

PART SIX:

FINANCIAL STATEMENTS

FINANCIAL OVERVIEW

SCOPE OF THE FINANCIAL STATEMENTS

The financial statements for the year ended 31 December 2023 presented to the University Council have been prepared on a consolidated basis and include the results for the University of Newcastle and its controlled entities, which include:

- ☑ The University of Newcastle Research Associates Ltd (TUNRA)
- ☑ Newcastle Australia Institute of Higher Education Pte Ltd
- ☑ NUServices Pty Ltd
- ☑ Newcastle University Sport

CONSOLIDATED OPERATING RESULT

The operating result for the Consolidated Group for 2023 is a deficit of \$0.3M. The Consolidated Group operating result reflects positive work by the University to strive for financial sustainability while operating within a sector that continues to experience financial challenges. The University maintains a significant asset base with strong cash reserves.

UNIVERSITY INCOME ANALYSIS

University income for 2023 totalled \$840.5M, an increase of 11% compared to the prior year (\$756.3M).

Total Student Fees and Charges were \$292.6M, an increase of 7% on 2022 (\$272.9M). Domestic student revenue was flat for 2023 with Commonwealth Grants Scheme funding higher by \$0.3M and Higher Education Loan Program funding lower by \$1.8M, while international student revenue increased 20% compared to 2022 with total gross revenue surpassing \$100.0M.

Total research income recognised for 2023 was \$176.9M, an increase of 5% compared to the prior year (\$171.1M).

The University's investment portfolio returns improved significantly following a negative return in 2022 (\$25.7M) to record total income of \$23.6M. This figure reflects the University's decision to derecognise \$22.8M in franking credits related to an in-specie transfer of shares from Education Australia Ltd, first recognised in 2021. The derecognition event follows the rejection by the Australian Taxation Office (ATO) of a franking credit claim, received in October 2023. The University, along with 38 other universities, has lodged an objection to the notices of assessment rejecting the claim. When the derecognition is excluded, investment returns (including interest income, realised and unrealised investment returns) amount to \$46.4M in revenue for 2023.

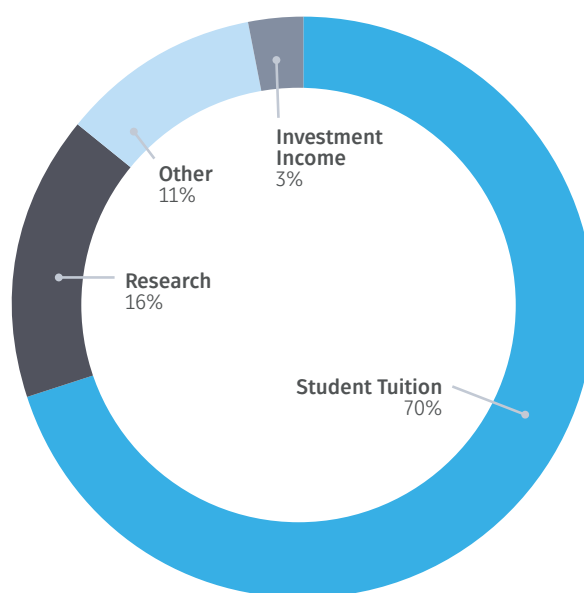
Revenue from Commonwealth supported students contributed \$262.9M for 2023, an increase of 1% from 2022, reflecting the national lack of growth in domestic student load.

Revenue from international onshore and offshore student tuition fees increased \$18.9M, (20%) over 2022 following the full removal of travel restrictions experienced during COVID-19 with onshore revenue growing, while offshore revenue reduced slightly.

KEY HIGHLIGHTS:

- ☑ **Growth of \$18.9M** in gross international student income, reflecting the University's largest ever commencing international student cohort.
- ☑ **Investment income of \$23.6M**, including unrealised investment gains of \$28.8M, an improvement of \$69.0M on 2022, as well as a fourfold increase in investment income to \$9.4M. Investment income includes derecognition of \$22.8M in franking credit income.
- ☑ **Profit from controlled entities of \$2.4M** before adjustment for intercompany transactions.

