



Charles Darwin University

Annual Report

2023 Financial Statements

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Charles Darwin University and its Controlled Entities

2023 Financial Statements

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Report by Members of Council

The members of the Council of Charles Darwin University (the University) present their report on the consolidated entity and the entities it controlled as at the end of, and for the year ended 31 December 2023.

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.
Dr Louise King	Ex-officio member (Chair of Academic Board) from 1 January 2022 and continues in office at the date of this report.
Mr Ken Davies PSM	Appointed Deputy Chancellor on 28 June 2013 and continues in office at the date of this report.
Mr Dick Guit OAM	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.
Hon Vicki O'Halloran AO CVO	Appointed a member on 11 May 2023. Resigned 15 September 2023.
Mr Mark Munnich	Appointed a member on 25 February 2021 and continues in office at the date of this report.
Mrs Janelle Marr	Appointed a member on 25 February 2021. Term ended 31 December 2023.
Emeritus Professor Charles Webb	Appointed a member on 25 February 2022 and continues in office at the date of this report.
Dr Ruth Schubert	Appointed a member on 25 February 2022 and continues in office at the date of this report.
Mr Raymond Simpson	Elected a member on 1 January 2017. Term ended 31 December 2023.
Associate Professor Alan Berman	Elected a member on 4 March 2020. Term ended 31 December 2023.
Mr Nikolaos Ergas	Elected a member on 13 June 2023. Term ended 31 December 2023.
Mr Ramesh Prasad Pandey	Elected a member on 13 June 2023. Term ended 31 December 2023.
Professor Hilary Winchester AM	Ex-officio member (Acting Vice-Chancellor) from 24 March to 18 April 2023.

Meetings of Members

The number of Council and Council Standing Committee meetings held during the year ended 31 December 2023, each Member's attendance at those meetings, are set out below:

	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	6	5	4	2	5	5	5	5
Professor Scott Bowman AO	6	5	4	4	5	4	5	5
Dr Louise King	6	4	-	-	5	3	5	3
Mr Ken Davies PSM	6	3	-	-	-	-	5	5
Mr Dick Guit OAM	6	4	4	2	-	-	-	-
Mr Craig Graham	6	5	-	-	-	-	-	-
Mr Mark Munnich	6	4	-	-	-	-	-	-
Hon Vicki O'Halloran AO CVO	2	2	-	-	-	-	-	-
Mrs Janelle Marr	6	5	-	-	-	-	-	-
Emeritus Professor Charles Webb	6	6	-	-	-	-	-	-
Dr Ruth Schubert	6	5	-	-	-	-	-	-
Mr Raymond Simpson	6	4	-	-	-	-	-	-
Associate Professor Alan Berman	6	4	-	-	-	-	-	-
Mr Nikolaos Ergas	5	4	-	-	-	-	-	-
Mr Ramesh Prasad Pandey	5	4	-	-	-	-	-	-
Professor Hilary Winchester AM	1	1	-	-	-	-	-	-

A = Indicates the number of meetings the Council Member was eligible to attend as a member.

B = Indicates the number of meetings attended.

Principal Activities

As of 31 December 2023, the Charles Darwin University Group (the Group) consists of the following entities:

- Charles Darwin University
- Menzies School of Health Research
- Bridging the Gap Foundation*

* On 2 January 2024, the directors of Bridging the Gap Foundation made the resolution to wind up its operations in line with its Constitution.

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

- a) 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.

There were no significant changes in the nature of the activities of the University during the year.

Review of Operations

Introduction

The University's world-class education was reflected in the University achieving a ranking in the 351 - 400 category in the Times Higher Education World University Rankings 2022 - 2023. Comparing to other young universities, Charles Darwin University is ranked at 60th in the world top Young University Rankings. Charles Darwin University is also ranked in the 101 - 200 category in the Impacts Rankings 2023 which is assessed against United Nations' Sustainable Development Goals.

Capital Works

Construction was completed on the following major capital projects during 2023:

- Casuarina basketball court refurbishment
- Casuarina pink 2 conversions to civil-specific training building
- Sydney campus level 8 fitout

Construction commenced or was continuing on the following major capital projects during 2023:

- Charles Darwin University Education and Community Precinct
- Better health building
- TAFE@CDU trades training building

Specific Purpose Grants

\$9.16 million was received in cash and is committed to fund specific capital projects. A total of \$9.16 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 Northern Territory Library at the Charles Darwin University Education and Community Precinct in Darwin City. Another \$2.0 million was used on building a new trades training building in Casuarina.

The Education and Community Precinct is progressing well, works continue with services fit-out, civil and drainage works, hard landscaping, general architectural finishes, metal works and roofing works. It is expected that the building will be open later in 2024, with teaching planned to commence in summer semester. 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 a \$20.6 million deficit for 2023 (2022: \$23.3 million surplus). Revenue increased by 5% overall from last year due to growth in course fees and charges in particular for onshore overseas students. The current growth activities in relation to course fees and charges also saw an increase of 20% to expenses when compared to last year. There have been increases in employee costs, student-related expenses, consultants, and advertising and promotional materials.

Significant Changes in the State of Affairs

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

Matters Subsequent to the End of the Financial Year

On 2 January 2024, the directors of Bridging the Gap Foundation (the Company) decided to wind up the Company's operations in line with its Constitution.

In 2023, Menzies School of Health Research (Menzies), which financially supported and assisted the Company's operations over the years, decided to separate from the Company no later than 31 December 2023 unless the Company had developed a viable plan to become financially independent. Furthermore, the current economic factors have created significant financial pressures and challenges for the Company. Given that the Company was not able to generate adequate support from other parties to become financially independent, the Company directors decided to wind up the Company.

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 34.

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

In 2023, the Group held comprehensive insurance policies in relation to its 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 \$5.0 million and for Charles Darwin University is \$10.0 million.

Environmental Regulation

The Group is subject to the following environmental regulations:

- *Gene Technology Act 2000 and Gene Technology Regulations 2001*
- *Gene Technology (Northern Territory) Act 2004*
- *Radiation Protection Act 2004 and Radiation Protection Regulations 2007*
- *Dangerous Goods Act 1998 and Dangerous Goods Regulations 1985*
- *Transport of Dangerous Goods by Road and Rail (National Uniform Legislation) Act 2011*
- *Waste Disposal on Royal Darwin Hospital Campus Regulations*
- *Waste Management and Pollution Control Act 1998 and Waste Management and Pollution Control (Administration) Regulations 1998*
- *International Air Transport Association (IATA) Dangerous Goods Regulations.*

Proceedings on behalf of the entity

There were no significant legal proceedings ongoing against the University at the end of 2023.

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

Signed at Darwin this 6th day of June 2024



CHANCELLOR
The Hon Paul Henderson AO



VICE-CHANCELLOR AND PRESIDENT
Professor Scott Bowman AO

Financial Statements

Income Statement

For the year ended 31 December 2023

	Note	Group		Parent Entity	
		2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Revenue and Income from continuing operations					
Australian Government financial assistance					
Australian Government grants	3.1	122,208	121,469	104,338	98,650
HELP - Australian Government payments	3.1	32,785	35,854	32,785	35,854
NT Government financial assistance	3.2	27,435	43,189	18,450	37,057
HECS - HELP student payments		5,684	6,490	5,684	6,490
Fees and charges	3.3	133,228	96,516	132,474	95,657
Consultancy and contract fees	3.4	39,565	35,626	26,640	26,239
Other revenue and income	3.5	14,101	16,512	13,839	18,825
Investment revenue	4	10,222	8,003	7,330	6,531
Gains on disposal of assets	24	-	-	67	-
Share of profit or (loss) on investments accounted for using the equity method	16	407	(244)	407	(244)
Total revenue and income from continuing operations		385,635	363,415	342,014	325,059
Expenses from continuing operations					
Employee-related expenses	5	224,026	202,530	190,636	173,878
Depreciation	6	19,304	17,044	18,575	16,477
Repairs and maintenance	7	6,626	8,883	6,320	8,030
Impairment of assets	8	348	702	348	702
Losses on disposal of assets	24	3	288	-	288
Other expenses	9	153,643	111,721	146,738	102,399
Total expenses from continuing operations		403,950	341,168	362,617	301,774
Net result before income tax		(18,315)	22,247	(20,603)	23,285
Net result after income tax		(18,315)	22,247	(20,603)	23,285
Net result from continuing operations		(18,315)	22,247	(20,603)	23,285

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

Statement of Comprehensive Income

For the year ended 31 December 2023

	Note	Group		Parent Entity	
		2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Net result after income tax for the period		(18,315)	22,247	(20,603)	23,285
<u>Items that will not be reclassified to profit or loss</u>					
Loss on value of financial assets at fair value through other comprehensive income	25(a)	(13,085)	(13,679)	(13,093)	(13,679)
Other	25(a)	76	(309)	-	-
Increase on revaluation on property, plant & equipment	25(a)	-	38,755	-	38,755
Total other comprehensive (loss) / income		(13,009)	24,767	(13,093)	25,076
Total comprehensive (loss) / income		(31,324)	47,014	(33,696)	48,361
Total comprehensive (loss) / income from continuing operations		(31,324)	47,014	(33,696)	48,361

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

Statement of Financial Position

As at 31 December 2023

	Note	Group		Parent Entity	
		2023	2022	2023	2022
		\$'000	\$'000	\$'000	\$'000
ASSETS					
Current assets					
Cash and cash equivalents	10	98,992	109,543	84,924	93,720
Receivables	11	7,624	15,921	6,390	14,650
Inventories	12	766	814	766	814
Other financial assets	14	174,810	156,842	158,757	137,278
Other assets	15	9,113	8,713	8,510	8,069
Total current assets		291,305	291,833	259,347	254,531
Non-current assets					
Biological assets	13	1,414	2,879	1,414	2,879
Other financial assets	14	1,669	1,442	-	-
Investments accounted for using the equity method	16	1,684	1,277	1,684	1,277
Property, plant and equipment	17	678,337	574,305	676,677	572,726
Total non-current assets		683,104	579,903	679,775	576,882
Total assets		974,409	871,736	939,122	831,413
LIABILITIES					
Current liabilities					
Trade and other payables	20	21,470	12,869	20,762	12,013
Lease liabilities	19(a)	2,752	1,946	2,752	1,946
Provisions	22	31,304	31,515	26,339	26,670
Other liabilities	23	96,739	82,235	104,180	82,193
Total current liabilities		152,265	128,565	154,033	122,822
Non-current liabilities					
Lease liabilities	19(a)	26,548	24,613	26,548	24,613
Borrowings	21	118,375	10,000	118,375	10,000
Provisions	22	2,200	2,169	1,820	1,842
Other liabilities	23	418	311	218	311
Total non-current liabilities		147,541	37,093	146,961	36,766
Total liabilities		299,806	165,658	300,994	159,588
Net assets		674,603	706,078	638,128	671,825
Equity					
Reserves	25(a)	299,050	293,476	298,325	292,835
Restricted funds	25(b)	49,396	48,699	49,396	48,699
Retained earnings	25(c)	326,157	363,903	290,407	330,291
Total equity		674,603	706,078	638,128	671,825

