Buildings \$'000	Infrastructure \$'000	Plant and equipment* \$'000	Leasehold improvements \$'000	Leased plant & equipment \$'000	Library \$'000	Other plant and equipment** \$'000	Total \$'000
<b>At 1 January 2013</b>											
AASB116.73d	- Cost	-	-	-	-	-	-	-	-	-	-
AASB116.73d	- Valuation	-	-	-	-	-	-	-	-	-	-
AASB116.73d	Accumulated depreciation and impairment	-	-	-	-	-	-	-	-	-	-
	Net book amount	-	-	-	-	-	-	-	-	-	-
<b>Year ended 31 December 2013</b>											
AASB116.73e	Opening net book amount	-	-	-	-	-	-	-	-	-	-
AASB116.73e(i),74b	Additions	-	-	-	-	-	-	-	-	-	-
AASB116.73e(ii)	Assets included in a disposal group classified as held for sale and other disposals	-	-	-	-	-	-	-	-	-	-
AASB116.73(iii)	Acquisitions through business combinations	-	-	-	-	-	-	-	-	-	-
AASB116.73e(iv)	Revaluation surplus	-	-	-	-	-	-	-	-	-	-
AASB116.73(v)	Impairment losses	-	-	-	-	-	-	-	-	-	-
AASB116.73e(vi)	Impairment loss reversals	-	-	-	-	-	-	-	-	-	-
AASB116.73e(vii)	Depreciation charge	-	-	-	-	-	-	-	-	-	-
AASB116.73e(viii)	Exchange differences	-	-	-	-	-	-	-	-	-	-
AASB116.73e(ix)	Other changes [Specify]	-	-	-	-	-	-	-	-	-	-
AASB116.73e	Closing net book amount	-	-	-	-	-	-	-	-	-	-
<b>At 31 December 2013</b>											
AASB116.73d	- Cost	-	-	-	-	-	-	-	-	-	-
AASB116.73d	- Valuation	-	-	-	-	-	-	-	-	-	-
AASB116.73d	Accumulated depreciation and impairment	-	-	-	-	-	-	-	-	-	-
	Net book amount	-	-	-	-	-	-	-	-	-	-

## Note 26. Property, plant and equipment (continued)

MANDATORY

<b>Consolidated</b>		Construction in progress \$'000	Land \$'000	Buildings \$'000	Infrastructure \$'000	Plant and equipment* \$'000	Leasehold improvements \$'000	Leased plant & equipment \$'000	Library \$'000	Other plant and equipment** \$'000	Total \$'000
<b>Year ended 31 December 2014</b>											
AASB116.73e	Opening net book amount	—	—	—	—	—	—	—	—	—	—
AASB116.73e(i),74b	Additions	—	—	—	—	—	—	—	—	—	—
AASB116.73e(ii)	Assets included in a disposal group classified as held for sale and other disposals	—	—	—	—	—	—	—	—	—	—
AASB116.73(iii)	Acquisitions through business combinations	—	—	—	—	—	—	—	—	—	—
AASB116.73e(iv)	Revaluation surplus	—	—	—	—	—	—	—	—	—	—
AASB116.73(v)	Impairment losses	—	—	—	—	—	—	—	—	—	—
AASB116.73e(vi)	Impairment loss reversals	—	—	—	—	—	—	—	—	—	—
AASB116.73e(vii)	Depreciation charge	—	—	—	—	—	—	—	—	—	—
AASB116.73e(viii)	Exchange differences	—	—	—	—	—	—	—	—	—	—
AASB116.73e(ix)	Other changes [Specify]	—	—	—	—	—	—	—	—	—	—
AASB116.73e	Closing net book amount	—	—	—	—	—	—	—	—	—	—
<b>At 31 December 2014</b>											
AASB116.73d	- Cost	—	—	—	—	—	—	—	—	—	—
AASB116.73d	- Valuation	—	—	—	—	—	—	—	—	—	—
AASB116.73d	Accumulated depreciation and impairment	—	—	—	—	—	—	—	—	—	—
	Net book amount	—	—	—	—	—	—	—	—	—	—

## Note 26. Property, plant and equipment (continued)

MANDATORY

Parent entity	Construction in progress \$'000	Land \$'000	Buildings \$'000	Infrastructure \$'000	Plant and equipment* \$'000	Leasehold improvements \$'000	Leased plant & equipment \$'000	Library \$'000	Other plant and equipment** \$'000	Total \$'000
<b>At 1 January 2013</b>										
AASB116.73d	- Cost	-	-	-	-	-	-	-	-	-
AASB116.73d	- Valuation	-	-	-	-	-	-	-	-	-
AASB116.73d	Accumulated depreciation and impairment	-	-	-	-	-	-	-	-	-
	Net book amount	-	-	-	-	-	-	-	-	-
<b>Year ended 31 December 2013</b>										
AASB116.73e	Opening net book amount	-	-	-	-	-	-	-	-	-
AASB116.73e(i),74b	Additions	-	-	-	-	-	-	-	-	-
AASB116.73e(ii)	Assets included in a disposal group classified as held for sale and other disposals	-	-	-	-	-	-	-	-	-
AASB116.73(iii)	Acquisitions through business combinations	-	-	-	-	-	-	-	-	-
AASB116.73e(iv)	Revaluation surplus	-	-	-	-	-	-	-	-	-
AASB116.73(v)	Impairment losses	-	-	-	-	-	-	-	-	-
AASB116.73e(vi)	Impairment loss reversals	-	-	-	-	-	-	-	-	-
AASB116.73e(vii)	Depreciation charge	-	-	-	-	-	-	-	-	-
AASB116.73e(viii)	Exchange differences	-	-	-	-	-	-	-	-	-
AASB116.73e(ix)	Other changes [Specify]	-	-	-	-	-	-	-	-	-
AASB116.73e	Closing net book amount	-	-	-	-	-	-	-	-	-
<b>At 31 December 2013</b>										
AASB116.73d	- Cost	-	-	-	-	-	-	-	-	-
AASB116.73d	- Valuation	-	-	-	-	-	-	-	-	-
AASB116.73d	Accumulated depreciation and impairment	-	-	-	-	-	-	-	-	-
	Net book amount	-	-	-	-	-	-	-	-	-

## Note 26. Property, plant and equipment (continued)

MANDATORY

Parent entity	Construction in progress \$'000	Land \$'000	Buildings \$'000	Infrastructure \$'000	Plant and equipment* \$'000	Leasehold improvements \$'000	Leased plant & equipment \$'000	Library \$'000	Other plant and equipment** \$'000	Total \$'000
<b>Year ended 31 December 2014</b>										
AASB116.73e										
AASB116.73e(i),74b										
AASB116.73e(ii)										
AASB116.73(iii)										
AASB116.73e(iv)										
AASB116.73(v)										
AASB116.73e(vi)										
AASB116.73e(vii)										
AASB116.73e(viii)										
AASB116.73e(ix)										
AASB116.73e										
<b>At 31 December 2014</b>										
AASB116.73d										
AASB116.73d										
AASB116.73d										

\* Plant & equipment includes all operational assets.

\*\* Other Plant & equipment includes non-operational assets such as artworks.

AASB116.77a-d	(a) Valuations of land and buildings [Specify]
AASB116.74a	(b) Non-current assets pledged as security [Specify]

## Commentary - Property, plant and equipment

### Revaluations

#### *Depreciation treatments*

##### **AASB116.35**

Where an entity revalues depreciable assets, any accumulated depreciation at the date of the revaluation is treated in one of the following ways:

- (a) restated proportionately with the change in the gross carrying amount of the asset so that the carrying amount of the asset after revaluation equals its revalued amount. This method is often used when an asset is revalued by means of applying an index to its depreciated replacement cost; or
- (b) eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset. This method is often used for buildings.

### Reconciliation

#### **AASB116.73e**

The financial report shall disclose, for each class of property, plant and equipment a reconciliation of the carrying amount at the beginning and end of the period showing:

- (a) additions;
- (b) assets classified as held for sale or included in a disposal group classified as held for sale in accordance with *AASB5 Non-current Assets Held for Sale and Discontinued Operations* and other disposals;
- (c) acquisitions through business combinations;
- (d) increases or decreases resulting from revaluations under paragraphs AASB116.31, 39, Aus39.1, 40, Aus40.1 and Aus40.2 and from impairment losses recognised or reversed directly in equity in accordance with AASB136 *Impairment of Assets*;
- (e) impairment losses recognised in profit or loss in accordance with AASB136;
- (f) impairment losses reversed in profit or loss in accordance with AASB136;
- (g) depreciation;
- (h) the net exchange differences arising on the translation of the financial statements from the functional currency into a different presentation currency, including the translation of a foreign operation into the presentation currency of the reporting entity; and
- (i) other changes.

### ***Not-for-profit entities***

#### ***AASB116.Aus77.1***

Notwithstanding AASB116.77(e), in respect of not-for-profit entities, for each revalued class of property, plant and equipment, the requirement to disclose the carrying amount that would have been recognised had the assets been carried under the cost model does not apply.

### **Infrastructure**

#### ***UIG interpretation 1030***

Infrastructure can be described as long term physical assets that require significant investment in order for the HEP to produce its good and services. Examples include roads, footpaths, sewerage networks, water transport, and transportation systems.

#### ***Education***

While this item is not mandatory, if the HEP intends to identify infrastructure it must be reported separately from the other items. It is likely that the Department of Education will mandate this approach in the future.

## Note 27. Intangible assets

		Development			
		costs \$'000	[Specify] \$'000	[Specify] \$'000	Total \$'000
<b>Consolidated</b>					
AASB3.61,B67d AASB138.118c	<b>At 1 January 2013</b>				
	Cost	—	—	—	—
	Accumulated amortisation and impairment	—	—	—	—
	Net book amount	—	—	—	—
AASB138.118e	<b>Year ended 31 December 2013</b>				
	Opening net book amount	—	—	—	—
AASB138.118e(i)	Additions - Internal development	—	—	—	—
AASB138.118e(i)	Additions - Acquisition of subsidiary	—	—	—	—
AASB138.118e(i)	Additions - Separately acquired	—	—	—	—
AASB138.118e(ii)	Disposals	—	—	—	—
AASB138.118e(iv)	Impairment losses	—	—	—	—
AASB138.118e(vi)	Amortisation charge	—	—	—	—
	Closing net book amount	—	—	—	—
AASB138.118c	<b>At 31 December 2013</b>				
	Cost	—	—	—	—
	Accumulated amortisation and impairment	—	—	—	—
	Net book amount	—	—	—	—
		Development			
		costs \$'000	[Specify] \$'000	[Specify] \$'000	Total \$'000
<b>Consolidated</b>					
AASB138.118e	<b>Year ended 31 December 2014</b>				
	Opening net book amount	—	—	—	—
AASB138.118e(i)	Additions - Internal development	—	—	—	—
AASB138.118e(i)	Additions - Acquisition of subsidiary	—	—	—	—
AASB138.118e(i)	Additions - Separately acquired	—	—	—	—
AASB138.118e(ii)	Disposals	—	—	—	—
AASB138.118e(iv)	Impairment losses	—	—	—	—
AASB138.118e(vi)	Amortisation charge	—	—	—	—
	Closing net book amount	—	—	—	—
AASB138.118c	<b>At 31 December 2014</b>				
	Cost	—	—	—	—
	Accumulated amortisation and impairment	—	—	—	—
	Net book amount	—	—	—	—

## Note 27. Intangible assets (continued)

		Development			
		costs \$'000	[Specify] \$'000	[Specify] \$'000	Total \$'000
<b>Parent</b>					
AASB3.61,B67d AASB138.118c	<b>At 1 January 2013</b>				
	Cost	–	–	–	–
	Accumulated amortisation and impairment	–	–	–	–
	Net book amount	–	–	–	–
AASB138.118e	<b>Year ended 31 December 2013</b>				
	Opening net book amount	–	–	–	–
AASB138.118e(i)	Additions - Internal development	–	–	–	–
AASB138.118e(i)	Additions - Acquisition of subsidiary	–	–	–	–
AASB138.118e(i)	Additions - Separately acquired	–	–	–	–
AASB138.118e(ii)	Disposals	–	–	–	–
AASB138.118e(iv)	Impairment losses	–	–	–	–
AASB138.118e(vi)	Amortisation charge	–	–	–	–
	Closing net book amount	–	–	–	–
AASB138.118c	<b>At 31 December 2013</b>				
	Cost	–	–	–	–
	Accumulated amortisation and impairment	–	–	–	–
	Net book amount	–	–	–	–
		Development			
		costs \$'000	[Specify] \$'000	[Specify] \$'000	Total \$'000
<b>Parent</b>					
AASB138.118e	<b>Year ended 31 December 2014</b>				
	Opening net book amount	–	–	–	–
AASB138.118e(i)	Additions - Internal development	–	–	–	–
AASB138.118e(i)	Additions - Acquisition of subsidiary	–	–	–	–
AASB138.118e(i)	Additions - Separately acquired	–	–	–	–
AASB138.118e(ii)	Disposals	–	–	–	–
AASB138.118e(iv)	Impairment losses	–	–	–	–
AASB138.118e(vi)	Amortisation charge	–	–	–	–
	Closing net book amount	–	–	–	–
AASB138.118c	<b>At 31 December 2014</b>				
	Cost	–	–	–	–
	Accumulated amortisation and impairment	–	–	–	–
	Net book amount	–	–	–	–



## Commentary – Intangible assets

### Intangible assets

#### AASB138.118

For additional disclosure requirements, refer to AASB138.118.

#### AASB3.B67d

For additional disclosure requirements for goodwill arising from business combinations, refer to AASB3.B67d

### Note 28. Deferred tax assets and liabilities

		Consolidated		Parent entity		
		2014	2013	2014	2013	
		\$'000	\$'000	\$'000	\$'000	
<b>Deferred tax asset</b>						
AASB112.81g(i)	The balance comprises temporary differences attributable to:					
	Amounts recognised in net result	-	-	-	-	
	[Specify]	-	-	-	-	
	Total deferred tax assets	-	-	-	-	
	Amounts recognised directly in equity					
	[Specify]	-	-	-	-	
	Total amounts recognised directly in equity	-	-	-	-	
AASB112.74	Set-off of deferred tax liabilities pursuant to set-off provisions	-	-	-	-	
	Net deferred tax assets	-	-	-	-	
AASB101.61a	Deferred tax assets to be recovered within 12 months	-	-	-	-	
AASB101.61b	Deferred tax assets to be recovered after more than 12 months	-	-	-	-	
AASB112.81g(ii)	<b>Movements - Consolidated</b>	[Specify] <sup>1</sup>	[Specify]	[Specify]	[Specify]	Total
		\$'000	\$'000	\$'000	\$'000	\$'000
	<b>At 1 January 2013</b>	-	-	-	-	-
AASB112.81g(ii)	Charged/(credited) to the income statement	-	-	-	-	-
AASB112.81a	Charged directly to equity	-	-	-	-	-
	<b>At 31 December 2013</b>	-	-	-	-	-
AASB112.81g(ii)	Charged/(credited) to the income statement	-	-	-	-	-
AASB112.81a	Charged directly to equity	-	-	-	-	-
	Acquisition of subsidiary	-	-	-	-	-
	<b>At 31 December 2014</b>	-	-	-	-	-

## Note 28. Deferred tax assets and liabilities (continued)

AASB112.81g(ii)	Movements - Parent entity	[Specify] <sup>1</sup> \$'000	[Specify] \$'000	[Specify] \$'000	[Specify] \$'000	[Specify] \$'000	Total \$'000
	<b>At 1 January 2013</b>	-	-	-	-	-	-
AASB112.81g(ii)	Charged/(credited) to the income statement	-	-	-	-	-	-
AASB112.81a	Charged directly to equity	-	-	-	-	-	-
	<b>At 31 December 2013</b>	-	-	-	-	-	-
	Charged/(credited) to the income statement	-	-	-	-	-	-
AASB112.81g(ii)	Charged directly to equity	-	-	-	-	-	-
AASB112.81a	Charged directly to equity	-	-	-	-	-	-
	<b>At 31 December 2014</b>	-	-	-	-	-	-

<sup>1</sup> Specify the type of temporary difference

		Consolidated		Parent entity	
		2014	2013	2014	2013
		\$'000	\$'000	\$'000	\$'000
	<b>Deferred tax liability</b>				
AASB112.81g(i)	<b>The balance comprises temporary differences attributable to:</b>				
	Amounts recognised in net result				
	[Specify]	-	-	-	-
	Total mounts recognised in net result	-	-	-	-
	Amounts recognised directly in equity				
	[Specify]	-	-	-	-
	Total amounts recognised directly in equity	-	-	-	-
AASB112.74	Set-off of deferred tax liabilities pursuant to set-off provisions	-	-	-	-
	Net deferred tax liabilities	-	-	-	-
AASB101.61b	Deferred tax liabilities to be settled after more than 12 months	-	-	-	-
AASB101.61a	Deferred tax liabilities to be recovered within 12 months	-	-	-	-
	Total deferred tax liabilities	-	-	-	-

AASB112.81g(ii)	Movements - Consolidated	[Specify] <sup>1</sup> \$'000	[Specify] \$'000	[Specify] \$'000	[Specify] \$'000	[Specify] \$'000	Total \$'000
	<b>At 1 January 2013</b>	-	-	-	-	-	-
AASB112.81g(ii)	Charged/(credited) to the income statement	-	-	-	-	-	-
AASB112.81a	Charged directly to equity	-	-	-	-	-	-
	<b>At 31 December 2013</b>	-	-	-	-	-	-
AASB112.81g(ii)	Charged/(credited) to the income statement	-	-	-	-	-	-
AASB112.81a	Charged directly to equity	-	-	-	-	-	-
	Acquisition of subsidiary	-	-	-	-	-	-
	<b>At 31 December 2014</b>	-	-	-	-	-	-

## Note 28. Deferred tax assets and liabilities (continued)

AASB112.81g(ii)	Movements - Parent entity	[Specify] <sup>1</sup> \$'000	[Specify] \$'000	[Specify] \$'000	[Specify] \$'000	[Specify] \$'000	Total \$'000
	<b>At 1 January 2013</b>	–	–	–	–	–	–
AASB112.81g(ii)	Charged/(credited) to the income statement	–	–	–	–	–	–
AASB112.81a	Charged directly to equity	–	–	–	–	–	–
	<b>At 31 December 2013</b>	–	–	–	–	–	–
AASB112.81g(ii)	Charged/(credited) to the income statement	–	–	–	–	–	–
AASB112.81a	Charged directly to equity	–	–	–	–	–	–
	<b>At 31 December 2014</b>	–	–	–	–	–	–

<sup>1</sup> Specify the type of temporary difference

## Commentary - Deferred tax assets and liabilities

### Setting off of deferred tax assets and liabilities

#### AASB112.74

Deferred tax assets and liabilities shall be set off if, and only if:

- (a) there is a legally enforceable right to set off current tax assets and liabilities, and
- (b) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either:
  - i) the same taxable entity, or
  - ii) different taxable entities which intend to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

#### AASB112.76

The circumstances giving rise to a set off between entities in a consolidated entity are likely to be rare, unless the entities are part of a tax consolidated group.