Income by Category 2023 (% of total)



UNIVERSITY EXPENSE ANALYSIS

Operating expenditure for the University for 2023 totalled \$844.8M, excluding taxes, an increase of 6% compared to 2022.

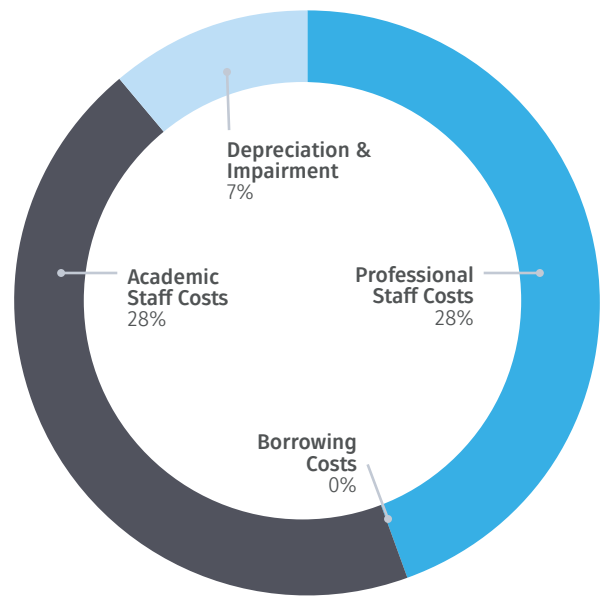
Employee expenses for the University increased 9% as Enterprise Agreement increases came into effect following approval, small increases in total FTE numbers and increases in leave entitlements.

Scholarships, grants and prizes increased by \$12.6M (13%) to \$64.6M as the University worked to attract higher international student numbers and support students across all levels of study.

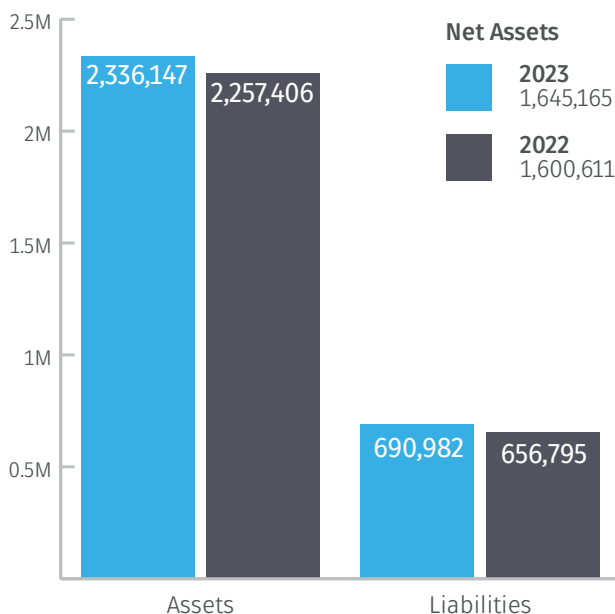
Other costs were largely in line with 2022 (or lower), with depreciation decreasing 7% and impairment of assets \$14.7M lower (86%) as no material impairments were recognised in 2023.

Travel expenditure increased following full removal of travel restrictions with costs totalling \$23.5M, an increase of 33% on 2022.

Expenditure by Category 2023 (% of total)



Year on Year Assets and Liabilities



UNIVERSITY BALANCE SHEET

Net assets for the University increased \$44.6M (3%) (year-on-year) for the year ended 31 December 2023. Total assets increased \$78.7M (3%) and liabilities grew by \$24.2M (5%). Overall cash balances grew by \$6.5M due to operating net cash receipts increasing \$13.6M, offset by higher investing cash outflows and stable financing activity cash outflows.

