

ANNUAL REPORT



THE UNIVERSITY OF
NEWCASTLE
AUSTRALIA

The University of Newcastle
Report of Operations 2017

NEWCASTLE.EDU.AU


REPORT OBJECTIVES

This Annual Report provides information for Government, students, staff and the local and international communities we support. The Report summarises The University of Newcastle's achievements in 2017 and outlines our financial position as at 31 December 2017. It reviews activity against our strategic objectives and highlights key milestones reached and immediate priorities for 2018.

Our Annual Report is also available on our website at:
newcastle.edu.au/about-uon/our-university/annual-report

LETTER OF SUBMISSION

On behalf of the University, we submit our Annual Report for presentation to Parliament, following a resolution of the Council on 29 March 2018. The Annual Report has been prepared in accordance with relevant legislation including the Annual Reports (Statutory Bodies) Act 1984 and the Public Finance and Audit Act 1983 (NSW).



Mr P.E. (Paul) Jeans
Chancellor



Professor Caroline McMillen
Vice-Chancellor and President

TRADITIONAL OWNERS

We acknowledge and respect the Awabakal, Darkinjung and Birpai peoples, traditional custodians of the lands where our main campuses are located.

COVER PHOTO CREDIT

NeW Space Building
Murray McKean Photography

TOP 1%

universities in the world¹

TOP 100

6 subjects ranked
in the top 100 globally²

TOP 8

in Australia for research
'well-above world standard'³

OVER 90%

of our research is 'at' or
'above world standard'³

TOP 10

in Australia for research income⁴



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PART 1

OVERVIEW

“The connection between community, business and university is more important than ever as we collaborate to provide innovative teaching that anticipates emerging industries and helps to solve some of our most pressing global and local challenges.”





THE UNIVERSITY OF NEWCASTLE BY NUMBERS



No.1

Innovation Connections
for 'industry
collaboration'¹



7,082

international
enrolments from
over 115 countries²



RANKED SIXTH

in Australia for Generic Skills
of our graduates³



\$95m

NeW Space opened

158

undergraduate

101

postgraduate programs

1 IN 4

domestic undergraduate
students from low
socioeconomic
backgrounds⁴



\$15m

facility to support
global contamination
research opened



WGEA

Employer of Choice
for Gender Equality,
4 years in a row

1. League table 2017, Innovation Connections program, AusIndustry. 2. UON Data Warehouse 7 February 2018 3. Quality Indicators for Learning and Teaching 2017 (qilt.edu.au) 4. UON Data Warehouse 7 February 2018 5. 2018 Good Universities Guide (social equity, student retention, overall experience) 6. UON Data Warehouse 7 February 2018 7. The Audited Higher Education Research Data Collection returns 2016 8. School of Medicine and Public Health



FIVE FACULTIES

Engineering and Built Environment,
Health and Medicine,
Science, Business and Law and
Education and Arts



5-STAR

maximum rating for overall experience,
learning resources, social equity
and student retention⁵

37,035

students from more
than 115 nations
educated and supported
by 2,754 staff⁶



RANKED EIGHTH

in Australia for
overall satisfaction³



TOP 10

in Australia for research
income (HERDC),
\$99.3m in total⁷

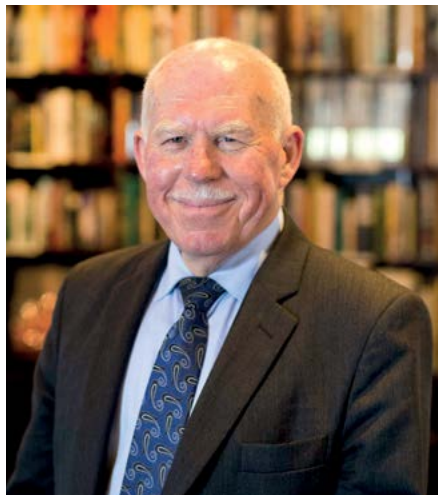
142,000

alumni based in
145 countries across the globe

30 YRS

leading Indigenous education –
graduating one third of Australia's
Indigenous doctors⁸

CHANCELLOR'S MESSAGE



It was a significant year for the University on a number of fronts. While the Federal Government's mid-year budgetary measures were largely viewed as negative, we continued to pursue our twin goals of equity and excellence to provide a quality education for aspiring students regardless of their background.

Our ranking profile strengthened. For the first time we joined the top 1% of Universities in the world in the QS World University Rankings and had six subjects ranked in their Top 100 University Subject Rankings. We also received our highest number of five star ratings in the 2018 Good Universities Guide for overall experience, learning resources and across social equity and student retention.

We continued to be recognised for the quality and breadth of our research in areas such as energy, resources, food and water, health and healthcare, future industries and strong cities and regions. We are currently placed in the top 8 Australian universities for research quality and in the top 10 Australian universities for research funding. We also attracted the highest level of individual-researcher industry funding of any Australian university and the Government again ranked us as the top Australian university for industry collaboration.

“ This year, we opened NeW Space – on schedule and on budget. This \$95 million education campus in the heart of Newcastle's CBD provides cross-discipline teaching and learning opportunities and greater collaborative opportunities for the University, business and the local community.”

As digital and traditional teaching evolves, we will continue to work to deliver a seamless, responsive and innovative learning experience while delivering degrees that are relevant to the changing world of business at every stage of a career journey.

“ The University delivered a solid financial result in 2017, allowing us to maintain our strategic investment in teaching, learning and research across science, technology, engineering, mathematics, the humanities and the innovation space more broadly.”

Our friends, sponsors and community have been generous in their support again this year. As philanthropic activity becomes ever more critical in a more constrained financial environment, we welcomed a \$26 million scholarship program, which honours a lifelong friendship between Jack Ma, Executive Chairman and Founder of Alibaba, and the Newcastle-based Morley family. The Ma Morley scholarship program will commence in 2018, providing transformational opportunities for Aboriginal and Torres Strait Islander students, for the academically gifted and for students facing financial disadvantage, to realise their ambitions and graduate as globally aware and socially inclusive citizens.

In November, our Vice-Chancellor, Professor Caroline McMillen announced her intention to retire in October 2018. We acknowledge Caroline's commitment and her significant achievements during her seven-year tenure. We will reflect further on her contribution and celebrate her achievements in next year's Annual Report. An international recruitment process is underway and we expect to appoint our eighth Vice-Chancellor by mid-2018.

This year marked the passing of Dr Peter Hendry, a seminal figure in the evolution of the University of Newcastle who worked tirelessly during a period of significant technological and societal change, to establish the University and our Faculty of Health and Medicine. We remain indebted to Peter and to other campaigners who have contributed so much to our University and the region.

I thank our loyal donors, partners, friends of the University and our 142,000 alumni for their continuing trust and support. I thank my Council colleagues for their significant input and support throughout the year. I also thank Professor Caroline McMillen, her senior management team and our academic and professional staff, for their dedication to the University as we advance as a world-class institution focused on quality research and student-centred teaching and learning.

Mr P.E. (Paul) Jeans
Chancellor

VICE-CHANCELLOR'S MESSAGE



2017 has been another landmark year for the University of Newcastle as we continue to deliver the strategic initiatives in our *NeW Futures Strategic Plan 2016-2025*.

“Through the generosity of our alumni, staff and friends, we achieved a record amount of philanthropic and sponsorship support in 2017. This included the wonderful \$26m contribution by the Jack Ma Foundation, which will transform the futures of the Ma & Morley Foundation Scholars for many years to come. Celebrating the ‘moment’ in the Conservatorium with Mr Ma and members of the Morley family was both a highlight and a milestone in our University’s history.”

The opening of our \$95 million flagship NeW Space precinct in June also reflected many years of planning, leadership and professionalism by staff across the University and our partners. With more than 3,000 staff and students housed in a facility that is transforming the Newcastle CBD, we look forward to further development of our city presence at University House and Honeysuckle in years to come.

Bolstering the commitment of \$52.5 million from the NSW and Federal Governments for our Central Coast

Medical School and Research Institute, we were also fortunate to receive an additional \$12.5 million in operational funding from the Federal Government, which will ensure our Medical School will be on a strong footing to start operations and to help expand the region’s health workforce. In 2017, the University joined with three Local Health Districts and the University of New England and two other university partners, in being awarded one of only two National Health and Medical Research Council Centres for Innovation in Regional Health.

“This year, we launched the NUW Alliance together with the University of New South Wales and the University of Wollongong – an Australian-first grouping that builds on the shared ethos, history, and complementary strengths of three great universities. With research and education partnerships planned in cybersecurity, health, smart cities, and the future of work.”

The NUW Alliance will strengthen our capacity to contribute to the future of NSW and to support communities through innovation and impact.

In 2017, we welcomed more international students to our campuses than ever before, with growth in enrolments across the University. It was great to see our Global Partnerships Plan hitting its straps with a growth in international education revenue of over 30 per cent in two years. The vibrancy and diversity of our student body is greatly enriched by our international students, who bring perspectives and experiences from more than 115 countries to their time at the University.

Our partnerships with business and industry also grew from strength to strength. Building on our I2N Network of Innovation Hubs, we launched our Defence, Security and Aerospace Hub in November at Williamstown, providing a space for our cutting edge researchers to work alongside SMEs and start-ups in the defence industry. For the second consecutive year, we were also named

as the top university in Australia for ‘industry collaboration’ by the Australian Government’s AusIndustry Innovation Connections program.

This close engagement with industry was reflected in the decision by the Hunter Business Chamber to honour the University with its prestigious President’s Award 2017, in recognition of the University’s contribution to education and research in the Hunter Region. I was delighted, surprised and honoured to accept the award on behalf of the University at the gala event in September.

Of course, the year was not without its challenges, some more pressing than others. In particular, the Government’s decision – announced in its Mid Year Economic and Fiscal Outlook in December 2017 – to cut billions from Australian university funding from 2018 will place significant pressure on the capacity of universities such as ours to continue to deliver high quality education to students and build participation in our regions.

Against this backdrop, and other foreshadowed shifts in the overall higher education policy environment, it is even more important that we continue with our mission of equity and excellence. I am delighted that once again in 2017 we have delivered very strong outcomes for our students from low socioeconomic and Indigenous backgrounds. With more than 1,000 Indigenous students enrolled at the University, we have reached our NeW Futures goal of parity in participation for Indigenous students well ahead of schedule.

As I enter into the seventh – and final – year of my time as Vice-Chancellor and President of the University of Newcastle, I am immensely proud of the achievements of our remarkable staff and students. We have all of the capital in place – particularly the human and intellectual capital – to ensure we remain an iconic, dynamic and world-class institution, well placed to serve our regions for many years to come.

Professor Caroline McMillen
Vice-Chancellor and President

ABOUT US

Established as an independent university in 1965, The University of Newcastle, Australia, is recognised for its commitment to equity and excellence in higher education and research.

Ranked among the top 1% of universities in the world, the University of Newcastle is a leader in driving engagement, innovation and impact in areas of national and global significance, including health and medicine, sustainable energy and resources, and the humanities.

Through the work and support of our Indigenous staff, communities and Elders, we have led Indigenous education for more than 30 years. We're proud that almost one-third of all Indigenous doctors in the country graduate from our institution, and that we have the highest rate of graduating Indigenous Higher Degree Research candidates in the sector.

We offer 259 undergraduate and postgraduate coursework programs and 173 research masters and PhD programs across five Faculties – Business and Law, Education and Arts, Engineering and Built Environment, Health and Medicine, and Science.

Across our campuses in Newcastle, the Central Coast, Port Macquarie, Sydney and Singapore, the University of Newcastle enrolls over 37,000 students from diverse backgrounds, with a focus on developing the world's next generation of socially oriented leaders, entrepreneurs and innovators.

OUR VISION

The University of Newcastle aspires to be a global leader in each of its focus areas. Through engagement with partners, the University of Newcastle will deliver world-class innovation to support the development of strong regional communities.

OUR VALUES

Equity and social justice

We provide opportunities for people with ability, regardless of their background and experiences. We lead in providing education for Indigenous Australians.

Excellence

We are committed to delivering the highest quality in everything we do and we benchmark ourselves against the world's best.

Engagement

Our staff, students and alumni are a resource for our whole community. We are partners and collaborators in world-class research, teaching and learning, and our skilled graduates contribute to our regions, Australia and the world.

Innovation

We challenge standard practice and received wisdom. We are world leaders in generating new knowledge and translating innovative ideas into real benefits to society.

Integrity

We are open, ethical, rigorous and committed to the highest standards in academic enquiry. We are champions of academic freedom and professional responsibility.

Sustainability

We are leaders in environmental sustainability. We make a significant contribution to the economic, social and environmental capacity of our communities.

OUR STRATEGY

Our decadal strategic plan, NeW Futures 2016-2025, will help us to realise our 2025 vision to stand as a global leader, distinguished by a commitment to equity and excellence, creating a better future for our regions through innovation and impact.

We measure our success against eight pillars:

- An enduring commitment to equity and social justice
- Graduates who make a difference
- A passion for excellence and discovery
- Driving global and regional impact
- Engaging across the globe
- A shared future with our communities
- Staff who make their mark
- Building a sustainable future.

 For further information visit:

University of Newcastle history: newcastle.edu.au/about-uon/our-university/history

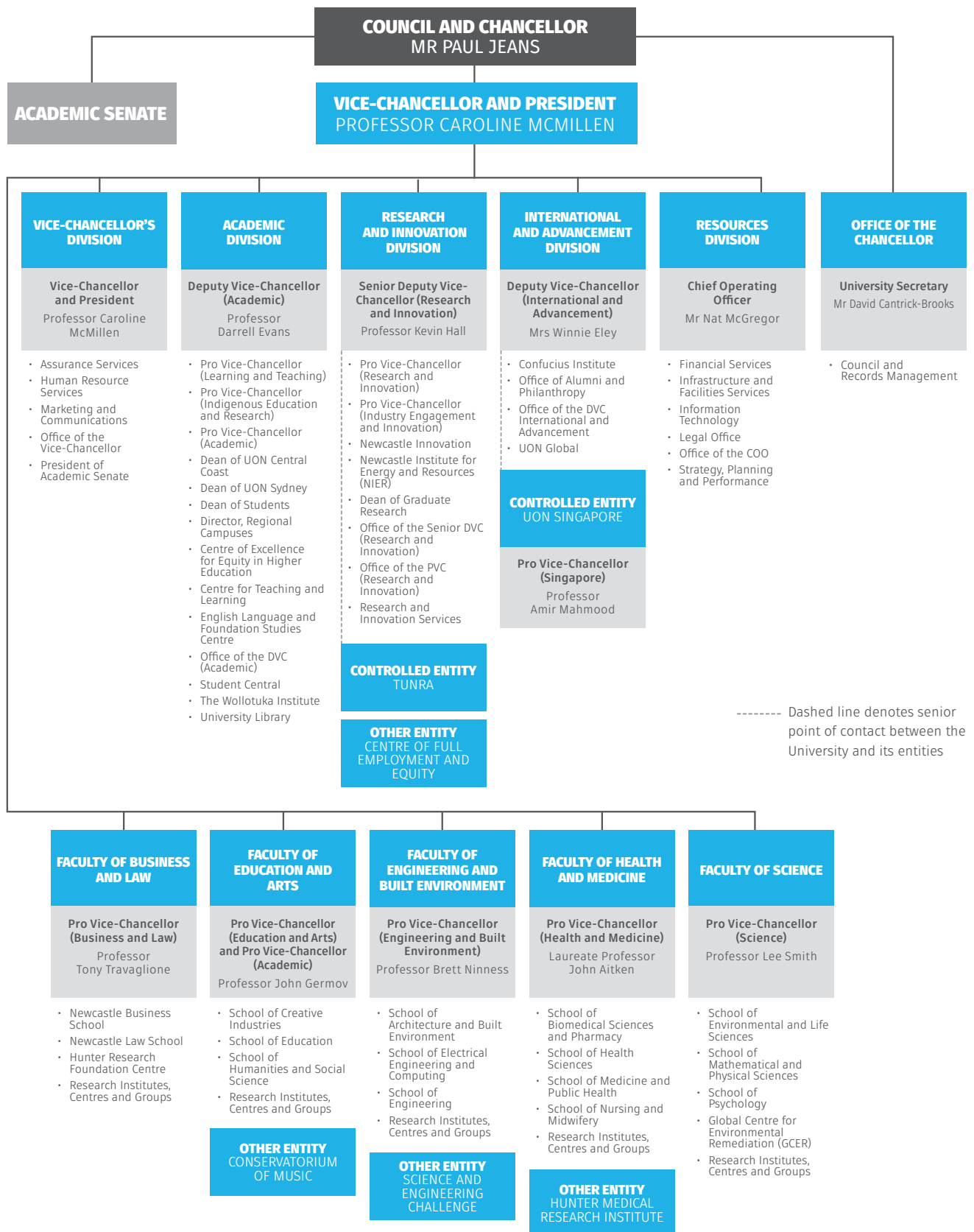
Faculties and schools: newcastle.edu.au/about-uon/governance-and-leadership/faculties-and-schools

Campuses and locations: newcastle.edu.au/about-uon/our-environments/our-campuses-and-locations

Indigenous collaboration: newcastle.edu.au/about-uon/our-university/indigenous-collaboration/the-wollotuka-institute

Executive leadership: newcastle.edu.au/about-uon/governance-and-leadership/executive-leadership

ORGANISATIONAL STRUCTURE



For further information visit:

Vision and strategic direction: newcastle.edu.au/about-uon/our-university/vision-and-strategic-direction

NeW Futures Strategic Plan 2016-2025: newcastle.edu.au/about-uon/our-university/vision-and-strategic-direction/new-futures-strategic-plan-2016-2025

Organisational structure: newcastle.edu.au/about-University of Newcastle/governance-and-leadership/organisational-structure

KEY STATISTICS

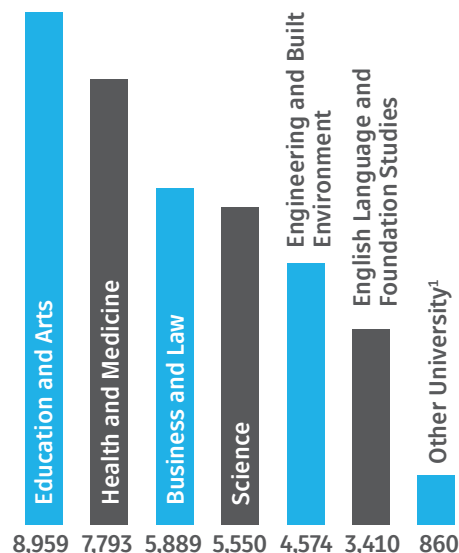
STUDENT ENROLMENTS

Enrolments at the University continue to reflect the University's reputation and appeal regionally and globally. The strength of our program offerings reflect the University's strategic focus on the student lifecycle, which includes pathways into higher education, engagement with industry and professional experience, and success beyond university.

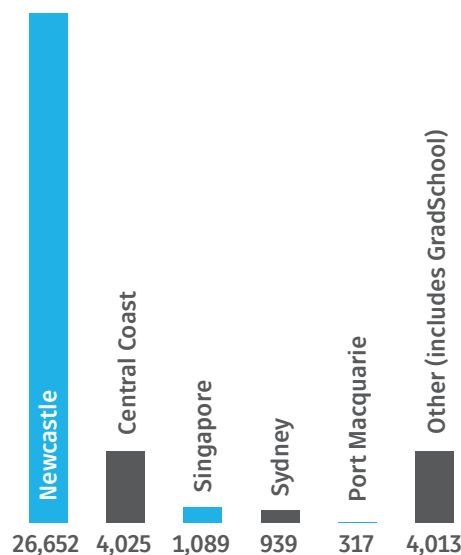
Notes for graphs on pages 12 and 13:

1. Other University includes the Wollotuka Institute, non-award studies, exchange and study abroad
2. Equivalent Full-time Student Load
3. The 2016 Higher Education Research Data Collection (HERDC) Research Income return is due for submission to the Commonwealth by 30 June 2018. Data for 2017 was not available at the time of publishing this report. Rounding errors may apply.
4. 2017 student data source: UON Data Warehouse, as at 7 February 2018.

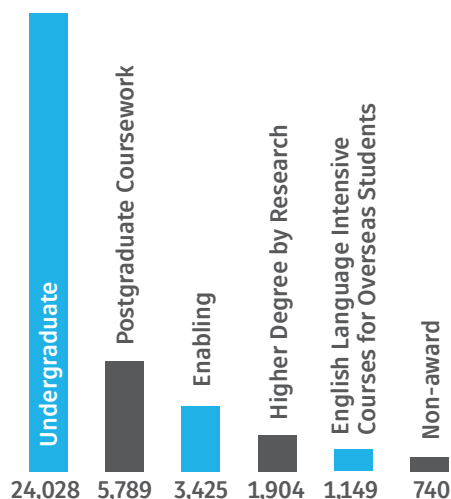
STUDENT ENROLMENTS BY FACULTY AND AREA⁴



STUDENT ENROLMENTS BY CAMPUS⁴



STUDENT ENROLMENTS BY PROGRAM LEVEL⁴



STUDENT LOAD AND ENROLMENTS

37,035
student enrolments

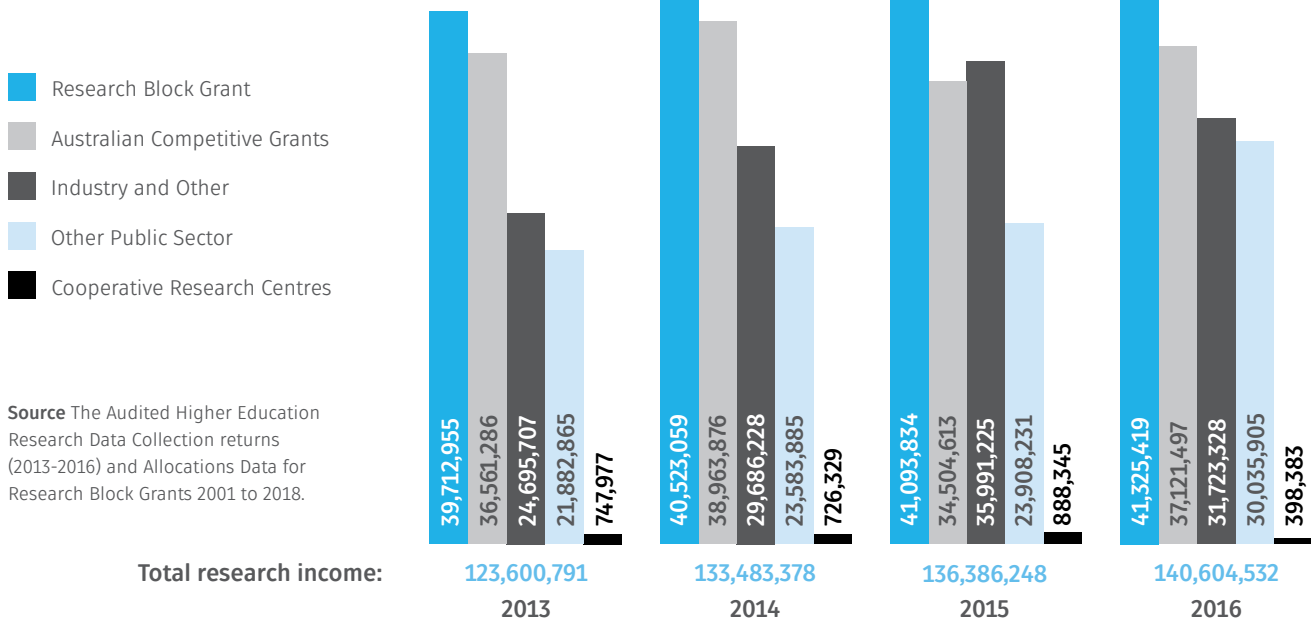
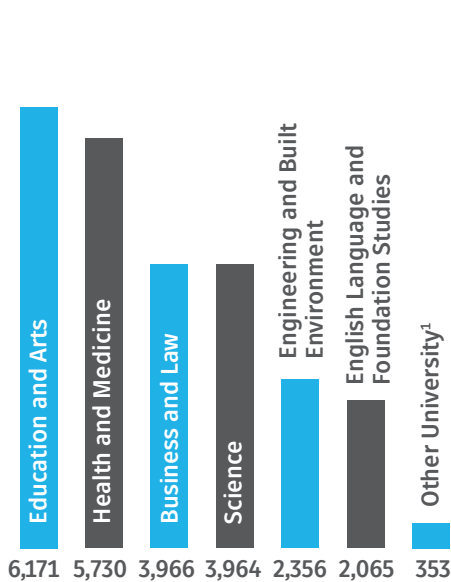
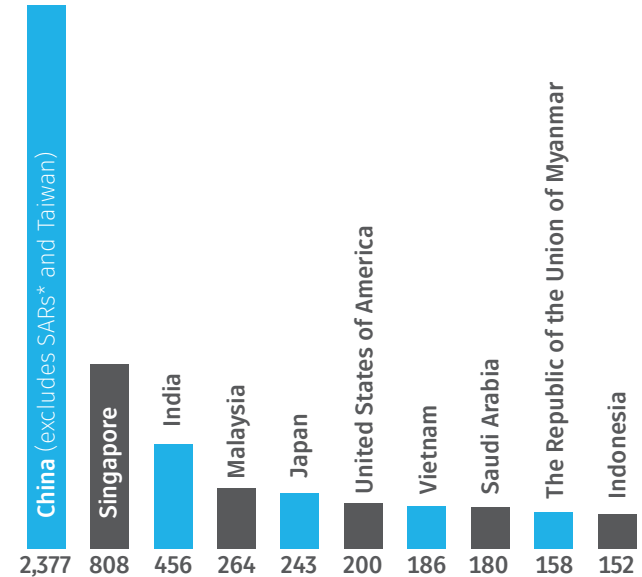
7,082
international enrolments

24,605
student load (EFTSL)²

4,430
international load (EFTSL)²

16,381
commencing enrolments

10,064
commencing load (EFTSL)²

RESEARCH INCOME BY SOURCE 2012-2016³STUDENT LOAD (EFTSL)² BY FACULTY AND AREA⁴TOP 10 INTERNATIONAL ENROLMENTS BY COUNTRY⁴

Note * Special Administrative Regions

FIXED TERM AND ONGOING STAFF FTE

Rounding errors may apply

Source: Department of Education and Training Higher Education Staff Statistics as at 31 March 2017




1,096
Academic



1,626
Professional



32
Teacher



2,754
Total staff FTE
(excludes casuals)

YEAR IN REVIEW

JANUARY AND FEBRUARY

- NSW Parliamentary Secretary for the Hunter Scot MacDonald MLC officially launched the Hunter Research Foundation (HRF) Centre at the first Hunter Economic Breakfast for the year. The Centre provides industry and community support, building on the sixty-year socio-economic research previously provided by the Hunter Research Foundation.
- NSW Deputy Premier and Minister for Regional New South Wales, Skills and Small Business John Barilaro announced the inaugural board of the Sydney School of Entrepreneurship (SSE) with Senior Deputy Vice-Chancellor (Research and Innovation) Professor Kevin Hall taking his seat alongside seven other business, industry and higher education representatives.

MARCH

- Six of our subjects ranked in the top 100 of the 2017 QS World University Subject Rankings with Engineering – Mineral and Mining ranked at 30 in the world and with Architecture and Built Environment ranking in the top 50 for the third consecutive year. Four other subjects – nursing, education, sociology, and engineering (civil and structural) completed our top 100 line-up. In separate results from the Academic Ranking of World Universities, we ranked No. 10 in the world for Automation and Control Engineering and No. 29 for Mining Engineering.
- Our new School of Creative Industries launched to support greater collaboration across the creative professions and industry to drive innovation across the region.

APRIL

- ‘Quality of educational experience’ at the University stood at 82.5% for undergraduates and at 85.1 % for postgraduates according to government data released in the 2016 Student Experience Survey and Employer Experience Survey.
- A new psychology clinic at our Ourimbah Campus opened its doors to the local community to support mental health on the coast and to provide clinical psychology training and research opportunities for our School of Psychology postgraduate students.

MAY

- We signed a Memorandum of Understanding (MOU) with Hunter Water and launched a research partnership to shape a more sustainable future for the Hunter and share expertise in engineering, information technology and social science.
- In what is the first grouping of its kind in Australia, NSW, Wollongong and Newcastle universities have formed the NUW Alliance to address major social challenges around health, education and technology and deliver more jobs and tangible benefits to communities across NSW.

JUNE

- We ranked in the top one per cent of universities worldwide in the QS World University Rankings, moving up 21 places since 2016 to 224 from an estimated pool of 26,000 universities.
- We unveiled our \$15m world-leading facility to support global contamination research. It includes seven state-of-the-art laboratories spanning microbiology, wet chemistry, material science, chemical analysis, remediation and heat testing.

JULY

- Our athletes came out on top as Overall and Per Capita Champion of the 2017 Eastern Unigames fighting off stiff competition from 34 other teams to win by just four points.
- A major healthcare partnership aligning clinicians and researchers across the Hunter New England, Central Coast and Mid-North Coast districts of NSW was accredited by the National Health and Medical Research Council (NHMRC) as one of Australia’s first Centres for Innovation in Regional Health.

AUGUST

- We received our highest number of five star ratings across four categories in the 2018 Good Universities Guide. For the first time, we secured maximum five star ratings for overall experience, learning resources and across social equity and student retention.
- The University hosted a National Partnership Forum aimed at closing the gap in Indigenous Health. The forum was the first major initiative to follow a collaborative agreement between the Australian Government and three key national health organisations: the Council of Presidents of Medical Colleges (CPMC), the Australian Indigenous Doctors' Association (AIDA) and, the National Aboriginal Community Controlled Health Organisations (NACCHO).

SEPTEMBER

- Engineers from the University of Newcastle have developed a new material that has the potential to change the future of road safety. The 'metallic foam' is made from standard aluminium alloys and is a by-product of volcanic eruptions. The resulting material is lightweight, strong and cost effective and acts as a cushion on impact.
- We took our place alongside the world's best, ranking in the top 300 universities in the world, in the 2018 Times Higher Education (THE) World University Rankings.

OCTOBER

- In a significant acknowledgement of outstanding career achievements and impact, the University of Newcastle has named Professor Jennifer Gore its first female Laureate Professor. A research leader in teaching and teacher education internationally, Professor Gore plays a key role in providing a pedagogical framework for thousands of educational institutions across Australia.
- Australian stroke patients look set to receive world-leading treatment and care with the launch of new Clinical Guidelines for Stroke Management. Stroke researcher Dr Coralie English was co-chair of the project's Content Development working group.

NOVEMBER

- In a partnership with the University of Newcastle, Newcastle Institute for Energy and Resources (NIER) and Muswellbrook Shire Council, Ethanol Technologies (Ethtec) received \$11.9m in funding from the Australian Renewable Energy Agency (ARENA) for a demonstration facility at Muswellbrook. Led by a group of researchers including conjoint senior lecturer and Ethtec senior biotechnologist, Dr Geoffrey Doherty, the project will develop an environmentally sustainable process to produce biofuels and other renewable chemicals from crop and forestry waste. Additional financial support of \$11.9m will come from industry partners along with contributions from Muswellbrook Shire Council and the University.
- Australia's first Centre for Innovative Technologies in Rehabilitation Settings (CITRS) launched at the University of Newcastle. Researchers and clinicians will work with business, industry and government to develop new interventions to promote health resilience and patient recovery in hospital, residential and aged-care settings. HMRI Director Professor Michael Nilsson and Associate Professor Michael Pollack, both specialists in rehabilitation medicine, neuroscientist Associate Professor Rohan Walker and engineering expert Associate Professor Sarah Johnson, will support the Centre's work and draw on additional expertise from disciplines including architecture, design, nursing, occupational therapy and physiotherapy.

DECEMBER

- After shortlisting for the coveted Miles Franklin Award, Dr Ryan O'Neill academic and author received the Prime Minister's Literary Award for Fiction for his novel, 'Their Brilliant Careers'. Ryan's novel casts a satirical eye on the history of Australian literature, detailing sixteen fictional biographies of invented Australian writers whose talents and egos helped shape the nation's literary history.
- On a visit to Newcastle, the United Nations (UN) Assistant Secretary General, Mr Nikhil Seth discussed how technology can help achieve the UN's Sustainable Development Goals (SDG's) and how regional cities such as Newcastle, play a key role in contributing to the agenda for economic, social and environmental change. The University of Newcastle and Newcastle City Council co-hosted Mr Seth at the Centre for Disaster Preparedness and Risk Reduction, which is one of 15 International Training Centres for Authorities and Leaders (CIFAL) working under the United Nations Institute for Training and Research (UNITAR).

AWARDS AND ACHIEVEMENTS

STUDENTS

- Bachelor of Environmental Science and Management student, Melinda Brown, received one of three global Rolex Scholarships from the 'Our World Underwater Scholarship Society.' Designed for young divers in the scientific community who support conservation, the scholarship will provide Melinda with up to \$30,000 to travel and learn from leaders in her field.
- Master of Architecture graduate James Ellis won the top design award, the NSW Design Medal. James' project offered a vision for a public urban food factory that made adaptive reuse of the corporation baths in Newcastle's CBD. Brendan Boyle, who also completed a Master of Architecture, received the runner-up prize.
- Local band 'Jones The Cat' walked away as Unisounds 2017 winners with a package including mentorship, an international record release and a national campus tour valued at more than \$100,000. Band members Jarrod Wilton, Jack Waterson, Cameron Macey and Tristan Lacey met while studying for a Bachelor of Music. Jarrod and Jack are currently completing their Master of Teaching (Secondary.)
- Youth Advocate for the UN for 2018, Andreena Kardamis is completing her final year, studying a Bachelor of Law (Honours)/ Diploma of Legal Practice at the University of Newcastle. A passionate advocate for young people since high-school, Andreena is one of only eight participants to avail of this twelve-month training and networking opportunity.
- Students who embrace life on campus and support others are recognised every year through our Campus Life Awards. Stand-outs for this year included Campus Life Award winner Christy Mullen, who is enrolled in a Bachelor of Business/ Bachelor of Laws and is the current Newcastle Youth Council Mayor as well as the Vice-President of the Newcastle University Student Association and the Deputy Convenor of the Women's Collective. Global Citizen Award winner, Ashraf Abdelbaky is completing a PhD in English Literature. The award recognised his work as founding president of the Newcastle Arab Student Society and president of the University of Newcastle Islamic Society. Ellen Parker was named Volunteer of The Year for her tireless work on-campus and in the community where she supports new students through mentoring and puts her Bachelor of Communication theory to practical use through her work with local disability support group, Community Disability Alliance Hunter (CDAH).
- The University won the 'Spirit of the Mountain' trophy for the second year in a row (and for the fifth time in the trophy's 10-year history) at the Snow Unigames. Undergraduate Ryan Pelluchon who studied Exercise & Sport Science was also crowned Men's Ski Slopestyle Champion.

STAFF

- Postdoctoral fellow in molecular nutrition at our Ourimbah campus and researcher with the Hunter Medical Research Institute (HMRI), Dr Emma Beckett, was one of nine NSW Young Tall Poppy recipients - and the only winner from outside Sydney.
- Computer scientist, engineer and applied mathematician Professor Erol Gelenbe, from the University of Newcastle and Imperial College London, received The Mustafa Prize, one the world's most prestigious science and engineering awards. Professor Gelenbe, Global Innovation Chair in Data Networks, Clouds and Energy, is the inventor of the eponymous G-networks or Gelenbe Networks that underpin the science used to evaluate the performance of computer networks. Professor Gelenbe and his colleagues are also credited with inventing a patented, multi-hop computer architecture for conveying voice and images over packet networks - a feature used extensively in the telecommunications industry.
- Two of our researchers received the prestigious 2017 Premier's Prizes for Science and Engineering. Spanning the fields of secure communications and biomedical technologies, Associate Professor Sarah Johnson was the category winner for Excellence in Engineering and Information and Communications Technology. Dr Susan Hua received the NSW Early Career Researcher of the Year for her work in identifying promising research avenues in therapeutics and drug delivery.
- Associate Professor Marguerite Johnson won the 2017 Australian Book Review (ABR) Gender Fellowship. Marguerite's project is titled 'Mapping Gender, Sexuality and the Environment: Picnic at Hanging Rock Fifty Years On.'
- Associate Professor Hans-Lukas Kieser was awarded the \$10,000 President of the Republic of Armenia Prize for his significant contribution to the history of the Armenian Genocide.
- Dr Cathy Smith from the School of Architecture and Built Environment received the inaugural Turnbull Foundation Women in Built Environment Scholarship. Dr Smith will use the \$95,000 award to develop her research into the interactions between grassroots and mainstream urbanism.
- Global authority in neurogastroenterology and University of Newcastle Laureate Professor Nicholas Talley is Australia's most cited academic, a new report from Google Scholar confirms. Pro Vice-Chancellor, Global Research, Professor Talley is the highest ranking in a list of the top 1,000 scientists from Australian institutions according to their Google Scholar Citations profiles. Researchers are ranked by h-index, which combines measures of both their productivity and citation impact.
- Global Innovation Chair in Cybersecurity, Professor Vijay Varadharajan received the 2017 Mahatma Gandhi Pravasi Samman award, which recognises the outstanding achievements of people of Indian origin who have made a significant contribution outside of their home country.
- Professor Xiaofei Zhang is the first alumnus from the University of Newcastle to receive Australia China Alumni of the Year. Since graduating from the University in 2006 with a PhD in Clinical Epidemiology, Professor Zhang has established himself as a leader in the field of non-communicable diseases and is currently the Director of Clinical Epidemiology and Biostatistics at Tsinghua Beijing Changgung Hospital, Medical Center of Tsinghua University.



PART 2

REPORT OF OPERATIONS

“The University of Newcastle is a research-intensive university and our reputation as a place for outstanding cross-disciplinary research continues to strengthen. We build pathways between academics, business and researchers sharing knowledge, expertise and skills.”



AN ENDURING COMMITMENT TO EQUITY AND SOCIAL JUSTICE

As a regional university with a strong focus on equity and social justice, connecting with our communities sits at the heart of the University of Newcastle's engagement strategies.

The University is grateful for the unstinting generosity of its community. This year we announced a major scholarship program and a medical research endowment that will have a marked impact on our communities.