### Deferred tax assets recovered within and after 12 months

Where an asset or a liability combines amounts that are expected to be recovered or settled within the next 12 months after the reporting date and more than 12 months after that date, AASB101.61 requires disclosure of the amount expected to be recovered or settled after more than 12 months. The HEP has determined this amount as the aggregate deferred tax assets relating to temporary differences associated with non-current assets or liabilities. Conversely, deferred tax assets relating to current assets and liabilities are assumed to be recovered within the next 12 months.

### Additional disclosures

#### AASB112.82

The amount of a deferred tax asset and the nature of the evidence supporting its recognition if it has been recognised and:

- (a) its utilisation depends upon future taxable amounts in excess of profits arising from the reversal of existing taxable temporary differences; and
- (b) the entity has suffered a loss in the current or preceding reporting period in the tax jurisdiction to which the deferred tax asset relates.

## Note 29. Trade and other payables

		Consolidated		Parent entity	
		2014	2013	2014	2013
		\$'000	\$'000	\$'000	\$'000
<b>Current</b>					
EDUCATION	OS-HELP Liability to Australian Government	-	-	-	-
AASB101.60	[Specify]	-	-	-	-
	Total current trade and other payables	-	-	-	-
<b>Non-current</b>					
	[Specify]	-	-	-	-
	Total non-current trade and other payables	-	-	-	-
	Total trade and other payables	-	-	-	-
<b>a) Foreign currency risk</b>					
AASB7.31,34c	The carrying amounts of the Group's and parent entity's trade and other payables are denominated in the following currencies:				
		Consolidated		Parent entity	
		2014	2013	2014	2013
		\$'000	\$'000	\$'000	\$'000
	US Dollar	-	-	-	-
	Australian Dollars	-	-	-	-
	[Specify]	-	-	-	-
AASB7.40	For an analysis of the sensitivity of trade and other payables to foreign currency risk refer to note 51.				

### Commentary -Trade and other payables

#### Fair value disclosure

##### AASB7.25,29a

For financial instruments such as short-term trade payables, no disclosure of fair value is required when the carrying amount is a reasonable approximation of fair value. Where the carrying amount is not a reasonable approximation of fair value, disclosure of the fair value is required.

#### OS-HELP Liability to Australian Government

##### Education

The net amount of money received from the Australian Government under OS-HELP that is yet to be disbursed as loans to students.

## Note 30. Borrowings

### Mandatory

AASB7.21,31

[Briefly describe the terms and conditions of each class of borrowings]

	Consolidated		Parent entity	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
<b>Current</b>				
Secured bank loans	-	-	-	-
Unsecured bank loans	-	-	-	-
Unsecured bond issues	-	-	-	-
Finance lease liabilities	-	-	-	-
[Specify]	-	-	-	-
Total current borrowings	-	-	-	-
<b>Non-Current</b>				
Secured bank loans	-	-	-	-
Unsecured bank loans	-	-	-	-
Unsecured bond issues	-	-	-	-
Finance lease liabilities	-	-	-	-
[Specify]	-	-	-	-
Total non-current borrowings	-	-	-	-
Total borrowings	-	-	-	-
EDUCATION				
<b>Current</b>				
Interest bearing borrowings	-	-	-	-
Interest free borrowings	-	-	-	-
Total current borrowings	-	-	-	-
<b>Non-current</b>				
Interest bearing borrowings	-	-	-	-
Interest free borrowings	-	-	-	-
Total non-current borrowings	-	-	-	-
Total borrowings	-	-	-	-

Mandatory  
AASB7.14,21  
AASB7.14  
EDUCATION

### a) Assets pledged as security

[Briefly describe the nature of security over each class of borrowings]

The carrying amounts of assets pledged as security for current and non-current borrowings are:

	Notes	Consolidated		Parent entity	
		2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
<b>Current</b>					
Floating charge		-	-	-	-
Cash and cash equivalents	18	-	-	-	-
Receivables	19	-	-	-	-
[Specify]		-	-	-	-
Total current assets pledged as security		-	-	-	-
<b>Non-current</b>					
First mortgage		-	-	-	-
Land and buildings	26	-	-	-	-
Total mortgage		-	-	-	-

AASB116.74a

## Note 30. Borrowings (continued)

Mandatory

AASB116.74a

Finance lease					
Plant and equipment	26	—	—	—	—
Total finance lease		—	—	—	—
Floating charge					
Receivables	19	—	—	—	—
Other financial assets	21	—	—	—	—
Plant and equipment	26	—	—	—	—
[Specify]		—	—	—	—
Total floating charge		—	—	—	—
Total non-current assets pledged as security		—	—	—	—
Total assets pledged as security		—	—	—	—

Mandatory

### b) Financing arrangements

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

	Consolidated		Parent entity	
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
Credit standby arrangements				
Total facilities				
[Specify]	—	—	—	—
Total credit standby arrangements	—	—	—	—
Used at balance date				
[Specify]	—	—	—	—
Total used at balance date	—	—	—	—
Unused at balance date				
[Specify]	—	—	—	—
Total unused at balance date	—	—	—	—
Bank loan facilities				
Total facilities	—	—	—	—
Used at balance date	—	—	—	—
Unused at balance date	—	—	—	—

AASB107.50a

### (c) [Specify class of borrowings]

[Specify details of borrowings]

AASB7.21,31,34

### (d) Fair value

AASB7.25

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

	Consolidated			
	2014		2013	
	Carrying amount	Fair value	Carrying amount	Fair value
	\$'000	\$'000	\$'000	\$'000
Non-traded financial liabilities				
[specify borrowing]	—	—	—	—
Traded financial liabilities				
[specify borrowing]	—	—	—	—
Total liabilities	—	—	—	—

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

AASB7.21

The fair value of current borrowings equals their carrying amount, as the impact of discounting is not significant. The fair values of non-current borrowings are based on cash flows discounted using borrowing rates varying from X% to Y%, depending on the type of the borrowing (2013 – X% to Y%).

## Note 30. Borrowings (continued)

Mandatory

### (e) Risk exposures

AASB7.31

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

	Consolidated		Parent entity	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Within one year	-	-	-	-
Between one and five years	-	-	-	-
Later than five years	-	-	-	-
Total borrowings	-	-	-	-
Current borrowings	-	-	-	-
Non-current borrowings	-	-	-	-
Total borrowings	-	-	-	-

AASB7.31,34c

The carrying amounts of the Group's borrowings are denominated in the following currencies:

	Consolidated		Parent entity	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Australian dollar	-	-	-	-
US dollar	-	-	-	-

AASB7.40

For an analysis of the sensitivity of borrowings to interest rate risk and foreign exchange risk refer to note 50.

## Commentary - Borrowings

### Long-term borrowings

#### AASB101.72

An entity classifies its financial liabilities as current when they are due to be settled within twelve months after the reporting date, even if:

- the original term was for a period longer than twelve months, and
- an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting date and before the financial report is authorised for issue.

#### AASB101.73

If an entity expects, and has the discretion, to refinance or roll over an obligation for at least twelve months after the reporting date under an existing loan facility, it classifies the obligation as non-current, even if it would otherwise be due within a shorter period. However, when refinancing or rolling over the obligation is not at the discretion of the entity (for example, there is no agreement to refinance), the potential to refinance is not considered and the obligation is classified as current.

## Note 31. Provisions

### Mandatory

		Consolidated		Parent entity	
		2014	2013	2014	2013
		\$'000	\$'000	\$'000	\$'000
AASB101.61a	<b>Current provisions expected to be settled within 12 months</b>				
	Employee benefits				
	Annual leave	-	-	-	-
	Long service leave	-	-	-	-
EDUCATION	Defined benefit obligation	52	-	-	-
	Employment on-costs provision	-	-	-	-
	[Specify]	-	-	-	-
	Subtotal	-	-	-	-
AASB101.61b	<b>Current provisions expected to be settled after more than 12 months</b>				
	Employee benefits				
	Annual leave	-	-	-	-
	Long service leave	-	-	-	-
	Employment on-costs provision	-	-	-	-
	[Specify]	-	-	-	-
	Subtotal	-	-	-	-
	Total current provisions	-	-	-	-
	<b>Non-current provisions</b>				
	Employee benefits				
	Long service leave	-	-	-	-
EDUCATION	Defined benefit obligation	52	-	-	-
	Employment on-costs provision	-	-	-	-
	[Specify]	-	-	-	-
	Total non-current provisions	-	-	-	-
	Total provisions	-	-	-	-
AASB137.85	For each class of provision, specify:				
	(a) a brief description of the nature of the obligation and the expected timing of any resulting outflows of economic benefits;				
	(b) an indication of the uncertainties about the amount or timing of those outflows, including major assumptions made concerning future events, where necessary; and				
	(c) the amount of any expected reimbursement, stating the amount of any asset that has been recognised for that expected reimbursement.				
AASB137.84	<b>(a) Movements in provisions</b>				
	Movements in each class of provision during the financial year, other than employee benefits, are set out below:				
	<b>Consolidated - 2014</b>				
		[Specify]	[Specify]	[Specify]	Total
		\$'000	\$'000	\$'000	\$'000
	Carrying amount at start of year	-	-	-	-
	Additional provisions recognised	-	-	-	-
	Amounts used	-	-	-	-
	Unused amounts reversed	-	-	-	-
	Increase in discounted amount	-	-	-	-
	Carrying amount at end of year	-	-	-	-



## Note 31. Provisions (continued)

Mandatory

### Parent - 2014

	[Specify] \$'000	[Specify] \$'000	[Specify] \$'000	Total \$'000
Carrying amount at start of year	—	—	—	—
Additional provisions recognised	—	—	—	—
Amounts used	—	—	—	—
Unused amounts reversed	—	—	—	—
Increase in discounted amount	—	—	—	—
Carrying amount at end of year	—	—	—	—

## Commentary - Provisions

### Definition

#### AASB137.10,11

A provision is a liability of uncertain timing or amount. Provisions can be distinguished from other liabilities such as trade payables and accruals because there is uncertainty about the timing or amount of the future expenditure required in settlement. Although it is sometimes necessary to estimate the amount or timing of accruals, the uncertainty is generally much less than for provisions.

### Disclosure

#### AASB101.61a&b

#### AASB101.70

Some current liabilities, such as annual leave and long service leave, are part of the working capital used in the entity's normal operating cycle. An entity classifies such items as current even if they are due to be settled more than twelve months after the reporting period.

## Note 32. Other financial liabilities

	Consolidated		Parent entity	
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
AASB139.9 Financial guarantees (a)	—	—	—	—
AASB101.69 Total	—	—	—	—

### (a) Financial guarantees

The parent entity has provided financial guarantees in respect of bank overdrafts and loans of subsidiaries amounting to \$XX (2013-\$XX), secured by XX.

The parent entity has also given unsecured guarantees in respect of:

(i) [Specify] amounting to \$XX (2013-\$XX)

(ii) [Specify] amounting to \$XX (2013-\$XX)

A liability has been recognised in relation to these financial guarantees in accordance with the policy set out in note 1(ac).

## Commentary - Other financial liabilities

### Financial guarantees - definition

#### AASB139.9

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

## Current versus non-current

### AASB101.69

The liabilities for the financial guarantees have been classified as current in this illustrative disclosure, as there is the assumption that the entity would not have an unconditional right to defer settlement for at least twelve months after the reporting date in case of a default.

## Note 33. Current tax liabilities

AASB112.12

[Specify]  
Total current tax liabilities

Consolidated		Parent entity	
2014	2013	2014	2013
\$'000	\$'000	\$'000	\$'000
-	-	-	-
-	-	-	-

## Note 34. Other liabilities

Mandatory

AASB101.60  
EDUCATION

### Current

Australian Government Unspent Financial Assistance  
Advances Other  
Income received in advance  
[Specify]  
Total current other liabilities

Consolidated		Parent entity	
2014	2013	2014	2013
\$'000	\$'000	\$'000	\$'000
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-

### Non-current

Australian Government Unspent Financial Assistance  
Advances Other  
Income received in advance  
[Specify]  
Total non-current other liabilities  
Total other liabilities

-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-

## Note 35. Restricted funds

AASB101.79,80

### [Specify]

Accumulated funds at 1 Jan  
[Specify inflows]  
[Specify outflows]  
Accumulated funds at 31 Dec

Consolidated		Parent entity	
2014	2013	2014	2013
\$'000	\$'000	\$'000	\$'000
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-

Total restricted funds  
Total Accumulated funds at 1 Jan  
[Specify inflows]  
[Specify outflows]  
Total Accumulated funds at 31 Dec

-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-

## Commentary - Restricted Funds

### Education

Where the HEP has funds or assets donated by external parties (including Government) with specific restrictions they should be reflected in the restricted funds. If this is not the case, then the HEP should record a 'nil' balance against restricted funds.

## Note 36. Reserves and retained earnings

Mandatory

### (a) Reserves

	Consolidated		Parent entity	
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
EDUCATION				
Property, plant and equipment revaluation surplus	–	–	–	–
Foreign currency translation surplus	–	–	–	–
[Specify]	–	–	–	–
Total reserves	–	–	–	–

### Movements

AASB116.77f	Property, plant and equipment revaluation surplus				
	Balance 1 January	–	–	–	–
AASB116.39	Revaluation – gross	26	–	–	–
AASB112.61,81a	Deferred tax	28	–	–	–
AASB116.41	Depreciation transfer – gross	–	–	–	–
AASB116.41	Deferred tax	–	–	–	–
AASB116.39	Revaluation – associate	45	–	–	–
AASB112.61,81a	Deferred tax	–	–	–	–
AASB116.41	Revaluation – joint venture	45	–	–	–
AASB116.41	Deferred tax	–	–	–	–
	Balance 31 December	–	–	–	–
AASB121.52b	Foreign currency translation surplus				
	Balance 1 January	–	–	–	–
	Currency translation differences arising during the year	–	–	–	–
	Balance 31 December	–	–	–	–

[Describe movements in other reserves as appropriate]

Movements in retained earnings were as follows:

	Retained earnings at 1 January	–	–	–	–
	Net result for the period	–	–	–	–
	Actuarial changes for defined benefit schemes	52	–	–	–
	[Specify]	–	–	–	–
	Retained earnings at 31 December	–	–	–	–

AASB101.79b

### (b) Nature and purpose of reserves

[Briefly describe the nature and purpose of each reserve]

## Commentary – Reserves and retained earnings

### Nature and purpose

#### **AASB101.79b**

A description of the nature and purpose of each reserve within equity must be provided either on the face of the statement of financial position or in the notes. This applies to each reserve, including general reserves, capital profit reserves and any others in existence.

In providing a description of the nature and the purpose of the reserves it would be appropriate to refer to any restrictions on their distributions or any other important characteristics. In the case of:

#### **AASB116.77f**

(a) the property, plant and equipment revaluation surplus: there is a specific requirement to disclose any restrictions on the distribution of the balance to shareholders

#### **AASB138.124b**

(b) the amount to revaluation surplus that relates to intangible assets; there is a specific requirement to disclose the balance at the beginning and the end of the period, indicating the changes during the period and any restrictions on the distributions of the balance to shareholders.