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 2023

		Note	Restricted Funds	Reserves	Retained Earnings	Total
			\$'000	\$'000	\$'000	\$'000
Group						
Balance at 1 January 2022			43,766	268,429	348,832	661,027
Net result			-	-	22,247	22,247
Other comprehensive income			-	24,768	-	24,768
Total comprehensive income			-	24,768	22,247	47,015
Transfers from / (to) restricted fund reserve	25(a)(b)(c)		4,933	298	(5,231)	-
Transfers to revaluation reserves	25(a)(c)		-	(19)	(1,945)	(1,964)
Balance at 31 December 2022			48,699	293,476	363,903	706,078
Balance at 1 January 2023			48,699	293,476	363,903	706,078
Net result			-	-	(18,315)	(18,315)
Other comprehensive loss			-	(13,009)	-	(13,009)
Total comprehensive loss			-	(13,009)	(18,315)	(31,324)
Transfers from / (to) restricted fund reserve	25(b)		697	-	(697)	-
Transfers to / (from) revaluation reserves	25(a)(c)		-	18,583	(18,734)	(151)
Balance at 31 December 2023			49,396	299,050	326,157	674,603
Parent						
Balance at 1 January 2022			43,766	267,758	314,126	625,650
Net result			-	-	23,285	23,285
Other comprehensive income			-	25,077	-	25,077
Total comprehensive income			-	25,077	23,285	48,362
Transfers from / (to) restricted fund reserve	25(b)(c)		4,933	-	(4,933)	-
Transfers to revaluation reserves	25(c)		-	-	(2,187)	(2,187)
Balance at 31 December 2022			48,699	292,835	330,291	671,825
Balance at 1 January 2023			48,699	292,835	330,291	671,825
Net result			-	-	(20,603)	(20,603)
Other comprehensive loss			-	(13,093)	-	(13,093)
Total comprehensive loss			-	(13,093)	(20,603)	(33,696)
Transfers from / (to) restricted fund reserve	25(b)(c)		697	-	(697)	-
Transfers to / (from) revaluation reserves	25(a)(c)		-	18,583	(18,583)	-
Balance at 31 December 2023			49,396	298,325	290,407	638,128

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 2023

	Note	Group		Parent Entity	
		2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Cash flows from operating activities					
Australian Government grants		161,745	155,263	140,652	132,444
OS-HELP (net)		(42)	(585)	(42)	(585)
NT Government grants		24,713	45,643	18,526	39,511
HECS-HELP student payments		4,409	4,512	4,409	4,512
Receipts from student fees and other customers		201,156	152,208	186,555	146,282
Interest received		6,835	2,800	5,495	1,508
Dividend received		808	4,533	751	4,421
Payments to suppliers and employees		(367,023)	(321,766)	(329,320)	(282,480)
Lease interest payments		(522)	(121)	(509)	(121)
Low value / short term lease payments		(3,115)	(3,822)	(2,856)	(3,079)
Net cash from operating activities	35	28,964	38,665	23,661	42,413
Cash flows from investing activities					
Proceeds from sale of property, plant and equipment	24	199	16,740	178	16,740
Proceeds from sale of biological assets		278	224	278	224
Payments for property, plant and equipment		(116,798)	(61,791)	(116,302)	(60,297)
Payments for biological assets		(81)	(55)	(81)	(55)
Other investing inflows		5,152	-	10,000	-
Other investing outflows		(33,621)	(43,367)	(32,000)	(32,700)
Net cash used in investing activities		(144,871)	(88,249)	(137,927)	(76,088)
Cash flows from financing activities					
Payment of principal portion of lease liabilities		(2,041)	(2,438)	(1,927)	(2,438)
Other financing inflows		107,397	10,000	107,397	10,000
Net cash from / (used in) financing activities		105,356	7,562	105,470	7,562
Net decrease in cash and cash equivalents		(10,551)	(42,022)	(8,796)	(26,113)
Cash and cash equivalents at the beginning of the financial year		109,543	151,565	93,720	119,833
Cash and cash equivalents at the end of the financial year	10	98,992	109,543	84,924	93,720

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

Notes to the Financial Statements

For the year ended 31 December 2023

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Notes to the Financial Statements

For the year ended 31 December 2023

Note 1: Summary of material accounting policy information

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, the 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 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 to Note 1(b) and Note 31.

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

(a) Basis of preparation

As per AASB 1054 *Australian Additional Disclosures*, 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 (AAS), Australian Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board (AASB), *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 and other State/Australian Government legislative requirements.

Charles Darwin University applies Tier 1 reporting 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.

Additionally, these statements have been prepared in accordance with the *Higher Education Support Act 2003* (Financial Statement Guidelines).

Date of authorisation for issue

The financial statements were authorised for issue by the Council members of Charles Darwin University on 6 June 2024.

Historical cost convention

These financial statements have been prepared under the historical cost convention, except for equity instruments (other financial assets) that have been measured at fair value through other comprehensive income or profit or loss, certain classes of property, plant and equipment, and biological assets.

Critical accounting estimates and judgements

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 2023

Note 1: Summary of material accounting policy information (continued)

(b) Basis of consolidation

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

- Charles Darwin University Foundation (Dissolved in December 2022)
- Charles Darwin University Foundation Trust (Dissolved in December 2022)
- Menzies School of Health Research (Menzies), which includes:
- Bridging the Gap Foundation (Dissolved in January 2024)

(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 income or 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. The University's controlled entities are also exempt from income tax.

The University and Menzies incur payroll tax at the rate determined by the relevant state and territory government for payments made to and benefits received by employees.

(e) Rounding of amounts

The Group is an entity of the kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, as amended in accordance with the ASIC Corporations (Amendment) instrument 2022/719, 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 2023

Note 1: Summary of material accounting policy information (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 in the Statement of Financial Position. 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. The University's cash and cash equivalents and other financial assets accounts as at 31 December 2022 were updated to conform to the presentation of the University's term deposits with original maturity date of more than 90 days as other financial assets in the Statement of Financial Position as at 31 December 2022. The Statement of Cash Flows for the year ended 31 December 2022 was also updated accordingly. The updates had no effect to the University's Income Statement, Statement of Comprehensive Income and Statement of Changes in Equity for the year ended 31 December 2022.

The comparative figures in the financial statements for the year ended 31 December 2022 include the balances of Charles Darwin University Foundation and Charles Darwin University Foundation Trust.

Notes to the Financial Statements

For the year ended 31 December 2023

Note 1: Summary of material accounting policy information (continued)

(i) Initial application of AAS

Charles Darwin University applied for the first-time certain standards and/or amendments, which are effective for annual periods beginning on or after 1 January 2023 (unless otherwise stated). The impact has been disclosed in the table below.

Standard/Amendment	Application date	Implications
AASB2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates AASB2021-2 amends: <ul style="list-style-type: none">- AASB7, to clarify that information about measurement bases for financial instruments is expected to be material to an entity's financial statements;- AASB101, to require entities to disclose their material accounting policy information rather than their significant accounting policies;- AASB108, to clarify how entities should distinguish changes in accounting policies and changes in accounting estimates;- AASB134 Interim Financial Reporting, to identify material accounting policy information as a component of a complete set of financial statements; and- AASB Practice Statement 2, to provide guidance on how to apply the concept of materiality to accounting policy disclosures.	1-Jan-23	The amendments had no material impact to the Group.
AASB2021-6 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards AASB2021-6 amends: <ul style="list-style-type: none">- AASB1049 Whole of Government and General Government Sector Financial Reporting, to require entities to disclose their material accounting policy information rather than their significant accounting policies; and- AASB1054 Australian Additional Disclosures, to reflect the updated terminology used in AASB101.	1-Jan-23	The amendments had no material impact to the Group.

(j) Initial application of the International Financial Reporting Standards Interpretations Committee (IFRS IC) Agenda Decisions

In October 2022, the IFRS IC published an agenda decision that provided guidance on how an entity will assess a rent concession if the lessor expects to forgive payments due from the lessee. The IFRS IC concluded that the lessor must measure expected credit losses on the operating lease receivable considering its expectations of forgiving lease payments recognised as part of that receivable.

In April 2023, the IFRS IC published an agenda decision which dealt with practical ability to substitute the identifiable asset for the purpose of IFRS 16, Leases.

The application of IFRS IC agenda decisions above had no impact to Charles Darwin University and its controlled entities.

Notes to the Financial Statements

For the year ended 31 December 2023

Note 1: Summary of material accounting policy information (continued)

(k) New accounting standards, amendments and interpretations issued but not yet effective

The following standards, amendments and interpretations have been issued but are not mandatory for 31 December 2023 reporting periods. Charles Darwin University has elected not to early adopt any of these standards, amendments and/or interpretations. Charles Darwin University's assessment of the impact of these new standards, amendments and interpretations is set out below.

Standard/Amendment	Application date	Implications
AASB17 Insurance Contracts	1-Jan-27	There will be no material impact to the Group
AASB2022-8 Amendments to Australian Accounting Standards – Insurance Contracts: Consequential Amendments	1-Jan-27	There will be no material impact to the Group
AASB2022-9 Amendments to Australian Accounting Standards – Insurance Contracts in the Public Sector	1-Jan-27	There will be no material impact to the Group
AASB2014-10 Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to AASB10 and AASB128	1-Jan-25	There will be no material impact to the Group
AASB2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Amendments to AASB101	1-Jan-24	There will be no material impact to the Group
AASB2022-5 Amendments to Australian Accounting Standards – Lease Liability in a Sale and Leaseback – Amendments to AASB16	1-Jan-24	There will be no material impact to the Group
AASB2022-10 Amendments to Australian Accounting Standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities	1-Jan-24	There will be no material impact to the Group
AASB2022-6 Amendments to Australian Accounting Standards – Non-current Liabilities with Covenants	1-Jan-24	There will be no material impact to the Group
AASB2023-1 Amendments to Australian Accounting Standards – Supplier Finance Arrangements	1-Jan-24	There will be no material impact to the Group

Notes to the Financial Statements

For the year ended 31 December 2023

Note 2: Disaggregated information

(a) Industry - Dual Sector Providers (Parent)

Operating revenues and expenses for Higher Education and Vocational Education Training (VET) 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.

		Parent Entity			Parent Entity		
Note		Higher Education	VET	Total Parent	Higher Education	VET	Total Parent
		2023	2023	2023	2022	2022	2022
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
INCOME STATEMENT							
Revenue and Income from continuing operations							
Australian Government financial assistance							
Australian Government grants	3.1	103,424	914	104,338	91,135	7,515	98,650
HECS - HELP Australian Gov payments	3.1	32,768	17	32,785	33,621	2,233	35,854
NT Government financial assistance	3.2	15,745	2,705	18,450	34,844	2,213	37,057
HECS - HELP student payments		5,684	-	5,684	6,044	446	6,490
Fees and charges	3.3	74,182	58,292	132,474	34,066	61,591	95,657
Consultancy and contract fees	3.4	26,104	536	26,640	26,169	70	26,239
Other revenue and income	3.5	10,623	3,216	13,839	12,701	6,124	18,825
Investment revenue	4	5,571	1,759	7,330	4,644	1,887	6,531
Gain on disposal of assets	24	50	17	67	-	-	-
Share of profit or (loss) on investments accounted for using the equity method	16	305	102	407	(160)	(84)	(244)
Total revenue and income from continuing operations		274,456	67,558	342,014	243,064	81,995	325,059
Expenses from continuing operations							
Employee-related expenses	5	141,041	49,595	190,636	126,390	47,488	173,878
Depreciation	6	13,975	4,600	18,575	10,925	5,552	16,477
Repairs and maintenance	7	4,693	1,627	6,320	4,015	4,015	8,030
Impairment of assets	8	261	87	348	70	632	702
Losses on disposal of assets	24	-	-	-	125	163	288
Other expenses	9	123,676	23,062	146,738	78,717	23,682	102,399
Total expenses from continuing operations		283,646	78,971	362,617	220,242	81,532	301,774
Net result before income tax		(9,190)	(11,413)	(20,603)	22,822	463	23,285
Net result after income tax		(9,190)	(11,413)	(20,603)	22,822	463	23,285
Net result		(9,190)	(11,413)	(20,603)	22,822	463	23,285

Notes to the Financial Statements

For the year ended 31 December 2023

Note 2: Disaggregated information (continued)