ASSETS

Cash and investments (current and non-current other financial assets) increased \$49.0M due to distributions and unrealised gains of long-term investments.

Property Plant and Equipment increased \$60.6M as a result of capital additions of \$64.1M and revaluations of \$49.8M, offset by depreciation charges of \$57.9M. No material disposals or impairment was recognised in 2023.

LIABILITIES

Increases in liabilities of \$34.2M were primarily due to employee entitlement increases for current annual and long service leave entitlements due to Enterprise Agreement salary increases and growing employee leave balances (\$10.8M). Trade and Other payables increased by \$19.3M due to increases in unspent research funding (Contract Liability) which increased \$20.7M.

FINANCIAL STATEMENTS

ABN 15 736 576 735

FOR THE YEAR ENDED 31 DECEMBER 2023

THE UNIVERSITY OF NEWCASTLE

INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2023

		Consolidated		Parent	
		2023	2022	2023	2022
	Note	\$'000	\$'000	\$'000	\$'000
Revenue and income from continuing operations					
Australian Government financial assistance					
Australian Government grants	3.1	385,266	374,904	385,266	374,904
HELP - Australian Government payments	3.1	153,414	155,235	153,414	155,235
State and Local Government financial assistance	3.2	15,917	12,907	15,917	12,907
HECS-HELP - student payments		7,930	6,819	7,930	6,819
Fees and charges	3.3	175,328	149,360	161,547	139,114
Investment income/(loss)	4	23,930	(25,934)	23,632	(25,711)
Royalties, trademarks and licences	3.4	744	1,049	405	1,276
Consultancy and contracts	3.5	67,401	68,454	55,994	58,686
Other revenue	3.6	38,346	36,152	36,402	33,101
Total revenue and income from continuing operations		868,276	778,946	840,507	756,331
Expenses from continuing operations					
Employee related expenses	5	490,190	445,998	472,106	431,304
Depreciation and amortisation	6	59,113	63,565	57,862	62,213
Repairs and maintenance	7	37,075	35,945	36,458	35,469
Borrowing costs	8	458	191	741	227
Impairment of assets	9	2,465	17,111	2,443	17,117
Loss/(gain) on disposal of assets		(321)	759	(321)	759
Deferred superannuation expense	5	809	437	809	437
Other expenses	10	278,487	249,213	274,716	246,681
Total expenses from continuing operations		868,276	813,219	844,814	794,207
Net result before income tax from continuing operations					
		-	(34,273)	(4,307)	(37,876)
Income tax expense		327	316	7	1
Net result after income tax for the period		(327)	(34,589)	(4,314)	(37,877)
Net result attributable to:					
Members of the University of Newcastle		(327)	(34,589)	(4,314)	(37,877)
Total		(327)	(34,589)	(4,314)	(37,877)

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

THE UNIVERSITY OF NEWCASTLE

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	Consolidated		Parent	
		2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Net result after income tax for the period		(327)	(34,589)	(4,314)	(37,877)
Items that will be reclassified to profit or loss					
Exchange differences on translation of foreign operations		<u>65</u>	<u>168</u>	<u>-</u>	<u>-</u>
Total		<u>65</u>	<u>168</u>	<u>-</u>	<u>-</u>
Items that will not be reclassified to profit or loss					
Gain/(loss) on revaluation of land and buildings, net of tax	14	<u>53,238</u>	<u>34,558</u>	<u>49,847</u>	<u>34,558</u>
Net actuarial gain/(loss) recognised in respect of defined benefit plans	31	<u>(671)</u>	<u>2,653</u>	<u>(671)</u>	<u>2,653</u>
Gain/(loss) on revaluation of other financial assets through comprehensive income		<u>(308)</u>	<u>18</u>	<u>(308)</u>	<u>18</u>
Total		<u>52,259</u>	<u>37,229</u>	<u>48,868</u>	<u>37,229</u>
Total other comprehensive income		<u>52,324</u>	<u>37,397</u>	<u>48,868</u>	<u>37,229</u>
Comprehensive result		<u>51,997</u>	<u>2,808</u>	<u>44,554</u>	<u>(648)</u>
Total comprehensive income attributable to:					
Members of the University of Newcastle		<u>51,997</u>	<u>2,808</u>	<u>44,554</u>	<u>(648)</u>
Total		<u>51,997</u>	<u>2,808</u>	<u>44,554</u>	<u>(648)</u>