## **Note 37. Non-controlling interest**

EDUCATION	Consolidated		Parent entity	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
<b>Interest in:</b>				
Restricted funds	–	–	–	–
Reserves	–	–	–	–
Retained earnings	–	–	–	–
Total non-controlling interest	–	–	–	–

## Commentary - Non-controlling interest

### Non-controlling interest note not mandatory

#### **Education**

There are no requirements in the *Corporations Act 2001* or Australian Accounting Standards to include a note along the lines of the above note. Such a note was required under previous AGAAP and may be useful to users of the financial report.

## Note 38. Key management personnel disclosures

### Education

AASB124.17,19f	<p><b>(a) Names of responsible persons and executive officers</b>          The following persons were responsible persons and executive officers of [HEP] during the financial year:          [List responsible persons and executive officers]</p>																																			
AASB124.17,19f	<p><b>(b) Other key management personnel</b>          The following persons also had authority and responsibility for planning, directing and controlling the activities of [HEP] during the financial year:          [List key management personnel]</p> <p>All of the above persons were also key management persons during the year ended 31 December 2014.</p>																																			
EDUCATION – refer to note in commentary below	<p><b>(c) Remuneration of Board Members and Executives</b></p> <table border="0" style="width: 100%;"> <thead> <tr> <th></th> <th colspan="2" style="text-align: center;">Consolidated</th> <th colspan="2" style="text-align: center;">Parent entity</th> </tr> <tr> <th></th> <th style="text-align: center;"><b>2014</b></th> <th style="text-align: center;">2013</th> <th style="text-align: center;"><b>2014</b></th> <th style="text-align: center;">2013</th> </tr> <tr> <th></th> <th colspan="2" style="text-align: center;">Number</th> <th colspan="2" style="text-align: center;">Number</th> </tr> </thead> <tbody> <tr> <td><b>Remuneration of Board Members</b></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Nil to \$14,999</td> <td style="text-align: center;">–</td> <td style="text-align: center;">–</td> <td style="text-align: center;">–</td> <td style="text-align: center;">–</td> </tr> <tr> <td>\$15,000 to \$29,999</td> <td style="text-align: center;">–</td> <td style="text-align: center;">–</td> <td style="text-align: center;">–</td> <td style="text-align: center;">–</td> </tr> <tr> <td>[Repeat successive bands as required]</td> <td style="text-align: center;">–</td> <td style="text-align: center;">–</td> <td style="text-align: center;">–</td> <td style="text-align: center;">–</td> </tr> </tbody> </table>		Consolidated		Parent entity			<b>2014</b>	2013	<b>2014</b>	2013		Number		Number		<b>Remuneration of Board Members</b>					Nil to \$14,999	–	–	–	–	\$15,000 to \$29,999	–	–	–	–	[Repeat successive bands as required]	–	–	–	–
	Consolidated		Parent entity																																	
	<b>2014</b>	2013	<b>2014</b>	2013																																
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	Consolidated		Parent entity																																	
	<b>2014</b>	2013	<b>2014</b>	2013																																
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<b>Remuneration of executive officers</b>																																				
\$130,000 to \$144,999	–	–	–	–																																
\$145,000 to \$159,999	–	–	–	–																																
[Repeat successive bands as required]	–	–	–	–																																

## Note 38. Key management personnel disclosures (continued)

### Education

		Consolidated		Parent entity	
		2014	2013	2014	2013
		Number		Number	
<b>Remuneration of Board Members</b>					
	Nil to \$9,999	-	-	-	-
	\$10,000 to \$19,999	-	-	-	-
	[Repeat successive bands as required]	-	-	-	-
EDUCATION					
		Consolidated		Parent entity	
		2014	2013	2014	2013
		Number		Number	
<b>Remuneration of executive officers</b>					
	\$130,000 to \$139,999	-	-	-	-
	\$140,000 to \$149,999	-	-	-	-
	[Repeat successive bands as required]	-	-	-	-
<b>(d) Key management personnel compensation</b>					
		Consolidated		Parent entity	
		2014	2013	2014	2013
		\$'000	\$'000	\$'000	\$'000
AASB124.17a	Short-term employee benefits	-	-	-	-
AASB124.17b	Post-employment benefits	-	-	-	-
AASB124.17c	Other long-term benefits	-	-	-	-
AASB124.17d	Termination benefits	-	-	-	-
AASB124.17e	Share-based payments	-	-	-	-
	Total key management personnel compensation	-	-	-	-
<b>(e) Loans to key management personnel</b>					
Details of loans made to directors of [HEP] and other key management personnel of the Group, including their personally related parties, are set out below:					
AASB124.18	Aggregates for key management personnel				
		Consolidated		Parent entity	
		2014	2013	2014	2013
		\$	\$	\$	\$
	Balance at the start of the year	-	-	-	-
	Interest paid and payable for the year	-	-	-	-
	Balance at the end of the year	-	-	-	-
	Interest not charged	-	-	-	-
	Number in Group at the end of the year	-	-	-	-
AASB124.23	The amounts shown for 'interest not charged' in the tables above represent the difference between the amount paid and payable for the year and the amount of interest that would have been charged on an arm's-length basis.				
AASB124.18d	No write-downs or allowances for doubtful receivables have been recognised in relation to any loans made to key management personnel.				
<b>(f) Other transactions with key management personnel</b>					
[Specify]					

## Commentary – Key management personnel disclosures

### *Education*

#### **(a) Key management personnel**

##### **AASB124.9**

For the purposes of AASB124, key management personnel are persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.

The Department of Education provides further guidance on the key management personnel definition as applicable to HEPs, by stating that such persons should have authority and responsibility for planning, directing and controlling the activities of the whole entity, and not just a faculty.

##### **AASB124.Aus9.1**

A director is a person who is a director under the *Corporations Act 2001* or, in the case of entities governed by bodies not called a board of directors, a person who, regardless of the name that is given to the position, is appointed to the position of member of the governing body, council, commission or authority. Individuals who are directors of subsidiaries within an economic entity but not directors of the parent entity are not directors of the Group.

#### **(b) Materiality**

##### **AASB124.Aus1.8**

The requirements of this Standard apply to the financial statements where information resulting from their application is material in accordance with AASB101 *Presentation of Financial Statements* and AASB108 *Accounting Policies, Changes in Accounting Estimates and Errors*.

### *Disclosure*

##### **AASB124.Aus1.2**

AASB124 applies to general purpose financial statements of reporting entities.

#### **(c) Remuneration of Board Members and Executives**

### *Education*

To allow for the different requirements of the applicable state legislation for each HEP, two alternative forms of disclosure is provided for item (c) Remuneration of Board members and Executives. The HEP should select only one of these suggested disclosures, based on whether the \$10,000 or \$15,000 bands are applicable. Where a member's income is zero, it is recommended that the member be included in the lowest band (\$0 - \$10,000/\$15,000).

#### **(d) Key management personnel compensation**

##### **AASB124.17**

Disclosures for all reporting entities

##### **AASB124.17a**

(a) short-term employee benefits;

##### **AASB124.17b**

(b) post-employment benefits;

##### **AASB124.17c**

(c) other long-term benefits;

##### **AASB124.17d**

(d) termination benefits; and

**AASB124.17e**

(e) share-based payments.

**(e) Loans to key management personnel**

**AASB124.18**

Separate disclosure is required in respect of each aggregate of loans made, guaranteed or secured, directly or indirectly, by the disclosing entity and any of its subsidiaries to:

**Education**

(a) All key management personnel, including their related parties; and

**Education**

(b) Any key management personnel retiring during the reporting period (other than a director or chief executive officer).

The loan of a key management person is included in the aggregate disclosure if any amount was owing during the period, and is not excluded on the grounds that no amount was owing at the end of the reporting period or that the amount owed was less than \$100,000 at all times during the reporting period.



## Note 39. Remuneration of auditors

During the year, the following fees were paid for services provided by the auditor of the parent entity, its related practices and non-related audit firms:

		Consolidated		Parent entity	
		2014	2013	2014	2013
		\$	\$	\$	\$
	<b>Audit the Financial Statements</b>				
AASB1054.10(a)	Fees paid to [main audit firm]	–	–	–	–
AASB1054.10(a)	[Specify other firms]	–	–	–	–
	Total paid for audit and review	–	–	–	–
	<b>Other audit and assurance services</b>				
AASB1054.10(b)	Fees paid to [main audit firm]	–	–	–	–
AASB1054.10(b)	[Specify other firms]	–	–	–	–
	Total paid for audit and assurance	–	–	–	–
AASB1054.10(b)	[Describe the nature of all other services]				

It is the consolidated entity's policy to employ [main audit firm] on assignments additional to their statutory audit duties where [main audit firm]'s expertise and experience with the consolidated entity are important. It is the consolidated entity's policy to seek competitive tenders for all major consulting projects.

## Commentary - Remuneration of auditors

### Materiality

The auditor's remuneration disclosures are mandatory as they are deemed to be material because of their nature.

### AASB1054.10

An entity shall disclose fees to each auditor or reviewer separately for:

- (a) the audit or review of the financial statements; and
- (b) all other services performed during the reporting period.

### AASB1054.11

The nature and amount of all other work undertaken by an auditor or reviewer shall be disclosed.

## **Note 40. Contingencies**

AASB137.86	<b>Contingent liabilities</b> [Describe contingent liabilities]
AASB137.86,91	<b>Claims</b> [Describe claims]
AASB137.89,91	<b>Contingent assets</b> [Describe contingent assets]
AASB12.23b	<b>Contingent liabilities arising from Group's interests in joint ventures and associates</b> [Describe contingent liabilities]

## **Commentary - Contingencies**

### **Accounting standard for provisions, contingent liabilities and contingent assets**

#### **AASB137.1-5**

AASB137 *Provisions, Contingent Liabilities and Contingent Assets* applies to all provisions, contingent liabilities and contingent assets except:

- (a) those resulting from executory contracts, except where the contract is onerous; and
- (b) those covered by another Australian Accounting Standard. For example:
  - i) financial instruments (including guarantees) that are within the scope of AASB139 *Financial Instruments: Recognition and Measurement*;
  - ii) contingent liabilities assumed in a business combination - AASB3 *Business Combinations* addresses the treatment by an acquirer of contingent liabilities assumed in a business combination;
  - iii) certain types of provisions are also addressed in Standards on:
    - construction contracts (refer to AASB111)
    - income taxes (refer to AASB112)
    - leases (refer to AASB117). However, as AASB117 contains no specific requirements to deal with operating leases that have become onerous, AASB137 applies to such cases;
    - employee benefits (refer to AASB119)
    - insurance contracts (refer to AASB4, AASB1023 and AASB1038). However, AASB137 applies to provisions, contingent liabilities and contingent assets of an insurer, other than those arising from its contractual obligations and rights under insurance contracts within the scopes of AASB4, AASB1023 or AASB1038.

### **Definitions**

#### ***Contingent liability***

##### **AASB137.10**

A contingent liability is:

- (a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the entity; or
- (b) a present obligation that arises from past events but is not recognised because:
  - i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
  - ii) the amount of the obligation cannot be measured with sufficient reliability.

#### ***Contingent asset***

##### **AASB137.10**

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

## **Not to be recognised in financial report**

An entity shall not recognise a contingent liability or a contingent asset in the financial report.

### **Disclosure**

#### ***Contingent liabilities***

##### ***AASB137.86***

Unless the possibility of any outflow in settlement is remote, an entity shall disclose for each class of contingent liability at the reporting date a brief description of the nature of the contingent liability and, where practicable:

- (a) an estimate of its financial effect, measured under AASB137.36-52;
- (b) an indication of the uncertainties relating to the amount or timing of any outflow; and
- (c) the possibility of any reimbursement.

##### ***AASB137.87***

In determining which contingent liabilities may be aggregated to form a class, it is necessary to consider whether the nature of the items is sufficiently similar for a single statement about them to fulfil the requirements of AASB137.85a-b,86a-b.

#### ***Contingent assets***

##### ***AASB137.89***

Where an inflow of economic benefits is probable, an entity shall disclose a brief description of the nature of the contingent assets at the reporting date, and, where practicable, an estimate of their financial effect, measured using the principles set out for provisions in AASB137.36-52.

##### ***AASB137.90***

It is important that disclosures for contingent assets avoid giving misleading indications of the likelihood of income arising.

## Note 41. Commitments

### (a) Capital commitments

Capital expenditure contracted for at the reporting date but not recognised as liabilities is as follows:

		Consolidated		Parent entity	
		2014	2013	2014	2013
		\$'000	\$'000	\$'000	\$'000
AASB116.74c	<b>Property, Plant and Equipment</b>				
EDUCATION	Within one year	-	-	-	-
EDUCATION	Between one and five years	-	-	-	-
EDUCATION	Later than five years	-	-	-	-
	Total PPE commitments	-	-	-	-
AASB138.122e	<b>Intangible assets</b>				
EDUCATION	Within one year	-	-	-	-
EDUCATION	Later than one year	-	-	-	-
	Total intangible asset commitments	-	-	-	-
AASB12.23a	<b>Jointly controlled capital commitments</b>				
EDUCATION	Within one year	-	-	-	-
EDUCATION	Later than one year	-	-	-	-
	Total jointly controlled capital commitments	-	-	-	-

### (b) Lease commitments

#### (i) Operating leases

AASB117.35d [Provide description of operating leases]

		Consolidated		Parent entity	
		2014	2013	2014	2013
		\$'000	\$'000	\$'000	\$'000
AASB117.35a	Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:				
AASB117.35a(i)	Within one year	-	-	-	-
AASB117.35a(ii)	Between one and five years	-	-	-	-
AASB117.35a(iii)	Later than five years	-	-	-	-
	Total future minimum lease payments	-	-	-	-

## Note 41. Commitments (continued)

(ii) Finance leases  
AASB117.31a,31e [Provide description of finance leases]

		Consolidated		Parent entity	
		2014	2013	2014	2013
		\$'000	\$'000	\$'000	\$'000
AASB117.31b	Commitments in relation to finance leases are payable as follows:				
AASB117.31b(i)	Within one year	-	-	-	-
AASB117.31b(ii)	Between one and five years	-	-	-	-
AASB117.31b(iii)	Later than five years	-	-	-	-
	Total future minimum lease payments	-	-	-	-
	Future finance charges	-	-	-	-
	Finance lease liabilities	-	-	-	-
	Lease incentives on non-cancellable operating leases included in lease liabilities	-	-	-	-
	Total lease liabilities	-	-	-	-
	Representing lease liabilities:				
	Current	-	-	-	-
	Non-current	-	-	-	-
	Total lease liabilities	-	-	-	-

AASB7.21 The weighted average interest rate implicit in the finance leases is X% (2013: X%)

### (c) Other commitments

[Provide disclosure of other commitments, ie CRC or PPP]

## Commentary - Commitments

### AASB101.29

In accordance with AASB101 *Presentation of Financial Statements*, individual commitments will only need to be disclosed where they are individually material. Disclosure is not required when individual commitments or classes of commitments are not material.

Commitments are intentions to create liabilities or assets for the receiving entity, as evidenced by undertakings or agreements to make/obtain future payments to/from other entities as at the reporting date; and are executory contracts as recognised under AASB137 (ie not onerous). Commitments differ from liabilities in that there is no present obligation arising from a past transaction or event or such an obligation is subject to future performance of another party (eg obligations that are executory contracts).

### Leasing arrangements

#### AASB117.31e,35d

For both finance and operating leases, disclosure is required of a general description of the lessee's significant leasing arrangements, including but not limited, to the following:

- (a) the basis on which contingent rent payable is determined;
- (b) the existence and terms of renewal or purchase options and escalation clauses; and
- (d) restrictions imposed by lease arrangements, such as those concerning dividends, additional debt, and further leasing.

## Note 42. Related parties

### Education

#### (a) Parent entities

AASB101.138c,  
AASB124.13,Aus13.1

The ultimate parent entity within the Group is [HEP]. The ultimate Australian parent entity is [entity name] which at 31 December 2014 owns X% (2013 - X%) of the issued ordinary shares of [HEP]. The ultimate parent entity is [entity name] (incorporated in [country]) which at 31 December 2014 owns X% (2013 - X%) of the issued ordinary shares of [entity name].

#### (b) Subsidiaries

Interests in subsidiaries are set out in note 44.

#### (c) Key management personnel

Disclosures relating to directors and specified executives are set out in note 38.

#### (d) Transactions with related parties

AASB124.18a

The following transactions occurred with related parties:

	Consolidated		Parent entity	
	2014	2013	2014	2013
	\$	\$	\$	\$
Sale of goods and services [Describe]	—	—	—	—
Purchase of goods [Describe]	—	—	—	—

## Note 42. Related parties (continued)

### (e) Loans to/from related parties

		Consolidated		Parent entity	
		2014	2013	2014	2013
		\$'000	\$'000	\$'000	\$'000
AASB124.19c	<b>Loans to subsidiaries</b>				
AASB124.19b	Beginning of the year	-	-	-	-
AASB124.19a	Loans advanced	-	-	-	-
AASB124.19a	Loan repayments received	-	-	-	-
AASB124.19a	Interest charged	-	-	-	-
AASB124.19a	Interest received	-	-	-	-
AASB124.19b	End of year	-	-	-	-
AASB124.19g	<b>Loans to other related parties</b>				
AASB124.19b	Beginning of the year	-	-	-	-
AASB124.19a	Loans advanced	-	-	-	-
AASB124.19a	Loan repayments received	-	-	-	-
AASB124.19a	Interest charged	-	-	-	-
AASB124.19a	Interest received	-	-	-	-
AASB124.19b	End of year	-	-	-	-
AASB124.19a	<b>Loans from XX (ultimate parent entity)</b>				
AASB124.19b	Beginning of the year	-	-	-	-
AASB124.19a	Loans advanced	-	-	-	-
AASB124.19a	Loan repayments received	-	-	-	-
AASB124.19a	Interest charged	-	-	-	-
AASB124.19a	Interest received	-	-	-	-
AASB124.19b	End of year	-	-	-	-
AASB124.19d	<b>Loans from associates</b>				
AASB124.19b	Beginning of the year	-	-	-	-
AASB124.19a	Loans advanced	-	-	-	-
AASB124.19a	Loan repayments received	-	-	-	-
AASB124.19a	Interest charged	-	-	-	-
AASB124.19a	Interest received	-	-	-	-
AASB124.19b	End of year	-	-	-	-
AASB124.18c,d	No provisions for doubtful debts have been raised in relation to any outstanding balances, and no expense has been recognised in respect of bad or doubtful debts due from related parties.				