JACK MA FOUNDATION COMMITS \$26M TO HONOUR A REMARKABLE LOCAL FRIENDSHIP

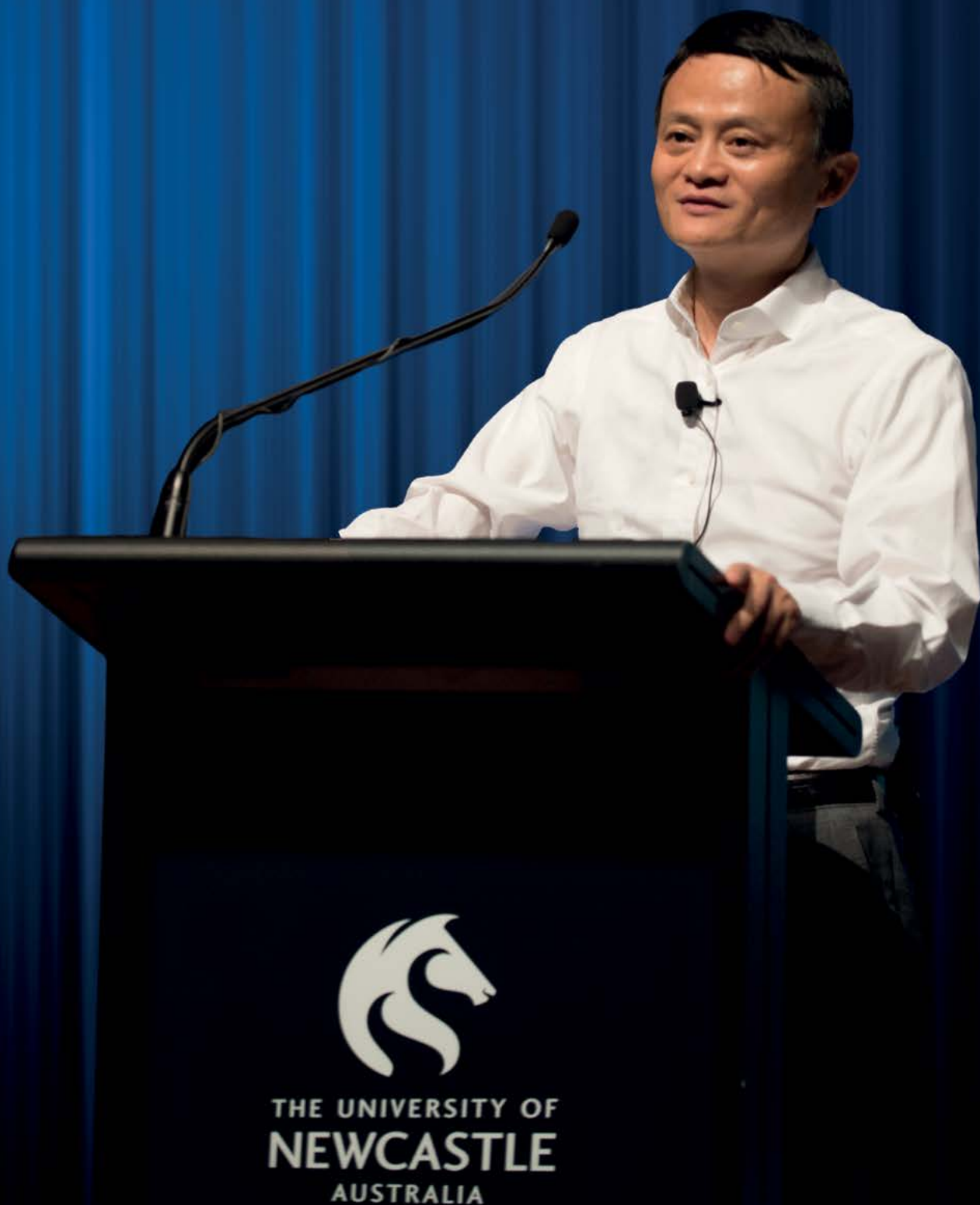
Representing the largest philanthropic commitment in the University's history, and marking the Jack Ma Foundation's first philanthropic contribution in Australia, the Jack Ma Foundation committed \$26m to fund a scholarship program as tribute to the extraordinary friendship between Mr Ma and the Newcastle-based Morley family.

The Ma & Morley Scholarship Program will support 30 new University of Newcastle scholarships in 2018. Twenty scholarships will support degree-level students and provide access to a comprehensive engagement and enrichment program. Ten scholarships will target enriching immersion experiences in China. At full capacity, the Program will support 90 students every year.

"My Foundation and the University of Newcastle share the same values... supporting equity, social justice, excellence, innovation, integrity and sustainability."

JACK MA >

Executive Chairman and founder, Alibaba Group and supporter of the University of Newcastle through the Jack Ma Foundation



142,000+

alumni based in
145 countries
across the globe¹

5,000+

new alumni
graduated
in 2017¹

550+

alumni
volunteers¹

56%

of our
alumni
are female¹

44%

of our
alumni
are male¹

¹ UON Alumni Information System



SUPPORTING STUDENTS FROM LOW SOCIO-ECONOMIC STATUS (SES) BACKGROUNDS

The Australian Government has appointed a University research team to lead a national project to provide teacher professional learning to build capacity to support students from low socio-economic status (SES) backgrounds to aspire to, and successfully pursue, a higher education.

With an award of \$600,000 through the Higher Education Participation and Partnerships Program (HEPPP), the team is collaborating with researchers from La Trobe University, to develop a suite of innovative professional learning modules, to help teachers develop their knowledge and skills to support students from low SES backgrounds.

Project lead, University Laureate Professor Jenny Gore, said that while many factors shaped aspirations, schooling was critical to higher education participation success, with teaching quality acting as the most important 'in school' influence.

This HEPPP award is one of only six commissioned by the Australian Government, and recognises Laureate Professor Gore and her team's work as well as Professor Penny-Jane Burke from the Centre of Excellence for Equity in Higher Education (CEEHE) who is a co-researcher on the project. Courseware is due to be available nationally next year.

< LAUREATE PROFESSOR JENNY GORE

Faculty of Education and Arts.



LARAPINTA TRAIL CHALLENGE SUPPORTS INDIGENOUS PROGRAMS


\$150,000 raised to support Indigenous student scholarships and research into Indigenous health issues.

Twenty-seven volunteer trekkers completed 65km of the Larapinta Trail Challenge and raised \$150,000 to support Indigenous student scholarships and research into Indigenous health issues prioritised in the Prime Minister's Closing the Gap Report 2017 and in our *NeW Futures Strategic Plan 2016-2025*.

Alumni, staff, external community members, current students and scholarship recipients took part in the challenge, which provided great exposure to Indigenous culture and the majestic landscape of the Northern Territory and highlighted our ongoing commitment to excellence in Indigenous education, equity and social justice.

GREATER PARTNERS TO SUPPORT FAMILY HEALTH

During the year, we received our first grant from the Greater Charitable Foundation to support the Healthy Youngsters, Healthy Dads Program (HYHD) run by Professor Phil Morgan and the Priority Research Centre for Physical Activity and Nutrition. The University became the Greater's largest funding partner in its annual funding round, securing \$350,000 over three years.

 See page 54 for further information

CANCER FELLOWSHIP HONOURS LOST DAUGHTER

Winemakers Brian and Fay McGuigan, together with the University of Newcastle, jointly funded an unprecedented 10-year Hunter Medical Research Institute (HMRI) Fellowship dedicated to ovarian cancer research in memory of their daughter, Vanessa, who died shortly after her 21st birthday in 1990. The funding will support bioscientist, Dr Nikola Bowden's work into the causes of chemotherapy resistance in ovarian cancer.

Dr Bowden was also appointed to the National Health and Medical Research Council (NHMRC) Women in Health Science working committee this year to represent mid-career research professionals.

INDIGENOUS HDR COMPLETIONS

The latest HDR completion statistics released by The Department of Education and Training (DET) identified us as having the highest number of Indigenous HDR completions of any university.

< LARAPINTA TREKKERS

Back row: Connor Brown, Mark Norek (guide), Deanella Mack (guide), Dr Gabor Major, Associate Professor Liz Milward.

Front Row: Michelle Van Gestel, Dr William Tan, A/Prof Peter Waring.

Other trekkers absent from photograph:

Dr Andrew Johnson, Annie Nichols, Barry Dowell, Brad Pritchard, Bronwyn Chambers, Dr David Mathers, Gail White, Glenn Turner, Helen Le Gresley, Joe Herbertson, Dr John Doyle, Judy Adnum, Kurt Dahl, Lucy Nichols, Matt Chester, Michael Robertson, Mitchell Cook, Nat McGregor, Richard Anicich, Shane Hughes, Sophie Nichols.

GRADUATES WHO MADE A DIFFERENCE

Thirty-seven thousand students from more than 115 nations called our University home this year. Our network of campuses saw creative collaborations between teachers, students, businesses and the community thrive.

Our research and innovation creates new thinking, new ideas, and new solutions to the world's greatest challenges. The University of Newcastle has nurtured a generation of leaders, pioneers and trailblazers who are tackling these challenges head-on.

SHAN TURNER-CARROLL >

University of Newcastle Bachelor of Fine Arts (Honours) graduate, Shan Turner-Carroll has exhibited his art nationally and around the globe. Crafting wildly beautiful crowns from found objects, he produces striking mystical images inspired by his upbringing and cultural heritage.





LAUNCHING OUT-OF-THIS-WORLD CAREERS

Andreas Antoniadis developed an affordable satellite for his final-year electrical engineering project. Spurred on by a shared passion, he and fellow alumnus Luke Simmons established start-up company Obelisk Systems.

When they are not developing tech-savvy space solutions, Obelisk creates hands-on technologies to bring STEMM (Science, Technology, Engineering, Mathematics, Medicine) into the classroom to encourage and inspire the next generation of engineers and business entrepreneurs.

Obelisk Systems was recognised as one of the state's most innovative start-ups and took a coveted spot at CeBIT this year - the largest technology conference in the southern hemisphere.

Tempted by an opportunity to work with Sabre Aeronautics in Sydney, Andreas has recently passed the Obelisk mantle to Luke who continues to explore new space frontiers.

“By making our technologies and research accessible to industry, we are preparing our ambitious students to become entrepreneurs of today and leaders of tomorrow.”

< ANDREAS ANTONIADES

Bachelor of Engineering (Honours) (Electrical)/
Bachelor of Business, 2016.



INDIGENOUS QUINTUPLET REALISES DOCTOR DREAM

As a member of one of Australia's only sets of Indigenous quintuplets, Dr Erika Chapman-Burgess had a special cheer squad on hand when she graduated with a Bachelor of Medicine this year.

Alongside her proud parents Ian and Adele, Erika's quintuplet siblings - Jack, Louis, India and Georgia, helped celebrate her becoming the first doctor in her family and the first Indigenous doctor from her hometown of Glen Innes.

Erika joined a cohort of 113 medical students, including five other Indigenous medical graduates, when she qualified. The University of Newcastle is a leader in Indigenous education and research and is proud that one third of Australia's Indigenous doctors have graduated from its campuses.

Through pathway programs such as the Miroma Bunbilla program, the University continues to support aspiring Aboriginal and Torres Strait Islander medics.

^ DR ERIKA CHAPMAN-BURGESS

STUDENT AND GRADUATE TRAILBLAZERS OF THE YEAR

Ninety-five per cent of our degrees offer work-integrated learning opportunities, ensuring our graduates are highly competitive and armed with real-world experience to demonstrate to potential employers.

NASA INTERNSHIP IS DREAM COME TRUE FOR ELECTRICAL ENGINEER

Electrical Engineering student Sam Parker, who always dreamed of becoming an astronaut, has triumphed over thousands of applicants to secure a 2018 internship at NASA. Sam has been studying in Pittsburgh, USA as part of the Global Engineering Education Exchange (Global E3) - specialising in reading and decoding brain signals to help people with a disability to move their limbs again. Sam along with two other interns, is expected to work on decoding new experimental aircraft.

NEW EMPLOYMENT PROGRAM LAUNCHED AT OURIMBAH

Students from social science, IT, nursing, arts, business and environmental science disciplines took part in a pilot employability program at our Ourimbah campus. Fifteen students from 11 different disciplines received support from the University of Newcastle Central Coast and Study NSW to participate in the Global Scope program, an award-winning initiative run by Intersective for Study NSW. Students received support and mentoring to provide 'management consultancy' services to clients from local government, business and community organisations.

KARLIE IS ONE OF THE BBC'S TOP 100 INSPIRATIONAL WOMEN

BBC 100 Women included alumna Karlie Noon as one of the most influential and inspirational women in the world for her work documenting the scientific and astronomical knowledge of Indigenous and Torres Strait Islander peoples.

UNDERGRADUATE SCOOPS NATIONAL SHORT-STORY PRIZE

Bachelor of Arts student Alison Kelly competed in a field of over 700 national entries to take out the Hunter Writers Centre 2017 Newcastle Short Story Prize. Alison produced her story, 'The Blink Response,' during her first-year creative writing class. The prize is proudly sponsored by the University and boasts a prize pool of over \$6,000 - one of the largest for short-story writers in Australia.

ENTREPRENEURIAL TRAILBLAZERS

Six University of Newcastle students were in the first cohort of 40 budding entrepreneurs to complete The Navigator unit at the recently launched Sydney School of Entrepreneurship (SSE). The pilot unit saw students from across NSW take part in online and face-to-face study, to gain a deeper understanding of the Sydney start-up community and the entrepreneurial mindset.

ANIMATING JUSTIN TIMBERLAKE

Forty-seven animation students from the new School of Creative Industries produced 3,394 frames of explosive hand-drawn animation for Justin Timberlake's dance classic, 'Can't Stop the Feeling' as a homage to the original version. Shared on social media by Mr Timberlake himself, the video attracted 41,000 global views.

STUDENT START-UPS KICK-START CAREERS

Our internal Industry & Employability Awards initiative uncovered a host of talented students. Joss Kesby, Doctor of Philosophy, and James Rabbitt, Bachelor of Information Technology both received Student Entrepreneur of the Year awards.

Joss, a current PhD candidate in the School of Engineering, has developed a diffuser that almost doubles the efficiency of small wind turbines. Joss participated in the CSIRO's pre-accelerator ON Prime initiative and is currently working to develop a scalable business through its ON Accelerate program.

James Rabbitt established two businesses while studying for his degree. Bestpark is a software application that provides real-time parking availability information. Co-founded by fellow students Mitchell McLeod and Daniel Yaxley, the software is currently undergoing beta-testing at selected car parks in Newcastle. James also developed Broader Learning, which provides computer-coding learning targeted at primary-level children.



ALUMNI AWARD-WINNERS

Our alumni community reaches all corners of the globe. The University's Alumni Awards recognise and celebrate innovation, creativity and exceptional leadership at a local, national and international level.

- Social scientist and director of two research centres at the University of New South Wales, Professor Dr Carla Treloar received the Alumni Medal for Professional Excellence. Professor Treloar's work guides clinical, policy and community programs to provide Hepatitis C patients with better access to care and support to understand treatment options.
- Dr Andrew Bivard's work on the imaging and treatment of strokes was recognised through the Beryl Nashar Young Researcher award.
- Dr Joanne McCarthy received the Exceptional Community Service Award for her reporting, which the University said "transcends traditional journalism to extraordinary depths of advocacy."
- One of Australia's most outstanding actors, Susie Porter, received the Newton-John Alumni Award for her ongoing 20-year career that has included lead and supporting roles in more than 20 films, 39 television series and 11 theatre productions.



^ ALUMNI AWARD WINNERS

Dr Malcolm Starkey, Professor Jenny May AM, Dr Bryson Bates, Professor Dr Carla Treloar, Dr Andrew Bivard, Dr Richard Denniss, Associate Professor Auty Kerrie Doyle and Dr Xanthe Spindler.

- Young Alumni Award joint winners were Dr Xanthe Spindler, and Dr Malcolm Starkey. Dr Spindler has a strong international profile in fingerprint sciences and Dr Starkey's work is contributing to understanding early-life impairment of the immune system.
- Allied health specialist Associate Professor Auty Kerrie Doyle won the Indigenous Leadership Award.
- Director of our Department of Rural Health, Professor Jenny May AM, won the Regional Leadership Award.
- Chief economist and former executive director of The Australia Institute, Dr Richard Denniss, received the National Leadership Award.
- Former CSIRO Chief Research Scientist, Dr Bryson Bates, won the International Leadership Award.



A PASSION FOR EXCELLENCE AND DISCOVERY

Through world-class research and strong partnerships with government and industry, the University drives innovation that challenges conventional thinking and changes lives.

“We have an established national and international network of campuses, partners and bright minds to foster a supportive research community and share expertise to help individuals, businesses and institutions.”

Our Global Impact Clusters support cross-discipline research in the fields of energy, resources, food and water; better health, healthcare and treatment; future industries; and strong cities, communities and regions.

The Newcastle Institute for Energy and Resources and the Hunter Medical Research Institute, continue to support our research excellence.

HUNTER MEDICAL RESEARCH INSTITUTE >

What began in 1988 as a bold vision to improve community wellbeing in The Hunter region has today evolved into a world-class institute with 1,500 medical researchers, students and support staff working to prevent, treat and defeat a multitude of serious illnesses.



HMRI

VISITORS

STAFF



IMPROVING OUR ENVIRONMENT

Chemical engineer, Laureate Professor Kevin Galvin, and colleague Dr Jamie Dickinson have developed the Reflux Flotation Cell (RFC), a new technology that is set to benefit the Australian Mining Equipment, Technology and Services (METS) industry sector.

Funding of \$1m has been secured to test this new technology that will boost efficiency across the minerals processing industry by reducing the amount of resources currently being lost in extraction processes. Two full-scale RFC units will be installed at a Hunter Valley mine site following six years of fundamental research and pilot trials carried out by University of Newcastle researchers and industry partners.

Technology developed and showcased in Australia could use carbon dioxide (CO₂) emissions as a resource and transform them into building products. Mineral Carbonation International based at the Newcastle Institute for Energy and Resources (NIER) facility is developing a demonstration scale plant and moving into its commercialisation phase.

COLLABORATIVE CENTRE POWERING A CLEANER FUTURE

A new University-led collaborative centre will develop technologies to boost research into clean energy. Associate Professor Jianglong Yu at the Newcastle Institute for Energy and Resources (NIER) is bringing together world-leading national and Asian experts focused on managing pollutant emissions, carbon-based energy, advanced coking technology and alternative uses for carbon.

The Centre, which will also support early students and researchers, opened in the presence of industry and university partners from Korea's Pusan National University and Korean South Power Company.



50 YEARS

Hunter Business Awards – President's Award recognising over 50 years of world-class research from the University

< RESEARCHERS

Laureate Professor Kevin Galvin and colleague Dr Jamie Dickinson.



NUTRITION ASSESSMENT TECHNOLOGY ATTRACTS HEADLINE FUNDING

Researchers from the University of Newcastle have received grant support from the Bill & Melinda Gates Foundation to develop a new technology system to assess the food and nutrient intake of people living in low and lower-middle income (LMIC) countries.

The grant is an initiative of the Foundation's Nutrition Program which focuses on preventing deaths and the burden associated with malnutrition. Led by Dr Megan Rollo, the University of Newcastle research team will develop new tools and evaluate the Voice-Image-Sensor technologies for Individual Dietary Assessment (VISIDA) system, to overcome current measurement limitations.

New technology will include a smartphone app and wearable sensors that capture information from user's surroundings. The smartphone app removes the need to either weigh food or document information. Users will simply photograph their food and record a brief voice message. Data from wrist-worn sensors will supplement this information and indicate whether a person is eating or not.

The research team includes Associate Professor Tracy Burrows, Dr Marc Adam, Professor Clare Collins and Dr Shamus Smith. The project will run for two-and-a-half years and is valued at \$1.7m. The new system will be tested in Cambodia and Tanzania and will target women of a reproductive age and children up to the age of five.

^ RESEARCHERS

Dr Shamus Smith, Dr Marc Adam, Professor Clare Collins, Dr Megan Rollo (middle) and Associate Professor Tracy Burrows.

Our researchers have performed strongly throughout the year securing \$21.6m in National Health and Medical Research Council (NHMRC) funding and \$11.3m from the Australian Research Council (ARC).

Our performance in the NHMRC Project funding round saw us increase overall performance by 14% from 2016. Our performance in the ARC Discovery Project scheme has also improved significantly with more than double the number of successful applications in 2016.

NHMRC funding included \$3.2m to improve the wellbeing of people living with dementia and almost \$2.5m for a world-first research centre to test the effectiveness and safety of medicinal applications of a range of cannabinoids. ARC funding will support world-leading research in areas including healthy ageing; mining and mineral processing and waste-water treatment and communication strategies for The Internet of Things. A Discovery Early Career Researcher Award (DECRA) will support Dr Zamira Gibb as she continues to investigate ways of improving methods of detecting and managing infertility in both stallions and mares to support Australia's equine industry.

Our researchers made significant progress this year in many other areas:

TRANSFORMING THE LIVES OF STROKE VICTIMS

Stroke is one of Australia's biggest killers and is a leading cause of disability in Australia and globally. Professor Neil Spratt and Conjoint Professors Chris Levi, Mark Parsons, and their teams have found a new treatment that is life-saving and life-changing.

By using a well-known heart drug in an entirely new way on the brain, they are improving stroke outcomes with the clot-busting drug Tenecteplase (TNK.) Their approach is being trialled globally and is already having a positive impact.

\$6.3m TURNED UP THE HEAT ON A COLD VIRUS REMEDY

A significant advance was made with a drug compound to combat the common cold virus and associated airway infections. A \$6.3m commercialisation boost, will see the compound fast-tracked towards a clinical trial. University of Newcastle viral immunologist Dr Nathan Bartlett will be collaborating with the company responsible for commercialising the drug, along with founding scientist, Professor David Jackson (University of Melbourne.)

WHY MELTING ICE COULD BE GOOD FOR CLIMATE CHANGE

Scientists led by Associate Professor Silvia Frisia, have decoded a 24,000-year-old riddle about the importance of Antarctic volcanoes. The study was prompted by a 'calcite crust' that resembles rock to the untrained eye. Researchers discovered that iron-rich subglacial waters fertilised the Southern Ocean resulting in a large algal bloom which removed large quantities of carbon dioxide from the atmosphere. According to researchers, the ocean is acting like a huge lung - absorbing human-induced carbon emissions and generating oxygen - which is slowing the rate of climate change.

PROTEIN DISCOVERY BRINGS HOPE OF EARLY DETECTION FOR OVARIAN CANCER

A research team of cancer scientists, oncologists, gynaecologists and geneticists from the University and from Hunter New England Health working at the Hunter Medical Research Institute (HMRI) discovered that elevated levels of 'Wnt' proteins are secreted by ovarian lesions. This signalling in turn regulates a stem cell in the fallopian tube that spurs cancer formation. It is hoped that this research will allow for earlier identification, prior to lesions being identifiable via MRI, ultrasound or camera.

PLANKTON AT RISK FROM CLIMATE CHANGE

A significant study involving the University has revealed that certain species of plankton have moved substantially and depleted in number over the past six decades due to rising sea temperatures.

Dr William Chivers and his team used publicly available data to track the movement of 35 plankton species in the north Atlantic and North Sea, finding the first large-scale evidence that different plankton groups have varying responses to thermal change. The findings reveal that dinoflagellates and copepods plankton, which form the food of fish larvae, are the groups that are most adversely affected.

MAKING DRINKING WATER SAFER IN 'THE LAND OF RIVERS'

We made our mark in Asia, with the research of Professor Ravi Naidu underpinning efforts to prevent arsenic poisoning from deep-water wells in Bangladesh. Professor Naidu from the Global Centre for Environmental Remediation (GCER) was elected as a member of both the European Academy of Science and Arts, and the European Science Foundation (ESF) College of Expert Reviewers during the year.



LINKING BUSINESS AND RESEARCH

At the University of Newcastle, we work hard to commercialise our research outcomes to produce products and services that support emerging industries and jobs for the future. We are actively engaging with industry to drive real change and underpin economic growth.

EMISSIONS REDUCTION TECHNOLOGY ENTERS NEW PHASE

The University unveiled a world-first, \$10.5m demonstration facility to carry out controlled testing of an abatement technology that captures fugitive methane emissions from underground coal mining operations.

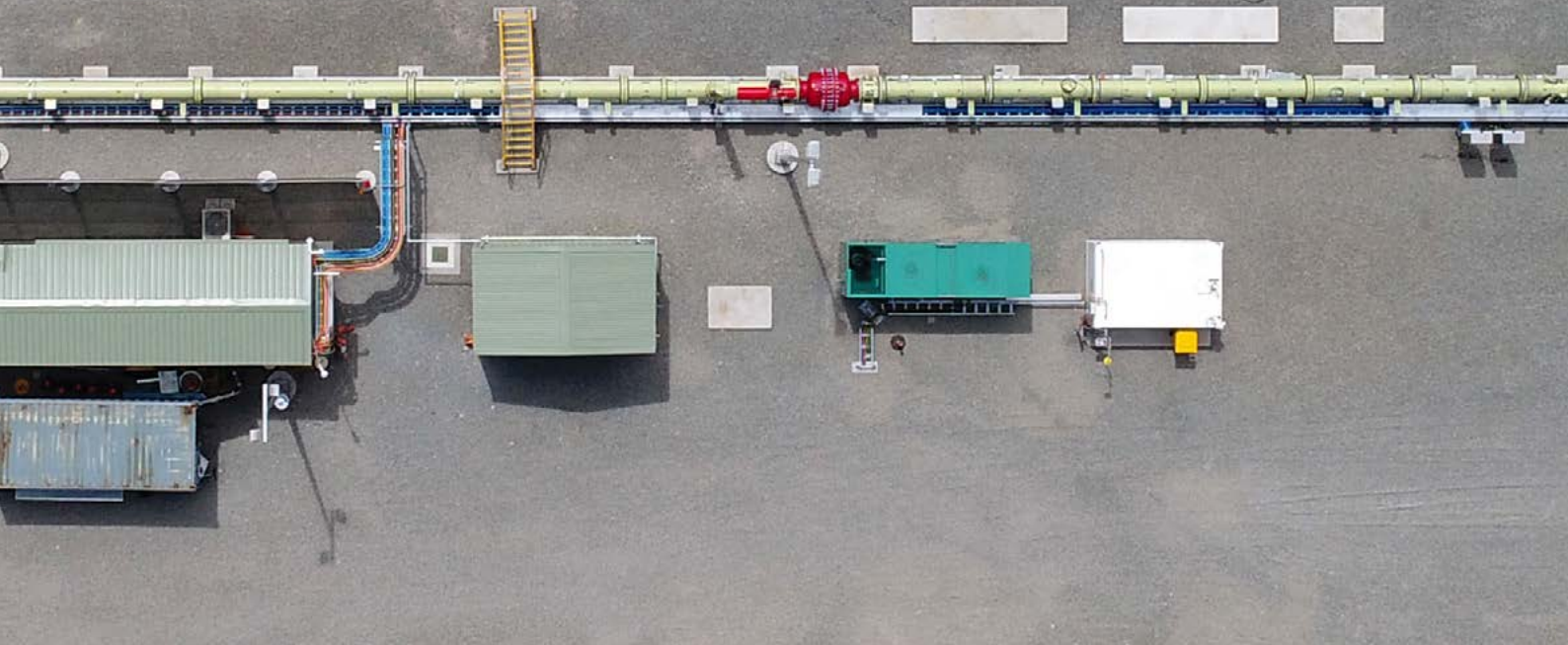
The new technology could reduce ventilation air methane (VAM) emissions by up to 90 per cent and consequently reduce Australia's annual greenhouse output by three per cent.

Led by Professor Behdad Moghtaderi from The Newcastle Institute for Energy and Resources (NIER), the testing facility

is the third phase of a flagship \$30m research project launched in 2014 that received funding support from partners including the Australian Department of Industry, Innovation and Science, and the Australian Coal Association Low Emission Technologies (ACALET).

Based at Londonderry in Western Sydney, the 100-metre-long VAM pilot-scale facility replicates the capture duct component of a VAM abatement system, allowing the research team to carry out investigations in a controlled manner and to develop a crucial set of safety guidelines. On completion, the project will help accelerate the commercial-scale deployment of VAM abatement technologies across the sector, with potential application across other processing industries also at risk of methane explosions.

^ VAM PILOT-SCALE FACILITY



GRASS ROOTS INNOVATION

A University-led Co-operative Research Centre (CRC) bid attracted \$39.5m from the Government to establish a ten-year global CRC for High Performance Soils (CRC-HPS).

The CRC-HPS includes 42 partners spanning industry, government, research, not-for-profit and business sectors who are tackling complex soil management issues and providing practical on-farm solutions.

Government investment will be supported by more than \$136m in contributions from industry and other partners (cash and in-kind) over the next ten-year period.

AN ENGINEERED RESPONSE TO CLIMATE CHANGE

PhD candidate Salman Hafeez, Associate Professor Steven Weller, and Associate Professor Christopher Kellett won the 2017 IFAC Foundation award for showing how techniques in systems and control engineering can quantify the economic damage of greenhouse gas emissions.

UNLOCKING SECRETS OF IMMUNE CELLS IN CANCER

Using cutting-edge imaging technology, Dr Craig Gedye and other members of an international team, mapped an in-depth atlas of the tumour microenvironment to understand how the immune system is involved in cancer.

24 MILLION VISITORS DRAWN TO LAUNCH OF DIGITAL MAP

Research by Professor Lyndall Ryan and her team from our Centre for the History of Violence has produced the most comprehensive map yet of massacres of Aboriginal people over the years 1788-1872.

Funded by an Australian Research Council (ARC) grant, the interactive online Colonial Frontier Massacres Map details more than 160 Aboriginal massacres providing new information that could well change the way Australia views and teaches its history. The launch of the online map attracted more than 24m national and global visitors.

The creators of the map believe that public interest was sparked by the importance of the subject matter while the data-rich, interactive and informative design of the map attracted historians, teachers and other researchers.

The data behind the map, which took more than four years to develop, was corroborated through primary sources including settler diaries, newspaper reports, court records and letters.

FUNDING BOOST FOR CANCER RESEARCH

The University and Calvary Mater Hospital researcher, Professor Stephen Ackland and his team were awarded \$450,000 from Cancer Council NSW, to improve rectal cancer treatments. Professor Ackland is conducting a trial to test whether Statins, a drug for high cholesterol, can improve tumour shrinkage and reduce the side effects of rectal cancer treatment.

HEMP SEED TO TREAT CONTAMINATED WATER

Hemp seed might provide a real solution to the Williamstown contamination crisis as its constituents are highly effective in removing per- and poly-fluoro alkyl substances (PFAS) from water. With \$600,000 funding received under the NSW Government's Research Attraction and Acceleration Program (RAAP) and additional University funding of \$220,000, a geoenvironmental team, led by Dr Brett Turner, is investigating how hemp seed can treat large volumes of contaminated water and is designing a treatment process for our local RAAF site.

RESEARCH WARNS OF WETLAND WIPE OUT

A new study published in *Nature Communications* has found that the world's coastal wetlands may have the same average life expectancy of a human being - approximately 80 years. Led by Dr Jose Rodriguez and Associate Professor Patricia Saco, the new study factors in the role of attenuation (the ability of man-made structures to restrict the flow of water) for the first time, predicting a more rapid decay of coastal wetlands as sea levels rise.

STRENGTHENING THE DEFENCE AGAINST LEUKAEMIA

A university-led team has identified a more targeted way of treating T-cell acute lymphoblastic leukaemia (T-ALL), an aggressive type of cancer typically prevalent in children and adolescents. According to senior author, Dr Mathew Dun, the research could have an immediate impact on treatment strategies and change the way new treatment ideas are developed. It is hoped that this precision treatment will reduce long-term side effects and improve overall survival rates.

SAWFISH EXPOSED AS THE ULTIMATE STEALTH FEEDER

A combined team of engineers and biologists at our School of Engineering worked with researchers at Murdoch University and Sharks and Rays Australia to help solve the ancient mystery surrounding the stealth feeding habits of the critically endangered sawfish. This new research established that sawfish detect prey with their rostrum and then use a rapid lateral swipe action to impale their kill. The hydrodynamic shape of the rostrum results in minimal impact on the surrounding water, making them incredibly efficient as predators.

ANTIOXIDANT COULD HALT REPRODUCTIVE AGEING PROCESS

In an exciting leap forward for female fertility, researchers have successfully identified an antioxidant which has demonstrated potential to halt the ageing process in female eggs.

PhD student and lead researcher, Bettina Mihalas, along with a team in the reproductive science group, made the discovery by applying a model to female eggs that is widely used in sperm research.



POWERING A MORE EFFICIENT ENERGY SECTOR

Researchers have attracted \$1.6m to develop an alternative method of generating electrical energy that is more than twice as efficient as coal-fired power stations.

The Direct Carbon Fuel Cell (DCFC) unit will extract energy from fossil fuel sources with higher efficiency to reduce environmental impact and extend reserves.

Led by Professor Scott Donne, with partner investigator Dr Jessica Allen, the DCFC has already attracted interest from China as it looks to combat air pollution problems and the country's heavy dependence on coal fuels. The research team is working to make the technology commercially viable within two years.

^ \$1.6m DIRECT CARBON FUEL CELL

Professor Scott Donne School of Environmental and Life Sciences (Chemistry) Faculty of Science, with partner investigator Dr Jessica Allen School of Engineering, Faculty of Engineering and Built Environment.

NEW INNOVATION HUB OPENS

True innovation calls for dynamic and positive change. At the University we are supporting some of the keenest minds in our community to challenge the norm and drive social, economic and cultural change for a brighter tomorrow.


Our fourth innovation hub in the Integrated Innovation Network opened at the RAAF base at Williamstown. The DSA-18 Hub is purpose-built with co-located space for researchers, post-graduate students and industry partners to work collaboratively on projects for the defence, aerospace and security sectors. State Government investment of \$1.25m in a new University-led Defence Innovation Network was announced shortly after the hub opened.

SUPER-CHARGING START-UPS

The Icon Accelerator Program, a collaboration between the University and Slingshot is super charging start-ups in the Hunter offering successful applicants up to \$25,000 seed investment, tailored training and mentoring over a 10-week period. Slingshot has already supported a number of fledgling businesses including Camplify, Deckee and Liftango. The program is part of the Integrated Innovation Network (I2N) Regional Accelerator, which received \$475,000 under the Australian Government's \$23m Incubator Support initiative.

INNOVATION HUB >

DSA-18 Hub located at the RAAF base at Williamstown.

 The Integrated Innovation Network (I2N) links four University and partner hubs across our region and places our researchers and students at the centre of entrepreneurial activity across a range of sectors. This network capitalises on synergies in programming and membership incentives as a value-add for users and partners of the hubs, fuelling a critical mass of skills to drive innovation in our region.

The I2N is an initiative of the University of Newcastle and is supported by the NSW Government's Boosting Business Innovation program. See more at www.industry.nsw.gov.au/business-and-industry-in-nsw/innovation-and-research/boosting-business-innovation-program





UPPER HUNTER TARGETED AS INNOVATION PRECINCT

We opened new research offices in Muswellbrook to build on the existing relationship between the Global Impact Cluster for Energy, Resources, Food and Water and Muswellbrook Shire Council and our work on the Hunter Region Innovation Precinct.

This cross-discipline initiative promotes economic diversification in the areas of energy technologies, environmental remediation and community capital. Staff from our Family Action Centre (FAC) will be among the first to set up home in the new office space to continue to develop projects that have a strong focus on access to education and enhancing community strengths.

MAKING HEALTHCARE PERSONAL

A new scholarship program supported by the University and health insurer NIB is encouraging designers to develop solutions to encourage a more proactive approach to personal healthcare. With funding of up to \$10,000, five bright sparks will chalk-up practical work experience and build a network of business contacts for the future. This interdisciplinary initiative will involve creative industries, engineering, IT, health and physics.

INSPIRING FUTURE STEMM STUDENTS

Over 700 students from 30 Hunter high schools went head-to-head in a week long 'Build ME a Future Days' event with Belmont College taking the victor's spoils. The annual event is designed to inspire year 7-8 students to study STEMM-related subjects. The initiative is run by the University's Science and Engineering Challenge and RDA Hunter, with support from the faculties of science and engineering and built environment.

< MUSWELLBROOK RESEARCH OFFICE

Expanding our reach in the Upper Hunter region as we open new office space in Muswellbrook.



ENGAGING ACROSS THE GLOBE

Developing a clear and comprehensive global strategy, strengthened by deep international partnerships and alliances, supports our ambition to be a genuinely global university.

Our international work placements are broadening our students' horizons and enhancing their employability with the number of students taking advantage of these opportunities continuing to rise.

GROWING GLOBAL SCHOLARS WITH THE NEW COLOMBO PLAN

The University is supporting six of our best and brightest with New Colombo Plan Scholarships for 2018. Our students join a select group of 120 students who will study abroad for a year with funding from the Department of Foreign Affairs and Trade. The \$1.62M funding allocation represents a 190% increase on 2017 funding. Our selected students are:

- Georgia Fardell is completing a combined Bachelor of Mathematics and a Bachelor of Science degree. An initial trip to Japan as part of a Rotary International Youth Exchange in 2014 sparked Georgia's interest in the country. She is set to return to intern with key players in the solar industry while studying at Tokyo Metropolitan University.
- Jack Shearer is following in his family's footsteps with his eyes firmly set on the banking world but he has another mission - to bring people together through a shared passion for sport. Jack will continue with his Bachelor of Commerce studies at the City University of Hong Kong to develop a greater understanding of this global financial hub and to strengthen ties between Australia and Hong Kong through social sport.
- The sense of connection that Sophie Austin has with Korea is highlighted by numerous visits and her single-minded dedication to learning the Korean language alongside studying for her Bachelor in Communication. Sophie, who will attend the University of Korea, is a shining role model and champion for the disabled community.
- Zachary Groth is another high-achiever with a double major in Mathematics and Science. His combined passion for educating young people and sharing his love of mathematics will be strengthened with academic mentorship from our valued exchange partner Nanyang Technological University in Singapore.



NEW COLOMBO PLAN SCHOLARSHIP

The University of Newcastle's New Colombo Plan Scholarship recipients for 2018 Georgia Fardell, Sophie Austin, Jack Shearer and Zachary Groth, with The Honourable Julie Bishop, MP.

Not shown: Olivia Gallimore and Andrew Sunol.

GROWING GLOBAL SCHOLARS WITH THE NEW COLOMBO PLAN (CONTINUED)

- As part of his double major in Commerce and Laws, Andrew Sunol will use his time at the University of Hong Kong to build on his experience serving as Maritime Warfare Officer with the Royal Australian Navy and his clinical legal externship in Jakarta.
- Olivia Gallimore has completed her Bachelor degree course in Social Science with distinction and is currently completing her Bachelor of Laws. Olivia first spent time in China as an intern at the China Philanthropy Research Institute in Beijing in 2016. She will return to study at Tsinghua University and look for an internship with UNESCO Beijing. Olivia's previous participation in the Sydney Model and Brisbane Model United Nations Conference, her role as Secretary for the University's United Nations Society and her Diplomacy Certificate from the UNESCO Committee award should stand her in good stead.

PROTECTING ENDANGERED LANGUAGES

Three out of four 2017 Australian Linguistics Society scholarships were awarded to PhD students in the School of Humanities and Social Science. The funding will be used to research and help maintain some of the world's most endangered languages in Australia, Indonesia and the Solomon Islands.

Glenn Windschuttel will work with the community on the island of Alor in eastern Indonesia to produce a bilingual collection of stories in Kui, the Papuan language spoken there. Sabrina Meier will research the Mono-Alu language of the western Solomon Islands. Forrest Panther will undertake specialist training to benefit his PhD research on Kaytetye, an indigenous Australian language of the central Northern Territory.

BUILDING DISASTER RESILIENCE IN RURAL FIJI

A university team affiliated with the Newcastle CIFAL Centre (International Training Centre for Authorities and Leaders) worked with the Fijian Police Force to build disaster resilience capacity for rural women. Led by Dr Ifte Ahmed and with support from the Australian Government's Department of Foreign Affairs and Trade (DFAT) National Commission for UNESCO, project planning consultation and training of trainers (ToT) was initially rolled-out to 18 participants in Suva and was followed by an interactive training session for 21 community representatives from the Naboutini village in the Sabeto valley.

ENDEAVOUR MOBILITY GRANTS FUND OVERSEAS STUDY EXCHANGE

Postgraduate and undergraduate students in Architecture, Law, Music, Indigenous Studies and Business will have the opportunity to engage in grant-supported faculty-led study tours and placements in Mexico, Denmark, China, Indonesia and Brazil thanks to funding received from the Endeavour Mobility program for 2018.

The Department of Foreign Affairs and Trade funded 87 students across ten Endeavour-funded mobility projects in nine countries during 2018. The \$268,500 funding package received represents a 139% increase in funding compared to 2017 and allocates 3.2% of available funding for 2018.

SINO-FOREIGN COOPERATIVE EDUCATION PROGRAM

Sichuan International Studies University (SISU) and the University have offered a joint Chinese-Foreign Bachelor Degree Program in Business English since 2013. The program has Ministry of Education approval and aligns with China's joint higher-education reform program. It aims to provide students with general knowledge and practical training in business, and offers a pathway for students to gain international experience and a world-class degree. Graduates will receive bachelor degrees from both universities to strengthen their future educational and professional prospects.