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

THE UNIVERSITY OF NEWCASTLE

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

	Note	Consolidated		Parent	
		2023	2022	2023	2022
		\$'000	\$'000	\$'000	\$'000
Assets					
Current assets					
Cash and cash equivalents	11	59,632	46,262	45,896	39,396
Trade and other receivables	12	65,556	82,624	63,311	80,770
Inventories		299	258	42	42
Other financial assets	13	112,567	127,300	111,000	126,000
Non-current assets held for sale		-	1,064	-	1,064
Total current assets		238,054	257,508	220,249	247,272
Non-current assets					
Trade and other receivables	12	308,105	320,277	307,759	320,116
Other financial assets	13	500,634	443,134	500,720	443,220
Property, plant and equipment	14	1,325,912	1,261,473	1,293,004	1,232,438
Intangible assets	15	14,457	14,360	14,415	14,360
Total non-current assets		2,149,108	2,039,244	2,115,898	2,010,134
Total assets		2,387,162	2,296,752	2,336,147	2,257,406
Liabilities					
Current liabilities					
Trade and other payables	16	194,171	171,167	197,328	178,027
Borrowings	17	3,336	2,816	2,609	2,328
Provisions	18	108,328	97,494	106,620	95,862
Other liabilities	19	37,618	23,156	37,293	22,947
Total current liabilities		343,453	294,633	343,850	299,164
Non-current liabilities					
Provisions	18	344,935	354,246	344,699	354,029
Borrowings	17	3,934	5,030	2,433	3,602
Total non-current liabilities		348,869	359,276	347,132	357,631
Total liabilities		692,322	653,909	690,982	656,795
Net assets		1,694,840	1,642,843	1,645,165	1,600,611
Equity					
Reserves	27	622,762	570,589	596,582	547,867
Retained earnings	27	1,072,078	1,072,254	1,048,583	1,052,744
Total equity		1,694,840	1,642,843	1,645,165	1,600,611

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

THE UNIVERSITY OF NEWCASTLE

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2023

Consolidated

2023	Reserves	Retained Earnings	Total
	\$'000	\$'000	\$'000
Balance at 1 January 2023	570,589	1,072,254	1,642,843
Net result	-	(327)	(327)
Gain/(loss) on revaluation of land, buildings and infrastructure, net of tax	53,238		53,238
Gain/(loss) on financial assets at fair value through OCI	(308)	-	(308)
Gain/(loss) on foreign exchange	65		65
Transfers from reserves	(151)	151	-
Remeasurements of Defined Benefit Plans	(671)	-	(671)
Total comprehensive income	52,173	(176)	51,997
Balance at 31 December 2023	622,762	1,072,078	1,694,840

Consolidated

2022	Reserves	Retained Earnings	Total
	\$'000	\$'000	\$'000
Balance at 1 January 2022	537,624	1,102,411	1,640,035
Net result	-	(34,589)	(34,589)
Gain/(loss) on revaluation of land, buildings and infrastructure, net of tax	34,558	-	34,558
Gain/(loss) on financial assets at fair value through OCI	18	-	18
Gain/(loss) on foreign exchange	168		168
Transfers from reserves	(4,432)	4,432	-
Remeasurements of Defined Benefit Plans	2,653	-	2,653
Total comprehensive income	32,965	(30,157)	2,808
Balance at 31 December 2022	570,589	1,072,254	1,642,843