***(b) Relationship between parents and subsidiaries***

***AASB124.13***

Relationships between parents and subsidiaries shall be disclosed irrespective of whether there have been transactions between those related parties. An entity shall disclose the name of the entity's parent and, if different, the ultimate controlling party. If neither the entity's parent nor the ultimate controlling party produces financial reports available for public use, the name of the next most senior parent that does so shall also be disclosed.

***(d) Transactions with related parties***

***AASB124.19***

The disclosures of related party transactions required by paragraph 18 of AASB124 shall be made separately for each of the following categories:

- (a) the parent;
- (b) entities with joint control of, or significant influence over, the entity;
- (c) subsidiaries;
- (d) associates;
- (e) joint ventures in which the entity is a venturer;
- (f) key management personnel of the entity or its parent; and
- (g) other related parties.

***(e) Terms and conditions***

***AASB124.18b(i),23***

The terms and conditions of outstanding balances shall be disclosed, including whether they are secured, and the nature of the consideration to be provided in settlement. Disclosures that related party transactions were made on terms equivalent to those that prevail in arm's length transactions are made only if such terms can be substantiated.

## Note 43. Business combinations

	<b>(a) Summary of acquisition</b>				
AASB3.B64.a-d	[Describe as applicable]				
	Details of the fair value of the assets and liabilities acquired and goodwill are as follows:				\$'000
AASB3.B64f	Purchase consideration (refer to (b) below):				-
	[Specify]				-
AASB3.B64g	Contingent consideration				-
AASB107.40a	Total purchase consideration				-
	Fair value of net identifiable assets acquired (refer to (c) below)				-
	Goodwill (refer to (d) below and note 28).				-
	<b>(b) Purchase consideration</b>				
		Consolidated	2013	Parent entity	2013
		<b>2014</b>	2013	<b>2014</b>	2013
		<b>\$'000</b>	\$'000	<b>\$'000</b>	\$'000
	Outflow of cash to acquire subsidiary, net of cash acquired				
AASB107.40b	Cash consideration	-	-	-	-
AASB107.40c	Less: Balance acquired				
	Cash	-	-	-	-
	Bank overdraft	-	-	-	-
	Outflow of cash	-	-	-	-
	<b>(c) Assets acquired and liabilities assumed</b>				
AASB3.B64i	The assets and liabilities arising from the acquisition are as follows:				
AASB107.40d					
		Acquiree's		Fair value	
		\$'000		\$'000	
	[List as applicable]	-		-	
	Net assets	-		-	
	Non-controlling interests	-		-	
	Net identifiable assets acquired	-		-	
	<b>(d) Goodwill arising on acquisition</b>				
	Goodwill arising on acquisition	-		-	

## Commentary - Business combinations

### General requirement

#### AASB3.59a,b

An acquirer is required to disclose information that enables users of its financial report to evaluate the nature and financial effect of business combinations effected during the reporting period and after the reporting date but before the financial report is authorised for issue. Refer to note 47 for illustrative disclosures relating to an after balance date acquisition.

### Specific disclosures

#### AASB3.B64, B65, B66

Specific disclosures are required by paragraph B64 of AASB3 *Business Combinations* for each material business combination effected during the reporting period. The information required by that paragraph shall be disclosed in aggregate for business combinations effected during the reporting period that are individually immaterial.

***Assets, liabilities and contingent liabilities acquired***

***AASB3.B64i,j***

Disclosure shall be made of the amounts recognised at the acquisition date for each class of the acquiree's assets, liabilities and contingent liabilities.

***Net result since acquisition date***

***AASB3.B64q***

Disclosure shall be made of the amounts of revenue and profit or loss of the acquiree since the acquisition date included in the consolidated statement of comprehensive income for the reporting period.

***Revenue and net result as if effected at the beginning of the period***

***AASB3.64q(ii)***

The acquirer shall disclose the revenue and the net result of the combined entity for the period as though the acquisition date for all business combinations effected during the period had been the beginning of the period.

## Note 44. Subsidiaries

AASB10	The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1(b):					
AASB127.17b, AASB12.12	Name of entity	Principal place of business	Ownership interest			
			2014	2013		
			%	%		
AASB127.17c	[Description of method used to account for investments above in the parent's separate]					
AASB12.13a	[Provide details of significant restrictions on the group's ability to access or use the assets and settle the liabilities of the group]					
	<b>Non-controlling interests</b>					
AASB12.12	Subsidiaries that have non-controlling interests that are material to the reporting entity are listed below:					
	Name of entity	Principal place of business	Ownership interest/voting rights held by non-controlling interests	Profit or loss allocated to non-controlling interest	Accumulated non-controlling interests	
AASB12.12g,B10	Summarised financial information (before inter-company eliminations) for subsidiaries that have non-controlling interests that are material to the HEP are disclosed below:					
			Subsidiary 1		Subsidiary 2	
			2014	2013	2014	2013
			\$'000	\$'000	\$'000	\$'000
AASB12.B10b	<b>Financial Position</b>					
	Current assets		-	-	-	-
	Non-current assets		-	-	-	-
	Total assets		-	-	-	-
	Current liabilities		-	-	-	-
	Non-current liabilities		-	-	-	-
	Total liabilities		-	-	-	-
	Net assets		-	-	-	-
AASB12.12f	Accumulated non-controlling interest					
			-	-	-	-
	<b>Financial Performance</b>					
	Revenue		-	-	-	-
	Profit or loss		-	-	-	-
	Profit or loss attributable to NCI		-	-	-	-
	Total comprehensive income		-	-	-	-
	Total comprehensive income attributable to NCI		-	-	-	-
AASB12.B10a	Dividends paid to non-controlling interests					
			-	-	-	-
AASB12.B10b	<b>Cashflows</b>					
	Cash flows from operating activities		-	-	-	-
	Cash flows from investing activities		-	-	-	-
	Cash flows from financing activities		-	-	-	-
	Net increase/(decrease) in cash and cash equivalents		-	-	-	-
AASB12.13b	[Provide details of the nature and extent to which protective rights of non-controlling interests can significantly restrict the group's ability to access or use the assets and settle the liabilities of the group.]					
AASB12.13c	[Provide carrying amounts of the assets and liabilities to which those restrictions apply]					

## **Note 44. Subsidiaries (continued)**

### **Loss of control**

AASB12.18	[If applicable present a schedule that shows the effects on equity of the owners of the parent of any changes in the ownership of a subsidiary that do not result in a loss of control]
AASB12.19, AASB10.25	[Disclose the gain/loss, if any, associated with the loss of control of a subsidiary. Report the portion of which is attributable to measuring the investment retained in the former subsidiary. Disclose the line item(s) in profit or loss in which this gain/loss is recognised (if not presented separately)]
	<b>Interests in consolidated structured entities</b>
AASB12.14	[Disclose the terms of any contractual agreements that could require the parent or any of its subsidiaries to provide financial support to a consolidated structured entity, including circumstances that could expose the HEP to a loss]
AASB12.15	[List the type and amount of support provided to consolidated structured entities by the parent or its subsidiaries during the year, which was provided without a contractual obligation to do so. Also list reasons for giving the support]
AASB12.16	[If the parent or its subsidiaries provided financial support, without a contractual obligation to do so, to an unconsolidated structured entity that resulted in the entity becoming a consolidated structured entity, disclose an explanation of the relevant factors in reaching that decision]
AASB12.17	[Disclose any current intentions to provide financial or other support to a consolidated structured entity]

## **Commentary - Subsidiaries**

### **List of significant subsidiaries**

#### **AASB127.17**

When a parent (other than a parent covered by AASB127.16-16A), venturer with an interest in a joint venture or an investor in an associate prepares separate financial statements, the notes to those separate financial statements shall disclose a list of significant investments in subsidiaries, joint ventures and associates including the name, principal place of business, proportion of ownership interest and, if different, proportion of voting power held.

#### **AASB10.6,7**

Subsidiaries are entities (including structured entities) over which the HEP has control. The HEP is deemed to control an investee when the HEP is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

AASB10.24

AASB2013-8.IG9

Rights are substantive when they are exercisable when decisions about the direction of relevant activities need to be made. In addition to the list in AASB10.B15, rights to give policy directions to the governing body of an investee or rights to approve or veto operating/capital budgets relating to relevant activities also give rise to power.

#### **AASB2013-8.IG18-19**

#### **AASB10.B57**

With reference to not-for-profits, AASB2013-8 points out that returns of an investee do not always need to be financial. They can also include the achievement or furtherance of the investor's objectives. For example a distribution by a trust to beneficiaries to meet the investor's social policy objectives.

#### **AASB10.10,B11**

#### **AASB2013-8.IG4**

Relevant activities are activities that significantly affect the investee's returns. In example IG4 in AASB2013-8, of a university and government entity: The university is economically dependent on the government for grant funding and the government can in some cases intervene in the activities of the university, for example choose some members of the council (but not control the council) or fix borrowing limits and impose other administrative regulations. These activities are not the relevant activities of the university (which would be learning, teaching and research- which are governed by the university's council). In this situation there is no control.

### **AASB2013-8. IG1C**

A publicly elected board does not indicate that an investor cannot control an investee. In some cases the design of the investee or its constitution allows the investor to control relevant activities.

### **AASB10.8**

#### **AASB10.B80**

The HEP should consider all facts and circumstances when assessing whether it controls an investee. If facts and circumstances indicate there are changes to one or more of the three elements of control listed in paragraph 7 of AASB10 the HEP should reassess whether it still controls an investee.

#### **AASB10.C4**

When application of AASB10 for the first time results in the HEP consolidating an investee that was not consolidated in accordance with AASB127 and Interpretation 112, the HEP shall:

- (a) If the investee is a business (as defined in AASB3 *Business Combinations*), measure the assets, liabilities and non-controlling interests in that previously unconsolidated investee as if the investee had been consolidated from the date when HEP obtained control. HEP shall adjust retrospectively the annual reporting period immediately preceding the date of initial application. If control was obtained prior to the preceding reporting period, HEP shall recognise, as an adjustment to equity at the beginning of the immediately preceding period, any difference in the amount of assets, liabilities and NCIs recognised, and in the previous carrying amount of HEP's involvement with the investee.
- (b) If the investee is not a business (as defined in AASB3), measure the assets, liabilities and non-controlling interests in that previously unconsolidated investee as if the investee had been consolidated (applying the acquisition method in AASB3 without recognising any goodwill) from the date when HEP obtained control. HEP shall adjust retrospectively the annual reporting period immediately preceding the date of initial application. If control was obtained prior to the preceding reporting period, HEP shall recognise, as an adjustment to equity at the beginning of the immediately preceding period, any difference in the amount of assets, liabilities and NCIs recognised, and in the previous carrying amount of HEP's involvement with the investee.

The HEP shall provide comparative information and disclosures as per AASB108.

#### **AASB10.C3**

No adjustments need to be made for entities previously consolidated under AASB127 that continue to be consolidated or entities that were previously unconsolidated under AASB127 that continue to be unconsolidated.

### **Non-controlling interests in subsidiaries**

#### **AASB12.10**

Information should be disclosed to enable users to understand the composition of the HEP and the interests non-controlling interests have in its activities and cash flows. This information should enable users to evaluate restrictions, risks, consequences of changes in ownership that does not result in loss of control and the consequences of losing control of a subsidiary.

#### **AASB12.13**

Significant restrictions can include statutory, contractual and regulatory restrictions, such as those that restrict the ability of the parent or its subsidiaries to transfer assets to or from entities within the HEP or guarantees or other requirements that restrict dividends, capital distributions, loans or advances from being paid within the HEP.

### **Loss of control**

#### **AASB12.18**

The HEP should also include in this note a schedule that shows the effect on the equity attributable to the owners of the parent of any changes in its ownership interest in a subsidiary that does not result in loss of control.

Present any loss of control in accordance with AASB10.25 and AASB12.19

**Summarised financial information*****AASB12.B17***

The requirements of AASB12.B10 do not apply if the subsidiary is classified as held for sale.

**Not for profit consolidation**

AASB2013-8 provides an additional appendix to AASB10 to elaborate on the guidance for not-for-profit entities. It does not replace or revise any terminology in AASB10.

## **Note 45. Joint operations**

<b>Joint operations</b> [Insert details]					
AASB12.21,B12a	Name of joint operation	Nature of relationship	Principal place of business	Ownership interest/voting rights held	
				<b>2014</b>	2013
AASB11.20a,b	The assets and liabilities employed in the above jointly controlled operations, including [HEP]'s share of any assets and liabilities held jointly, are detailed below. The amounts are included in the financial statements under their respective categories.				
AASB12.7c	[Include the significant judgements and assumptions made in determining joint control over another entity]				

### **Commentary - Joint Operations**

#### **Recognition for joint operations**

##### **AASB11.20**

For joint operations the HEP shall recognise in its separate financial statements the assets that is controls, including its share of any jointly controlled assets, the liabilities it incurs, including its share of any jointly incurred liabilities, the expense it incurs, including its share of any expenses jointly incurred, and its share of the income from the output of the joint operation and revenue from the sale of its share of the output from the operation.

##### **AASB11.23**

A HEP that participates in, but does not have joint control of, a joint operation shall also account for its interest in the arrangements as per AASB11.20-22 if it has rights to the assets and obligations for the liabilities

For further details on establishing control, joint control and the difference between joint ventures and joint operations see note 24.



## Note 46. Interests in unconsolidated structured entities

	<b>Interests in unconsolidated structured entities</b>						
AASB12.24	[Insert details]						
AASB12.26	Name of unconsolidated structured entity [Specify]	Nature of entity	Purpose of entity	Size of entity	Activities of entity	How the structured entity is financed	
AASB12.29	Nature of risks in unconsolidated structured entities						
		Carrying amounts of assets and liabilities relating to interests in unconsolidated structured entities	Line items in the statement of financial position that assets and liabilities are recognised in	Maximum exposure to loss from HEP's interests in unconsolidated structured entities	Comparison of assets and liabilities that relate to interests and the maximum exposure to loss		
	Assets [Specify]						
	Liabilities [Specify]						
	Total						
AASB12.15,30	<b>Financial support for unconsolidated structured entities</b>						
	[HEP] has provided financial or other support, without an contractual obligation to do so, to the unconsolidated structured entities listed below, in which [HEP] previously or currently has an interest. [Include the type and amount provided and the reasons for such support.]						
AASB12.31	[Provide details of any current intentions to provide financial or other support to unconsolidated structured entities]						
AASB12.27	<b>Unconsolidated structured entities in which the HEP does not have an interest</b>						
	Details of sponsorship of unconsolidated structured entities that [HEP] does not have an interest in at reporting date (ie for which the [HEP] does not provide the information under AASB12.29) are listed below:						
AASB12.27a	[List the structured entities and how the HEP determined which it has sponsored]						
AASB12.27b	Income from structured entities, that HEP does not have an interest in, during reporting period						
				Consolidated	Parent entity		
				2014	2013	2014	2013
				\$'000	\$'000	\$'000	\$'000
AASB12.B6	[Specify, classified into relevant classes]	Description		-	-	-	-
	Total			-	-	-	-
AASB12.27c	Carrying amount (at time of transfer) of all assets transferred to structured entities, that HEP does not have an interest in, during the reporting period						
				Consolidated	Parent entity		
				2014	2013	2014	2013
				\$'000	\$'000	\$'000	\$'000
AASB12.B6	[Specify, classified into relevant classes]	Description		-	-	-	-
	Total			-	-	-	-

## Commentary - Interests in unconsolidated structured entities

### AASB12.24

The HEP should disclose information that enables users to understand the nature and extent of its interests in unconsolidated structured entities and evaluate the nature of and changes in the associated risks.

**AASB12.B12****AASB2013-8.IG3-7**

AASB12 defines a structured entity as one that has been designed so that voting or similar rights, (including administrative arrangements or statutory provisions for not-for-profits) are not the dominant factor in deciding who controls the entity.

**AASB2013-8.IG3-7**

Appendix E to AASB12 in AASB2013-8 provides further guidance on the definition of a structured entity for not-for-profits. The principle behind structured entities is that they are controlled through less conventional means. As administrative arrangements and statutory provisions are quite common in the not-for-profit sector, they should not be the dominant factor in deciding whether or not the entity is a structured entity. Also the disclosure requirements of some parts of AASB12 such as 12.30 are not applicable to many not-for-profit entities that are established under these arrangements.

