



# **Charles Darwin University**

## **Annual Report**

2021 financial statements

# Charles Darwin University and its Controlled Entities

## 2021 Financial Statements

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## Report by Members of Council

The members of the Council of Charles Darwin University present their report on the consolidated entity and the entities it controlled as at the end of, or during, the year ended 31 December 2021.

### Members

The following persons were members of the Council of Charles Darwin University during the year and up to the date of this report:

Mr Paul Henderson AO	Appointed Chancellor on 20 March 2019 and continues in office at the date of this report.
Professor Scott Bowman AO	Ex-officio member (Vice-Chancellor) from 5 April 2021 and continues in office at the date of this report.
Professor Michael Wilson	Ex-officio member (Interim Vice-Chancellor) from 1 January 2021. Term ended 5 April 2021.
Mr Ken Davies	Appointed a member on 28 June 2013 and continues in office at the date of this report.
Professor Judith Whitworth AC	Appointed a member on 29 September 2015. Appointment ended 28 September 2021.
Mr Raymond Simpson	Elected a member on 1 January 2017 and continues in office at the date of this report.
Associate Professor Alan Berman	Elected a member on 4 March 2020 and continues in office at the date of this report.
Mr Dick Guit	Appointed a member on 26 June 2020 and continues in office at the date of this report.
Mr Craig Graham	Appointed a member on 29 July 2020 and continues in office at the date of this report.
Mr Kazi Mehadi Hasan	Elected a member on 1 January 2021. Term ended 31 December 2021.
Mr Harvie Stiller-Wojkowski	Elected a member on 1 January 2021. Term ended 31 December 2021.
Mr Mark Munnich	Appointed a member on 25 February 2021 and continues in office at the date of this report.
Ms Simone Saunders	Appointed a member on 25 February 2021 and continues in office at the date of this report.
Mr John Langoulant AO	Appointed a member on 25 February 2021. Resigned 15 October 2021.
Mrs Janelle Marr	Appointed a member on 25 February 2021 and continues in office at the date of this report.
Associate Professor Natalie Milic	Ex-officio member (Chair of Academic Board) from 15 February 2021. Term ended 31 December 2021.
Professor Sue Carthew	Ex-officio member (Chair of Academic Board) from 15 July 2020. Term ended 12 February 2021.

## Meetings of Members

The number of meetings of the members of the Council of Charles Darwin University and each Council committee meeting held during the year ended 31 December 2021, and the number of meetings attended by each member were:

	Meetings of Committees							
	Council Meetings		Finance and Infrastructure Development		Audit Risk and Compliance Committee		Nominations Honorary Awards and Legislation	
	A	B	A	B	A	B	A	B
Mr Paul Henderson AO	7	6	7	7	4	4	5	5
Professor Scott Bowman AO	4	4	5	5	3	3	2	2
Professor Michael Wilson	2	2	2	2	1	1	3	3
Mr Ken Davies	7	7	-	-	-	-	5	5
Professor Judith Whitworth AC	5	5	-	-	-	-	-	-
Mr Raymond Simpson	7	7	-	-	-	-	-	-
Associate Professor Alan Berman	7	7	-	-	-	-	-	-
Mr Dick Guit	7	5	7	4	-	-	-	-
Mr Craig Graham	7	5	-	-	-	-	-	-
Mr Kazi Mehadi Hasan	7	2	-	-	-	-	-	-
Mr Harvie Stiller-Wojkowski	7	7	-	-	-	-	-	-
Mr Mark Munnich	6	4	-	-	-	-	-	-
Ms Simone Saunders	6	5	-	-	3	2	-	-
Mr John Langoulant AO	4	3	6	6	-	-	-	-
Mrs Janelle Marr	6	4	-	-	-	-	-	-
Associate Professor Natalie Milic	6	4	-	-	3	1	3	3
Professor Sue Carthew	1	-	-	-	-	-	2	1

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

B = Number of meetings attended.

## Principal Activities

During the year, the principal continuing activities of the Group were:

- to undertake teaching activities that fulfil the requirements of an undergraduate and postgraduate university education and training and further education by way of a course of instruction that is, or is preparatory to, a course of a kind relevant to a trade, technical or other vocational education;

- b) to undertake research (taking advantage of the human and physical resources of the University) and, where appropriate, to consider commercial exploitation of research that is undertaken;
- c) to undertake teaching activities to provide other education and training as determined by the Council;
- d) to co-operate with other universities and with institutions of higher education, training and further education or research (whether within or outside of Australia);
- e) to liaise with industry and professional organisations, training committees and the community;
- f) to disseminate knowledge and advance skills and their practical application;
- g) to provide consultative and research services and facilities;
- h) to administer schemes of financial and other assistance for students of the University and persons studying or carrying out research at the University including, in the case of students, financial assistance in the form of loans;
- i) to provide library and other educational facilities that may be used by the public on conditions as determined by the Council; and
- j) to carry out any other functions that is conferred on it by or under the *Charles Darwin University Act 2003* and any other Act.

## Review of Operations

### Introduction

The Times Higher Education Impact Rankings 2021 places CDU among the world's top 100 universities for impact towards the United Nation's Sustainable Development Goals (SDG) for Quality Education. Overall, CDU ranks among the world's top 200 universities globally for research and impact towards all SDGs.

### Capital Works

Construction was completed on the following capital projects during 2021:

- Further works on the Waterfront Refurbishment
- Disabilities, Aged Care & Health Supported Training Facility
- Digital Enhancements to Theatre
- Yellow 2 Research Laboratory Upgrade
- Orange 1 Student Support Space
- Red 8 Library Flexible Access
- Red 8 Student Services Hubs
- Orange 1 Education Strategy Co-Design Laboratory
- Purple 1 Storage Cupboards
- Environmental Genomics and Analytical Facilities

Construction commenced or was continuing on the following capital projects during 2021:

- Charles Darwin University Education and Community Precinct
- Pink 7 Mechanical Testing Facility
- Katherine Rural Campus Training Kitchen Refurbishment
- Alice Springs Campus Reconfiguration of Student Services & Administration
- Alice Springs Campus Swipe Card Access
- Casuarina Campus Safety Improvements



### *Specific Purpose Grants*

\$31.9 million was received in cash and is committed to fund specific capital projects. A total of \$46.9 million is included in income from continuing operations for capital work performed. This funding was received as specific purpose grant funds from the Australian and the Northern Territory Governments. The bulk of this funding was for the Charles Darwin University Education and Community Precinct in Darwin City and \$2.0 million for VET training facilities.

Construction is progressing on the Charles Darwin University Education and Community Precinct, with excavation work starting in October 2020. Construction is expected to be completed by 2024. Located centrally on Cavenagh Street, Darwin, the campus enables engagement with the wider community; offering public spaces for use, learning and education opportunities, and in the longer term, retail and commercial facilities in line with the Darwin City Deal vision to reinvigorate Darwin's CBD.

### *Financial Performance*

The University's net result from continuing operations was \$62.2 million in surplus for 2021 (2020: \$42.8 million). Revenue increased by 9% overall from last year due to an increase in Higher Education student enrolments, research and other government income. The University's revenue for 2021 included a total of \$46.9 million relating to capital projects. Expenditure in 2021 was higher compared to the previous year by \$10 million, due to employee costs increasing following a conservative budget in response to the COVID19 pandemic in 2020.

### *COVID-19 impacts*

COVID-19 impacts are likely to continue in 2022 while international travel is restricted, the University will continue to act in a fiscally responsible way to ensure it is equipped to operate in a post-pandemic environment. Seeking new opportunities to grow the business in the areas of vocational education, short courses and postgraduate study.

### *Vice-Chancellor and President*

The University appointed Professor Scott Bowman as Vice-Chancellor and President in 2021 and he commenced with the University on 5 April 2021. Professor Bowman arrived in the role from Western Sydney University, where he was Senior Deputy Vice-Chancellor. He has previously served as Vice-Chancellor and President of Central Queensland University, a role he held for almost 10 years, and has also been Deputy Vice-Chancellor and Registrar of James Cook University.

### **Significant Changes in the State of Affairs**

On 30 September 2021, the Directors of Charles Darwin University Foundation and Charles Darwin University Foundation Trust resolved Charles Darwin University Foundation and Charles Darwin University Foundation Trust to be dissolved in their current form. In accordance with the Trust Deed, the remainder of the Trust funds will be transferred to Charles Darwin University, whose objects are similar to the purposes of the Charles Darwin University Foundation Trust. The dissolution and Trust funds transfer are expected to be completed by the first half of 2022.

There are no other matters or circumstances which significantly affected or may affect the operations of the Group.

## Matters Subsequent to the End of the Financial Year

There are no other matters or circumstances which significantly affected or may affect the operations of the Group, the results of those operations, or the state of the affairs of the Group in future financial years, refer to Note 36.

## Likely Developments and Expected Results of Operations

Likely developments in the operations of the Group and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Group.

## Insurance of officers

The Group has insurance in place to insure the members of the Council and its Committees and the Officers against claims arising from their involvement in the activities of the Group. The cover for Menzies School of Health Research is \$5 million and for Charles Darwin University is \$10 million.

## Environmental Regulation

The Group is subject to the following environmental regulations:

- *Gene Technology Act 2000 (amended 2008) and Gene Technology Regulations 2001*
- *Gene Technology (Northern Territory) Act 2004*
- *Radiation Protection Act 2009 and Radiation Protection Regulations 2011*
- *Dangerous Goods Act 2012 and Dangerous Goods Regulations 2012*
- *Transport of Dangerous Goods by Rail and Road (National Uniform Legislation) Act 2010*
- *Waste Disposal on Royal Darwin Hospital Campus Regulations*
- *Waste Management and Pollution Control Act 2011 and Regulations*
- *International Air Transport Association (IATA) Dangerous Goods Regulations.*

## Proceedings on behalf of the entity

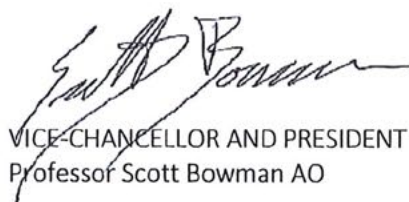
There were no material proceedings ongoing against the University at the end of 2021.

This report is made in accordance with a resolution of the members of the Council.

Signed at Darwin this 26th day of May 2022



CHANCELLOR  
The Hon Paul Henderson AO



VICE-CHANCELLOR AND PRESIDENT  
Professor Scott Bowman AO



## Financial Statements

### Income Statement

For the year ended 31 December 2021

	Note	Group		Parent Entity	
		YTD	YTD	YTD	YTD
		2021	2020	2021	2020
		\$'000	\$'000	\$'000	\$'000
<b>Income from continuing operations</b>					
Australian Government financial assistance					
Australian Government grants	3.1	131,240	103,556	108,655	88,123
HELP - Australian Government payments	3.1	34,376	37,595	34,376	37,595
NT Government financial assistance	3.2	63,396	26,462	56,536	19,492
HECS - HELP student payments		6,545	7,744	6,545	7,742
Fees and charges	3.3	97,902	107,219	96,484	103,642
Consultancy and contracts	3.4	25,885	24,468	15,242	17,011
Other revenue	3.5	12,779	31,976	13,729	29,633
Investment revenue	4	5,917	4,908	5,662	4,475
Gains on disposal of assets	26	186	354	186	238
Gains on disposal of subsidiaries	32	-	2,085	-	-
Share of profit on investments accounted for using the equity method	18	183	354	183	354
<b>Total income from continuing operations</b>		<b>378,409</b>	<b>346,721</b>	<b>337,598</b>	<b>308,305</b>
<b>Expenses from continuing operations</b>					
Employee-related expenses	5	190,035	190,572	158,477	160,916
Depreciation and amortisation	6	17,045	16,732	16,357	16,097
Repairs and maintenance	7	7,034	6,328	5,911	5,994
Impairment of assets / (reversal)	8	834	(302)	834	1,194
Other expenses	9	99,088	88,695	93,834	81,298
<b>Total expenses from continuing operations</b>		<b>314,036</b>	<b>302,025</b>	<b>275,413</b>	<b>265,499</b>
<b>Net result before income tax</b>		<b>64,373</b>	<b>44,696</b>	<b>62,185</b>	<b>42,806</b>
<b>Net result after income tax for the period</b>		<b>64,373</b>	<b>44,696</b>	<b>62,185</b>	<b>42,806</b>
<b>Net result from continuing operations</b>		<b>64,373</b>	<b>44,696</b>	<b>62,185</b>	<b>42,806</b>

*The above Income Statement should be read in conjunction with the accompanying notes.*

## Statement of Comprehensive Income

For the year ended 31 December 2021

	Note	Group		Parent Entity	
		2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
<b>Net result after income tax for the period</b>		<b>64,373</b>	44,696	<b>62,185</b>	42,806
<u>Items that will not be reclassified to profit or loss</u>					
Gain on value of available for sale financial assets	27(a)	23,479	842	23,479	842,
Other		50	(10)	-	-
Decrease on revaluation on property, plant and equipment	27(a)	(9,461)	-	(9,461)	-
<b>Total other comprehensive income</b>		<b>14,068</b>	<b>832</b>	<b>14,018</b>	<b>842</b>
<b>Total comprehensive income</b>		<b>78,441</b>	<b>45,528</b>	<b>76,203</b>	<b>43,648</b>
<b>Total comprehensive income from continuing operations</b>		<b>78,441</b>	<b>45,528</b>	<b>76,203</b>	<b>43,648</b>

*The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.*

# Statement of Financial Position

As at 31 December 2021

	Note	Group		Parent Entity	
		2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and cash equivalents	10	206,065	148,518	174,333	116,011
Receivables	11	7,507	5,174	6,624	4,557
Inventories	12	772	507	772	507
Other financial assets	15	7,446	7,078	5,004	5,023
Assets classified as held for sale	16	16,116	-	16,116	-
Other assets	17	6,104	5,531	5,528	5,021
<b>Total current assets</b>		<b>244,010</b>	<b>166,808</b>	<b>208,377</b>	<b>131,119</b>
<b>Non-current assets</b>					
Biological assets	13	1,258	966	1,258	966
Investment property	14	195	175	-	-
Investments accounted for using the equity method	18	1,521	1,338	1,521	1,338
Other financial assets	15	64,555	41,013	64,190	40,711
Property, plant and equipment	19	470,692	479,652	468,522	477,727
<b>Total non-current assets</b>		<b>538,221</b>	<b>523,144</b>	<b>535,491</b>	<b>520,742</b>
<b>Total assets</b>		<b>782,231</b>	<b>689,952</b>	<b>743,868</b>	<b>651,861</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Trade and other payables	22	12,596	8,921	11,238	7,284
Lease liabilities	20(a)	2,496	2,309	2,275	2,087
Borrowings	23	-	-	-	-
Provisions	24	30,901	32,312	25,837	27,379
Other liabilities	25	70,695	57,634	74,972	60,329
<b>Total current liabilities</b>		<b>116,688</b>	<b>101,176</b>	<b>114,322</b>	<b>97,079</b>
<b>Non-current liabilities</b>					
Provisions	24	2,113	2,342	1,859	2,062
Lease liabilities	20(a)	2,403	3,860	2,037	3,273
<b>Total non-current liabilities</b>		<b>4,516</b>	<b>6,202</b>	<b>3,896</b>	<b>5,335</b>
<b>Total liabilities</b>		<b>121,204</b>	<b>107,378</b>	<b>118,218</b>	<b>102,414</b>
<b>Net assets</b>		<b>661,027</b>	<b>582,574</b>	<b>625,650</b>	<b>549,447</b>
<b>Equity</b>					
Reserves	27(a)	268,429	254,922	267,758	253,970
Restricted funds	27(b)	43,766	32,162	43,766	32,162
Retained earnings	27(c)	348,832	295,490	314,126	263,315
<b>Total equity</b>		<b>661,027</b>	<b>582,574</b>	<b>625,650</b>	<b>549,447</b>

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

## Statement of Changes in Equity

For the year ended 31 December 2021

### Group

#### Balance at 1 January 2020

Retrospective changes

#### Balance as restated

Net result

Other comprehensive income

#### Total comprehensive income

Transfers from / (to) restricted reserves

Transfers (to) / from revaluation reserves

#### Balance at 31 December 2020

#### Balance at 1 January 2021

Net result

Other comprehensive income

#### Total comprehensive income

Transfers from / (to) restricted reserves

Transfers (to) / from revaluation reserves

#### Balance at 31 December 2021

### Parent

#### Balance at 1 January 2020

Retrospective changes

#### Balance as restated

Net result

Other comprehensive income

#### Total comprehensive income

Transfers from / (to) restricted reserves

Transfers (to) / from revaluation reserves

#### Balance at 31 December 2020

#### Balance at 1 January 2021

Net result

Other comprehensive income

#### Total comprehensive income

Transfers from / (to) restricted reserves

Transfers (to) / from revaluation reserves

#### Balance at 31 December 2021

	Restricted Funds \$'000	Reserves \$'000	Retained Earnings \$'000	Total \$'000
Balance at 1 January 2020	22,063	262,499	267,113	551,675
Retrospective changes	-	-	(14,629)	(14,629)
Balance as restated	22,063	262,499	252,484	537,046
Net result	-	-	44,696	44,696
Other comprehensive income	-	832	-	832
Total comprehensive income	-	832	44,696	45,528
Transfers from / (to) restricted reserves	10,099	(8,329)	(1,770)	-
Transfers (to) / from revaluation reserves	-	(80)	80	-
Balance at 31 December 2020	32,162	254,922	295,490	582,574
Balance at 1 January 2021	32,162	254,922	295,490	582,574
Net result	-	-	64,373	64,373
Other comprehensive income	-	14,068	-	14,068
Total comprehensive income	-	14,068	64,373	78,441
Transfers from / (to) restricted reserves	11,604	(331)	(11,273)	-
Transfers (to) / from revaluation reserves	-	(230)	242	12
Balance at 31 December 2021	43,766	268,429	348,832	661,027
Balance at 1 January 2020	22,063	253,208	233,233	508,504
Retrospective changes	-	-	(2,179)	(2,179)
Balance as restated	22,063	253,208	231,054	506,325
Net result	-	-	42,806	42,806
Other comprehensive income	-	842	-	842
Total comprehensive income	-	842	42,806	43,648
Transfers from / (to) restricted reserves	10,099	-	(10,625)	(526)
Transfers (to) / from revaluation reserves	-	(80)	80	-
Balance at 31 December 2020	32,162	253,970	263,315	549,447
Balance at 1 January 2021	32,162	253,970	263,315	549,447
Net result	-	-	62,185	62,185
Other comprehensive income	-	14,018	-	14,018
Total comprehensive income	-	14,018	62,185	76,203
Transfers from / (to) restricted reserves	11,604	-	(11,604)	-
Transfers (to) / from revaluation reserves	-	(230)	230	-
Balance at 31 December 2021	43,766	267,758	314,126	625,650