SPEECH PATHOLOGY COLLABORATION A FIRST FOR CHINA

Our international network allows us to support global social, environmental and economic development in the places that need it most.

In a ground-breaking first for both countries, the University has partnered with China-based Orient Speech Therapy Center Limited (OST) to develop a world-class speech pathology training program. Global speech pathology curriculum expert, Dr Sally Hewat, created a cutting-edge training program to support China's first cohort of world-class speech pathologists. This partnership follows a Vietnamese collaboration between Dr Hewat, the Trinh Foundation Australia and the University of Pham Ngoc Thach (UPNT) where Dr Hewat developed a two-year postgraduate speech pathology program which was a first for Vietnam.

^ DR SALLY HEWAT

School of Humanities and Social Science,
Faculty of Education and Arts.



MORE MOOCs DELIVERED

The University delivered a number of new MOOCs (Massive Open Online Courses) and gave students the chance to participate again in its award-winning six-week course, 'Drawing Nature, Science and Culture: Natural History Illustration' which won the coveted edX 'Prize for Exceptional Contributions in Online Learning and Teaching 2017.'

Delivered by academics and artists Dr Andrew Howells and Dr Bernadette Drabsch, the course broke new ground last year when it taught illustration for the first time through a MOOC.

Other MOOCs included 'A History of Violence: From Middle Ages to Modern Times' which examined the origins and

nature of violence; 'The Science of Weight Loss' which provided participants with tools to make healthy eating decisions; while 'Sex, Science and Society' looked at reproductive science and its impact on fertility rates, society, and the long-term future of our species.

^ DR JESSIE SUTHERLAND

Early Career Fellow from the School of Biomedical Sciences and Pharmacy is a course instructor on the 'Sex, Science and Society' MOOC course.

AUSTRALIA AWARDS PHILIPPINES PARTNERSHIP

Australia Awards funding from the Department of Foreign Affairs and Trade has supported a valuable partnership with De La Salle University in the Philippines. Our three-year relationship has resulted in direct research and collaborative opportunities including academic exchanges and presentations of critical interest to Australia Awards Scholars working in the Philippines and at events such as the Annual Philippines Public Sector HR Symposium.

The strength of this partnership has been due to Professor Johanna MacNeil and a dedicated team of academic staff and to continuing alumni engagement. As part of our renewed articulation agreement, the University will welcome eleven additional De La Salle students into our Master of Human Resource Management program.

EMPOWERING INDONESIAN WOMEN

The Honourable Minister Professor Yohana Yembise, Minister for Women's Empowerment and Child Protection, Indonesia signed an MOU to increase collaboration and explore opportunities for women from Indonesia to participate in programs for study, research and training. Professor Yohana Yembise is an alumni who earned a PhD in Linguistics in 2007.

DEVELOPING GLOBAL CITIZENS

Associate Professor Ruth Reynolds believes that empowering students and teachers to become active and engaged global citizens is key to solving some of our most pressing problems.

Professor Reynold's study abroad program gives students the chance to teach in China while learning techniques from Chinese teachers to inform their own teaching style. Ruth's work also encourages schoolchildren in Port Macquarie to build friendships with their Chinese counterparts.

FORGING STRONGER RESEARCH LINKS WITH GERMANY

Two University research projects were awarded funding through the 2017 Australia-Germany Joint Research Cooperation Scheme. Professor Clare Collins and Dr Tamara Butler will collaborate with researchers from the Social Cognition Center at the University of Cologne.

The project will use eye-tracking and augmented reality technology to assess how individuals can increase health literacy when making healthy food choices.

Dr Rebecca Beirne's research project will explore enhanced metadata for improved precision and validation in analytical stylometry liaising with teams from the Department of Literary Computing (DLC) at the University of Wurzburg.

A NEW (VR) WORLD IN SIGHT

In an exciting world first, midwifery students are using virtual reality technology to learn key anatomy and birthing techniques to support neonatal resuscitation, a common but critical emergency practice. The new way of teaching has the potential to change lives across the globe, particularly in places where access to resources and education may be limited.

DIGITAL PLATFORM CONNECTS EARLY MODERN WOMEN RESEARCHERS

Our team of researchers in the area of early modern women's writing shared its digital archive software with leading Renaissance literature academics at Northwestern University, USA. The software makes it easier to view text visually and to show original texts side-by-side in formats such as wall carving or graffiti, manuscript or print.

A photograph of two men in a gymnasium, both wearing white t-shirts and black caps, reaching up towards blue balloons. The background is a wooden wall with a climbing frame. The text 'DRIVING REGIONAL IMPACT' is overlaid on the image in large, bold, white and blue letters.

DRIVING REGIONAL IMPACT

Building on our research, our quality teaching and local partnering opportunities, we are developing initiatives to benefit our local communities.

FAMILY HEALTH PROGRAM TARGETS DADS AND PRE-SCHOOL CHILDREN

A program targeting healthy lifestyle behaviours in families received \$350,000 in funding from the Greater Charitable Foundation to support the program's delivery across the Hunter region over the next three years. Healthy Youngsters, Healthy Dads (HYHD) is the world's first family health program targeting fathers and their preschool-aged children. Led by Professor Phil Morgan, HYHD will teach fathers evidence-based parenting strategies to improve family eating and physical activity behaviours and optimise their child's physical and mental development.

HYHD will build on the success of other father-focused healthy lifestyle programs run by Professor Morgan's team, including Dads And Daughters Exercising and Empowered (DADEE), and Healthy Dads, Healthy Kids (HDHK).

DADS AND DAUGHTERS PROGRAM RECOGNISED

The Dads And Daughters Exercising and Empowered (DADEE) program led by Professor Phil Morgan received NSW State Parliament Community Recognition and also scooped a Play Your Part Award from the National Association for Prevention of Child Abuse and Neglect (NAPCAN.) This program supports the physical and mental wellbeing of young girls by engaging their fathers in positive lifestyle role modelling. The program was established in 2014 and has been delivered to over 270 dads and 340 daughters in the Newcastle region.

CONNECTING RURAL COMMUNITIES

The Centre for Rural and Remote Mental Health (CRRMH) launched the sixth edition of the Glove Box Guide to Mental Health - a key communication resource that supports mental health and wellbeing in rural communities. The publication is a partnership between CRRMH, the Rural Adversity Mental Health Program (RAMHP) and The Land.

HEALTHY YOUNGSTERS, HEALTHY DADS >





CHILDREN'S UNIVERSITY NEWCASTLE

More than 1,000 students from 24 schools participated in the Children's University Newcastle program.

More than 1,000 students from 24 schools participated in the Children's University Newcastle program, encouraging children between the ages of seven and 14 to participate in educational activities outside of the school curriculum such as playing sport or an instrument, joining a dance group or drama class or visiting art galleries, museums and libraries. Over 500 students subsequently attended graduation ceremonies to celebrate completing the program.

\$100,000 GRANT FOR NEWCASTLE STEMM PROGRAM

Our Science and Engineering Challenge secured a \$100,000 grant from the NSW Chief Scientist and Engineer's office to deliver events and provide schools with access to STEMM (Science, Technology, Engineering, Mathematics and Medicine) activities. The Science and Engineering Challenge runs a number of national STEMM outreach events, the largest of which is a national competition for year 9-10 students which attracts 18,000 participants annually.

NEW OUTDOOR AREA FOR DOMESTIC VIOLENCE SURVIVORS

Jenny's Place, a local women's refuge, has a renovated outdoor play area for mothers and their children thanks to the volunteer efforts of staff. Out(fit) is a collective of female built environment professionals who provide services within the community, led by the Head of School for Architecture and Built Environment, Professor Sue Anne Ware.

SUPPORTING THE MENTAL HEALTH OF FIRST-TIME FATHERS

A world-first SMS trial has shown encouraging results supporting the mental health of first-time fathers who struggle through the responsibility of caring for a new-born. Funded by *beyondblue* with donations from the Movember Foundation, SMS4dads sent regular text messages to fathers offering uncomplicated information, advice and encouragement. An easy-to-use tool tracked each father's mood and stress levels, so that additional support could be provided to highly-stressed dads.

VR TO INCREASE RESILIENCE IN AUSTRALIAN TROOPS

A first-of-its kind project led by The University is looking at how Virtual Reality (VR) can provide resilience training to Australian troops ahead of deployment. The Minister for Defence Industry, the Hon Christopher Pyne MP, announced the \$2.2m funding for Associate Professors Rohan Walker and Eugene Nalivaiko, affiliates of the Hunter Medical Research Institute (HMRI). The project which will be funded by the Defence Science Technology Group (DSTG) and the Australian Army, is exploring how stress changes the way the brain works and how we can better equip our troops to cope under duress.

PROMOTING PHYSICAL ACTIVITY IN COMMUNITY PARKS

Researchers from the School of Education and the School of Medicine and Public Health partnered with Newcastle City Council and Lake Macquarie City Council to develop strategies to promote more aerobic and resistance-based physical activity in the community. The team was awarded over \$1m by the National Health and Medical Research Council (NHMRC) to evaluate 'eCoFit'. The project involves installing outdoor fitness equipment and trails in Council parks and then linking them to an app and education and social support.

AVO APP 'BERNIE' HELPS TO ADDRESS DOMESTIC VIOLENCE REOFFENDING

A new user-friendly app, developed by psychology and law researchers at the University of Newcastle and Australian National University (ANU) will act as an early-intervention tool to support defendants issued with Apprehended Domestic Violence Orders (ADVOs). Approximately 15 per cent of people charged with a domestic violence assault reoffend within 12 months and of those, almost half do so before the court process is final. The new mobile phone application named Bernie supports positive decision-making, reminds defendants how to comply with court orders and aims to provide greater levels of safety to partners and family members.

NEWCASTLE WRITERS FESTIVAL GOES FROM STRENGTH-TO-STRENGTH

The Faculty of Education and Arts makes a significant contribution to the popular Newcastle Writers Festival program each year and 2017 featured a stellar line up of researchers and post-graduate students with the launch of award-winning author and lecturer Dr Michael Sala's new novel, 'The Restorer' proving to be one of the main drawcards at the event.

GOOGLE FUNDING SECURED FOR FIFTH YEAR RUNNING

Dr Elena Prieto, Professor Regina Berretta and Mr Daniel Hickmott received Google's Computer Science for High Schools (CS4HS) funding for the fifth year running. CS4HS has trained more than 9,000 teachers through hands-on professional development workshops since 2011.

NEW DEGREE TO ENGINEER FUTURE HEALTHCARE SOLUTIONS

In a 'first of its kind' for NSW, a Bachelor of Medical Engineering (Honours) degree will be on offer next year. Students can major in four options - medical biomechanics, medical computing, medical devices and signal and imaging processing.

SUPPORTING INTERNATIONAL STUDENTS IN THE HUNTER

The University is partnering with the NSW Government to support international students. StudyNSW invested \$358,000 in 10 partner projects with Parliamentary Secretary for the Hunter Scot MacDonald MLC confirming we had received \$55,000 in co-funding to develop 'Upskill through WIL' - a Work Integrated Learning (WIL) project to engage international students through workplace opportunities and training. WIL and work experience placements will run from March 2018 through to August 2018.

TWO PROJECTS EXPLORE HOW THE VIRTUAL WORLD CAN SUPPORT CLASSROOM LEARNING

Dr Shamus Smith, Dr Erica Southgate and Dr Maree Gruppette are working in partnership with the University of Southern Queensland (Dr Helen Farley) and University of Canberra (Dr Peter Radoll) to develop a free immersive virtual environment designed to support the academic literacy and study skill needs of Indigenous and non-Indigenous students, particularly those living in rural areas. The project is supported by a HEPP National Priority Pool grant.

In a second project, the University of Newcastle and Callaghan College are collaborating to design one of Australia's first virtual reality schools. The VR School Project includes teachers and sixty, Year 9 students (with a large percentage from low-income communities) who are designing and evaluating their own curriculum-linked immersive virtual learning environment. The practical, ethical and safety issues associated with integrating emerging technology in classrooms is also being researched and documented. The project has already attracted international attention and has received local funding of \$50,000 through an Australian Government Digital Literacy Grant.

DEVELOPING FUTURE WORKPLACE SKILLS

Students on our Work Integrated Learning (WIL) program are embracing digitization and other social sector skills through The GLAMx Living Histories Digitisation Lab. A range of cross-discipline learning options are available including 3D scanning and virtual reality; transforming physical formats into digital objects; using technology solutions to access archival sources and drawing on conservation, archival science, librarianship, curatorial, metadata and data management and digitization skills. The GLAMx Lab also features a separate Audio-visual Digitization Lab housing the NBN Television archive and an Artefact Conservation Atelier for the conservation and 3D digitisation of Aboriginal artefacts for virtual reality simulation.



STAFF WHO MADE THEIR MARK

We continued to promote and celebrate our culture and values and to re-align our organisational structure to support the needs of our students and curriculum.

We broke more new ground with support for sessional staff, celebrated the achievements of many of our peers and continued our work to secure Athena SWAN bronze accreditation.

SUPPORT FOR HUNTER-BASED WOMEN IN STEMM

HunterWiSE, a new STEMM outreach program was launched to encourage more high-school students to consider studying STEMM-based subjects and to support early and mid-career female academics by facilitating more industry engagement and cross-faculty collaboration. The project builds on a partnership between Muswellbrook Council and the University of Newcastle, and on existing working relationships with Glencore, Hunter Water, Greater Bank, Tech Girls are Superheroes, and Google Inc.

Female STEMM leaders in the Hunter have enthusiastically committed to both mentoring and inspiring girls to pursue diverse and dynamic STEMM career options, and to engage with female academics through the HunterWiSE network.

A pilot program at Muswellbrook High School saw students working alongside university mentors to develop solutions, including a game to educate people about the flying fox population, a website for locating community gardens, and a plan to use 'nudge theory' to prevent further pollution of Muscle Creek.

NEW TOOL TO TACKLE CHILDHOOD OBESITY

A new initiative designed to reduce the obesity epidemic among the young, has received the backing of the Australian Government. The *feedAustralia* program is currently being trialled to provide a nutritionally sound, ready-to-use menu planning tool for 54 early childhood education centres and carers in the study. The Australian government has committed \$1.08m to a national roll-out in 2018 across 25,000 providers.

HUNTERWISE PROGRAM >

University mentors and Muswellbrook High School students who completed the HunterWiSE program.





FOSTERING FEMALE ACADEMICS

In a major boost for gender equity, an inaugural Women in Research (WIR) Fellowship program was announced to support the retention of female academics.

The WIR provided annual funding for 13 early and mid-career female academics to facilitate research and career development.

With women comprising just 27 per cent of senior academic positions in Australian universities*, Pro Vice-Chancellor (Research and Innovation), Professor Deborah Hodgson, said the WIR Fellowship is an important initiative that will foster the career development of female academics. This round will see successful scholarship awardees receiving up to \$30,000 over 12 months to support individual research with a focus on mentoring, sponsorship, professional development opportunities and career coaching.

ATHENA SWAN

During year two of the SAGE Pilot of Athena SWAN, the University focused on qualitative data analysis to identify challenges and opportunities for women across STEMM (Science, Technology, Engineering, Mathematics and Medicine) and non-STEMM disciplines. A report and four-year action plan have been prepared and will be submitted to SAGE for assessment during 2018. The University also rolled-out additional activities to support the pilot and its findings including leadership and unconscious bias training for senior leaders, silver sponsorship of the annual SAGE Symposium in Brisbane, the launch of Research Advantage - Women in Research Fellowship program and the establishment of the HunterWISE project.

^ WOMEN IN RESEARCH FELLOWSHIP PROGRAM

Thirteen University of Newcastle researchers have been awarded a Women in Research Fellowship.

*Universities HR Benchmarking Program 2017

HARVARD PARTNERSHIP SUPPORTS OUR EXECUTIVE LEADERS

The University worked with the Harvard Graduate School of Education to design an intensive, two-week leadership program for an initial group of eight heads of school and directors. The Harvard Institute of Leadership and Management (MLE) program provided senior leaders with the opportunity to strengthen their leadership and change management capability. The residential course also provided senior leaders with tools to energise, engage and empower themselves and others to support staff retention. Feedback from course participants was positive with the course content exceeding expectations and with the value of peer-to-peer networking rating highly.

STAFF RECOGNITION ACROSS THE UNIVERSITY

- University of Newcastle Sociology Professor and Academy of Finland Distinguished Professor Lisa Adkins was awarded one of nine National Library of Australia Fellowships for 2018. Professor Adkins is researching 'Wageless Life in the Great Depression' with a particular focus on the Wendy Lowenstein oral history collection.
- Professor Amanda Baker received the inaugural Outstanding Academic Mentor Award from the Australian Psychological Society (APS) Science and Education Team for her collaborative and generous supervision and mentorship of early career scientists.
- Lyn McBriarty, Jodi McLean and Judy Alexander had their commitment to researchers and research management recognised with individual awards from the Australasian Research Management Society (ARMS).
- Research Associate Dr Glen Burton, received the prestigious D. H. Trollope award for his research paper investigating compacted soils.
- Dr Kristen Cohen won the national AARE Ray Debus Award for Doctoral Research in Education.
- The National Council of Women of NSW recognised 15 women, including academics Victoria Hirst, Amelia Besseny and Elicia Taylor during a 'Celebrate Being an Australian' Australia Day awards ceremony.
- The National Schools' Poster Competition cooperative, the brainchild of Associate Professor Peter Howley from the School of Mathematical and Physical Sciences, won the Best Cooperative Project Award 2017 at the International Statistical Institute's (ISI's) 61st World Statistics Congress.
- Mr Shaun McCarthy, Director of The University's Legal Centre, received a citation for 'Outstanding Contributions to Student Learning' from the Australian Awards for University Teaching (AAUT) for leading the successful clinical program at Newcastle Law School providing students with client casework and hands-on advocacy and problem-solving experience.
- Three University of Newcastle researchers were awarded Fulbright Scholarships. Dr Stephanie Gilbert, Coordinator of Teaching Quality and Development at The Wollotuka Institute, received an Indigenous Postdoctoral Scholarship and Associate Professor Peter Stanwell, School of Health Sciences was awarded a Professional Scholarship. Early career researcher Dr Andrew Gardner also received the scholarship to support his continued research in the area of sports-related concussion.
- Professor Vanessa McDonald became the first nurse to be awarded the title of Fellow of the Thoracic Society of Australia and New Zealand (FThorSoc) for her excellence in respiratory health research.
- The Faculty of Engineering and Built Environment's Pro-Vice Chancellor, Professor Brett Ninness, has been unanimously elected as a Fellow of the Royal Society of NSW and was named a Fellow and Executive Engineer of Engineers Australia.
- Emeritus Professor John Patrick was elected as a Fellow of the Australian Academy of Science (AAS), joining an elite group of 500 members who have made a significant and sustained contribution to Australian science.
- Laureate Professor Roger Smith (AM) was appointed the first National Health and Medical Research Council (NHMRC) Senior Principal Research Fellow from the University. The appointment recognises his leadership in the pathophysiology of human pregnancy.
- Eighteen scientists including Associate Professor Shanyong Wang, were recognised by the Australian Academy of Science. Associate Professor Wang received the John Booker medal for his outstanding research in engineering mechanics and related fields within engineering and applied mathematics.
- Professor SueAnne Ware, Head of School for Architecture and Built Environment has been named one of ten Esteemed Fellows of Australian Architecture by Landscape Australia.
- Professor George Willis was awarded an Australian Research Council (ARC) Laureate Fellowship of \$2.8m for his work investigating 0-dimensional groups which will advance mathematical research and enhance the fields of computer science and data structures.
- Senior Lecturer from Newcastle Business School, Dr Tamara Young, received a Fellows Commendation from The Council for Australasian Tourism and Hospitality Educators (CAUTHE) for her contribution to education and research in the sector.

BUILDING FOR THE FUTURE

With state-of-the-art facilities, the University offers innovative and inspiring approaches to delivering education across Newcastle, the Central Coast, Sydney, Port Macquarie and Singapore.

Our \$95m NeW Space facility in the heart of Newcastle's CBD harnesses cutting-edge educational technology to deliver a world-class student experience.

The development of an Integrated Innovation Network, across the Hunter region will provide enabling environments where University researchers, start-ups and subject-matter experts can collaborate across disciplines to inspire the next generation of entrepreneurs.

\$95m LANDMARK >
NeW SPACE EDUCATION PRECINCT



\$95m landmark
NeW Space education precinct



NeW SPACE

In Semester 2 we proudly opened NeW Space, our \$95m landmark education precinct in the heart of Newcastle's CBD. The building harnesses the latest technology and innovation across teaching and learning and is part of the University's city campus.

NeW Space offers cross-faculty activities including:

- digital library services and information commons
- collaborative learning and research spaces
- work integrated learning
- facilities for industry, professional and community engagement
- social spaces

The building has secured a 5-star green design rating and includes energy reducing external sun shading, high performance double-glazing and thermally engineered aluminium frames. The building also maximises natural ventilation and harvests and reuses rainwater for toilets and for landscape irrigation.

NeW Space is supported by Australian Government funding of \$30m through the Education Investment Fund Regional Priorities Round, NSW Government funding of \$25m, and \$40m invested by the university.

“National Geographic Traveler ranked Newcastle as one of the world's 7 Smart Cities rising to the challenge of 21st century urban life - our NeW Space campus and inner-city digital precinct contributed to the decision.”

**< \$95m LANDMARK
NeW SPACE EDUCATION PRECINCT**



ADDITIONAL \$12.5m INVESTMENT IN CENTRAL COAST MEDICAL SCHOOL

The University welcomed additional investment in the Central Coast Medical School as it prepares for its first student intake in 2020.

The Treasurer, the Hon. Scott Morrison MP, and Member for Robertson, Lucy Wicks MP, announced the additional \$12.5m investment in operational and transitional funding for the Central Coast Medical School. This funding is in addition to the previous investment commitment of \$72.5m from the Federal (\$32.5m) and NSW (\$20m) Governments and from the University of Newcastle (\$20m). The investment of \$12.5m will support operational and transitional costs as the medical and allied health school is developed in its new location on the Central Coast.

HUNTER INNOVATION PROJECT

In collaboration with Newcastle City Council, Newcastle Now and Hunter DiGiT, we are a lead partner in the Hunter Innovation Project, supported through the NSW Government's Hunter Infrastructure and Investment Fund (HIIF). Smart technology and Wifi is being deployed across Newcastle's central business district and an innovation hub is being developed to bring together researchers, students, developers, entrepreneurs, investors, technology specialists, and business advisors.

ON-CAMPUS ACCOMMODATION 'BEST IN SECTOR'

Our Student Living team won the '2017 Housing Operator of the Year' and 'Excellence in Marketing and Communications' at the Asia Pacific Association for Student Housing awards.

The 2017 University Housing Operator of the Year award acknowledged our world-class facilities and dedication to enhancing student experience through customer service, welfare and support initiatives. Special reference was made to the team's development of policy, education, and on-campus support in the area of sexual assault and violence.

The 'Life's What You Make It' campaign won the Excellence in Marketing and Communications award for its video, digital media, social media, print collateral, cinema advertising and new Student Living blog and mobile app.

RESPECT. NOW. ALWAYS.

We joined with 39 other Australian universities last year in the 'Respect. Now. Always' initiative to address sexual harassment and sexual assault in university communities. This year a Sexual Misconduct Working Group examined staff resourcing; reporting frameworks, support services and educational programs for students. The team also reviewed policies relating to sexually-based misconduct (including sexual assault and sexual harassment) and consulted with key external partners (including NSW Police and the NSW Rape Crisis Centre) to ensure processes reflect best practice. Key outcomes included the provision of additional online training resources for all staff, specialist training for frontline staff and compulsory training for students around the issue of seeking and securing consent.



LEADING AND GOVERNING

The University acknowledges and observes the Universities Australia and University Chancellors Council 'Voluntary Code of Best Practice for the Governance of Australian Universities' and confirms that it complies with this Code.

"At the University of Newcastle, we believe that high standards of corporate and academic governance are essential to support sustainable long-term performance, meet public expectations of probity, accountability and transparency and ensure regulatory compliance."

Mr Paul Jeans, Chancellor

Our strong governance framework and systems facilitate effective and considered decision-making. The Council has oversight of the key strategic and financial objectives of the University. By recognising and managing risk, and through appropriate monitoring of management activity, we work to deliver on our commitments to our students, our people, our communities and the environment.

COUNCIL >

Front L-R: Chancellor Mr P.E. (Paul) Jeans, Vice-Chancellor and President, Professor Caroline McMillen, Mrs Jann Gardner, Deputy Chancellor Ms Dianne Allen.

2nd row L-R: Mr Robert (Bob) Kennedy, President of Academic Senate Professor Mark Jones, Mrs Michelle McPherson.

3rd row L-R: Dr Roslyn Larkin, Ms Julie Phillips, Ms Deborah Wright, Professor Pablo Moscato.

4th row L-R: Mr Micheal Robertson, Mr Phillip Johnson.

5th row L-R: Mr John Bowers, Conjoint Professor Mr Geoff Lilliss.

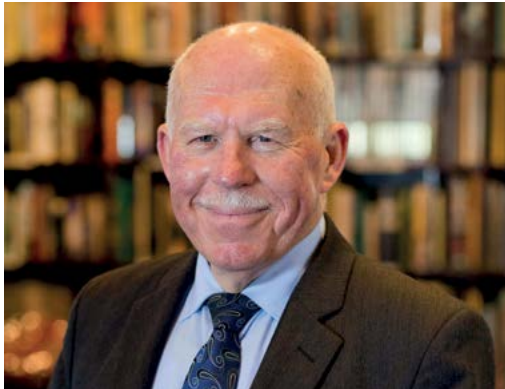
Not shown: Mr Doug Dean AM.



UNIVERSITY COUNCIL AND ITS MEMBERS

The Council comprises 16 members who contribute their expertise and time, with membership at 31 December 2017 as follows:

EX-OFFICIO EXTERNAL MEMBER



Chancellor
Mr P.E. (Paul) Jeans,
BE(UNSW), FIEAust, FAICD, FRSN

EX-OFFICIO MEMBER



Vice-Chancellor and President
Professor Caroline McMillen,
MA(Oxon), DPhil(Oxon), MB, BChir(Cantab),
FAHMS, FRSN

EX-OFFICIO MEMBER



President of Academic Senate
Professor Mark Jones,
BSc(Hons), PhD(CNAA, UK), FIMechE,
CEng, FIEAust, CPEng

MINISTERIALLY APPOINTED EXTERNAL MEMBER¹



Mr Robert Kennedy,
BEC(ANU), FCPA

[i](#) See Council member bios for further information:
newcastle.edu.au/current-staff/our-organisation/governance/council/council-members

**MINISTERIALLY APPOINTED EXTERNAL
MEMBER¹**

Conjoint Professor Geoff Lilliss,
BE(Hons), MBA(Merit)(Newcastle), Hon
FIEAust, MAICD

**COUNCIL APPOINTED EXTERNAL
MEMBER²**

**Deputy Chancellor
Ms Dianne Allen,**
BCom(Newcastle), FCA, GAICD, AMICDA

**COUNCIL APPOINTED EXTERNAL
MEMBER²**

Mr John Bowers,
BCom(Hons 1), MCom(Newcastle),
AM(Harvard), CFA

**COUNCIL APPOINTED EXTERNAL
MEMBER²**

Mr Doug Dean AM,
BCom(Newcastle), FCPA, FAIM, FAICD

¹ External members appointed by the Minister are appointed for up to 4 years

² External members appointed by Council are appointed for up to 4 years

UNIVERSITY COUNCIL AND ITS MEMBERS

COUNCIL APPOINTED EXTERNAL MEMBER²



Ms Jann Gardner,
BA/LLB(Sydney), MBA(Newcastle),
GAICD

COUNCIL APPOINTED EXTERNAL MEMBER²



Mrs Michelle McPherson,
Bus(UTS), CA, GAICD

COUNCIL APPOINTED EXTERNAL MEMBER²



Ms Julie Phillips,
BPharm,DHP, MSc (UOS), MBA (MU)

COUNCIL APPOINTED EXTERNAL MEMBER²



Ms Deborah Wright,
MBA(SCU), DipTeach(Newcastle), FAMI,
CPM, AIMM, MAICD

ELECTED STAFF MEMBER³

Dr Roslyn Larkin,
BBus(Hons), PhD(Newcastle)

ELECTED STAFF MEMBER³

Professor Pablo Moscato,
BSc(La Plata, Argentina),
PhD(UNICAMP, Brazil)

ELECTED STAFF MEMBER³

Mr Michael Robertson,
MTEM (Melb), B.Ed(Music) (Hons)
(Newcastle), Dip Mgmt., Adv Dip Mgmt

ELECTED STUDENT MEMBER⁴

Mr Phillip Johnson

³ Staff members are elected for up to 2 years
⁴ Student members are elected for a term of 1 year

COUNCIL TERMS OF OFFICE

COUNCIL MEMBER	DATE OF INITIAL APPOINTMENT	EXPIRY OF CURRENT TERM
OFFICIAL MEMBERS		
Mr P.E. (Paul) Jeans (Chancellor) BE(UNSW), FIEAust, FAICD, FRSN	01/07/2013	30/06/2021
Professor Caroline McMillen (Vice-Chancellor and President) MA(Oxon), DPhil(Oxon), MB, BChir(Cantab), FAHMS, FRSN	31/10/2011	30/10/2019 ¹
Professor Mark Jones (President of Academic Senate) BSc(Hons), PhD(CNAU, UK), FIMechE, CEng, FIEAust, CPEng	01/01/2014	31/12/2019
EXTERNAL MEMBERS APPOINTED BY THE MINISTER		
Conjoint Professor Geoff Lilliss, BE(Hons), MBA(Merit)(Newcastle), Hon FIEAust, MAICD	01/09/2009	31/08/2018
Mr Robert Kennedy, BEc(ANU), FCPA	01/02/2014	31/01/2020
EXTERNAL MEMBERS APPOINTED BY COUNCIL		
Ms Dianne Allen (Deputy Chancellor) BCom(Newcastle), FCA, GAICD, AMICDA	01/01/2006	31/12/2018
Mr John Bowers, BCom(Hons 1), MCom(Newcastle), AM(Harvard), CFA	14/08/2015	13/08/2019
Mr Doug Dean AM, BCom(Newcastle), FCPA, FAIM, FAICD	14/08/2015	13/08/2019
Ms Jann Gardner, BA/LLB(Sydney), MBA(Newcastle), GAICD	01/01/2015	31/12/2020
Mrs Michelle McPherson, Bus(UTS), CA, GAICD	09/07/2014	31/12/2021
Ms Julie Phillips, BPharm,DHP, MSc (UOS), MBA (MU)	13/08/2016	12/08/2018
Ms Deborah Wright, MBA(SCU), DipTeach(Newcastle), FAMI, CPM, AIMM, MAICD	23/01/2007	31/12/2018
ACADEMIC STAFF MEMBERS - ELECTED		
Dr Roslyn Larkin, BBus(Hons), PhD(Newcastle)	01/09/2014	31/08/2018
Professor Pablo Moscato, BSc(La Plata, Argentina), PhD(UNICAMP, Brazil)	01/09/2014	31/08/2018
NON-ACADEMIC STAFF MEMBER - ELECTED		
Mr Michael Robertson, MTEM (Melb), B.Ed(Music)(Hons)(Newcastle), Dip Mgmt., Adv Dip Mgmt	02/06/2015	31/08/2018
STUDENT MEMBER - ELECTED		
Mr Phillip Johnson	01/01/2016	31/12/2017

¹ In November 2017, our VC announced she will retire in October 2018.

COUNCIL BASIS OF AUTHORITY

The University of Newcastle is governed by its Council, which is chaired by the Chancellor.

Council has responsibility for the direction and oversight of the University according to the *University of Newcastle Act 1989 (NSW) (the Act)* and the *University of Newcastle By-law 2017 (NSW) (the By-law)*.

UNIVERSITY SECRETARY (CHIEF GOVERNANCE OFFICER)

David Cantrick-Brooks was appointed University Secretary (Chief Governance Officer) of the University on 28 March 2017. David has held senior governance roles at ANZ, James Fielding Group, BlueScope Steel / BHP Billiton, Computershare, KPMG and ASX. Prior to his extensive career in the corporate sector, David was an academic at Charles Sturt University. David holds undergraduate and postgraduate degrees in Accountancy, and is a Fellow of the Governance Institute of Australia (serving for many years as an active member) and the Institute of Chartered Secretaries and Administrators.



David Cantrick-Brooks

BCom MSt(Accy) (W'gong), FGIA, FCIS

COUNCIL SKILLS AND EXPERIENCE

Council members have relevant skills and a broad range of national and international experience in various fields of endeavour, to support the objectives and stewardship of

the University. Our skills and experience matrix supports the appointment of new Council members. The table below sets out the combined skills and experience of the Council.

SKILLS/EXPERIENCE	SUMMARY
Financial acumen	Understands the key financial priorities and drivers of the organisation. Experience in financial reporting and financial management
Governance	A commitment to and experience in setting appropriate corporate governance principles, policies and protocols which reflect best practice. Understands the values which drive good corporate governance.
Health and Safety	Experience in implementing and monitoring workplace health and safety practices. Understands the importance of a strong HSW culture.
Higher education	Experience in various aspects of higher education (including sector-specific issues.) Understands key stakeholders.
Human resources	Experience in promoting diversity, inclusion and engagement, in building workforce capability, in creating a positive corporate culture and in setting a remuneration framework which attracts and retains a high calibre of personnel.
International operations	Understands the complexity of operating in and entry into international markets, either through experience gained directly in the region or through management of regional client/other stakeholder relationships.
Legal	Experience in identifying and resolving significant legal and regulatory issues and the ability to provide high-level guidance to Council on these matters.
Research	Translation of research for industry and community benefit.
Risk oversight/management	Experience in managing risk in complex organisations through the adoption of relevant standards and appropriate practices.
Strategic leadership	Ability to provide insight and guidance on key areas such as strategy, implementation, effective change management / transformation and disruptors.
Sustainability	Ability to develop economically, socially and environmentally sustainable operations. Understands the direction of travel for promoting sustainability.
Technology	Understands emerging technologies, including digital trends, impacts and opportunities which are having a profound effect on all organisations.

GENDER DIVERSITY ON COUNCIL



7

Female



9

Male

See Appendix D for further information on diversity

COUNCIL COMMITTEES AND ATTENDANCE

The Council has a number of standing committees which support it in carrying out its role and responsibilities, including monitoring the performance of the University to gain assurance that the organisation is meeting its strategic

and overall performance objectives. In addition to scheduled meetings, Council attended two additional workshops (on strategy and governance) during the year. Members of Council may attend all committee meetings, with rights of audience and debate with the exception of the Chancellor's Committee. The table below provides details of the number of meetings convened during the year; details the meetings members were eligible to attend and their attendance record.

MEMBERS	COUNCIL (SCHEDULED) MEETINGS	NOMINATIONS AND LEGISLATION COMMITTEE*	STRATEGIC DEVELOPMENT COMMITTEE	CHANCELLOR'S COMMITTEE	CONTROLLED AND ASSOCIATED ENTITIES COMMITTEE	FINANCE COMMITTEE	RISK COMMITTEE	PEOPLE AND CULTURE COMMITTEE
Mr P.E. (Paul) Jeans	5/5	5/5	5/5	3/3	4	6	4/5	4/5
Professor Caroline McMillen	5/5	5/5	5/5	3/3	5/5	7/7	5/5	5/5
Ms Dianne Allen	5/5	3/5	1	3/3	4/5	6/7	4/5	4/5
Mr John Bowers	5/5	N/A	N/A	N/A	N/A	6/7	4/5	N/A
Mr Doug Dean AM	4/5	N/A	4/5	N/A	N/A	3	N/A	4/5
Ms Julie Phillips	5/5	N/A	5/5	N/A	1	1	N/A	N/A
Ms Jann Gardner	5/5	5/5	N/A	N/A	4/5	1	N/A	N/A
Professor Mark Jones	4/5	3/5	3/5	2/3	2	1	N/A	N/A
Mr Robert Kennedy	4/5	N/A	4/5	N/A	4/5	6/7	N/A	N/A
Dr Roslyn Larkin	5/5	N/A	N/A	N/A	N/A	1	5/5	4/5
Conjoint Professor Geoff Lilliss	4/5	N/A	4/5	3/3	N/A	3	N/A	2/5
Ms Michelle McPherson	2/5	N/A	N/A	N/A	N/A	5/7	5/5	N/A
Professor Pablo Moscato	5/5	N/A	4/5	N/A	1	1	N/A	4/5
Mr Michael Robertson	5/5	N/A	3	N/A	N/A	7/7	N/A	5/5
Ms Deborah Wright	5/5	N/A	4/5	N/A	N/A	1	N/A	4/5
Mr Phillip Johnson	5/5	2	2	N/A	5/5	N/A	N/A	1

*Note: The name of the Nominations and Legislation Committee changed to the Nominations and Governance Committee in late 2017 to more accurately reflect its purpose.

Key: Single digits indicate where members have availed themselves of their rights of audience and debate.


COUNCIL FOCUS AREAS

INDEPENDENCE

Council is comprised of 10 external members and 6 internal members. Whilst the internal members are either appointed ex officio or through elections, the independence of the external members is an extremely important consideration for the Council when considering appointments. Council applies a similar definition of independence as used in the ASX Corporate Governance Principles and Recommendations.

Comprehensive inductions are provided for new Council members, with ongoing professional development opportunities available to all members.

During the year, Council and its committees undertook a range of key activities including:

 For ASX information please see page 16 Box 2.3 at: asx.com.au/documents/asx-compliance/cgc-principles-and-recommendations-3rd-edn.pdf

CAPITAL INVESTMENT

Key focus:

Approved a number of capital works proposals which will improve existing facilities for the benefit of students, staff and others.

 For further information please see Appendix M

ETHICS AND THE CODE OF CONDUCT

Key focus:

Reviewed various elements of the UON Ethical Decision-making Framework, with a view to enhancing existing policies in line with key stakeholder expectations (including investment strategies and codes of conduct).

We joined with 39 other Australian universities last year in the 'Respect. Now. Always' initiative to address sexual harassment and sexual assault in university communities.

 For further information please see page 67.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) AND SUSTAINABILITY

Key focus:

Engaged with key stakeholders on how to find ways to embed sustainability across all operational activities.

Highlights:

- Embarked on a program of transferring existing investments into ethical funds to pursue ESG targets and reduce the University's carbon footprint.
- Further developed an ethical decision-making framework to inform strategy.
- Incorporated energy efficient features in new buildings and promoted recycling.
- Endorsed and monitored near-term targets focusing on water, waste, and energy reduction across specific projects and assets.

 For further information please see Appendix N

FINANCIAL REPORTING

Key focus:

Continued to improve the quality of internal and external reporting.

Highlights:

Awarded Gold for the University's 2015 Annual report at the Australasian Reporting Awards in June 2017.

GOVERNANCE

Key focus:

Developed a best practice framework to support the University's drive towards increased accountability and transparency across a broad range of governance areas.

Highlights:

- Implemented revised governance systems and processes to support legislative and organisational requirements and public accountability.
- Implemented and reviewed existing delegations, resulting in a number of improvements.
- Conducted a thorough review of Council and Committee roles and responsibilities.
- Ensured compliance with relevant principles, policies and codes including; the Universities Australia 'Voluntary Code of Best Practice for the Governance of Australian Universities', the Audit Office of New South Wales 'Governance Lighthouse' guide and the ASX 'Corporate Governance Principles and Recommendations.'
- Council has taken steps to further enhance the value that Convocation (through its Alumni Advisory Committee) can bring. Some important changes will be made in the year ahead (2018).
- Conducted an annual Governance Workshop with Executive Management.

MATERIAL ISSUES AND RISK MANAGEMENT**Key focus:**

Council and management continued to improve the ways in which various risks can be identified, measured and managed, according to Council's risk appetite. Discussion at Council's annual strategy workshop has helped to improve risk management practices.