**AASB2013-8.IG8**

An example of an entity that would meet the a structured entity definition would be one for which contractual arrangements are significant for determining control, for example where most activities are predetermined, relevant activities are limited in scope and directed by contractual arrangements. A not-for-profit example of a structured entity is a public private partnership. However the mere fact that the government provides financial assistance to an entity does not make it a structured entity.

**AASB12.B22**

Structured entities can have some of the following features:

- a) restricted activities;
- b) narrow well-defined objective (eg tax efficiency, research and development activities, providing capital or funding to an entity or passing on risks/rewards of its assets to investors);
- c) insufficient equity to finance its operations without subordinated financial support; and
- d) financing in the form of multiple contractually linked instruments to investors that create concentrations of credit or other risks (tranches).

**AASB12.B7-9**

An interest in another entity refers to contractual or non-contractual involvement that exposes the HEP to variability of returns from the performance of the other entity. The HEP should consider the purpose of the other entity, any instruments it holds in the entity and if those instruments transfer risk.

**AASB12.25,B25,B26**

AASB12.29-31 requires the inclusion of information about the entity's exposure to risk from involvement with unconsolidated structured entities in previous periods, even if the entity no longer has any contractual involvement in the structured entity at reporting date. The HEP should disclose any additional information that is necessary to meet the disclosure requirement of paragraph 24(b). A list of possibly relevant additional information is provided in paragraph B26.

**AASB12.26**

The HEP should include qualitative and quantitative information about the nature of its interests in unconsolidated structured entities, and the list of information under AASB12.26 is not exhaustive.

**AASB12.27,B2-6**

For items listed under AASB12.27, take into consideration paragraphs B2-B6 which deal with aggregation and the balance between useful information and information overload or lack of clarity. Paragraph B6 requires that unconsolidated structured entities that the HEP did not hold an interest in at reporting date should be categorised into classes, for example by nature of activities, industry classification or geography.

## Note 47. Events occurring after the end of the reporting period

### (a) Acquisition of [describe]

AASB110.21a,b  
AASB3.59b,B66  
AASB3.B64.B67a-d

[Describe]

		\$'000
AASB3.B64f	Purchase consideration	–
	[Specify]	–
	Total purchase consideration	–
	Fair value of net identifiable assets acquired	–
	Goodwill	–

AASB3.B64e The goodwill is attributable to [name]'s strong position and profitability in trading in [name principal]

### (b) Assets and liabilities acquired

AASB3.B64i

The assets and liabilities arising from the acquisition are as follows:

	Fair value \$'000	Acquiree's \$'000
[List assets & liabilities]	–	–
Net identifiable assets acquired	–	–

The financial effects of the above transaction have not been brought to account at 31 December 2014. The net results and assets and liabilities of the acquired entity will be consolidated from XXXX.

## Commentary - Events occurring after the end of the reporting period

### Non-adjusting events after reporting date

#### AASB110.21b

The above disclosure relates to an event that is indicative of conditions that arose after the reporting date (ie a non-adjusting event). If the financial effect of the event cannot be estimated, a statement to that effect shall be made.

### Updating disclosure about conditions at the reporting date

#### AASB110.19,20

If an entity receives information after the reporting date about conditions that existed at the reporting date, it shall update disclosures that relate to these conditions, in the light of the new information. An example is where evidence becomes available after the reporting date about a contingent liability that existed at the reporting date. In addition to considering whether it should recognise or change a provision under AASB137 *Provisions, Contingent Liabilities and Contingent Assets*, an entity updates its disclosures about the contingent liability in the light of that evidence.

### Business combinations effected after the reporting date

#### AAB3.59b,B66

AASB3 *Business Combinations* requires disclosures relating to business combinations effected after the reporting date but before the financial report is authorised for issue. The acquirer shall disclose the information required by paragraph B64 of AASB3 for each business combination, unless such disclosure would be impracticable. If disclosure of any of the information would be impracticable, that fact shall be disclosed, together with an explanation of why this is the case.

## **Note 48. Reconciliation of net result after income tax to net cash provided by / (used in) operating activities**

AASB1054.16

	Notes	Consolidated		Parent entity	
		2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Net result for the period		-	-	-	-
Depreciation and amortisation		-	-	-	-
Net (gain) / loss on sale of non-current assets	9	-	-	-	-
Gain on disposal of machinery hire division		-	-	-	-
Fair value gains on other financial assets at fair value through profit or loss	21	-	-	-	-
Share of profits of associates and joint venture partnership not received as dividends or distributions		-	-	-	-
Net exchange differences		-	-	-	-
[Specify]		-	-	-	-
Change in operating assets and liabilities, net of effects from purchase of controlled entity		-	-	-	-
(Increase) / decrease in trade debtors		-	-	-	-
(Increase) / decrease in inventories		-	-	-	-
Decrease / (increase) in other financial assets at fair value through profit or loss		-	-	-	-
(Increase) / decrease in deferred tax asset		-	-	-	-
(Increase) / decrease in other operating assets		-	-	-	-
Increase / (decrease) in trade creditors		-	-	-	-
Increase / (decrease) in other operating liabilities		-	-	-	-
Increase / (decrease) in provision for income taxes		-	-	-	-
Increase / (decrease) in provision for deferred tax		-	-	-	-
Increase / (decrease) in other provisions		-	-	-	-
Net cash provided by / (used in) operating activities		-	-	-	-

### **Commentary - Reconciliation of net result after income tax to net cash flows from operating activities**

#### **Not-for-profit entities**

##### **AASB1054.16**

When an entity uses the direct method to present its statement of cash flows, a reconciliation of the net cash flow from operating activities to profit/(loss) is required. As these guidelines require the direct method, this note will be required.

## **Note 49. Non-cash investing and financing activities**

	AASB107.43	Consolidated		Parent entity	
		2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Acquisition of plant and equipment by means of finance leases [specify]		-	-	-	-

### **Commentary - Non-cash financing and investing activities**

#### **Information to be disclosed**

##### **AASB107.43**

Investing and financing transactions that do not require the use of cash or cash equivalents shall be disclosed in a way that provides all the relevant information about the investing and financing activities.

##### **AASB107.44**

Other examples of transactions or events that would require disclosure under AASB107.43 include the following:

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- (a) acquisitions of assets by assuming directly related liabilities, such as purchase of a building by incurring a mortgage to the seller;
- (b) acquisitions of entities by means of an equity issue; and
- (c) conversion of debt to equity.

## Note 50. Financial risk management

AASB132, AASB7

AASB7.31,33

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses derivative financial instruments such as foreign exchange contracts and interest rate swaps to hedge certain risk exposures. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks, ageing analysis for credit risk and beta analysis in respect of investment portfolios to determine market risk.

Risk management is carried out by a central treasury department (Group Treasury) under policies approved by the Board of Directors. Group Treasury identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The Board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

AASB7.33

### (a) Market risk

#### (i) Foreign exchange risk

AASB7.33a-c

Describe the exposures to foreign exchange risk and how they arise;  
Describe the Group's objectives, policies and processes for managing the foreign exchange risk and the methods used to measure the risk; and  
Describe any changes in the above from the previous period.

AASB7.22

Disclose the following separately for each type of hedge (ie fair value hedges, cash flow hedges, and hedges of net investments in foreign operations):

- (a) a description of each type of hedge;
- (b) a description of the financial instruments designated as hedging instruments and their fair values at the reporting date; and
- (c) the nature of the risks being hedged.

AASB7.23

For cash flow hedges, disclose:

- (a) the periods when the cash flows are expected to occur and when they are expected to affect profit or loss;
- (b) a description of any forecast transaction for which hedge accounting had previously been used, but is no longer expected to occur;
- (c) the amount that was recognised in other comprehensive income during the period;
- (d) the amount that was reclassified from equity and included in profit or loss for the period, showing the amount included in each line item in the statement of comprehensive income; and
- (e) the amount that was removed from equity during the period and included in the initial cost or other carrying amount of a non-financial asset or non-financial liability whose acquisition or incurrence has a hedged highly probably forecast transaction.

AASB7.24

Separately disclose:

- (a) in fair value hedges, gains or losses:
  - (i) on the hedging instrument; and
  - (ii) on the hedged item attributable to the hedged risk;
- (b) the ineffectiveness recognised in profit or loss that arises from cash flow hedges; and
- (c) the ineffectiveness recognised in profit or loss that arises from hedges of net investments in foreign operations.

AASB7.40a-c

Disclose a sensitivity analysis for foreign exchange risk to which the Group is exposed at the reporting date, showing how the net result and equity would have been affected by changes in the risk variable that were reasonably possible at that date;

Disclose the methods and assumptions used in preparing the sensitivity analysis; and

Describe changes from the previous period in the methods and assumptions used, and the reasons for such changes.

## **Note 50. Financial risk management (continued)**

AASB132, AASB7

AASB7.33	<b>(a) Market risk (cont.)</b>
	<i>(ii) Price risk</i>
AASB7.33a-c	Describe the exposures to price risk and how they arise;  Describe the Group's objectives, policies and processes for managing the price risk and the methods used to measure the risk; and  Describe any changes in the above from the previous period.
AASB7.40a-c	Disclose a sensitivity analysis for price risk to which the Group is exposed at the reporting date, showing how the net result and equity would have been affected by changes in the risk variable that were reasonably possible at that date;  Disclose the methods and assumptions used in preparing the sensitivity analysis; and  Describe changes from the previous period in the methods and assumptions used, and the reasons for such changes.
	<i>(iii) Cash flow and fair value interest rate risk</i>
AASB7.33a-c	Describe the exposures to interest rate risk and how they arise;  Describe the Group's objectives, policies and processes for managing the interest rate risk and the methods used to measure the risk; and  Describe any changes in the above from the previous period.
AASB7.40a-c	Disclose a sensitivity analysis for interest rate risk to which the Group is exposed at the reporting date, showing how the net result and equity would have been affected by changes in the risk variable that were reasonably possible at that date;  Disclose the methods and assumptions used in preparing the sensitivity analysis; and  Describe changes from the previous period in the methods and assumptions used, and the reasons for such changes.

## Note 50. Financial risk management (continued)

AASB132, AASB7

(iv) Summarised sensitivity analysis

AASB7.40a

The following tables summarise the sensitivity of the Group's financial assets and financial liabilities to interest rate risk, foreign exchange risk and other price risk.

31 December 2014	Carrying amount \$'000	Interest rate risk				Foreign exchange risk				Other price risk			
		-x%		+x%		-x%		+x%		-x%		+x%	
		Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000
<b>Financial assets</b>													
Cash and cash equivalents	-	-	-	-	-	-	-	-	-	-	-	-	-
Receivables	-	-	-	-	-	-	-	-	-	-	-	-	-
Other financial assets [Specify]	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Financial liabilities</b>													
Payables	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings	-	-	-	-	-	-	-	-	-	-	-	-	-
Other financial liabilities [Specify]	-	-	-	-	-	-	-	-	-	-	-	-	-
Total increase/ (decrease)	-	-	-	-	-	-	-	-	-	-	-	-	-

31 December 2013	Carrying amount \$'000	Interest rate risk				Foreign exchange risk				Other price risk			
		-x%		+x%		-x%		+x%		-x%		+x%	
		Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000
<b>Financial assets</b>													
Cash and cash equivalents	-	-	-	-	-	-	-	-	-	-	-	-	-
Receivables	-	-	-	-	-	-	-	-	-	-	-	-	-
Other financial assets [Specify]	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Financial liabilities</b>													
Payables	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings	-	-	-	-	-	-	-	-	-	-	-	-	-
Other financial liabilities [Specify]	-	-	-	-	-	-	-	-	-	-	-	-	-
Total increase/ (decrease)	-	-	-	-	-	-	-	-	-	-	-	-	-



## Note 50. Financial risk management (continued)

AASB132, AASB7

### (b) Credit risk

AASB7.33a-c

Describe the exposures to credit risk and how they arise;

Describe the Group's objectives, policies and processes for managing the credit risk and the methods used to measure the risk; and

Describe any changes in the above from the previous period.

AASB7.36a

The carrying amount of financial assets (as contained in the table in note 51(a)) represents the Group's maximum exposure to credit risk.

### (c) Liquidity risk

Describe the exposures to liquidity risk and how they arise;

Describe the Group's objectives, policies and processes for managing the liquidity risk and the methods used to measure the risk; and

Describe any changes in the above from the previous period.

AASB7.34,35,39a

The following tables summarise the maturity of the Group's financial assets and financial liabilities:

	Average Interest Rate %	Variable Interest Rate \$'000	Less than 1 Year \$'000	1 to 5 Years \$'000	5+ Years \$'000	Non- Interest \$'000	Total \$'000
31 December 2014							
<b>Financial assets</b>							
Cash and cash equivalents	–	–	–	–	–	–	–
Receivables	–	–	–	–	–	–	–
Other financial assets [Specify]	–	–	–	–	–	–	–
Total financial assets	–	–	–	–	–	–	–
<b>Financial liabilities</b>							
Payables	–	–	–	–	–	–	–
Borrowings	–	–	–	–	–	–	–
Other financial liabilities [Specify]	–	–	–	–	–	–	–
Total financial liabilities	–	–	–	–	–	–	–
31 December 2013							
<b>Financial assets</b>							
Cash and cash equivalents	–	–	–	–	–	–	–
Receivables	–	–	–	–	–	–	–
Other financial assets [Specify]	–	–	–	–	–	–	–
Total financial assets	–	–	–	–	–	–	–
<b>Financial liabilities</b>							
Payables	–	–	–	–	–	–	–
Borrowings	–	–	–	–	–	–	–
Other financial liabilities [Specify]	–	–	–	–	–	–	–
Total financial liabilities	–	–	–	–	–	–	–

## Commentary – Financial risk management

### Nature and extent of risks arising from financial instruments

#### **AASB7.31,32**

The financial report shall include qualitative disclosures in the context of quantitative disclosures that enable users to evaluate the nature and extent of risks arising from financial instruments to which the entity is exposed at the reporting date. These risks typically include, but are not limited to, credit risk, liquidity risk and market risk.

#### **Qualitative disclosures**

##### **AASB7.33**

The qualitative disclosures shall discuss for each type of risk

- (a) the exposures to the risk and how they arise
- (b) the entity's objectives, policies and processes for managing the risk and the methods used to measure the risk
- (c) any changes in (a) or (b) from the previous period.

#### **Quantitative disclosures**

##### **AASB7.34a,34c**

An entity shall provide for each type of risk, summary quantitative data on risk exposure at the reporting date, based on information provided internally to key management personnel and any concentrations of risk.

##### **AASB7.34b**

If not already provided as part of the summary quantitative data, the entity shall also provide the information in the paragraphs below:

##### **(a) Market risk**

##### **AASB7.40a,40b**

Entities shall disclose a sensitivity analysis for each type of market risk (currency, interest rate and other price risk) to which an entity is exposed at the reporting date, showing how profit or loss and equity would have been affected by 'reasonably possible' changes in the relevant risk variable, as well as the methods and assumptions used in preparing such an analysis.

##### **AASB7.40c**

If there have been any changes in methods and assumptions from the previous period, this must be disclosed together with the reasons for such a change.

##### **AASB7.25,29**

An entity shall disclose the fair value for each class of financial assets and financial liabilities (see above) in a way that permits it to be compared with its carrying amount. Fair values do not need to be disclosed for the following:

- (a) where the carrying amount is a reasonable approximation of fair value
- (b) investments in equity instruments (and derivatives linked to such equity instruments) that do not have a quoted price and that are measured at cost in accordance with AASB139 because their fair value cannot be otherwise measured reliably
- (c) a contract containing a discretionary participation feature (as described in AASB4 *Insurance Contracts*) where the fair value of that feature cannot be measured reliably.

##### **(b) Credit risk**

##### **AASB7.35,36,37**

For each class of financial instrument, the entity shall disclose:

- (a) the maximum exposure to credit risk and any related collateral held, this disclosure is not required for financial instruments whose carrying amount best represents the maximum exposure to credit risk
- (b) information about the credit quality of financial assets that are neither past due nor impaired
- (c) an analysis of the age of financial assets that are past due but not impaired

(d) an analysis of financial assets that are individually determined to be impaired

***(c) Liquidity risk***

***AASB7.39,B11-B11F***

Information about liquidity risk shall be provided by way of a maturity analysis for financial liabilities that shows remaining contractual maturities and a description of how the entity manages the inherent liquidity risk.

For derivative financial instruments such as interest rate swaps, the maturity analysis should disclose the amounts expected to be paid in future periods, determined by reference to the conditions existing at the reporting date. However, AASB7 does not specify whether current or forward rates should be used. It is recommended that entities explain which approach has been chosen. This approach must be applied consistently.

**Transfers of Financial Assets**

***AASB7.42A,42B***

A HEP is required to report the relationship between transferred assets and associated liabilities when it has transferred the contractual rights to a financial asset, or its associated cash flows without derecognising it in its entirety. The disclosure should allow users of the financial statements to evaluate the nature of, and risk associated with, the HEP's continuing involvement in the transferred assets.

These guidelines do not provide suggested disclosure. Details on disclosure requirements can be found in paragraphs AASB7.42A to AASB7.42G.