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

## Statement of Cash Flows

For the year ended 31 December 2021

	Note	Group		Parent Entity	
		2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
<b>Cash flows from operating activities</b>					
Australian Government Grants		176,572	138,419	153,988	122,986
OS-HELP (net)		-	415	-	415
NT Government grants*		46,523	41,556	39,663	34,586
HECS-HELP student payments		5,988	8,772	5,988	8,772
Receipts from student fees and other customers		152,753	159,021	133,970	131,590
Interest received		604	863	396	390
Dividend received		5,518	4,462	5,504	4,450
Payments to suppliers and employees		(293,738)	(282,066)	(255,872)	(243,781)
Lease interest payments		(101)	(122)	(91)	(107)
Low value / short term lease payments		(2,132)	(1,391)	(1,939)	(1,325)
<b>Net cash from operating activities</b>	37	<b>91,987</b>	<b>69,929</b>	<b>81,607</b>	<b>57,976</b>
<b>Cash flows from investing activities</b>					
Proceeds from sale of property, plant and equipment		223	415	223	299
Proceeds from sale of biological assets		385	215	385	215
Proceeds from sale of subsidiaries		-	1,811	-	-
Payments for property, plant and equipment		(32,108)	(14,175)	(31,199)	(14,046)
Payments for biological assets		(340)	(76)	(340)	(76)
<b>Net cash used in investing activities</b>		<b>(31,840)</b>	<b>(11,810)</b>	<b>(30,931)</b>	<b>(13,608)</b>
<b>Cash flows from financing activities</b>					
Repayment of lease liabilities		(2,600)	(2,128)	(2,354)	(1,975)
Other financing inflows / (outflows)		-	-	10,000	1,591
<b>Net cash from / (used in) financing activities</b>		<b>(2,600)</b>	<b>(2,128)</b>	<b>7,646</b>	<b>(384)</b>
<b>Net increase in cash and cash equivalents</b>		<b>57,547</b>	<b>55,991</b>	<b>58,322</b>	<b>43,984</b>
Cash and cash equivalents at the beginning of the financial year		148,518	92,527	116,011	72,027
<b>Cash and cash equivalents at the end of the financial year</b>	10	<b>206,065</b>	<b>148,518</b>	<b>174,333</b>	<b>116,011</b>

\* VET Training contract previously classified under NT Government Grants has now been classified under Fees & charges

*The above Statement of Cash Flows should be read in conjunction with the accompanying notes.*



# Notes to the Financial Statements

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# Notes to the Financial Statements

For the year ended 31 December 2021

## Note 1: Summary of significant accounting policies

Charles Darwin University (the University) was enacted as a Body Corporate on 5 November 2003 by the *Charles Darwin University Act 2003* (the Act) and is domiciled in Australia. The University is subject to all directions of the Council of the University. The functions of the University are set out in Section 5 of the Act. Under the provisions of the Act, at its commencement, Charles Darwin University assumed all the property, rights and liabilities of Northern Territory University, Centralian College (Alice Springs based), and Northern Territory Rural College (Katherine based), except for the superannuation liability for Centralian College which remained with the Northern Territory Government's Central Holding Authority. Subsequently as per the *Charles Darwin University Act 2003* and amendment to the *Menzies School of Health Research Act 1985*, the Menzies School of Health Research became a controlled entity of the University from 1 January 2004.

The principal address of Charles Darwin University is Ellengowan Drive, Casuarina, Darwin.

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied for all years reported, unless otherwise stated. The financial statements include separate statements of Charles Darwin University as the parent entity and the Group consisting of Charles Darwin University and its controlled entities, refer Note 1(b) and Note 33.

### (a) Basis of preparation

The annual financial statements represent the audited general purpose financial statements of Charles Darwin University. They have been prepared on an accrual basis and comply with Australian Accounting Standards, AASB Interpretations, *Australian Charities and Not-for-profits Commission Act 2012*, the *Australian Charities and Not-for-profits Commission Regulation 2013*, the requirements of the Australian Department of Education, Skills and Employment and other State/Australian Government legislative requirements.

Charles Darwin University 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 International Financial Reporting Standards (IFRS) requirements.

### *Historical cost convention*

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, certain classes of property, plant and equipment and investment property.

### *Critical accounting estimates*

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 the Charles Darwin University'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, have been explained in the accounting policy notes.

# Notes to the Financial Statements

For the year ended 31 December 2021

## Note 1: Summary of significant accounting policies (continued)

### (b) Basis of consolidation

Entities controlled by Charles Darwin University and forming part of the Charles Darwin University Group are as follows:

- Charles Darwin University Foundation
- Charles Darwin University Foundation Trust
- Menzies School of Health Research, which includes:
  - Bridging the Gap Foundation

### (c) Foreign currency translation

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

Items included in the financial statements of the Group and 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 the University's functional and presentation currency.

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

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. Amounts receivable and payable in foreign currencies are translated at the rate of exchange ruling at balance date. Translation differences on non-monetary financial assets and liabilities are recognised in the Income Statement as part of other expenses.

### (d) Taxation

Charles Darwin University is a public authority within the meaning of Section 50-25 of the *Income Tax Assessment Act 1997* and its income is exempt under the provisions of that Act.

### (e) Rounding of amounts

The Group is an entity of the kind referred to in Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, dated 24 March 2016, and in accordance with that Corporations instrument, amounts in the Report by Members of Council and the Financial Statements are rounded off to the nearest thousand dollars, unless otherwise indicated.

### (f) Website costs

Costs in relation to websites controlled by the University are charged as expenses in the period in which they are incurred unless they relate to the acquisition of an intangible asset, in which case they are capitalised and amortised over their period of expected benefit.

# Notes to the Financial Statements

For the year ended 31 December 2021

## Note 1: Summary of significant accounting policies (continued)

### (g) Goods and Services Tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

- i) Where the amount of GST incurred is not recoverable from the Australian Tax Office, the GST is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- ii) For receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables. Cash flows are presented in the Statement of Cash Flows on a net basis, including the GST component of investing and financing activities, which are disclosed as operating cash flows.

### (h) Comparative amounts

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

### (i) New accounting standards and interpretations

#### *Adoption of new and revised accounting standards*

In the current year Charles Darwin University has adopted all of the new and revised and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for the current annual reporting period.

At the date of the financial report, a number of Standards and Interpretations were issued but not yet effective. The Group has elected not to early adopt any of these standards. The Group's assessment of the impact of these new standards and interpretations is set out below:

Standard/Amendment	Application date	Implications
AASB17 <i>'Insurance Contracts' Appendix D</i>	1-Jan-2023	There will be no material impact to the Group
AASB2020-1 <i>Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current</i> and AASB2020-6 <i>Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date</i>	1-Jan-2022	There will be no material impact to the Group
AASB2020-3 <i>Amendments to Australian Accounting Standards – Annual Improvements 2018–2021 and Other Amendments</i>	1-Jan-2022	There will be no material impact to the Group
AASB2021-2 <i>Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates</i>	1-Jan-2023	There will be no material impact to the Group

## Notes to the Financial Statements

For the year ended 31 December 2021

### Note 1: Summary of significant accounting policies (continued)

#### (i) New accounting standards and interpretations (continued)

Standard/Amendment	Application date	Implications
AASB2021-3 <i>Amendments to Australian Accounting Standards – Covid-19-Related Rent Concessions beyond 30 June 2021</i>	1-Apr-2021	There will be no material impact to the Group
AASB2021-7a, b and c <i>Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections</i>	1-Jan-2022 1-Jan-2023 1-Jan-2025	There will be no material impact to the Group
AASB2022-1 <i>Amendments to Australian Accounting Standards – Initial Application of AASB 17 and AASB 9 – Comparative Information</i>	1-Jan-2023	There will be no material impact to the Group



# Notes to the Financial Statements

For the year ended 31 December 2021

## Note 2: Disaggregated information

### (a) Industry - Dual Sector Providers (Parent)

Operating revenues and expenses for Higher Education and Vocational Education and Training are shown in the following tables. The figures refer only to the parent entity; consolidated totals are not included. Discrete sets of accounts are not maintained for these divisions. They have been derived based on the results of costings determined via Activity Based Costing.

		Parent Entity			Parent Entity		
Note		Higher Education	VET	Total Parent	Higher Education	VET	Total Parent
		2021	2021	2021	2020	2020	2020
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>INCOME STATEMENT</b>							
<b>Income from continuing operations</b>							
Australian Government financial assistance	3.1	108,154	501	108,655	87,697	426	88,123
Australian Government grants:							
- HECS - HELP Australian Gov payments	3.1	34,376	-	34,376	37,595	-	37,595
NT Government financial assistance	3.2	53,893	2,643	56,536	16,023	3,469	19,492
HECS - HELP student payments		6,545	-	6,545	7,742	-	7,742
Fees and charges	3.3	50,165	46,319	96,484	50,346	53,296	103,642
Consultancy and contracts	3.4	15,174	68	15,242	16,731	280	17,011
Other revenue	3.5	9,446	4,283	13,729	19,247	10,386	29,633
Investment revenue	4	3,996	1,666	5,662	3,158	1,317	4,475
Gain on disposal of assets	26	86	100	186	113	125	238
Share of profit or (loss) on investments accounted for using the equity method	18	120	63	183	232	122	354
<b>Total income from continuing operations</b>		<b>281,955</b>	<b>55,643</b>	<b>337,598</b>	<b>238,884</b>	<b>69,421</b>	<b>308,305</b>
<b>Expenses from continuing operations</b>							
Employee related expenses	5	112,089	46,388	158,477	107,573	53,343	160,916
Depreciation and amortisation	6	10,759	5,598	16,357	10,383	5,714	16,097
Repairs and maintenance	7	2,940	2,971	5,911	3,023	2,971	5,994
Impairment of assets	8	254	580	834	289	905	1,194
Other expenses	9	72,525	21,309	93,834	61,289	20,009	81,298
<b>Total expenses from continuing operations</b>		<b>198,567</b>	<b>76,846</b>	<b>275,413</b>	<b>182,557</b>	<b>82,942</b>	<b>265,499</b>
<b>Net result before income tax</b>		<b>83,388</b>	<b>(21,203)</b>	<b>62,185</b>	<b>56,327</b>	<b>(13,521)</b>	<b>42,806</b>
<b>Net result after income tax for the period</b>		<b>83,388</b>	<b>(21,203)</b>	<b>62,185</b>	<b>56,327</b>	<b>(13,521)</b>	<b>42,806</b>
<b>Net result</b>		<b>83,388</b>	<b>(21,203)</b>	<b>62,185</b>	<b>56,327</b>	<b>(13,521)</b>	<b>42,806</b>

# Notes to the Financial Statements

For the year ended 31 December 2021

## Note 2: Disaggregated information (continued)

### (a) Industry - Dual Sector Providers (Parent) (continued)

	Note	Higher Education 2021 \$'000	VET 2021 \$'000	Total Parent 2021 \$'000	Higher Education 2020 \$'000	VET 2020 \$'000	Total Parent 2020 \$'000
<b>STATEMENT OF FINANCIAL POSITION</b>							
<b>ASSETS</b>							
<b>Current assets</b>							
Cash and cash equivalents	10	286,419	(112,086)	174,333	205,762	(89,751)	116,011
Receivables	11	4,347	2,277	6,624	2,991	1,566	4,557
Inventories	12	507	265	772	333	174	507
Other financial assets	15	3,284	1,720	5,004	3,296	1,727	5,023
Non-current assets classified as held for sale	16	10,576	5,540	16,116	-	-	-
Other non-financial assets	17	3,628	1,900	5,528	3,295	1,726	5,021
<b>Total current assets</b>		<b>308,761</b>	<b>(100,384)</b>	<b>208,377</b>	<b>215,677</b>	<b>(84,558)</b>	<b>131,119</b>
<b>Non-current assets</b>							
Biological assets	13	-	1,258	1,258	-	966	966
Investments accounted for using the equity method	18	1,521	-	1,521	1,338	-	1,338
Other financial assets	15	64,190	-	64,190	40,711	-	40,711
Property, plant and equipment	19	307,467	161,055	468,522	313,508	164,219	477,727
<b>Total non-current assets</b>		<b>373,178</b>	<b>162,313</b>	<b>535,491</b>	<b>355,557</b>	<b>165,185</b>	<b>520,741</b>
<b>Total assets</b>		<b>681,939</b>	<b>61,929</b>	<b>743,868</b>	<b>571,234</b>	<b>80,627</b>	<b>651,861</b>
<b>LIABILITIES</b>							
<b>Current liabilities</b>							
Trade and other payables	22	7,375	3,863	11,238	4,780	2,504	7,284
Lease liabilities	20(a)	1,493	782	2,275	1,369	718	2,087
Provisions	24	16,956	8,881	25,837	17,967	9,412	27,379
Other liabilities	25	49,200	25,772	74,972	39,591	20,738	60,329
<b>Total current liabilities</b>		<b>75,024</b>	<b>39,298</b>	<b>114,322</b>	<b>63,707</b>	<b>33,372</b>	<b>97,079</b>
<b>Non-current liabilities</b>							
Provisions	24	1,220	639	1,859	1,353	709	2,062
Lease liabilities	20(a)	1,337	700	2,037	2,148	1,125	3,273
<b>Total non-current liabilities</b>		<b>2,557</b>	<b>1,339</b>	<b>3,896</b>	<b>3,501</b>	<b>1,834</b>	<b>5,335</b>
<b>Total liabilities</b>		<b>77,581</b>	<b>40,637</b>	<b>118,218</b>	<b>67,208</b>	<b>35,206</b>	<b>102,414</b>
<b>Net assets</b>		<b>604,358</b>	<b>21,292</b>	<b>625,650</b>	<b>504,026</b>	<b>45,421</b>	<b>549,447</b>
<b>Equity</b>							
Reserves	27(a)	193,114	74,645	267,758	177,569	76,401	253,970
Restricted funds	27(b)	42,276	1,490	43,766	29,503	2,659	32,162
Retained earnings	27(c)	368,968	(54,843)	314,126	296,954	(33,639)	263,315
<b>Total equity</b>		<b>604,358</b>	<b>21,292</b>	<b>625,650</b>	<b>504,026</b>	<b>45,421</b>	<b>549,447</b>

## Notes to the Financial Statements

For the year ended 31 December 2021

### Note 2: Disaggregated information (continued)

#### (a) Industry - Dual Sector Providers (Parent) (continued)

##### STATEMENT OF CHANGES IN EQUITY

##### Parent

##### Balance at 1 January 2020

Retrospective changes

##### Balance as restated

Net result

Other comprehensive income

##### Total comprehensive income

Transfers from / (to) restricted reserves

##### Balance at 31 December 2020

##### Balance at 1 January 2021

Net result

Other comprehensive income

##### Total comprehensive income

Transfers from / (to) restricted reserves

##### Balance at 31 December 2021

Higher Education	VET	Total Parent
\$'000	\$'000	\$'000
442,821	65,683	508,504
(2,179)	-	(2,179)
440,642	65,683	506,325
56,327	(13,521)	42,806
842	-	842
<b>57,169</b>	<b>(13,521)</b>	<b>43,648</b>
6,215	(6,741)	(526)
<b>504,026</b>	<b>45,421</b>	<b>549,447</b>
504,026	45,421	549,447
83,388	(21,203)	62,185
17,270	(3,252)	14,018
<b>100,658</b>	<b>(24,455)</b>	<b>76,203</b>
(326)	326	-
<b>604,358</b>	<b>21,292</b>	<b>625,650</b>

# Notes to the Financial Statements

For the year ended 31 December 2021

## Note 2: Disaggregated information (continued)

### (a) Industry - Dual Sector Providers (Parent) (continued)

	Note	Higher Education 2021 \$'000	VET 2021 \$'000	Total Parent 2021 \$'000	Higher Education 2020 \$'000	VET 2020 \$'000	Total Parent 2020 \$'000
<b>STATEMENT OF CASH FLOWS</b>							
<b>Cash Flows from operating activities</b>							
Australian Government Grants		153,487	501	153,988	122,560	426	122,986
OS-HELP (net)		-	-	-	415	-	415
NT Government Grants		37,020	2,643	39,663	31,117	3,469	34,586
HECS-HELP student payments		5,988	-	5,988	8,772	-	8,772
Receipts from student fees and other customers		81,200	52,770	133,970	74,579	57,011	131,590
Interest received		260	136	396	256	134	390
Dividend received		5,504	-	5,504	4,450	-	4,450
Payments to suppliers and employees		(185,210)	(70,662)	(255,872)	(169,261)	(74,520)	(243,781)
Lease interest payments		(60)	(31)	(91)	(66)	(41)	(107)
Low value / short term lease payments		(1,272)	(667)	(1,939)	(691)	(634)	(1,325)
<b>Net cash provided by / (used in) operating activities</b>	37	<b>96,917</b>	<b>(15,310)</b>	<b>81,607</b>	<b>72,133</b>	<b>(14,156)</b>	<b>57,976</b>
<b>Cash flows from investing activities</b>							
Proceeds from sale of property, plant and equipment		155	68	223	196	103	299
Proceeds from sale of biological assets		-	385	385	-	215	215
Payments for property, plant and equipment		(21,742)	(9,457)	(31,199)	(9,218)	(4,828)	(14,046)
Payments for biological assets		-	(340)	(340)	-	(76)	(76)
<b>Net cash used in investing activities</b>		<b>(21,587)</b>	<b>(9,344)</b>	<b>(30,931)</b>	<b>(9,022)</b>	<b>(4,586)</b>	<b>(13,608)</b>
<b>Cash flows from financing activities</b>							
Repayment of lease liabilities		(1,640)	(714)	(2,354)	(1,296)	(679)	(1,975)
Other investing inflows / (outflows)		6,969	3,031	10,000	1,044	547	1,591
<b>Net cash from / (used in) financing activities</b>		<b>5,329</b>	<b>2,317</b>	<b>7,646</b>	<b>(252)</b>	<b>(132)</b>	<b>(384)</b>
<b>Net Increase / (decrease) in cash and cash equivalents</b>		<b>80,659</b>	<b>(22,337)</b>	<b>58,322</b>	<b>62,858</b>	<b>(18,874)</b>	<b>43,984</b>
Cash and cash equivalents at the beginning of the financial year	10	205,762	(89,751)	116,011	142,904	(70,877)	72,027
<b>Cash and cash equivalents at the end of the financial year</b>	10	<b>286,421</b>	<b>(112,088)</b>	<b>174,333</b>	<b>205,762</b>	<b>(89,751)</b>	<b>116,011</b>

# Notes to the Financial Statements

For the year ended 31 December 2021

## Note 3: Revenue and income

The notes 3.1 to 3.5 disclose the revenue and income received during the period according to the mandatory disclosures required by the department. The disclosures as per AASB15 and AASB1058 are included in the note 3.6 and a reconciliation is included in note 3.7.