The University maintains a comprehensive risk register, which is regularly reviewed by Council (in particular, the Risk Committee). Material issues are identified and discussed, and appropriate strategies put in place to manage such issues. The University takes a risk-based approach to managing its business, consistent with AS/NZS ISO 31000-2009 risk management.

 For further information please see Appendix F

NOMINATION AND SUCCESSION**Key focus:**

Council continued to review its membership to ensure that the skills and experience of the individuals on Council and committees are appropriate, having regard to the current and future needs of the University. Council is conscious of the need to ensure that succession on Council and in senior management is well planned and smoothly transitioned. Staff and student elections continue to attract high-calibre candidates.

PEOPLE AND CULTURE**Key focus:**

Reviewed overall organisational structures to ensure that they continue to be appropriate and that resources are efficiently allocated and utilised, in order to meet the future needs of the University, having regard to significant changes and challenges in the university sector, whilst recognising the importance of maintaining high levels of motivation and resilience in the workforce.

Oversaw the definition of our required future culture and sought best practice culture assessment tools.

Reviewed several key aspects of the university's Workplace Health and Safety (WHS) program to strengthen existing practices in high-risk areas.

Examined succession plans within the university to identify any further action required to safeguard business continuity.

REMUNERATION**Key focus:**

Council is conscious of the need to ensure that the University's academic and professional workforce is fairly remunerated in order to attract and retain the right calibre of people, whilst recognising the tight fiscal environment in which all universities operate.

STRATEGY AND PERFORMANCE**Key focus:**

Reviewed strategy, corporate plans and budgets in light of ongoing changes in the higher education sector. Meeting targets is an important priority for the Council.

Reviewed various elements of the University's Strategic Plan and monitored overall performance.

Highlights:

- Reviewed the existing *NeW Futures Strategic Plan 2016-2025*.
- Conducted a two-day intensive offsite workshop to examine and explore strategic issues in further detail.
- Endorsed a number of significant capital expenditure proposals.
- Undertook further in-depth analysis of key business drivers in light of proposed government reforms.

TECHNOLOGY**Key focus:**

Reviewed our proposed future digital roadmap.

Highlights:

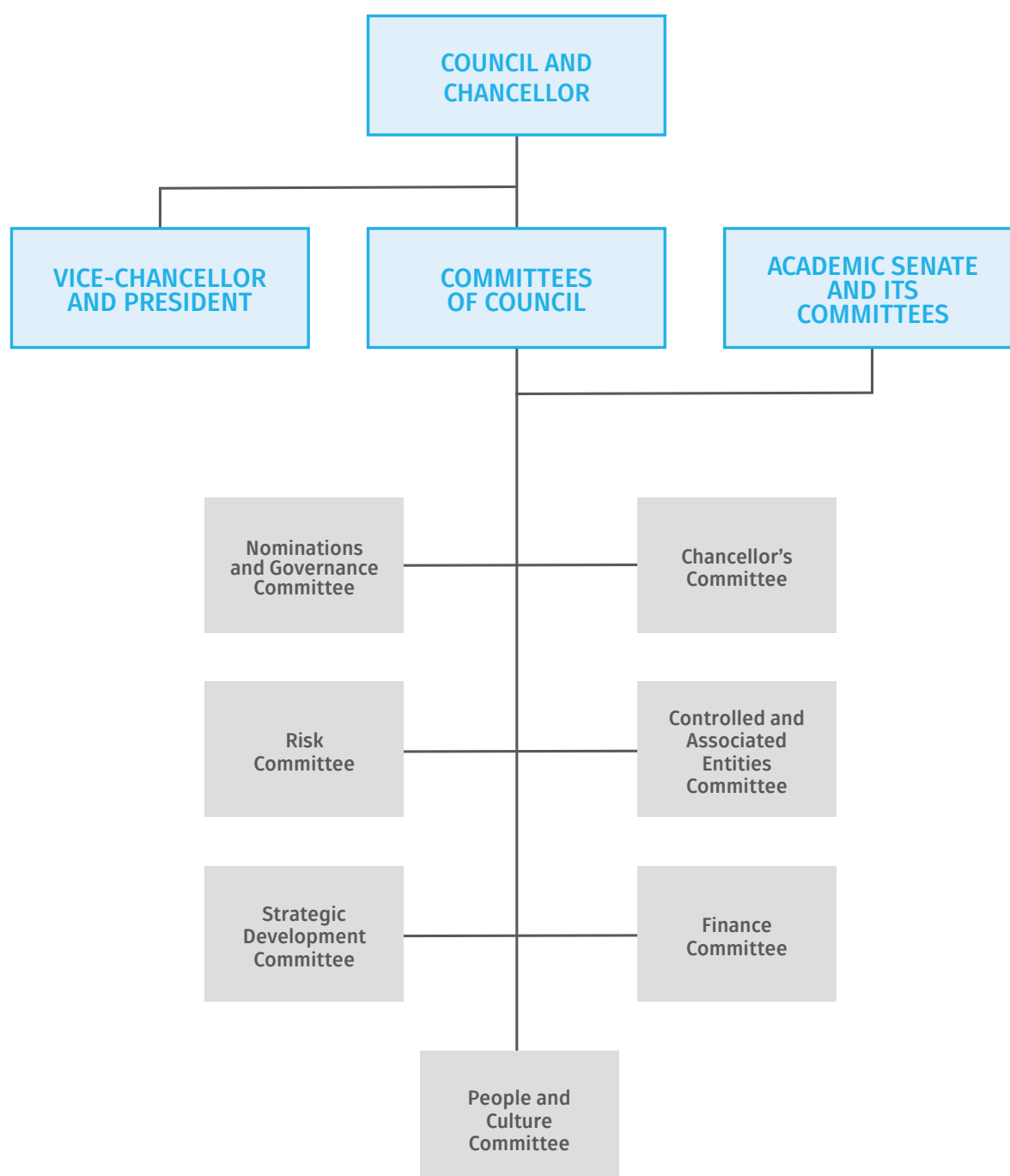
- Several IT initiatives show great potential. Council recognises the important role that IT will play in shaping Universities in the future.

OUR GOVERNANCE FRAMEWORK

A copy of the University's governance policies can be found on our website at:

newcastle.edu.au/about-uon/governance-and-leadership/policy-library

Policies are regularly reviewed and updated to ensure they reflect best practice and support stakeholders expectations wherever practical.



“An effective Council requires a combination of independence, skills, knowledge, experience and perspectives.”

ACADEMIC SENATE

The principal academic body of the University of Newcastle is the Academic Senate. The Academic Senate is responsible for overseeing academic governance and assuring high standards in teaching, learning and research. It is the primary advisory committee of the Council on academic matters.

Academic Senate approves and amends academic policies and procedures, and plays a key role in academic quality assurance processes.

A number of committees advise the Academic Senate including the Program and Course Approval Committee; the Teaching and Learning Committee; the Research Committee and five Faculty Boards.

The Chair of Academic Senate is an ex-officio member of Council. Professor Mark Jones was first elected as President of Academic Senate on 1 January 2014.

The University hosted the biennial conference of Chairs of Academic Boards and Senates in Newcastle during the year, with the meeting agenda considering important developments in academic governance.

EXECUTIVE COMMITTEE

The Vice-Chancellor and President is the Principal Executive Officer of the University with responsibility for strategic direction, the operation and management of the University and for chairing the University's Executive Committee.

ROLE OF THE EXECUTIVE COMMITTEE

Providing advice to the Vice-Chancellor on matters of strategic and operational significance, the primary role of the Executive Committee is to define and focus the strategic direction of the University in line with the *NeW Futures Strategic Plan 2016-2025*, and prioritise operational decisions according to this framework.

EXECUTIVE COMMITTEE >

Back row (L to R): Professor Brett Ninness,
Professor Deborah Hodgson,
Deputy Vice-Chancellor (Academic) Professor Darrell Evans,
Laureate Professor John Aitken,
Professor Tony Travaglione, Mr Paul Dunn.

Front row (L to R): Mr Nat McGregor,
Vice-Chancellor and President Professor Caroline McMillen,
Professor Lee Smith, Mrs Winnie Eley.

Not shown: Professor Liz Burd, Professor John Germov,
Professor Kevin Hall.



EXECUTIVE COMMITTEE AND ITS MEMBERS

“We continue to harness the cross-functional skills of our Executive team to support our goals and objectives.”

Membership of the Executive Committee is drawn from the senior leadership of the University’s Faculties and Divisions, with the Committee chaired by the Vice-Chancellor.



Vice-Chancellor and President
Professor Caroline McMillen,
MA(Oxon), DPhil(Oxon), MB, BChir(Cantab),
FAHMS, FRSN



Deputy Vice-Chancellor
(International and Advancement)
Mrs Winnie Eley
BEd(Hons), MBA(Nottingham)



**Senior Deputy Vice-Chancellor
(Research and Innovation)**
Professor Kevin Hall
BSc(Hons), MSc(Queen's), PhD(UNSW)



**Deputy Vice-Chancellor
(Academic)**
Professor Darrell Evans
BSc(CNAA), PhD(Aberdeen), FRSB, FRMS, FHEA,
FAS



Chief Operating Officer
Mr Nat McGregor
BCom(Newcastle), MBA(Deakin), DipFinancial
Services(ANZIF), GAICD, CPA, ANZIF Fellow



**Pro Vice-Chancellor
(Health and Medicine)**
Laureate Professor R John Aitken
ScD, PhD(Cambridge), FRSB, FRSE, FRSN,
FAA, FAHMS

EXECUTIVE COMMITTEE AND ITS MEMBERS



**Pro Vice-Chancellor
(Learning and Teaching), Academic Registrar**
Professor Elizabeth Burd
BEd(Hons)(CNAA), MSc, DPhil(York),
PhD(Dunelm), FHEA, SMIEEE



**Pro Vice-Chancellor (Education and Arts)
Pro Vice-Chancellor (Academic)**
Professor John Germov
BA(Chisholm), MA(Monash), PhD(Newcastle)



**Pro Vice-Chancellor
(Research and Innovation)**
Professor Deborah Hodgson
BA(Hons), PhD(Macquarie), FRSN, AHPRA



**Pro Vice-Chancellor
(Engineering and Built Environment)**
Professor Brett Ninniss
BEng, MEng, PhD(Newcastle), FIEEE, FIEAust,
FRSN, CPENG



**Pro Vice-Chancellor
(Science)**

Professor Lee Smith

BSc(Hons)(Leicester), PhD(Warwick),
FRSB



**Pro Vice-Chancellor
(Business and Law)**

Professor Tony Travaglione

BBus(Curtin), MIR(UWA), PhD(UWA)



Chief Financial Officer

Mr Paul Dunn

BCom(Newcastle), FCPA

PART 3

FINANCIAL STATEMENTS

“The University is focussed on operating a financially sustainable core business, which enables confidence in strategic investment whilst navigating uncertainty and government reform.”

FINANCIAL STATEMENTS

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INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2017

	Note	Consolidated		Parent	
		2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Income from continuing operations					
Australian Government financial assistance					
Australian Government grants	2	335,338	342,400	335,338	342,400
HELP - Australian Government payments	2	146,584	141,037	146,584	141,037
State and local government financial assistance	3	14,288	25,059	14,288	25,059
HECS-HELP - Student payments		5,975	7,051	5,975	7,051
Fees and charges	4	150,852	130,707	144,935	124,252
Investment revenue	5	39,927	28,867	39,925	28,783
Royalties, trademarks and licences	6	1,266	570	367	210
Consultancy and contracts	7	40,943	34,556	32,748	25,170
Other revenue	8	33,568	25,860	36,943	29,708
Other investment income	5	2,564	28,447	2,513	28,447
Total income from continuing operations		771,305	764,554	759,616	752,117
Expenses from continuing operations					
Employee related expenses	9	419,127	399,148	411,335	391,441
Depreciation and amortisation	10	46,603	43,650	46,472	43,516
Repairs and maintenance	11	26,306	23,851	26,248	23,703
Borrowing costs		13	4,213	59	4,213
Impairment of assets	12	1,292	121	1,358	41
Loss on disposal of assets		270	2,940	270	2,940
Deferred superannuation expense	9	2,592	2,269	2,592	2,269
Other expenses	13	217,730	205,114	213,699	200,697
Total expenses from continuing operations		713,933	681,306	702,033	668,820
Net result before income tax		57,372	83,248	57,583	83,297
Income tax expense	14	16	(31)	-	-
Net result after income tax for the period		57,388	83,217	57,583	83,297
Net result attributable to:					
Members of the University of Newcastle	25	57,388	83,217	57,583	83,297

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

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2017

	Note	Consolidated		Parent	
		2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Net result after income tax for the period		57,388	83,217	57,583	83,297
Other comprehensive income					
Items that will be reclassified to profit or loss					
Net changes in value of available for sale financial assets, net of tax		19,517	8,063	19,526	7,835
Cash flow hedges, net of tax		-	2,201	-	2,201
Exchange differences on translation of foreign operations		(8)	(56)	-	-
Reclassification to profit and loss - disposal of available-for-sale assets		(2,626)	(27,419)	(2,626)	(27,419)
Total		16,883	(17,211)	16,900	(17,383)
Items that will not be reclassified to profit or loss					
Gain(loss) on revaluation of land and buildings, net of tax	19/25	13,633	(89,995)	13,633	(89,995)
Net actuarial gains(loss) recognised in respect of defined benefits plans	37(e)	1,050	813	1,050	813
Total		14,683	(89,182)	14,683	(89,182)
Total other comprehensive income		31,566	(106,393)	31,583	(106,565)
Comprehensive result		88,954	(23,176)	89,166	(23,268)
Total comprehensive income attributable to:					
Members of the University of Newcastle		88,954	(23,176)	89,166	(23,268)

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

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2017

		Consolidated		Parent	
		2017	2016	2017	2016
Note		\$'000	\$'000	\$'000	\$'000
ASSETS					
Current assets					
Cash and cash equivalents	15	17,431	21,380	12,523	12,878
Receivables	16	45,900	30,077	44,788	30,141
Inventories	17	64	27	64	27
Other financial assets	18	54,474	67,272	54,474	67,272
Non-current assets classified as held for sale	19	-	1,753	-	1,753
Total current assets		117,869	120,509	111,849	112,071
Non-current assets					
Receivables	16	433,608	420,925	433,608	420,925
Other financial assets	18	438,150	379,630	437,302	378,563
Property, plant and equipment	19	979,714	953,230	979,404	952,958
Intangible assets	20	15,028	10,992	14,950	10,889
Total non-current assets		1,866,500	1,764,777	1,865,264	1,763,335
Total assets		1,984,369	1,885,286	1,977,113	1,875,406
LIABILITIES					
Current liabilities					
Trade and other payables	21	40,864	51,930	40,931	50,240
Employee benefit provisions	23	102,189	98,809	101,208	97,817
Other liabilities	24	44,796	40,213	43,677	38,509
Total current liabilities		187,849	190,952	185,816	186,566
Non-current liabilities					
Payables	21	-	21	-	21
Employee benefit provisions	23	477,645	464,392	477,430	464,118
Total non-current liabilities		477,645	464,413	477,430	464,139
Total liabilities		665,494	655,365	663,246	650,705
Net assets		1,318,875	1,229,921	1,313,867	1,224,701
EQUITY					
Reserves	25	475,809	446,262	474,246	444,682
Retained earnings	25	843,066	783,659	839,621	780,019
Total equity		1,318,875	1,229,921	1,313,867	1,224,701

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 2017

Consolidated

	Reserves \$'000	Retained earnings \$'000	Total \$'000
Balance at 1 January 2016	554,147	698,950	1,253,097
Net result	-	83,217	83,217
Gain/(loss) on revaluation of land and buildings, net of tax	(89,995)	-	(89,995)
Gain/(loss) on revaluation of available-for-sale financial assets	8,063	-	8,063
Reclassification of revaluation reserves to profit and loss for disposal of available-for-sale financial assets	(27,419)	-	(27,419)
Gain/(loss) on cash flow hedges	2,201	-	2,201
Remeasurements of defined benefit plans	813	-	813
Exchange differences on translation of foreign operations	(56)	-	(56)
Total comprehensive income	(106,393)	83,217	(23,176)
Transfers from revaluation reserves to retained earnings for asset sales	(1,492)	1,492	-
Balance at 31 December 2016	446,262	783,659	1,229,921
Balance at 1 January 2017	446,262	783,659	1,229,921
Net result	-	57,388	57,388
Gain/(loss) on revaluation of land and buildings, net of tax	13,633	-	13,633
Gain/(loss) on revaluation of available-for-sale financial assets	19,517	-	19,517
Reclassification of revaluation reserves to profit and loss for disposal of available-for-sale financial assets	(2,626)	-	(2,626)
Remeasurements of defined benefit plans	1,050	-	1,050
Exchange differences on translation of foreign operations	(8)	-	(8)
Total comprehensive income	31,566	57,388	88,954
Balance at 31 December 2017	477,828	841,047	1,318,875
Transfers from revaluation reserves to retained earnings for asset sales	(2,019)	2,019	-
Balance at 31 December 2017	475,809	843,066	1,318,875

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

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2017

Parent

	Reserves \$'000	Retained earnings \$'000	Total \$'000
Balance at 1 January 2016	552,739	695,230	1,247,969
Net result	-	83,297	83,297
Gain/(loss) on revaluation of land and buildings, net of tax	(89,995)	-	(89,995)
Gain/(loss) on revaluation of available-for-sale financial assets	7,835	-	7,835
Reclassification of revaluation reserves to profit and loss for disposal of available-for-sale financial assets	(27,419)	-	(27,419)
Gain/(loss) on cash flow hedges	2,201	-	2,201
Remeasurements of defined benefit plans	813	-	813
Total comprehensive income	(106,565)	83,297	(23,268)
Transfers from revaluation reserves to retained earnings for asset sales	(1,492)	1,492	-
Balance at 31 December 2016	444,682	780,019	1,224,701
Balance at 1 January 2017	444,682	780,019	1,224,701
Net result	-	57,583	57,583
Gain/(loss) on revaluation of land and buildings, net of tax	13,633	-	13,633
Gain/(loss) on revaluation of available-for-sale financial assets	19,526	-	19,526
Reclassification of revaluation reserves to profit and loss for disposal of available-for-sale financial assets	(2,626)	-	(2,626)
Remeasurements of defined benefit plans	1,050	-	1,050
Total comprehensive income	31,583	57,583	89,166
Balance at 31 December 2017	476,265	837,602	1,313,867
Transfers from revaluation reserves to retained earnings for asset sales	(2,019)	2,019	-
Balance at 31 December 2017	474,246	839,621	1,313,867

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 2017

	Consolidated		Parent	
	2017	2016	2017	2016
Note	\$'000	\$'000	\$'000	\$'000
CASH FLOWS FROM OPERATING ACTIVITIES:				
Australian Government Grants	477,403	483,558	477,403	483,558
OS-HELP (net)	(2,268)	1,700	(2,268)	1,700
State Government Grants	17,357	45,059	17,357	45,059
HECS-HELP - Student payments	5,975	7,051	5,975	7,051
Receipts from student fees and other customers	248,971	207,259	239,460	194,542
Dividends received	-	1,261	-	1,261
Payments to suppliers and employees (inclusive of GST)	(702,109)	(645,417)	(689,762)	(631,380)
Interest received	827	4,808	825	4,682
Interest paid	(13)	(5,292)	(13)	(5,292)
GST recovered	14,250	14,664	14,939	15,628
Income taxes paid	16	(130)	-	-
Net cash flows from/(used in) operating activities	60,409	114,521	63,916	116,809
	33			
CASH FLOWS FROM INVESTING ACTIVITIES:				
Proceeds from sale of property, plant and equipment	2,494	1,293	2,493	1,293
Proceeds from sale of available-for-sale financial assets	68,874	351,697	68,823	351,697
Proceeds from redemption of held to maturity investments	13,506	278,007	13,506	267,407
Payments for purchase of property, plant and equipment	(69,826)	(104,763)	(69,706)	(104,725)
Payments for purchase of available-for-sale financial assets	(79,322)	(511,364)	(79,322)	(511,364)
Payments for purchase of held to maturity investments	-	(48,070)	-	(40,000)
Payments for purchase of intellectual property	(16)	-	-	-
Proceeds from repayments of interest bearing loans	74	69	74	69
Net cash flows from/(used in) investing activities	(64,216)	(33,131)	(64,132)	(35,623)
CASH FLOWS FROM FINANCING ACTIVITIES:				
Repayment of borrowings	(139)	(85,150)	(139)	(85,150)
Net cash flows from/(used in) financing activities	(139)	(85,150)	(139)	(85,150)
Net cash increase/(decreases) in cash and cash equivalents				
	(3,946)	(3,760)	(355)	(3,964)
Cash and cash equivalents at beginning of year	21,380	25,201	12,878	16,842
Effects of exchange rate changes on cash and cash equivalents	(3)	(61)	-	-
Cash and cash equivalents at end of financial year	17,431	21,380	12,523	12,878
	15			

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 2017

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 for The University of Newcastle as the parent entity and the consolidated entity consisting of The University of Newcastle and its subsidiaries.

(a) Basis of preparation

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

The University of Newcastle applies Tier 1 reporting requirements.

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

- *Higher Education Support Act 2003* (Cwth) (Financial Statement Guidelines)
- *Australian Charities and Not-for-profit Commission (ACNC) Act 2012* (Cwth)
- *Public Finance and Audit Act 1983* (NSW)
- *Public Finance and Audit Regulation 2015* (NSW)

The University of Newcastle is a not-for-profit entity and these statements have been prepared on that basis. Some of the Australian Accounting Standards requirements for not-for-profit entities are inconsistent with the IFRS requirements. The University of Newcastle and its subsidiaries together are referred to in this financial report as the Group.

Date of authorisation for issue

The financial statements were authorised for issue by the Council of The University of Newcastle on 29 March 2018.

Historical cost convention

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

Critical accounting estimates

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

- Provision for impairment of receivables – a provision is estimated when there is objective evidence that the Group will not be able to collect all amounts due according to the original forms of the receivables as outlined in note 1(j).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of preparation (continued)

- Impairment of investments and other financial assets – the Group assesses at each reporting date whether there is objective evidence that a financial asset or group of financial assets is impaired as outlined in note 1(l).
- Employee benefits – Long service leave – the liability for long service leave is measured at the present value of the expected future payments to be made in respect of services provided by employees up to the reporting date as outlined in note 1(v).
- Employee benefits – Defined benefit plans – the liability or asset in respect of defined benefit superannuation plans and pensions is measured at the present value of the defined benefit obligation and pension at the reporting date as outlined in note 1(v). These benefits are independently valued by an actuary where certain key assumptions are taken into account as outlined in note 37(c).
- Useful lives of property, plant and equipment – depreciation of property, plant and equipment is calculated over the assets estimated useful lives. Useful lives are reviewed and adjusted if appropriate at each reporting date as outlined in note 1(o).
- Valuation of property, plant and equipment – land, buildings and infrastructure are independently valued as outlined in note 1(o). Certain key assumptions are taken into account as outlined in note 19.

(b) Basis of consolidation

(i) Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of The University of Newcastle ("parent entity") as at 31 December 2017 and the results of all subsidiaries for the year then ended. The University of Newcastle and its subsidiaries together are referred to in this financial report as the Group or the consolidated entity.

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 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 entities 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Basis of consolidation (continued)

(ii) Associates

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

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.

Gains or losses resulting from 'upstream' and 'downstream' transactions, involving assets that do not constitute a business, are recognised in the parent's financial statements only to the extent of unrelated investors' interests in the associate or joint venture. Gains or losses resulting from the contribution of non-monetary assets in exchange for an equity interest are accountable for in the same method.

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

(iii) Joint arrangements

Under AASB 11 investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations each investor has, rather than the legal structure of the joint arrangement.

Joint operations

Where relevant, The University of Newcastle's share of assets, liabilities, revenue and expenses of a joint operation have been incorporated into the financial statements under the appropriate headings.

Joint ventures

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

(c) Foreign currency translation

(i) Functional and presentation currency

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Foreign currency translation (continued)

(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. Qualifying cash flow hedges and qualifying net investment hedges in a foreign operation shall be accounted for by recognising the portion of the gain or loss determined to be an effective hedge in other comprehensive income and the ineffective portion in profit or loss.

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

(iii) Group companies

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

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

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

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

(d) Revenue recognition

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

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

Revenue is recognised for the major business activities as follows:

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Revenue recognition (continued)

(i) Government Grants

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

(ii) HELP payments

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

(iii) Student fees and charges

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

(iv) Royalties, trademarks and licences

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

(v) Consultancy and contracts

For contracts assessed as containing a reciprocal arrangement, revenue is recognised using the percentage of completion method, in accordance with AASB 118 *Revenue*. The stage of completion is measured by considering actual costs as a percentage of total forecast costs, or other suitable estimation technique.

Non-reciprocal consultancy and contract arrangements are accounted for in accordance with AASB 1004 *Contributions* and revenue is recognised at fair value when the Group obtains control of the right to receive the funds, it is probable that economic benefits will flow to the Group, and it can be reliably measured.

(vi) Lease income

Lease income from operating leases is recognised in income on a straight-line basis over the lease term.

(vii) Interest

Interest income is recognised as it accrues.

(viii) Other revenue

Other income represents miscellaneous income which is not derived from core operations and is recognised as income when earned

(e) Income tax

The University of Newcastle is exempt from income tax under Commonwealth income taxation legislation. Within the consolidated entity however, there are entities that are not exempt from this legislation.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Income tax (continued)

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

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

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

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

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

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

(f) Leases

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

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases (note 29). Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis, over the period of the lease.

Lease incentives

Lease incentives received or receivable, such as rent-free periods and premises fit-out allowances, may be included in operating leases entered into by The University of Newcastle. The estimated value of lease incentives is apportioned in profit or loss on a straight-line basis over the term of the lease. Where the original lease term has been extended, these incentives will continue to be recognised over the original lease term.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Business combinations

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

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

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

(h) Impairment of assets

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

(i) Cash and cash equivalents

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Trade receivables

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

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

(k) Inventories

(i) Retail Stock

Retail stock is stated at the lower of cost and net realisable value. Cost comprises direct materials only. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(l) Investments and other financial assets

Classification

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

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

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

(ii) Loans and receivables

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

(iii) Held-to-maturity investments

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(I) Investments and other financial assets (continued)

Classification (continued)

(iv) Available-for-sale financial assets

Available-for-sale financial assets, comprising principally of units in managed investment funds, are non-derivatives that are either designated in this category or are not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the end of the reporting period.

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

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

Subsequent measurement

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

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

Fair value

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Investments and other financial assets (continued)

Impairment

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

(m) Derivatives

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

(i) Fair value hedge

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

(ii) Cash flow hedge

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Derivatives (continued)

(ii) Cash flow hedge (continued)

When a hedging instrument expires or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss that has been recognised in other comprehensive income from the period when the hedge was effective shall remain separately in equity until the forecast transaction occurs. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was recognised in other comprehensive income shall be reclassified to profit or loss as a reclassification adjustment. The replacement or rollover of a hedging instrument into another hedging instrument is not considered an expiration or termination if such replacement is documented as part of the hedging strategy. Additionally it is not considered a termination or expiration if, as a consequence of law or constitution, parties to the hedging instrument agree to replace their original counterparty to become the new counterparty to each of the parties.

(iii) Derivatives that do not qualify for hedge accounting

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

(n) Fair value measurement

The fair value of financial assets and financial 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 the inputs used in making the measurements.

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

The fair value of assets or liabilities that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each reporting date. Quoted market prices or dealer quotes for similar instruments (level 2) are used for long-term debt instruments held. Other techniques that are not based on observable market data (level 3), such as estimated discounted cash flows, are used to determine fair value for the remaining assets and liabilities. The fair value of interest-rate swaps is calculated as the present value of the estimated future cash flows. The fair value of forward exchange contracts is determined using forward exchange market rates at the end of the reporting period. The level in the fair value hierarchy is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety.

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

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(o) Property, plant and equipment

Land, buildings and infrastructure (refer to note 19) are shown at fair value, based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings and infrastructure. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the carrying amount is adjusted to the revalued amount of the asset. All other property, plant and equipment is stated at historical cost less depreciation. Artworks and rare books are stated at historical cost. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include gains or losses that were recognised in other comprehensive income on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

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, buildings and infrastructure are recognised, net of tax, in other comprehensive income and accumulated in equity under the heading of property, plant and equipment revaluation surplus. To the extent that the increase reverses a decrease previously recognised in profit or loss, the increase is first recognised in profit or loss. Decreases that reverse previous increases of the same asset class are also 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 class. All other decreases are charged to the income statement.

Land, artworks and rare books 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:

	2017	2016
Buildings and infrastructure	20-60 years	20-60 years
Plant and Equipment	2 - 10 years	2 - 10 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.

Land, buildings and infrastructure were valued by CBRE Valuations Pty Limited in October 2017.

(p) Repairs and maintenance

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(q) Intangible assets

(i) Intellectual property

Expenditure on intellectual property, being the application of research findings or other knowledge to a plan or design for the production of new or substantially improved products or services before the start of commercial production or use, is capitalised if the product or service is technically and commercially feasible and adequate resources are available to complete development. The expenditure capitalised comprises all directly attributable costs, including costs of materials, services, direct labour and an appropriate proportion of overheads. Other intellectual property expenditure is recognised in the income statement as an expense, when it is incurred. Capitalised expenditure is stated at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost over the period of the expected benefit, which varies from 2 to 10 years.

(ii) Goodwill

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

(iii) Computer Software

Expenditure on software, being software that is not an integral part of the related hardware, is capitalised. Capitalised expenditure is stated at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost over the period of the expected benefit, to a maximum of 5 years.

(r) Trade and other payables

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

(s) Borrowings

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

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(t) Borrowing costs

Borrowing costs incurred for the construction of any qualifying asset are expensed at the time they are incurred.

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

(u) Provisions

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

Provisions are not recognised for future operating losses.

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

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

(v) Employee benefits

(i) Short-term obligations

Liabilities for short-term employee benefits including wages and salaries and non-monetary benefits are measured at the amount expected to be paid when the liability is settled, if it is expected to be settled wholly before 12 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

The liability for other long-term benefits are those that are not expected to be settled wholly before 12 months after the end of the annual reporting period. Other long-term employee benefits include such things as annual leave, accumulating sick leave and long service leave liabilities.

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

Regardless of the expected timing of settlements, provisions made in respect of employee benefits are classified as a current liability, unless there is an unconditional right to defer the settlement of the liability for at least 12 months after the reporting date, in which case it would be classified as a non-current liability.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(v) Employee benefits (continued)

(iii) Retirement benefit obligations

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

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

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.

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

Past service costs are recognised in profit or loss immediately.

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

(iv) Deferred government benefit for superannuation

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

The unfunded liabilities recorded in the statement of financial position under provisions have been determined by the Group's external actuaries and relate to SSS, SASS and SANCS on an emerging cost basis.

Deferred government benefits for superannuation are the amounts recognised as reimbursement rights as they are the amounts expected to be received from the Australian Government for the emerging costs of the superannuation funds for the life of the liability. Refer to note 37 for specific treatment.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(v) Employee benefits (continued)

(v) 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 the expense and liability for termination benefits either when it can no longer withdraw the offer of those benefits or when it has recognised costs for restructuring within the scope of AASB 137 *Provisions, Contingent Liabilities and Contingent Assets* that involves the payment of termination benefits. The expense and liability are recognised when the Group is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy.

Termination benefits are measured on initial recognition and subsequent changes are measured and recognised in accordance with the nature of the employee benefit. Benefits expected to be settled wholly within 12 months are measured at the undiscounted amount expected to be paid. Benefits not expected to be settled before 12 months after the end of the reporting period are discounted to present value.

(w) Rounding of amounts

Amounts in the financial statements have been rounded off in accordance with *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191* relating to the "rounding off" of amounts in the financial statements. Amounts have been rounded off to the nearest thousand dollars, or in certain cases, the nearest dollar.

(x) Goods and services tax (GST)

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

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

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

Commitments are disclosed net of the amount of GST recoverable from or payable to tax authorities.

(y) Comparative amounts

Where necessary, comparative information has been reclassified to enhance comparability in respect of changes in presentation adopted in the current year. These reclassifications had no effect on the reported results of operations.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

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

(aa) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2017 reporting periods. The University of Newcastle has elected not to early adopt any of these standards. The Group's assessment of the impact of these new standards and interpretations is set out below:

- AASB 9 (2014) *Financial instruments* (effective 1 January 2018)

AASB 9 amends the requirements for classification and measurement of financial assets. The available-for-sale and held-to-maturity categories of financial assets in AASB 139 *Financial Instruments: Recognition and Measurement* have been eliminated. Under AASB 9, there are three categories of financial assets:

1. Amortised cost
2. Fair value through profit or loss
3. Fair value through other comprehensive income.

The following requirements have generally been carried forward unchanged from AASB 139 into AASB 9:

- Classification and measurement of financial liabilities; and
- Derecognition requirements for financial assets and liabilities.

Under AASB 9, impairment of financial assets will be based on a forward looking "expected loss model".

However, AASB 9 requires that gains or losses on financial liabilities measured at fair value are recognised in profit or loss, except that the effects of changes in the liability's credit risk are recognised in other comprehensive income.

The group does not have any financial liabilities measured at fair value through profit or loss. There will therefore be no impact on the financial statements when this standard is adopted.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(aa) New accounting standards and interpretations (continued)

- AASB 15 *Revenue from Contracts with Customers* (effective 1 January 2019)
AASB 1058 *Income for Not-for-profit-entities* (effective 1 January 2019)

AASB 15 is the new comprehensive standard for revenue and replaces AASB 118 Revenue and AASB 111 Construction Contracts. Under the new standard revenue is recognised when control of a good or service transfers to a customer, replacing the current principle that revenue is related to the transfer of risks and rewards. Revenue will only be recognised when control over the goods or services is transferred to the customer, either over time or at a point in time.

AASB 15 will apply to contracts that are exchange transactions. AASB 1004 Contributions will be superseded by AASB 1058 Income of Not-for-Profit Entities and provide guidance to assist not-for-profit entities to apply AASB 15. Proposed amendments will allow both reciprocal and non-reciprocal revenue from contracts with customers to be accounted for under AASB 15 where certain conditions are attached.

The new standard will have a significant impact on revenue from contracts that are exchange transactions and span multiple reporting periods. Additional disclosures will be required to enable users to understand the amount, timing and judgments related to revenue recognition and related cash flows.

The full impact of the new standard is not known and cannot be reliably estimated at 31 December 2017.

- AASB 16 *Leases*, issued February 2016 (effective 1 January 2019)

Under AASB 16, lessees will not be required to classify leases as either operating leases or finance leases. All leases will be presented in the financial statements as either leased assets (right-of-use) or with property, plant and equipment by recognising the present value of future lease payments. Interaction with AASB 13 Fair Value Measurement will require that assets received at significantly less than fair value, such as peppercorn leases, are recognised at fair value. Corresponding income will be recognised in accordance with AASB 15 or AASB 1058 as outlined above.

Lessor accounting requirements will be substantially consistent with the predecessor standard, AASB 117 Leases.

The new standard will significantly increase leased assets and financial liabilities recorded in the balance sheet. Additional disclosures will be required to enable users to understand the amount and timing related to the recognition of leases, impact on the profit and loss and related cash flows.

The full impact of the new standard is not known and cannot be reliably estimated at 31 December 2017.

(ab) Adoption of new and revised accounting standards

The Group has adopted all standards which became effective for the first time at 31 December 2017, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Group.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

2 AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE INCLUDING AUSTRALIAN GOVERNMENT LOAN PROGRAMS (HELP)

(a) Commonwealth Grant Scheme and Other Grants

	Note	Consolidated		Parent	
		2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Commonwealth Grants Scheme ^{#1}		221,209	225,001	221,209	225,001
Promotion of Excellence in Learning & Teaching		108	141	108	141
Higher Education Participation Program		6,390	9,110	6,390	9,110
Disability Performance Funding ^{#2}		118	155	118	155
Indigenous Student Success Program ^{#3}		3,535	3,053	3,535	3,053
Total Commonwealth Grant Scheme and Other Grants	38(a)	231,360	237,460	231,360	237,460

(b) Higher Education Loan Programs

HECS - HELP		126,361	122,102	126,361	122,102
FEE - HELP ^{#4}		15,599	15,707	15,599	15,707
SA - HELP		4,624	3,228	4,624	3,228
Total Higher Education Loan Programs	38(b)	146,584	141,037	146,584	141,037

(c) Scholarships

Research Training Program ^{#5}		23,380	22,799	23,380	22,799
Total Scholarships	38(c)	23,380	22,799	23,380	22,799

(d) EDUCATION Research

Research Support Program ^{#6}		21,038	18,511	21,038	18,511
Total EDUCATION Research	38(c)	21,038	18,511	21,038	18,511

(e) Other capital funding

Education Investment Fund		-	3,586	-	3,586
Other capital funding		2,228	-	2,228	-
Total other capital funding	38(e)	2,228	3,586	2,228	3,586

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

2 AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE INCLUDING AUSTRALIAN GOVERNMENT LOAN PROGRAMS (HELP) (CONTINUED)**(f) Australian Research Council**

	Consolidated		Parent	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Discovery	9,585	11,250	9,585	11,250
Linkages ^{#7}	2,604	3,185	2,604	3,185
Networks and Centres	2,372	2,337	2,372	2,337
Total ARC	14,561	16,772	14,561	16,772

38(f)

(g) Other Australian Government financial assistance**Non-capital**

National Health & Medical Research Council	19,298	17,943	19,298	17,943
Other Commonwealth Research Grant	10,542	11,864	10,542	11,864
Other Commonwealth Non-Research Grant	12,931	13,465	12,931	13,465

Total Other Australian Government financial assistance

42,771	43,272	42,771	43,272
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Total Australian Government financial assistance

481,922	483,437	481,922	483,437
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#1 Includes the basic CGS grant amount, Regional Loading, Enabling Loading, Medical Student Loading, Allocated Places and Non-Designated Courses

#2 Disability Performance Funding includes Additional Support for Students with Disabilities and Australian Disability Clearinghouse on Education & Training

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

#4 Program is in respect of FEE-HELP for Higher Education only and excludes funds received in respect of VET FEE-HELP

#5 Research Training Program has replaced Australian Postgraduate Awards, International Postgraduate Research Scholarships and Research Training Scheme as of 1 January 2017

#6 Research Support Program has replaced Joint Research Engagement, JRE Engineering Cadetships, Research Block Grants and Sustainable Research Excellence in Universities as of 1 January 2017

#7 ARC Linkage Infrastructure, Equipment and Facilities grants are reported in e) Other capital funding (where applicable)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

3 STATE AND LOCAL GOVERNMENT FINANCIAL ASSISTANCE

	Consolidated		Parent	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Non-capital				
State and local government research grant	12,209	10,500	12,209	10,500
State government contributions	1,935	2,059	1,935	2,059
Total non-capital	14,144	12,559	14,144	12,559
Capital				
State government capital contributions	144	12,500	144	12,500
Total capital	144	12,500	144	12,500
Total state and local government financial assistance	14,288	25,059	14,288	25,059

4 FEES AND CHARGES

Course fees and charges				
Fee-paying onshore overseas students	94,917	81,838	94,917	81,838
Fee-paying offshore overseas students	7,140	7,651	1,208	1,216
Fee-paying domestic postgraduate students	17,434	8,760	17,434	8,760
Fee-paying domestic undergraduate students	23	14	23	14
Fee-paying domestic non-award students	415	384	415	384
Course and conference fees	2,661	2,330	2,637	2,313
Total course fees and charges	122,590	100,977	116,634	94,525
Other non-course fees and charges				
Student accommodation	20,920	19,182	20,920	19,182
Student Services and Amenities Fees from students	1,887	3,722	1,887	3,722
Other fees and charges	5,455	6,826	5,494	6,823
Total other fees and charges	28,262	29,730	28,301	29,727
Total fees and charges	150,852	130,707	144,935	124,252

5 INVESTMENT REVENUE AND OTHER INVESTMENT INCOME

Investment revenue				
Interest	766	3,752	764	3,668
Distributions received	38,447	25,111	38,447	25,111
Other investment revenue	714	4	714	4
Total investment revenue	39,927	28,867	39,925	28,783

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

5 INVESTMENT REVENUE AND OTHER INVESTMENT INCOME (CONTINUED)**Other investment income**

	Consolidated		Parent	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Cumulative gain / (loss) reclassified from equity on disposal of available-for-sale investments	2,597	27,419	2,546	27,419
Gain / (loss) arising on held-to- maturity investments	(33)	1,028	(33)	1,028
Total other investment income	2,564	28,447	2,513	28,447

Cumulative (gains) /losses on available-for-sale investments transferred to the income statement are disclosed within note 25.