## Note 51. Fair Value Measurements

AASB132, AASB7, AASB13

### (a) Fair value measurements

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

AASB7.25, 29a, 36c

Due to the short-term nature of the current receivables, their carrying value approximates their fair value and based on credit history it is expected that the receivables that are neither past due nor impaired will be received when due.

AASB7.25

The carrying amounts and aggregate fair values of financial assets and liabilities at balance date are:

		Carrying Amount		Fair Value	
		2014	2013	2014	2013
		\$'000	\$'000	\$'000	\$'000
<b>Financial assets</b>					
Cash and cash equivalents	18	-	-	-	-
Receivables	19	-	-	-	-
Other financial assets	21	-	-	-	-
Held-to-maturity		-	-	-	-
Available-for-sale		-	-	-	-
[Specify]		-	-	-	-
Total financial assets		-	-	-	-
<b>Non-financial assets</b>					
NCA's and disposal groups for sale	22	-	-	-	-
Other non-financial assets	23	-	-	-	-
[Specify]		-	-	-	-
<b>Financial liabilities</b>					
Payables		-	-	-	-
Borrowings	30	-	-	-	-
Other financial liabilities	32	-	-	-	-
[Specify]		-	-	-	-
Total financial liabilities		-	-	-	-

The Group measures and recognises the following assets and liabilities at fair value on a recurring basis:

- Financial assets at fair value through profit or loss
- Derivative financial instruments
- Available-for-sale financial assets
- Land and buildings
- Investment properties
- [Specify]

AASB13.93a

The Group has also measured assets and liabilities as fair value on a non-recurring basis as a result of the reclassification of assets as held for sale.





## Note 51. Fair Value Measurements (continued)

AASB132, AASB7, AASB13

AASB13.93b, d, 97 The fair value of non-current borrowings disclosed in note 31 is estimated by discounting the future contractual cash flows at the current market interest rates that are available to the group for similar financial instruments. For the period ending 31 December 2014, the borrowing rates were determined to be between X% and X%, depending on the type of borrowing. The fair value of current borrowings approximates the carrying amount, as the impact of discounting is not significant (level 2).

AASB13.93d Derivative contracts classified as held for trading are fair valued by comparing the contracted rate to the current market rate for a contract with the same remaining period to maturity.

### (c) Valuation techniques used to derive level 2 and level 3 fair values

#### (i) Recurring fair value measurements

AASB13.91a, 93d The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments
- the fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves
- the fair value of forward foreign exchange contracts is determined using forward exchange rates at the end of the reporting period
- other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments
- [Specify as required]

[The contingent consideration receivable was valued by applying the income approach as described in note 43(business combinations)]

All of the resulting fair value estimates are included in level 2 except for unlisted equity securities, [specify] explained in (d) below.

Investment properties are valued independently (specify period) and freehold land and building (classified as property, plant and equipment) at least every three years. At the end of each reporting period, the Group updates their assessment of the fair value of each property, taking into account the most recent independent valuations. The Group determines the property's value within a range of reasonable fair value estimates.

The best evidence of fair value is current prices in an active market for similar properties. Where such information is not available the Group considers information from a variety of sources, including:

- current prices in an active market for properties of different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences
- discounted cash flow projections based on reliable estimates of future cash flows
- capitalised income projections based on a property's estimated net market income, and a capitalisation rate derived from an analysis of market evidence

All resulting fair value estimates for properties are included in level 3 except for vacant land. The level 2 fair value of vacant land has been derived using the sales comparison approach. Sale prices of comparable land in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square metre.

#### (ii) Non-recurring fair value measurements

AASB13.91a, 93d  
AASB5.15

Land and non-current assets (or disposal groups) classified as held for sale during the reporting period were measured at the lower of their carrying amount and fair value less costs to sell at the time of the reclassification. The fair value of the land was also determined using the sales comparison approach as described under (i) above.

## Note 51. Fair Value Measurements (continued)

AASB132, AASB7, AASB13

### (d) Fair value measurements using significant unobservable inputs (level 3)

AASB13.93e

The following table is a reconciliation of level 3 items for the periods ended 31 December 2014 and 2013:

<b>Level 3 Fair Value Measurements 2014</b>	Unlisted equity securities \$'000	Buildings \$'000	Other financial assets \$'000	[Financial liabilities] \$'000	Total \$'000
Opening balance	-	-	-	-	-
Acquisitions	-	-	-	-	-
Transfers from level 1	-	-	-	-	-
Transfers from level 2	-	-	-	-	-
Transfers out of level 3	-	-	-	-	-
Sales	-	-	-	-	-
Issues	-	-	-	-	-
Settlements	-	-	-	-	-
<b>Total gains/(losses)</b>	-	-	-	-	-
Recognised in profit or loss*	-	-	-	-	-
Recognised in other comprehensive income	-	-	-	-	-
<b>Closing balance</b>	-	-	-	-	-
<b>Level 3 Fair Value Measurements 2013</b>					
Opening balance	-	-	-	-	-
Transfers from level 1	-	-	-	-	-
Disposals	-	-	-	-	-
<b>Total gains/(losses)</b>	-	-	-	-	-
Recognised in profit or loss*	-	-	-	-	-
Recognised in other comprehensive income	-	-	-	-	-
<b>Closing balance</b>	-	-	-	-	-

AASB13.93f

\*This includes gains/(losses) of \$XX (2013 \$XX) attributable to the change in unrealised gains/(losses) recognised in profit or loss attributable to [specify the line item in profit or loss in which the gains/(losses) are recognised]

<b>2014</b>	-	-	-	-	-
2013	-	-	-	-	-

AASB13.93d

(i) Transfers between levels 2 and 3 and changes in valuation techniques  
[Specify]



## Note 51. Fair Value Measurements (continued)

AASB132, AASB7, AASB13

### (ii) Valuation inputs and relationships to fair value

AASB13.93d,99

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements. See (c) above for the valuation techniques adopted.

AASB13.93d,h(i),(ii)

Description	Fair value at 31 Dec 2014 \$'000	Unobservable inputs*	Range of inputs (probability weighted average)	Relationship of unobservable inputs to fair value
Unlisted equity securities	–	[Eg: earnings growth factor] [Eg: risk-adjusted discount rate]	[x - x% (x%)] [x% - x% (x%)]	[Eg: increased earnings growth factor (+50 basis points and lower discount rate would increase FV by \$x)]
Buildings	–	[Specify]	[Specify]	[Specify]
Other financial assets	–	[Specify]	[Specify]	[Specify]
[Specify]	–	[Specify]	[Specify]	[Specify]

AASB13.93h(i)

\*There were no significant inter-relationships between unobservable inputs that materially affects fair value

AASB13.93g

### (iii) Valuation processes

[Specify]

## Commentary – Fair Value Measurement

### Fair value measurement disclosure

#### **AASB13.91a**

In relation to fair value measurements recognised in the statement of financial position, an entity shall disclose for each class of asset or liability the methods and assumptions applied in determining fair values and if there has been a change in valuation technique, the change and the reasons for making it:

#### **AASB13.72**

(a) The level in the fair value hierarchy into which the fair value measurements are categorised as per AASB13.72

#### **AASB13.93c**

(b) any significant transfers between level 1 and level 2 of the fair value hierarchy and the reasons for those transfers. Transfers into and out of each level should be disclosed and discussed separately.

#### **AASB13.93e**

(c) for fair value measurements in level 3, a reconciliation from the beginning balances to the ending balances, disclosing separately changes attributable to the following:

- i) total gains or losses for the period recognised in profit or loss and a description of where they are presented in the statement of comprehensive income;
- ii) total gains or losses recognised in other comprehensive income;
- iii) purchases, sales, issues and settlements (each type of movement disclosed separately); and
- iv) transfers into or out of level 3 and the reasons for those transfers.

#### **AASB13.93f**

(d) the amount of total gains or losses for the period in (c)(i) above included in profit or loss that are attributable to gains or losses relating to those assets and liabilities held at the end of the reporting period and a description of where those gains or losses are presented in the statement of comprehensive income statement.

#### **AASB13.93h(ii)**

(e) for fair value measurements in level 3, if changing one or more of the inputs to reasonably possible alternative assumptions would change fair value significantly, the entity shall state that fact and disclose the effect of those changes.

#### **AASB13.99**

An entity shall present the quantitative disclosures required by this paragraph in tabular format (as illustrated above) unless another format is more appropriate.

### **Education**

Regardless of whether the valuation was compiled internally or externally, management should review and understand the inputs used in the valuation to determine the appropriate classification of those inputs in the fair value hierarchy.

#### **AASB13.91**

AASB13 requires disclosure of information that helps users of its financial statements assess:

- (a) for assets and liabilities that are measured at fair value on a recurring or non-recurring basis after initial recognition, the valuation techniques and inputs used to develop those measurements
- (b) for recurring fair value measurements using significant unobservable inputs (level3), the effect of the measurements on profit or loss or other comprehensive income for the period

**AASB13.92**

HEP shall consider what level of detail is necessary to satisfy the disclosure objectives, how much emphasis needs to be placed on each of the requirements, to what extent information should be aggregated or disaggregated and whether any additional information is necessary to meet those objectives.

**AASB13.99**

The information should be presented in tabular format unless another format is more appropriate.

## Note 52. Defined Benefit Plans

### a) Fund specific disclosure

#### [Specify Defined Benefit Scheme]

AASB119.139 [Provide information about the characteristics of the defined benefit plans, including:

- nature of the benefits provided by the plan,
- description of the regulatory framework in which the plan operates,
- description of any other entity's responsibilities for the governance of the plan
- description of the risks to which the plan exposes the entity; and
- description of any plan amendments , curtailments and settlements]

AASB119.147b The [HEP] expects to make a contribution of \$x million (2013: \$x million) to the defined benefit plan during the next financial year.

AASB119.147c The weighted average duration of the defined benefit obligation is x years (2013 x years). The expected maturity analysis of undiscounted benefit payments is as follows:

	Less than 1 year \$'000	Between 1 and 2 years \$'000	Between 2 and 5 years \$'000	Over 5 years \$'000	Total \$'000
Defined benefit obligation - 31 Dec 2014	-	-	-	-	-
Defined benefit obligation - 31 Dec 2013	-	-	-	-	-

### b) Categories of plan assets

AASB119.142 The analysis of the plan assets at the end of the reporting period is as follows:

	2014 (%)		2013 (%)	
	Active Market	No Active Market	Active Market	No Active Market
AASB119.142a Cash and Cash Equivalents	-	--	-	--
AASB119.142b Equity instruments	-	-	-	-
AASB119.142c Debt instruments	-	-	-	-
AASB119.142d Property	-	-	-	-
AASB119.142e-h Other [specify]	-	-	-	-
Total	-	-	-	-

AASB119.144 The principal assumptions used for the purposes of the actuarial valuations were as follows (expressed as weighted averages):

	2014 (%)	2013(%)
Discount rate(s)	-	-
Expected rate(s) of salary increase	-	-
Other [specify]	-	-

### c) Actuarial assumptions and sensitivity

AASB119.144 The sensitivity of the defined benefit obligation to changes in the significant assumptions is:

	Change in assumption	Impact on defined benefit obligation	
		Increase in assumption	Decrease in assumption
Discount rate	x%	Increase/decrease by x%	Increase/decrease by x%
Salary growth rate	x%	Increase/decrease by x%	Increase/decrease by x%

The above sensitivity analyses are based on a change in an assumption while holding all the other assumptions constant. In practice this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method has been applied as when calculating the defined benefit liability recognised in the statement of financial position.

The methods and types of assumptions used in the preparation of the sensitivity analysis did not change compared to the prior period.

## Note 52. Defined Benefit Plans (continued)

### d) Statement of financial position amounts

		\$'000	\$'000	\$'000	\$'000
EDUCATION		Fund 1	Fund 2	Fund 3	Total
<b>Amounts recognised in the statement of financial position - 2014</b>					
<b>Liabilities</b>					
	Provision for deferred government benefits for superannuation	-	-	-	-
	Provision for pension entitlements	-	-	-	-
	Total liabilities	-	-	-	-
	add: On-costs on pension entitlements	-	-	-	-
	Total pension entitlements (incl on-costs)	-	-	-	-
	Total liabilities recognised in statement of financial position	-	-	-	-
<b>Assets</b>					
	Receivable for deferred government benefit for superannuation	-	-	-	-
	Total assets recognised in statement of financial position	-	-	-	-
	Net liability recognised in the statement of financial position	-	-	-	-
<b>Net liability reconciliation - 2014</b>		Fund 1	Fund 2	Fund 3	Total
	Defined benefit obligation	-	-	-	-
	Fair value of plan assets	-	-	-	-
	Net liability	32	-	-	-
	Reimbursement right	20	-	-	-
	Total net liability/(asset)	-	-	-	-
AASB119.140b	<b>Reimbursement rights - 2014</b>	Fund 1	Fund 2	Fund 3	Total
	Opening value of reimbursement right	-	-	-	-
	Return on reimbursement rights	-	-	-	-
	Remeasurements	-	-	-	-
	Closing value of reimbursement right	20	-	-	-
AASB119.140a(ii)	<b>Present value of obligation - 2014</b>	Fund 1	Fund 2	Fund 3	Total
AASB119.140	Opening defined benefit obligation	-	-	-	-
AASB119.141a	Current service cost	-	-	-	-
AASB119.141d	Past service cost	-	-	-	-
AASB119.141b	Interest expense	-	-	-	-
	Remeasurements	-	-	-	-
AASB119.141c(ii)	Actuarial losses/(gains) arising from changes in demographic assumptions	-	-	-	-
AASB119.141c(iii)	Actuarial losses/(gains) arising from changes in financial assumptions	-	-	-	-
AASB119.141c(iv)	Experience (gains)/losses	-	-	-	-
AASB119.141e	Exchange differences on foreign plans	-	-	-	-
AASB119.141g	Payments from plan	-	-	-	-
	Benefits paid	-	-	-	-
	Settlements	-	-	-	-
AASB119.141h	Liabilities from business combination	44	-	-	-
AASB119.140a(ii)	Closing defined benefit obligation	-	-	-	-

## Note 52. Defined Benefit Plans (continued)

		\$'000	\$'000	\$'000	\$'000
		Fund 1	Fund 2	Fund 3	Total
AASB119.140a(i)	<b>Present value of plan assets - 2014</b>				
AASB119.140	Opening fair value of plan assets	—	—	—	—
AASB119.141b	Interest (income)	—	—	—	—
		—	—	—	—
	Remeasurements				
AASB119.141c(i)	Return on plan assets, excluding amounts included in net interest expense	—	—	—	—
AASB119.141c(ii),(iii)	Other [Specify]	—	—	—	—
		—	—	—	—
AASB119.141e	Exchange differences on foreign plans	—	—	—	—
AASB119.141f	Contributions				
	Employers	—	—	—	—
	Plan participants	—	—	—	—
		—	—	—	—
AASB119.141g	Payments from plan				
	Benefits paid	—	—	—	—
	Settlements	—	—	—	—
		—	—	—	—
AASB119.141h	Assets acquired in a business combination	44	—	—	—
AASB119.140a(ii)	Closing fair value of plans assets	—	—	—	—
		—	—	—	—
AASB119.140a(i)	<b>Impact of asset ceiling - 2014 (include as applicable)</b>	Fund 1	Fund 2	Fund 3	Total
AASB119.140	Opening balance	—	—	—	—
AASB119.141a	Current service cost	—	—	—	—
AASB119.141d	Past service cost	—	—	—	—
AASB119.141b	Interest expense/(income)	—	—	—	—
		—	—	—	—
	Remeasurements				
AASB119.141c(i)	Return on plan assets, excluding amounts included in interest expense	—	—	—	—
AASB119.141c(ii)	Actuarial losses/(gains) arising from changes in demographic assumptions	—	—	—	—
AASB119.141c(iii)	Actuarial losses/(gains) arising from changes in financial assumptions	—	—	—	—
AASB119.141c(iv)	Experience (gains)/losses	—	—	—	—
		—	—	—	—
AASB119.141e	Exchange differences on foreign plans	—	—	—	—
AASB119.141f	Contributions				
	Employers	—	—	—	—
	Plan participants	—	—	—	—
		—	—	—	—
AASB119.141g	Payments from plan				
	Benefits paid	—	—	—	—
	Settlements	—	—	—	—
		—	—	—	—
AASB119.141h	Assets acquired in a business combination	44	—	—	—
AASB119.140a(ii)	Closing balance	—	—	—	—
		—	—	—	—