### Note 3.1 Australian Government financial assistance including Australian Government loan programs (HELP)

	Note	Group		Parent Entity	
		2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
<b>(a) Commonwealth grant scheme and other grants</b>					
	40.1				
Commonwealth grants scheme <sup>#1</sup>		63,657	55,190	63,657	55,190
Indigenous, Regional and Low-SES Attainment Fund <sup>#2</sup>		12,192	10,798	12,192	10,798
Higher Education Disability Support Program <sup>#3</sup>		30	41	30	41
Indigenous student success program <sup>#4</sup>		1,943	1,974	1,943	1,974
Other		8	-	8	-
<b>Total Commonwealth grants scheme and other grants</b>		<b>77,830</b>	<b>68,003</b>	<b>77,830</b>	<b>68,003</b>
<b>(b) Higher Education Loan Programs</b>					
	40.2				
HECS-HELP		31,163	35,427	31,163	35,427
FEE-HELP		1,909	1,090	1,909	1,090
VET FEE-HELP		103	167	103	167
SA-HELP		1,201	911	1,201	911
<b>Total Higher education loan programs</b>		<b>34,376</b>	<b>37,595</b>	<b>34,376</b>	<b>37,595</b>
<b>(c) Education - research</b>					
	40.3				
Research support program		21,307	10,651	21,307	10,651
Research training scheme		7,768	7,647	7,768	7,647
<b>Total education research grants</b>		<b>29,075</b>	<b>18,298</b>	<b>29,075</b>	<b>18,298</b>
<b>(d) Australian Research Council</b>					
	40.4				
Discovery		966	972	966	972
Linkages		86	199	86	199
Other		170	203	170	203
<b>Total Australian Research Council</b>		<b>1,222</b>	<b>1,374</b>	<b>1,222</b>	<b>1,374</b>



## Notes to the Financial Statements

For the year ended 31 December 2021

### Note 3.1: Australian Government financial assistance including Australian Government loan programs (HELP) (continued)

	Note	Group		Parent Entity	
		2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
<b>(e) Other Australian Government Financial Assistance</b>					
<b>Non-capital</b>					
Department of Health and Aged Care Grants		2,946	1,791	-	-
Away from Base		528	448	528	448
National Health and Medical Research Council Grants		17,059	10,628	-	-
Other		2,580	3,014	-	-
<b>Total</b>		<b>23,113</b>	<b>15,881</b>	<b>528</b>	<b>448</b>
<b>Total other Australian Government financial assistance</b>		<b>23,113</b>	<b>15,881</b>	<b>528</b>	<b>448</b>
<b>Australian Government grants (a+c+d+e)</b>		<b>131,240</b>	<b>103,556</b>	<b>108,655</b>	<b>88,123</b>
<b>HELP - Australian Government payments (b)</b>		<b>34,376</b>	<b>37,595</b>	<b>34,376</b>	<b>37,595</b>
<b>Total Australian Government financial assistance</b>		<b>165,616</b>	<b>141,151</b>	<b>143,031</b>	<b>125,718</b>

- #1 Includes the basic CGS grant amount, CGS – Medical Student Loading, Transition Fund loading, Allocated Places, Non-Designated Courses and CGS – Special Advances from Future Years.
- #2 Includes the Higher Education Participation and Partnership Program, regional loading and enabling loading.
- #3 Higher Education Disability Support Program includes Additional Support for Students with Disabilities and Australian Disability Clearinghouse on Education & Training.
- #4 Indigenous Student Success Program has replaced the Indigenous Commonwealth Scholarships Program and the Indigenous Support Program as of 1 January 2017.

# Notes to the Financial Statements

For the year ended 31 December 2021

## Note 3.1: Australian Government financial assistance including Australian Government loan programs (HELP) (continued)

### Accounting Policy

#### *Commonwealth grant scheme and other grants*

Commonwealth Grant Scheme funding represents subsidies for tuition costs for higher education students. This falls under AASB15 and the revenue is recognised over time as the students receive the tuition services.

Higher Education Participation and Partnership Program represents grants provided to undertake activities and implement strategies that improve access to undergraduate courses for people from low socio-economic status (SES) backgrounds, as well as improving the retention and completion rates of those students. This falls under AASB15 and the revenue is recognised over time as the grant funds are expended.

Indigenous Support Program funding represents grants provided to accelerate improvements in the university enrolment, progression and award completions of Indigenous Australians. This falls under AASB1058 (as the performance obligations are not 'sufficiently specific') and the revenue is recognised when received.

#### *Higher Education Loan Programs*

HELP represents financial assistance provided by the Commonwealth Government (in the form of a loan between the government and the student) that allows eligible students to pay their student contribution amounts (HECS-HELP), tuition fees (FEE-HELP), and student services and amenities fee (SA-HELP). This falls under AASB15 and the revenue is recognised over time as the students receive the tuition services and other amenities.

#### *Education – research*

Research Training Program funding represents grants provided to support both domestic and overseas students undertaking Research Doctorate and Research Master's degrees. This falls under AASB1058 (as the performance obligations are not 'sufficiently specific') and the revenue is recognised when received.

Research Support Program funding represents grants provided to support the systemic costs of research not supported directly through competitive and other grants. This falls under AASB1058 (as the performance obligations are not 'sufficiently specific') and the revenue is recognised when received.

#### *Other capital funding*

Other capital funding represents grants provided to acquire or construct a recognisable non-financial asset (e.g. land, buildings, infrastructure, plant and equipment) to be controlled by the Group. This falls under AASB1058 and the revenue is recognised over time as the asset is acquired or constructed.

#### *Research*

Research funding represents grants to support the highest-quality fundamental and applied research and research training. There is an enforceable contract by provisions in the Australian Research Council (ARC) funding agreement and corresponding legislation; and there are sufficiently specific performance obligations in the promise of research activities in the form of the 'mature research plan' which is contained within the proposal for the grant. It is within the scope of AASB15. The only exception is ARC funded assets including Linkage, Infrastructure, Equipment and Facilities. These contracts meet the criteria of AASB1058 and are treated as transfers to enable an entity to acquire or construct a recognisable non-financial asset to be controlled by the Group. For other funding bodies, if the contract is sufficiently specific it will determine it is accounted for in accordance with AASB15. Income is recognised immediately when Group has the contractual right to receive the grant as there are no identified sufficiently specific performance obligations. Where a refund obligation or termination for convenience clause exists revenue will be recognised to the extent of expenditure incurred.

#### *Other Australian Government Financial Assistance*

The remaining revenue in this category consists of a mix of other operating and research grants provided by the Commonwealth Government. This falls under AASB15 and the revenue is recognised over time as the grant funds are expended.

## Notes to the Financial Statements

For the year ended 31 December 2021

### Note 3.2: Northern Territory Government financial assistance

	Group		Parent Entity	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
<b>Non-Capital</b>				
NTG - other financial assistance	16,437	16,469	9,577	9,499
Total Non-Capital	16,437	16,469	9,577	9,499
<b>Capital</b>				
Vocational Education and Training	1,959	2,093	1,959	2,093
Education and Community Precinct	45,000	7,900	45,000	7,900
Total Capital	46,959	9,993	46,959	9,993
<b>Total Northern Territory Government Financial Assistance</b>	<b>63,396</b>	<b>26,462</b>	<b>56,536</b>	<b>19,492</b>

#### Accounting Policy

##### *State and local government financial assistance*

The revenue in this category consists of operating grants provided by state and local governments. This falls under AASB15 and the revenue is recognised over time as the grant funds are expended.

##### *Capital funding*

Capital funding represents grants provided to acquire or construct a recognisable non-financial asset (e.g. land, buildings, infrastructure, plant and equipment) to be controlled by the Group. This falls under AASB1058 and the revenue is recognised over time as the asset is acquired or constructed.

### Note 3.3: Fees and charges

	Group		Parent Entity	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
<b>Course fees and charges</b>				
Fee-paying onshore overseas students	48,123	50,619	48,123	50,619
Vocational Educational and Training	40,933	46,855	40,933	46,855
Continuing education	5,379	4,377	5,379	4,377
Fee-paying domestic postgraduate students	903	2,214	64	298
Fee-paying domestic undergraduate students	-	13	-	13
Fee-paying domestic non-award students	539	445	539	445
<b>Total course fees and charges</b>	<b>95,877</b>	<b>104,523</b>	<b>95,038</b>	<b>102,607</b>
<b>Other non-course fees and charges</b>				
Application fees	31	58	31	45
Administration fees and charges	122	84	122	84
Student services fees from students	951	419	951	419
Other	921	2,135	342	487
<b>Total other fees and charges</b>	<b>2,025</b>	<b>2,696</b>	<b>1,446</b>	<b>1,035</b>
<b>Total fees and charges</b>	<b>97,902</b>	<b>107,219</b>	<b>96,484</b>	<b>103,642</b>

## Notes to the Financial Statements

For the year ended 31 December 2021

### Note 3.3: Fees and charges (continued)

#### Accounting Policy

##### *Student fees and charges*

Course fees and charges relate to undergraduate programs, graduate and professional degree programs, and continuing education and executive programs. It excludes fees and charges for Commonwealth Government funded courses (this is categorised separately as Australian Government Financial Assistance). This falls under AASB15 and the revenue is recognised over time as the students receive the tuition services.

Student service and amenities fee revenue is derived when a student pays their fee up-front to the University (and does not enter into a SA-HELP loan arrangement with the Commonwealth Government if eligible to do so). This falls under AASB15 and the revenue is recognised over time as the students receive the student services and amenities.

##### *Non-course fees and charges*

Non-course fees and charges revenue relates to student services and amenities fees, use of facility charges, commercial sales, accommodation services and other miscellaneous revenue. Revenue is recognised when the Group satisfies a performance obligation by transferring a good / service to a customer.

The revenue is recognised:

- Over time when the service is provided over the defined period.
- At a point in time when the goods / service is in relation to the completion of sufficiently specific performance obligations.

### Note 3.4: Consultancy and contracts

	Group		Parent Entity	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Contract research	25,885	24,468	15,242	17,011
<b>Total consultancy and contracts</b>	<b>25,885</b>	<b>24,468</b>	<b>15,242</b>	<b>17,011</b>

#### Accounting Policy

##### *Contract research*

Contract research revenue represents grants received from non-government entities that relate to research and experimental development. Each research project is reviewed individually with regard to the enforceability and sufficiently specific performance obligations criteria to determine whether AASB15 or AASB1058 applies. Service and research contracts are different and accounted for differently.

The revenue is recognised:

- Over time when the service is provided over the period; or
- At a point in time when the service is within the scope of AASB15 and is not provided over the period; or
- At a point in time when the service is within the scope of AASB1058.

## Notes to the Financial Statements

For the year ended 31 December 2021

### Note 3.5: Other income and revenue

	Group		Parent Entity	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
<b>Other income</b>				
Donations - CDUFT and other	2,181	1,221	538	1,145
Scholarships and prizes	2,371	1,185	2,443	1,436
Financial assistance / grants	471	969	471	969
<b>Total other income</b>	<b>5,023</b>	<b>3,375</b>	<b>3,452</b>	<b>3,550</b>
<b>Other revenue</b>				
Sales	3,365	4,265	5,848	5,342
Facility and equipment hire	1,439	980	1,439	973
Catering	148	57	148	57
Guest accommodation	2,128	1,862	2,166	1,721
Joint venture operations	-	710	-	710
Gifted Asset*	-	14,300	-	14,300
Change in fair value less point of sale cost of livestock	337	278	337	278
Other	339	6,149	339	2,702
<b>Total other revenue</b>	<b>7,756</b>	<b>28,601</b>	<b>10,277</b>	<b>26,083</b>
<b>Total other income and revenue</b>	<b>12,779</b>	<b>31,976</b>	<b>13,729</b>	<b>29,633</b>

\* On 22 June 2020 City of Darwin (COD) entered into a Deed of Transfer effecting the transfer ownership of Lot 5803, 54 Cavenagh Street, Darwin, Northern Territory to the University for the purpose of the development of the Education and Community Precinct. The Deed of Transfer stated that consideration value was \$nil. The University recorded the land at fair value of \$14.3 million. COD was compensated for the land for the fair value through the Northern Territory Government.



# Notes to the Financial Statements

For the year ended 31 December 2021

## Note 3.5: Other income and revenue (continued)

### Accounting Policy

#### *Donations*

Donations and bequests consist of voluntary, unencumbered gifts where no material benefit or advantage is received by the donor. All donations and bequests fall under AASB1058 (as there are no material obligations or conditions) and the revenue is recognised when received.

#### *Scholarships and prizes*

Scholarships and prizes represent funds received by the Group from non-government entities to provide support to students to further their education. This falls under AASB15 and the revenue is recognised over time as the scholarships and prizes are provided to students.

#### *Sale of goods*

Sale of goods includes the sale of livestock, books, food and drink. This falls under AASB15 and the revenue is recognised when the promised goods are provided to the customer (i.e. when the customer obtains control).

#### *Rendering of services*

Sale of services includes the provision of medical examinations, internet access and catered functions. This falls under AASB15 and the revenue is recognised when the promised service is provided to the customer.

#### *Other revenue*

Other revenue consists of other small revenue items that are not classified elsewhere. They fall under AASB1058 and the revenue is recognised when received.

#### *Change in fair value less point of sale cost of livestock*

Changes in the fair value less estimated point of sale costs are recognised in the Income Statement in the year they arise.

# Notes to the Financial Statements

For the year ended 31 December 2021

## Note 3.6 Revenue and Income from continuing operations

### Basis for disaggregation

Revenue streams disclosed below are considered to be different in nature, amount, timing and uncertainty.

### Sources of funding

The Group receives funds from Australian Government as well as State and Local Government to assist with education programs across a wide range of disciplines, and at different education qualification levels. Apart from the sources received from Government, the Group also receives funds and fees from private organisations or individuals that are used for the different programs, including research programs across a wide range of disciplines led by the Group.

### Revenue and income streams

The streams are distinguishing the different activities performed by the Group as well as acknowledging the different type of users of the programs and services provided:

- I. Course fees and charges: The Group has domestic and overseas students enrolled in a variety of programs for different qualification levels. Whilst the number of domestic students is affected by national economic factors as interest rates or unemployment, the overseas students are impacted by the changes in the immigration policies.
- II. Research: The Group performs research activities in different fields such as health, engineering, education, the environment and sciences. The Group enters into many different types of research agreements with different counterparties, such as with private sector customers and Government agencies that award research grants. Each grant agreement needs to be assessed as to whether it is an enforceable arrangement and contains sufficiently specific promises to transfer outputs from the research to the customer (or at the direction of the customer). Judgement is required in making this assessment. The Group has concluded that some research agreements represent a contract with a customer whereas other research grants are recognised as income when the Group obtains control of the research funds.
- III. Non-course fees and charges: these correspond to some recurrent grants, capital grants and commercial sales such as accommodation, books and facility hire amongst others.

## Notes to the Financial Statements

For the year ended 31 December 2021

### Note 3.6 Revenue and Income from continuing operations (continued)

	Higher Education Loan Program \$'000	Student fees \$'000	Australian Government financial assistance \$'000	NT Government financial assistance \$'000	Donations \$'000	Others \$'000	Total Revenue from contracts with customers \$'000	For the year ended 31 December 2021 Total Income of not-for-profit entities \$'000
<b>Revenue and income streams</b>								
<b>Course fees and charges</b>								
Fee-paying onshore overseas students	-	48,123	-	-	-	-	48,123	-
Fee-paying domestic students	34,376	47,754	73,983	-	-	-	156,113	-
Other administration fees and charges	-	2,025	-	-	-	-	2,025	-
<b>Total course fees and charges</b>	<b>34,376</b>	<b>97,902</b>	<b>73,983</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>206,261</b>	<b>-</b>
<b>Research</b>								
Research	-	-	10,060	1,597	-	22,364	33,358	663
Research Support Funding	-	-	43,396	264	470	(840)	-	43,290
<b>Total research</b>	<b>-</b>	<b>-</b>	<b>53,456</b>	<b>1,861</b>	<b>470</b>	<b>21,524</b>	<b>33,358</b>	<b>43,953</b>
<b>Non-course fees and charges</b>								
Recurrent Government grants	-	-	-	14,286	-	-	9,577	4,709
Other Government grants	-	-	4,374	-	-	-	4,374	-
Capital grants	-	-	-	46,959	-	-	-	46,959
Commercial sales	-	-	-	-	-	7,080	7,080	-
Other	-	-	-	-	2,181	7,126	1,779	7,528
<b>Total non-course fees and charges</b>	<b>-</b>	<b>-</b>	<b>4,374</b>	<b>61,245</b>	<b>2,181</b>	<b>14,206</b>	<b>22,810</b>	<b>59,196</b>
<b>Total revenue from contracts with customers</b>	<b>34,376</b>	<b>97,902</b>	<b>88,417</b>	<b>11,174</b>	<b>-</b>	<b>30,560</b>	<b>262,429</b>	<b>-</b>
<b>Total income of not-for-profit entities</b>	<b>-</b>	<b>-</b>	<b>43,396</b>	<b>51,932</b>	<b>2,651</b>	<b>5,170</b>	<b>-</b>	<b>103,149</b>

## Notes to the Financial Statements

For the year ended 31 December 2021

### Note 3.6 Revenue and Income from continuing operations (continued)

	Consolidated Sources of Funding					For the year ended 31 December 2020	
Higher Education Loan Program \$'000	Student fees \$'000	Australian Government financial assistance \$'000	NT Government financial assistance \$'000	Donations \$'000	Others \$'000	Total Revenue from contracts with customers \$'000	Total Income of not-for-profit entities \$'000
<i>Revenue and income streams</i>							
<i>Course fees and charges</i>							
Fee-paying onshore overseas students	-	50,619	-	-	-	50,619	-
Fee-paying domestic students	37,595	53,905	64,583	-	-	156,083	-
Other administration fees and charges	-	2,696	-	-	-	2,696	-
<b>Total course fees and charges</b>	<b>37,595</b>	<b>107,219</b>	<b>64,583</b>	<b>-</b>	<b>-</b>	<b>209,397</b>	<b>-</b>
<i>Research</i>							
Research	-	-	16,807	-	23,595	26,930	13,472
Research Support Funding	-	-	18,298	-	873	-	19,171
<b>Total research</b>	<b>-</b>	<b>-</b>	<b>35,105</b>	<b>-</b>	<b>24,468</b>	<b>26,930</b>	<b>32,643</b>
<i>Non-course fees and charges</i>							
Recurrent Government grants	-	-	-	16,469	-	11,760	4,709
Other Government grants	-	-	3,868	-	-	3,868	-
Capital grants	-	-	-	9,993	-	-	9,993
Commercial sales	-	-	-	-	7,164	7,164	-
Other	-	-	-	-	1,221	23,590	19,785
<b>Total non-course fees and charges</b>	<b>-</b>	<b>-</b>	<b>3,868</b>	<b>26,462</b>	<b>1,221</b>	<b>30,754</b>	<b>34,487</b>
<b>Total revenue from contracts with customers</b>							
<b>37,595</b>	<b>107,219</b>	<b>85,258</b>	<b>11,760</b>	<b>-</b>	<b>22,314</b>	<b>264,146</b>	<b>-</b>
<b>Total income of not-for-profit entities</b>							
<b>-</b>	<b>-</b>	<b>18,298</b>	<b>14,702</b>	<b>1,221</b>	<b>32,909</b>	<b>-</b>	<b>67,130</b>