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

	Note	Higher Education 2023 \$'000	VET 2023 \$'000	Total Parent 2023 \$'000	Higher Education 2022 \$'000	VET 2022 \$'000	Total Parent 2022 \$'000
STATEMENT OF FINANCIAL POSITION							
ASSETS							
Current assets							
Cash and cash equivalents	10	235,212	(150,288)	84,924	240,789	(147,069)	93,720
Receivables	11	4,792	1,598	6,390	9,614	5,036	14,650
Inventories	12	575	191	766	534	280	814
Other financial assets	14	119,068	39,689	158,757	106,958	30,320	137,278
Other non-financial assets	15	6,383	2,127	8,510	5,295	2,774	8,069
Total current assets		366,030	(106,683)	259,347	363,190	(108,659)	254,531
Non-current assets							
Biological assets	13	-	1,414	1,414	-	2,879	2,879
Investments accounted for using the equity method	16	1,684	-	1,684	1,277	-	1,277
Property, plant and equipment	17	507,508	169,169	676,677	375,850	196,875	572,725
Total non-current assets		509,192	170,583	679,775	377,127	199,754	576,881
Total assets		875,222	63,900	939,122	740,317	91,095	831,412
LIABILITIES							
Current liabilities							
Trade and other payables	20	15,571	5,191	20,762	7,883	4,129	12,012
Lease liabilities	19(a)	2,064	688	2,752	1,277	669	1,946
Provisions	22	19,754	6,585	26,339	17,502	9,168	26,670
Other liabilities	23	78,096	26,084	104,180	53,940	28,253	82,193
Total current liabilities		115,485	38,548	154,033	80,602	42,219	122,821
Non-current liabilities							
Lease liabilities	19(a)	19,911	6,637	26,548	16,152	8,461	24,613
Borrowings	21	88,781	29,594	118,375	6,562	3,438	10,000
Provisions	22	1,365	455	1,820	1,209	633	1,842
Other liabilities	23	203	15	218	204	107	311
Total non-current liabilities		110,260	36,701	146,961	24,127	12,639	36,766
Total liabilities		225,745	75,249	300,994	104,729	54,858	159,587
Net assets / (liabilities)		649,477	(11,349)	638,128	635,588	36,237	671,825
Equity							
Reserves	25(a)	244,160	54,165	298,325	206,005	86,830	292,835
Restricted funds	25(b)	50,274	(878)	49,396	46,072	2,627	48,699
Retained earnings / (deficit)	25(c)	355,043	(64,636)	290,407	383,511	(53,220)	330,291
Total equity / (deficit)		649,477	(11,349)	638,128	635,588	36,237	671,825

Notes to the Financial Statements

For the year ended 31 December 2023

Note 2: Disaggregated information (continued)

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

STATEMENT OF CHANGES IN EQUITY

Parent Entity

Balance at 1 January 2022

Net result

Other comprehensive income

Total comprehensive income

Transfers from / (to) restricted reserves

Transfers to asset revaluation reserves

Balance at 31 December 2022

Balance at 1 January 2023

Net result

Other comprehensive loss

Total comprehensive loss

Transfers from / (to) restricted reserves

Transfers to asset revaluation reserves

Balance at 31 December 2023

Higher Education	VET	Total Parent Entity
\$'000	\$'000	\$'000
604,358	21,292	625,650
22,822	463	23,285
11,754	13,323	25,077
34,576	13,786	48,362
(1,910)	1,910	-
(1,436)	(751)	(2,187)
635,588	36,237	671,825
635,588	36,237	671,825
(9,190)	(11,413)	(20,603)
(9,820)	(3,273)	(13,093)
(19,010)	(14,686)	(33,696)
32,899	(32,899)	-
-	-	-
649,477	(11,349)	638,128

Notes to the Financial Statements

For the year ended 31 December 2023

Note 2: Disaggregated information (continued)

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

	Note	Higher Education 2023 \$'000	VET 2023 \$'000	Total Parent 2023 \$'000	Higher Education 2022 \$'000	VET 2022 \$'000	Total Parent 2022 \$'000
STATEMENT OF CASH FLOWS							
Cash Flows from operating activities							
Australian Government grants		139,635	1,017	140,652	122,696	9,748	132,444
OS-HELP (net)		(42)	-	(42)	(585)	-	(585)
NT Government grants		15,822	2,704	18,526	37,298	2,213	39,511
HECS-HELP student payments		4,409	-	4,409	4,066	446	4,512
Receipts from student fees and other customers		117,218	69,337	186,555	77,243	69,039	146,282
Interest received		4,121	1,374	5,495	990	518	1,508
Dividend received		563	188	751	4,421	-	4,421
Payments to suppliers and employees		(260,288)	(69,032)	(329,320)	(208,187)	(74,293)	(282,480)
Lease interest payments		(382)	(127)	(509)	(79)	(42)	(121)
Low value / short term lease payments		(2,142)	(714)	(2,856)	(2,021)	(1,058)	(3,079)
Net cash provided by operating activities	35	18,914	4,747	23,661	35,842	6,571	42,413
Cash flows from investing activities							
Proceeds from sale of property, plant and equipment		134	44	178	11,410	5,330	16,740
Proceeds from sale of biological assets		-	278	278	-	224	224
Payments for property, plant and equipment		(87,227)	(29,075)	(116,302)	(41,099)	(19,198)	(60,297)
Payments for biological assets		-	(81)	(81)	-	(55)	(55)
Other investing inflows		7,500	2,500	10,000	-	-	-
Other investing outflows		(24,000)	(8,000)	(32,000)	(21,514)	(11,186)	(32,700)
Net cash used in investing activities		(103,593)	(34,334)	(137,927)	(51,203)	(24,885)	(76,088)
Cash flows from financing activities							
Payment of principal portion of lease liabilities		(1,445)	(482)	(1,927)	(1,662)	(776)	(2,438)
Other financing inflows		80,547	26,850	107,397	6,816	3,184	10,000
Net cash provided by / (used in) financing activities		79,102	26,368	105,470	5,154	2,408	7,562
Net decrease in cash and cash equivalents		(5,577)	(3,219)	(8,796)	(10,207)	(15,906)	(26,113)
Cash and cash equivalents at the beginning of the financial year		240,789	(147,069)	93,720	250,996	(131,163)	119,833
Cash and cash equivalents at the end of the financial year	10	235,212	(150,288)	84,924	240,789	(147,069)	93,720

Notes to the Financial Statements

For the year ended 31 December 2023

Note 3: Revenue and income

The Notes 3.1. to 3.6 disclose the revenue and income received during the period according to the mandatory disclosures required by the Australian Government Department of Education. The disclosures as per AASB 15 and AASB 1058 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	
		2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
(a) Commonwealth grant scheme and other grants	38.1				
Commonwealth grants scheme ^{#1}		59,248	60,084	59,248	60,084
Indigenous, Regional and Low-SES Attainment Fund ^{#2}		17,203	14,490	17,203	14,490
Higher Education Disability Support Program ^{#3}		84	60	84	60
National Priorities and Industry Linkage Fund		4,078	1,997	4,078	1,997
Other		-	6	-	6
Total Commonwealth grants scheme and other grants		80,613	76,637	80,613	76,637
(b) Higher Education Loan Programs	38.2				
HECS-HELP		27,813	30,707	27,813	30,707
FEE-HELP		3,783	3,792	3,783	3,792
VET FEE-HELP		76	88	76	88
SA-HELP	38.7	1,113	1,267	1,113	1,267
Total Higher Education Loan Programs		32,785	35,854	32,785	35,854
(c) Education - research	38.3a				
Research support program		10,695	10,154	10,695	10,154
Research training program		8,540	8,041	8,540	8,041
Total education research grants		19,235	18,195	19,235	18,195
(d) Other capital funding	38.4				
Other		1,317	708	1,317	708
Total other capital funding		1,317	708	1,317	708
(e) Australian Research Council	38.5				
Discovery		1,449	1,408	1,449	946
Linkages		815	545	638	545
Other		69	87	69	87
Total Australian Research Council		2,333	2,040	2,156	1,578

Notes to the Financial Statements

For the year ended 31 December 2023

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

	Note	Group		Parent Entity	
		2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
(f) Other Australian Government Financial Assistance					
Non-capital					
Department of Health and Aged Care Grants		3,585	4,657	-	-
Away from Base		1,017	1,532	1,017	1,532
National Health and Medical Research Council Grants		12,420	14,605	-	-
Other		1,688	3,095	-	-
Total		18,710	23,889	1,017	1,532
Australian Government grants (a+c+d+e+f)		122,208	121,469	104,338	98,650
HELP - Australian Government payments (b)		32,785	35,854	32,785	35,854
Total Australian Government financial assistance		154,993	157,323	137,123	134,504

- #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, enabling loading and Indigenous Student Success Program.
- #3 Higher Education Disability Support Program includes Additional Support for Students with Disabilities and Australian Disability Clearinghouse on Education and Training.

Notes to the Financial Statements

For the year ended 31 December 2023

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 AASB 15 and the revenue is recognised over time as the students receive the tuition services.

The 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 AASB 15 and the revenue is recognised over time as the grant funds are expended.

The National Priorities and Industry Linkage Fund represents grants to universities to help engage industry to produce job-ready graduates. This falls under AASB 15 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 AASB 1058 (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 AASB 15 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 AASB 1058 (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 AASB 1058 (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 AASB 1058 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 AASB 15 and revenue is recognised overtime. The only exception is ARC funded assets including Linkage, Infrastructure, Equipment and Facilities. These contracts meet the criteria of AASB 1058 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 AASB 15. Income is recognised immediately when the 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 AASB 15 and the revenue is recognised over time as the grant funds are expended.

Notes to the Financial Statements

For the year ended 31 December 2023

Note 3.2: Northern Territory Government financial assistance

	Group		Parent Entity	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Non-capital				
NTG - other financial assistance	18,272	15,373	9,287	9,241
Total non-capital	18,272	15,373	9,287	9,241
Capital				
Vocational Education and Training	2,180	516	2,180	516
Education and Community Precinct	6,983	27,300	6,983	27,300
Total capital	9,163	27,816	9,163	27,816
Total Northern Territory Government Financial Assistance	27,435	43,189	18,450	37,057

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 AASB 15 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 AASB 1058 and the revenue is recognised over time as the asset is acquired or constructed.

Note 3.3: Fees and charges

	Group		Parent Entity	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Course fees and charges				
Fee-paying onshore overseas students	74,621	44,697	74,621	44,697
Vocational Educational and Training	48,612	43,472	48,612	43,472
Continuing education	6,413	4,656	6,413	4,656
Fee-paying domestic postgraduate students	898	1,089	898	1,030
Fee-paying domestic undergraduate students	5	2	5	2
Fee-paying domestic non-award students	521	606	521	606
Total course fees and charges	131,070	94,522	131,070	94,463
Other non-course fees and charges				
Application fees	26	13	26	13
Administration fees and charges	288	262	255	226
Student services fees from students	1,108	933	1,108	933
Other	736	786	15	22
Total other non-course fees and charges	2,158	1,994	1,404	1,194
Total fees and charges	133,228	96,516	132,474	95,657

Notes to the Financial Statements

For the year ended 31 December 2023

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 AASB 15 and the revenue is recognised over time as the students receive the tuition services over the semester.

When the courses or training have been paid in advance by students or the Group has received the government funding in advance, the Group recognises a contract liability until the services are delivered.

There is no significant financing component, as the period from when the student pays and the service is provided is less than 12 months and the consideration is not variable.

Non-course fees and charges

Student service and amenities fee revenue is derived when a student pays the 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 AASB 15 and the revenue is recognised over time as the students receive the student services and amenities.

Other non-course fees and charges revenue relates to the 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 contract fees

	Group		Parent Entity	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Contract research	39,565	35,626	26,640	26,239
Total consultancy and contract fees	39,565	35,626	26,640	26,239

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 AASB 15 or AASB 1058 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 AASB 15 and is not provided over the period; or
- At a point in time when the service is within the scope of AASB 1058.