6 ROYALTIES, TRADEMARKS AND LICENCES

Licence fees	367	245	327	210
Royalties	899	325	40	-
Total royalties, trademarks and licences	1,266	570	367	210

7 CONSULTANCY AND CONTRACTS

Consultancy	2,987	1,763	2,719	1,613
Contract research				
Hunter Medical Research Institute	7,136	6,093	7,136	6,093
Co-operative research centre	1,628	367	1,628	367
Industry research	19,341	10,849	11,422	1,648
Other contract revenue	9,851	15,484	9,843	15,449
Total contract research	37,956	32,793	30,029	23,557
Total consultancy and contracts	40,943	34,556	32,748	25,170

8 OTHER REVENUE

Cost recoveries	11,383	8,963	11,344	8,993
Donations and bequests	8,342	2,294	8,406	2,294
Insurance recoveries	755	948	755	744
Other related party revenue	-	-	3,513	4,139
Rental revenue	2,562	2,255	2,562	2,255
Rebates and commissions from external parties	2,831	2,550	2,831	2,550
Sale of goods	807	1,241	807	1,241
Sales, memberships and tickets	3,489	3,416	3,489	3,421
Sponsorship	2,732	2,355	2,736	2,379
Other revenue	667	1,838	500	1,692
Total other revenue	33,568	25,860	36,943	29,708

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

9 EMPLOYEE RELATED EXPENSES

	Note	Consolidated		Parent	
		2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Academic					
Salaries		156,998	149,254	154,369	146,712
Contributions to superannuation and pension schemes					
- funded		23,572	21,504	23,508	21,418
- unfunded		762	889	762	889
Payroll tax		10,264	9,615	10,264	9,615
Worker's compensation		453	244	453	244
Long service leave expense		10,496	7,210	10,496	7,210
Annual leave		9,021	8,302	8,918	8,172
Parental leave		1,252	1,595	1,252	1,595
Contract severance		116	177	116	177
Voluntary separation		2,835	4,232	2,835	4,232
Total academic		215,769	203,022	212,973	200,264
Professional and teaching					
Salaries		147,555	144,456	143,671	140,585
Contributions to superannuation and pension schemes					
- funded		21,933	20,767	21,521	20,375
- unfunded		884	935	884	935
Payroll tax		10,592	10,117	10,362	9,908
Worker's compensation		439	224	435	224
Long service leave expense		1,984	1,293	1,866	1,170
Annual leave		12,730	12,778	12,382	12,424
Parental leave		1,223	1,604	1,223	1,604
Contract severance		189	101	189	101
Voluntary separation		5,829	3,851	5,829	3,851
Total professional and teaching		203,358	196,126	198,362	191,177
Total employee related expenses		419,127	399,148	411,335	391,441
Deferred superannuation expense	37	2,592	2,269	2,592	2,269
Total employee related expenses, including deferred government employee benefits for superannuation		421,719	401,417	413,927	393,710

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

10 DEPRECIATION AND AMORTISATION

	Consolidated		Parent	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Depreciation				
Buildings and infrastructure	23,446	23,272	23,446	23,272
Plant and equipment	19,264	17,929	19,174	17,810
Total depreciation	42,710	41,201	42,620	41,082
Amortisation				
Intangibles	3,893	2,449	3,852	2,434
Total depreciation and amortisation	46,603	43,650	46,472	43,516

11 REPAIRS AND MAINTENANCE

Repairs and maintenance - general	20,469	19,965	20,450	19,818
Buildings	5,837	3,886	5,798	3,885
Total repairs and maintenance	26,306	23,851	26,248	23,703

12 IMPAIRMENT OF ASSETS

Trade receivables	21	121	87	41
Intangibles	1,271	-	1,271	-
Total impairment of assets	1,292	121	1,358	41

13 OTHER EXPENSES

Advertising, marketing and promotional expenses	5,032	4,217	4,956	4,134
General consumables	26,467	26,552	26,066	26,030
Insurances	2,237	2,189	2,114	2,077
Minor equipment	17,255	16,407	16,931	15,662
Operating lease rental	4,072	4,115	4,063	4,099
Professional services	42,335	50,002	40,058	48,132
Scholarships, grants and prizes	54,405	40,125	54,359	39,963
Telecommunications	3,801	3,816	3,753	3,767
Travel, staff development and entertainment	21,865	21,898	21,453	21,464
Utilities	8,289	5,870	8,284	5,859
Other expenses	31,972	29,923	31,662	29,510
Total other expenses	217,730	205,114	213,699	200,697

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

14 INCOME TAX**(a) Income tax expense**

	Consolidated		Parent	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Adjustments for current tax of prior periods	(16)	31	-	-
Total	(16)	31	-	-
Income tax expense is attributable to:				
Net result from continuing operations	(16)	31	-	-
Aggregate income tax expense	(16)	31	-	-

(b) Numerical reconciliation of income tax expense to prima facie tax payable

Net result before income tax:				
From continuing operations	57,372	83,248	57,583	83,297
Tax at the Australian tax rate of 30% (2016: 30%)	17,212	24,974	17,275	24,989
Tax effect of amounts which are not deductible / (taxable) in calculating taxable income	(17,212)	(24,974)	(17,275)	(24,989)
Adjustment for current tax of prior periods	(16)	31	-	-
Total income tax expense:	(16)	31	-	-

15 CASH AND CASH EQUIVALENTS

Cash at bank and on hand	7,179	8,799	2,271	377
Deposits at call	10,252	12,581	10,252	12,501
Total cash and cash equivalents	17,431	21,380	12,523	12,878

(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:

Balances as above	17,431	21,380	12,523	12,878
Balance per statement of cash flows	17,431	21,380	12,523	12,878

(b) Cash at bank and on hand

Cash on hand is non-interest bearing. Cash at bank earns floating interest rates between 0.65% and 1.20% (2016: 0.65% and 1.70%).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

15 CASH AND CASH EQUIVALENTS (CONTINUED)

(c) Deposits at call

The deposits are bearing floating interest rates between 0.60% and 1.40% (2016: 1.05% and 1.55%). These deposits have an average maturity of nil days.

16 RECEIVABLES

	Note	Consolidated		Parent	
		2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Current					
Trade receivables		6,339	10,540	4,604	9,895
Student fees		1,881	1,199	1,881	1,184
Provision for impairment		(199)	(400)	(187)	(322)
Subtotal		8,021	11,339	6,298	10,757
Prepayments		18,088	14,895	17,994	14,833
Related party receivables		-	-	791	768
Other receivables		19,791	3,843	19,705	3,783
Total current receivables		45,900	30,077	44,788	30,141
Non-current					
Deferred government benefit for superannuation	37	431,512	417,906	431,512	417,906
Other receivables		2,096	3,019	2,096	3,019
Total non-current receivables		433,608	420,925	433,608	420,925
Total receivables		479,508	451,002	478,396	451,066

As at 31 December 2017 current receivables of \$3.56 million (2016: \$3.06 million) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these receivables is as follows:

Less than 3 months	2,635	2,097	2,347	1,929
6 to 12 months	877	890	577	643
Over 12 months	52	68	39	9
Total past due but not impaired current receivables	3,564	3,055	2,963	2,581

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

16 RECEIVABLES (CONTINUED)**(a) Impaired receivables**

As at 31 December 2017 current receivables of the Group with a nominal value of \$0.20 million (2016: \$0.40 million) were impaired. The amount of the provision was \$0.20 million (2016: \$0.40 million). The individually impaired receivables mainly relate to student fees.

The ageing of these receivables is as follows:

	Consolidated		Parent	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
3 to 12 months	80	80	80	80
Over 12 months	119	320	107	242
Total current impaired receivables	199	400	187	322

Movements in the provision for impaired receivables are as follows:

At 1 January	400	1,163	322	967
Provision for impairment recognised during the year	187	403	187	322
Receivables written off during the year as uncollectible	(222)	(884)	(222)	(685)
Unused amount reversed	(166)	(282)	(100)	(282)
At 31 December	199	400	187	322

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

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

17 INVENTORIES**Current**

Retail stock on hand	64	27	64	27
Total current inventories	64	27	64	27

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

18 OTHER FINANCIAL ASSETS

	Consolidated		Parent	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Current				
Available-for-sale	54,004	53,966	54,004	53,966
Held-to-maturity	470	13,306	470	13,306
Total current other financial assets	54,474	67,272	54,474	67,272
Non-current				
Available-for-sale	438,150	379,158	437,302	378,091
Held-to-maturity	-	472	-	472
Total non-current other financial assets	438,150	379,630	437,302	378,563
Total other financial assets	492,624	446,902	491,776	445,835

Restricted assets

Included in available-for-sale financial assets is an amount of \$20.0m (2016: \$20.0m) held by the University as an unspent grant from the State Government. These funds are held solely for the purpose of the proposed construction of a Medical School and Research Institute on the Central Coast.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

19 PROPERTY, PLANT AND EQUIPMENT

Consolidated	Capital Works in Progress \$'000	Land \$'000	Buildings \$'000	Plant and equipment \$'000	Artwork and Libraries \$'000	Infrastructure \$'000	Total \$'000
At 1 January 2016							
- Cost	48,713	-	4,346	124,363	315	72	177,809
- Valuation	-	61,413	766,383	-	5,347	63,057	896,200
Accumulated depreciation and impairment	-	-	(5,068)	(77,585)	-	(397)	(83,050)
Net book amount	48,713	61,413	765,661	46,778	5,662	62,732	990,959
Year ended 31 December 2016							
Opening net book amount	48,713	61,413	765,661	46,778	5,662	62,732	990,959
Additions	99,554	-	-	-	-	-	99,554
Assets disposals	-	(2,513)	(1,471)	(574)	(1,529)	-	(6,087)
Transfers	(38,852)	-	15,399	21,376	130	1,947	-
Revaluation increase/ (decrease) recognised in equity	-	(5,993)	(84,374)	-	(1,387)	1,759	(89,995)
Depreciation charge	-	-	(20,827)	(17,929)	-	(2,445)	(41,201)
Closing net book amount	109,415	52,907	674,388	49,651	2,876	63,993	953,230
At 31 December 2016							
- Cost	109,415	-	18,040	143,487	2,876	777	274,595
- Valuation	-	52,907	661,233	-	-	63,625	777,765
Accumulated depreciation and impairment	-	-	(4,885)	(93,836)	-	(409)	(99,130)
Net book amount	109,415	52,907	674,388	49,651	2,876	63,993	953,230
Year ended 31 December 2017							
Opening net book amount	109,415	52,907	674,388	49,651	2,876	63,993	953,230
Additions	56,346	-	-	49	-	-	56,395
Assets disposals	-	(569)	(220)	(45)	-	-	(834)
Transfers	(132,124)	-	98,673	33,188	12	251	-
Revaluation increase/ (decrease) recognised in equity	-	5,419	6,693	-	-	1,521	13,633
Depreciation charge	-	-	(21,033)	(19,264)	-	(2,413)	(42,710)
Closing net book amount	33,637	57,757	758,501	63,579	2,888	63,352	979,714
At 31 December 2017							
- Cost	33,637	-	86,308	142,181	2,888	1,027	266,041
- Valuation	-	57,757	677,343	-	-	62,757	797,857
Accumulated depreciation and impairment	-	-	(5,150)	(78,602)	-	(432)	(84,184)
Net book amount	33,637	57,757	758,501	63,579	2,888	63,352	979,714

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

19 PROPERTY, PLANT AND EQUIPMENT

Parent	Capital Works in Progress	Land	Buildings	Plant and equipment	Artwork and Libraries	Infrastructure	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 January 2016							
- Cost	48,713	-	4,346	123,367	315	72	176,813
- Valuation	-	61,413	766,383	-	5,347	63,057	896,200
Accumulated depreciation and impairment	-	-	(5,068)	(76,974)	-	(397)	(82,439)
Net book amount	48,713	61,413	765,661	46,393	5,662	62,732	990,574
Year ended 31 December 2016							
Opening net book amount	48,713	61,413	765,661	46,393	5,662	62,732	990,574
Additions	99,548	-	-	-	-	-	99,548
Assets disposals	-	(2,513)	(1,471)	(574)	(1,529)	-	(6,087)
Transfers	(38,854)	-	15,399	21,378	130	1,947	-
Revaluation increase/(decrease) recognised in equity	-	(5,993)	(84,374)	-	(1,387)	1,759	(89,995)
Depreciation charge	-	-	(20,827)	(17,810)	-	(2,445)	(41,082)
Closing net book amount	109,407	52,907	674,388	49,387	2,876	63,993	952,958
At 31 December 2016							
- Cost	109,407	-	18,040	142,517	2,876	777	273,617
- Valuation	-	52,907	661,233	-	-	63,625	777,765
Accumulated depreciation and impairment	-	-	(4,885)	(93,130)	-	(409)	(98,424)
Net book amount	109,407	52,907	674,388	49,387	2,876	63,993	952,958
Year ended 31 December 2017							
Opening net book amount	109,407	52,907	674,388	49,387	2,876	63,993	952,958
Additions	56,267	-	-	-	-	-	56,267
Assets disposals	-	(569)	(220)	(45)	-	-	(834)
Transfers	(132,045)	-	98,673	33,109	12	251	-
Revaluation increase/(decrease) recognised in equity	-	5,419	6,693	-	-	1,521	13,633
Depreciation charge	-	-	(21,033)	(19,174)	-	(2,413)	(42,620)
Closing net book amount	33,629	57,757	758,501	63,277	2,888	63,352	979,404
At 31 December 2017							
- Cost	33,629	-	86,306	141,147	2,888	1,027	264,997
- Valuation	-	57,757	677,343	-	-	62,757	797,857
Accumulated depreciation and impairment	-	-	(5,148)	(77,870)	-	(432)	(83,450)
Net book amount	33,629	57,757	758,501	63,277	2,888	63,352	979,404

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

19 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(a) Valuations of land and buildings

The University's land and buildings were revalued at 31 October 2017 by independent valuers CBRE Valuations Pty Limited. Valuations for land were made on the basis of sales evidence and is the estimated amount for which an asset should exchange on the valuation date between a willing buyer and seller in an arm's length transaction, after proper marketing and where the parties have acted knowledgeably, prudently and without compulsion. Buildings and infrastructure, which are of a specialised educational nature and rarely sold in the open market, were valued using industry construction rates adjusted for estimated useful lives and proprietary data of the valuation expert. The revaluation decrement net of applicable deferred income taxes was debited to an asset revaluation reserve in equity.

(b) Non-current assets classified as held for sale

At 31 December 2017, there were no non-current assets classified as held for sale (2016: \$1.75 million). Non-current assets held for sale are carried at the lower of the carrying amount or the fair value less costs to sell. For the fair value of the non-current asset see note 36.

20 INTANGIBLE ASSETS

	Computer software \$'000	Intellectual property \$'000	Total \$'000
Consolidated			
At 1 January 2016			
Cost	21,505	1,053	22,558
Accumulated amortisation and impairment	(16,749)	(535)	(17,284)
Net book amount	4,756	518	5,274
Year ended 31 December 2016			
Opening net book amount	4,756	518	5,274
Additions	5,165	474	5,639
Disposals	94	-	94
Work in progress	2,434	-	2,434
Amortisation	(2,297)	(152)	(2,449)
Closing net book amount	10,152	840	10,992
At 31 December 2016			
Cost	18,104	1,527	19,631
Accumulated amortisation and impairment	(7,952)	(687)	(8,639)
Net book amount	10,152	840	10,992
Year ended 31 December 2017			
Opening net book amount	10,152	840	10,992
Additions	4,478	422	4,900
Disposals	(61)	(128)	(189)
Work in progress	3,215	3	3,218
Amortisation	(3,689)	(204)	(3,893)
Closing net book amount	14,095	933	15,028
At 31 December 2017			
Cost	22,431	1,666	24,097
Accumulated amortisation and impairment	(8,336)	(733)	(9,069)
Net book amount	14,095	933	15,028

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

20 INTANGIBLE ASSETS (CONTINUED)

	Computer software \$'000	Intellectual property \$'000	Total \$'000
Parent			
At 1 January 2016			
Cost	21,428	446	21,874
Accumulated amortisation and impairment	(16,673)	(15)	(16,688)
Net book amount	4,755	431	5,186
Year ended 31 December 2016			
Opening net book amount	4,755	431	5,186
Additions	5,165	443	5,608
Disposals	94	-	94
Work in progress	2,434	-	2,434
Amortisation	(2,297)	(136)	(2,433)
Closing net book amount	10,151	738	10,889
At 31 December 2016			
Cost	18,027	889	18,916
Accumulated amortisation and impairment	(7,876)	(151)	(8,027)
Net book amount	10,151	738	10,889
Year ended 31 December 2017			
Opening net book amount	10,151	738	10,889
Additions	4,478	406	4,884
Disposals	(61)	(128)	(189)
Work in progress	3,215	3	3,218
Amortisation	(3,689)	(163)	(3,852)
Closing net book amount	14,094	856	14,950
At 31 December 2017			
Cost	22,367	1,098	23,465
Accumulated amortisation and impairment	(8,273)	(242)	(8,515)
Net book amount	14,094	856	14,950

21 TRADE AND OTHER PAYABLES

	Consolidated		Parent	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Current				
Trade payables	36,860	46,111	35,778	45,048
OS-HELP liability to Australian Government	1,085	3,317	1,085	3,317
Related party payables	-	-	1,655	-
Other payables	2,919	2,502	2,413	1,875
Total current trade and other payables	40,864	51,930	40,931	50,240

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

21 TRADE AND OTHER PAYABLES (CONTINUED)

	Consolidated		Parent	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Non-current				
Other non-current payables	-	21	-	21
Total non-current trade and other payables	-	21	-	21
Total trade and other payables	40,864	51,951	40,931	50,261

(a) Foreign currency risk

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

Australian Dollars	39,694	51,029	40,312	49,667
Canadian Dollars	-	2	-	2
Chinese Yuan	2	10	2	10
Euros	36	19	36	19
Indonesian Rupiah	-	1	-	1
Great British Pounds	38	2	38	2
Norwegian Krone	-	21	-	21
New Zealand Dollars	-	1	-	1
Singaporean Dollars	551	329	-	1
Japanese Yen	6	-	6	-
US Dollars	537	537	537	537
Total	40,864	51,951	40,931	50,261

For an analysis of the sensitivity of trade and other payables to foreign currency risk refer to note 35.

22 BORROWINGS

(a) Financing arrangements

Unrestricted access was available at reporting date to the following lines of credit. All facilities are unsecured.

Credit card facility

Total facilities	10,100	10,300	10,000	10,000
Used at balance date	(1,462)	(1,957)	(1,427)	(1,931)
Unused at balance date	8,638	8,343	8,573	8,069

Bank overdraft facility

Total facilities	10,000	10,000	10,000	10,000
Used at balance date	-	-	-	-
Unused at balance date	10,000	10,000	10,000	10,000

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

23 PROVISIONS

		Consolidated		Parent	
		2017	2016	2017	2016
	Note	\$'000	\$'000	\$'000	\$'000
Current provisions expected to be settled within 12 months					
Employee benefits					
Annual leave		15,072	17,335	14,725	16,968
Long service leave		14,871	14,235	14,767	14,191
Contract severance		406	302	406	302
Redundancy		6,612	5,113	6,612	5,113
Pension entitlements	37	1,930	1,807	1,930	1,807
Parental leave		1,182	976	1,182	976
Unused sick leave		870	834	870	834
		40,943	40,602	40,492	40,191
Current provisions expected to be settled after more than 12 months					
Employee benefits					
Annual leave		5,802	6,563	5,654	6,400
Long service leave		53,073	49,407	52,691	48,989
Contract severance		2,371	2,237	2,371	2,237
		61,246	58,207	60,716	57,626
Total current provisions		102,189	98,809	101,208	97,817
Non-current provisions					
Employee benefits					
Long service leave		14,032	13,799	13,817	13,525
Pension entitlements	37	32,101	32,687	32,101	32,687
Defined benefit obligation	37	431,512	417,906	431,512	417,906
Total non-current provisions		477,645	464,392	477,430	464,118
Total provisions		579,834	563,201	578,638	561,935

Provision for annual leave

This provision is for outstanding annual leave liabilities that employees have not yet taken. The calculation is based on historical data on leave taken. The measurement and recognition criteria relating to employee benefits has been included in note 1(v) to this report.

Provision for long service leave

This provision is for outstanding long service leave liabilities that employees have not yet taken. The calculation of the present value of future cash flows in respect of long service leave being taken has been calculated by independent third parties based on historical data provided by the University. The measurement and recognition criteria relating to employee benefits has been included in note 1(v).

Provision for contract severance

This provision is for the payment of separation amounts relating to eligible employees on fixed term contracts. The calculation is based on historical data on the length of service of eligible contract employees, the probability that they will be eligible for payment upon termination and the history of actual claims. The measurement and recognition criteria

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

23 PROVISIONS (CONTINUED)

relating to employee benefits has been included in note 1(v) to this report.

Provision for parental leave

A provision has been recognised for employee entitlements relating to parental leave. The measurement and recognition criteria relating to employee benefits has been included in note 1(v) to this report.

Provision for unused sick leave

This provision is for costs relating to the amount the University expects to pay as a result of the unused entitlement accumulated at the end of the year. The measurement and recognition criteria relating to employee benefits has been included in note 1(v) to this report.

Provision for redundancy

This provision is for costs relating to the redundancy of employees. The measurement and recognition criteria relating to employee benefits has been included in note 1(v) to this report.

Provision for pension entitlements

A provision has been recognised for employee pension entitlements. Refer to note 37 for detail.

Provision for defined government benefits for superannuation

A provision has been recognised for employee entitlements relating to deferred government benefits for superannuation. Refer to note 37 for detail.

24 OTHER LIABILITIES

	Consolidated		Parent	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Current				
State Government unspent grant	20,000	20,000	20,000	20,000
Income received in advance	24,796	20,213	23,677	18,509
Total current other liabilities	44,796	40,213	43,677	38,509

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

25 RESERVES AND RETAINED EARNINGS**(a) Reserves**

	Consolidated		Parent	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Foreign currency translation surplus	1,022	1,030	-	-
Property, plant and equipment revaluation surplus	435,564	423,950	435,564	423,950
Available-for-sale investments revaluation	39,359	22,468	38,818	21,918
Defined benefit actuarial remeasurements	(136)	(1,186)	(136)	(1,186)
Total reserves	475,809	446,262	474,246	444,682
Movements				
Foreign currency translation surplus				
Balance 1 January	1,030	1,086	-	-
Currency translation differences arising during the year	(8)	(56)	-	-
Balance 31 December	1,022	1,030	-	-
Hedging reserve				
Balance 1 January	-	(2,201)	-	(2,201)
Revaluation increment (decrement)	-	2,201	-	2,201
Balance 31 December	-	-	-	-
Property, plant and equipment revaluation surplus				
Balance 1 January	423,950	515,437	423,950	515,437
Revaluation increment (decrement)	13,633	(89,995)	13,633	(89,995)
Transfer to retained earnings	(2,019)	(1,492)	(2,019)	(1,492)
Balance 31 December	435,564	423,950	435,564	423,950
Available-for-sale investments revaluation				
Balance 1 January	22,468	41,824	21,918	41,502
Revaluation increment (decrement)	19,517	8,063	19,526	7,835
Reclassification to profit and loss	(2,626)	(27,419)	(2,626)	(27,419)
Balance 31 December	39,359	22,468	38,818	21,918
Defined benefit actuarial remeasurements				
Balance 1 January	(1,186)	(1,999)	(1,186)	(1,999)
Revaluation increment (decrement)	1,050	813	1,050	813
Balance 31 December	(136)	(1,186)	(136)	(1,186)
Total reserves	475,809	446,262	474,246	444,682

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

25 RESERVES AND RETAINED EARNINGS (CONTINUED)

Movements in retained earnings were as follows:

	Consolidated		Parent	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Retained earnings at 1 January	783,659	698,950	780,019	695,230
Net result for the period	57,388	83,217	57,583	83,297
Transfer from reserves	2,019	1,492	2,019	1,492
Retained earnings at 31 December	<u>843,066</u>	<u>783,659</u>	<u>839,621</u>	<u>780,019</u>

(b) Nature and purpose of reserves

Foreign currency translation surplus : exchange differences arising on translation of the foreign controlled entity are recognised in other comprehensive income as described in note 1 and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed.

Hedging reserve : the hedging reserve is used to record gains or losses on a hedging instrument in a cash flow hedge that are recognised in other comprehensive income, as described in note 1. Amounts are reclassified to the income statement when the associated hedged transaction affects profit or loss.

Property, plant and equipment revaluation : used to record increments and decrements on the revaluation of property, plant and equipment, as described in note 1. In the event of a sale of an asset, any balance in the reserve in relation to the asset is transferred to retained earnings.

Available-for-sale investments revaluation : changes in the fair value and exchange differences arising on translation of investments, such as equities, classified as available-for-sale financial assets, are recognised in other comprehensive income, as described in note 1 and accumulated in a separate reserve within equity. Amounts are reclassified to the income statement when the associated assets are sold or impaired.

Defined benefit actuarial remeasurements : actuarial remeasurements arising on valuation of the pension are recognised in other comprehensive income as described in note 1(v) and accumulated in a separate reserve within equity.

26 KEY MANAGEMENT PERSONNEL DISCLOSURES

(a) Names of responsible persons and executive officers

The following persons were members of the Council of The University of Newcastle during the financial year:

Mr Paul Jeans
Professor Caroline McMillen
Ms Dianne Allen
Professor Mark Jones
Conjoint Professor Geoff Lillis
Ms Deborah Wright
Mr Robert Kennedy
Ms Michelle McPherson
Professor Pablo Moscato
Dr Roslyn Larkin
Ms Jann Gardner

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

26 KEY MANAGEMENT PERSONNEL DISCLOSURES (CONTINUED)

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

Mr John Bowers
Mr Doug Dean AM
Mr Michael Robertson
Ms Julie Phillips
Mr Phillip Johnson

(b) Other key management personnel

The following persons were members of the Executive Committee of the University of Newcastle and as such also had authority and responsibility for planning, directing and controlling the activities of The University of Newcastle during the financial year:

Professor Caroline McMillen
Mr Nat McGregor
Professor Kevin Hall
Laureate Professor John Aitken
Professor Liz Burd
Mr Paul Dunn
Mrs Winnie Eley
Professor John Germov
Professor Deborah Hodgson
Professor Brett Ninness
Professor Richard Bush
Professor John Fischetti
Professor Kevin Lyons
Professor Darrell Evans
Professor Lee Smith
Professor Tony Travaglione

(c) Remuneration of board members and executives

	Consolidated		Parent	
	2017 Number	2016 Number	2017 Number	2016 Number
Remuneration of council members				
Nil	2	2	2	2
\$1 to \$9,999	1	2	1	2
\$10,000 to \$19,999	6	5	6	5
\$20,000 to \$29,999	1	1	1	1
\$40,000 to \$49,999	1	1	1	1
\$140,000 to \$149,999	1	1	1	1
\$170,000 to \$179,999	-	1	-	1
\$180,000 to \$189,999	1	-	1	-
\$200,000 to \$209,999	-	1	-	1
\$210,000 to \$219,999	1	-	1	-
\$260,000 to \$269,999	1	1	1	1

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FOR THE YEAR ENDED 31 DECEMBER 2017

26 KEY MANAGEMENT PERSONNEL DISCLOSURES (CONTINUED)**(c) Remuneration of board members and executives (continued)**

	Consolidated		Parent	
	2017 Number	2016 Number	2017 Number	2016 Number
\$840,000 to \$849,999	-	1	-	1
\$870,000 to \$879,999	1	-	1	-
	16	16	16	16
Remuneration of executive officers				
\$1 to \$9,999	-	1	-	1
\$20,000 to \$29,999	-	1	-	1
\$60,000 to \$69,999	2	-	2	-
\$80,000 to \$89,999	1	-	1	-
\$90,000 to \$99,999	-	1	-	1
\$240,000 to \$249,999	-	1	-	1
\$270,000 to \$279,999	1	-	1	-
\$300,000 to \$309,999	1	-	1	-
\$330,000 to \$339,999	1	-	1	-
\$340,000 to \$349,999	-	2	-	2
\$350,000 to \$359,999	1	1	1	1
\$360,000 to \$369,999	2	2	2	2
\$370,000 to \$379,999	-	1	-	1
\$380,000 to \$389,999	2	-	2	-
\$400,000 to \$409,999	1	-	1	-
\$420,000 to \$429,999	-	1	-	1
\$430,000 to \$439,999	1	-	1	-
\$440,000 to \$449,999	-	1	-	1
\$450,000 to \$459,999	-	1	-	1
\$470,000 to \$479,999	1	-	1	-
\$490,000 to \$499,999	-	1	-	1
\$500,000 to \$509,999	1	1	1	1
\$840,000 to \$849,999	-	1	-	1
\$870,000 to \$879,999	1	-	1	-
	16	16	16	16

Remuneration bands for the Vice-Chancellor appear in both tables in note 26(c) as this position is a member of both Council and Executive Committee.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

26 KEY MANAGEMENT PERSONNEL DISCLOSURES (CONTINUED)

(d) Key management personnel compensation

	Consolidated		Parent	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Short-term employee benefits	5,846	5,651	5,846	5,651
Post-employment benefits	798	826	798	826
Other long-term benefits	-	22	-	22
Termination benefits	-	131	-	131
Total key management personnel compensation	6,644	6,630	6,644	6,630

27 REMUNERATION OF AUDITORS

During the year, the following fees were paid for services provided by the auditor of the parent entity, its related practices and non-related audit firms:

	Consolidated		Parent	
	2017	2016	2017	2016
	\$	\$	\$	\$
Audit the financial statements				
Audit Office of NSW	352,700	345,500	282,500	275,900
BDO Singapore	-	1,997	-	-
PwC Singapore	43,502	43,826	-	-
Total paid for audit	396,202	391,323	282,500	275,900
Other services				
Audit Office of NSW	-	16,395	-	16,395
DFK Crosbie	9,500	-	9,500	-
Total other services	9,500	16,395	9,500	16,395

Other services provided by DFK Crosbie and the Audit Office of NSW include the audit of the Higher Education Research Data Collection (HERDC) return.

28 CONTINGENCIES

Contingent liabilities

(i) Bank guarantee

The University has \$2.26 million bank guarantees predominantly being security for a rental bond which expires on 31 May 2027 (2016: \$2.24 million).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

28 CONTINGENCIES (CONTINUED)

Contingent liabilities (continued)

(ii) Excess salaries

In February 2015, the Department of Education formalised the agreement between the Commonwealth, the NSW State Government and each University in respect to the funding arrangements for the State Superannuation funds and the method of calculation and recovery by the State Trustee for excess salaries. At 31 December 2017 the University has a possible obligation to compensate the State Trustee in respect of excess salaries that have not yet been crystallised by the retirement of SASS or SSS members. The obligation will only be confirmed at the time that the member exits the fund and where the member's final pensionable salary is in excess of the member's notional salary. The estimated potential expense at 31 December 2017 is \$0.33 million (2016: \$0.21 million).

Contingent assets

At 31 December 2017, the Group had no contingent assets (2016: Nil).

29 COMMITMENTS

(a) Capital commitments

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

	Consolidated		Parent	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Property, plant and equipment				
Within one year	11,782	33,631	11,782	33,631
Total property, plant and equipment commitments	11,782	33,631	11,782	33,631

(b) Lease commitments

(i) Operating leases

Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:

Within one year	6,635	5,414	6,278	5,222
Between one and five years	13,167	12,247	12,733	12,190
Later than five years	263	1,081	263	1,081
Total future minimum lease payments	20,065	18,742	19,274	18,493

(c) Other commitments

Commitments in existence at the reporting date but not recognised as liabilities are payable as follows:

Within one year	56,920	53,930	56,920	53,930
Total	56,920	53,930	56,920	53,930

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

30 INTERESTS IN OTHER ENTITIES

(a) Subsidiaries

The Group's principal subsidiaries at 31 December 2017 are set out below in accordance with the accounting policy described in note 1(b). The proportion of ownership interest held by the Group equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business.

Name of entity	Principal place of business	Ownership interest	
		2017 %	2016 %
The University of Newcastle Research Associates Ltd, company limited by guarantee	Australia	100.00	100.00
UON Singapore Pte Ltd	Singapore	100.00	100.00

(i) Significant restrictions

Cash and short-term deposits held in Singapore are subject to local exchange control regulations. These regulations provide for restrictions on exporting capital from Singapore, other than through normal dividends.

The carrying amount of the assets included within the consolidated financial statements to which these restrictions apply is \$3.75 million (2016: \$4.52 million).

(b) Interests in associates

Set out below are the associates of the Group as at 31 December 2017. The proportion of ownership interest held by the Group equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business.

Name of entity	Principal place of business	Measurement method	Ownership interest/voting rights held by the Group		Carrying amount	
			2017 %	2016 %	2017 \$'000	2016 \$'000
Hunter Medical Research Institute ¹	Australia	Equity method	25.00	25.00	-	-
NUSport ²	Australia	Equity method	27.00	27.00	-	-
Mineral Carbonation International ³	Australia	Equity method	30.00	30.00	3	2
ResTech ⁴	Australia	Equity method	30.00	30.00	198	193

¹ Hunter Medical Research Institute is a company limited by guarantee, whose constitution prohibits the distribution of funds to its members. Accordingly the carrying amount has been equity accounted at nil value and as such no financial information has been disclosed. Hunter Medical Research Institute has a 30 June reporting period.

² NUSport is a company limited by guarantee, whose constitution prohibits the distribution of funds to its members. Accordingly the carrying amount has been equity accounted at nil value and as such no financial information has been disclosed. NUSport has a 31 December reporting period.

³ Mineral Carbonation International Pty Limited is an associate acquired in 2013. For the purposes of the University's financial statements, the University's equity interest is based on the unaudited management accounts for the year ended 30 June 2017.

⁴ ResTech Pty Limited is an associate acquired in 2007. For the purposes of the University's financial statements, the University's equity interest is based on the unaudited financial statements for the year ended 30 June 2017.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

31 RELATED PARTIES

(a) Parent entity

The ultimate parent entity within the Group is The University of Newcastle.

(b) Subsidiaries and associates

Interests in other entities are set out in note 30.

(c) Key management personnel

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

(d) Transactions with related parties

The following transactions occurred with related parties:

	Consolidated		Parent	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
i) Subsidiaries:				
Sale of goods and services				
Service fees	-	-	2,963	2,918
Consultancy, consumables and others	-	-	932	1,303
Other revenue	-	-	60	-
Purchase of goods				
Other expenses	-	-	306	500
Other transactions				
Interest expense	-	-	46	-
ii) Associates:				
Sale of goods and services				
Consultancy and contracts	8,326	8,283	7,151	6,093
Other revenue	1,031	420	1,031	420
Purchase of goods				
Other expenses	5,445	5,161	5,445	5,161
Other transactions				
Interest income	31	36	31	36

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

31 RELATED PARTIES (CONTINUED)**(e) Loans to / (from) related parties**

	Consolidated		Parent	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Loans to / (from) subsidiaries				
Beginning of the year	-	-	768	2,647
Loans advanced	-	-	3,549	1,431
Loan repayment received	-	-	(5,141)	(3,310)
Interest charged	-	-	(40)	-
End of year	-	-	(864)	768
Loans to associates				
Beginning of the year	524	593	524	593
Loan repayments received	(105)	(105)	(105)	(105)
Interest received	31	36	31	36
End of year	450	524	450	524

No provisions for doubtful debts have been raised in relation to any outstanding balances, and no expense has been recognised in respect of bad or doubtful debts due from related parties.

(f) Outstanding balances

The following balances are outstanding at the reporting date in relation to transactions with related parties:

Current receivables (sale of goods and services)

Subsidiaries	-	-	51	1,192
Associates	485	1,544	485	1,062

Current receivables (investments held)

Subsidiaries	-	-	343	530
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Total current receivables

485	1,544	879	2,784
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Current payables (purchase of goods)

Subsidiaries	-	-	4	54
Associates	9	683	9	683

Current payables (other transactions)

Subsidiaries	-	-	6	-
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Total current payables

9	683	19	737
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No provisions for doubtful debts have been raised in relation to any outstanding balances, and no expense has been recognised in respect of bad or doubtful debts due from related parties.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

31 RELATED PARTIES (CONTINUED)**(g) Terms and Conditions**

All transactions with related parties occurred on the basis of normal commercial terms and conditions.

32 EVENTS OCCURRING AFTER THE REPORTING DATE

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years.

33 RECONCILIATION OF NET RESULT AFTER INCOME TAX TO NET CASH PROVIDED BY / (USED IN) OPERATING ACTIVITIES

	Consolidated		Parent	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Net result for the period	57,388	83,217	57,583	83,297
Depreciation and amortisation	46,603	43,650	46,472	43,516
Impairment of intangible assets	1,271	-	1,271	-
Net (gain) / loss on sale of property, plant and equipment	270	2,940	270	2,940
Net (gain) / loss on disposal of financial assets	(2,564)	(28,447)	(2,513)	(28,447)
Net exchange differences	(6)	5	-	-
Net amortisation of bond premiums (discounts)	1	6	1	6
Non-cash donations	-	(133)	-	(133)
Change in operating assets and liabilities:				
(Increase) / decrease in trade debtors	(2,971)	6,634	(1,944)	3,922
(Increase) / decrease in other receivables	(25,562)	(1,334)	(25,437)	(960)
(Increase) / decrease in related party receivables	-	-	(23)	2,363
(Increase) / decrease in inventories	(37)	(9)	(37)	(9)
(Increase) / decrease in other financial assets	(29,535)	(22,226)	(29,535)	(22,226)
Increase / (decrease) in trade creditors	(10,000)	5,718	(10,423)	6,954
Increase / (decrease) in other operating liabilities	7,868	21,717	8,822	22,816
Increase / (decrease) in provision for income taxes payable	-	(99)	-	-
Increase / (decrease) in related party payables	-	-	1,655	-
Increase / (decrease) in other provisions	17,683	2,882	17,754	2,770
Net cash provided by / (used in) operating activities	60,409	114,521	63,916	116,809

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

34 NON-CASH INVESTING AND FINANCING ACTIVITIES

	Consolidated		Parent	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Acquisition of available-for-sale financial assets as a result of reinvested distributions	29,302	21,821	29,302	21,821
	<u>29,302</u>	<u>21,821</u>	<u>29,302</u>	<u>21,821</u>

35 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. The Group uses derivative financial instruments such as foreign exchange contracts and interest rate swaps to hedge certain risk exposures. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks, ageing analysis for credit risk and beta analysis in respect of investment portfolios to determine market risk.

Risk management is carried out by a central treasury department (Group Treasury) under policies approved by the University Council. Group Treasury identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The University 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, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

(a) Market risk

(i) Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the Singapore and US dollars.