## Note 52. Defined Benefit Plans (continued)

### d) Statement of financial position amounts

		\$'000	\$'000	\$'000	\$'000
		Fund 1	Fund 2	Fund 3	Total
EDUCATION	<b>Amounts recognised in the statement of financial position - 2013</b>				
	<b>Liabilities</b>				
	Provision for deferred government benefits for superannuation	-	-	-	-
	Provision for pension entitlements	-	-	-	-
	Total liabilities	-	-	-	-
	add: On-costs on pension entitlements	-	-	-	-
	Total pension entitlements (incl on-costs)	-	-	-	-
	Total liabilities recognised in statement of financial position	-	-	-	-
	<b>Assets</b>				
	Receivable for deferred government benefit for superannuation	-	-	-	-
	Total assets recognised in statement of financial position	-	-	-	-
	Net liability recognised in the statement of financial position	-	-	-	-
	<b>Net liability reconciliation - 2013</b>	Fund 1	Fund 2	Fund 3	Total
	Defined benefit obligation	-	-	-	-
	Fair value of plan assets	-	-	-	-
	Net liability	32	-	-	-
	Reimbursement right	20	-	-	-
	Total net liability/(asset)	-	-	-	-
AASB119.140b	<b>Reimbursement rights - 2013</b>	Fund 1	Fund 2	Fund 3	Total
	Opening value of reimbursement right	-	-	-	-
	Return on reimbursement rights	-	-	-	-
	Remeasurements	-	-	-	-
	Closing value of reimbursement right	20	-	-	-
AASB119.140a(ii)	<b>Present value of obligation - 2013</b>	Fund 1	Fund 2	Fund 3	Total
AASB119.140	Opening defined benefit obligation	-	-	-	-
AASB119.141a	Current service cost	-	-	-	-
AASB119.141d	Past service cost	-	-	-	-
AASB119.141b	Interest expense	-	-	-	-
	Remeasurements	-	-	-	-
AASB119.141c(ii)	Actuarial losses/(gains) arising from changes in demographic assumptions	-	-	-	-
AASB119.141c(iii)	Actuarial losses/(gains) arising from changes in financial assumptions	-	-	-	-
AASB119.141c(iv)	Experience (gains)/losses	-	-	-	-
AASB119.141e	Exchange differences on foreign plans	-	-	-	-
AASB119.141g	Payments from plan	-	-	-	-
	Benefits paid	-	-	-	-
	Settlements	-	-	-	-
AASB119.141h	Liabilities from business combination	44	-	-	-
AASB119.140a(ii)	Closing defined benefit obligation	-	-	-	-

## Note 52. Defined Benefit Plans (continued)

		\$'000	\$'000	\$'000	\$'000
		Fund 1	Fund 2	Fund 3	Total
AASB119.140a(i)	<b>Present value of plan assets - 2013</b>				
AASB119.140	Opening fair value of plan assets	—	—	—	—
AASB119.141b	Interest (income)	—	—	—	—
		—	—	—	—
	Remeasurements				
AASB119.141c(i)	Return on plan assets, excluding amounts included in net interest expense	—	—	—	—
AASB119.141c(ii),(iii)	Other [Specify]	—	—	—	—
		—	—	—	—
AASB119.141e	Exchange differences on foreign plans	—	—	—	—
AASB119.141f	Contributions				
	Employers	—	—	—	—
	Plan participants	—	—	—	—
		—	—	—	—
AASB119.141g	Payments from plan				
	Benefits paid	—	—	—	—
	Settlements	—	—	—	—
		—	—	—	—
AASB119.141h	Assets acquired in a business combination	44	—	—	—
AASB119.140a(ii)	Closing fair value of plans assets	—	—	—	—
		—	—	—	—
AASB119.140a(i)	<b>Impact of asset ceiling - 2013 (include as applicable)</b>	Fund 1	Fund 2	Fund 3	Total
AASB119.140	Opening balance	—	—	—	—
AASB119.141a	Current service cost	—	—	—	—
AASB119.141d	Past service cost	—	—	—	—
AASB119.141b	Interest expense/(income)	—	—	—	—
		—	—	—	—
	Remeasurements				
AASB119.141c(i)	Return on plan assets, excluding amounts included in interest expense	—	—	—	—
AASB119.141c(ii)	Actuarial losses/(gains) arising from changes in demographic assumptions	—	—	—	—
AASB119.141c(iii)	Actuarial losses/(gains) arising from changes in financial assumptions	—	—	—	—
AASB119.141c(iv)	Experience (gains)/losses	—	—	—	—
		—	—	—	—
AASB119.141e	Exchange differences on foreign plans	—	—	—	—
AASB119.141f	Contributions				
	Employers	—	—	—	—
	Plan participants	—	—	—	—
		—	—	—	—
AASB119.141g	Payments from plan				
	Benefits paid	—	—	—	—
	Settlements	—	—	—	—
		—	—	—	—
AASB119.141h	Assets acquired in a business combination	44	—	—	—
AASB119.140a(ii)	Closing balance	—	—	—	—
		—	—	—	—



## Note 52. Defined Benefit Plans (continued)

EDUCATION	e) Amounts recognised in other statements	\$'000 Fund 1	\$'000 Fund 2	\$'000 Fund 3	\$'000 Total
	<b>Amounts recognised in the Income Statement - 2014</b>				
	The amounts recognised in the income statement are restricted to the X scheme and pension in accordance with note 1(r). The amounts are included in the Income Statement.				
	Current service cost	-	-	-	-
	Past service cost	-	-	-	-
	Interest expense	-	-	-	-
	Interest income	-	-	-	-
	Total expense recognised in the Income Statement	11	-	-	-
	<b>Amounts recognised in other comprehensive income - 2014</b>				
	The amounts recognised in the statement of comprehensive income are restricted to the X scheme and pension in accordance with note 1(r). The amounts are included in retained earnings (note 36)				
	Remeasurements				
	Actuarial losses (gains) arising from changes in demographic assumptions	-	-	-	-
	Actuarial losses (gains) arising from changes in financial assumptions	-	-	-	-
	Actuarial losses (gains) arising from experience adjustments	-	-	-	-
	Actual return on plan assets less interest income	-	-	-	-
	Total remeasurements in OCI	-	-	-	-
	Total amounts recognised in the Statement of Comprehensive Income	37	-	-	-
	<b>Amounts recognised in the Income Statement - 2013</b>				
	The amounts recognised in the income statement are restricted to the X scheme and pension in accordance with note 1(r). The amounts are included in the Income Statement.				
	Current service cost	-	-	-	-
	Past service cost	-	-	-	-
	Interest expense	-	-	-	-
	Interest income	-	-	-	-
	Total expense recognised in the Income Statement	11	-	-	-
	<b>Amounts recognised in other comprehensive income - 2013</b>				
	The amounts recognised in the statement of comprehensive income are restricted to the X scheme and pension in accordance with note 1(r). The amounts are included in retained earnings (note 36)				
	Remeasurements				
	Actuarial losses (gains) arising from changes in demographic assumptions	-	-	-	-
	Actuarial losses (gains) arising from changes in financial assumptions	-	-	-	-
	Actuarial losses (gains) arising from experience adjustments	-	-	-	-
	Actual return on plan assets less interest income	-	-	-	-
	Total remeasurements in OCI	-	-	-	-
	Total amounts recognised in the Statement of Comprehensive Income	37	-	-	-

## Commentary – Defined Benefit Plans

### AASB119.8

This note deals with defined benefits plans as outlined in AASB119.26-152. AASB119.8 defines defined benefit plans as being post-employment benefit plans other than defined contribution plans. Defined contribution plans are defined in AASB119.8 as post-employment plans under which the entity pays fixed contributions into a fund and have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets.

**AASB119.53**

Unisuper is a defined contribution plan and no disclosure is required under this note. In accordance with AASB119.53 disclosure for defined contribution plans (such as Unisuper) is limited to the amount recognised as an expense and this is included in Funded Contribution amounts of note 10 - Employee Related Expenses.

**AASB119.140**

AASB119.140 requires a reconciliation between the items disclosed in this note and the items included in the statement of financial position, specifically, for the items Net Liability (to note 31), reimbursement right (to note 19) and expense recognised (to note 10). Where the university applies a net liability approach against all funds, the amounts above will align with the respective notes and as such no specific reconciliation disclosure is required apart from cross referencing the amounts (as per the disclosure above). Entities that separately report funds in a net asset position as an asset will need to disclose a reconciliation between the amounts in other notes and the face statements, and this note.

The reimbursement right is the amount expected to be received from the Commonwealth Government for the defined benefit schemes for whom the Commonwealth and State Governments shared responsibility.

AASB119 has been reissued effective for periods from 1 January 2013. Changes to accounting for defined benefit plans has removed the corridor method, requiring all actuarial gains and losses to be recognised immediately in other comprehensive income. Gains and losses recognised in OCI can't be recycled to profit or loss in a subsequent period. HEPs will need to recognise past service cost in the period of a plan amendment.

The overriding principle for the disclosures for defined benefit plans is that they must explain the characteristics of the plan and associated risks, identify and explain the amounts in the financial statements associated arising from the plans, describe how the plans may affect the amount, timing and uncertainty of the HEPs future cash flows.

**Education**

Higher Education Superannuation Program funding should not be recognised as revenue. This funding is recognised in the Statement of Cash Flows and in note 53 (see the commentary for note 53 for acquittal of Superannuation Supplementation funding).

The expected return on reimbursement rights (namely, funding to universities provided for defined benefit funds covered by the Australian Government Higher Education Superannuation Program) is the sum of all expenses associated with the fund (necessarily excluding actuarial changes), less the return on plan assets. This treatment is considered reasonable in light of AASB119 and is also consistent with the conceptual frameworks matching principle.

## Note 53. Acquittal of Australian Government financial assistance

MANDATORY  
EDUCATION

53a Education – CGS and Other Education Grants		Parent entity (HEP) ONLY									
		Commonw'lth Grant Scheme # <sup>1</sup>		Indigenous Support Program		Partnership & Participation Program # <sup>2</sup>		Disability Support Program		Workplace Reform Program	
	Notes	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
A	Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the program)	-	-	-	-	-	-	-	-	-	-
B	Net accrual adjustments	-	-	-	-	-	-	-	-	-	-
C = A + B	Revenue for the period	-	-	-	-	-	-	-	-	-	-
D	Surplus / (deficit) from the previous year	-	-	-	-	-	-	-	-	-	-
E = C + D	Total revenue including accrued revenue	-	-	-	-	-	-	-	-	-	-
F	Less expenses including accrued expenses	-	-	-	-	-	-	-	-	-	-
G = E - F	Surplus / (deficit) for reporting period	-	-	-	-	-	-	-	-	-	-

#1 Includes the basic CGS grant amount, CGS – Regional Loading, CGS – Enabling Loading, Maths and Science Transition Loading and Full Fee Places Transition Loading.

#2 Includes Equity Support Program

**Note 53. Acquittal of Australian Government financial assistance (continued)**

MANDATORY  
EDUCATION

53a Education – CGS and Other Education Grants (continued)		Parent entity (HEP) ONLY											
		Learning & Teaching Performance Fund		National Institutes Funding		Capital Development Pool		Diversity and Structural Adjustment Fund #3		Transitional Cost Program		Promo of Exc in Learn and Teaching	
	Notes	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
A	Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the program)	–	–	–	–	–	–	–	–	–	–	–	–
B	Net accrual adjustments	–	–	–	–	–	–	–	–	–	–	–	–
C = A + B	Revenue for the period	–	–	–	–	–	–	–	–	–	–	–	–
D	Surplus / (deficit) from the previous year	–	–	–	–	–	–	–	–	–	–	–	–
E = C + D	Total revenue including accrued revenue	–	–	–	–	–	–	–	–	–	–	–	–
F	Less expenses including accrued expenses	–	–	–	–	–	–	–	–	–	–	–	–
G = E – F	Surplus / (deficit) for reporting period	–	–	–	–	–	–	–	–	–	–	–	–

#3 Includes Collaboration and Structural Adjustment Program

**Note 53. Acquittal of Australian Government financial assistance (continued)**

MANDATORY  
EDUCATION

**53a Education – CGS and Other Education Grants (continued)**

Parent entity (HEP) ONLY

	Notes	Reward Funding		Australian Maths & Science Partnership Program		Improving the Quality of Maths & Science Teaching Program		Other		Total	
		2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
A	Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the program)	-	-	-	-	-	-	-	-	-	-
B	Net accrual adjustments	-	-	-	-	-	-	-	-	-	-
C = A + B	Revenue for the period	-	-	-	-	-	-	-	-	-	-
D	Surplus / (deficit) from the previous year	-	-	-	-	-	-	-	-	-	-
E = C + D	Total revenue including accrued revenue	-	-	-	-	-	-	-	-	-	-
F	Less expenses including accrued expenses	-	-	-	-	-	-	-	-	-	-
G = E - F	Surplus / (deficit) for reporting period	-	-	-	-	-	-	-	-	-	-

**Note 53. Acquittal of Australian Government financial assistance (continued)**

MANDATORY  
EDUCATION

**53b Higher Education Loan Programs (excl OS-HELP)**

Parent entity (HEP) ONLY

	Notes	HECS-HELP (Australian Government payments only)		FEE-HELP #4		VET FEE-HELP		SA-HELP		Total	
		2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
A	Cash Payable/(Receivable) at beginning of year	-	-	-	-	-	-	-	-	-	-
B	Financial assistance received in Cash during the reporting period	-	-	-	-	-	-	-	-	-	-
C = A + B	Cash available for period	-	-	-	-	-	-	-	-	-	-
D	Revenue earned	-	-	-	-	-	-	-	-	-	-
E = C - D	Cash Payable/(Receivable) at end of year	-	-	-	-	-	-	-	-	-	-

#4 Program is in respect of FEE-HELP for Higher Education only and excludes funds received in respect of VET FEE-HELP.

**Note 53. Acquittal of Australian Government financial assistance (continued)**

MANDATORY  
EDUCATION

**53c Scholarships**

Parent entity (HEP) ONLY

	Notes	Australian Postgraduate Awards		International Postgraduate Research Scholarships		Commonw'lth Education Cost Scholarships #5		Commonw'lth Accom Scholarships #5		Indigenous Access Scholarships		Indigenous Staff Scholarships		Total	
		2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
A															
B															
C = A + B	3(c)														
D															
E = C + D															
F															
G = E - F															

#5 Includes Grandfathered Scholarships, National Priority and National Accommodation Priority Scholarships respectively.

**Note 53. Acquittal of Australian Government financial assistance (continued)**

MANDATORY  
EDUCATION

**53d Education Research #6**

Parent entity (HEP) ONLY

	Notes	Joint Research Engagement		JRE Engineering Cadetships		Research Training Scheme		Research Infrastructure Block Grants		Implementation Assistance Program	
		2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
A	Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the program)	-	-	-	-	-	-	-	-	-	-
B	Net accrual adjustments	-	-	-	-	-	-	-	-	-	-
C = A + B	Revenue for the period	-	-	-	-	-	-	-	-	-	-
D	Surplus / (deficit) from the previous year	-	-	-	-	-	-	-	-	-	-
E = C + D	Total revenue including accrued revenue	-	-	-	-	-	-	-	-	-	-
F	Less expenses including accrued expenses	-	-	-	-	-	-	-	-	-	-
G = E - F	Surplus / (deficit) for reporting period	-	-	-	-	-	-	-	-	-	-



**Note 53. Acquittal of Australian Government financial assistance (continued)**

MANDATORY  
EDUCATION

**53d Education Research (continued) #6**

Parent entity (HEP) ONLY

	Notes	Australian Scheme for Higher Education Repositories		Commercialisat'n Training Scheme		Sustainable Research Excellence in Universities		Other		Total	
		2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
A	Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the program)	-	-	-	-	-	-	-	-	-	-
B	Net accrual adjustments	-	-	-	-	-	-	-	-	-	-
C = A + B	Revenue for the period	3(d)	-	-	-	-	-	-	-	-	-
D	Surplus / (deficit) from the previous year	-	-	-	-	-	-	-	-	-	-
E = C + D	Total revenue including accrued revenue	-	-	-	-	-	-	-	-	-	-
F	Less expenses including accrued expenses	-	-	-	-	-	-	-	-	-	-
G = E - F	Surplus / (deficit) for reporting period	-	-	-	-	-	-	-	-	-	-

#6 The reported surpluses for [program names] of \$x.xxx million for 2014 are expected to be rolled over for future use by Education and the surpluses for [program names] of \$x.xxx million for 2014 are expected to be returned to Education.