Notes to the Financial Statements

For the year ended 31 December 2023

Note 3.5: Other revenue and income

	Group		Parent Entity	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Other income				
Donations – CDU Foundation Trust and other	1,460	4,472	1,094	5,510
Scholarships and prizes	1,670	1,321	1,670	1,485
Financial assistance/grants	1,743	254	878	254
Total other income	4,873	6,047	3,642	7,249
Other revenue				
Sales	4,207	3,247	5,329	4,317
Facility and equipment hire	1,416	1,381	1,416	1,381
Catering	152	119	152	119
Guest accommodation	2,045	2,570	2,066	2,637
Gifted asset	-	59	-	59
Change in fair value less point of sale cost of livestock	-	821	-	821
Other	1,408	2,268	1,234	2,242
Total other revenue	9,228	10,465	10,197	11,576
Total other revenue and income	14,101	16,512	13,839	18,825

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 AASB 1058 (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 AASB 15 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 AASB 15 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 AASB 15 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 AASB 1058 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 2023

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 the 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 or corresponding to the education services provided 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 2023

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

Consolidated Sources of Funding								For the year ended 31 December 2023	
Higher Education Loan Program	\$'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	
Revenue and income streams									
Course fees and charges									
Fee-paying onshore overseas students	-	74,621	-	-	-	-	74,621	-	
Fee-paying domestic students	32,785	62,132	59,248	-	-	-	154,165	-	
Other administration fees and charges	-	2,159	-	-	-	-	2,159	-	
Total course fees and charges	32,785	138,912	59,248	-	-	-	230,945	-	
Research									
Research goods and services	-	-	5,919	-	-	39,565	45,338	146	
Research income	-	-	31,655	-	-	-	-	31,655	
Total research	-	-	37,574	-	-	39,565	45,338	31,801	
Non-course fees and charges									
Recurrent Government grants	-	-	-	18,272	-	-	13,512	4,760	
Other Government grants	-	-	5,179	-	-	-	5,179	-	
Capital grants	-	-	1,317	9,163	-	-	1,317	9,163	
Commercial sales	-	-	-	-	-	7,820	7,820	-	
Other	-	-	18,890	-	1,460	4,820	23,711	1,460	
Total non-course fees and charges	-	-	25,386	27,435	1,460	12,640	51,539	15,383	
Total revenue from contracts with customers	32,785	138,912	90,553	13,512	-	52,059	327,822	-	
Total income of not-for-profit	-	-	31,655	13,923	1,460	146	-	47,184	

Notes to the Financial Statements

For the year ended 31 December 2023

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

	Consolidated Sources of Funding						For the year ended 31 December 2022	
	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	-	44,697	-	-	-	-	44,697	-
Fee-paying domestic students	35,854	56,314	60,084	-	-	-	152,252	-
Other administration fees and charges	-	1,995	-	-	-	-	1,995	-
Total course fees and charges	35,854	103,006	60,084	-	-	-	198,944	-
<i>Research</i>								
Research goods and services	-	-	6,698	-	-	35,626	41,963	361
Research income	-	-	32,799	-	-	-	-	32,799
Total research	-	-	39,497	-	-	35,626	41,963	33,160
<i>Non-course fees and charges</i>								
Recurrent Government grants	-	-	-	15,374	-	-	10,665	4,709
Other Government grants	-	-	3,595	-	-	-	3,595	-
Capital grants	-	-	708	27,815	-	-	708	27,815
Commercial sales	-	-	-	-	-	7,317	7,317	-
Other	-	-	17,585	-	4,472	4,723	17,585	9,195
Total non-course fees and charges	-	-	21,888	43,189	4,472	12,040	39,870	41,719
Total revenue from contracts with customers	35,854	103,066	88,670	10,665	-	42,582	280,777	-
Total income of not-for-profit entities	-	-	32,799	32,524	4,472	5,084	-	74,879

Notes to the Financial Statements

For the year ended 31 December 2023

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	Total Income of not-for-profit entities \$'000
Revenue and income streams								
Course fees and charges								
Fee-paying onshore overseas students	-	74,621	-	-	-	-	74,621	-
Fee-paying domestic students	32,785	62,132	59,248	-	-	-	154,165	-
Other administration fees and charges	-	1,405	-	-	-	-	1,405	-
Total course fees and charges	32,785	138,158	59,248	-	-	-	230,191	-
Research								
Research goods and services	-	-	2,157	-	-	26,640	28,651	146
Research income	-	-	19,235	-	-	-	-	19,235
Total research	-	-	21,392	-	-	26,640	28,651	19,381
Non-course fees and charges								
Recurrent Government grants	-	-	-	9,287	-	-	9,287	-
Other Government grants	-	-	5,179	-	-	-	5,179	-
Capital grants	-	-	1,317	9,163	-	-	1,317	9,163
Commercial sales	-	-	-	-	-	8,964	8,964	-
Other	-	-	17,203	-	1,094	3,781	20,983	1,094
Total non-course fees and charges	-	-	23,699	18,450	1,094	12,745	45,730	10,257
Total revenue from contracts with customers	32,785	138,158	84,959	9,287	-	35,604	304,572	-
Total income of not-for-profit	-	-	19,380	9,163	1,094	3,781	-	29,638

Notes to the Financial Statements

For the year ended 31 December 2023

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 2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	Total Income of not-for-profit entities \$'000
Revenue and income streams								
Course fees and charges								
Fee-paying onshore overseas students	-	44,697	-	-	-	-	44,697	-
Fee-paying domestic students	35,854	56,255	60,084	-	-	-	152,193	-
Other administration fees and charges	-	1,195	-	-	-	-	1,195	-
Total course fees and charges	35,854	102,147	60,084	-	-	-	198,085	-
Research								
Research goods and services	-	-	1,578	-	-	26,238	27,456	360
Research income	-	-	18,195	-	-	-	-	18,195
Total research	-	-	19,773	-	-	26,238	27,456	18,555
Non-course fees and charges								
Recurrent Government grants	-	-	-	9,241	-	-	9,241	-
Other Government grants	-	-	3,595	-	-	-	3,595	-
Capital grants	-	-	708	27,816	-	-	708	27,816
Commercial sales	-	-	-	-	-	8,455	8,455	-
Other	-	-	14,490	-	5,510	4,860	14,490	10,370
Total non-course fees and charges	-	-	18,793	37,057	5,510	13,315	36,490	38,185
Total revenue from contracts with customers	35,854	102,147	80,096	9,241	-	34,693	262,031	-
Total income of not-for-profit entities	-	-	18,554	27,816	5,510	4,860	-	56,741

Notes to the Financial Statements

For the year ended 31 December 2023

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 required by the Australian Government Department of Education and the disclosures provided in Note 3.6 as per AASB 15 and AASB 1058:

Note	Group 2023 \$'000	Group 2022 \$'000	Parent 2023 \$'000	Parent 2022 \$'000
Revenue and income from continuing operations				
Australian Government financial assistance				
Australian Government grants	3.1	122,208	121,469	104,338
HELP - Australian Government payments	3.1	32,785	35,854	32,785
NT Government financial assistance	3.2	27,435	43,189	18,450
HECS - HELP student payments		5,684	6,490	5,684
Fees and charges	3.3	133,228	96,516	132,474
Consultancy and contract fees	3.4	39,565	35,626	26,640
Other revenue and income	3.5	14,101	16,512	13,839
Total		375,006	355,656	334,210
Total revenue from contracts with customers as per AASB15	3.6	327,822	280,777	304,572
Total income of not-for-profit as per AASB1058	3.6	47,184	74,879	29,638
Total revenue and income from continuing operations		375,006	355,656	334,210

Note 4: Investment revenue

	Group		Parent Entity	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Interest	9,414	3,545	6,579	2,226
Dividends	808	4,533	751	4,421
Investment property - Fair value movement	-	(86)	-	(116)
Investment property rental	-	11	-	-
Total investment revenue	10,222	8,003	7,330	6,531

Accounting Policy

Investment revenue

Interest income is recorded using the effective interest rate (EIR) for all financial instruments measured at amortised cost and debt instruments measured at fair value through other comprehensive income. The EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, the net carrying amount of the financial asset.

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

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. The related underlying asset of investment property was sold in 2022 before Charles Darwin University Foundation was wound up.

Notes to the Financial Statements

For the year ended 31 December 2023

Note 5: Employee-related expenses

	Group		Parent Entity	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Academic				
Salaries	74,136	67,664	71,936	65,952
Contributions to superannuation and pension schemes:				
- Funded	10,313	9,859	10,204	9,684
Payroll tax	4,756	4,369	4,697	4,278
Worker's compensation	316	319	316	283
Long service leave expense	1,335	1,481	1,303	1,315
Annual leave	632	1,276	506	1,072
Total academic	91,488	84,968	88,962	82,584
Non-academic				
Salaries	101,824	91,036	79,389	71,336
Contributions to superannuation and pension schemes:				
- Funded	17,615	15,047	14,486	12,462
Payroll tax	6,403	5,474	5,089	4,547
Worker's compensation	338	405	338	300
Long service leave expense	2,041	1,790	1,568	1,495
Annual leave	4,215	3,750	702	1,094
Other	102	60	102	60
Total non-academic	132,538	117,562	101,674	91,294
Total employee-related expenses	224,026	202,530	190,636	173,878

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 contribution 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.

Notes to the Financial Statements

For the year ended 31 December 2023

Note 6: Depreciation

Depreciation

	Group		Parent Entity	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Buildings	11,662	10,439	11,662	10,439
Plant and equipment	2,911	2,682	2,303	2,130
Leasehold improvements	37	35	37	34
Land improvements	1,160	1,019	1,160	1,019
Books and periodicals	421	370	421	370
Right of use assets	3,113	2,499	2,992	2,485
Total depreciation	19,304	17,044	18,575	16,477

Accounting Policy

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:

	2023	2022
Buildings	15 – 80 years	15 – 80 years
Building improvements	5 – 50 years	5 – 50 years
Leasehold improvements and land 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
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.

Notes to the Financial Statements

For the year ended 31 December 2023

Note 7: Repairs and maintenance

	Group		Parent Entity	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Building maintenance	1,262	2,244	1,253	2,244
Grounds maintenance	422	400	422	400
Electrical works	1,126	1,128	1,126	1,128
Air-conditioning	1,452	1,597	1,452	1,597
Building energy maintenance	692	235	692	235
Repairs and maintenance information technology	262	172	254	172
Plumbing	873	1,343	873	1,343
Repairs and maintenance general	537	1,764	248	911
Total repairs and maintenance	6,626	8,883	6,320	8,030

Accounting Policy

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

Note 8: Impairment of assets

	Group		Parent Entity	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
General debts	3	99	3	99
Student debts	345	603	345	603
Total impairment of assets	348	702	348	702

Accounting Policy

Impairment of assets

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 14.