## Notes to the Financial Statements

For the year ended 31 December 2021

### Note 3.6 Revenue and Income from continuing operations (continued)

	Higher Education Loan Program	Parent Sources of Funding				For the year ended 31 December 2021		
	\$'000	Student fees	Australian Government financial assistance	NT Government financial assistance	Donations	Others	Total Revenue from contracts with customers	Total Income of not-for-profit entities
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Revenue and income streams</b>								
<b>Course fees and charges</b>								
Fee-paying onshore overseas students	-	48,123	-	-	-	-	48,123	-
Fee-paying domestic students	34,376	46,915	73,984	-	-	-	155,275	-
Other administration fees and charges	-	1,446	-	-	-	-	1,446	-
<b>Total course fees and charges</b>	<b>34,376</b>	<b>96,484</b>	<b>73,984</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>204,844</b>	<b>-</b>
<b>Research</b>								
Research goods and services	-	-	1,223	-	-	15,242	15,802	663
Research income	-	-	29,075	-	-	-	-	29,075
<b>Total research</b>	<b>-</b>	<b>-</b>	<b>30,298</b>	<b>-</b>	<b>-</b>	<b>15,242</b>	<b>15,802</b>	<b>29,738</b>
<b>Non-course fees and charges</b>								
Recurrent Government grants	-	-	-	9,577	-	-	9,577	-
Other Government grants	-	-	4,374	-	-	-	4,374	-
Capital grants	-	-	-	46,958	-	-	-	46,958
Commercial sales	-	-	-	-	-	9,602	9,602	-
Other	-	-	-	-	538	3,589	3,589	538
<b>Total non-course fees and charges</b>	<b>-</b>	<b>-</b>	<b>4,374</b>	<b>56,535</b>	<b>538</b>	<b>13,191</b>	<b>27,142</b>	<b>47,496</b>
<b>Total revenue from contracts with customers</b>	<b>34,376</b>	<b>96,484</b>	<b>79,581</b>	<b>9,577</b>	<b>-</b>	<b>27,770</b>	<b>247,788</b>	<b>-</b>
<b>Total income of not-for-profit entities</b>	<b>-</b>	<b>-</b>	<b>29,075</b>	<b>46,958</b>	<b>538</b>	<b>663</b>	<b>-</b>	<b>77,234</b>

## Notes to the Financial Statements

For the year ended 31 December 2021

### Note 3.6 Revenue and Income from continuing operations (continued)

	Higher Education Loan Program	Student fees	Australian Government financial assistance	NT Government financial assistance	Donations	Others	Total Revenue from contracts with customers	For the year ended 31 December 2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	Total Income of not-for-profit entities
<b>Revenue and income streams</b>								
<b>Course fees and charges</b>								
Fee-paying onshore overseas students	-	50,619	-	-	-	-	50,619	-
Fee-paying domestic students	37,595	51,989	64,583	-	-	-	154,167	-
Other administration fees and charges	-	1,035	-	-	-	-	1,035	-
<b>Total course fees and charges</b>	<b>37,595</b>	<b>103,642</b>	<b>64,583</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>205,821</b>	<b>-</b>
<b>Research</b>								
Research goods and services	-	-	1,374	-	-	16,138	16,917	595
Research income	-	-	18,298	-	-	873	-	19,171
<b>Total research</b>	<b>-</b>	<b>-</b>	<b>19,672</b>	<b>-</b>	<b>-</b>	<b>17,011</b>	<b>16,917</b>	<b>19,766</b>
<b>Non-course fees and charges</b>								
Recurrent Government grants	-	-	-	9,499	-	-	9,499	-
Other Government grants	-	-	3,868	-	-	-	3,868	-
Capital grants	-	-	-	9,993	-	-	-	9,993
Commercial sales	-	-	-	-	-	8,092	8,092	-
Other	-	-	-	-	1,144	20,395	6,095	15,444
<b>Total non-course fees and charges</b>	<b>-</b>	<b>-</b>	<b>3,868</b>	<b>19,492</b>	<b>1,144</b>	<b>28,488</b>	<b>27,554</b>	<b>25,437</b>
<b>Total revenue from contracts with customers</b>	<b>37,595</b>	<b>103,642</b>	<b>69,825</b>	<b>9,499</b>	<b>-</b>	<b>29,731</b>	<b>250,292</b>	<b>-</b>
<b>Total income of not-for-profit entities</b>	<b>-</b>	<b>-</b>	<b>18,298</b>	<b>9,993</b>	<b>1,144</b>	<b>15,768</b>	<b>-</b>	<b>45,203</b>



## Notes to the Financial Statements

For the year ended 31 December 2021

### Note 3.7 Reconciliation of revenue and income

The following table reconciles the amounts disclosed in notes 3.1 to 3.5 which contain the mandatory disclosures required by the department and the disclosures provided in note 3.6 as per AASB15 and AASB1058:

Note	Group 2021 \$'000	Group 2020 \$'000	Parent 2021 \$'000	Parent 2020 \$'000
<b>Income from continuing operations</b>				
Australian Government financial assistance				
Australian Government grants	3.1	131,240	103,556	108,655
HELP - Australian Government payments	3.1	34,376	37,595	34,376
NT Government financial assistance	3.2	63,396	26,462	56,536
Fees and charges	3.3	97,902	107,219	96,484
Consultancy and contracts	3.4	25,885	24,468	15,242
Other revenue	3.5	12,779	31,974	13,729
<b>Total</b>		<b>365,578</b>	<b>331,275</b>	<b>325,022</b>
Total revenue from contracts with customers as per AASB15	3.6	262,429	264,145	247,788
Total income of not-for-profit as per AASB1058	3.6	103,149	67,130	77,234
<b>Total</b>		<b>365,578</b>	<b>331,275</b>	<b>325,022</b>

### Note 4: Investment revenue

	Group 2021 \$'000	Group 2020 \$'000	Parent Entity 2021 \$'000	Parent Entity 2020 \$'000
Interest	610	796	402	350
Dividends	5,274	4,136	5,260	4,125
Investment property - Fair value movement	20	(35)	-	-
Investment property rental	13	11	-	-
<b>Total investment revenue</b>	<b>5,917</b>	<b>4,908</b>	<b>5,662</b>	<b>4,475</b>

#### Accounting Policy

##### Investment Revenue

Interest revenue is recognised as revenue over time.

Dividend revenue is recognised at the point in time the Group's right to receive payment has been established.

Investment property is carried at fair value, changes in fair values are recorded in the Income Statement as part of investment revenue.

Rental revenue from the leasing of investment properties is recognised in the Income Statement over time, as this represents the pattern of service rendered through the provision of the properties.

## Notes to the Financial Statements

For the year ended 31 December 2021

### Note 5: Employee-related expenses

	Group		Parent Entity	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
<b>Academic</b>				
Salaries	61,239	66,628	60,150	65,618
Contributions to superannuation and pension schemes:				
- Funded	9,616	9,663	9,492	9,538
Payroll tax	3,746	3,801	3,680	3,737
Worker's compensation	288	384	262	359
Long service leave expense	1,809	1,167	1,780	1,148
Annual leave	1,316	1,213	1,174	1,074
<b>Total academic</b>	<b>78,015</b>	<b>82,857</b>	<b>76,538</b>	<b>81,474</b>
<b>Non-academic</b>				
Salaries	86,568	84,877	64,443	63,144
Contributions to superannuation and pension schemes:				
- Funded	13,310	12,290	10,403	9,709
Payroll tax	4,793	4,637	3,666	3,733
Worker's compensation	367	409	259	361
Long service leave expense	2,287	1,773	1,843	1,374
Annual leave	4,600	3,647	1,230	1,039
Other	95	82	95	82
<b>Total non-academic</b>	<b>112,020</b>	<b>107,716</b>	<b>81,939</b>	<b>79,442</b>
<b>Total employee related expenses</b>	<b>190,035</b>	<b>190,572</b>	<b>158,477</b>	<b>160,916</b>

## Notes to the Financial Statements

For the year ended 31 December 2021

### Note 5: Employee-related expenses (continued)

#### Accounting Policy

##### *Wages and salaries*

Employee expenses include all costs related to employment including wages and salaries, fringe benefits tax, leave entitlements, worker's compensation and termination payments.

##### *Superannuation*

The Group recognises amounts payable to defined contributions schemes as an expense in the Income Statement in the period that the service has been rendered by the employee.

##### *Annual Leave*

Annual leave is classified as a current provision as the Group does not have an unconditional right to defer the settlement of the liability for at least twelve months after the reporting period, however the liability is not expected to be settled in full within twelve months of the reporting period. The annual leave liability is recognised and measured at the present value of amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.

##### *Long service leave*

The liability for long service leave is recognised in the provision for employee benefits and 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.

### Note 6: Depreciation and amortisation

#### Depreciation

Buildings and demountables

Plant and equipment

Leasehold improvements

Land improvements

Books and periodicals

Right of use assets

**Total depreciation**

#### Amortisation

Intangible asset

**Total amortisation**

**Total depreciation and amortisation**

	Group		Parent Entity	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Buildings and demountables	10,352	10,314	10,352	10,314
Plant and equipment	2,449	2,536	1,990	2,152
Leasehold improvements	214	325	214	322
Land improvements	1,114	1,012	1,114	1,012
Books and periodicals	365	364	365	364
Right of use assets	2,551	2,179	2,322	1,933
<b>Total depreciation</b>	<b>17,045</b>	<b>16,730</b>	<b>16,357</b>	<b>16,097</b>
Intangible asset	-	2	-	-
<b>Total amortisation</b>	<b>-</b>	<b>2</b>	<b>-</b>	<b>-</b>
<b>Total depreciation and amortisation</b>	<b>17,045</b>	<b>16,732</b>	<b>16,357</b>	<b>16,097</b>

## Notes to the Financial Statements

For the year ended 31 December 2021

### Note 6: Depreciation and amortisation (continued)

<b>Accounting Policy</b>			
Land and Works of Art are 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:			
	<b>2021</b>		<b>2020</b>
Buildings including demountable	15 – 80 years		15 – 80 years
Building improvements	5-50 years		5-50 years
Leasehold land and improvements	Useful life or unexpired period of the lease, whichever is shorter		Useful life or unexpired period of the lease, whichever is shorter
Plant and equipment	3-25 years		3-25 years
Library books and periodicals	10 years		10 years
Furniture and fittings	5 years		5 years
Motor vehicles	3-4 years		3-4 years
Right of use assets	2-5 years		2-5 years
The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date. 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.			
Amortisation of intangible assets is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives, as follows:			
	<b>2021</b>		<b>2020</b>
Intangible assets	5 years		5 years

### Note 7: Repairs and maintenance

	<b>Group</b>		<b>Parent Entity</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Building maintenance	938	243	938	243
Grounds maintenance	174	463	174	463
Electrical works	959	1,272	958	1,272
Air-conditioning	1,184	360	1,184	360
Building energy maintenance	613	723	613	723
Repairs and maintenance information technology	694	475	693	475
Plumbing	946	765	946	765
Repairs and maintenance general	1,528	2,027	405	1,693
<b>Total repairs and maintenance</b>	<b>7,034</b>	<b>6,328</b>	<b>5,911</b>	<b>5,994</b>

<b>Accounting Policy</b>	
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.	

## Notes to the Financial Statements

For the year ended 31 December 2021

### Note 8: Impairment of assets

	Group		Parent Entity	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
General debts	110	17	110	59
Student debts	724	(319)	724	(319)
Related party debts	-	-	-	1,454
<b>Total impairment (reversal) of assets</b>	<b>834</b>	<b>(302)</b>	<b>834</b>	<b>1,194</b>

#### Accounting Policy

##### *Impairment of assets*

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment.

Other assets that are subject to amortisation are reviewed 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 to sell 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.

For further information on accounting policies of impairment of financial assets, refer to Note 11 and Note 15.

### Note 9: Other expenses

	Group		Parent Entity	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Scholarships, grants and prizes	11,740	10,655	23,215	17,851
Non-capitalised equipment	2,473	1,920	2,473	1,827
Advertising, marketing and promotional expenses	8,551	8,698	8,413	8,437
Materials	9,671	7,765	12,038	8,797
Stationery, photocopying and postage	3,108	3,129	2,818	2,794
Licenses, fees and charges	8,912	9,425	8,361	7,883
Travel, staffing and related costs	6,581	5,312	4,978	3,943
Utilities and facilities management	11,078	9,205	10,915	8,935
Interest and low value / short term leases	2,236	1,832	2,033	1,443
Motor vehicle expenses	566	482	518	457
Insurance	2,800	2,184	2,543	1,948
Inventory used	1,454	1,401	1,453	1,331
Consultants - teaching	1,381	1,279	1,381	1,279
Consultants - general	25,076	21,370	9,444	10,572
Communications	1,629	1,834	1,502	1,705
Joint venture operations	-	509	-	509
Other	1,832	1,695	1,749	1,587
<b>Total other expenses</b>	<b>99,088</b>	<b>88,695</b>	<b>93,834</b>	<b>81,298</b>

## Notes to the Financial Statements

For the year ended 31 December 2021

### Note 10: Cash and cash equivalents

	Group		Parent Entity	
	YTD 2021 \$'000	YTD 2020 \$'000	YTD 2021 \$'000	YTD 2020 \$'000
Cash at bank and on hand	105,330	58,805	101,249	53,860
Cash at bank - at call account	8,221	12,827	8,243	12,838
Cash at bank - term deposits	92,514	76,886	64,841	49,313
<b>Total cash and cash equivalents</b>	<b>206,065</b>	<b>148,518</b>	<b>174,333</b>	<b>116,011</b>

**(a) Reconciliation to cash at the end of the year**

The above figures are reconciled to cash at the end of the year as shown in the Statement of Cash Flows as follows:

	Group		Parent Entity	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Balances as above	206,065	148,518	174,333	116,011
Balance per Statement of Cash Flows	<b>206,065</b>	<b>148,518</b>	<b>174,333</b>	<b>116,011</b>

#### Accounting Policy

##### *Cash and cash equivalents*

For the statement of cash flow 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 twelve months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**(b) Cash at bank and on hand**

The cash at bank and on hand include cash held in operating and replenishing bank accounts which are subject to variable interest rates between 0.00% and 0.35% (2020 - 0.00% and 0.62%).

**(c) At call**

The cash at bank at call account is subject to variable interest rates between 0.10% and 0.50% (2020 - 0.01% and 1.45%).

**(d) Term deposits**

The deposits are bearing floating interest rates between 0.20% and 1.00% (2020 - 0.30% and 1.80%). These deposits have an average maturity of 177 days (2020 - 123 days).

**(e) Bank guarantees**

The University has three bank guarantees totalling \$0.52 million (2020: \$0.52 million) for the lease of levels 10 and 11, 815 George Street, Sydney and the lease of Level 11, 410 Ann Street, Brisbane.

## Notes to the Financial Statements

For the year ended 31 December 2021

### Note 11: Receivables

	Group		Parent Entity	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
<b>Current</b>				
Trade receivables	3,730	2,821	2,654	2,113
Student fees	3,383	2,924	3,383	2,924
GST receivable	1,279	194	1,472	285
Less: Provision for impaired receivables	(885)	(765)	(885)	(765)
<b>Total receivables</b>	<b>7,507</b>	<b>5,174</b>	<b>6,624</b>	<b>4,557</b>

#### Accounting Policy

##### Trade receivables

Trade receivables are recognised initially at fair value being original invoice amount, subsequently measured at amortised cost, less provision for impairment. Trade receivables are due for settlement within no more than 30 days.

##### Impairment

For trade receivables, the Group applies a simplified approach in calculating expected credit losses ("ECLs"). Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

As of 31 December 2021, trade receivables of the Group with a nominal value of \$67,000 (2020: \$1.8 million) were past due but not impaired. These relate to a number of independent customers and students for whom there is no recent history of default. The ageing analysis of these receivables is as follows:

	Group		Parent Entity	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
<u>The ageing of these receivables is:</u>				
3 to 6 months	42	1,168	42	1,168
Over 6 months	25	676	25	676
<b>Total</b>	<b>67</b>	<b>1,844</b>	<b>67</b>	<b>1,844</b>

Set out below is the movement in the allowance for expected credit losses of trade receivables:

	Group		Parent Entity	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
At 1 January	765	1,490	765	1,480
Expected credit loss	918	767	918	767
Receivables written off during the year as uncollectible	(554)	(607)	(554)	(607)
Unused amount reversed	(244)	(885)	(244)	(875)
<b>At 31 December</b>	<b>885</b>	<b>765</b>	<b>885</b>	<b>765</b>

Information about the credit exposures are disclosed in Note 38 Financial Risk Management.



# Notes to the Financial Statements

For the year ended 31 December 2021

## Note 12: Inventories

	Group		Parent Entity	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
CDU Bookshop	742	477	742	477
Uniprint	30	30	30	30
Northern Editions	539	539	539	539
Less: Provision for impairment	(539)	(539)	(539)	(539)
<b>Total inventories</b>	<b>772</b>	<b>507</b>	<b>772</b>	<b>507</b>

### Accounting Policy

#### Inventories

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 and direct labour. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

## Note 13: Biological assets

	Group		Parent Entity	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
<b>Cattle</b>				
Carrying amount at 1 January	869	771	869	771
Gain / (loss) from changes to fair value less estimated point of sale costs	337	249	337	249
Purchases	340	76	340	76
Sales	(385)	(215)	(385)	(215)
Deaths	-	(12)	-	(12)
Carrying amount at 31 December	<b>1,161</b>	<b>869</b>	<b>1,161</b>	<b>869</b>
<b>Horses</b>				
Carrying amount at 1 January	97	88	97	88
Gain from changes to fair value less estimated point of sale costs	-	29	-	29
Sales / deaths	-	(20)	-	(20)
Carrying amount at 31 December	<b>97</b>	<b>97</b>	<b>97</b>	<b>97</b>
<b>Total biological assets</b>	<b>1,258</b>	<b>966</b>	<b>1,258</b>	<b>966</b>

## Notes to the Financial Statements

For the year ended 31 December 2021

### Note 13: Biological assets (continued)

#### Accounting Policy

##### *Biological assets*

Livestock consists of cattle and horses located at Katherine Rural Campus. Livestock are measured at their fair value less estimated point of sale costs. The fair value of the livestock is determined by an independent valuation based on market prices for livestock in the local area, at the time of sale. Changes in the fair value less estimated point of sale costs are recognised in the Income Statement in the year they arise. Purchases of livestock are recorded as cash flows used in operating activities.