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities that are denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

Management has set up a policy requiring Group companies to manage their foreign exchange risk against their functional currency.

The Group Treasury's risk management position is not to hedge the cash flows at present, because the amount of exposure has been determined to be immaterial in terms of the possible impact on the income statement or total equity.

(ii) Price risk

The Group and the parent entity are exposed to price risk arising from available-for-sale investments on the statement of financial position. Neither the Group nor the parent entity is exposed to commodity price risk.

To manage its price risk arising from available-for-sale investments, the Group diversifies its portfolio. Diversification of the portfolio is in accordance with the limits set by the Group.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

35 FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (continued)

(iii) Cash flow and fair value interest rate risk

The Group's main interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. Group policy is to maintain approximately 100% of its borrowings at fixed rates using interest rate swaps to achieve this when necessary. The Group had no borrowings in 2017.

The Group analyses its interest rate exposure on a dynamic basis. Various scenarios are simulated taking into consideration refinancing, renewal of existing positions, alternative financing and hedging. Based on these scenarios, the Group calculates the impact on the income statement of a defined interest rate shift. The scenarios are run only for liabilities that represent the major interest-bearing positions.

Based on the various scenarios, the Group manages its cash flow interest rate risk by using floating-to-fixed interest rate swaps. Such interest rate swaps have the economic effect of converting borrowings from floating rates to fixed rates. The Group has raised long-term borrowings at floating rates and swapped them into fixed rates that are lower than those that were available if the Group borrowed at fixed rates directly. Under the interest rate swaps, the Group agrees with other parties to exchange, at monthly intervals, the difference between fixed contract rates and floating-rate interest amounts calculated by reference to the agreed notional principal amounts.

At 31 December 2017, if interest rates had changed by $\pm 1\%$ from the year end rates with all other variables held constant, the result for the year would have changed by $\pm \$0.20$ million (2016: $\pm \$0.40$ million), mainly as a result of the impact on interest income from cash and cash equivalents.

(iv) Summarised sensitivity analysis

The following tables summarise the sensitivity of the Group's financial assets and financial liabilities to interest rate risk, foreign exchange risk and other price risk. This sensitivity analysis is net of any government or statutory receivable and payable balances.

	Carrying amount	Interest rate risk				Foreign exchange risk				Other price risk			
		-1%		+1%		-10%		+10%		-15%		+15%	
		Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000
31 December 2017													
Financial assets													
Cash and cash equivalents	17,431	(174)	(174)	174	174	(375)	(375)	375	375	-	-	-	-
Receivables	42,786	-	-	-	-	-	-	-	-	-	-	-	-
Available for sale financial assets	492,154	-	-	-	-	-	-	-	-	- (73,823)	-	- 73,823	-
Held-to-maturity financial assets	470	(5)	(5)	5	5	-	-	-	-	-	-	-	-
Financial liabilities													
Payables	40,231	-	-	-	-	(117)	(117)	117	117	-	-	-	-
Total increase/(decrease)		(179)	(179)	179	179	(492)	(492)	492	492	- (73,823)	-	- 73,823	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

35 FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (continued)

(iv) Summarised sensitivity analysis (continued)

	Carrying amount	Interest rate risk				Foreign exchange risk				Other price risk			
		-1%		+1%		-10%		+10%		-15%		+15%	
		Result	Equity	Result	Equity	Result	Equity	Result	Equity	Result	Equity	Result	Equity
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
31 December 2016													
Financial assets													
Cash and cash equivalents	21,380	(214)	(214)	214	214	(452)	(452)	452	452	-	-	-	-
Receivables	29,641	-	-	-	-	-	-	-	-	-	-	-	-
Available for sale financial assets	433,124	-	-	-	-	-	-	-	-	-	(64,969)	-	64,969
Held-to-maturity financial assets	13,778	(138)	(138)	138	138	-	-	-	-	-	-	-	-
Financial liabilities													
Payables	51,129	-	-	-	-	(93)	(93)	93	93	-	-	-	-
Total increase/(decrease)		(352)	(352)	352	352	(545)	(545)	545	545	-	(64,969)	-	64,969

(b) Credit risk

Credit risk is managed on a group basis. Credit risk arises from cash and cash equivalents, and deposits with banks and financial institutions, as well as credit exposures to wholesale and retail customers, including outstanding receivables and committed transactions. For banks and financial institutions, only independently rated parties with a minimum rating of 'BBB+' are accepted. If wholesale customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Council. Fees from students are settled in cash or using major credit cards, mitigating credit risk.

The carrying amount of financial assets (as contained in the table in subnote (c)) represents the Group's maximum exposure to credit risk.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, Group Treasury aims at maintaining flexibility in funding by keeping committed credit lines available.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

35 FINANCIAL RISK MANAGEMENT (CONTINUED)**(c) Liquidity risk (continued)**

The following tables summarise the maturity of the Group's financial liabilities (excluding any government or statutory payables):

	Weighted average effective int. rate	Nominal amount	\$'000 Interest rate exposure			\$'000 Maturity dates		
			Fixed interest rate	Variable interest rate	Non- interest bearing	<1 year	1-5 years	>5 years
31 December 2017								
Financial liabilities								
Payables	-	40,231	-	-	40,231	40,231	-	-
		<u>40,231</u>	<u>-</u>	<u>-</u>	<u>40,231</u>	<u>40,231</u>	<u>-</u>	<u>-</u>
31 December 2016								
Financial liabilities								
Payables	-	51,129	-	-	51,129	51,129	-	-
		<u>51,129</u>	<u>-</u>	<u>-</u>	<u>51,129</u>	<u>51,129</u>	<u>-</u>	<u>-</u>

36 FAIR VALUE MEASUREMENT**(a) Fair value measurements**

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

Due to the short-term nature of the current receivables, their carrying value approximates their fair value and based on credit history it is expected that the receivables that are neither past due nor impaired will be received when due. Similarly, the carrying value of current payables is also expected to approximate fair value.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

36 FAIR VALUE MEASUREMENT (CONTINUED)

(a) Fair value measurements (continued)

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

		Carrying Amount		Fair Value	
		2017	2016	2017	2016
Consolidated	Note	\$'000	\$'000	\$'000	\$'000
Financial assets					
Other financial assets					
Held-to-maturity	18	470	13,778	470	13,778
Available-for-sale	18	492,154	433,124	492,154	433,124
Total financial assets		492,624	446,902	492,624	446,902

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

- Available-for-sale financial assets
- Land, buildings and infrastructure

(b) Fair value hierarchy

The Group categorises assets and liabilities measured at fair value on a recurring basis into a hierarchy based on the level of inputs used in measurement.

- | | |
|---------|--|
| Level 1 | quoted prices (unadjusted) in active markets for identical assets or liabilities. |
| Level 2 | inputs other than quoted prices included 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 2017

36 FAIR VALUE MEASUREMENT (CONTINUED)

(b) Fair value hierarchy (continued)

(i) Recognised fair value measurements

Fair value measurements recognised in the statement of financial position are categorised into the following levels at 31 December 2017.

Fair value measurements at 31 December 2017

Consolidated	Note	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Recurring fair value measurements					
Financial assets					
Available-for-sale financial assets	18	492,154	-	492,154	-
Total financial assets		492,154	-	492,154	-
Non-financial assets					
Land, buildings and infrastructure	19				
Land		57,757	-	57,757	-
Buildings		677,343	-	1,450	675,893
Infrastructure		62,757	-	-	62,757
Total non-financial assets		797,857	-	59,207	738,650

Fair value measurements at 31 December 2016

Recurring fair value measurements

Financial assets					
Available-for-sale financial assets	18	433,124	-	433,124	-
Total financial assets		433,124	-	433,124	-
Non-financial assets					
Land, buildings and infrastructure	19				
Land		52,907	-	52,907	-
Buildings		661,233	-	1,560	659,673
Infrastructure		63,625	-	-	63,625
Total non-financial assets		777,765	-	54,467	723,298
Non-recurring fair value measurements					
Held for sale non-current assets		1,753	-	1,753	-
Total non-recurring fair value measurements		1,753	-	1,753	-

There were no transfers between levels 1 and 2 for recurring fair value measurements during the year. The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

36 FAIR VALUE MEASUREMENT (CONTINUED)

(b) Fair value hierarchy (continued)

(ii) Disclosed fair values

The Group has a number of assets and liabilities which are not measured at fair value, but for which the fair values are disclosed in the notes.

The fair value of assets or liabilities traded in active markets (such as publicly traded derivatives, and trading securities) is based on quoted market prices for identical assets or liabilities at the reporting date (level 1). This is the most representative of fair value in the circumstances.

The fair values of available-for-sale investments are disclosed in note 18 were determined by reference to published price quotations in an active market (level 1).

The carrying value less impairment provision of trade receivables and payables is a reasonable approximation of their fair values due to the short-term nature of trade receivables.

(c) Valuation techniques used to derive level 2 and level 3 fair values

(i) Recurring fair value measurements

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and do not rely on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. All of the resulting fair value estimates are included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments
- the fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves
- the fair value of forward foreign exchange contracts is determined using forward exchange rates at the end of the reporting period
- other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments

All of the resulting fair value estimates are included in level 2 except for buildings and infrastructure which are explained in note 36(d).

Buildings and infrastructure (classified as property, plant and equipment) are valued independently at least every three years. At the end of each reporting period, the Group updates their assessment of the fair value of each property, taking into account the most recent independent valuations. The Group determines the asset's value within a range of reasonable fair value estimates.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

36 FAIR VALUE MEASUREMENT (CONTINUED)

(c) Valuation techniques used to derive level 2 and level 3 fair values (continued)

(i) Recurring fair value measurements (continued)

The best evidence of fair values is current prices in an active market for similar assets. Where such information is not available, the Group considers information from a variety of sources, including:

- current prices in an active market for properties of different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences.
- discounted cash flow projections based on reliable estimates of future cash flows
- capitalised income projections based on a property's estimated net market income, and a capitalisation rate derived from an analysis of market evidence.

All resulting fair value estimates of infrastructure are included in Level 3 except for land, while buildings are split between both Level 2 and Level 3.

(d) Fair value measurements using significant unobservable inputs (level 3)

The following table is a reconciliation of level 3 items for the periods ended 31 December 2017 and 2016:

Consolidated

Level 3 fair value measurement 2017	Infrastructure \$'000	Buildings \$'000	Total \$'000
Opening balance	63,625	659,673	723,298
Transfers	-	12,365	12,365
Depreciation	(2,389)	(2,818)	(5,207)
Recognised in other comprehensive income	1,521	6,673	8,194
Closing balance	<u>62,757</u>	<u>675,893</u>	<u>738,650</u>
Level 3 fair value measurement 2016			
Opening balance	-	-	-
Transfers from level 2	63,625	659,673	723,298
Closing balance	<u>63,625</u>	<u>659,673</u>	<u>723,298</u>

(i) Transfers between levels 2 and 3 and changes in valuation techniques

The valuation of land, buildings and infrastructure for 2016 and 2017 was performed by CBRE Valuations Pty Limited (CBRE), having appropriately recognised qualifications and experience. The fair values applied to land assets were derived from sales evidence (level 2). The fair values applied to buildings and infrastructure, which are of a specialised educational nature and rarely sold in the open market, were derived from industry construction rates adjusted for estimated useful lives and proprietary data of the valuation expert. This resulted in buildings and infrastructure being reclassified from Level 2 to Level 3 in 2016.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

36 FAIR VALUE MEASUREMENT (CONTINUED)

(d) Fair value measurements using significant unobservable inputs (level 3) (continued)

(ii) Valuation inputs and relationships to fair value

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements. See (c) above for the valuation techniques adopted.

Consolidated

Description	Fair value at 31 December 2017 \$'000	Unobservable inputs*	Range of inputs (probability weighted average)	Relationship of unobservable inputs to fair value
Buildings	675,893	Remaining useful life	+/- 5%	Increase term of useful life by 5% would increase fair value by \$33.8m. Decrease term of useful life by 5% would decrease fair value by \$33.8m.
Infrastructure	62,757	Remaining useful life	+/- 5%	Increase term of useful life by 5% would increase fair value by \$3.1m. Decrease term of useful life by 5% would decrease fair value by \$3.1m.

*There was no significant inter-relationship between unobservable inputs that materially affects fair value.

37 DEFINED BENEFIT PLANS

(a) Fund specific disclosure

The University of Newcastle incurs an obligation for deferred contributions which become payable on and after retirement of staff in respect of the following defined benefit schemes:

NSW State Superannuation Scheme (SSS)

NSW State Authorities Superannuation Scheme (SASS)

NSW State Authorities Non-Contributory Superannuation Scheme (SANCS)

Pension entitlements arising from the former University of Newcastle Staff Superannuation Scheme

The arrangements regarding the SANCS, SSS and SASS schemes are described in Note 1(v).

The University of Newcastle expects to make a contribution of \$1.62 million (2016: \$1.90 million) to the NSW State schemes during the next financial year.

As an unfunded, non-contributory entitlement, the University will not make a contribution to the pension entitlement during the next financial year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

37 DEFINED BENEFIT PLANS (CONTINUED)**(a) Fund specific disclosure (continued)**

The weighted average duration of the defined benefit obligation is 11 years (2016: 11 years). The expected maturity analysis of undiscounted benefit payments is as follows:

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Defined benefit obligations - 31 December 2017	30,782	29,620	85,418	417,136	562,956
Defined benefit obligations - 31 December 2016	30,234	30,583	88,135	467,563	616,515
Pension benefit obligations - 31 December 2017	2,055	2,298	6,676	27,450	38,479
Pension benefit obligations - 31 December 2016	1,912	2,295	6,718	29,404	40,329

(b) Categories of plan assets

The analysis of the plan assets at the end of the reporting period is as follows:

	2017 (%)	2016 (%)
	Active Market	Active Market
Australian equities	22.40	24.70
International equities	29.60	31.10
Australian fixed interest	6.90	5.60
International fixed interest	3.60	1.90
Property	8.70	9.00
Short term securities	9.50	5.60
Alternatives	19.30	22.10
Total	100.00	100.00

The principal assumptions used for the purposes of the actuarial valuations were as follows (expressed as weighted averages):

	Consolidated	
	2017	2016
	%	%
Discount rate(s)	2.65	2.78
Expected rate(s) of CPI increase	2.25	1.75
Expected rate(s) of salary increase	2.50	2.50

(c) Actuarial assumptions and sensitivity

The sensitivity of the defined benefit obligation to change in the significant assumptions is:

	Change in assumption	Impact on defined benefit obligation	
		Increase in assumption	Decrease in assumption
Discount rate	1.00 %	Decrease by 9.40%	Increase by 11.22%
CPI growth rate	0.50 %	Increase by 5.37%	Decrease by 4.96%
Salary growth rate	0.50 %	Increase by 0.29%	Decrease by 0.28%

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

37 DEFINED BENEFIT PLANS (CONTINUED)

(c) Actuarial assumptions and sensitivity (continued)

The above sensitivity analyses are based on a change in an assumption while holding all the other assumptions constant. In practice this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method has been applied as when calculating the defined benefit liability recognised in the statement of financial position.

The methods and types of assumptions used in the preparation of the sensitivity analysis did not change compared to the prior period.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

37 DEFINED BENEFIT PLANS (CONTINUED)

(d) Statement of financial position amounts

Amounts recognised in the statement of financial position - 2017	Note	\$'000 Pension	\$'000 SANCS	\$'000 SSS	\$'000 SASS	\$'000 Total
Liabilities						
Provision for deferred government benefits for superannuation		-	4,701	420,215	6,596	431,512
Provision for pension entitlements		29,350	-	-	-	29,350
add: on-costs on pension entitlements		4,681	-	-	-	4,681
Total liabilities recognised in the statement of financial position	23	34,031	4,701	420,215	6,596	465,543
Assets						
Receivable for deferred government benefit for superannuation		-	4,701	420,215	6,596	431,512
Total assets recognised in the statement of financial position	16	-	4,701	420,215	6,596	431,512
Net liability recognised in the statement of financial position		34,031	-	-	-	34,031
Net liability reconciliation - 2017						
Defined benefit obligation		29,350	7,387	429,163	49,381	515,281
Fair value of plan assets		-	(2,686)	(8,948)	(42,785)	(54,419)
Net liability		29,350	4,701	420,215	6,596	460,862
Present value of obligation - 2017						
Opening defined benefit obligation		29,749	7,849	432,164	51,985	521,747
Current service cost		-	284	491	1,348	2,123
Interest expense		2,592	203	11,726	1,346	15,867
		32,341	8,336	444,381	54,679	539,737
Remeasurements						
Actuarial losses/(gains) arising from changes in financial assumptions		(1,050)	47	4,353	244	3,594
Experience (gains)/losses		-	386	(1,969)	(178)	(1,761)
		(1,050)	433	2,384	66	1,833
Contributions from plan participants		-	-	203	588	791
		-	-	203	588	791
Payments from plan						
Benefits paid		(1,941)	(722)	(20,235)	(5,763)	(28,661)
Taxes, premiums and expenses paid		-	(660)	2,430	(189)	1,581
		(1,941)	(1,382)	(17,805)	(5,952)	(27,080)
Closing defined benefit obligation		29,350	7,387	429,163	49,381	515,281

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

37 DEFINED BENEFIT PLANS (CONTINUED)**(d) Statement of financial position amounts (continued)**

		\$'000	\$'000	\$'000	\$'000	\$'000
	Note	Pension	SANCS	SSS	SASS	Total
Present value of plan assets - 2017						
Opening fair value of plan assets		-	3,698	25,615	44,778	74,091
Interest (income)		-	91	427	1,162	1,680
		-	3,789	26,042	45,940	75,771
Remeasurements						
Return on plan assets, excluding amounts included in net interest expense		-	(21)	254	1,060	1,293
		-	(21)	254	1,060	1,293
Contributions						
Employers		-	300	252	1,149	1,701
Plan participants		-	-	204	588	792
		-	300	456	1,737	2,493
Payments from plan						
Benefits paid		-	(722)	(20,234)	(5,763)	(26,719)
Taxes, premiums and expenses paid		-	(660)	2,430	(189)	1,581
		-	(1,382)	(17,804)	(5,952)	(25,138)
Closing fair value of plans assets		-	2,686	8,948	42,785	54,419

Amounts recognised in the statement of financial position - 2016**Liabilities**

Provision for deferred government benefits for superannuation		-	4,152	406,547	7,207	417,906
Provision for pension entitlements		29,749	-	-	-	29,749
add: on-costs on pension entitlements		4,745	-	-	-	4,745

Total liabilities recognised in the statement of financial position

23	34,494	4,152	406,547	7,207	452,400
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Assets

Receivable for deferred government benefit for superannuation		-	4,152	406,547	7,207	417,906
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Total assets recognised in the statement of financial position

16	-	4,152	406,547	7,207	417,906
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Net liability recognised in the statement of financial position

	34,494	-	-	-	34,494
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Net liability reconciliation - 2016

Defined benefit obligation	29,749	7,849	432,164	51,985	521,747
Fair value of plan assets	-	(3,698)	(25,615)	(44,778)	(74,091)
Net liability	29,749	4,151	406,549	7,207	447,656

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

37 DEFINED BENEFIT PLANS (CONTINUED)**(d) Statement of financial position amounts (continued)**

		\$'000	\$'000	\$'000	\$'000	\$'000
	Note	Pension	SANCS	SSS	SASS	Total
Present value of obligation - 2016						
Opening defined benefit obligation		30,156	8,555	444,402	57,196	540,309
Current service cost		-	331	548	1,624	2,503
Interest expense		2,269	233	12,587	1,576	16,665
		<u>32,425</u>	<u>9,119</u>	<u>457,537</u>	<u>60,396</u>	<u>559,477</u>
Remeasurements						
Actuarial losses/(gains) arising from changes in financial assumptions		(813)	49	1,162	231	629
Experience (gains)/losses		-	(46)	(7,949)	(437)	(8,432)
		<u>(813)</u>	<u>3</u>	<u>(6,787)</u>	<u>(206)</u>	<u>(7,803)</u>
Contributions from plan participants		-	-	237	714	951
		<u>-</u>	<u>-</u>	<u>237</u>	<u>714</u>	<u>951</u>
Payments from plan						
Benefits paid		(1,863)	(1,230)	(21,098)	(8,715)	(32,906)
Taxes, premiums and expenses paid		-	(43)	2,275	(204)	2,028
		<u>(1,863)</u>	<u>(1,273)</u>	<u>(18,823)</u>	<u>(8,919)</u>	<u>(30,878)</u>
Closing defined benefit obligation		<u>29,749</u>	<u>7,849</u>	<u>432,164</u>	<u>51,985</u>	<u>521,747</u>
Present value of plan assets - 2016						
Opening fair value of plan assets		-	4,600	42,511	49,115	96,226
Interest (income)		-	122	937	1,363	2,422
		<u>-</u>	<u>4,722</u>	<u>43,448</u>	<u>50,478</u>	<u>98,648</u>
Remeasurements						
Return on plan assets, excluding amounts included in net interest expense		-	54	446	1,061	1,561
		<u>-</u>	<u>54</u>	<u>446</u>	<u>1,061</u>	<u>1,561</u>
Contributions						
Employers		-	195	307	1,444	1,946
Plan participants		-	-	237	714	951
		<u>-</u>	<u>195</u>	<u>544</u>	<u>2,158</u>	<u>2,897</u>
Payments from plan						
Benefits paid		-	(1,230)	(21,098)	(8,715)	(31,043)
Taxes, premiums and expenses paid		-	(43)	2,275	(204)	2,028
		<u>-</u>	<u>(1,273)</u>	<u>(18,823)</u>	<u>(8,919)</u>	<u>(29,015)</u>
Closing fair value of plans assets		<u>-</u>	<u>3,698</u>	<u>25,615</u>	<u>44,778</u>	<u>74,091</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

37 DEFINED BENEFIT PLANS (CONTINUED)

(e) Amounts recognised in other statements

Amounts recognised in the income statement - 2017

The amounts recognised in the income statement are restricted to the pension scheme in accordance with note 1(v). The amounts are included in employee related expenses (note 9).

		\$'000	\$'000	\$'000	\$'000	\$'000
	Note	Pension	SANCS	SSS	SASS	Total
Current service cost		2,592	-	-	-	2,592
Total expense recognised in the income statement	9	<u>2,592</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,592</u>

Amounts recognised in other comprehensive income - 2017

The amounts recognised in the statement of comprehensive income are restricted to the pension scheme in accordance with note 1(v). The amounts are included in reserves (note 25).

Remeasurements

Actuarial losses (gains) arising from changes in financial assumptions

		(1,050)	-	-	-	(1,050)
Total remeasurements in other comprehensive income		<u>(1,050)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,050)</u>
Total amounts recognised in the statement of comprehensive income	25	<u>(1,050)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,050)</u>

Amounts recognised in the income statement - 2016

The amounts recognised in the income statement are restricted to the pension scheme in accordance with note 1(v). The amounts are included in employee related expenses (note 9).

Current service cost		2,269	-	-	-	2,269
Total expense recognised in the income statement	9	<u>2,269</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,269</u>

Amounts recognised in other comprehensive income - 2016

The amounts recognised in the statement of comprehensive income are restricted to the pension scheme in accordance with note 1(v). The amounts are included in reserves (note 25).

Remeasurements

Actuarial losses (gains) arising from changes in financial assumptions

		(813)	-	-	-	(813)
Total remeasurements in other comprehensive income		<u>(813)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(813)</u>
Total amounts recognised in the statement of comprehensive income	25	<u>(813)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(813)</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

38 ACQUITTAL OF AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE

(a) Education - CGS and other Education grants

	Note	Commonwealth Grants Scheme #1		Promotion of Excellence in Learning and Teaching		Higher Education Participation Program	
		2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Parent entity (University) only							
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the program)		221,080	224,690	108	141	6,390	9,110
Net accrual adjustments		129	311	-	-	-	-
Revenue for the period	2(a)	221,209	225,001	108	141	6,390	9,110
Surplus/(deficit) from the previous year		-	-	419	659	1,289	195
Total revenue including accrued revenue		221,209	225,001	527	800	7,679	9,305
Less expenses including accrued expenses		(221,209)	(225,001)	(306)	(381)	(6,883)	(8,016)
Surplus/(deficit) for reporting period		-	-	221	419	796	1,289

	Note	Disability Performance Funding #2		Indigenous Student Success Program #3		Total	
		2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the program)		118	155	3,535	3,053	231,231	237,149
Net accrual adjustments		-	-	-	-	129	311
Revenue for the period	2(a)	118	155	3,535	3,053	231,360	237,460
Surplus/(deficit) from the previous year		-	-	-	(3)	1,708	851
Total revenue including accrued revenue		118	155	3,535	3,050	233,068	238,311
Less expenses including accrued expenses		(118)	(155)	(3,047)	(3,050)	(231,563)	(236,603)
Surplus/(deficit) for reporting period		-	-	488	-	1,505	1,708

#1 Includes the basic CGS grant amount, CGS - Regional Loading, CGS - Enabling Loading, CGS - Medical student Loading, Allocated Places, Non Designated Courses and CGS - Special

Advances from Future Years

#2 Disability Performance Funding includes Additional Support for Students with Disabilities and Australian Disability Clearinghouse on Education & Training

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

38 ACQUITTAL OF AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE (CONTINUED)

(b) Higher education loan programmes (excl OS-HELP)

		HECS-HELP (Australian Government payments only)		FEE-HELP #4		SA-HELP		Total	
		2017	2016	2017	2016	2017	2016	2017	2016
Parent entity (University) only	Note	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash payable/(receivable) at the beginning of the year		635	1,032	(971)	15	(8)	(4)	(344)	1,043
Financial assistance received in CASH during the reporting period		126,217	121,705	14,553	14,721	3,349	3,224	144,119	139,650
Cash available for period		126,852	122,737	13,582	14,736	3,341	3,220	143,775	140,693
Revenue earned	2(b)	126,361	122,102	15,599	15,707	4,624	3,228	146,584	141,037
Cash Payable/ (Receivable) at end of year		491	635	(2,017)	(971)	(1,283)	(8)	(2,809)	(344)

#4 Program is in respect of FEE-HELP for Higher Education only and excludes funds received in respect of VET FEE-HELP

(c) Department of Education and Training Research #5

		Research Training Program #6		Research Support Program #7		Total	
		2017	2016	2017	2016	2017	2016
Parent entity (University) only	Note	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the program)		23,380	22,799	21,038	18,511	44,418	41,310
Revenue for the period	2(c)/2(d)	23,380	22,799	21,038	18,511	44,418	41,310
Surplus/(deficit) from the previous year		1,522	1,103	604	1,022	2,126	2,125
Total revenue including accrued revenue		24,902	23,902	21,642	19,533	46,544	43,435
Less expenses including accrued expenses		(22,596)	(22,380)	(21,160)	(18,929)	(43,756)	(41,309)
Surplus/(deficit) for reporting period		2,306	1,522	482	604	2,788	2,126

#5 The reported surpluses for Research Support Program of \$0.48 million for 2017 are expected to be rolled over for future use by the University.

#6 Research Training Program has replaced Australian Postgraduate Awards, International Postgraduate Research Scholarships and Research Training Scheme in 2017.

#7 Research Support Program has replaced Joint Research Engagement, JRE Engineering Cadetships, Research Block Grants and Sustainable Research Excellence in Universities in 2017.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

38 ACQUITTAL OF AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE (CONTINUED)

(d) Total Higher Education Provider Research Training Program expenditure ^{#8}

	Total domestic students	Total overseas students
	\$'000	\$'000
Research Training Program Fees offsets	9,471	1,538
Research Training Program Stipends	10,402	909
Research Training Program Allowances	275	1
Total for all types of support	20,148	2,448

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

(e) Other Capital Funding

	Education Investment Fund		Other Capital Funding		Total	
	2017	2016	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Parent Entity (University) Only						
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the program)	-	3,586	2,228	-	2,228	3,586
Revenue for the period	-	3,586	2,228	-	2,228	3,586
Total revenue including accrued revenue	-	3,586	2,228	-	2,228	3,586
Less expenses including accrued expenses	-	(3,586)	-	-	-	(3,586)
Surplus/(deficit) for reporting period	-	-	2,228	-	2,228	-

(f) Australian Research Council Grants

		Discovery		Linkages		Networks and Centres		Total	
		2017	2016	2017	2016	2017	2016	2017	2016
	Note	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Parent entity (University) only									
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the program)		9,585	11,250	2,604	3,185	2,372	2,337	14,561	16,772
Revenue for the period	2(f)	9,585	11,250	2,604	3,185	2,372	2,337	14,561	16,772
Surplus/(deficit) from the previous year		7,491	7,899	4,002	3,826	(41)	(255)	11,452	11,470
Total revenue including accrued revenue		17,076	19,149	6,606	7,011	2,331	2,082	26,013	28,242
Less expenses including accrued expenses		(9,232)	(11,658)	(3,009)	(3,218)	(2,761)	(2,123)	(15,211)	(16,790)
Surplus/(deficit) for reporting period		7,844	7,491	3,388	4,002	(430)	(41)	10,802	11,452

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

38 ACQUITTAL OF AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE (CONTINUED)

(g) OS-HELP

	Note	2017 \$'000	2016 \$'000
Parent entity (University) only			
Cash received during the reporting period		1,648	5,451
Cash spent during the reporting period		(3,916)	(3,751)
Net cash received		(2,268)	1,700
Cash surplus/(deficit) from the previous period		3,353	1,617
Cash surplus/(deficit) for reporting period	21	<u>1,085</u>	<u>3,317</u>

(h) Student Services and Amenities Fee

Parent entity (University) only			
Unspent/(overspent) revenue from previous period		1,721	1,736
SA - HELP revenue earned	2(b)	4,624	3,228
Student Services and Amenities Fees direct from students	4	<u>1,887</u>	<u>3,722</u>
Total revenue expendable in period		8,232	8,686
Student services expenses during period		(6,752)	(6,965)
Unspent/(overspent) student services and amenities revenue		<u>1,480</u>	<u>1,721</u>

39 LAND USE AND VALUES

In accordance with Section 41B 1(d) of the *Public Finance and Audit Act 1983* (NSW), the summary of land use and valuations is as follows:

Land use

Mixed teaching, research, student accommodation and other University purposes including commercial tenancies	33,492	31,497
Student accommodation or leased to residential tenants	7,155	7,635
Teaching research and other University purposes	<u>17,110</u>	<u>13,775</u>
	<u>57,757</u>	<u>52,907</u>

STATEMENT BY MEMBERS OF COUNCIL

FOR THE YEAR ENDED 31 DECEMBER 2017

In accordance with a resolution of the members of Council under s.16 of the *University of Newcastle Act 1989* (NSW) and pursuant to Section 41C of the *Public Finance & Audit Act 1983* (NSW), we state that to the best of our knowledge and belief:

(a) The attached general purpose financial statements present a true and fair view of the financial position of the University and consolidated entity at 31 December 2017 and its financial performance for the year then ended.

(b) The financial statements have been prepared in accordance with the provisions of the *Public Finance & Audit Act 1983* (NSW), the *Public Finance & Audit Regulation 2015* (NSW) and the *Higher Education Support Act 2003* (Cwth) (Financial Statement Guidelines).

(c) The financial statements have been prepared in accordance with Australian Accounting Standards, AASB Interpretations and other mandatory professional reporting requirements.

(d) We are not aware of any circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.

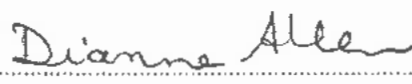
(e) There are reasonable grounds to believe that the University **will** be able to pay its debts as and when they fall due.

(f) The amount of Australian Government financial assistance expended during the reporting period was for the purpose for which it was intended and the University has complied with applicable legislation, contracts, agreements and program guidelines in making expenditure.

(g) The University of Newcastle 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.

(h) The financial statements and notes satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012* (Cwth) and are signed in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profit Commission Regulation 2013*.

On behalf of the Council of The University of Newcastle.


Mr Paul Jeans
Chancellor
Ms Dianne Allen
Chair Finance Committee

Dated 29 March 2018

AUDITOR'S INDEPENDENCE DECLARATION



To the Chancellor
The University of Newcastle

Auditor's Independence Declaration

As auditor for the audit of the financial statements of The University of Newcastle for the year ended 31 December 2017, I declare, to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature in black ink, appearing to read "Margaret Crawford".

Margaret Crawford
Auditor-General of New South Wales

22 March 2018

INDEPENDENT AUDITOR'S REPORT



INDEPENDENT AUDITOR'S REPORT

The University of Newcastle

To Members of the New South Wales Parliament

Opinion

I have audited the accompanying financial statements of The University of Newcastle (the University), which comprise the Income Statement and Statement of Comprehensive Income for the year ended 31 December 2017, the Statement of Financial Position as at 31 December 2017, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, notes comprising a Summary of significant accounting policies and other explanatory information and the Statement by Members of Council of the University and the consolidated entity. The consolidated entity comprises the University and the entities it controlled at the year's end or from time to time during the financial year.

In my opinion, the financial statements:

- give a true and fair view of the financial position of the University and the consolidated entity, as at 31 December 2017, and of their financial performance and cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (PF&A Act) and the Public Finance and Audit Regulation 2015
- comply with the 'Financial Statement Guidelines for Australian Higher Education Providers for the 2017 Reporting Period' (the Guidelines), issued by the Australian Government Department of Education and Training, pursuant to the *Higher Education Support Act 2003*, the *Higher Education Funding Act 1988* and the *Australian Research Council Act 2001*
- have been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* and Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013.

My opinion should be read in conjunction with the rest of this report.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of my report.

I am independent of the University in accordance with the requirements of the:

- Australian Auditing Standards
- Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants' (APES 110).

I have fulfilled my other ethical responsibilities in accordance with APES 110.

INDEPENDENT AUDITOR'S REPORT

Parliament promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of public sector agencies
- precluding the Auditor-General from providing non-audit services.

The Auditor's Independence Declaration provided to the Chancellor of the University on 22 March 2018 (the Declaration), was signed by the Auditor-General. Pursuant to section 30 of the PF&A Act, I am deemed to be the Auditor-General whilst acting in that role.

As auditor for the audit of the financial statements of the University for the year ended 31 December 2017, I declare, to the best of my knowledge and belief:

- there had been no contraventions of any applicable code of professional conduct in relation to the audit when the Declaration was signed by the Auditor-General
- the Declaration would be in the same terms if provided to the Chancellor as at the time of this Independent Auditor's Report.

I believe the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Other Information

The Council of the University are responsible for the Other Information, which comprises the information in the University's annual report for the year ended 31 December 2017, other than the financial report and my Independent Auditor's Report thereon.

My opinion on the financial report does not cover the Other Information. Accordingly, I do not express any form of assurance conclusion on the Other Information. However, I must read the Other Information and consider whether it is materially inconsistent with the financial report, the knowledge I obtained during the audit, or appears to be materially misstated.

If, based on the work I performed, I conclude there is a material misstatement in the Other Information, I must report that fact.

I have nothing to report in this regard.

University Council's Responsibilities for the Financial Statements

The Council is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, the PF&A Act and the *Australian Charities and Not-for-profits Commission Act 2012*, and for such internal control as the Council determines is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Council is responsible for assessing 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 except where the University will be dissolved by an Act of Parliament or otherwise cease operations.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

INDEPENDENT AUDITOR'S REPORT

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at http://www.auasb.gov.au/auditors_responsibilities/ar3.pdf. The description forms part of my auditor's report.

My opinion does *not* provide assurance:

- that the University carried out its activities effectively, efficiently and economically
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.



Ian Goodwin
Acting Auditor-General of New South Wales

13 April 2018
SYDNEY



PART 4

APPENDICES

COMPLIANCE REPORT

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“The University monitors and reviews its internal and external compliance and control systems and assesses them against relevant strategies, procedures and corporate governance standards.”



A: FIVE YEAR KEY STATISTICS

	CATEGORY	2013	2014	2015	2016	2017	% CHANGE 2013-2017	% CHANGE 2016-2017
Number of students ¹	Total	39,128	40,213	38,109	37,186	37,035	-5.3	-0.4
	Commencing	18,349	18,777	15,939	16,097	16,381	-10.7	1.8
Student load ²	Total	26,192	26,092	25,186	24,509	24,605	-6.1	0.4
	Undergraduate	19,094	18,976	18,644	18,202	18,427	-3.5	1.2
	Postgraduate	4,568	4,663	4,102	3,872	3,802	-16.8	-1.8
	Other (Enabling, ELICOS, Non Award)	2,531	2,454	2,440	2,436	2,376	-6.1	-2.4
Funding type ³	Commonwealth-supported	19,392	19,443	19,083	18,730	18,889	-2.6	0.9
	Fee-paying overseas	4,908	4,571	4,355	4,295	4,404	-10.3	2.5
	Fee-paying domestic	1,891	2,078	1,749	1,484	1,312	-30.6	-11.6
Award completions ⁴	Total	7,483	7,408	7,384	7,110	7,273	-2.8	2.3
	Undergraduate	4,466	4,500	4,572	4,519	4,689	5.0	3.8
	Postgraduate	3,017	2,908	2,812	2,591	2,584	-14.4	-0.3
Full-time staff (FTE) ⁵	Total	2,670	2,635	2,644	2,672	2,754	3.2	3.1
	Academic	1,066	1,060	1,035	1,068	1,096	2.8	2.7
	Professional	1,604	1,576	1,610	1,604	1,658	3.4	3.3
Work function (FTE)	Teaching only	36	35	26	29	24	-33.2	-17.6
	Research only	404	412	394	436	454	12.5	4.3
	Teaching and research	756	751	751	746	761	0.6	2.0
	Other	1,475	1,437	1,473	1,462	1,516	2.8	3.7
Casual staff ⁶	Total	472	427	442	469	462	-2.1	-1.5
	Academic	296	262	250	264	280	-5.6	6.1
	Professional	175	165	192	205	182	3.8	-11.2

Notes

Rounding errors may occur.

Data subject to revision.

Student data source: MIS 7 February 2018.

Staff data source: Department of Education Higher Education Staff Statistics.

1 Number of students represents the number of student enrolments in programs, full year.

2 Student load represents the sum of the load for each semester expressed in Equivalent Full-time Student Load (EFTSL), full year.

3 Funding type expressed in Equivalent Full-time Student Load (EFTSL).

4 Award completions represents the number of completed program enrolments for undergraduate and postgraduate award programs.

Completion year is based on the official government completion year of April 1 - March 31. Data source: UON Data Warehouse 4 April 2017.

5 Staff full-time equivalent positions occupied by full-time and part-time staff members as at March 31 (excluding Independent Operations).

2016 work function FTE previously submitted to the Department of Education and Training revised as at 13 March 2017.

6 Casual staff full-time full year equivalent positions occupied during year (excluding Independent Operations). 2017 data is preliminary and subject to validation and submission to Department of Education and Training at 30 Jun 2018.

B: ACADEMIC PROGRAM DEVELOPMENT

ACADEMIC SENATE PROGRAM DEVELOPMENT AND ASSURANCE

During 2017 the committees of Academic Senate reviewed the academic content of 64 new programs and recommended their establishment to Academic Senate and Council. Academic Senate approved the discontinuation of 57 existing programs. Professional accreditation was received for 15 programs and 8 programs were externally reviewed.