Notes to the Financial Statements

For the year ended 31 December 2023

Note 9: Other expenses

	Group		Parent Entity	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Scholarships, grants and prizes	25,287	10,558	31,325	16,612
Non-capitalised equipment	3,604	2,990	3,441	2,883
Advertising, marketing and promotional expenses	14,325	9,041	14,071	8,845
Materials	18,726	13,887	20,708	14,394
Stationery, photocopying and postage	3,511	3,024	3,395	2,875
Licenses, fees and charges	12,746	10,244	12,443	9,811
Travel, staffing and related costs	11,773	10,092	8,826	8,126
Utilities and facilities management	13,973	12,628	13,436	12,154
Interest and low value / short term leases	3,227	3,948	2,620	3,203
Motor vehicle expenses	705	768	601	679
Insurance	3,328	3,044	2,927	2,704
Inventory used	781	1,302	781	1,302
Consultants - teaching	864	1,196	864	1,196
Consultants - general	33,553	23,994	24,443	13,327
Communications	2,062	1,584	1,893	1,421
Other	5,178	3,421	4,964	2,867
Total other expenses	153,643	111,721	146,738	102,399

Note 10: Cash and cash equivalents

	Group		Parent Entity	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Cash at bank and on hand	36,694	34,576	33,154	30,927
Cash at bank - at call account	10,975	14,614	447	2,440
Term deposits (maturity of 90 days or less)	51,323	60,353	51,323	60,353
Total cash and cash equivalents	98,992	109,543	84,924	93,720

Notes to the Financial Statements

For the year ended 31 December 2023

Note 10: Cash and cash equivalents (continued)

(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	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Balances as above	98,992	109,543	84,924	93,720
Balance per Statement of Cash Flows	98,992	109,543	84,924	93,720

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 90 days 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 3.35% and 4.60% (2022 - 0.35% and 3.35%).

(c) At call

The cash at bank at call account is subject to variable interest rates between 0.25% and 3.30% (2022 - 0.10% and 0.50%).

(d) Term deposits (maturity of 90 days or less)

The deposits are bearing floating interest rates between 3.50% and 4.80% (2022 - 0.35% and 4.67%). These deposits have a maturity date of 90 days or less or at notice.

(e) Bank guarantees

The University has three bank guarantees totalling \$0.78 million (2022: \$0.52 million) for the lease of levels 8 to 11, 815 George Street, Sydney and the lease of Level 10 and 11, 410 Ann Street, Brisbane.

Note 11: Receivables

	Group		Parent Entity	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Current				
Trade receivables	5,234	11,290	3,985	10,305
Student fees	3,035	2,623	3,035	2,623
GST receivable	670	2,978	685	2,692
Less: Provision for impaired receivables	(1,315)	(970)	(1,315)	(970)
Total receivables	7,624	15,921	6,390	14,650

Notes to the Financial Statements

For the year ended 31 December 2023

Note 11: Receivables (continued)

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 2023, trade receivables of the Group with a nominal value of \$712,000 (2022: \$311,000) 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:

The ageing of these receivables is:

1 to 3 months

3 to 6 months

Over 6 months

Total

Group		Parent Entity	
2023	2022	2023	2022
\$'000	\$'000	\$'000	\$'000
2,817	1,353	2,467	1,353
127	129	143	129
235	182	235	182
3,179	1,664	2,845	1,664

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

At 1 January

Provisions for expected credit loss

Receivables written off during the year as uncollectible

Unused amount reversed

At 31 December

Group		Parent Entity	
2023	2022	2023	2022
\$'000	\$'000	\$'000	\$'000
970	885	970	885
348	702	348	702
(3)	(589)	(3)	(589)
-	(28)	-	(28)
1,315	970	1,315	970

Information about the credit exposures are disclosed in Note 36 Financial Risk Management.

Notes to the Financial Statements

For the year ended 31 December 2023

Note 12: Inventories

	Group		Parent Entity	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
CDU Bookshop	722	770	722	770
Uniprint	44	44	44	44
Total inventories	766	814	766	814

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	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Cattle				
Carrying amount at 1 January	2,753	1,161	2,753	1,161
(Loss) / gain from changes to fair value less estimated point of sale costs	(1,542)	775	(1,542)	775
Purchases	70	13	70	13
Sales	(260)	(209)	(260)	(209)
Births	244	1,049	244	1,049
Deaths	(16)	(36)	(16)	(36)
Carrying amount at 31 December	1,249	2,753	1,249	2,753
Horses				
Carrying amount at 1 January	126	97	126	97
Gain from changes to fair value less estimated point of sale costs	47	45	47	45
Purchases	10	-	10	-
Sales / deaths	(18)	(16)	(18)	(16)
Carrying amount at 31 December	165	126	165	126
Total biological assets	1,414	2,879	1,414	2,879

Notes to the Financial Statements

For the year ended 31 December 2023

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 2023 the fair value of biological assets is based on the valuation performed by Ray White Livestock.

As at 31 December 2023, the University had no commitment to purchase any livestock.

Livestock held for sale comprised 731 cattle and 14 horses (2022: 877 cattle and 15 horses).

Note 14: Other financial assets

Current

Accrued interest receivable

2,937 801 1,884 801

Contract assets

8,455 7,762 8,455 6,966

Fair value through other comprehensive income (FVOCI)

37,418 49,069 37,418 50,511

Term deposits (maturity greater than 90 days)

126,000 99,210 111,000 79,000

Total current

174,810 156,842 158,757 137,278

Non current

Fair value through other comprehensive income (FVOCI)

1,669 1,442 - -

Total non-current

1,669 1,442 - -

Total other financial assets

176,479 158,284 158,757 137,278

The investment in IDP Education Ltd has been measured at fair value at 31 December 2023. Fair value has been determined based on the market value of shares in IDP Education Ltd (as traded on the Australian Stock Exchange).

Franking credit receivable as of \$22.8m (2022: \$22.8m) relating to the divestment of Education Australia Limited has not been recognised in the financial statement. The franking credit claim is currently under review by the Australian Taxation Office. Income will be recognised when payment is received.

The deposits are bearing floating interest rates between 3.70% and 5.45% (2022 - 0.35% and 4.67%). These deposits have an average maturity of 146 days (2022 - 140 days).

Accounting Policy

Contract assets

The University's right to consideration in exchange for goods or services that the University has transferred to the customer when that right is conditional on the delivery of sufficiently specific outcomes other than the passage of time.

Notes to the Financial Statements

For the year ended 31 December 2023

Note 14: Other financial assets (continued)

(a) Allowances for financial instruments other than receivables

The Group has evaluated its financial instruments, including loans, investments, and other financial assets, in accordance with *AASB9 Financial Instruments*. As of the reporting date, there are no specific allowances established for financial instruments other than receivables (2022 - nil).

The information about the credit exposures is disclosed in Note 36 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.

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.

Notes to the Financial Statements

For the year ended 31 December 2023

Note 14: Other financial assets (continued)

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.

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 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.

Notes to the Financial Statements

For the year ended 31 December 2023

Note 14: Other financial assets (continued)

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.

Note 15: Other assets

	Group		Parent Entity	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Prepayments	8,967	8,488	8,510	8,069
Deposits	146	225	-	-
Total other assets	9,113	8,713	8,510	8,069

Notes to the Financial Statements

For the year ended 31 December 2023

Note 16: Investments accounted for using the equity method

(a) Associates

Name of Entity	Place of business / country of incorporation	Measurement method	Quoted fair value		Ownership interest	
			2023 \$'000	2022 \$'000	2023 %	2022 %
FCD Health Limited	Australia	Equity method	1,069	802	50	50
South Australian Tertiary Admissions Centre Limited	Australia	Equity method	615	475	20	20
			1,684	1,277		

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	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Financial position						
Current assets	1,902	1,098	858	602	2,760	1,700
Non-current assets	15	7	653	760	668	767
Total assets	1,917	1,105	1,511	1,362	3,428	2,467
Current liabilities	848	303	366	249	1,214	552
Non-current liabilities	-	-	530	638	530	638
Total liabilities	848	303	896	887	1,744	1,190
Net assets	1,069	802	615	475	1,684	1,277

Notes to the Financial Statements

For the year ended 31 December 2023

Note 16: Investments accounted for using the equity method (continued)

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

	FCD Health		SATAC		Total	
	2023	2022	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Reconciliation of carrying amount						
Balance at 1 January	802	824	475	698	1,277	1,522
Prior year subsequent changes	92	-	-	-	92	-
Share of profit / (loss) for the year	175	(22)	140	(223)	315	(245)
Balance at 31 December	1,069	802	615	475	1,684	1,277
Financial performance						
Revenues	2,314	1,496	2,055	1,900	4,369	3,397
Expenses	(2,047)	(1,518)	(1,915)	(2,123)	(3,962)	(3,642)
Net operating result before income tax	267	(22)	140	(223)	407	(245)

Notes to the Financial Statements

For the year ended 31 December 2023

Note 17: Property, plant and equipment

Group	Land \$'000	Land Improvements \$'000	Buildings \$'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
At 1 January 2023										
- Cost	-	-	-	-	-	30,169	5,530	35,530	90,210	161,439
- Valuation	40,400	32,803	369,820	2,238	4,196	2,838	-	-	-	452,295
- Accumulated depreciation	-	-	-	-	-	(24,249)	(5,530)	(9,650)	-	(39,429)
Net book amount	40,400	32,803	369,820	2,238	4,196	8,758	-	25,880	90,210	574,305
Year Ended 31 December 2023										
Opening net book amount	40,400	32,803	369,820	2,238	4,196	8,758	-	25,880	90,210	574,305
Additions	-	581	7,055	-	40	4,578	1,970	4,517	104,361	123,102
Remeasurement of lease	-	-	-	-	-	-	-	1,152	-	1,152
Transfers	-	8	-	-	-	(237)	-	-	(1,307)	(1,536)
Disposals	-	-	(60)	-	-	(392)	(1,490)	(1,134)	-	(3,076)
Add back accumulated depreciation	-	-	5	-	-	944	1,490	1,255	-	3,694
Depreciation expense	-	(1,160)	(11,662)	-	(421)	(2,911)	(37)	(3,113)	-	(19,304)
Closing net book amount	40,400	32,232	365,158	2,238	3,815	10,740	1,933	28,557	193,264	678,337
At 31 December 2023										
- Cost	-	589	7,055	-	40	34,118	6,010	40,065	193,264	281,141
- Valuation	40,400	32,803	369,761	2,238	4,196	2,838	-	-	-	452,236
- Accumulated depreciation	-	(1,160)	(11,658)	-	(421)	(26,216)	(4,077)	(11,508)	-	(55,040)
Net book amount	40,400	32,232	365,158	2,238	3,815	10,740	1,933	28,557	193,264	678,337

Notes to the Financial Statements

For the year ended 31 December 2023

Note 17: Property, plant and equipment (continued)

Group	Land \$'000	Land Improvements \$'000	Buildings \$'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
At 1 January 2022										
- Cost	-	4,318	3,462	137	53	47,754	5,530	11,930	36,716	109,901
- Valuation	35,890	28,207	367,380	1,722	3,633	2,838	-	-	-	439,671
- Accumulated depreciation	-	(2,126)	(20,651)	-	(728)	(42,726)	(5,495)	(7,151)	-	(78,879)
Net book amount	35,890	30,400	350,191	1,859	2,958	7,866	35	4,779	36,716	470,693
Year Ended 31 December 2022										
Opening net book amount	35,890	30,400	350,191	1,859	2,958	7,866	35	4,779	36,716	470,693
Additions	-	-	1,244	-	33	2,981	-	24,112	51,150	79,520
Transfers	-	275	2,882	-	-	593	-	-	2,360	6,110
Pre-termination	-	-	-	-	-	-	-	(512)	-	(512)
Disposals	(688)	-	(495)	-	-	(21,160)	-	-	(16)	(22,359)
Add back accumulated Depreciation	-	-	170	-	-	21,160	-	-	-	21,330
Revaluation Surplus	5,197	3,147	26,268	379	1,576	-	-	-	-	36,568
Depreciation expense	-	(1,019)	(10,439)	-	(370)	(2,682)	(35)	(2,499)	-	(17,044)
Closing net book amount	40,400	32,803	369,821	2,238	4,195	8,758	-	25,880	90,210	574,305
At 31 December 2022										
- Cost	-	-	-	-	-	30,169	5,530	35,530	90,210	161,439
- Valuation	40,400	32,803	369,821	2,238	4,195	2,838	-	-	-	452,295
- Accumulated depreciation	-	-	-	-	-	(24,249)	(5,530)	(9,650)	-	(39,429)
Net book amount	40,400	32,803	369,821	2,238	4,195	8,758	-	25,880	90,210	574,305