There is no restriction on the title of the cattle and horses and the carrying amounts of the livestock have not been pledged as security for liabilities.

In 2021 the fair value of biological assets is based on the valuation performed by Ray White Livestock.

As at 31 December 2021, the University had no commitment to purchase any livestock.

As at 31 December 2021, livestock held for sale comprised 529 cattle and 18 horses (2020: 522 cattle and 20 horses).

### Note 14: Investment property

#### At fair value

Opening balance at 1 January

Revaluation of assets

**Closing balance at 31 December**

Group		Parent Entity	
2021	2020	2021	2020
\$'000	\$'000	\$'000	\$'000
175	210	-	-
20	(35)	-	-
195	175	-	-

The fair value of the investment property which is held by the Charles Darwin University Foundation was provided by an independent qualified valuer with experience in the location and category of the investment property.

#### Accounting Policy

##### *Investment property*

Investment properties exclude properties held to meet service delivery objectives of the Group.

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 the Group. Where an investment property is acquired at no cost or for nominal consideration, its cost shall be deemed to be its fair value as at the date of acquisition.

Subsequent to initial recognition at cost, the investment property is carried at fair value, which is based on active market prices, 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.

## Notes to the Financial Statements

For the year ended 31 December 2021

### Note 14: Investment property (continued)

	Group		Parent Entity	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
<b>Amounts recognised in profit or loss for investment properties</b>				
Rental income	13	18	-	-
Direct operating expenses (rent generating properties)	(2)	(14)	-	-
<b>Total recognised in profit or loss</b>	<b>11</b>	<b>4</b>	<b>-</b>	<b>-</b>

### Note 15: Other financial assets

	Group		Parent Entity	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
<b>Current</b>				
Accrued interest receivable	56	50	83	77
Contract assets	7,363	6,752	4,891	4,675
Accrued dividend receivable	-	244	-	244
Advances	27	31	30	27
Less: Provision for impaired advances	-	-	-	-
<b>Total current</b>	<b>7,446</b>	<b>7,078</b>	<b>5,004</b>	<b>5,023</b>
<b>Non current</b>				
Available-for-sale	64,190	40,710	64,190	40,710
Listed securities:				
Opening value	303	296	-	-
- Investment revaluation reserve	62	7	-	-
<b>Total listed securities</b>	<b>365</b>	<b>303</b>	<b>-</b>	<b>-</b>
<b>Total non-current</b>	<b>64,555</b>	<b>41,013</b>	<b>64,190</b>	<b>40,710</b>
<b>Total other financial assets</b>	<b>72,001</b>	<b>48,091</b>	<b>69,194</b>	<b>45,733</b>

Charles Darwin University is one of 38 Australian Universities with equal ownership of Education Australia Limited. Education Australia Limited (EAL) owns 50% of IDP Education Ltd which is listed on the Australian Stock Exchange. At the end of August 2021, the Board of EAL informed shareholders that EAL completed a block trade sale of shares in IDP Education Limited ("IDP"), representing 15% of the issued capital of IDP. The balance of the net sale proceeds from the block trade has been distributed as a franked cash dividend to EAL shareholders and on the 1st September 2021 in specie distribution of IDP Education Limited shares to the shareholders of EAL was completed.

The investment in Education Australia/IDP Education Ltd has been measured at fair value at 31 December 2021. Fair value has been determined based on the market value of shares in IDP Education Ltd (as it is traded on the Australian Stock Exchange).

## Notes to the Financial Statements

For the year ended 31 December 2021

### Note 15: Other financial assets (continued)

#### (a) Allowances for financial instruments other than receivables

Set out below is the movement in the allowance for financial instruments other than receivables:

	Group		Parent Entity	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
At 1 January	-	-	-	(5,297)
Provisions for expected credit losses	-	-	-	-
Recovery of previously impaired advances	-	-	-	1,265
Advances written off as uncollectible	-	-	-	4,032
<b>At 31 December</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

The information about the credit exposures are disclosed in Note 38 Financial risk management.

#### Accounting Policy

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### Initial recognition and measurement

Financial assets are classified at initial recognition and subsequently measured at amortised cost, fair value through Other Comprehensive Income (OCI), or fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

#### Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in five categories:

- (Other) financial assets at amortised cost
- (Other) financial assets at fair value through Other Comprehensive Income
- Investments in equity instruments designated at fair value through Other Comprehensive Income
- (Other) financial assets at fair value through profit or loss
- (Other) financial assets designated at fair value through profit or loss.

# Notes to the Financial Statements

For the year ended 31 December 2021

## Note 15: Other financial assets (continued)

### i) *Financial assets at amortised cost*

The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's financial assets at amortised cost includes trade receivables, and loans to related parties.

### ii) *Financial assets at fair value through Other Comprehensive Income*

The Group measures financial instruments at fair value through OCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For financial instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the Income Statement and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

The Group's financial instruments at fair value through OCI includes investments in quoted financial instruments included under other non-current financial assets.

### iii) *Investments in equity instruments designated at fair value through Other Comprehensive Income*

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under AASB9 Financial Instruments and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the Income Statement when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group elected to irrevocably classify its non-listed equity investments under this category.

### iv) *Financial assets at fair value through profit or loss (including designated)*

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for financial instruments to be classified at amortised cost or at fair value through OCI, as described above, financial instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

# Notes to the Financial Statements

For the year ended 31 December 2021

## Note 15: Other financial assets (continued)

Financial assets at fair value through profit or loss are carried in the Statement of Financial Position at fair value with net changes in fair value recognised in the Income Statement.

This category includes derivative instruments and listed equity investments which the Group had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are also recognised as other income in the Income Statement when the right of payment has been established.

### ***Derecognition***

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated Statement of Financial Position) when:

- The rights to receive cash flows from the asset have expired; or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

### ***Offsetting***

Financial assets and financial liabilities are offset, and the net amount is reported in the consolidated Statement of Financial Position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

### ***Impairment of financial instruments other than receivables***

The Group recognises an allowance for expected credit losses (ECLs) for all financial instruments other than receivables not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For financial instruments at fair value through OCI, the Group applies the low credit risk simplification. At every reporting date, the Group evaluates whether the financial instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Group reassesses the internal credit rating of the financial instrument. In addition, the Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

## Notes to the Financial Statements

For the year ended 31 December 2021

### Note 16: Assets classified as held for sale

	Group		Parent Entity	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Land held for resale	16,116	-	16,116	-
<b>Total non-current assets classified as held for sale</b>	<b>16,116</b>	<b>-</b>	<b>16,116</b>	<b>-</b>

The University entered into an agreement with CIC-THD Pty Limited to develop part of Lot 9765 Town of Palmerston (known as The Heights, Durack). The development will deliver approximately 806 lots for residential purposes. The Agreement was dated 15 November 2010 and was effective from that date until 27<sup>th</sup> November 2020 at which point the University and CIC-THD Pty Limited signed a deed of termination to end the agreement.

The University has retained ownership of the land following the termination of the agreement but has since decided to sell the land. At 31 December 2020 the lots were classified as property, plant and equipment, however at 31 December 2021 they are classified as assets held for sale.

#### Accounting Policy

##### *Assets classified as held for sale*

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.

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 de-recognition.

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.

### Note 17: Other assets

	Group		Parent Entity	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Prepayments	6,104	5,276	5,528	5,021
Other assets	-	254	-	-
<b>Total other assets</b>	<b>6,104</b>	<b>5,530</b>	<b>5,528</b>	<b>5,021</b>



## Notes to the Financial Statements

For the year ended 31 December 2021

### Note 18: Investments accounted for using the equity method

#### (a) Associates

Name of Entity	Place of business / Country of incorporation	Measurement method	Carrying amount		Ownership interest	
			2021 \$'000	2020 \$'000	2021 %	2020 %
FCD Health Limited	Australia	Equity method	823	485	50	50
South Australian Tertiary Admissions Centre Limited	Australia	Equity method	698	853	20	20
			<b>1,521</b>	<b>1,338</b>		

#### Accounting Policy

##### Associates

Associates are all entities over which the Group has significant influence but not control. Investments in associates are accounted for in the parent entity financial statements using the cost method or the equity method, and in the consolidated financial statements using the equity method of accounting, after initially being recognised at cost.

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.

The Parent Entity has a 50% interest in FCD Health Limited, a company limited by guarantee, incorporated and operating in Australia. The principal activity is the provision of medical services and training.

The Parent Entity has a 20% interest in South Australian Tertiary Admissions Centre Limited (SATAC), a not-for-profit body operating in Australia, incorporated in July 2017. The principal activity is the processing of applications, assessing qualifications, ranking applicants and making offers to courses at TAFE SA and the four Universities that form part of the administration agreement.

Summarised financial information in respect of the Associates is set out below:

	FCD Health		SATAC		Total	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
<b>Financial Position</b>						
Current assets	944	606	614	881	1,558	1,487
Non-current assets	152	152	888	264	1,040	416
Total assets	1,096	758	1,502	1,145	2,598	1,903
Current liabilities	273	273	96	292	369	565
Non-current liabilities	-	-	708	-	708	-
Total liabilities	273	273	804	292	1,077	565
<b>Net assets</b>	<b>823</b>	<b>485</b>	<b>698</b>	<b>853</b>	<b>1,521</b>	<b>1,338</b>

## Notes to the Financial Statements

For the year ended 31 December 2021

### Note 18: Investments accounted for using the equity method (continued)

Summarised financial information in respect of the Associates is set out below:

	FCD Health		SATAC		Total	
	2021	2020	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Reconciliation of carrying amount</b>						
Balance at 1 January	485	289	853	695	1,338	984
Share of profit/ (loss) for the year	338	196	(155)	158	183	354
Balance at 31 December	823	485	698	853	1,521	1,338
<b>Financial Performance</b>						
Revenues	1,930	1,615	1,916	2,169	3,846	3,784
Expenses	(1,592)	(1,410)	(2,071)	(2,011)	(3,663)	(3,421)
Adjustments	-	(9)	-	-	-	(9)
Net operating result before income tax	338	196	(155)	158	183	354

## Notes to the Financial Statements

For the year ended 31 December 2021

### Note 19: Property, plant and equipment

Group	Land \$'000	Land Improvements \$'000	Buildings \$'000	Demountables \$'000	Works of Art \$'000	Library Books and Periodicals \$'000	Plant and Equipment \$'000	Leasehold Improvements \$'000	Right-of- use assets \$'000	Work in Progress \$'000	TOTAL \$'000
<b>At 1 January 2020</b>											
- Cost		-	-	-	-	-	43,178	5,597	9,689	2,559	61,023
- Valuation	43,300	32,074	366,547	876	1,722	3,633	2,838	-	-	-	450,990
- Accumulated Depreciation	-	-	-	-	-	-	(38,808)	(4,959)	(2,423)	-	(46,190)
<b>Net Book Amount</b>	<b>43,300</b>	<b>32,074</b>	<b>366,547</b>	<b>876</b>	<b>1,722</b>	<b>3,633</b>	<b>7,208</b>	<b>638</b>	<b>7,266</b>	<b>2,559</b>	<b>465,823</b>
<b>Year Ended 31 December 2020</b>											
Opening Net Book Amount	43,300	32,074	366,547	876	1,722	3,633	7,208	638	7,266	2,559	465,823
Additions	14,300	4,123	2,333	-	133	16	2,262	-	1,386	9,330	33,883
Transfers	-	-	-	-	-	-	-	-	-	(2,643)	(2,643)
Disposals	-	-	-	-	-	-	(875)	(67)	(425)	-	(1,367)
Add back accumulated depreciation	-	-	-	-	-	-	687	-	-	-	687
Depreciation Charge	-	(1,012)	(10,236)	(78)	-	(364)	(2,542)	(322)	(2,177)	-	(16,731)
<b>Closing Net Book Amount</b>	<b>57,600</b>	<b>35,185</b>	<b>358,644</b>	<b>798</b>	<b>1,855</b>	<b>3,285</b>	<b>6,740</b>	<b>249</b>	<b>6,050</b>	<b>9,246</b>	<b>479,652</b>
<b>At 31 December 2020</b>											
- Cost		4,123	2,333	-	133	16	44,565	5,530	10,650	9,246	76,596
- Valuation	57,600	32,074	366,547	876	1,722	3,633	2,838	-	-	-	465,290
- Accumulated Depreciation	-	(1,012)	(10,236)	(78)	-	(364)	(40,663)	(5,281)	(4,600)	-	(62,234)
<b>Net Book Amount</b>	<b>57,600</b>	<b>35,185</b>	<b>358,644</b>	<b>798</b>	<b>1,855</b>	<b>3,285</b>	<b>6,740</b>	<b>249</b>	<b>6,050</b>	<b>9,246</b>	<b>479,652</b>

## Notes to the Financial Statements

For the year ended 31 December 2021

### Note 19: Property, plant and equipment (continued)

Group	Land \$'000	Land Improvements \$'000	Buildings \$'000	Demountables \$'000	Works of Art \$'000	Library Books and Periodicals \$'000	Plant and Equipment \$'000	Leasehold Improvements \$'000	Right-of- use assets \$'000	Work in Progress \$'000	TOTAL \$'000
<b>At 1 January 2021</b>											
- Cost		4,123	2,333	-	133	16	44,565	5,530	10,650	9,246	76,596
- Valuation	57,600	32,074	366,547	876	1,722	3,633	2,838	-	-	-	465,290
- Accumulated Depreciation	-	(1,012)	(10,236)	(78)	-	(364)	(40,663)	(5,281)	(4,600)	-	(62,234)
<b>Net Book Amount</b>	<b>57,600</b>	<b>35,185</b>	<b>358,644</b>	<b>798</b>	<b>1,855</b>	<b>3,285</b>	<b>6,740</b>	<b>249</b>	<b>6,050</b>	<b>9,246</b>	<b>479,652</b>
<b>Year Ended 31 December 2021</b>											
Opening Net Book Amount	57,600	35,185	358,644	798	1,855	3,285	6,740	249	6,050	9,246	479,652
Additions	-	163	-	-	4	37	2,995	-	1,280	28,723	33,201
Transfers	(16,116)	33	1,129	-	-	-	588	-	-	(1,252)	(15,618)
Disposals	-	-	-	(43)	-	-	(393)	-	-	-	(436)
Add back accumulated depreciation	-	-	-	13	-	-	386	-	-	-	399
Revaluation Surplus / (Deficit)	(5,594)	(3,867)	-	-	-	-	-	-	-	-	(9,461)
Depreciation Charge	-	(1,114)	(10,274)	(76)	-	(365)	(2,450)	(214)	(2,551)	-	(17,045)
<b>Closing Net Book Amount</b>	<b>35,890</b>	<b>30,400</b>	<b>349,498</b>	<b>692</b>	<b>1,859</b>	<b>2,957</b>	<b>7,866</b>	<b>35</b>	<b>4,779</b>	<b>36,716</b>	<b>470,692</b>
<b>At 31 December 2021</b>											
- Cost		4,318	3,462	-	137	53	47,754	5,530	11,930	36,716	109,901
- Valuation	35,890	28,207	366,547	833	1,722	3,634	2,838	-	-	-	439,671
- Accumulated Depreciation	-	(2,126)	(20,510)	(141)	-	(729)	(42,727)	(5,495)	(7,151)	-	(78,880)
<b>Net Book Amount</b>	<b>35,890</b>	<b>30,400</b>	<b>349,498</b>	<b>692</b>	<b>1,859</b>	<b>2,957</b>	<b>7,866</b>	<b>35</b>	<b>4,779</b>	<b>36,716</b>	<b>470,692</b>

## Notes to the Financial Statements

For the year ended 31 December 2021

### Note 19: Property, plant and equipment (continued)

Parent Entity		Land	Land Improvements	Buildings	Demountables	Works of Art	Library Books and Periodicals	Plant and Equipment	Leasehold Improvements	Right-of-use assets	Work in Progress	TOTAL
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>At 1 January 2020</b>												
- Cost	-	-	-	-	-	-	-	35,900	4,040	7,618	2,293	49,851
- Valuation	43,300	32,074	366,546	877	1,722	3,633	-	-	-	-	-	448,152
- Accumulated Depreciation	-	-	-	-	-	-	-	(29,567)	(3,470)	(1,776)	-	(34,815)
<b>Net Book Amount</b>	<b>43,300</b>	<b>32,074</b>	<b>366,546</b>	<b>877</b>	<b>1,722</b>	<b>3,633</b>	<b>3,633</b>	<b>6,333</b>	<b>570</b>	<b>5,842</b>	<b>2,293</b>	<b>463,188</b>
<b>Year Ended 31 December 2020</b>												
Opening Net Book Amount	43,300	32,074	366,546	877	1,722	3,633		6,333	570	5,842	2,293	463,188
Additions	14,300	4,123	2,333	-	133	16		1,516	-	1,386	9,286	33,093
Transfers	-	-	-	-	-	-		-	-	-	(2,377)	(2,377)
Disposals	-	-	-	-	-	-		(769)	-	-	-	(769)
Add back accumulated depreciation	-	-	-	-	-	-		687	-	-	-	687
Depreciation Expense	-	(1,012)	(10,235)	(78)	-	(364)		(2,153)	(322)	(1,933)	-	(16,097)
<b>Closing Net Book Amount</b>	<b>57,600</b>	<b>35,185</b>	<b>358,644</b>	<b>799</b>	<b>1,855</b>	<b>3,285</b>		<b>5,614</b>	<b>248</b>	<b>5,295</b>	<b>9,202</b>	<b>477,727</b>
<b>At 31 December 2020</b>												
- Cost	-	4,123	2,333	-	133	16		36,647	4,040	9,004	9,202	65,498
- Valuation	57,600	32,074	366,546	877	1,722	3,633		-	-	-	-	462,452
- Accumulated Depreciation	-	(1,012)	(10,235)	(78)	-	(364)		(31,033)	(3,792)	(3,709)	-	(50,223)
<b>Net Book Amount</b>	<b>57,600</b>	<b>35,185</b>	<b>358,644</b>	<b>799</b>	<b>1,855</b>	<b>3,285</b>		<b>5,614</b>	<b>248</b>	<b>5,295</b>	<b>9,202</b>	<b>477,727</b>

## Notes to the Financial Statements

For the year ended 31 December 2021

### Note 19: Property, plant and equipment (continued)

Parent Entity		Land	Land Improvements	Buildings	Demountables	Works of Art	Library Books and Periodicals	Plant and Equipment	Leasehold Improvements	Right-of-use assets	Work in Progress	TOTAL
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>At 1 January 2021</b>												
- Cost		14,300	4,123	2,333	-	133	16	36,647	4,040	9,004	9,202	79,798
- Valuation		43,300	32,074	366,546	877	1,722	3,633	-	-	-	-	448,152
- Accumulated Depreciation		-	(1,012)	(10,235)	(78)	-	(364)	(31,033)	(3,792)	(3,709)	-	(50,223)
<b>Net Book Amount</b>		<b>57,600</b>	<b>35,185</b>	<b>358,644</b>	<b>799</b>	<b>1,855</b>	<b>3,285</b>	<b>5,614</b>	<b>248</b>	<b>5,295</b>	<b>9,202</b>	<b>477,727</b>
<b>Year Ended 31 December 2021</b>												
Opening Net Book Amount		57,600	35,185	358,644	799	1,855	3,285	5,614	248	5,295	9,202	477,727
Additions		-	163	-	-	4	37	2,062	-	1,280	28,723	32,268
Transfers		(16,116)	33	1,129	-	-	-	544	-	-	(1,208)	(15,618)
Disposals		-	-	-	(43)	-	-	(393)	-	-	-	(436)
Add back accumulated depreciation		-	-	-	13	-	-	386	-	-	-	399
Revaluation Surplus / (Deficit)		(5,594)	(3,867)	-	-	-	-	-	-	-	-	(9,461)
Depreciation Expense		-	(1,114)	(10,274)	(76)	-	(365)	(1,991)	(214)	(2,322)	-	(16,357)
<b>Closing Net Book Amount</b>		<b>35,890</b>	<b>30,400</b>	<b>349,499</b>	<b>693</b>	<b>1,859</b>	<b>2,957</b>	<b>6,222</b>	<b>34</b>	<b>4,253</b>	<b>36,717</b>	<b>468,522</b>
<b>At 31 December 2021</b>												
- Cost			4,318	3,462	-	137	53	38,860	4,040	10,284	36,717	97,871
- Valuation		35,890	28,207	366,546	834	1,722	3,633	-	-	-	-	436,832
- Accumulated Depreciation		-	(2,126)	(20,509)	(141)	-	(729)	(32,638)	(4,006)	(6,031)	-	(66,181)
<b>Net Book Amount</b>		<b>35,890</b>	<b>30,400</b>	<b>349,499</b>	<b>693</b>	<b>1,859</b>	<b>2,957</b>	<b>6,222</b>	<b>34</b>	<b>4,253</b>	<b>36,717</b>	<b>468,522</b>

# Notes to the Financial Statements

For the year ended 31 December 2021

## Note 19: Property, plant and equipment (continued)

### Accounting Policy

Property, Plant and Equipment

Land and buildings (except for investment properties - refer to Note 14) 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 are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the 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.