ACADEMIC SENATE PROGRAM DEVELOPMENT

Faculty of Business and Law

- Bachelor of Arts/Bachelor of Laws (Honours)
- Bachelor of Development Studies/Bachelor of Laws (Honours)
- Bachelor of Innovation and Entrepreneurship/Bachelor of Laws (Honours)
- Graduate Certificate in Business Administration
- Graduate Certificate in Co-operatives Management and Organisation
- Graduate Certificate in Human Resource Management
- Graduate Certificate in Marketing
- Master of Business Administration
- Master of Business Administration (Global)
- Master of Business Administration/Master of Applied Finance
- Master of Business Administration/Master of Human Resource Management
- Master of Business Administration/Master of International Business
- Master of Business Administration/Master of Marketing
- Master of Business Research
- Master of Environmental Law
- Master of Human Resources and Law
- Master of Human Resource Management
- Master of Marketing
- Master of Professional Accounting/Master of Business Administration
- Doctor of Business Administration

Faculty of Education and Arts

- Bachelor of Arts
- Bachelor of Arts/Bachelor of Innovation and Entrepreneurship
- Bachelor of Education (Early Childhood and Primary)
- Bachelor of Education (Early Childhood and Primary) (Honours)
- Bachelor of Education (Primary)
- Bachelor of Education (Primary) (Honours)
- Bachelor of Education (Secondary)
- Bachelor of Education (Secondary) (Honours)
- Bachelor of Music/Bachelor of Arts

- Graduate Certificate in Creative Industries
- Graduate Certificate in Education
- Master of Creative Industries
- Master of Education
- Master of Special and Inclusive Education

Faculty of Engineering and Built Environment

- Bachelor of Medical Engineering (Honours)
- Master of Disaster Resilience and Sustainable Development

Faculty of Health and Medicine

- Master of Medical Statistics
- Master of Midwifery Studies
- Master of Nursing
- Master of Nurse Practitioner
- Master of Nurse Practitioner (Mental Health)
- Master of Philosophy (Clinical Epidemiology and Medical Statistics)
- Master of Philosophy (Gerontology and Geriatrics)
- Master of Philosophy (Health Economics)
- Master of Philosophy (Medical Education)
- Master of Philosophy (Paediatrics and Child Health)
- Master of Philosophy (Public Health and Behavioural Sciences)
- Master of Philosophy (Trauma Sciences)
- Doctor of Philosophy (Clinical Epidemiology and Medical Statistics)
- Doctor of Philosophy (Gerontology and Geriatrics)
- Doctor of Philosophy (Health Economics)
- Doctor of Philosophy (Medical Education)
- Doctor of Philosophy (Paediatrics and Child Health)
- Doctor of Philosophy (Public Health and Behavioural Sciences)
- Doctor of Philosophy (Trauma Sciences)

Faculty of Science

- Bachelor of Development Studies/Bachelor of Social Science
- Bachelor of Development Studies/Bachelor of Business
- Bachelor of Food Science and Human Nutrition/Bachelor of Business
- Bachelor of Psychological Science
- Bachelor of Psychological Science (Honours)
- Master of Philosophy (Earth Science)
- Doctor of Philosophy (Earth Science)

ACCREDITATION

Faculty of Business and Law

Master of Human Resource Management was accredited by the Australian Human Resources Institute (AHRI).

Bachelor of Business (HRM major) was reaccruited by the Australian Human Resources Institute (AHRI)

Faculty of Education and Arts

The following programs received transition to the Australian Institute for Teaching and School Leadership (AITSL) program standards accreditation until 31 December 2019:

- Bachelor of Teaching (Primary)/Bachelor of Arts (pre 2015)
- Bachelor of Teaching (Primary)/Bachelor of Early Childhood Studies (pre 2015)
- Bachelor of Teaching (Secondary)/Bachelor of Arts (pre 2015)
- Bachelor of Teaching (Secondary)/Bachelor of Fine Art (pre 2015)
- Bachelor of Teaching (Secondary)/Bachelor of Health and Physical Education (pre 2015)
- Bachelor of Teaching (Secondary)/Bachelor of Mathematics (pre 2015)
- Bachelor of Teaching (Secondary)/Bachelor of Science (pre 2015)
- Bachelor of Teaching (Secondary)/Bachelor of Technology (pre 2015)

Faculty of Engineering and Built Environment

- Bachelor of Design (Architecture) [10028] - National Visiting Panel: accreditation of program for 5 years (2018 – 2022)
- Master of Architecture [12060] National Visiting Panel: accreditation of program for 5 years (2018 – 2022)

Faculty of Health and Medicine

- Bachelor Oral Health Therapy – received full accreditation for 5 years
- Bachelor Physiotherapy – received full accreditation for 5 years
- Bachelor Pharmacy – accreditation with one condition and 5 monitoring requirements received for 6 years – expiry 31 December 2023
- Master Pharmacy – accreditation expiry date extended to 31 December 2018.

Faculty of Science

- Bachelor Psychological Science/Psychological Science (Hons) - accredited pathway through the Australian Psychology Accreditation Council (APAC)

ACADEMIC PROGRAM REVIEW

Faculty of Education and Arts

- Bachelor of Visual Communication Design
- Bachelor of Visual Communication Design (Honours)

Faculty of Science

- Bachelor of Environmental Science and Management
- Bachelor of Environmental Science and Management (Honours)
- Graduate Certificate in Environmental and Business Management
- Master of Environmental and Business Management
- Graduate Certificate in Environmental Management and Sustainability
- Master of Environmental Management and Sustainability

These Faculties are preparing responses and action plans, and the implementation of approved recommendations will be monitored by the Academic Senate.

C: STUDENT STATISTICS

TABLE 1: STUDENT LOAD (EFTSL) BY STUDENT TYPE

	2013	2014	2015	2016	2017
Domestic	21,288	21,528	20,836	20,218	20,175
International Onshore	3,398	3,131	3,038	3,250	3,490
International Offshore	1,506	1,434	1,312	1,041	940
Total	26,192	26,092	25,186	24,509	24,605

TABLE 2: STUDENT LOAD (EFTSL) BY ACADEMIC LEVEL

	2013	2014	2015	2016	2017
Undergraduate	19,094	18,976	18,644	18,202	18,427
Postgraduate Coursework	3,524	3,543	2,910	2,638	2,461
Higher Degree by Research	1,044	1,120	1,192	1,234	1,341
Non-award	295	361	343	301	311
Enabling	1,809	1,720	1,616	1,682	1,675
ELICOS	426	373	482	453	391
Total	26,192	26,092	25,186	24,509	24,605

TABLE 3: ENROLMENTS BY FACULTY/DIVISION

	2013	2014	2015	2016	2017
Business and Law	6,892	6,676	6,127	5,968	5,889
Education and Arts	9,673	10,342	9,137	8,507	8,959
Engineering and Built Environment	4,510	4,664	4,643	4,752	5,550
Health and Medicine	7,451	7,775	7,635	7,558	7,793
Science	5,385	5,460	5,350	5,068	3,410
Other University ¹	5,217	5,296	5,217	5,333	5,434
Total	39,128	40,213	38,109	37,186	37,035

TABLE 4: STUDENT LOAD (EFTSL) BY LOCATION

	2013	2014	2015	2016	2017
Newcastle	18,728	18,787	18,513	18,443	18,858
Central Coast	3,309	3,165	3,049	2,922	2,884
Port Macquarie	314	312	266	252	253
Sydney	667	569	539	546	492
UON Singapore	1,376	1,346	1,241	1,001	910
Other University ¹	1,798	1,915	1,578	1,346	1,210
	26,192	26,092	25,186	24,509	24,605

D: HUMAN RESOURCES

GENDER

The University was recognised by the Workplace Gender Equality Agency (WGEA) as an Employer of Choice for Gender Equality for the fourth successive year. Newcastle is one of only 17 universities (and just over 120 national organisations) to receive this citation. The citation recognises our commitment and progress towards gender equity through policies and best-practice strategies that provide a workplace culture where all staff can excel.

We continued to prioritise strategies to address the underrepresentation of senior academic women and women in STEMM. Existing strategies include the Senior Academic Women strategy where progress had been made with representation of women at professorial level and the SAGE Pilot of Athena SWAN where our focus in year two of the pilot was to develop a range of strategies to benefit both STEMM and non-STEMM areas. Strategies will be rolled out across the organisation over a four-year period with key focus areas

including: recruitment and retention, career progression, caring responsibilities, organisational culture and ongoing data management and reporting.

We marked International Women's Day with a number of events across our campuses. A headline event was a campus conversation at Callaghan entitled: "I'm a gender stereotype – get me out of here" where our panel discussed gender stereotypes and other gender equity issues. The event was informal to encourage both staff and student participation with speakers including the University's Vice-Chancellor, Professor Caroline McMillen, Professor Penny-Jane Burke, Global Innovation Chair, Centre of Excellence for Equity in Higher Education and other senior leaders. The University again sponsored an Award category at the Equal Futures International Women's Day breakfast and sponsored a number of corporate tables.

TABLE 1: FIXED-TERM AND CONTINUING STAFF FTE (AS AT 31 MARCH 2017)

Job type	FTE
Academic	1,096
Professional	1,626
Teacher	32
Total	2,754

Source: Department of Education and Training
Higher Education Staff Statistics

TABLE 3: CONJOINT STAFF (AS AT 31 MARCH 2017)

Faculty/Division	Total
Academic Division	4
Faculty of Business and Law	63
Faculty of Education and Arts	142
Faculty of Engineering and Built Environment	130
Faculty of Health and Medicine	1,120
Faculty of Science	208
Research and Innovation Division	2
Total	1,669

Source: Ascender HR Database

TABLE 2: CASUAL AND SESSIONAL STAFF FTE (1 JANUARY TO 31 DECEMBER 2017)

Job type	FTE
Academic	280
Professional	182
Total	462

Source: Ascender HR Database
Preliminary figures subject to validation and submission to
Department of Education and Training at 30 June 2018

TABLE 4: JOB APPLICANTS (1 JANUARY TO 31 DECEMBER 2017)

Number of Applicants	Total
Total	5,315

Source: Ascender HR Database

TABLE 5: NUMBER OF ACADEMIC AND PROFESSIONAL STAFF BY APPOINTMENT TERM AND GENDER 2014-2017 (AS AT 31 MARCH 2018)

	2014	2014	2014	2015	2015	2015	2016	2016	2016	2017	2017	2017
	FEMALE	MALE	TOTAL	FEMALE	MALE	TOTAL	FEMALE	MALE	TOTAL	FEMALE	MALE	TOTAL
Continuing	1,036	745	1,781	1,078	738	1,816	1,067	734	1,801	1,074	718	1,792
Fixed-term	795	440	1,235	829	473	1,302	853	496	1,349	937	533	1,470
Total	1,831	1,185	3,016	1,907	1,211	3,118	1,920	1,230	3,150	2,011	1,251	3,262

**TABLE 6: NUMBER OF ACADEMIC STAFF BY APPOINTMENT TERM, LEVEL AND GENDER 2014-2017
(AS AT 31 MARCH 2018)**

		2014	2014	2014	2015	2015	2015	2016	2016	2016	2017	2017	2017
	LEVEL	FEMALE	MALE	TOTAL	FEMALE	MALE	TOTAL	FEMALE	MALE	TOTAL	FEMALE	MALE	TOTAL
Continuing	A	16	9	25	13	8	21	11	6	17	15	8	23
	B	120	98	218	120	100	220	109	89	198	91	65	156
	C	88	123	211	81	116	197	84	117	201	93	114	207
	D	35	74	109	42	73	115	50	83	133	51	80	131
	E	25	96	121	24	97	121	23	102	125	33	108	141
Continuing total		284	400	684	280	394	674	277	397	674	283	375	658
Fixed-term	A	69	74	143	74	68	142	82	87	169	99	84	183
	B	142	91	233	139	81	220	148	86	234	156	95	251
	C	26	38	64	26	40	66	28	32	60	36	42	78
	D	11	9	20	10	9	19	5	17	22	10	21	31
	E	10	34	44	11	33	44	17	33	50	17	37	54
Fixed-term total		258	246	504	260	231	491	280	255	535	318	279	597
Total		542	646	1,188	540	625	1,165	557	652	1,209	601	654	1,255

**TABLE 7: NUMBER OF PROFESSIONAL STAFF BY APPOINTMENT TERM, HEW LEVEL AND GENDER 2014-2017
(AS AT 31 MARCH 2018)**

		2014	2014	2014	2015	2015	2015	2016	2016	2016	2017	2017	2017
	HEW	FEMALE	MALE	TOTAL	FEMALE	MALE	TOTAL	FEMALE	MALE	TOTAL	FEMALE	MALE	TOTAL
Continuing	2	2	0	2	2	0	2	2		2	1		1
	3	27	31	58	37	28	65	42	27	69	30	15	45
	4	113	17	130	127	22	149	126	20	146	115	17	132
	5	183	51	234	188	45	233	159	44	203	169	47	216
	6	128	62	190	129	58	187	142	53	195	150	63	213
	7	152	81	233	160	85	245	155	85	240	160	85	245
	8	82	47	129	89	52	141	93	60	153	96	67	163
	9	41	31	72	42	31	73	44	28	72	49	28	77
	10	24	25	49	24	23	47	27	20	47	21	21	42
Continuing total		752	345	1,097	798	344	1,142	790	337	1,127	791	343	1,134
Fixed-term	<1	2	1	3	0	0	0	1	0	1	1		1
	1	0	2	2	1	2	3	11	4	15	11	1	12
	2	7	5	12	68	48	116	58	37	95	48	33	81
	3	17	11	28	16	14	30	20	11	31	30	20	50
	4	85	21	106	66	16	82	67	20	87	78	23	101
	5	178	36	214	164	42	206	162	30	192	189	36	225
	6	119	34	153	119	34	153	120	41	161	125	41	166
	7	68	33	101	65	35	100	78	39	117	83	39	122
	8	36	25	61	42	27	69	33	32	65	32	30	62
	9	15	18	33	15	16	31	11	18	29	8	18	26
	10	10	8	18	13	8	21	12	9	21	14	13	27
Fixed-term total		537	194	731	569	242	811	573	241	814	619	254	873
Total		1,289	539	1,828	1,367	586	1,953	1,363	578	1,941	1,410	597	2,007

Source for Tables 5-7: Department of Education and Training Higher Education Staff Statistics

Notes • Excludes casual staff. • Number of staff includes full-time and fractional full-time staff who occupy more than one position.

ABORIGINAL AND TORRES STRAIT ISLANDER REPRESENTATION

Our Indigenous Cadetship program began in 2016 with a total of seven cadets, five employed through Student Central and two employed through the faculty of Business and Law. Two cadets successfully completed the program in 2017 and have moved into full time roles, one within the University working for the Pro Vice-Chancellor, Indigenous Education & Research, and the other working in a graduate position for a company in Sydney. This year a further five cadets were recruited within Student Central, with plans to recruit an additional five cadets throughout 2018, contributing to our target of 20 cadets by 2020.

In 2017, we established an Indigenous Employee's Network on Yammer and on the Blackboard platform, to provide Indigenous cadets and their managers with a centralised space to network and access resources. The Indigenous employment team also supported the cadetship program with cultural competency workshops for commencing supervisors and managers of Indigenous cadets and in turn facilitated a cultural competency workshop for our Indigenous cadets. Due to its success, this cadet-focused workshop will be rolled-out for all future cadet recruitment rounds. The Indigenous employment team received internal recognition through the Staff Employability Initiative of the Year Award for 2017 for their contribution to Indigenous employment and for the successful recruitment of Indigenous cadets.

We also focused our attention on targeting Indigenous candidates for a number of staff roles through the exemption afforded by the Anti-Discrimination Board of NSW. Target candidates were drawn from our own database and from a variety of other sources including Indigenous employment agencies. Our initial work provided valuable insight into the work experience of Indigenous candidates within our region and highlighted suitability when mapped against specific roles. Based on this evidence, we tailored our approach by providing Indigenous employment agencies with more in-depth role and position description information to encourage more Indigenous applicants to apply. We continued to monitor progress against our Indigenous employment targets through quarterly reporting against KPIs and provided faculties and divisions with management support to identify appropriate roles for Indigenous personnel.

DISABILITY AND MULTICULTURAL INCLUSION

Disability policies and support

We transitioned our Disability Services Team to the AccessAbility Unit during the year and reviewed all of our inclusiveness and accessibility policies. A new suite of policies will be delivered during 2018 alongside a revised Reasonable Adjustments Framework for students.

We have also developed an additional data source to assist with the early identification of factors that impact on students' likelihood of success. The data identifies emerging equity groups allowing us to direct timely and appropriate resources to support the needs of our students. This system will provide us with tracking intelligence over time so we can identify trends and plan resourcing to assist students and manage a more inclusive culture.

Settlement Services

The University of Newcastle offers a number of programs to support students whose first language is not English. The English Language and Foundation Studies Centre provides bridging courses, and academic English courses to assist students to better understand academic English and access discipline-specific preparation skills. English language support teachers are also available to assist refugees and LOTE (Languages Other than English) students.

Programs are coordinated through the Centre of Excellence for Equity in Higher Education (CEEHE) and through student clubs and societies to provide engagement opportunities to refugees or refugee-like students, around their education and life in Newcastle. This year we ran a series of events during Refugee Week to increase awareness of some of the challenges refugees face in coming to Australia, strengthen cross-cultural relationships and celebrate the contributions refugees make to our communities.

The University offers a number of scholarships for students from equity and refugee backgrounds who are experiencing hardship.

Language Services

As stated in the University English Language Proficiency for Admission Policy, the University is committed to offering its educational programs to students from a broad range of backgrounds, cultures and languages. In doing so, it recognises its responsibility to ensure all students, including those whose first language is not English, have sufficient proficiency to undertake the program of their choice.

The University of Newcastle partners with TIS National to provide translation support for students where required. In 2017 there were 20 instances where translation support was necessary. Seventy percent of the language support requested was for Mandarin. Other languages where support was requested included; Arabic, Urdu, Punjabi and Mongolian. The University spent \$1,052 on translation support services during 2017.

STAFF EQUITY STATISTICS

TABLE 1: TRENDS IN THE REPRESENTATION OF EEO TARGET GROUPS¹

EEO GROUP	TARGET	% OF TOTAL STAFF ²									
		2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Women	50.0	59.2	60.6	60.2	60.5	60.8	60.7	61.0	61.5	60.9	61.6
Aboriginal people and Torres Strait Islanders	3.9	2.2	2.1	2.5	2.7	2.8	2.5	2.7	2.5	2.5	2.6
People whose first language was not English	19.0	7.6	8.1	7.7	7.8	8.0	7.7	9.8	9.2	9.2	8.7
People with a disability	n.a	3.4	3.3	2.9	2.7	2.5	2.2	2.5	2.4	2.3	2.3
People with a disability requiring work-related adjustment	1.5	0.9	0.7	0.6	0.6	0.6	0.5	0.6	0.4	0.5	0.5

TABLE 2: REPRESENTATION OF EEO TARGET GROUPS: ACADEMIC V PROFESSIONAL STAFF²

	% OF TOTAL STAFF ²			%
	BENCHMARK OR TARGET	TOTAL		
Women	50.0	61.6	Academic	48.0
			Professional	70.0
			Teacher	81.1
Aboriginal people and Torres Strait Islanders	3.9	2.6	Academic	2.0
			Professional	3.0
			Teacher	-
People whose first language was not English	19.0	8.7	Academic	16.2
			Professional	3.9
			Teacher	5.4
People with a disability	n/a	2.3	Academic	2.8
			Professional	2.0
			Teacher	-
People with a disability requiring work-related adjustment	1.5	0.5	Academic	0.6
			Professional	0.4
			Teacher	-

TABLE 3: TRENDS IN THE DISTRIBUTION OF EEO TARGET GROUPS

EEO GROUP	TARGET	DISTRIBUTION INDEX ³									
		2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Women	100.0	73.0	83.5	81.2	81.6	82.3	82.7	82.1	83.0	82.7	82.4
Aboriginal people and Torres Strait Islanders	100.0	90.7	89.0	83.4	85.1	85.0	87.9	89.5	91.1	92.7	91.0
People whose first language was not English	100.0	118.9	111.9	111.2	111.4	110.8	111.5	110.2	111.5	111.5	115.0
People with a disability	100.0	105.5	101.6	101.9	100.1	101.2	100.9	105.8	101.8	103.5	102.5
People with a disability requiring work-related adjustment	100.0	104.9	102.6	107.5	102.7	105.7	105.2	112.6	107.4	112.9	109.2

Source for Tables 1-4: Ascender HR Database

Notes 1. Staff numbers are as at 30 June 2017. 2. Excludes casual staff.

3. A distribution index of 100 indicates that the distribution of the EEO group across salary levels is equivalent to that of other staff. Values less than 100 mean that the EEO group tends to be more concentrated at lower salary levels.

TABLE 4: DISTRIBUTION OF EEO TARGET GROUPS: ACADEMIC V PROFESSIONAL STAFF

	DISTRIBUTION INDEX ³			
	TARGET	TOTAL		
Women	100.0	82.4	Academic	90.4
			Non-academic	89.4
Aboriginal people and Torres Strait Islanders	100.0	91.0	Academic	91.2
			Non-academic	93.0
People whose first language was not English	100.0	115.0	Academic	94.6
			Non-academic	103.0
People with a disability	100.0	102.5	Academic	100.1
			Non-academic	93.5
People with a disability requiring work-related adjustment	100.0	109.2	Academic	102.5
			Non-academic	105.5

Source for Tables 1-4: Ascender HR Database

Notes 1. Staff numbers are as at 30 June 2017. 2. Excludes casual staff.

3. A distribution index of 100 indicates that the distribution of the EEO group across salary levels is equivalent to that of other staff. Values less than 100 mean that the EEO group tends to be more concentrated at lower salary levels.

HEALTH AND SAFETY

We are committed to providing a safe and healthy working and learning environment across our campuses through the personal leadership of professional and academic staff. For the third consecutive year, the Vice-Chancellor's Awards recognised health and safety excellence through two awards.

HEALTH AND SAFETY STRATEGY 2015 – 2017

2017 marked the final year of our three-year Health and Safety Strategy. Our performance against this plan has been reported regularly at both an Executive Committee and Council level.

Strategic use of health and safety data: during the year, a new online incident reporting and tracking system was introduced to provide staff with an improved tool for recording, investigating and tracking incidents. The system has supported improved data gathering and analysis, highlighting trends to support corrective action to mitigate and prevent further incidents.

A system that captures information relating to the University's radiation sources and personal exposure reports was digitised this year. The system supports our compliance and statutory reporting.

Understanding health and safety responsibilities: the University's induction training for new and transferred staff was migrated into *Discover*, our online training system with all staff requested to re-induct. Ten health and safety workshops were delivered to leaders with 89 participants attending. Since the workshops were introduced in November 2015, 227 leaders have participated in the program with each delegate completing a project to improve an aspect of health and safety within their area.

Supporting leaders: health and safety 'business partners' were assigned to provide proactive support to leaders and staff to manage health and safety risks and hazards. Activities

included supporting the safe transition of staff to our NeW Space campus in Newcastle City, conducting health and safety inspections across new facilities in Coffs Harbour, Muswellbrook and Williamtown and providing training and advice for our staff at the Centre for Rural and Remote Mental Health in Orange. Business partners also attended faculty and divisional meetings to report on performance, trends, and on training and initiatives.

Monitoring performance: The Health and Safety Strategy provided for an internal system and compliance audit which was undertaken this year. A total of 12 audits have been conducted to date, across schools and units within each of our faculties and divisions.

External audits of the University's health and safety workshops were also arranged in conjunction with Assurance Services. The results of these audits were reported to the Executive Committee and the Risk Committee of Council.

HEALTH AND SAFETY PERFORMANCE

Our Executive Committee received monthly Health and Safety Performance Reports complete with incident analysis for trends to be identified and corrective action taken. The report included all data on hazards and near misses to guide our actions and mitigate against injury. We saw a gratifying upturn in hazard and near miss reporting (71%) compared to injuries (29%).

The Lost Time Injury Frequency Rate (LTIFR) as at 30 November 2017 was 2.5 compared to 3.34 for the same period in 2016, (25% improvement). The Total Recordable Frequency Rate (TRIFR) was 5.21 compared with 8.45 for the same period in 2016 (38% improvement). Total recordable injuries are defined as any work-related injury that required assessment and treatment from a medical practitioner and includes all lost time injuries and other injuries which are medically treated but allow for a return to work on pre-injury or suitable duties.

GOVERNANCE

The Executive Committee and the University Council have oversight of how the University manages health and safety and there is meaningful discussion on performance trends and actions being taken for continuous improvement.

Last year the Council received legal advice on their due diligence responsibilities and this year considered these responsibilities against our reporting. The University's risk controls for the top health and safety risks were reviewed as part of this process and an interactive session was run to provide Council with an opportunity to demonstrate their knowledge of their due diligence obligations.

CONSULTATION

The University's overarching Health and Safety Committee includes representatives from faculty and division committees. University wide issues are discussed with members providing input to initiatives and communicating messages back to their respective teams. Regional campus committees have also been established to monitor and discuss location-specific issues. Health and Safety Committees are now in place at our Sydney campus, City campus in Newcastle, the Department of Rural Health at Tamworth, Ourimbah and at the Centre for Rural and Remote Mental Health in Orange.

HAZARD AND RISK MANAGEMENT

The Safety Review process for assessing research and other project risk is well established with a total of 718 reviews conducted throughout the year. Project areas included hazardous substances, radiation, genetically modified organisms, teaching and research field trips and travel to high-risk overseas destinations as defined by security and medical classifications.

HEALTH AND WELLNESS

The University prioritises staff and student wellness. Our Healthy University Steering Committee oversees a range of initiatives designed to support physical and mental health.

Activities include:

- Employee Assistance Program (EAP)
- Mental health awareness for managers
- Mental health first aid
- Aggression minimisation training
- Resilience in the face of change
- Pilates and Yoga
- Return to work support for staff with non-work related injuries and illnesses and,
- Ergonomic assessments and training.

Following a communication roll out, the University progressed its Smoke Free initiative removing designated smoking areas and introducing totally smoke free campuses. Trained student 'quit advocates' supported the initiative patrolling our campuses to remind smokers of the new policy and discuss nicotine replacement strategies.

WORKER'S COMPENSATION

In 2015 the University entered into a new arrangement for managing Worker's Compensation premiums known as Loss Prevention and Recovery administered by iCare (previously WorkCover NSW). This resulted in a reduction of \$1.3m in our annual premium for 2017.

Staff are encouraged to report early symptoms of pain so that prompt assessments can be made to determine the cause, corrective action can be taken and prompt referral for physiotherapy can be arranged where necessary. Staff who require time off work to recover from an injury are supported during their recovery with a graded return to pre-injury duties managed. In all, 38 claims were managed YTD compared to 59 in 2016 and 86 in 2015.

EMPLOYEE POLICIES AND PRACTICES

The University has a comprehensive range of human resources policies and practices to support human resource management. Throughout the year employee policies and practices were reviewed to ensure currency and effectiveness. This included an update of the University's Code of Conduct which was refreshed at the beginning of the year. The University has also initiated a major project to review its policy framework and supporting systems. A number of human resources policies have been identified for priority review and development, including our suite of Inclusiveness policies.

ENTERPRISE BARGAINING AND ORGANISATIONAL CHANGE

The University's three enterprise agreements expired in June 2017 with enterprise bargaining commencing to renegotiate the agreements in the second half of the year. Reasonable progress has been made and bargaining will continue into 2018.

Organisational change has continued with improved professional staff structures and effectiveness remaining a central focus. Phase one of our Organisational Design Project is complete and has resulted in change processes across eight units including Finance, Marketing and Communications, Infrastructure and Facilities Services, and Human Resources. Phase 2, which focuses on improving student engagement, has commenced and will continue into 2018. Organisational change also occurred in academic units with change programs implemented in the Schools of Humanities & Social Science and Architecture & Built Environment.

E: EXECUTIVE REMUNERATION

TABLE 1: NUMBER OF SENIOR EXECUTIVES EMPLOYED AT 31 DECEMBER 2017

	2016		2017	
	Female	Male	Female	Male
Senior executive band				
Vice-Chancellor	1	0	1	0
Deputy Vice-Chancellor and Chief Operating Officer	1	3	1	3
Pro Vice-Chancellor and Chief Financial Officer	2	6	2	6
	4	9	4	9
Totals	13		13	

TABLE 2: AVERAGE TOTAL REMUNERATION PACKAGE OF SENIOR EXECUTIVES EMPLOYED AT 31 DECEMBER 2017

SENIOR EXECUTIVE BAND	AVERAGE TOTAL REMUNERATION PACKAGE ¹	
	2016 \$	2017 \$
Vice-Chancellor	842,839	872,201
Deputy Vice-Chancellor and Chief Operating Officer	424,665	454,977
Pro Vice-Chancellor and Chief Financial Officer	328,608	378,133

TABLE 3: PERCENTAGE OF TOTAL EMPLOYEE-RELATED EXPENDITURE IN THE FINANCIAL YEAR THAT RELATES TO SENIOR EXECUTIVES

	2015	2016	2017
Percentage of total employee-related expenditure in the financial year that relates to senior executives	1.2%	1.3%	1.4%

F: RISK MANAGEMENT FRAMEWORK

Risk management is a core part of our governance practice. The University has adopted AS/NZS ISO 31000-2009 Risk management – Principles and guidelines in developing its approach to risk management.

The Executive Committee is actively engaged in the risk management process. The Risk Committee and the University Council oversee the Enterprise Risk Management Framework and discuss strategic risks at each Committee meeting.

The risk management framework is considered across the university at a strategic, operational and project management level. Ongoing practices identify, manage, mitigate, monitor and report from strategic and operational perspectives.

This process is supported by a Risk Policy and the Enterprise Risk Management Framework.

INTERNAL CONTROL

Council is responsible for ensuring an effective system of internal controls over financial and operational activities.


The Vice-Chancellor, as the principal Executive Officer, is responsible for ensuring that the internal environment supports the efficient and effective operation of appropriate internal controls to support the University's strategy and objectives.

The Vice-Chancellor provides annual assurance to Council on the systems of internal controls, accountability and delegations (including in relation to controlled entities) as part of the management of the University's annual financial reporting.

INSURANCE

Our suite of Insurance policies is reviewed and renewed annually with the insurance period commencing 1 November each year. Our broker supports the management of this process to ensure that optimal and cost-effective coverage is obtained.

Details of insurance policies relevant to staff and students are published on our website.

 newcastle.edu.au/current-staff/our-organisation/governance/corporate-risk/insurance

G. DIGITAL INFORMATION SECURITY ANNUAL ATTESTATION STATEMENT

Digital Information Security Annual Attestation Statement for the 2017 Financial Year for the Council of the University of Newcastle.

I, Mr Anthony Molinia, am of the opinion that the University of Newcastle had an Information Security Management System (ISMS) in place during the 2016-2017 financial year that is consistent with the Core Requirements set out in the NSW Government Digital Information Security Policy.

The controls in place to mitigate identified risks to the digital information and digital information systems of the University of Newcastle are adequate.

There is no agency under the control of the Council of the University of Newcastle that is required to develop an independent ISMS in accordance with the NSW Government Digital Information Security Policy.

H: ETHICAL AND RESPONSIBLE DECISION-MAKING

Our culture is underpinned by strong values and ethical behaviour centred around integrity, respect and professionalism. The Code of Conduct governs our community in its day-to-day activity, decision-making and interaction with clients, colleagues and stakeholders.

In conjunction with The Ethics Centre, Council established the Ethical Decision Making Framework to set the 'tone' for behaviour and decision-making and support the University in realising its vision to be a global leader in each of our spheres of achievement. The UON Ethical Framework is provided to guide and support decision making at all levels and helps to ensure that when making decisions on behalf of the University, the 'standard for judgement' lies in the Ethical Framework rather than the personal beliefs of any individual, thus ensuring clarity and consistency in application.

Our policies and codes are in place to provide ethical guidance and support ethical behaviour. These include: the Conflicts of Interest Policy; the Student Academic Integrity Policy; the Responsible Conduct of Research Policy; and the Code of Ethical Academic Conduct Policy.

Our activities support compliance with relevant legislative requirements, professional standards and internal controls to ensure the provision of timely and transparent information to our stakeholders and the general public.

ANIMAL CARE AND ETHICS COMMITTEE

The University of Newcastle is committed to the highest standard of ethical practice in animal-based teaching and research.

The University has established an Animal Care & Ethics Committee (ACEC) to oversee the care and use of animals, and to ensure that these activities meet the requirements of the regulatory framework. The ACEC plays an important role in reviewing applications for research and teaching where animals are involved. The ACEC is also responsible for monitoring approved activities in accordance with legislative requirements.

The Animal Care and Ethics Committee reports to Council, the governing body of the University of Newcastle and is responsible for the consideration of ethical and welfare aspects as well as the scientific or educational value of the use of animals for research and teaching purposes.

Its membership includes the following categories:

- Category A: Veterinarians - persons with qualifications in veterinary science that are recognised for registration as a veterinary surgeon in Australia, and with experience relevant to the University's activities or the ability to acquire relevant knowledge.
- Category B: Researchers - persons with substantial and recent experience in the use of animals for scientific purposes relevant to the institution and the business of the ACEC. This must include possession of a higher degree in research or equivalent experience.
- Category C: Animal welfare members - persons with demonstrable commitment to, and established experience in furthering the welfare of animals, who are not employed by or otherwise associated with the institution, and who are not currently involved in the care and use of animals for scientific purposes. Veterinarians with specific animal welfare interest and experience may meet the requirements of this category. While not representing an animal welfare organisation, the person should, where possible, be selected on the basis of active membership of, and endorsement by, such an organisation.
- Category D: Independent members - persons not employed by or otherwise associated with the institution and who have never been involved in the use of animals in scientific or teaching activities, either in their employment or beyond their undergraduate education. Category D members should be viewed by the wider community as bringing a completely independent view to the ACEC, and must not fit the requirements of any other category.

These categories are as defined in the Australian Code for the care and use of animals for scientific purposes 8th edition 2013.

HUMAN RESEARCH ETHICS COMMITTEE

Our Human Research Ethics Committee (HREC) reports directly to the NSW Privacy Commissioner where the HREC is the lead ethics committee and the Statutory Guidelines on Research, issued under Section 64 of the *Health Records and Information Privacy Act 2002 (NSW) (HRIP Act)*, have been applied.

- Reports to the NSW Privacy Commissioner are prepared and submitted on a financial year basis. In the 2016/2017 financial year, the HREC approved 2 ethics applications which required application of the HRIP – Statutory Guidelines on Research.

We are also required to report decisions to the National Health and Medical Research Council (NHMRC), which collects information on behalf of the Australian Information Commissioner, where the NHMRC Guidelines under Section 95 and 95a of the *Privacy Act 1988* have been applied.

- During the year, the HREC did not approve any ethics applications that required the application of the NHMRC Guidelines under Section 95 and 95a of the *Privacy Act 1988*.

I: ACCESS TO INFORMATION

PROTECTING PRIVACY

The University supports an individual's privacy when we collect, store, use and disclose personal information. When dealing with private and personal information, we apply the principles and obligations within the *Privacy and Personal Information Protection Act 1998 (NSW) (PPIPA)* and the *Health Records and Information Privacy Act 2002 (NSW) (HRIPIA)*, outlined in our Privacy and Information Access Policy and Privacy Management Plan. During 2017, we:

- Reviewed the Privacy Management Plan and Privacy and Information Access Policy
- Celebrated and supported Privacy Awareness Week
- Maintained a webpage for staff, students and the general public relating to privacy matters.

RIGHT TO INFORMATION

We support openness and transparency as encompassed in the *Government Information (Public Access) Act 2009 (the GIPA Act)*.

Information not readily available on our website can be obtained by submitting an informal request or, where further consideration is required, a formal request for the release of government information under the *GIPA Act*. Access to information is only restricted when there is an overriding public interest against disclosure. During 2017 we:

- Continued to proactively disclose information to the public and our key stakeholders. Information is generally published on our website at newcastle.edu.au.
- Policies are published in the University's policy library.
- Details regarding non-confidential decisions made by the Executive Committee and the Council are published in online newsletters.
- Continued to provide our GIPA contracts register.
- Participated in the Information and Privacy Commissioner's 'Right to Know' week activities as a 'Right to Know' champion.
- Received 9 applications and decided a further 4 applications that were received in 2016. Statistics on the applications decided in 2017 are provided below:

TABLE 1: NUMBER OF APPLICATIONS BY TYPE OF APPLICANT AND OUTCOME¹

	ACCESS GRANTED IN FULL	ACCESS GRANTED IN PART	ACCESS REFUSED IN FULL	INFORMATION NOT HELD	INFORMATION ALREADY AVAILABLE	REFUSE TO DEAL WITH APPLICANT	REFUSE TO CONFIRM OR DENY WHETHER INFORMATION IS HELD	APPLICATION WITHDRAWN
Media	6	0	0	0	0	0	0	0
Members of Parliament	0	0	0	0	0	0	0	0
Private sector business	0	0	0	0	0	0	0	0
Not-for-profit organisations or community groups ²	2	0	0	0	0	0	0	0
Members of the public (application by legal representative)	0	0	0	0	0	0	0	0
Members of the public (other)	2	0	3	0	0	0	0	0

Notes

1. More than one decision can be made in respect of a particular access application. If so, a recording must be made in relation to each such decision. This also applies to Table 2.
2. Includes other NSW Government agencies.

**TABLE 2: NUMBER OF APPLICATIONS
BY TYPE OF APPLICATION AND OUTCOME**

	ACCESS GRANTED IN FULL	ACCESS GRANTED IN PART	ACCESS REFUSED IN FULL	INFORMATION NOT HELD	INFORMATION ALREADY AVAILABLE	REFUSE TO DEAL WITH APPLICANT	REFUSE TO CONFIRM OR DENY WHETHER INFORMATION IS HELD	APPLICATION WITHDRAWN
Personal information applications ¹	2	0	1	0	0	0	0	0
Access applications (other than personal information applications)	8	0	2	0	0	0	0	0
Access applications that are partly personal information applications and partly other	0	0	0	0	0	0	0	0

Notes 1. A personal information application is an access application for personal information (as defined in clause 4 of Schedule 4 to the GIPA Act) about the applicant (the applicant being an individual).

TABLE 3: INVALID APPLICATIONS

Application does not comply with formal requirements (Section 41 of the GIPA Act)	3
Application is for excluded information of the agency (Section 43 of the GIPA Act)	0
Application contravenes restraint order (Section 110 of the GIPA Act)	0
Total number of invalid applications received	3
Invalid applications that subsequently became valid applications	0

TABLE 4: CONCLUSIVE PRESUMPTION OF OVERRIDING PUBLIC INTEREST AGAINST DISCLOSURE (MATTERS LISTED IN SCHEDULE 1 OF THE GIPA ACT)

Overriding secrecy laws	0	Documents affecting law enforcement and public safety	0
Cabinet information	0	Transport safety	0
Executive Council information	0	Adoption	0
Contempt	0	Care and protection of children	0
Legal Professional Privilege	0	Ministerial code of conduct	0
Excluded information	0	Aboriginal and environmental heritage	0

More than one public interest consideration may apply in relation to a particular access application and, if so, each consideration is to be recorded (but only once per application). This also applies in relation to Table 5.

**TABLE 5: OTHER PUBLIC INTEREST CONSIDERATIONS AGAINST DISCLOSURE
(MATTERS LISTED IN TABLE TO SECTION 14 OF THE ACT)**

Responsible and effective government	0
Law enforcement and security	0
Individual rights, judicial processes and natural justice	2
Business interests of agencies and other persons	3
Environment, culture, economy and general matters	0
Secrecy provisions	0
Exempt documents under equivalent interstate legislation	0

TABLE 6: TIMELINESS

Decided within the statutory timeframe (20 days plus any extensions)	10
Decided after 35 days (by agreement with applicant)	3
Not decided within timeframe (deemed refusal)	0
Total	13

TABLE 7: NUMBER OF APPLICATIONS REVIEWED UNDER PART 5 OF THE GIPA ACT (BY TYPE OF REVIEW AND OUTCOME)

	DECISION VARIED	DECISION UPHELD	TOTAL
Internal review	0	0	0
Review by Commissioner	0	0	0
Internal review following recommendation under Section 93 of the GIPA Act	0	1	1
Review by NSW Civil and Administrative Tribunal	0	0	0
Total	0	1	1

The Information Commissioner does not have the authority to vary decisions, but can make recommendations to the original decision maker. The data in this case indicates that a recommendation to vary or uphold the original decision has been made by the Information Commissioner.