Notes to the Financial Statements

For the year ended 31 December 2023

Note 17: Property, plant and equipment (continued)

Parent Entity		Land	Land Improvements	Buildings	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
At 1 January 2023											
- Cost	-	-	-	-	-	-	21,461	4,040	34,396	90,211	150,108
- Valuation	40,400	32,803	369,821	2,238	4,196	-	-	-	-	-	449,458
- Accumulated depreciation	-	-	-	-	-	-	(14,284)	(4,040)	(8,516)	-	(26,840)
Net book amount	40,400	32,803	369,821	2,238	4,196		7,177	-	25,880	90,211	572,726
Year Ended 31 December 2023											
Opening net book amount	40,400	32,803	369,821	2,238	4,196		7,177	-	25,880	90,211	572,726
Additions	-	581	7,055	-	40		4,578	1,970	4,204	104,361	122,789
Remeasurement of lease	-	-	-	-	-		-	-	1,152	-	1,152
Transfers	-	8	-	-	-		-	-	-	(1,312)	(1,304)
Disposals	-	-	(60)	-	-		(392)	(1,490)	(1,134)	-	(3,076)
Add back accumulated depreciation	-	-	5	-	-		336	1,490	1,134	-	2,965
Depreciation expense	-	(1,160)	(11,662)	-	(421)		(2,303)	(37)	(2,992)	-	(18,575)
Closing net book amount	40,400	32,232	365,158	2,238	3,815		9,396	1,933	28,244	193,260	676,677
At 31 December 2023											
- Cost	-	589	7,055	-	40		25,647	4,520	38,618	193,260	269,729
- Valuation	40,400	32,803	369,761	2,238	4,196		-	-	-	-	449,398
- Accumulated depreciation	-	(1,160)	(11,658)	-	(421)		(16,251)	(2,587)	(10,374)	-	(42,450)
Net book amount	40,400	32,232	365,158	2,238	3,815		9,396	1,933	28,244	193,260	676,677

Notes to the Financial Statements

For the year ended 31 December 2023

Note 17: Property, plant and equipment (continued)

	Land	Land Improvements	Buildings	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
Parent Entity										
At 1 January 2022										
- Cost	-	4,318	3,462	137	53	38,860	4,040	10,284	36,717	97,872
- Valuation	35,890	28,207	367,380	1,722	3,633	-	-	-	-	436,832
- Accumulated depreciation	-	(2,126)	(20,650)	-	(728)	(32,638)	(4,006)	(6,031)	-	(66,179)
Net book amount	35,890	30,400	350,192	1,859	2,958	6,222	34	4,253	36,717	468,522
Year Ended 31 December 2022										
Opening net book amount	35,890	30,400	350,192	1,859	2,958	6,222	34	4,253	36,717	468,522
Additions	-	-	1,244	-	33	2,474	-	24,112	51,150	79,013
Transfers	-	275	2,882	-	-	611	-	-	2,360	6,128
Disposals	(688)	-	(495)	-	-	(20,484)	-	-	(16)	(21,683)
Add back accumulated depreciation	-	-	170	-	-	20,484	-	-	-	20,654
Revaluation surplus	5,198	3,147	26,269	380	1,574	-	-	-	-	36,568
Depreciation expense	-	(1,019)	(10,439)	-	(370)	(2,130)	(34)	(2,485)	-	(16,477)
Closing net book amount	40,400	32,803	369,821	2,239	4,195	7,177	-	25,880	90,211	572,726
At 31 December 2022										
- Cost	-	-	-	-	-	21,461	4,040	34,396	90,211	150,108
- Valuation	40,400	32,803	369,821	2,239	4,195	-	-	-	-	449,458
- Accumulated depreciation	-	-	-	-	-	(14,284)	(4,040)	(8,516)	-	(26,840)
Net book amount	40,400	32,803	369,821	2,239	4,195	7,177	-	25,880	90,211	572,726

Notes to the Financial Statements

For the year ended 31 December 2023

Note 17: Property, plant and equipment (continued)

Accounting Policy

Property, Plant and Equipment

Land and buildings 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, 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 and land improvements as at 31 December 2023 (2022: physical 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 2023 have been recorded at cost which equates approximately to fair value.

The library assets were revalued by AssetVal Pty Limited in 2022. The basis of the valuation was fair value and is carried out every three years.

The works of art collections were revalued by Miller Fine Art in 2022. The basis of the valuation was fair value and is carried out every three years.

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.

Notes to the Financial Statements

For the year ended 31 December 2023

Note 18: Right-of-use assets

Right-of-use assets building (tenancy)

As at 1 January

Additions of right-of-use assets

Remeasurement of lease

Disposals of right-of-use assets

Depreciation charge

Balance at the end of the year

Group		Parent Entity	
2023	2022	2023	2022
\$'000	\$'000	\$'000	\$'000
25,671	4,183	25,677	3,663
4,105	24,107	3,670	24,107
1,152	-	1,152	-
-	(512)	-	-
(3,006)	(2,107)	(2,884)	(2,093)
27,922	25,671	27,615	25,677

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	
2023	2022	2023	2022
\$'000	\$'000	\$'000	\$'000
209	596	203	590
534	5	534	5
(108)	(392)	(108)	(392)
635	209	629	203
28,557	25,880	28,244	25,880

Total right-of-use-assets

Note 19: Leases

(a) Lease liabilities

Current

Plant & equipment

Building (tenancy)

Total lease liabilities - current

Non-current

Plant & equipment

Building (tenancy)

Total lease liabilities - non-current

Total lease liabilities

Group		Parent Entity	
2023	2022	2023	2022
\$'000	\$'000	\$'000	\$'000
246	200	246	200
2,506	1,746	2,506	1,746
2,752	1,946	2,752	1,946
383	3	383	3
26,165	24,610	26,165	24,610
26,548	24,613	26,548	24,613
29,300	26,559	29,300	26,559

Notes to the Financial Statements

For the year ended 31 December 2023

Note 19: Leases (continued)

(b) Amount recognised in profit and loss

Leases expense

Interest on lease liabilities

Depreciation on right-of-use-assets

Total recognised in profit and loss

Group		Parent Entity	
2023	2022	2023	2022
\$'000	\$'000	\$'000	\$'000
496	121	509	121
3,113	2,499	2,992	2,485
3,609	2,620	3,501	2,606

(c) Amount recognised in statement of cash flows

Plant & equipment

Building (tenancy)

Total cash outflow for leases

Group		Parent Entity	
2023	2022	2023	2022
\$'000	\$'000	\$'000	\$'000
108	391	108	391
2,455	2,168	2,328	2,168
2,563	2,559	2,436	2,559

Accounting Policy

Operating leases and rental expenses

The leases held are for IT equipment and tenancy leases, these leases are recognised in accordance with AASB 16 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 17 and lease liabilities are presented as Leases in Note 19.

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 2023

Note 20: Trade and other payables

	Group		Parent Entity	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Trade payables	9,670	5,047	9,633	5,042
Other payables	11,800	7,822	11,129	6,971
Total trade and other payables	21,470	12,869	20,762	12,013

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 21: 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 \$151.5 million, to date the University has drawn down \$118.4 million as of 31 December 2023.

	Group		Parent Entity	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Non-current				
Borrowings - Northern Australia Infrastructure Facility	118,375	10,000	118,375	10,000
Total non-current borrowings	118,375	10,000	118,375	10,000
Total borrowings	118,375	10,000	118,375	10,000

Under the loan agreement established with the Northern Australia Infrastructure Facility (NAIF), the University is set to make monthly repayments as part of the scheduled drawdown amount. The interest rate for each repayment period comprises a base rate and a variable margin that begins at 0.20% per annum for the initial decade, incrementally increasing to 0.50% per annum after 21 years from September 24, 2020. Half-yearly interest payments fall due on June 15 and December 15, continuing until the maturity date of March 31, 2048. The core of the agreement stipulates that the University is obligated to adhere to a repayment schedule, beginning after the 10th anniversary of the date of completed construction and culminating in full repayment by the maturity date. In case of overdue payments, an additional charge of 2% per annum applies on top of the existing interest rate.

Notes to the Financial Statements

For the year ended 31 December 2023

Note 21: Borrowings (continued)

Accounting Policy

Borrowings

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.

Financing costs

Financing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale. All other financing costs are recognised as an expense when incurred.

Notes to the Financial Statements

For the year ended 31 December 2023

Note 22: Provisions

Current provisions expected to be settled within 12 months

Employee benefits

Annual leave

Long service leave

Employee redundancy

Subtotal

Current provisions expected to be settled after more than 12 months

Employee benefits

Annual leave

Total current provisions

Non-current provisions

Employee benefits

Long service leave

Total non-current provisions

Total provisions

	Group		Parent Entity	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Annual leave	12,164	12,074	9,386	9,453
Long service leave	15,426	15,274	13,239	13,055
Employee redundancy	-	4	-	-
Subtotal	27,590	27,352	22,625	22,508
Annual leave	3,714	4,163	3,714	4,162
Total current provisions	31,304	31,515	26,339	26,670
Long service leave	2,200	2,169	1,820	1,842
Total non-current provisions	2,200	2,169	1,820	1,842
Total provisions	33,504	33,684	28,159	28,512

There were 1,236 equivalent full time and fixed period contract employees at the end of 2023 and there were 1,213 equivalent full time and fixed period contract employees at the end of 2022.

Notes to the Financial Statements

For the year ended 31 December 2023

Note 22: 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 AASB 137 - 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 23: Other liabilities

	Group		Parent Entity	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Current				
Contract liabilities	96,321	81,945	61,153	49,176
OS-HELP liability to Australian Government*	52	52	52	52
Funds held in trust	-	-	42,727	32,727
Other	366	238	248	238
Total current other liabilities	96,739	82,235	104,180	82,193
Non-current				
OS-HELP liability to Australian Government*	418	311	218	311
Total non-current other liabilities	418	311	218	311
Total other liabilities	97,157	82,546	104,398	82,504

* 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 2023

Note 23: Other liabilities (continued)

Accounting Policy

Contract liabilities

Contract liabilities arise from contracts with customers and represent amounts billed in accordance with customer contracts, but where the Group has not yet provided a good or service. Contract liabilities are recognised as revenue when the Group performs its obligations under the contract.

Note 24: Gain / (loss) on disposal of assets

Proceeds on sale of property, plant and equipment

Less: Carrying amount of property, plant and equipment sold

Less: Carrying amount of land held for resale

Total (loss) / gain on disposal of assets

Gain / (loss) is disclosed in the income statement as follows:

Gain on disposal of assets

Loss on disposal of assets

Total (loss) / gain on disposal of assets

Group		Parent Entity	
2023	2022	2023	2022
\$'000	\$'000	\$'000	\$'000
199	16,740	178	16,740
(202)	(1,028)	(111)	(1,028)
-	(16,000)	-	(16,000)
(3)	(288)	67	(288)
67	-	67	-
(70)	(288)	-	(288)
(3)	(288)	67	(288)

Note 25: Reserves, restricted funds and retained earnings

(a) Reserves

Property, plant and equipment revaluation reserve

Available for sale assets revaluation reserve

Capital asset reserve

Total reserves

Group		Parent Entity	
2023	2022	2023	2022
\$'000	\$'000	\$'000	\$'000
260,907	242,248	260,907	242,324
37,426	50,511	37,418	50,511
717	717	-	-
299,050	293,476	298,325	292,835

Notes to the Financial Statements

For the year ended 31 December 2023

Note 25: Reserves, restricted funds and retained earnings (continued)

	Group		Parent Entity	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Movements				
Property, plant and equipment revaluation reserve				
Balance at 1 January	242,248	203,820	242,324	203,568
Revaluation surplus / (deficit) on:				
Land	-	(877)	-	(877)
Land improvements	-	7,014	-	7,014
Buildings	-	30,663	-	30,663
Library collection	-	1,576	-	1,576
Work of art	-	380	-	380
Sub-total	-	38,755	-	38,755
Investments	76	(309)	-	-
Transfer between equity accounts:				
Land, building, plant and equipment*	18,583	(19)	18,583	-
Balance at 31 December	260,907	242,248	260,907	242,324
FVOCI Financial assets revaluation reserve				
Balance at 1 January	50,511	64,190	50,511	64,190
Revaluation loss on financial assets at FVOCI	(13,085)	(13,679)	(13,093)	(13,679)
Balance at 31 December	37,426	50,511	37,418	50,511
Capital assets reserve				
Balance at 1 January	717	419	-	-
Transfers from / (to) accumulated funds	-	298	-	-
Balance at 31 December	717	717	-	-

* The University had transferred a portion of its retained earnings to the revaluation reserve during the year, which pertains to accumulated revaluation deficits of retired assets in the previous years, and to update the revaluation reserve balance as of 31 December 2023.