Increases in the carrying amounts arising on revaluation of land, land improvements, buildings, demountables, works of art and library books and periodicals are recognised, net of tax, in Other Comprehensive Income and accumulated in equity under the heading Property, plant and equipment revaluation reserve. 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 are also firstly recognised in Other Comprehensive Income before reducing the balance of revaluation surpluses in equity, to the extent of the remaining reserve attributable to the asset; all other decreases are charged to the income statement.

Charles Darwin University has adopted the policy of revaluing its land and buildings once every three years unless there is a material change in the market value. AssetVal Pty Limited carried out a desktop valuation of land, buildings, demountable and land improvements as at 31 December 2021 (2020: desktop valuation). The basis of the valuation was fair value methodology. The fair value of an asset generally equates to the asset's market price and where reliable evidence was not available the asset's depreciated replacement cost has been assumed to be its fair value. All additions during 2021 except land have been recorded at cost which equates approximately to fair value.

The library assets were revalued by AssetVal Pty Limited in 2019. The basis of the valuation was fair value.

The works of art collections were revalued by Miller Fine Art in 2019. The basis of the valuation was fair value.

A right-of-use asset is initially measured at cost comprising the initial measurement of the lease liability adjusted for any lease payments made before the commencement date (reduced by lease incentives received), plus initial direct costs incurred in obtaining the lease and an estimate of costs to be incurred in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

A right-of-use asset associated with land and buildings is subsequently measured at fair value. All other property, plant and equipment are measured as described in the accounting policy for property, plant and equipment in Note 19.



# Notes to the Financial Statements

For the year ended 31 December 2021

## Note 19.1: Right-of-use assets

### Right-of use assets Building (tenancy)

As at 1 January

Additions of right-of-use assets

Disposals of right-of-use assets

Depreciation charge

Balance at the end of the year

Group		Parent Entity	
2021	2020	2021	2020
\$'000	\$'000	\$'000	\$'000
5,075	7,170	4,338	5,797
1,259	260	1,259	260
-	(425)	-	-
(2,151)	(1,930)	(1,934)	(1,719)
4,183	5,075	3,663	4,338

### Right-of use assets Plant & equipment

As at 1 January

Additions of right-of-use assets

Depreciation charge

Balance at the end of the year

Group		Parent Entity	
2021	2020	2021	2020
\$'000	\$'000	\$'000	\$'000
975	96	957	45
21	1,126	21	1,126
(400)	(247)	(388)	(214)
596	975	590	957

Total Right-of use assets

4,779	6,050	4,253	5,295
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## Note 20: Leases

All leases of the Group are operating leases.

### (a) Lease liabilities

#### Current

Plant & equipment

Building (tenancy)

Total lease liabilities - Current

Group		Parent Entity	
2021	2020	2021	2020
\$'000	\$'000	\$'000	\$'000
389	385	389	385
2,107	1,924	1,886	1,702
2,496	2,309	2,275	2,087

#### Non-Current

Plant & equipment

Building (tenancy)

Total lease liabilities - Non-Current

201	572	201	572
2,202	3,288	1,836	2,701
2,403	3,860	2,037	3,273
4,899	6,168	4,312	5,361

Total lease liabilities

## Notes to the Financial Statements

For the year ended 31 December 2021

### Note 20: Leases (continued)

#### (b) Amount recognised in profit and loss

	Group		Parent Entity	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
<b>Leases expenses</b>				
Interest on lease liabilities	101	122	91	107
Depreciation on right-of-use assets	2,551	2,179	2,322	1,933
<b>Total recognised in profit &amp; loss</b>	<b>2,652</b>	<b>2,301</b>	<b>2,413</b>	<b>2,040</b>

#### (c) Amount recognised in Statement of Cash Flows

	Group		Parent Entity	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Plant & equipment	388	214	388	214
Building (tenancy)	2,313	2,036	2,057	1,868
<b>Total cash outflow for leases</b>	<b>2,701</b>	<b>2,250</b>	<b>2,445</b>	<b>2,082</b>

#### Accounting Policy

##### *Operating leases and rental expenses*

The leases held are for IT equipment and tenancy leases, these leases are recognised in accordance with AASB16 and result in Right-of-Use Assets and Lease Liabilities. The Right-of-Use Assets are depreciated on a straight-line basis. The depreciation expense and interest expense are recognised in the Income Statement.

##### *Lease liability*

A lease liability is initially measured at the present value of unpaid lease payments at the commencement date of the lease. To calculate the present value, the unpaid lease payments are discounted using the interest rate implicit in the lease if the rate is readily determinable. If the interest rate implicit in the lease cannot be readily determined, the incremental borrowing rate at the commencement date of the lease is used. Lease payments included in the measurement of lease liabilities comprise:

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date (e.g. payments varying on account of changes in CPI);
- Amounts expected to be payable by the lessee under residual value guarantees;
- The exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
- Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

Subsequently, the lease liability is measured at amortised cost using the effective interest rate method resulting in interest expense being recognised as a borrowing cost in the income statement. The lease liability is remeasured when there are changes in future lease payments arising from a change in an index or rate with a corresponding adjustment to the right-of-use asset, the adjustment amount is factored into depreciation of the right-of-use asset prospectively.

Right-of-use assets are presented within property, plant and equipment in Note 19 and lease liabilities are presented as Leases in Note 20.

##### *Short-term leases and leases of low-value assets*

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases i.e. leases with a lease term of 12 months or less and leases of low-value assets i.e., when the value of the leased asset when new is \$10,000 or less. The Group recognises the lease payments associated with these leases as expenses on a straight-line basis over the lease term.

## Notes to the Financial Statements

For the year ended 31 December 2021

### Note 21: Intangible assets

	Group		Parent Entity	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
<b>At 1 January</b>				
Cost	655	2,793	655	655
Accumulated amortisation and impairment losses	(655)	(2,301)	(655)	(655)
Net book amount	-	492	-	-
Disposals	-	(490)	-	-
Amortisation charge	-	(2)	-	-
Closing net book amount	-	-	-	-
<b>At 31 December</b>				
Cost	655	655	655	655
Accumulated amortisation and impairment losses	(655)	(655)	(655)	(655)
Net book amount	-	-	-	-

#### Accounting Policy

##### *Intangible assets*

Software is carried at cost less accumulated amortisation and impairment losses. Amortisation is calculated using the straight-line method to allocate the cost of software over their estimated useful lives.

### Note 22: Trade and other payables

	Group		Parent Entity	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Trade payables	11,240	7,501	9,882	5,863
Other payables	1,356	1,421	1,356	1,420
<b>Total trade and other payables</b>	<b>12,596</b>	<b>8,921</b>	<b>11,238</b>	<b>7,283</b>

#### Accounting Policy

##### *Trade and other payables*

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

### Note 23: Borrowings

The University signed a loan facility agreement with the Northern Territory Government on 24 September 2020 for the development of the Charles Darwin University Education and Community Precinct and the upgrades to the infrastructure at the Casuarina campus. The loan facility amount is \$151.1 million, to date the University has not drawdown on the loan and is not expected to do so until 2023.

## Notes to the Financial Statements

For the year ended 31 December 2021

### Note 23: Borrowings (continued)

<b>Accounting Policy</b>
<i>Borrowings</i>
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 incremental costs 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.
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.
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 reporting date and does not expect to settle the liability for at least 12 months after the reporting date.

### Note 24: Provisions

	Group		Parent Entity	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
<b>Current provisions expected to be settled within 12 months</b>				
<b>Employee benefits</b>				
Annual leave	11,463	11,519	8,634	8,682
Long service leave	14,960	14,114	12,725	12,018
Employee Redundancy	-	3,131	-	3,131
<b>Subtotal</b>	<b>26,423</b>	<b>28,764</b>	<b>21,359</b>	<b>23,831</b>
<b>Current provisions expected to be settled after more than 12 months</b>				
<b>Employee benefits</b>				
Annual leave	4,478	3,548	4,478	3,548
<b>Total current provisions</b>	<b>30,901</b>	<b>32,312</b>	<b>25,837</b>	<b>27,379</b>
<b>Non-current provisions</b>				
<b>Employee benefits</b>				
Long service leave	2,113	2,342	1,859	2,062
<b>Total non-current provisions</b>	<b>2,113</b>	<b>2,342</b>	<b>1,859</b>	<b>2,062</b>
<b>Total provisions</b>	<b>33,014</b>	<b>34,654</b>	<b>27,696</b>	<b>29,441</b>

There were 1,074 equivalent full time and fixed period contract employees at the end of 2021 and there were 1,023 equivalent full time and fixed period contract employees at the end of 2020.

# Notes to the Financial Statements

For the year ended 31 December 2021

## Note 24: Provisions (continued)

### Accounting Policy

#### Employee benefits

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

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

Long-term obligations are those that are not expected to be settled wholly before twelve months after the end of the annual reporting period. Long-term employee benefits include such things as annual leave and long service leave liabilities. The obligations are 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.

##### (iii) Retirement benefit obligations

The Group does not have any retirement benefit obligations.

##### (iv) Termination benefits

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 termination benefits when it can no longer withdraw the offer of those benefits or when it has recognised costs for restructuring within the scope of AASB137 - Provisions, Contingent Liabilities and Contingent Assets that involves the payment of termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility or 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 not expected to be settled wholly before twelve months after the reporting period are discounted to present value.

## Note 25: Other liabilities

	Group		Parent Entity	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
<b>Current</b>				
Contract liabilities	69,938	56,793	33,385	28,661
OS-HELP liability to Australian Government*	585	585	585	585
Funds held in trust	-	-	40,827	30,827
Other	172	256	175	256
<b>Total other liabilities</b>	<b>70,695</b>	<b>57,634</b>	<b>74,972</b>	<b>60,329</b>

\* The Department of Education Guidelines require OS-HELP to be recorded as a liability as it considers that the University acts as an agent on behalf of the Australian Government in distributing the loans to students.

## Notes to the Financial Statements

For the year ended 31 December 2021

### Note 26: Gain on disposal of assets

	Group		Parent Entity	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Proceeds on sale of property, plant and equipment	223	415	223	299
Less: Carrying amount of property, plant and equipment sold	(37)	19	(37)	19
Less: Carrying amount of land held for resale	-	(80)	-	(80)
<b>Total gain on disposal of assets</b>	<b>186</b>	<b>354</b>	<b>186</b>	<b>238</b>
Gain is disclosed in the income statement as follows:				
Gain on disposal of assets	186	354	186	238
<b>Total gain on disposal of assets</b>	<b>186</b>	<b>354</b>	<b>186</b>	<b>238</b>

### Note 27: Reserves, restricted funds and retained earnings

	Group		Parent Entity	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
<b>(a) Reserves</b>				
Property, plant and equipment revaluation reserve	203,820	213,461	203,568	213,259
Available for sale assets revaluation reserve	64,190	40,711	64,190	40,711
Capital asset reserve	419	750	-	-
<b>Total reserves</b>	<b>268,429</b>	<b>254,922</b>	<b>267,758</b>	<b>253,970</b>

# Notes to the Financial Statements

For the year ended 31 December 2021

## Note 27: Reserves, restricted funds and retained earnings (continued)

	Group		Parent Entity	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
<b>Movements</b>				
<b>Property, plant and equipment revaluation reserve</b>				
Balance at 1 January	213,461	213,551	213,259	213,339
Revaluation surplus/(deficit) on:				
Land	(5,594)	-	(5,594)	-
Land improvements	(3,867)	-	(3,867)	-
Buildings	-	-	-	-
Demountables	-	-	-	-
Library collection	-	-	-	-
Work of art	-	-	-	-
Sub-total	(9,461)	-	(9,461)	-
Investments	50	(10)	-	-
Assets retired transferred to retained earnings:				
Land, Building, Plant and equipment	(230)	(80)	(230)	(80)
<b>Balance at 31 December</b>	<b>203,820</b>	<b>213,461</b>	<b>203,568</b>	<b>213,259</b>
<b>Available-for-sale assets revaluation reserve</b>				
Balance at 1 January	40,711	39,869	40,711	39,869
Revaluation surplus on available-for-sale assets	23,479	842	23,479	842
<b>Balance at 31 December</b>	<b>64,190</b>	<b>40,711</b>	<b>64,190</b>	<b>40,711</b>
<b>Capital asset reserve</b>				
Balance at 1 January	750	9,079	-	-
Transfers (to) / from accumulated funds	(331)	(8,329)	-	-
<b>Balance at 31 December</b>	<b>419</b>	<b>750</b>	<b>-</b>	<b>-</b>
<b>(b) Restricted funds reserve</b>				
Balance at 1 January	32,162	22,063	32,162	22,063
Adjustments via revenue and (expenditure)	11,604	10,099	11,604	10,099
<b>Balance at 31 December</b>	<b>43,766</b>	<b>32,162</b>	<b>43,766</b>	<b>32,162</b>



## Notes to the Financial Statements

For the year ended 31 December 2021

### Note 27: Reserves, restricted funds and retained earnings (continued)

	Group		Parent Entity	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
<b>(c) Retained earnings</b>				
Retained earnings at 1 January	295,490	267,113	263,315	233,233
Retrospective changes for the new revenue standards	-	(14,629)	-	(2,179)
Operating result for the period	64,373	44,696	62,185	42,806
Accumulated funds before transfers to				
Restricted funds	359,863	297,180	325,500	273,860
Transfers (to) / from restricted funds	(11,273)	(1,770)	(11,604)	(10,625)
Transfer of property, plant and equipment revaluation reserve for retired assets	242	80	230	80
<b>Total retained earnings at 31 December</b>	<b>348,832</b>	<b>295,490</b>	<b>314,126</b>	<b>263,315</b>

### (d) Nature and purpose of reserves

#### Property, plant and equipment revaluation reserve

The property, plant and equipment revaluation reserve arises on the revaluation of non-current assets. Where a revalued asset is sold, that portion of the asset revaluation reserve which relates to that asset, and is effectively realised, is transferred to retained earnings.

#### Capital assets reserve

Capital assets reserve arises from the need to plan the purchase of large capital items. Amounts transferred to the capital assets reserve are calculated on an annual basis.

#### Restricted funds

Restricted funds arise where funds are received in advance and are subject to contractual obligations, including activity and financial acquittal.

## Notes to the Financial Statements

For the year ended 31 December 2021

### Note 28: Key management personnel disclosures

#### (a) Names of responsible persons and executive officers

The following persons were responsible persons and executive officers of the Group during the financial year:

The Hon Paul Henderson AO	Chancellor
Professor Scott Bowman AO*	Vice-Chancellor and President
Professor Michael Wilson*	Interim Vice-Chancellor and President
Associate Professor Natalie Milic	Chair, Academic Board
Professor Sue Carthew	Chair, Academic Board
Mr Ken Davies	Deputy Chancellor, Member appointed by the Administrator
Mr Dick Guit	Member appointed by the Administrator
Mr Craig Graham	Member appointed by the Administrator
Professor Judith Whitworth AC*	Member appointed by the Administrator
Mr Mark Munnich	Member appointed by the Administrator
Mrs Janelle Marr	Member appointed by the Administrator
Ms Simone Saunders	Member appointed by the Administrator
Mr John Langoulant AO	Member appointed by the Administrator
Mr Harvie Stiller-Wojkowski	Member elected by the Undergraduate Students
Mr Kazi Mehadi Hasan	Member elected by the Postgraduate Students
Mr Raymond Simpson	Members Elected by the Academic Staff (VET)
Associate Professor Alan Berman	Members Elected by the Academic Staff (HE)

#### (b) Executive officers

Professor Scott Bowman AO	Vice-Chancellor and President from April 2021
Professor Mike Wilson	Interim Vice-Chancellor and President and Provost and Vice-President until April 2021
Jenny Roberts	Assistant Vice-Chancellor from May 2021
Professor Hilary Winchester	University Secretary from April 2021
Professor Bogdan Dlugogorski	Deputy Vice-Chancellor and Vice-President Research and Innovation until May 2021
Mr Andrew Everett	Deputy Vice-Chancellor and Vice-President Global Strategy and Advancement until July 2021
Ms Meredith Parry	Deputy Vice-Chancellor and Vice-President Operations until October 2021
Ms Anne Coulter	Chief Financial Officer
Professor Reuben Bolt	Pro Vice-Chancellor, Indigenous Leadership
Associate Professor Noordin Shehabuddeen	Pro Vice-Chancellor, Vocational Education and Training until September 2021
Professor Robert Fitzgerald	Pro Vice-Chancellor, Education Strategy
Ms Sam Jacob	Pro Vice-Chancellor, Student Engagement and Success
Professor Steve Rogers	Pro Vice-Chancellor, Research & Innovation from November 2021
Emeritus Professor Ian Wronski	Deputy Vice-Chancellor, Northern Australia Medical & Health Development from June 2021
Ross Springolo	Director, Strategic Services & Governance until February 2021

## Notes to the Financial Statements

For the year ended 31 December 2021

### Note 28: Key management personnel disclosures (continued)

All of the above persons were also key management persons during the year ended 31 December 2021.