**Note 53. Acquittal of Australian Government financial assistance (continued)**

MANDATORY  
EDUCATION

**53e Voluntary Student Unionism**

Parent entity (HEP) ONLY

	Notes	VSU Transition Fund		Support for Small Businesses		Total	
		2014	2013	2014	2013	2014	2013
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
A	Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the program)	–	–	–	–	–	–
B	Net accrual adjustments	–	–	–	–	–	–
C = A + B	Revenue for the period	–	–	–	–	–	–
D	Surplus / (deficit) from the previous year	–	–	–	–	–	–
E = C + D	Total revenue including accrued revenue	–	–	–	–	–	–
F	Less expenses including accrued expenses	–	–	–	–	–	–
G = E – F	Surplus / (deficit) for reporting period	–	–	–	–	–	–

**Note 53. Acquittal of Australian Government financial assistance (continued)**

MANDATORY  
EDUCATION

**53f Other Capital Funding**

Parent entity (HEP) ONLY

	Notes	Better Universities Renewal Fund		Teaching and Learning Capital Fund		Education Investment Fund		Total	
		2014	2013	2014	2013	2014	2013	2014	2013
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
A	Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the program)	-	-	-	-	-	-	-	-
B	Net accrual adjustments	-	-	-	-	-	-	-	-
C = A + B	Revenue for the period	-	-	-	-	-	-	-	-
D	Surplus / (deficit) from the previous year	-	-	-	-	-	-	-	-
E = C + D	Total revenue including accrued revenue	-	-	-	-	-	-	-	-
F	Less expenses including accrued expenses	-	-	-	-	-	-	-	-
G = E - F	Surplus / (deficit) for reporting period	-	-	-	-	-	-	-	-

**Note 53. Acquittal of Australian Government financial assistance (continued)**

MANDATORY  
EDUCATION

**53g Australian Research Council Grants**

Parent entity (HEP) ONLY

	(i) Discovery	Notes	Projects		Fellowships		Indigenous Researchers Development		Total Discovery	
			2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
A	Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the program)		-	-	-	-	-	-	-	-
B	Net accrual adjustments		-	-	-	-	-	-	-	-
C = A + B	Revenue for the period	3(g)(i)	-	-	-	-	-	-	-	-
D	Surplus / (deficit) from the previous year		-	-	-	-	-	-	-	-
E = C + D	Total revenue including accrued revenue		-	-	-	-	-	-	-	-
F	Less expenses including accrued expenses		-	-	-	-	-	-	-	-
G = E - F	Surplus / (deficit) for reporting period		-	-	-	-	-	-	-	-

**Note 53. Acquittal of Australian Government financial assistance (continued)**

MANDATORY  
EDUCATION

**53g Australian Research Council Grants**

Parent entity (HEP) ONLY

	(ii) Linkages	Notes	Infrastructure		International		Projects		Industrial Transformation Research Program		Total Linkages	
			2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
A	Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the program)		-	-	-	-	-	-	-	-	-	-
B	Net accrual adjustments		-	-	-	-	-	-	-	-	-	-
C = A + B	Revenue for the period	3(g)(ii)	-	-	-	-	-	-	-	-	-	-
D	Surplus / (deficit) from the previous year		-	-	-	-	-	-	-	-	-	-
E = C + D	Total revenue including accrued revenue		-	-	-	-	-	-	-	-	-	-
F	Less expenses including accrued expenses		-	-	-	-	-	-	-	-	-	-
G = E - F	Surplus / (deficit) for reporting period		-	-	-	-	-	-	-	-	-	-

**Note 53. Acquittal of Australian Government financial assistance (continued)**

MANDATORY  
EDUCATION

**53g Australian Research Council Grants**

Parent entity (HEP) ONLY

	(iii) Networks and Centres and Special Research Initiatives	Notes	Research Networks		Centres		Total Networks and Centres		Special Research Initiatives		Total	
			2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
			\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
A	Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the program)		-	-	-	-	-	-	-	-	-	-
B	Net accrual adjustments		-	-	-	-	-	-	-	-	-	-
C = A + B	Revenue for the period	3(g)(iii)	-	-	-	-	-	-	-	-	-	-
D	Surplus / (deficit) from the previous year		-	-	-	-	-	-	-	-	-	-
E = C + D	Total revenue including accrued revenue		-	-	-	-	-	-	-	-	-	-
F	Less expenses including accrued expenses		-	-	-	-	-	-	-	-	-	-
G = E - F	Surplus / (deficit) for reporting period		-	-	-	-	-	-	-	-	-	-

## Note 53. Acquittal of Australian Government financial assistance (continued)

MANDATORY  
EDUCATION

		Parent entity (HEP) ONLY		
		Notes	2014 \$'000	2013 \$'000
<b>53h OS-HELP</b>				
A	Cash Received during the reporting period		–	–
B	Cash Spent during the reporting period		–	–
C = A - B	Net Cash received	3(i)	–	–
D	Cash Surplus / (deficit) from the previous period		–	–
E = C + D	Cash Surplus / (deficit) for reporting period	30	–	–
<b>53i Higher Education Superannuation Program</b>		Notes	2014 \$'000	2013 \$'000
A	Cash Received during the reporting period	3(i)	–	–
B	University contribution in respect of current employees		–	–
C = A + B	Cash available		–	–
D	Cash Surplus / (deficit) from the previous period		–	–
E = C + D	Cash available for current period		–	–
F	Contributions to specified defined benefit funds	20/53	–	–
G = E - F	Cash Surplus / (deficit) this period		–	–
<b>53j Student Services and Amenities Fee</b>		Notes	2014 \$'000	2013 \$'000
A	Unspent/(overspent) revenue from previous period		–	–
B	SA-HELP Revenue Earned	3(b)	–	–
C	Student Services and Amenities Fees direct from Students	5	–	–
D = A + B + C	Total revenue expendable in period		–	–
E	Student Services expenses during period		–	–
F = E - D	Unspent/(overspent) Student Services Revenue		–	–

## Commentary - Acquittal of Australian Government financial assistance

### Acquittal of Australian Government Financial Assistance

#### Education

This disclosure provides information to the Department of Education and the ARC to gain assurance that monies appropriated by the Australian Government have been spent for the purpose(s) for which they were appropriated.

In the Guidelines for the 2014 reporting period, row 'A' seeks information on the 'total CASH amount' received from the Australian Government (Education or ARC) for the specified program during the reporting period. Only 'actual cash amounts' received during the reporting period should be reported in this row. As part of the acquittal process, these amounts are compared against Education financial systems and any variance to the actual cash received in a period will result in requests for clarification from the Institution.

For each category of Australian Government financial assistance, the 'cash' amounts disclosed under 'Total' in row 'A' in notes 53a, 53b, 53c, 53d, 53e, 53h and 53i must match the figures for the relevant categories in the Statement of cash flows and note 3(i)

Row 'B' refers to 'net' accrual adjustments such as transfers to/from other HEPs, recoveries of prior year financial assistance etc. Generally government grants should be recognised as income when received in accordance with AASB1004. As such, commentary on accrual adjustment for programs except HELP should be included in the commentary.

For each category of Australian Government financial assistance, the amounts disclosed under Revenue for the period' in both the income statement and note 3 (a) to (h) should be equal to the amounts disclosed in row 'C' in notes 53a, 53b, 53c, 53d, 53e and 53g. The amount disclosed in row 'A' should be equal to the amounts disclosed in the note 3(i) and the statement of cash flows.

OS-HELP should not be recognised as revenue. Row 'C' should be disclosed in note 3(i) and explicitly in the statement of cash flows.

Superannuation Supplementation funding row 'A' should be disclosed in note 3(i) and explicitly in the statement of cash flows. Revenue and expense items relevant to the Superannuation Supplementation program are included in the defined benefit obligation disclosures at note 53.

'Reasonable assurance' is defined in ASA 200 – Objective and General Principles Governing an Audit of a financial report. It is the Department of Education's expectation that, in relation to 'Expenses for current period' in notes 53a, 53b, 53c, 53d, 53e, 53f, 53g, 53h and 53i HEPs are mindful of the definition of 'reasonable assurance' in the systems and procedures they implement.

Note 53. (Student Services and Amenities Fees) disclosure is mandatory.

The Education Research footnote #7 in respect of note 53d is included to automatically instigate rollover procedures for the funds indicated. If this footnote is not included it will be understood that the university intends to return Education Research surplus to Education. Each program for which a rollover is sought should be identified (including amount of rollover for that program) in the footnote.

You should note that giving false or misleading information is a serious offence.



# Certifications

## *Commentary - Certifications*

### **Mandatory - Required certifications**

#### *Education*

Certifications relating to the integrity of the financial statements vary across the States and Territories in Australia according to the reporting requirements of the jurisdiction.

Another variation across jurisdictions is the position(s) or office(s) of the person(s) who are able to be signatories of the certifications. In some jurisdictions, Board Members (or members of the governing council) of the HEP are signatories while in others the signatories are the Vice-Chancellor/Chief Executive Officer and the Chief Finance Officer.

The Department of Education requires that a HEP include the following two declarations in its "Statement of Certification(s)" signed by the Vice-Chancellor (or Chief Executive Officer) and a Member on behalf of the Board (or governing body) declaring the following:

The amount of Australian Government financial assistance expended during the reporting period was for the purpose(s) for which it was intended and [HEP] has complied with applicable legislation, contracts, agreements and program guidelines in making expenditure.

[HEP] charged Student Services and Amenities Fees strictly in accordance with the *Higher Education Support Act 2003* and the Administration Guidelines made under the Act. Revenue from the fee was spent strictly in accordance with the Act and only on services and amenities specified in subsection 19-38(4) of the Act.

# **Auditor's report**

## ***Commentary - Auditor's report***

### **Mandatory**

#### **Form and content of audit report**

##### ***APS1.1***

##### ***AUS702***

Standards and guidance on the preparation of audit reports on general purpose financial reports are given in Auditing Standard ASA 700 Forming an Opinion and Reporting on a Financial Report. ASA 700 is mandatory for members of the Accounting Bodies.

### **Mandatory**

#### ***Education***

HEPs must provide a copy of the audit report with their financial statements when reporting to the Department of Education

## **Freedom of Information**

All documents created or held by the Australian Government Department of Education with regard to Higher Education Providers' financial statements for the 2014 reporting period are subject to the Freedom of Information Act 1982 ("FOI Act"). Unless a document falls under an exemption provision, it will be made available to the general public if requested under the FOI Act.

All FOI requests are referred to the Principal Government Lawyer, Litigation and External Review Section, Procurement, Assurance and Legal Group, in the Department's National Office. Decisions regarding requests for access will be made by the authorised FOI decision-maker in accordance with the requirements of the FOI Act.

## Privacy Notice

Some of the financial statements required to be submitted to the Australian Government Department of Education under section 19-10 of the *Higher Education Support Act 2003* (HESA) by Higher Education Providers may contain the personal information of individuals. This information is collected for the purpose of assessing a provider's continuing financial viability and will not be otherwise used or disclosed without consent, unless where authorised or required by law.

With respect to such personal information, the Department is bound by the provisions of the Privacy Act 1988. Section 14 of the Privacy Act contains the Information Privacy Principles (IPPs) which prescribe the rules for handling personal information. In brief, these require that:

- personal information is collected in accordance with IPPs 1-3;
- suitable storage arrangements, including appropriate filing procedures are in place;
- suitable security arrangements exist for all records containing personal information;
- access to a person's own personal information held by the organisation is made available to the person at no charge;
- records are accurate, up-to-date, complete and not misleading;
- where a record is found to be inaccurate, the correction is made;
- where a person requests that a record be amended because it is inaccurate but the record is found to be accurate, the details of the request for amendment are noted on the record;
- the personal information is only to be used for the purposes for which it was collected, or for other purposes where expressly allowed by IPP 10; and
- personal information is only disclosed in accordance with IPP 11.

### Privacy Complaints and Advice

Complaints about breaches of privacy and requests for advice about privacy should be referred to the Litigation and External Review Section, Procurement, Assurance and Legal Group, in the Department's National Office. Privacy complaints can be made directly to the Federal Privacy Commissioner however the Federal Privacy Commissioner prefers that the Department be given an opportunity to deal with the complaint in the first instance.

## **Appendix 1: Changes to the Guidelines as a result of AASB9**

While there are many changes in respect of adopting AASB9 issued Dec 2010 and AASB2012-6 as a consequence (supersedes AASB9 issued Dec 2009 and AASB2009-11, AASB2010-7, AASB2011-7 and AASB2011-8) this document deals with the major issues identified by the Department of Education and should not be considered complete.

The major areas of the guidelines that will be affected by the adoption of AASB9 are Note 1(m) Investment and Other Financial Assets Policy, Note 6, Investment Revenue and Income, and Note 21, Other Financial Assets.

These three notes have been amended and are included. Disclosure specifically related to adoption has been omitted.

### ***Note 1. Summary of significant accounting policies (continued)***

#### **(m) Investments and other financial assets**

Investments and other financial assets are classified into three categories:

##### **Financial assets at fair value through profit or loss**

###### ***AASB9.4.1.4***

Financial assets which do not meet the criteria of the objective of the group's business model for managing financial assets or the characteristics of the contractual cash flows, are measured at fair value through profit or loss.

###### ***AASB9.5.4.2***

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 Group establishes fair value by using valuation techniques. These include reference to the fair values of recent arm's length transactions, involving the same instruments or other instruments that are substantially the same, discounted cash flow analysis, and option pricing models refined to reflect the issuer's specific circumstances.

###### ***AASB9.5.6.2***

If the group reclassifies these assets, their fair value is determined at reclassification date. Any gain or loss arising from a difference between the previous carrying amount and fair value is recognised in profit or loss.

## **Financial assets at amortised cost**

### ***AASB9.4.1.2***

Where the main objective of the group holding an asset or portfolio of assets is to collect contractual cash flows on specific dates and those cash flows are generally in the form of principal and/or interest, they are measured at amortised cost using the effective interest method and net of any impairment loss.

### ***AASB9.5.6.3***

When a financial asset at amortised cost is reclassified, its fair value at the reclassification date becomes its new carrying amount.

### ***AASB9.4.1.5***

Where the group has elected to measure a financial asset at fair value through profit or loss in order to eliminate any accounting mismatch, this is disclosed in note 51 – Financial Risk Management.

### ***AASB9.5.7.2***

Financial assets at amortised costs are assessed for evidence of impairment at the end of each reporting period.

## **Non-trading equity instrument**

### ***AASB9.5.7.5***

On initial recognition of an equity instrument obtained for purposes other than simply a financial return, the group irrevocably adopts to recognise changes in the fair value of the instrument in other comprehensive income. The group does not define any other financial assets as not held for trading.

Dividends received from non-trading equity instruments are recognised in profit or loss when the dividend is received or the right to receive the dividend has been established.

## **Commentary - Summary of significant accounting policies**

### **AASB9.5.7.5**

While AASB9.5.7.5 allows equity instruments that are not held for trading to be have subsequent changes in value to be recognised in other comprehensive income, the Department of Education only allows institutions to make this election under specific circumstances. In order to make this election, it must be clear that the institution does not hold the equity instrument purely for financial gain.

In order to clarify the usage, the name non-trading equity instrument has been utilised. Non-trading Equity Instruments are instruments that are held for purposes such as involvement in research, development or commercialisation of a new technology, and supporting the business of the institution (in a non-financial manner). These typically include investments in subsidiaries. Often but not always, the reason for holding the instrument will result in the other entity also being classified as an associate or related party.

If an equity instrument meets the criteria, an institution may select not to adopt the election under AASB9.5.7.5. If this is the case, note 1(m)(iii) can be removed.

### **AASB7.11a**

Institutions who have equity instruments that meet the criteria above and elect to adopt the 'fair value through OCI' approach are required to include these additional disclosures:

- (a) Which investments have this treatment;
- (b) The reasons for adopting this treatment;
- (c) Fair value of each at the end of the reporting period;
- (d) Dividends recognised during the period, separately identifying those related to investments derecognised during the period and those related to instruments held at the end of the period; and
- (e) Any transfers of the cumulative gain or loss within the period including the reason for those transfers.

### **AASB7.11b**

Additionally, institutions adopting 'fair value through OCI' are required to disclose the following in respect of instruments derecognised during the period:

- (a) The reasons for disposing of the investment;
- (b) The fair value of the investment on the date of derecognition; and
- (c) The cumulative gain or loss on disposal.

## Note 6. Investment revenue and income

		Consolidated		Parent entity	
		2014	2013	2014	2013
		\$'000	\$'000	\$'000	\$'000
AASB118.35b	Interest	-	-	-	-
	Dividends	-	-	-	-
	[Specify]	-	-	-	-
	Total investment revenue	-	-	-	-
	Change in fair value of financial assets designated as at fair value through profit or loss	-	-	-	-
	[Specify]	-	-	-	-
	Total other investment income	-	-	-	-
	[Specify]	-	-	-	-
	Total other investment losses	-	-	-	-
	Net investment income	-	-	-	-
	Change in fair value of non-trading equity instruments	-	-	-	-
	Total comprehensive investment income	-	-	-	-



## Note 21. Other financial assets

	Consolidated		Parent entity	
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
<b>Current</b>				
Fair value through profit or loss	-	-	-	-
At amortised cost	-	-	-	-
[Specify others]	-	-	-	-
Total current other financial assets	-	-	-	-
<b>Non-current</b>				
Fair value through profit or loss	-	-	-	-
At amortised cost	-	-	-	-
Non-trading equity instruments (a)	-	-	-	-
[Specify others]	-	-	-	-
Total non-current other financial assets	-	-	-	-
Total other financial assets	-	-	-	-

Changes in fair values of other financial assets at fair value through profit or loss are recorded in other income in the income statement (note 6 – Investment Income).

### (a) Non-trading equity instruments

[detailed disclosure as required by AASB7.11A – see commentary]

## **Commentary – Other financial assets**

An entity shall not apply AASB9.5.7.5 except under the specific circumstance identified in note 1(m) and the associated commentary.

### **AASB7.11A**

Institutions who have equity instruments that meet the criteria above and elect to adopt the 'fair value through OCI' approach are required to include these additional disclosures:

- (a) Which investments have this treatment;
- (b) The reasons for adopting this treatment;
- (c) Fair value of each at the end of the reporting period;
- (d) Dividends recognised during the period, separately identifying those related to investments derecognised during the period and those related to instruments held at the end of the period; and
- (e) Any transfers of the cumulative gain or loss within the period including the reason for those transfers.

### **AASB7.11B**

Additionally, institutions adopting 'fair value through OCI' are required to disclose the following in respect of instruments derecognised during the period:

- (a) The reasons for disposing of the investment;
- (b) The fair value of the investment on the date of derecognition; and
- (c) The cumulative gain or loss on disposal.

These details should be included in section (a) of this note.