	Group		Parent Entity	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
(b) Restricted funds reserve				
Balance at 1 January	48,699	43,767	48,699	43,767
Adjustments via revenue	697	4,932	697	4,932
Balance at 31 December	49,396	48,699	49,396	48,699

Notes to the Financial Statements

For the year ended 31 December 2023

Note 25: Reserves, restricted funds and retained earnings (continued)

	Group		Parent Entity	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
(c) Retained earnings				
Retained earnings at 1 January	363,903	348,832	330,291	314,126
Operating result for the period	(18,315)	22,247	(20,603)	23,285
Accumulated funds before transfers to reserves and restricted funds	345,588	371,079	309,687	337,411
Transfers (to) / from restricted funds	(697)	(5,231)	(697)	(4,933)
Transfer of property, plant and equipment revaluation reserve for retired assets	(18,734)	(1,945)	(18,583)	(2,187)
Total retained earnings at 31 December	326,157	363,903	290,407	330,291

(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 or retired, 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 reserve

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

Retained earnings including trust donation balances

Upon dissolution in 2022, Charles Darwin University Foundation has transferred all remaining funds, including trust donations, to Charles Darwin University, and have been recognised as part of the University's retained earnings.

Notes to the Financial Statements

For the year ended 31 December 2023

Note 26: 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:

Council members

The Hon Paul Henderson AO	Chancellor
Professor Scott Bowman AO*	Vice-Chancellor and President
Dr Louise King	Chair, Academic Board
Mr Ken Davies PSM	Deputy Chancellor, Member appointed by the Administrator
Emeritus Professor Charles Webb	Member appointed by the Administrator
Mr Dick Guit OAM	Member appointed by the Administrator
Mr Craig Graham	Member appointed by the Administrator
Hon Vicki O'Halloran AO CVO*	Member appointed by the Administrator, Resigned on 15 September 2023
Mr Mark Munnich	Member appointed by the Administrator
Mrs Janelle Marr	Member appointed by the Administrator
Dr Ruth Schubert	Member appointed by the Administrator
Mr Nikolaos Ergas	Member elected by the Undergraduate Students
Mr Ramesh Prasad Pandey	Member elected by the Postgraduate Students
Mr Raymond Simpson*	Member Elected by the Academic Staff (TAFE)
Associate Professor Alan Berman*	Member Elected by the Academic Staff (HE)
Professor Hilary Winchester AM*	Ex-officio member (Acting Vice-Chancellor) from 24 March to 18 April 2023.

(b) Executive officers

Professor Scott Bowman AO	Vice-Chancellor and President
Ms Jenny Roberts	Vice-President Global and External Relations until February 2023
Ms Shannon Holborn	Vice-President Global and External Relations from February 2023
Professor Hilary Winchester	Vice-President Governance and University Secretary until September 2023
Mr Brendon Douglas	Vice-President Governance and University Secretary from September 2023
Mr Rick Davies	Vice-President Corporate and Chief Financial Officer
Hon Vicki O'Halloran AO CVO	Vice President Community Connection from September 2023
Professor Fiona Coulson	Deputy Vice-Chancellor, Academic
Professor Steve Rogers	Deputy Vice-Chancellor, Research and Innovation
Professor Reuben Bolt	Deputy Vice-Chancellor, First Nations Leadership
Mx Sam Jacob	Deputy Vice-Chancellor, Students & VET until May 2023
Professor Dominic Upton	Pro Vice-Chancellor Faculty of Health
Professor Ruth Wallace	Pro Vice-Chancellor Faculty of Arts and Society
Professor Suresh Thennadil	Pro Vice-Chancellor, Faculty of Science and Technology from February 2023
Mr Mike Hamilton	Pro Vice-Chancellor and Chief Executive Officer, CDU TAFE from February 2023

All of the above persons were also key management persons during the year ended 31 December 2023.

* 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.

Notes to the Financial Statements

For the year ended 31 December 2023

Note 26: Key management personnel disclosures (continued)

(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	
	2023	2022
	Headcount	Headcount
Remuneration of Council members		
Nil to \$14,999	16	14
Remuneration of executives		
Less than \$14,999	-	1
\$15,000 to \$149,999	3	2
\$270,000 to \$284,999	1	1
\$285,000 to \$299,999	2	1
\$300,000 to \$314,999	1	1
\$315,000 to \$329,999	1	2
\$330,000 to \$344,999	3	1
\$345,000 to \$359,999	2	1
\$360,000 to \$374,999	1	2
\$630,000 to \$644,999	-	1
\$645,000 to \$659,999	1	-

(d) Key management personnel compensation

	Group		Parent Entity	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Short-term employee benefits	5,647	4,632	3,905	3,271
Post-employee benefits*	696	577	510	416
Other long-term benefits	57	160	(90)	(79)
	6,400	5,369	4,325	3,608

* Superannuation is included in post-employee benefits.

(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.

Notes to the Financial Statements

For the year ended 31 December 2023

Note 27: Remuneration of auditors

Audit services

Fees paid to the Northern Territory Auditor-General's Office

Total remuneration for audit services

Group		Parent Entity	
2023	2022	2023	2022
\$'000	\$'000	\$'000	\$'000
313	280	246	182
313	280	246	182

Note 28: Contingencies

Contingent liabilities

In 2021, the University identified an underpayment of casual employees engaged in professional and academic roles across a range of our business units/schools. It was found 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. The University is also considering whether casual employees have an entitlement to payment of district allowance, which the University has not historically paid to casual employees. The underpayment over a six-year period is between \$2 million to \$4 million according to the University estimates. Payments to affected employees commenced in 2023 and are expected to be finalised in 2024. As a result of this incident, 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 were no other material contingent liabilities as at 31 December 2023.

Note 29: Commitments

(a) Capital commitments

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

Building works

Payable:

Within one year

Later than one year but not later than five years

Later than five years

Group		Parent Entity	
2023	2022	2023	2022
\$'000	\$'000	\$'000	\$'000
66,383	93,045	66,383	93,045
-	34,562	-	34,562
-	-	-	-
66,383	127,607	66,383	127,607

The University signed an Early Contractor Involvement (ECI) contract for \$224 million in relation to the Education and Community Precinct Project. As of 31 December 2023, the remaining commitment included above was \$35 million (2022 - \$119 million).

Notes to the Financial Statements

For the year ended 31 December 2023

Note 29: Commitments (continued)

(b) Lease

All leases of the Group are operating leases.

(i) Short-term and low value leases

Office equipment

Computing equipment

Total leases

Group		Parent Entity	
2023	2022	2023	2022
\$'000	\$'000	\$'000	\$'000
118	214	118	214
929	1,807	929	1,807
1,047	2,021	1,047	2,021

(c) Revenue

During the year \$9.16 million (2022: \$31.3 million) was received in cash and is committed to fund specific capital projects, of the amounts received, \$9.16 million (2022: \$27.8 million) is included in income from continuing operations for capital work performed.

Note 30: 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 – Closed January 2024
- Charles Darwin University Foundation – Closed December 2022
- Charles Darwin University Foundation Trust (CDUF) – Closed December 2022

(c) Key management personnel

Disclosures relating to responsible persons and executive officers are set out in Note 26.

Notes to the Financial Statements

For the year ended 31 December 2023

Note 30: Related parties (continued)

(d) Transactions with related parties

The following transactions took place with related parties:

Menzies School of Health Research (MSHR)

	2023 \$'000	2022 \$'000
Income		
Other	1,375	2,324
Total income	1,375	2,324
Expenditure		
Student fees *	2,356	1,734
Projects	360	872
Research grant expenditure	6,956	6,365
Other	2,268	1,024
Total expenditure	11,940	9,995
Total transactions with related parties	(10,565)	(7,671)

* 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 2023, the Parent holds \$42.7 million (2022: \$32.7 million) investment on behalf of Menzies School of Health Research (disclosed in Note 23).

Charles Darwin University Foundation Trust (CDUF)~

	2023 \$'000	2022 \$'000
Income		
Donor disbursements for University activities	-	5,764
Expenditure		
Interest expense	-	106
Total transactions with related parties	-	5,658

~ Closed December 2022

FCD Health Limited

During the year ended 31 December 2023, the parent had no material transactions with FCD Health Limited.

South Australian Tertiary Admissions Centre Limited (SATAC)

During the year ended 31 December 2023, the University paid \$927,205 (2022: \$744,425) in member contributions and license fees to SATAC.

Notes to the Financial Statements

For the year ended 31 December 2023

Note 30: Related parties (continued)

Northern Territory General Practice Education (NTGPE)

CDU is one of the six member organisations of the NTGPE. During the year ended 31 December 2023, the University received a Board member fee of \$4,575 (2022 \$10,363) from NTGPE.

(e) Advances to/from related parties

During the year ended 31 December 2023, there were no loans to/from related parties.

(f) Outstanding balances

As at 31 December 2023, the University holds \$42,727,000 (2022: \$32,727,000) of investment on behalf of Menzies School of Health Research.

Note 31: 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):

	Principal place of business	Equity Holding	
		2023 %	2022 %
Menzies School of Health Research Bridging the Gap Foundation*	Building 58, Royal Darwin Hospital Campus, Rocklands Drive, Tiwi, NT 0810	100	100
	Building Red 9, Charles Darwin University, Ellengowan Drive, Casuarina, NT 0810	100	100

* On 2 January 2024, the directors of Bridging the Gap Foundation (the Company) decided to wind up the Company. In 2023, Bridging the Gap Foundation was unable to find another partner to become a fundraising entity, a self-reliant and financially independent charity, and continue its operation. In early 2023, Menzies School of Health Research decided not to support further the Company's operating costs to continue its operation. As such, Menzies School of Health Research and the Company undertook activities to commence the wind up of the Company. The directors of the Company formally endorsed the decision in early 2024, which the members subsequently agreed upon.

The change in the basis of preparation of the Company's annual financial statements has resulted in no impact on the classification and measurement of the Company's assets and liabilities as at 31 December 2023 and its comparative figures. No additional provisions have been recognised in relation to the costs expected to be incurred in winding up the Company.

Notes to the Financial Statements

For the year ended 31 December 2023

Note 31: 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 2023 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 32: Joint operations

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*.

Note 33: 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 34: Events subsequent to the end of the financial year

In January 2024, the directors of Bridging the Gap Foundation made the resolution to wind up its operations in line with its Constitution.

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.