\* Council members may include the Group's employees who may be ex-officio members or elected staff members. No Council member (including Chancellor or Vice-Chancellor) has received any remuneration in his/her capacity as a Council member. Council members may also be executive officers of the parent entity. Where this is the case, they have been included in the following executive officer remuneration bands.

#### (c) Remuneration of Council members and executives

Remuneration paid or payable or otherwise made available to Council members and executives of the Group:

	Parent Entity	
	2021	2020
	Headcount	Headcount
<b>Remuneration of Council members</b>		
Nil to \$14,999	14	10
<b>Remuneration of executives (including termination benefits)</b>		
\$15,000 to \$149,999	3	3
\$210,000 to \$224,999	1	-
\$240,000 to \$254,999	1	2
\$255,000 to \$269,999	-	1
\$270,000 to \$284,999	1	-
\$285,000 to \$299,999	-	1
\$300,000 to \$314,999	1	1
\$315,000 to \$329,999	2	1
\$330,000 to \$344,999	3	3
\$450,000 to \$464,999	1	-
\$495,000 to \$509,999	1	-
\$615,000 to \$629,999	1	-
\$1,170,000 to \$1,184,999	-	1

#### (d) Key management personnel compensation

	Group		Parent Entity	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Short-term employee benefits	5,938	4,952	4,077	3,173
Post-employee benefits*	678	546	497	359
Termination benefits	-	563	-	563
Other long-term benefits	(17)	(151)	(82)	(198)
	<b>6,599</b>	<b>5,910</b>	<b>4,492</b>	<b>3,897</b>

\* Superannuation is included in post-employee benefits.

## Notes to the Financial Statements

For the year ended 31 December 2021

### Note 28: Key management personnel disclosures (continued)

#### (e) Loans to key management personnel

There were no loans provided to Council members or other key management personnel of the Group, including their personal related parties, during the year.

### Note 29: Remuneration of auditors

	Group		Parent Entity	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
<b>Audit services</b>				
Fees paid to the Northern Territory Auditor-General's Office	267	294	163	190
<b>Total remuneration for audit services</b>	<b>267</b>	<b>294</b>	<b>163</b>	<b>190</b>

### Note 30: Contingencies

#### Contingent liabilities

An initial small-scope payroll review conducted at Charles Darwin University (CDU) has identified likely underpayments of casual employees engaged in professional and academic roles across a range of our business units/schools. Based on the initial review CDU believes that there are underpayments due to non-payment of minimum engagement periods, where staff were rostered for one hour of work on occasion rather than the minimum of three. CDU is also considering whether casual employees have an entitlement to payment of district allowance, which CDU has not historically paid to casual employees. The initial estimate of the underpayment over a six-year period is approximately between \$2m - \$4m. A project is now established to perform a detailed review of historical records to determine a more accurate underpayment liability and rectify the issue. A change in casual timesheets has been implemented to ensure that the minimum hours are paid to casual staff in accordance with the Enterprise Agreement.

There are no other material contingent liabilities as at 31 December 2021.

### Note 31: Commitments

#### (a) Capital commitments

Capital expenditure contracted for at the reporting date but not recognised as liabilities is as follows:

	Group		Parent Entity	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
<b>Building works</b>				
<b>Payable:</b>				
Within one year	4,758	1,778	4,758	1,778
Later than one year but not later than five years	-	-	-	-
Later than five years	-	-	-	-
	<b>4,758</b>	<b>1,778</b>	<b>4,758</b>	<b>1,778</b>

## Notes to the Financial Statements

For the year ended 31 December 2021

### Note 31: Commitments (continued)

The University has also signed an Early Contractor Involvement (ECI) contract for \$190,097,229 in relation to the Education and Community Precinct Project.

#### (b) Lease

All leases of the Group are operating leases. Refer to note 20.

	Group		Parent Entity	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
<b>(i) Short-term and low value leases</b>				
Office equipment	230	171	230	171
Computing equipment	778	1,496	778	1,496
<b>Total leases</b>	<b>1,008</b>	<b>1,666</b>	<b>1,008</b>	<b>1,666</b>

#### (c) Revenue

\$31.9 million was received in cash and is committed to fund specific capital projects. A total of \$46.9 million is included in income from continuing operations for capital work performed.

### Note 32: Related parties

#### (a) Parent entity

The parent entity is Charles Darwin University.

#### (b) Subsidiaries

Subsidiaries include:

- Menzies School of Health Research (MSHR), which includes
  - Bridging the Gap Foundation
- Charles Darwin University Foundation
- Charles Darwin University Foundation Trust (CDUF)
- CDU Amenities Limited (CDUA) – Closed June 2021

#### (c) Key management personnel

Disclosures relating to responsible persons and executive officers are set out in Note 28.

## Notes to the Financial Statements

For the year ended 31 December 2021

### Note 32: Related parties (continued)

#### (d) Transactions with related parties

The following transactions took place with related parties:

##### Menzies School of Health Research (MSHR)

	2021 \$'000	2020 \$'000
Income		
Other	1,674	1,354
Expenditure		
Student fees *	1,620	748
Projects	275	398
RSP, RTP and RIBG	11,451	6,886
Other	1,509	1,774
<b>Total transactions with related parties</b>	<b>(13,181)</b>	<b>(8,452)</b>

\* Student fee income was earned by Menzies School of Health Research from students enrolled with the University but undertaking course work with the Education Section of Menzies School of Health Research. The terms and conditions governing the payment of these fees are covered in Attachments one and two of the Memorandum of Understanding signed between Menzies School of Health Research and the University in March 2004.

Effective from September 2015 Menzies School of Health Research liquid investments have been pooled with Charles Darwin University investments. As at 31 December 2021, the Parent holds \$36.7 million (2020: \$26.7 million) investment on behalf of Menzies School of Health Research (disclosed in Note 25).

##### Charles Darwin University Foundation Trust (CDUF)

	2021 \$'000	2020 \$'000
Income		
Donor disbursements for University activities	670	1,646
Expenditure		
Interest expense	15	41
<b>Total transactions with related parties</b>	<b>655</b>	<b>1,605</b>

During the year ended 31 December 2021, CDUF disbursed trust donations of \$nil (2020: \$17,500) to the Bridging the Gap Foundation Trust.

During the year ended 31 December 2021, CDUF received donations of \$nil (2020: \$37,500) from a University Council Member Richard Ryan (Bloomsbury Equities Pty Ltd).

## Notes to the Financial Statements

For the year ended 31 December 2021

### Note 32: Related parties (continued)

#### CDU Amenities Limited (CDUA)

During the year ended 31 December 2021, the University paid audit fees of \$nil on behalf of CDUA (2020: \$13,000).

In January 2020, CDU Amenities Limited purchased additional shares in ICHM Pty Ltd at a cost of \$400,000.

In February 2020, CDU Amenities Limited sold its shares in ICHM Pty Ltd for a net fee of \$1,761,210. As part of the ICHM Pty Ltd shares sale, a Charles Darwin University Council member Richard Ryan (Bloomsbury Equities Pty Ltd) received \$49,500 for services rendered in relation to the sale of the shares.

In June 2020, CDU Amenities commenced closure of the company Cairns Language Centre Pty Ltd (CLC), it was deregistered with the Australian Charities and Not-for-profits Commission on 31 October 2020.

In July 2020, CDU Amenities Limited sold its shares in Cairns Business College Pty Ltd and Cairns Education Centre Pty Ltd for a fee of \$50,000.

In 2020, CDU Amenities Limited incurred impairment losses of \$223,044 for unrecoverable amounts from related parties (CLC & CBC).

In 2020, the University recovered previous impairment losses of \$1,047,371 from CDU Amenities Limited.

#### Cairns Language Centre Pty Ltd

In 2020, the University recovered previous impairment losses of \$217,958 from CLC.

In 2020, the University agreed to write off the full amount owing from CLC which was \$5,463,295. Of this \$4,009,021 was impaired in prior years, the balance of \$1,454,274 has been recognised as an impaired asset in 2020 (refer to note 8).

#### Cairns Business College Pty Ltd

In 2020, the University agreed to write off the full amount owing from CBC which was \$22,382. The full amount was impaired in prior years.

#### FCD Health Limited

During the year ended 31 December 2021, the Parent had no material transactions with FCD Health Limited (2020: \$nil).

#### South Australian Tertiary Admissions Centre Limited (SATAC)

During the year ended 31 December 2021, the University paid \$730,458 (2020: \$720,885) in member contributions and License Fees to SATAC.

#### Northern Territory General Practice Education (NTGPE)

CDU is one of the six member organisations of the NTGPE. During the year ended 31 December 2021, the University received a Board member fee of \$12,500 from NTGPE.

## Notes to the Financial Statements

For the year ended 31 December 2021

### Note 32: Related parties (continued)

#### (e) Advances to/from related parties

During the year ended 31 December 2021, there were no loans to/from related parties (2020: \$nil).

#### (f) Outstanding balances

As at 31 December 2021, the University holds \$4,100,000 (2020: \$4,100,000) of investments on behalf of the CDU Foundation Trust. There is \$3,070 interest receivable in 2021 (2020: \$4,838 interest payable) to CDU Foundation Trust.

As at 31 December 2021, the University holds \$36,727,000 (2020: \$26,700,000) of investment on behalf of Menzies School of Health Research.

### Note 33: Subsidiaries

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):

	Country of Incorporation	Equity Holding	
		2021	2020
		%	%
Charles Darwin University Foundation	Australia	100	100
Charles Darwin University Foundation Trust	Australia	100	100
Menzies School of Health Research	Australia	100	100
Bridging the Gap Foundation	Australia	100	100
CDU Amenities Limited	Australia	0	100

On 30 September 2021, the Directors of Charles Darwin University Foundation and Charles Darwin University Foundation Trust resolved Charles Darwin University Foundation and Charles Darwin University Foundation Trust to be dissolved in their current form. In accordance with the Trust Deed, the remainder of the Trust funds will be transferred to Charles Darwin University, whose objects are similar to the purposes of the Charles Darwin University Foundation Trust. The dissolution and Trust funds transfer are expected to be completed by the first half of 2022.



# Notes to the Financial Statements

For the year ended 31 December 2021

## Note 33: Subsidiaries (continued)

### Accounting policy

#### Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Charles Darwin University ("parent entity") as at 31 December 2021 and the results of all subsidiaries for the year/period then ended. Charles Darwin University and its subsidiaries together are referred to in this financial report as the Group.

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.

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.

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

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.

There are no non-controlling interests.

## Note 34: Joint operations

### (a) Joint operations

Name of Joint operation:	The Heights, Durack
Nature of relationship:	Development of land for residential purposes
Principal place of business:	Palmerston, NT
Joint operation interest	50% up to 27 November 2020 (2019: 50%)

The University signed a deed of termination on 27 November 2020 to end the agreement with CIC-TDH Pty Limited. The agreement with CIC-THD Pty Limited to develop part of Lot 9765 Town of Palmerston (known as The Heights, Durack) has now ended. The University is the registered proprietor of the land and is responsible for the costs and liabilities associated with the project, the sale of new lots is currently on hold. The University has retained ownership of the land following the termination of the agreement.

The proceeds of the sale of land are accounted for on a net gain basis. Should the University become entitled to any distribution as a result of the project, this will be recognised by the University when the right to receive payment has been established (provided that it is probable that economic benefits will flow to the University and the amount of income can be measured reliably).

## Notes to the Financial Statements

For the year ended 31 December 2021

### Note 34: Joint operations (continued)

<b>Accounting policy</b>
<i>Joint arrangements</i>
The Charles Darwin University share of assets, liabilities, revenue and expenses of a joint operation have been incorporated in the financial statements under the appropriate headings.

	Group		Parent Entity	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Current assets	-	-	-	-
Non-current assets	-	-	-	-
Total assets	-	-	-	-
<b>Net assets</b>	-	-	-	-
<b>Share of joint controlled operations revenues, expenses and results</b>				
Revenues	-	710	-	710
Expenses	-	509	-	509
<b>Net operating result before income tax</b>	-	201	-	201

#### Assets pledged as security

The University had entered into a mortgage in favour of the Commonwealth Bank of Australia (CBA) the effect of which is to secure repayment of the monies owing by CIC-THD Pty Limited to CBA. The land had been pledged as security for CIC-THD Pty Limited bank loans as required under the development agreement. The total borrowings of CIC-THD Pty Limited at 31 December 2021 and 2020 were nil. This mortgage was discharged on 15 September 2020 as part of the termination of the deed.

#### (b) Other

The University also participates in other joint venture entities for which the University's interest is not considered to be material. Accordingly, they have not been taken up in the accounts on an equity or proportional consolidation basis as per AASB11 *Joint Arrangements*.

## Notes to the Financial Statements

For the year ended 31 December 2021

### Note 35: Economic dependency

The Group is funded predominantly by annual appropriations from both the Australian and Northern Territory Government to meet proposed cash expenditure on both operational and capital items in the current financial year. These financial statements have been prepared on a going concern basis in the expectation that such funding will continue.

### Note 36: Events subsequent to the end of the financial year

There are no matters or circumstances which significantly affected or may affect the operations of the Group, the results of those operations, or the state of the affairs of the Group in future financial years.

### Note 37: Reconciliation of operating result to net cash flows from operating activities

	Group		Parent Entity	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
<b>Operating result for the period</b>	<b>64,373</b>	44,696	<b>62,185</b>	42,806
Depreciation and amortisation	<b>17,045</b>	16,732	<b>16,357</b>	16,097
Retrospective change for AASB 15	-	(14,629)	-	(2,179)
Gifted Assets	-	(14,300)	-	(14,300)
Sales of Biological Assets	<b>(385)</b>	(215)	<b>(385)</b>	(215)
Payments for Biological Assets	<b>340</b>	(76)	<b>340</b>	(76)
Share of joint venture operations	-	(201)	-	(201)
Net (gain) on disposal of non-current assets	<b>(186)</b>	(354)	<b>(186)</b>	(238)
Net (gain) on disposal of subsidiaries	-	(2,085)	-	-
Other	<b>(277)</b>	(470)	<b>(264)</b>	7
Provision for impairment - student & general debts	<b>834</b>	(302)	<b>834</b>	(260)
Provision for impairment - related party loan	-	-	-	1,454
Recovery of previously impaired assets	-	-	-	(1,265)
Non-cash investment income	<b>(183)</b>	(354)	<b>(183)</b>	(354)
	<b>81,561</b>	28,442	<b>78,698</b>	41,275
<b>Change in operating assets and liabilities</b>				
Decrease / (increase) in receivables	<b>(3,167)</b>	2,756	<b>(2,901)</b>	(1,465)
Increase in Inventories	<b>(265)</b>	(27)	<b>(265)</b>	(27)
Increase in biological assets	<b>(292)</b>	(107)	<b>(292)</b>	(107)
Decrease / (increase) in other financial assets	<b>(373)</b>	(1,944)	22	(586)
Decrease / (increase) in other non-financial assets	<b>(573)</b>	1,820	<b>(507)</b>	1,825
Increase / (decrease) in trade and other payables	<b>3,675</b>	(2,989)	<b>3,954</b>	(2,527)
Increase in other liabilities	<b>13,061</b>	39,660	<b>4,643</b>	16,731
Increase / (decrease) in provisions	<b>(1,640)</b>	2,318	<b>(1,745)</b>	2,857
	<b>10,426</b>	41,487	<b>2,909</b>	16,701
<b>Net cash provided by operating activities</b>	<b>91,987</b>	69,929	<b>81,607</b>	57,976

# Notes to the Financial Statements

For the year ended 31 December 2021

## Note 38: Financial risk management

### Financial risk management

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. There has been no significant change in the risk factors from the prior year or management thereof.

The Group's financial instruments consist mainly of deposits with banks, accounts receivable, accounts payable and borrowings. The main risks that the Group is exposed through financial instruments are deposit interest rate risk and credit risk.

#### (a) Market risk

##### i) Foreign exchange risk

Foreign exchange risk arises from overseas sources of income for research and consultancies and payments to creditors for overseas sourced supplies. The main currencies the Group is exposed to are the US dollar followed by British pounds and the Euro. The level of exposure to foreign exchange risk is not considered to be material. The Group does not engage in hedge contracts or other hedging instruments.

##### ii) Price risk

The Group has limited exposure to financial instruments subject to price risk. The parent's investment policy is limited to deposits in Authorised Deposit-taking Institutions (ADIs). Some of the entities controlled by the Group have exposure to shares. The level of exposure is not considered material.

##### iii) Cash flow and fair value interest rate risk

The Group's funds on deposit are at rates fixed for the term of the deposit. At balance date, all funds were deposited with ADIs with Standard and Poor's credit ratings of A-2 or higher. Movement of rates will not affect the fair value of the assets as the deposits will be held to maturity. At call funds are subject to market rate movements. During 2021, the weighted average term interest rate range was 0.38% with an average term of 177 days. This is compared to 0.95% and 123 days respectively in 2020. The change was due to economic conditions with the RBA cash rates dropping to an all-time low of 0.10%. The interest rate outlook for 2022 is likely to remain unchanged.

##### iv) Summarised sensitivity analysis

The table below summarises the sensitivity of the Group's financial assets and financial liabilities to interest rate risk. There have been no changes from the previous period in the methods and assumptions used.