TABLE 8: APPLICATIONS FOR REVIEW UNDER PART 5 OF THE GIPA ACT (BY TYPE OF APPLICANT)

Applications by access applicants	1
Review by Commissioner	0
Information applications by persons to whom the subject of access application relates (see Section 54 of the GIPA Act)	0
Total	1

TABLE 9: APPLICATIONS FOR REVIEW UNDER PART 5 OF THE GIPA ACT (BY TYPE OF APPLICANT)

Agency - initiated transfer	0
Applicant - initiated transfer	1
Total	1

PUBLIC INTEREST DISCLOSURE

The *Public Interest Disclosures Act 1994 (the PID Act)* sets in place a system to encourage public officials to report serious wrongdoing in the categories of maladministration, serious and substantial waste of public money, breach of the *Government Information (Public Access) Act* and corrupt conduct.

The University has an internal reporting policy and procedures in place for receiving, assessing and dealing with public interest disclosures, as required under Section 6D of the *PID Act*. Our Public Interest Disclosures Policy and protections under the Act support reporters, as required under Section 6E(1)(b) of the *PID Act*.

STATISTICAL INFORMATION ON PIDS

	MADE BY PUBLIC OFFICIALS PERFORMING THEIR DAY-TO- DAY FUNCTIONS	UNDER A STATUTORY OR OTHER LEGAL OBLIGATION	ALL OTHER PIDS
Number of public officials who made PIDs directly	3	0	0
Number of PIDs received	3	0	0
Number of PIDs finalised	3	0	0

Note: The number of PIDs finalised only refers to PIDs that have been received since 1 January 2017.

The PIDs received were about corrupt conduct. These were investigated by the Assurance Services business unit, as the relevant authority responsible for handling the investigation in accordance with the University's obligations under the PID Act and its policy.

J: CONSUMER RESPONSE

Our Complaints framework outlines the process to complain and enables us to receive and respond to issues and complaints quickly and fairly, through early intervention, appropriate support and advocacy, and local level resolution where practicable. A formal complaint arises when issues cannot be resolved via early intervention or local resolution pathways. The framework is supported through a collaborative approach across the University.

Assurance Services oversees the formal complaints handling processes and supports students and staff to resolve issues locally and informally. In addition, the Complaints Office supports the review of a complaints handling framework to ensure effective management and resolution of issues. This year, 127 formal complaints were raised with the Complaints Office and resolved directly within accountable areas. Of these:

- Sixty-five percent were raised by students. The number of student complaints (83) received by the Complaints Office, was significantly higher than those lodged in 2016 due to increased awareness of the complaints management process.
- Fifteen percent were from staff. The number of staff complaints in 2017 was an increase from 12 to 19.
- Twenty percent were received from the community. This is consistent with those received in 2016 and 2015.
- On our website, staff and students provide feedback, raise issues, lodge complaints and access rights of review.

In 2017, there was a continued focus on reviewing our approach to complaints management under the Complaints Resolution Policy together with associated processes and procedures. The complaints handling process operates in line with industry practice, the AS/NZS 10002:2014 'Guidelines for complaint management organisations', together with the 'Complaint handling at universities: Australasian best practices guidelines' (January 2015).

Human Resources Services, through its business partnership model, remains the first point of contact for staff issues.

K: REVIEWS

INTERNAL AUDIT

The Internal Audit team supports Council by providing an independent and objective review and advisory service that seeks to evaluate and improve the effectiveness and efficiency of the University's governance, risk management, legislative compliance, and internal control processes. To achieve this aim, the team undertakes a range of risk-based audits to support Council's three year Internal Audit Plan.

The Director Assurance Services, who heads the Internal Audit team, and the Senior Internal Auditor, have independent reporting lines to the Chair of the Risk Committee and attend Risk Committee meetings to present audit findings and provide status reports on management action taken to address previous findings.

EXTERNAL AUDIT

The Audit Office of New South Wales audits the financial statements of the University and its controlled entities.

INTERNAL REVIEWS

In addition to the internal audits scheduled in our Internal Audit Plan, additional reviews were undertaken, at the request of management. These additional reviews examined functions, activities, processes and procedures.

Management reviews completed by Internal Audit, in the year to 31 December 2017 included:

- Review of the process for the allocation and funding transfer process between research grant cost collectors to verify the appropriateness of reallocation and expenditure.
- Completion of a review of the effectiveness of governance, risk management and policy frameworks and operations within a business unit.

L: LEGAL MATTERS

CHANGES IN ACTS AND SUBORDINATE LEGISLATION

University of Newcastle Act 1989 (NSW)

By operation of the Universities Legislation Amendment (Planning Agreements) Act 2017 (NSW), section 18 of the Act was amended to empower the University Council to enter into voluntary planning agreements under the Environmental Planning and Assessment Act 1979 (NSW).

By operation of the Statute Law (Miscellaneous Provisions) Act 2017 (NSW), sections 16 and 18 of the Act were amended to clarify the authority of the University Council to deal with University property (including personal property), and to obtain financial accommodation on behalf of the University.

University of Newcastle By-law 2017 (NSW)

The By-law came into effect on 17 March 2017, replacing the 2005 version. The new By-law, while complying with the requirements of the principal Act, is less prescriptive and, where appropriate, provides the University Council with the authority and flexibility to make and amend rules concerning matters of University governance.

Significant judicial decisions affecting the University or users of its services

Nil

M: MAJOR WORKS

NEW SPACE

2017 saw completion of the landmark NeW Space building in the Newcastle CBD with the relocation of the building occupants ready for the semester 2 teaching period. Current occupants of the building include the Faculty of Business & Law, members of the School of Creative Industries, Student Central, the Library and support staff from our Resources Division.

The new precinct is a significant revitalisation project for the city of Newcastle hosting a range of University-supported activities including business, law and creative industries programs; digital library services and information commons; collaborative and social learning spaces; research and industry engagement facilities as well as spaces for community engagement.

NeW Space not only provides space for delivery of business and law programs, but establishes the location of the School of Creative Industries in the City, and acts as a resource for the entire University community across different disciplinary and knowledge fields. Developed as a technology-rich and engaging site, NeW Space provides a unique platform for our staff to develop and test innovative ideas and to deliver a 'next generation' university experience for students.

Approved budget: \$97.8m Total 2017 expenditure: \$25.6m

Total expenditure to 31 December 2017: \$97.7m

Completion date: July 2017

STEMM BIORESOURCES FACILITY

The STEMM Bioresources Facility Strategic Business Case was approved by Council in March 2017. Throughout the second half of 2017, the project's detailed planning and design has progressed following the appointment of the specialist consultant team. Design of the facility is due to be completed by the end of 2018 with construction commencing from early 2019.

The Bioresources Facility will provide a versatile technology platform serving the interface of biological science and pre-clinical medicine and will form a key requirement to support our current biomedical research capacity. The Bioresources Facility will provide technical and functional capability beyond that of existing facilities, in response to emerging trends in biomedical research. Space of the highest standard will also support best practice husbandry, care and wellbeing of animals involved in research.

By fostering collaboration and expansion into new technologies, the facility will deliver cutting-edge Higher Degree by Research and research outcomes in the biomedical STEMM disciplines, facilitate attraction and retention of research talent, provide commercialisation opportunities and support greater industry engagement. The design will feature a multi-purpose space and modular technologies that can respond at speed as needs change and new emerging technology opportunities emerge.

Approved budget: \$37.5m Total 2017 expenditure: \$0.33m

Total expenditure to 31 December 2017: \$0.33m

Completion date: 2020

STEMM 1 PRECINCT, CALLAGHAN

The University is making an important investment in physical infrastructure to support Science, Technology, Engineering, Mathematics and Medicine (STEMM) research areas and an interdisciplinary approach to both teaching and research. These capital investment decisions support our strategic vision by delivering contemporary physical assets that allow us to deliver outstanding education, research and innovation outcomes.

New infrastructure for the future needs of the university will have the following core guiding principles:

- enhance interdisciplinary collaboration of staff and researchers;
- engage with industry, students and community on a local, national and global level; and,
- provide state of the art facilities that reinvigorate the learning process and provide every opportunity imaginable for educating STEMM leaders of tomorrow.

Planning is underway for a new STEMM facility located at Callaghan that will become the heart of the broader STEMM precinct on the western side of our campus. The STEMM program of work will also include essential enabling works and refurbishment of existing facilities to support immediate and long-term STEMM capability.

Approved budget: \$180m Total 2017 expenditure: \$0.42m

Total expenditure to 31 December 2017: \$0.42m

Completion date: 2022

STEMM – CENTRAL COAST MEDICAL SCHOOL RESEARCH INSTITUTE PROJECT

In partnership with the Central Coast Local Health District, our commitment to developing the Central Coast Medical School (CCMS) and affiliated Central Coast Medical Research Institute (CCMRI) within a Health and Wellbeing Precinct at Gosford Hospital. This transformational project adds value to Gosford Hospital's own \$348m redevelopment, and represents a further tangible expression of our investment in, and leadership of, regional health and innovation activities.

When complete this project will build academic capacity, deliver new state-of-the-art infrastructure, and strengthen strategic partnerships in the region. The project also represents a rare opportunity to develop and enhance health and wellbeing initiatives while increasing the number of new regionally trained doctors, nurses and allied health practitioners. These facilities, in partnership with the Central Coast Local Health District, will promote new models for the delivery of integrated patient-centred care and translational medicine practice, and pioneer novel approaches of healthcare for the Coast that respond to the needs of its growing and ageing population.

During 2017 the University committed capital funding of \$20M and leveraged government grants of over \$50m from both the State and Federal governments. The design of the new facility is currently at 50% design development and the NSW Department of Planning and Environment has approved the development application. Health Infrastructure NSW is managing the construction of the project with the podium multi-storey car park already underway. The CCMSRI facility will be constructed on top of this podium.

Approved budget: \$72.5m Total 2017 expenditure: \$ Nil

Total expenditure to 31 December 2017: \$ Nil

Completion date: 2020

N: SUSTAINABILITY

Our Environmental Sustainability Plan 2015-2017 provides a clear plan of action to develop measurable improvements in our environmental sustainability performance. This report details actions across a number of areas, including:

- Energy and carbon emissions
- Water
- Landscape and biodiversity
- Waste
- Sustainable transport
- Sustainable procurement
- Strategic asset management and compliance.

Our environmental sustainability agenda is managed at committee level through the University Committee on Environmental Sustainability (UCES) and the Resources Health & Safety Committee.

A new Environmental Sustainability Plan 2018 – 2025 (ESP) was developed this year after extensive consultation with staff and students. In all, seventeen stakeholder workshops were convened to discuss how we can shape our environmental sustainability approach into the future. The workshops provided us with a keener understanding of the environmental sustainability issues that are of greatest importance to our students and staff and helped us to prioritise actions and future targets.

Our Draft ESP 2018 – 2025 will go to Executive Committee and Council for endorsement in early 2018.

ENERGY AND CARBON EMISSIONS

The University continues to perform well against its peers with regard to energy usage per gross floor area of facility and this remains a key area of focus.

Other achievements included:

- Extensive energy efficient features were introduced during the construction of NeW Space including external sun shading, high-performance double glazing, thermally engineered aluminium frames, an LED lighting and control system, a high efficiency water cooled chiller system, motion sensors for air-conditioning control in teaching and meeting spaces and regenerative lifts to produce electricity for the building.
- Energy efficiency and CO₂e reduction as part of the new ESD Guideline Tool was a key project design component for major new-build and refurbishment planning and project completions.
- We upgraded to more energy efficient air conditioning systems (HVAC) at the Ourimbah Library, University House and the Auchmuty Library. In a similar initiative, we also installed a chilled water plant for the new Glasshouse precinct at the Newcastle Institute for Energy and Resources (NIER).
- The procurement of 10 per cent accredited Greenpower across the University.

- Installation of a 75kW PV rooftop solar system at the Ourimbah Library, with planning commencing to install an additional 60kW. Our total solar capacity now stands at 165kW, which is estimated to produce 250,000 kWh/year and will save approximately 210 tonnes of CO₂e.
- Our team at the Centre of Organic Electronics has installed a trial flexible solar film on the Medical Sciences Building in Callaghan. This carbon-based electronic material is soluble in a variety of liquids allowing it to dissolve into solutions that can be printed, painted or sprayed onto different surfaces while still conducting electrical charges.
- Completion of detailed investigations and planning of a program of work to deliver a 20% reduction of CO₂ emissions per m² GFA (gross floor area) by 2020 through an increased investment in on-site energy efficiency and renewable energy options.
- Continual upgrading of internal and external lighting to LED.
- We continued to publicly report on our greenhouse gas emissions under the National Greenhouse and Energy Reporting Scheme (NGERS) at a facility level across our Callaghan campus. We also reported Callaghan and Ourimbah campus-wide data via the Tertiary Education Facilities Management Association (TEFMA).

WATER

A number of water efficiency measures continue to be implemented including:

- Rainwater from the NeW Space building is stored in a 67kl below-ground rainwater harvesting tank for use in toilets and for irrigation.
- Extensive meters and monitoring allowing for pipe leakage detection and fast response, with additional water monitoring installed at the NIER and Shortland precincts in Callaghan.
- An ongoing commitment to natural irrigation of the extensive native bushland campus reducing the demand for potable water.
- Limiting irrigation to sporting fields and some lawn areas.
- Targeted use of rainwater tanks.

LANDSCAPE AND BIODIVERSITY

Approximately 2,000 hours of bush regeneration work was completed at our Callaghan and Ourimbah campuses covering 21ha in area. Through our efforts we aim to eradicate noxious and environmental weed and improve campus biodiversity. Over 30,000 additional native seedlings were planted in bushland zones this year. The team worked across the majority of our 10 native bushland zones on campus, and in a further two wetlands and riparian areas as identified in our Landscape Management Implementation Plan.

Ongoing weed control around Wetland 2 allowed native seedlings to thrive. Wetland 1 (secondary) and 2 (secondary) were also treated for the aquatic weed Giant Water Lilly (*Nymphaea gigantea*). The Truxor, an innovative amphibious technology was used to remove the weed and reduce stagnant water.

We continue to implement our Bushfire Risk Management Plan across our Callaghan and Ourimbah campuses. Work focused on removing noxious and environmental weeds along Callaghan's fire trail for access by NSW Fire & Rescue, reducing leaf litter around buildings assets, increasing and maintaining Asset Protection Zones (APZ) at high-risk buildings, and conducting minor building upgrades at Ourimbah.

SUSTAINABILITY IN ACTION

A four year project to restore the upstream catchments of the Hunter Wetland Centre was recently awarded the Community Involvement Award at the NSW Coastal Management Awards. These awards are presented to acknowledge the contribution of individuals, groups, organisations and agencies who support the ecologically sustainable management of the NSW coastal zone.

A number of student tree planting days and a range of wetland restoration projects in Callaghan took place during the project.

One such project upgraded the creek line adjacent to the new student accommodation buildings. The project was designed to prevent erosion and improve the visual amenity and biodiversity of the creek. This particular creek consists of multiple linked wetlands and forms an important part of the local catchment.

Our on-campus wetlands have a direct connection with the Hunter Wetlands Centre, a site that is listed under the Ramsar Convention as a wetland of international importance. Removing weeds, erosion control, and increasing the biodiversity of our wetlands significantly improves the health of these connecting wetlands. As part of this four-year project we planted over 70,000 native seedlings in addition to our ongoing landscape management program.

WASTE

Improving waste management practice has been a high priority for us through the year. We recently partnered with a leading waste management contractor, and together we achieved a land-fill diversion rate of 57% which represents a significant improvement on previous years. A key success is the composting of food scraps at an off-site state-of-the-art sorting facility. These composed materials are used across the Hunter Region for soil rehabilitation in agriculture and horticulture industries.

SUSTAINABILITY IN ACTION

The University of Newcastle has been recognised for its contribution to the Hunter Joint Organisation of Regional Councils' Love Food On-Campus project in 2016/17 with the project being declared the overall winner of the Behaviour Change in Waste category at the recent Local Government NSW Excellence in the Environment Awards.

The year-long project was designed and delivered by the Hunter Joint Organisation of Councils and the University of Newcastle and involved research on the food waste habits of students living in on-campus accommodation with the objective of developing skills, tools and resources to positively improve behaviour.

Waste audits were conducted and one week's waste generation of our North Residence was documented. A subsequent audit indicated a 30% reduction of food waste in red lid bins and increased recycling in yellow bins within that residence.

Sustainability is a critical consideration for on-campus accommodation. With residents generating a significant proportion of the University's overall waste this project supported positive behavioural change. This initiative, combined with our strategy of moving to a new waste management provider, has contributed to an overall reduction in our waste footprint and to reduced costs for the University.

SUSTAINABLE TRANSPORT

The Sustainable Transport program continued and included a range of initiatives to influence the travel behaviour of staff and students and reduce reliance on private motor vehicles and car parking.

Liftango, a ride share app, was again available to students and staff with improvements made to enhance the user experience. The free app matches riders with drivers through smart algorithms to make ride sharing easier. The app supports the user through the pick-up and drop-off process with the additional flexibility of the user choosing rides based on the day and times that suit them best.

The Liftango app saw approximately 2,000 engaged users register with 2,566 rides completed during the year. This is equivalent to an annual saving of 68,534 kilometres and 17.14 tonnes of CO₂e.

Other Sustainable Transport program initiatives included:

- Three hundred bicycles sold through our \$50 bike initiative.
- Bike Hubs continuing to operate at capacity during peak times.
- A new bike hub with 217 lockable spaces opened at NeW Space.
- A free shuttle bus service operated for staff and students between Callaghan and NeW Space.
- Active Travel factsheets were produced to support behavioural change and encourage active travel to campus.

STRATEGIC ASSET MANAGEMENT & ENVIRONMENTAL COMPLIANCE

Infrastructure and Facilities Services (IFS) worked closely with the Health & Safety Team to finalise the integration of environmental audit and incident reporting in our new All Incident Management System (AIMS). AIMS went live in the middle of the year with environmental hazards and incidents included in the system to support environmental risk management and improve compliance tracking and reporting capability.

O. FINANCIALS

Through diverse commercial opportunities, sound financial management and investment, we are creating a sustainable financial future that supports our aspirations to be a global leader in our spheres of achievement.

OVERVIEW OF THE YEAR

A robust cost management environment and a focus on core operating activities, bolstered by strong commercial and investment performance, delivered a strong 2017 result that will ensure we are well positioned to face a period of greater uncertainty in the Australian higher education sector.

FINANCIAL OUTCOMES

Unless stated otherwise, references to the 'group' in this section indicate the Consolidated Group's results in the financial statements starting on page 88. The group includes the University of Newcastle (parent entity) and its controlled entities, UON Singapore Pte Ltd and The University of Newcastle Research Associates Ltd.

Strong financial results were delivered again in 2017, with 0.9% growth in total group income, highlighted by an 6.0% increase in research income* (\$139.0m compared to \$131.2m in 2016), and \$8.3m in philanthropic income from supporter donations (an increase of \$6.1m on 2016) – with a contribution from the Hunter Future Fund and the historic Ma & Morley Scholarship Program. The latter marked the largest philanthropic commitment in the University's history, and the Jack Ma Foundation's first philanthropic contribution in Australia.

2017 was also another positive year for the University's investments, due to the strong performance of domestic and international equity markets. The group's investment income was \$42.5m, which included a non-cash gain of \$1.9m and \$5.8m due to a change in the timing of recognition of distributions (the underlying return of \$34.8m compares favourably to the 2016 equivalent of \$29.9m).

The group continues to focus on attracting talented academics and researchers and the lower academic vacancy rate combined with salary increases, in line with the University's enterprise agreements, are reflected in the 5.0% increase in the group's employee related expenses in 2017. The operating salary costs to income ratio remain within Council's target range.

Total non-salary expenses increased by 4.5% from 2016, however operating non-salary expense for the University only grew by 1.1%, reflecting increased operational efficiency and prudent financial management. This result was achieved while increasing our investment in Higher Degree by Research students and facing rising utility prices.

The University's NeW Space building in the city was opened in 2017, a landmark for the University and for the city of Newcastle. The decline in capital expenditure from \$104.7m in 2016 to \$69.8m in 2017 reflects the completion of this significant project in time for students commencing in Semester 2.

FINANCIAL POSITION

The balance sheet remained strong and the group's net assets were \$1,318.9m at 31 December 2017. Our positive liquidity ratio of 0.6 at 31 December 2017 which remained unchanged from the prior year. The low current ratio is due to the strategic allocation of investments to a Long Term Pool. A significant portion of funds within the Long Term Pool are invested in highly liquid assets that attract greater returns therefore the group's liquidity is enhanced via this investment strategy.

The annual independent valuation of land, buildings and infrastructure assets resulted in a net increment of \$11.6m which was recorded in the asset revaluation reserve. The revaluation of investments added an additional \$16.9m to the reserve balances.

The group reported a net cash outflow of \$3.9m in 2017 which was consistent with an outflow of \$3.8m in the prior year. The outflow was due to the investment of operating cash in the University's externally managed investment pools. At 31 December 2017 the group had no external borrowings.

*Research income reported in accordance with Australian Accounting Standards differs from HERDC reported research income and the actual value of research grants awarded, but not recognised as income, during the year.

FINANCIAL RESULTS AND BUDGET

TABLE 1: FINANCIAL RESULTS AND BUDGET (UNIVERSITY ONLY)

	2017 \$M ACTUAL	2017 \$M BUDGET	2016 \$M ACTUAL	2016 \$M BUDGET
Income from continuing operations				
Australian government financial assistance	480.0	502.5	483.4	431.8
State and local government financial assistance	17.4	58.4	25.1	13.5
HECS-HELP - Student payments	6.0	6.7	7.1	7.9
Fees and charges	144.9	160.1	124.2	148.3
Investment revenue	39.9	25.2	28.8	16.4
Royalties, trademarks and licences	0.4	3.2	0.2	-
Consultancy and contracts	29.2	15.8	25.2	80.7
Other revenue	39.3	29.6	29.7	33.7
Other investment income	2.5	-	28.4	-
Total income from continuing operations	759.6	801.5	752.1	732.3
Expenses from continuing operations				
Employee related expenses	(413.9)	(411.9)	(393.7)	(397.0)
Depreciation and amortisation	(46.5)	(44.5)	(43.5)	(43.1)
Repairs and maintenance	(26.2)	(25.0)	(23.7)	(29.1)
Borrowing costs	(0.1)	-	(4.2)	(4.8)
Impairment of assets	(1.4)	(0.3)	-	-
Loss on disposal of assets	(0.3)	-	(2.9)	-
Other expenses	(213.6)	(229.5)	(200.8)	(220.2)
Total expenses from continuing operations	(702.0)	(711.2)	(668.8)	(694.2)
Net result before income tax	57.6	90.3	83.3	38.1

Note The 2017 budget provided above was the first and only budget approved by the University's Council for the year."

2018 BUDGET

TABLE 2: SUMMARY 2018 BUDGETED FINANCIAL PERFORMANCE (UNIVERSITY ONLY)

	2018 \$M BUDGET
INCOME	
Government contributions	416.4
Student contributions	171.9
Research	115.3
Other	66.8
Total income	770.4
EXPENSES	
Salary and related	(430.3)
Non-salary	(273.7)
Depreciation	(48.8)
Total expenses	(752.8)
Surplus for the year	17.6

INVESTMENT PERFORMANCE

Performance for 2017 is shown in the table below:

TABLE 3: INVESTMENT PERFORMANCE ACHIEVED COMPARED TO NSW TREASURY CORPORATION BENCHMARKS (UNIVERSITY ONLY)

UON INVESTMENT CATEGORY	1 YEAR	NSW T CORP BENCHMARK	1 YEAR
Short-term cash investments	1.4%	TCorpIM Cash Fund	2.3%
Short-term managed investments	2.2%	TCorpIM Strategic Cash Fund	2.5%
Long-term investments	11.1%	TCorpIM Long Term Growth Fund	10.7%

Source University treasury records and NSW TCorpIM Fund performance provided by Mercer Consulting

LIABILITY MANAGEMENT PERFORMANCE

The NSW Treasury does not provide benchmark information relating to the performance of borrowings.

ACCOUNTS PAYABLE PERFORMANCE

There were no significant events that affected payment performance. A number of initiatives were undertaken to improve performance in 2017 which included internal process improvements and better communications with staff and suppliers about our Accounts Payable processes. There were no instances where penalty interest was paid in 2017.

TABLE 4: ACCOUNTS PAYABLE PERFORMANCE IN 2017 (UNIVERSITY ONLY)

ACCOUNTS PAYABLE AT:	31 MARCH \$M	30 JUNE \$M	30 SEPTEMBER \$M	31 DECEMBER \$M
Not overdue	5.0	6.8	7.0	5.8
Under 30 days	0.2	0.4	0.4	0.2
Between 30 to 60 days	0.1	-	0.1	-
Between 60 to 90 days	-	0.1	0.1	-
More than 90 days overdue	-	0.1	-	0.1
Total	5.3	7.4	7.6	6.1

TABLE 5: ACCOUNTS PAYABLE PERFORMANCE IN 2017 (UNIVERSITY ONLY)

INVOICES PAID ON TIME	Q1 31 MARCH	Q2 30 JUNE	Q3 30 SEPTEMBER	Q4 31 DECEMBER
	%	%	%	%
Actual based on volume	87.4	87.6	87.2	92.6
Actual based on value	92.8	94.0	89.8	97.2
Target	66.7	66.7	66.7	66.7
	\$m	\$m	\$m	\$m
Actual value paid	58.0	68.1	49.5	74.7
Total amount paid	62.5	72.4	55.1	76.9

MOVEMENT IN WAGES

The movement in wages is consistent with the University's strategy and reflects enterprise agreement salary increases. There were no exceptional movements in wages, salaries or allowances in 2017.

OVERSEAS TRAVEL

The University is committed to growing its reputation internationally and building worldwide awareness of its educational achievements and innovative research outcomes. The total expenditure on international travel was \$6.6m in 2017 (2016: \$7.3m). This includes the cost of airfares, accommodation, and other transport costs. In 2017 University staff members travelled overseas to promote the University, and collaborate internationally by undertaking international research and delivering academic presentations.

CREDIT CARD CERTIFICATION

During the 2017 financial year, credit card use was in accordance with the University's credit card and purchasing policies. These policies are based on the Premier's Memoranda and Treasurer's Directions.

LAND DISPOSAL

The University did not dispose of any land in excess of \$5.0m during 2017.

TABLE 6: FUNDS GRANTED TO NON-GOVERNMENT COMMUNITY ORGANISATIONS

During 2017 the University provided \$83,415 in grant funding to local non-government community organisations (2016: \$112,727).

NAME OF RECIPIENT ORGANISATION	PROGRAMS AREA AS PER BUDGET	NATURE AND PURPOSE OF THE PROJECT INCLUDING AIMS AND TARGET CLIENTS	GRANT AMOUNT \$
Academy of Sport - Central Coast	Joint activities in sports education, training, and research	To facilitate the sporting, vocational and academic opportunities of pre-elite and elite athletes in the Central Coast region	30,000
Hunter Writers' Centre	Newcastle Poetry Prize & Short Story Competition	Raise the profile of Arts and Humanities in region, support cultural community and enhance links into community for students	28,415
Octopod	This is Not Art (TiNA) Festival	Raise the profile of Arts and Humanities in region, support cultural community and enhance links into community for students	10,000
Business/Higher Education Round Table (B/HERT)	Research and Innovation	To support the benefits of collaboration and enhance links between industry and universities through the 2017 B/HERT Awards.	10,000
Hunter Innovation Festival	Research and Innovation	To encourage the formation of a local culture of innovation in business, industry and to showcase innovation in the hunter and provide guidance to local enterprises who are committed to adopting innovation through sponsorship of the Festival.	5,000
Total			83,415

P: SUBSIDIARIES

UON SINGAPORE PTE LTD

UON Singapore's well-established physical presence since 2006 provides a unique and strategic value proposition to the University of Newcastle. With more than 4,500 graduates from over 39 countries in the last 11 years, UON Singapore plays an important role in providing access to world-class higher education, and contributing to the human capital development of Singapore and the broader Asia Pacific region.

In our 2017-2019 Strategic Plan, UON Singapore aims to establish its vision, and identify and align its strategic objectives and goals with the University's *NeW Futures Strategic Plan 2016-2025*, all while ensuring that its alignment complements Singapore's development goals such as competitiveness, productivity growth, and innovation.

As part of our 2017-2019 Strategic Plan, a range of initiatives involving businesses, industry, government agencies, professional organisations, community groups, alumni, public and private higher education institutions, and the wider community were undertaken. The key highlights included:

EXTERNAL ENGAGEMENT

UON Singapore is proud to contribute to Singapore's vision in making lifelong learning a national goal and embedding it into the nation's culture. One example is a recently held seminar titled "Innovation and Lifelong Learning for Singapore's Smart Nation Future" with the objective of bringing lifelong learning practitioners together to share innovative ideas, approaches and discuss the drivers of lifelong learning in the Singapore context.

UON Singapore continues to strive to build a sustainable future for our stakeholders and lead the University's efforts in philanthropic support. This year, UON Singapore with the support of the ASEAN CSR Network (ACN) organised a seminar titled "Corporate Social Responsibility and Environmental Sustainability" to share innovative ideas, approaches, and the drivers pertaining to corporate social responsibility (CSR) with regards to environmental sustainability.

The Vice-Chancellor's Forum held at the new PSB City Campus provided students with insights into the recent developments in the University such as the University's rise to the top one per cent of global universities by the QS World University Rankings and top 200 most international universities worldwide by the Times Higher Education World University rankings in 2016.

UON Singapore hosted a visit by delegates from Huizhou University. An official Memorandum of Understanding (MOU) has been signed between the University of Newcastle and Huizhou University to facilitate and promote cooperation in the areas of research, academic staff and student exchanges, study abroad programs, and teaching and learning sessions.

UON Singapore, in partnership with BCA Academy and PSB Academy, visited institutions and undertook marketing, recruitment, and business development activities in Myanmar, India, Malaysia, Indonesia, China and India. These visits complemented UON Singapore's efforts in bolstering the significant growth (60%) in the commencing student load in 2017.

2017 CONSOLIDATED RESULTS

	INCOME \$M	EXPENSES \$M	NET SURPLUS (DEFICIT) \$M	BUDGET NET SURPLUS (DEFICIT) \$M
University of Newcastle	759.6	(702.0)	57.6	90.3
TUNRA	9.8	(9.2)	0.6	0.1
UON Singapore	6.1	(6.9)	(0.8)	0.5
Consolidation adjustments	(4.2)	4.2	-	-
Consolidated entity	771.3	(713.9)	57.4	90.9

Please refer to note 31 of the financial statements for details of the University's subsidiaries.

COMMUNITY ENGAGEMENT

Corporate Social Responsibility involvement included staff participating in the Community Chest Heartstrings Walk 2017, which supports about 80 social service organisations in Singapore, allowing them to focus on caring for the disadvantaged, and 'Dialogue in the Dark Singapore', which is an exclusive collaboration between Ngee Ann Polytechnic and Dialogue Social Enterprise that aims to raise awareness and facilitate the inclusion of marginalised people in our community.

PROFILE ENHANCEMENT

The official opening of UON Singapore's new office on 15 September 2017 marked a major milestone in further enhancing the efficiency, effectiveness, and most importantly, visibility of the University's operations in Singapore and the Asia Pacific.

RESEARCH ACHIEVEMENTS

In the area of research performance, UON Singapore's full-time academic staff have published 10 international journal articles (including three ERA A-ranked publications), presented 14 conference papers, and contributed to the University's efforts to expand Research Higher Degree supervision capacity through co-supervision of seven PhD students in Callaghan.

UON Singapore has also successfully secured two external project grants (S\$19,000) funded by the ASEAN CSR Vision 2020 and the Lifelong Learning Council Singapore. UON Singapore was also an active participant at the XXI World Congress on Safety and Health at Work 2017, where UON Singapore academic staff made five presentations.

THE UNIVERSITY OF NEWCASTLE RESEARCH ASSOCIATES LIMITED (TUNRA)

The University of Newcastle Research Associates Limited (TUNRA) completed its first full year of commercial operation since the technology transfer and commercialisation functions were transferred to the Research and Innovation Division in 2017.

TUNRA operates as a wholly-owned Controlled Entity of the University of Newcastle. It plays an important role in strategy by further leveraging University research capabilities and assets to create additional value for the institution by operating in a commercial setting.

The focus for the business has been on the implementation of the business plan, followed by a progressive review of existing business operations and identification of new business opportunities. The business plan was approved by the Controlled and Associated Entities Committee and endorsed by Council in 2016, and formed the basis for commercial activity throughout the year.

Achievements

- Appointment of an Independent Director to the TUNRA Board.
- Developing and implementing robust governance infrastructure to support commercial research activities. The central documentation includes policy, legislative compliance and risk management frameworks as well as supporting policies and procedures to guide our people and processes.
- Strong performance of the TUNRA Bulk Solids (TBS) Business Unit. TBS main commercial research services are flow property testing laboratories, prototype engineering workshop and engineering consultancy.
- TUNRA Bulk Solids has industry-relevant research capabilities, which leads to industry focused research projects hosted by the University and facilitated by TUNRA Bulk Solids.
- Establishment of the TUNRA Fire and Explosion Testing Service (FETS) line. FETS provides commercial testing programs for industry-specific purposes such as combustible environment simulation and site risk, safety and compliance assessments.
- Continued vision to strengthen TUNRA's operating model to remain responsive to industry and commerce.
- Looking forward, planned strategic activities in 2018 include:
 - Increasingly leveraging the University assets and resources to facilitate a more robust and responsive customer-service environment supported by a flexible operating model that provides additional opportunities for university research.
 - To continue to make, as a controlled entity, a direct and indirect contribution to the University.

GLOSSARY

AARE	61	Australian Association for Research in Education	DADEE	54	Dads and Daughters Exercising and Empowered
AAS	61	Australian Academy of Science	DCFC	43	The Direct Carbon Fuel Cell
AAUT	61	Australian Awards for University Teaching	DECRA	39	Discovery Early Career Researcher Award
ABR	17	Australian Book Review	DET	25	Department of Education and Training
ACALET	40	Australian Coal Association Low Emission Technology	DFAT	50	Department of Foreign Affairs and Trade
ACEC	181	Animal Care and Ethics Committee	DSTG	57	Defence Science Technology Group
ADVOs	57	Apprehended Domestic Violence Orders	EAP	177	(the University's) Employee Assistance Program
AIDA	15	Australian Indigenous Doctors' Association	edX	52	Founded by Harvard University and MIT in 2012, edX is an online learning destination and MOOC provider
ANU	53	Australian National University	EFTSL	12- 13, 168	Equivalent Full-time Student Load
APS	61	Australian Psychological Society	ELICOS	168, 171	English Language Intensive Courses for Overseas Students
ARC	39, 42, 61	Australian Research Council	ESF	39	European Science Foundation
ARENA	15	Australian renewable Energy Agency	FAC	47	(the University's) Family Action Centre
ARMS	61	Australasian Research Management Society	FTE	13, 172	Full Time Equivalent
ASX	75, 78	Australian Securities Exchange	GCER	39	Global Centre for Environmental Remediation
Athena SWAN	58, 60, 172	UK Charter established in 2005 to respond to the under-representation of women in science leadership.	GIPA, The GIPA Act	182-184	Government Information (Public Access) Act 2009
CAUTHE	61	The Council for Australasian Tourism and Hospitality Education	GLAMx	57	GLAMx Living Histories Digitisation Lab
CBD	8, 9, 16, 62, 65	Central Business District	Global E3	31	Global Engineering Education Exchange
CDAH	16	Community Disability Alliance Hunter	HDHK	54	Health Dads, Healthy Kids
CEEHE	23, 174	Centre of Excellence for Equity in Higher Education	HDR	25	Higher Degree by Research
CIFAL	15, 50	International Training Centre for Authorities and Leaders	HEPP	57	Higher Education Participation Grants
CITRS	15	Centre for Innovative Technologies in Rehabilitation Settings	HEPPP	23	Higher Education Participation and Partnerships Program
CPMC	15	The Council of Presidents of Medical Colleges	HERDC	7, 12, 190	Higher Education Research Data Collection
CRC, CRC-HPS	41	Co-operative Research Centre, Co-operative Research Centre for High-Performing Soils	HIIF	67	Hunter Infrastructure and Investment Fund
CRRMH	54	The Centre for Rural and Remote Mental Health	HMRI	15, 17, 25, 34, 39, 57	Hunter Medical Research Institute
CS4HS	57	(Google) Computer Science for High Schools	HREC	181	Human Research Ethics Committee
CSIRO	31, 33	(The) Commonwealth Scientific and Industrial Research Organisation	HRF	14	Hunter Research Foundation
			HRIPA	182	Health Records and Information Privacy Act 202 (NSW)

GLOSSARY

HYHD	25, 54	Healthy Youngsters, Healthy Dads Program
i2N	9, 44	Integrated Innovation Network
IFAC	41	The International Federation of Accountants
ISI	61	International Statistical Institute
LMIC	38	Low and middle-income countries
LTIFR	176	Lost Time Injury Frequency Rate
METS	37	Mining Equipment Technology and Services
MLE	61	The Harvard Institute for Management and Leadership in Education (Harvard Graduate School of Education)
MOOCs	52	Massive Open Online Course(s)
MOU	14, 53	Memorandum of Understanding
NACCHO	15	The National Aboriginal Community Controlled Health Organisations
NAPCAN	54	National Association for Prevention of Child Abuse and Neglect
NASA	31	The National Aeronautics and Space Administration
NHMRC	14, 25, 39, 57, 61, 181	The National Health and Medical Research Council
NIER	15, 37, 41, 188	Newcastle Institute for Energy and Resources
NUW (Alliance)	9, 14	UON, UNSW and UOW Alliance
OST	51	Orient Speech Therapy Center Ltd
PFAS	42	Per-and-poly-fluoroalkoxy substances
PID, The PID Act	184	Public Interest Disclosure, The Public Interest Disclosures Act 1994
PIIPA	182	Privacy and Personal Information Protection Act
QILT	6	Quality Indicators for Learning and Teaching
QS World University Rankings	8, 14	Quacquarelli Symonds World University Rankings
RAAF	42, 44	Royal Australian Air Force
RAAP	42	Research Attraction and Acceleration Program
RAMHP	54	(The) Rural Adversity Mental Health Program
RFC	37	Reflux Flotation Cell
SAGE	60, 172	Science in Australia Gender Equity
SDG's	15	Sustainable Development Goals (UN's)
SES	23	Socio-economic status
SSE	14, 31	Sydney School of Entrepreneurship
STEMM	29, 47, 56, 58, 60, 172, 187	Science, Technology, Engineering, Mathematics and Medicine
T-ALL	42	T-cell acute lymphoblastic leukaemia
TBS	195	TUNRA Bulk Solids business unit
THE (World University Rankings)	15	The Times Higher Education World University Rankings
TNK	39	Tenecteplase
ToT	50	Training of Trainers
TUNRA	195	The University of Newcastle Research Associates Limited
UN	15	United Nations
UNESCO	50	The United Nations Educational, Scientific and Cultural Organization
UNITAR	15	United Nations Institute for Training and Research
UON	78, 194–195	University of Newcastle
UPNT	51	University of Pham Ngoc Thach
VAM (emissions)	40	Ventilation air methane
VISIDA	38	Voice-Image-Sensor technologies for Individual Dietary Assessment
VR	53, 57	Virtual Reality
WGEA	6, 172	Workplace Gender Equality Agency
WIL	57	Work Integrated Learning (program)
WIR (Fellowship)	60	Women in Research
YTD	177	Year to Date

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