

Revenue

Total government grants increased by \$13.32 million (15.63%) over 2005. Significant increases included Commonwealth Government financial assistance, in particular Commonwealth Grants Scheme \$5.85 million, Learning and Teaching Development Fund \$2.11 million, Capital Development Pool \$1.36 million and HECS-HELP of \$2.42 million.

Other operating revenue increased by \$5.33 million (13.90%), including an increase in fees and charges of \$4.10 million and other revenue of \$1.86 million. Total revenue increased by \$18.64 million (14.77%).

Expenditure

Salary expenditure excluding provisions increased by \$5.86 million (7.67%) and non-salary cash expenses increased by \$3.64 million (11.53%).

Total expenditure, including non-cash transactions for depreciation, amortisation and transfers to leave provisions increased by \$8.81 million (7.48%).

Operating result

There was a positive operating result of \$18.27 million, an increase of \$9.84 million (116.73%) over the result for 2005 of \$8.43 million. The positive result is attributed to operating activities of \$11.50 million and capital activities of \$6.77 million.

Working capital

There was an improvement in the working capital position from a surplus of \$2.21 million in 2005 to a surplus of \$17.07 million in 2006 due principally to an increase in cash and investments.

Borrowings

There was a reduction in total borrowings from \$6.65 million in 2005 to \$0.80 million in 2006.

Net assets and reserves

Net assets and reserves increased by \$20.10 million. The increase in reserves comprised \$18.27 million from net operating profit and a revaluation increment to the asset revaluation reserve of \$1.59 million, available for sale financial revaluation reserve of \$0.07 million and to the cash flow hedge reserve of \$0.18 million.

Infrastructure developments

To cope with the growth in student numbers, additional teaching and administrative space was leased during 2006 in close proximity to both the Melbourne and North Sydney Campuses. Refurbishment of the leased areas with associated works on the main campuses was also carried out. A long-term capital planning review undertaken in late 2006 identified the need for further significant capital infrastructure expenditure in Melbourne, Sydney and Brisbane and this will be undertaken during 2007 and 2008. The expansion will be funded from University cash reserves, augmented with external loan borrowings.

Summary*

	2006	2005
	\$'000	\$'000
Commonwealth Government Operating Grants	98,541	85,226
Deferred Superannuation Contribution	(759)	1,443
Other Operating Revenue	47,088	39,559
Salary (excluding transfer to Provisions)	(82,234)	(76,379)
Non-Salary Cash Expenses	(35,175)	(31,539)
Non-Cash Expenses (Depreciation, Amortisation and Provisions)	(9,193)	(9,876)
Net Operating Profit	18,268	8,434
Interest Bearing Liabilities	800	6,650
Working Capital Surplus/(Deficit)	17,065	2,210

* Annual financial statements are reviewed by ACU National's Audit Committee and Standing and Finance Committee before being approved by Senate for presentation to Australian Securities and Investments Commission (ASIC). The *Directors' Report and Financial Statements 2006* of ACU National is available as a supplementary document to the Annual Report. To order a copy of either document, please contact University Relations on (02) 9739 2363, email editor@acu.edu.au or visit www.acu.edu.au/publications

Five-Year Financial Summary

	AIFRS PRE AIFRS (AGAAP)				
	2006	2005	2004	2003	2002
	\$000	\$000	\$000	\$000	\$000
Income Statement					
Revenue from Continuing Operations					
Commonwealth Government					
Financial Assistance	62,705	53,015	51,660	48,655	50,239
Higher Education Contribution					
Scheme (HECS-HELP)	32,764	30,077	28,368	29,958	26,162
Fees and Charges	28,274	24,162	18,776	14,309	12,451
Other	21,127	18,974	17,491	14,750	15,596
Total Revenue					
from Continuing Operations	144,870	126,228	116,295	107,672	104,448
Expenses from Continuing Operations					
Employee Benefits	85,049	80,586	76,153	69,551	64,248
Other	41,553	37,208	32,575	32,258	32,833
Total Expenses					
from Continuing Operations	126,602	117,794	108,728	101,809	97,081
Operating Result for the Year	18,268	8,434	7,567	5,863	7,367
Balance Sheet					
Current Assets					
Cash and Cash Equivalents	2,186	1,067	1,613	2,301	2,903
Trade and Other Receivables	2,318	1,809	1,050	1,104	4,932
Other Investments	33,497	17,060	15,735	16,828	8,178
Other	2,389	2,372	2,256	1,387	1,763
Total Current Assets	40,390	22,308	20,654	21,620	17,776
Non-Current Assets					
Other Financial Assets	1,081	856	568	182	182
Property, Plant and Equipment	105,509	103,098	99,569	202,380	162,166
Intangible Assets	50,185	51,005	51,826	0	0
Other	15,142	15,901	14,458	14,368	14,419
Total Non-Current Assets	171,917	170,860	166,421	216,930	176,767
Total Assets	212,307	193,168	187,075	238,550	194,543
Liabilities					
Current Liabilities					
Trade and Other Payables	4,479	3,135	2,942	2,225	5,397
Interest Bearing Liabilities	800	1,300	1,300	1,300	1,412
Employee Benefits	7,137	6,603	5,928	5,375	4,877
Other	10,909	9,060	12,881	13,067	12,436
Total Current Liabilities	23,325	20,098	23,051	21,967	24,122
Non-Current Liabilities					
Interest Bearing Liabilities	0	5,350	6,650	7,950	9,255
Employee Benefits	25,242	24,869	23,209	20,619	19,998
Other	4,585	3,797	3,769	723	0
Total Non-Current Liabilities	29,827	34,016	33,628	29,292	29,253
Total Liabilities	53,152	54,114	56,679	51,259	53,375
Net Assets	159,155	139,054	130,396	187,291	141,168
Total Equity	159,155	139,054	130,396	187,291	141,168