## Notes to the Financial Statements

For the year ended 31 December 2021

### Note 38: Financial risk management (continued)

At 31 December 2021, if interest rates had moved, as illustrated in the table below, with all the other variables held constant, the result and equity would have been affected as follows:

	Group carrying amount \$'000	Interest rate risk			
		-0.25%		+0.25%	
		Result \$'000	Equity \$'000	Result \$'000	Equity \$'000
<b>31 December 2021</b>					
<b>Financial assets</b>					
Cash and cash equivalents	206,065	(515)	(515)	515	515
Receivables	7,507	(19)	(19)	19	19
Other financial assets	72,000	(180)	(180)	180	180
<b>Financial liabilities</b>					
Trade and other payables	12,596	(31)	(31)	31	31
Other liabilities	172	-	-	-	-
<b>Total (decrease)/ increase</b>		<b>(745)</b>	<b>(745)</b>	<b>745</b>	<b>745</b>
<b>31 December 2020*</b>					
<b>Financial assets</b>					
Cash and cash equivalents	148,518	(371)	(371)	371	371
Receivables	5,174	(13)	(13)	13	13
Other financial assets	48,091	(120)	(120)	120	120
<b>Financial liabilities</b>					
Trade and other payables	8,921	(22)	(22)	22	22
Other liabilities	256	(1)	(1)	1	1
<b>Total (decrease)/ increase</b>		<b>(527)</b>	<b>(527)</b>	<b>527</b>	<b>527</b>

\*2020 Interest rate risk was 0.25%

The assumptions used in the interest rate sensitivity analysis include, potential movements in interest rates based on the Group's mix of investments in Australia, relationships with financial institutions as well as the last two year's historical movements and economists' expectations.

The movements in the result are due to higher/lower interest revenue from variable rate cash balances.

As the Group does not engage in hedging, it is subject to market variations in foreign exchange. The majority of its income and expenditure for foreign currency is in US dollar which has been subject to a range of \$0.09 from the lowest exchange rate received to the highest in 2021. Forecasts vary on the expectations of the exchange rate for 2021. The weighted average for 2021 was \$0.74 and the Group has factored in a 20% variation (\$0.20) based on the 2021 range.

## Notes to the Financial Statements

For the year ended 31 December 2021

### Note 38: Financial risk management (continued)

#### (b) Credit risk

The Group's exposure to credit risk is mainly restricted to receivables. The Group does not have significant exposure to any one debtor. At balance date, all funds were deposited with Authorised Deposit-taking Institutions with Standard and Poor's credit ratings of A-2 or higher. The Group's maximum exposure to credit risk at balance date in relation to each class of recognised financial asset is the carrying amount of those assets as indicated in the Statement of Financial Position.

#### (c) Liquidity risk

There is no significant risk associated with the Group meeting its obligations associated with financial liabilities. Cash flow to meet ongoing commitments is monitored daily. Strict budgeting and forecasting procedures are in place.

### Note 39: Fair value measurements

#### (a) Fair value measurements

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The carrying amounts and aggregate fair values of financial assets and liabilities at balance date are:

	Note	Carrying Amount		Fair Value	
		2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
<b>Financial assets</b>					
Cash and cash equivalents	10	206,065	148,518	206,065	148,518
Receivables	11	7,507	5,174	7,507	5,174
Other financial assets	15	72,001	48,091	72,001	48,091
<b>Total financial assets</b>		<b>285,572</b>	<b>201,783</b>	<b>285,572</b>	<b>201,783</b>
<b>Financial liabilities</b>					
Trade and other payables	22	12,596	8,921	12,596	8,921
Other liabilities	25	172	256	172	256
<b>Total financial liabilities</b>		<b>12,768</b>	<b>9,177</b>	<b>12,768</b>	<b>9,177</b>

The Group measures and recognises the following assets and liabilities at fair value on a recurring basis:

- land (including improvements) and buildings
- demountables
- library books and periodicals
- works of art
- investment properties
- investment in shares.

# Notes to the Financial Statements

For the year ended 31 December 2021

## Note 39: Fair value measurement (continued)

### (b) Fair value hierarchy

#### Accounting policy

##### *Fair value measurement*

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

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

The fair value of assets or liabilities traded in active markets is based on quoted market prices for identical assets or liabilities at the reporting date. 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 instruments that are not traded in an active market 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.

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 price of the asset, to use it in a manner that would be highest and best use.

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 following tables categorise assets and liabilities measured at fair value into a hierarchy based on the level of inputs used in measurement. The different levels of the fair value hierarchy are defined below:

- level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities
- level 2 - inputs other than quoted prices within level 1 that are observable for the asset or liability either directly or indirectly
- level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

## Notes to the Financial Statements

For the year ended 31 December 2021

### Note 39: Fair value measurement (continued)

#### Recognised fair value measurements

Fair value measurements recognised in the Group's Statement of Financial Position are categorised into the following levels at 31 December 2021.

#### Fair value measurements at 31 December 2021

	Note	2021 \$'000	2020 \$'000	Category	Valuation technique and inputs used
Available-for-sale financial assets	15	64,190	40,710	Level 1	Market valuation - The fair value of assets traded in active markets is based on quoted market prices at the end of the reporting year.
Listed securities	15	365	303	Level 1	Market valuation - The fair value of assets traded in active markets is based on quoted market prices at the end of the reporting year.
<b>Total other financial assets</b>		<b>64,555</b>	<b>41,013</b>		
Land	19	35,890	57,600	Level 2	Market valuation - Sales prices of comparable land adjusted for property size, location, topography, and other inherent attributes.
Land Improvements	19	30,400	35,185	Level 3	Application of unit rates - Unit rates are developed by summing each component which goes into producing a unit of an asset. The major components of any asset are the raw materials, plant, labour and intangibles.
Buildings and demountables	19	350,190	359,442	Level 3	Current Replacement Cost - construction costs of replacement assets having similar service potential including preliminaries and professional fees, adjusted for the consumed economic benefit and / or obsolescence of the asset.
Investment properties	14	195	175	Level 3	Current Replacement Cost - construction costs of replacement assets having similar service potential including preliminaries and professional fees, adjusted for the consumed economic benefit and / or obsolescence of the asset.
Library books and works of art	19	4,816	5,138	Level 3	Current Replacement Cost - estimated by determining an average fair value for each type of item and extrapolating over the number of items in each category.
<b>Total non-financial assets</b>		<b>421,491</b>	<b>457,541</b>		



# Notes to the Financial Statements

For the year ended 31 December 2021

## Note 40: Acquittal of Australian Government financial assistance

### 1. EDUCATION - CGS AND OTHER EDUCATION GRANTS

Note	Commonwealth Grants Scheme #1		Parent Entity ONLY		Indigenous, Regional and Low SES Attainment Fund #2		Higher Education Disability Support Program #3	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Financial Assistance received in Cash during the reporting period (total cash received from the Australian Government for the Programs)	67,719	55,281	12,192	10,798	30	41		
	(4,064)	(91)	-	-	-	-	-	-
	63,657	55,190	12,192	10,798	30	41		
	-	-	120	-	-	-	-	-
	63,657	55,190	12,312	10,798	30	41		
Net adjustments	63,657	55,190	12,312	10,678	30	41		
	-	-	-	120	-	-	-	-

Financial Assistance received in Cash during the reporting period (total cash received from the Australian Government for the Programs)

Net adjustments

**Revenue for the period**

Surplus / (deficit) from the previous year

**Total revenue including accrued revenue**

Less expenses including accrued expenses

**Surplus / (deficit) for reporting period**

Note	Parent Entity ONLY					
	Indigenous Student Success Program #4	National Priorities and Industry Linkage Program		Other		Total
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Financial Assistance received in Cash during the reporting period (total cash received from the Australian Government for the Programs)	1,943	1,974	3,250	-	2,459	87,593
Net adjustments	-	-	(3,250)	-	(9,763)	68,094
<b>Revenue for the period</b>	1,943	1,974	-	-	77,830	68,003
Surplus / (deficit) from the previous year	-	-	-	-	120	-
<b>Total revenue including accrued revenue</b>	1,943	1,974	-	-	77,950	68,003
Less expenses including accrued expenses	1,943	1,974	-	-	77,950	67,883
<b>Surplus / (deficit) for reporting period</b>	-	-	-	-	-	120

Financial Assistance received in Cash during the reporting period (total cash received from the Australian Government for the Programs)

Net adjustments

**Revenue for the period**

Surplus / (deficit) from the previous year

**Total revenue including accrued revenue**

Less expenses including accrued expenses

**Surplus / (deficit) for reporting period**

#1 Includes the basic CGS grant amount, CGS – Medical Student Loading, Transition Fund loading, Allocated Places, Non-Designated Courses and CGS – Special Advances from Future Years.

#2 Includes the Higher Education Participation and Partnerships Program, regional loading and enabling loading.

#3 Higher Education Disability Support Program includes Additional Support for Students with Disabilities and Australian Disability Clearinghouse on Education & Training.

#4 Indigenous Student Success Program has replaced the Indigenous Commonwealth Scholarships Program and the Indigenous Support Program as of 1 January 2017.

# Notes to the Financial Statements

For the year ended 31 December 2021

## Note 40: Acquittal of Australian Government financial assistance (continued)

### 2. HIGHER EDUCATION LOAN PROGRAMS (excl OS-HELP)

Parent Entity ONLY														
HECS-HELP Australian Government Payments only				FEE - HELP#5			VET FEE-HELP			SA-HELP			Total	
Note	2021 \$'000	2020 \$'000		2021 \$'000	2020 \$'000		2021 \$'000	2020 \$'000		2021 \$'000	2020 \$'000		2021 \$'000	2020 \$'000
	-	-		-	-		-	-		-	-		-	-
	32,866	35,386		2,058	532		103	119		1,201	911		36,228	36,948
	(1,703)	41		(149)	558		-	48		-	-		(1,852)	647
3.1(b)	31,163	35,427		1,909	1,090		103	167		1,201	911		34,376	37,595
	31,163	35,427		1,909	1,090		103	167		1,201	911		34,376	37,595
	-	-		-	-		-	-		-	-		-	-

Cash Payable / (Receivable) at beginning of year

Financial Assistance received in Cash during the reporting period

Net adjustments

Cash available for period

Less: Revenue earned

Cash Payable / (Receivable) at end of year

Cash Payable / (Receivable) at beginning of year  
Financial Assistance received in Cash during the reporting period  
Net adjustments  
**Cash available for period**  
Less: Revenue earned  
**Cash Payable / (Receivable) at end of year**

#5 VET Student Loan Program is not required to be acquitted here.

### 3a. DEPARTMENT OF EDUCATION AND RESEARCH

Note	Parent Entity ONLY					
	Research Training Program		Research Support Program		Total	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
	7,768	7,647	21,307	10,651	29,075	18,298
	-	-	-	-	-	-
3.1(c)	7,768	7,647	21,307	10,651	29,075	18,298
	2,150	2,150	-	-	2,150	2,150
	9,918	9,797	21,307	10,651	31,225	20,448
	7,768	7,647	21,307	10,651	29,075	18,298
	2,150	2,150	-	-	2,150	2,150

Financial Assistance received in Cash during the reporting period (total cash received from the Australian Government for the Programs)  
Net accrual adjustments  
**Revenue for the period**  
Surplus / (deficit) from the previous year  
**Total revenue including accrued revenue**  
Less expenses including accrued expenses  
**Surplus / (deficit) for reporting period**

# Notes to the Financial Statements

For the year ended 31 December 2021

## Note 40: Acquittal of Australian Government financial assistance (continued)

### 3b. TOTAL HIGHER EDUCATION PROVIDER RESEARCH TRAINING PROGRAM EXPENDITURE #6

	Total domestic students \$'000	Total overseas students \$'000	Total RTP expenses \$'000
Research Training Program Fees offsets	4,144	55	4,199
Research Training Program Stipends	2,764	708	3,472
Research Training Program Allowances	94	3	97
<b>Total for all types of support #7</b>	<b>7,002</b>	<b>766</b>	<b>7,768</b>

#6 Please refer to the Commonwealth Scholarship Guidelines for expenditure definitions for the Research Training Program

#7 The total for all types of support for domestic and overseas students is expected to match the Research Training Program expenses in Note 40 (3a) in respect to the 2021 year

### 4. AUSTRALIAN RESEARCH COUNCIL GRANTS

Note	Parent Entity ONLY												
	Discovery			Linkages			Other			Special Research Initiatives			Total
	2021 \$'000	2020 \$'000		2021 \$'000	2020 \$'000		2021 \$'000	2020 \$'000		2021 \$'000	2020 \$'000		
3.1(e)													
	777	972		146	199		85	180		86	23	1,094	1,374
	188	-		(60)	-		-	-		-	-	128	-
	965	972		86	199		85	180		86	23	1,222	1,374
	1,105	534		178	101		40	45		23	-	1,346	680
	2,070	1,506		264	300		125	225		109	23	2,568	2,054
	763	401		173	122		125	185		-	-	1,061	708
	1,307	1,105		91	178		-	40		109	23	1,507	1,346

Financial assistance received in Cash during the reporting period (total cash received from the Australian Government for the programs)

Net accrual adjustments

**Revenue for the period**

Surplus / (deficit) from the previous year

**Total revenue including accrued revenue**

Less expenses including accrued expenses

**Surplus / (deficit) for the reporting period**

# Notes to the Financial Statements

For the year ended 31 December 2021

## Note 40: Acquittal of Australian Government financial assistance (continued)

### 5. OS-HELP

	Parent Entity ONLY			
	OS-HELP 2021 \$'000	2020 \$'000	2021 \$'000	Total 2020 \$'000
Cash received during the reporting period	-	423	-	423
Cash spent during the reporting period	-	8	-	8
<b>Net Cash received</b>	-	415	-	415
Cash Surplus / (deficit) from the previous period	<b>585</b>	170	<b>585</b>	170
Carry forward adjustment	-	-	-	-
<b>Cash Surplus / (deficit) for reporting period</b>	<b>585</b>	<b>585</b>	<b>585</b>	<b>585</b>

### 6. STUDENT SERVICES AND AMENITIES FEE

Note	Parent Entity ONLY			
	Student services and amenities fee 2021 \$'000	2020 \$'000	2021 \$'000	Total 2020 \$'000
Unspent / (overspent) revenue from previous period	90	1,066	90	1,066
Carry Forward Adjustment	-	-	-	-
SA-HELP Revenue Earned	1,201	911	1,201	911
Student services fees direct from students	876	419	876	419
<b>Total revenue expendable in period</b>	<b>2,167</b>	<b>2,396</b>	<b>2,167</b>	<b>2,396</b>
Student services expenses during period	<b>1,907</b>	<b>2,306</b>	<b>1,907</b>	<b>2,306</b>
<b>Underspent / (overspent) student services revenue</b>	<b>260</b>	<b>90</b>	<b>260</b>	<b>90</b>


## Members of Council Certification

1. In our opinion:
  - a) the accompanying financial statements of the University and the Group are drawn up so as to give a true and fair view of the state of affairs as at 31 December 2021, and the results for the year ended on that date, of the University and the Group; and
  - b) at the date of this statement there are reasonable grounds to believe that the University will be able to pay its debts as and when they fall due.
2. The accompanying financial statements and notes thereto, of the University and the Group have been prepared in accordance with the *Charles Darwin University Act 2003* and Australian Accounting Standards, *Australian Charities and Not-for-profits Commission Act 2012*, Australian Charities and Not-for-profits Commission Regulation 2013, and as per the Commonwealth Department of Education Guidelines for the Preparation of Annual Financial Statements for the 2021 Reporting Period by Australian Higher Education Institutions.
3. The amount of Commonwealth Government financial assistance expended during the reporting period was for the purpose(s) for which it was provided.
4. Charles Darwin University has complied with the requirements of various program guidelines that apply to the Commonwealth Government financial assistance identified in the financial statements.
5. Charles Darwin University charged Student Services and Amenities Fees strictly in accordance with the *Higher Education Support Act 2003* and the Administration Guidelines made under the Act. Revenue from the fee was spent strictly in accordance with the Act and only on services and amenities specified in subsection 19-38(4) of the Act.

Signed at Darwin this 26th day of May 2022



CHANCELLOR  
The Hon Paul Henderson AO



VICE-CHANCELLOR AND PRESIDENT  
Professor Scott Bowman AO





## Auditor-General

### Independent Auditor's Report to the Minister for Education

#### Charles Darwin University and its Controlled Entities

Year Ended 31 December 2021

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#### Opinion

I have audited the accompanying Financial Report of Charles Darwin University and its Controlled Entities ("the Group") and Charles Darwin University ("the University").

The Financial Report comprises the statement of financial position as at 31 December 2021, the income statement, the statement of comprehensive income, the statement of changes in equity, and statement of cash flows for the year ended, notes comprising a summary of significant accounting policies and other explanatory information, and the Members of Council Certification.

In my opinion, the accompanying Financial Report gives a true and fair view, in all material respects, of the financial position of the Group and University and of its performance and its cash flows for the year then ended in accordance with Australian Accounting Standards, Division 60 of the *Australian Charities and Not-for-profit Commission Act 2012* and Division 60 of *Australian Charities and Not-for-profit Regulation 2013*.

#### Basis for Opinion

I conducted the audit in accordance with Australian Auditing Standards. I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for the opinion.

My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report.

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

#### Key Audit Matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial report of the current period. These matters were addressed in the context of my audit of the financial report as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Key Audit Matter	Audit scope response to the Key Audit Matter
<b>Revenue Recognition</b>	
The recognition of revenue, as described in note 3, is a key audit matter due to the complexity of conditions included in revenue contracts, the interpretation of which affects the Group revenue of \$365.6 million, as reported in Note 3, and contract liabilities of \$69.9 million as reported in Note 25.	My procedures included but were not limited to: <ul style="list-style-type: none"><li>obtaining an understanding of the University's approach, processes and controls to assess and classify revenue in accordance with the Accounting Standards relating to revenue recognition;</li></ul>



## Auditor-General

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Key Audit Matter	Audit scope response to the Key Audit Matter
	<ul style="list-style-type: none"><li>▪ understanding policy position papers and guidance approved by those charged with governance;</li><li>▪ reviewing, on a sample basis, the agreements in place with customers;</li><li>▪ assessing the completeness and accuracy of inputs used by management to determine and classify revenue and unearned contract revenue; and</li><li>▪ assessing the adequacy of the related disclosures in the notes to the financial statements.</li></ul>

### Other Information

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

The Other Information I obtained prior to the date of this Auditor's Report was the "*Report by Members of Council*" shown on pages 3 to 7 of the Financial Report.

My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon.

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

If, based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

### Responsibilities of the Vice-Chancellor for the Financial Report

The Vice-Chancellor of the University is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards, *Australian Charities and Not-for-profits Commission Act 2012* and *Australian Charities and Not-for-profit Regulation 2013*, and for implementing necessary internal control to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the Financial Report, the Vice-Chancellor is responsible for assessing the Group and the University's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the responsible entities either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Council is responsible for overseeing the Group and the University's financial reporting process.





## Auditor-General

### Page 3 of 3

#### Auditor's Responsibilities for the Audit of the Financial Report

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Financial Report.

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

- identify and assess the risks of material misstatement of the Financial Report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group and the University's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and the University's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the Financial Report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the University to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the Financial Report, including the disclosures, and whether the Financial Report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Julie Crisp  
Auditor-General for the Northern Territory  
Darwin, Northern Territory

27 May 2022



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