Notes to the Financial Statements

For the year ended 31 December 2023

Note 35: Reconciliation of operating result to net cash flows from operating activities

	Group		Parent Entity	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Operating result for the period	(18,315)	22,247	(20,603)	23,285
Depreciation	19,304	17,044	18,575	16,477
Gifted assets	-	(59)	-	(59)
Payments for biological assets	81	55	81	55
Net loss / (gain) on disposal of non-current assets	3	288	(67)	289
Net loss on disposal of investment property	-	80	-	116
Net gain on disposal of biological assets	(278)	(224)	(278)	(224)
Provision for impairment - student and general debts	348	702	348	702
Recovery of previously impaired assets	-	(2)	-	(2)
Non-cash investment income	(407)	246	(407)	244
	736	40,377	(2,351)	40,883
Change in operating assets and liabilities				
Decrease / (Increase) in receivables	7,949	(9,117)	7,912	(8,727)
Decrease / (Increase) in inventories	48	(42)	48	(42)
Decrease / (Increase) in biological assets	1,465	(1,621)	1,465	(1,621)
Increase in other financial assets	(1,447)	(1,118)	(2,572)	(2,763)
Increase in other non-financial assets	(2,010)	(2,608)	(441)	(2,540)
Increase in trade and other payables	7,480	273	7,750	774
Increase in other liabilities	14,924	11,851	12,204	15,633
(Decrease) / increase in provisions	(181)	670	(354)	816
	28,228	(1,712)	26,012	1,530
Net cash provided by operating activities	28,964	38,665	23,661	42,413

Note 36: 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.

Risk management is carried out by executive officers under policies approved by the Council. The Group identifies and evaluates financial risks in close co-operation with the Group's operating units. The Council provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, and investment of excess liquidity. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate.

Notes to the Financial Statements

For the year ended 31 December 2023

Note 36: Financial risk management (continued)

The Group's financial instruments consist mainly of deposits with banks, term deposits, financial assets measured at FVOCI, 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 sheet 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 2023, the weighted average term interest rate range was 3.5% and 5.45% with an average term of 146 days. This is compared to 0.35 and 4.67% and 140 days, respectively, in 2022. The change was due to economic conditions, with the RBA cash rates steadily increasing month on month throughout 2023. The interest rate outlook for 2024 is likely to remain unchanged.

iv) *Inter-Bank Offered Rate (IBOR) Reform*

Inter-Bank Offered Rate reform refers to a global reform of interest rate benchmarks. These benchmarks are used to determine interest rates and payment obligations for a wide range of financial arrangements such as loans, bonds and derivatives. The IBOR Reform is not expected to have any material impact to the Group.

v) *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 2023

Note 36: Financial risk management (continued)

At 31 December 2023, 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:

		Interest rate risk			
		-1.95%		1.95%	
	Group carrying amount \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000
31 December 2023					
Financial assets					
Cash and cash equivalents	98,992	(1,930)	(1,930)	1,930	1,930
Other financial assets	174,810	(3,409)	(3,409)	3,409	3,409
Total (decrease) / increase		(5,339)	(5,339)	5,339	5,339
31 December 2022					
Financial assets					
Cash and cash equivalents	109,543	(548)	(548)	548	548
Other financial assets	156,842	(784)	(784)	784	784
Total (decrease) / increase		(1,332)	(1,332)	1,332	1,332

*2022 Interest rate risk was 0.50%

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 Group's receivables and trade and other payables are not exposed to interest rate risk as these are not interest bearing and expected to be collected and paid within 30 days normal course of business. Exposure to foreign exchange risk and other price risk of these financial assets and liabilities are not considered material.

The Group's finance cost incurred from borrowing which is directly attributable to upgrades of infrastructure are added to the cost of the assets until such time as the assets are substantially ready for their intended use. The borrowing is not included in the analysis.

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 dollars, which has been subject to a range of \$0.09 from the lowest exchange rate received to the highest in 2023. Forecasts vary on the expectations of the exchange rate for 2024, the weighted average for 2023 was \$0.66.

Notes to the Financial Statements

For the year ended 31 December 2023

Note 36: 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. Credit risk from balances with banks and financial institutions is managed by the Group in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Group's executive officers on an annual basis, and may be updated throughout the year subject to approval of the Council members. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments. At balance sheet 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 sheet 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 37: 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	
		2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Financial assets					
Cash and cash equivalents	10	98,992	109,543	98,992	109,543
Receivables	11	7,624	15,921	7,624	15,921
Other financial assets	14	174,810	156,842	174,810	156,842
Deposits	15	146	225	146	225
Total financial assets		281,572	282,531	281,572	282,531
Financial liabilities					
Trade and other payables	20	21,470	12,869	21,470	12,869
Borrowings	21	118,375	10,000	118,375	10,000
Total financial liabilities		139,845	22,869	139,845	22,869

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

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

Notes to the Financial Statements

For the year ended 31 December 2023

Note 37: 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 2023

Note 37: 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 2023.

Fair value measurements at 31 December 2023

	Note	2023 \$'000	2022 \$'000	Category	Valuation technique and inputs used
Financial assets measured at FVOCI	14	39,087	50,511	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.
Term deposits (maturity greater than 90 days)	14	126,000	99,210	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.
Total other financial assets		165,087	149,721		
Land	17	40,400	40,400	Level 2	Market valuation - Sales prices of comparable land adjusted for property size, location, topography, and other inherent attributes.
Land Improvements	17	32,232	32,803	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	17	365,158	369,820	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	17	6,053	6,434	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.
Total non-financial assets		443,843	449,457		

Notes to the Financial Statements

For the year ended 31 December 2023

Note 38: Acquittal of Australian Government financial assistance

1. Education - CGS and other education grants

Note	Commonwealth Grants Scheme #1			Indigenous, Regional and Low SES Attainment Fund #2			Higher Education Disability Support Program #3		
	2023	2022	\$'000	2023	2022	\$'000	2023	2022	\$'000
3.1(a)	64,183	59,726		18,501	16,033		84	60	
	(4,935)	358		(1,298)	(1,543)		-	-	
	59,248	60,084		17,203	14,490		84	60	
	-	-		-	-		-	-	
	59,248	60,084		17,203	14,490		84	60	
	59,248	60,084		17,203	14,490		84	60	
	-	-		-	-		-	-	

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

Note	National Priorities and Industry Linkage Fund			Other			Total		
	2023	2022	\$'000	2023	2022	\$'000	2023	2022	\$'000
3.1(a)	3,394	3,279		-	-		86,162	79,098	
	684	(1,282)		-	6		(5,549)	(2,461)	
	4,078	1,997		-	6		80,613	76,637	
	-	-		-	-		-	-	
	4,078	1,997		-	6		80,613	76,637	
	4,078	1,997		-	6		80,613	76,637	
	-	-		-	-		-	-	

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

#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.

Notes to the Financial Statements

For the year ended 31 December 2023

Note 38: Acquittal of Australian Government financial assistance (continued)

2. Higher Education Loan Programs (excl OS-HELP)

Note	HECS-HELP				FEE – HELP				VET FEE-HELP				SA-HELP				Total	
	Australian Government Payments only																	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash Payable / (Receivable) at beginning of year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Financial Assistance received in Cash during the reporting period	26,241	31,783	3,319	3,015	76	87							1,113	1,202	30,749	36,087		
Net accrual adjustments	1,572	(1,076)	464	777	-	-							-	65	2,036	(234)		
Cash available for period	27,813	30,707	3,783	3,792	76	87							1,113	1,267	32,785	35,854		
Less: Revenue earned	27,813	30,707	3,783	3,792	76	87							1,113	1,267	32,785	35,854		
Cash Payable / (Receivable) at end of year	-	-	-	-	-	-							-	-	-	-	-	-

3.1(b)

3a. Department of Education and Research

Note	Research Training Program				Research Support Program				Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial Assistance received in Cash during the reporting period (total cash received from the Australian Government for the Programs)	8,540	8,042	10,695	10,164	19,235	18,206				
Net accrual adjustments	-	(1)	-	(10)	-	(11)				
Revenue for the period	8,540	8,041	10,695	10,154	19,235	18,195				
Surplus / (deficit) from the previous year	2,150	2,150	-	-	2,150	2,150				
Total revenue including accrued revenue	10,690	10,191	10,695	10,154	21,385	20,345				
Less expenses including accrued expenses	7,953	8,041	10,524	10,154	18,477	18,195				
Surplus / (deficit) for reporting period	2,737	2,150	171	-	2,908	2,150				

3.1(c)

Notes to the Financial Statements

For the year ended 31 December 2023

Note 38: Acquittal of Australian Government financial assistance (continued)

3b. Total Higher Education provider Research Training Program expenditure

	Total domestic students \$'000	Total overseas students \$'000	Total RTP expenses \$'000
Research Training Program Fees offsets	4,849	322	5,171
Research Training Program Stipends	2,158	354	2,512
Research Training Program Allowances	151	119	270
Total for all types of support	7,158	795	7,953

4. Other capital funding

Note	Other Capital Funding			Total	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	
Financial Assistance received in Cash during the reporting period (total cash received from the Australian Government for the Programs)	-	3,065	-	3,065	
Net accrual adjustments	1,317	(2,357)	1,317	(2,357)	
Revenue for the period	1,317	708	1,317	708	
Surplus / (deficit) from the previous year	-	-	-	-	
Total revenue including accrued revenue	1,317	-	1,317	708	
Less expenses including accrued expenses	1,317	708	1,317	708	
Surplus / (deficit) for reporting period	-	-	-	-	

Notes to the Financial Statements

For the year ended 31 December 2023

Note 38: Acquittal of Australian Government financial assistance (continued)

5. Australian Research Council grants

Notes	Discovery		Linkages		Other		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	1,762	1,327	638	545	69	87	2,470	1,959
	(314)	(381)	-	-	-	-	(314)	(381)
3.1(e)	1,449	946	638	545	69	87	2,156	1,578
	1,348	1,307	408	91	31	109	1,787	1,507
	2,797	2,253	1,046	636	100	196	3,943	3,085
	1,742	905	246	228	42	165	2,030	1,298
	1,055	1,348	800	408	58	31	1,913	1,787

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

6. OS-HELP

	OS-HELP		Total	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Cash received during the reporting period	116	(227)	116	(227)
Less carry forward adjustment	52	(5)	52	(5)
Net cash received	64	(222)	64	(222)
Surplus / (deficit) from the previous period	363	585	363	585
Less cash spent during the reporting period	158	-	158	-
Cash Surplus / (deficit) for reporting period	269	363	269	363

Cash received during the reporting period

Less carry forward adjustment

Net cash received

Surplus / (deficit) from the previous period

Less cash spent during the reporting period

Cash Surplus / (deficit) for reporting period

Notes to the Financial Statements

For the year ended 31 December 2023

[Note 38: Acquittal of Australian Government financial assistance \(continued\)](#)

7. Student services and amenities fee (SAF)

Notes	Student services and amenities fee				Total	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Unspent / (overspent) revenue from previous period	(332)	260	(332)	260		
Carry Forward Adjustment	-	-	-	-		
SA-HELP Revenue Earned	1,113	1,267	1,113	1,267		
Student services fees direct from students	1,108	933	1,108	933		
Total revenue expendable in period	1,889	2,460	1,889	2,460		
Less student services expenses during period	2,735	2,792	2,735	2,792		
Overspent student services revenue	(846)	(332)	(846)	(332)		

Notes to the Financial Statements

For the year ended 31 December 2023

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 2023, 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 2023 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 6th day of June 2024



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 2023

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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 2023, the income statement, the statement of comprehensive income, the statement of changes in equity, and statement of cash flows for the year ended, and notes to the financial statements, including material accounting policy 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
Revenue Recognition	
The recognition of revenue is a key audit matter due to the complexity of conditions included in revenue contracts, the interpretation of which affects Group revenue of \$375.01 million, as reported in Note 3, and contract liabilities of \$96.32 million as reported in Note 23.	My procedures included but were not limited to: <ul style="list-style-type: none">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;



Auditor-General

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

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

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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

7 June 2024

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