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

THE UNIVERSITY OF NEWCASTLE

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2023

Parent

2023	Reserves	Retained Earnings	Total
	\$'000	\$'000	\$'000
Balance at 1 January 2023	547,867	1,052,744	1,600,611
Net result	-	(4,314)	(4,314)
Gain/(loss) on revaluation of land, buildings and infrastructure, net of tax	49,847	-	49,847
Gain/(loss) on financial assets at fair value through OCI	(308)	-	(308)
Transfers from reserves	(153)	153	-
Remeasurements of Defined Benefit Plans	(671)	-	(671)
Total comprehensive income	48,715	(4,161)	44,554
Balance at 31 December 2023	596,582	1,048,583	1,645,165

Parent

2022	Reserves	Retained Earnings	Total
	\$'000	\$'000	\$'000
Balance at 1 January 2022	515,070	1,086,189	1,601,259
Net result	-	(37,877)	(37,877)
Gain/(loss) on revaluation of land, buildings and infrastructure, net of tax	34,558	-	34,558
Gain/(loss) on financial assets at fair value through OCI	18	-	18
Transfers from reserves	(4,432)	4,432	-
Remeasurements of Defined Benefit Plans	2,653	-	2,653
Total comprehensive income	32,797	(33,445)	(648)
Balance at 31 December 2022	547,867	1,052,744	1,600,611

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

THE UNIVERSITY OF NEWCASTLE

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2023

		Consolidated		Parent	
		2023	2022	2023	2022
Note		\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities					
Australian Government grants		586,490	536,701	586,490	536,701
State Government grants		19,177	11,489	19,177	11,489
HECS-HELP - student payments		7,930	6,819	7,930	6,819
Receipts from student fees and other customers		244,628	275,293	214,060	255,802
Payments to suppliers and employees (inclusive of GST)		(795,944)	(792,962)	(776,045)	(772,602)
Dividends and distribution received		2,186	8,816	2,186	8,816
Interest received		8,861	1,506	8,550	1,502
Interest paid		(408)	(194)	(343)	(139)
GST recovered / (paid)		16,329	16,585	18,221	17,966
Income taxes paid		(296)	(204)	-	-
Lease payments for short-term and low-value leases		(4,541)	(4,110)	(4,369)	(4,074)
Net cash provided by operating activities	26	84,412	59,739	75,857	62,280
Cash flows from investing activities					
Proceeds from sales of property, plant and equipment, intangibles and other long-term assets		2,377	90	2,377	90
Payments to acquire property, plant and equipment, intangibles and other long-term assets		(64,818)	(70,555)	(64,097)	(70,574)
Proceeds from sale of financial assets		405,410	390,524	399,500	390,524
Payments for financial assets		(410,659)	(366,505)	(404,500)	(366,500)
Net cash (used in) investing activities		(67,690)	(46,446)	(66,720)	(46,460)
Cash flows from financing activities					
Repayment of lease liabilities		(3,364)	(3,028)	(2,637)	(2,445)
Net cash (used in) financing activities		(3,364)	(3,028)	(2,637)	(2,445)
Net increase in cash and cash equivalents					
		13,358	10,265	6,500	13,375
Cash and cash equivalents at the beginning of year		46,262	35,757	39,396	26,021
Effects of exchange rate changes on cash and cash equivalents		12	240	-	-
Cash and cash equivalents at end of financial year	11	59,632	46,262	45,896	39,396

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

THE UNIVERSITY OF NEWCASTLE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

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THE UNIVERSITY OF NEWCASTLE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

1. Summary of material accounting policy information

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 controlled entities (subsidiaries), collectively the 'Group'.

The principal address of the University is: University Drive, Callaghan NSW 2308, Australia.

(a) Basis of preparation

The annual financial statements represent the audited general purpose financial statements of the University of Newcastle and the Group. They have been prepared on an accrual basis and comply with the Australian Accounting Standards (AAS) and other authoritative pronouncements of the AAS Board.

The University of Newcastle and the Group applies Tier 1 reporting requirements.

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

- *Higher Education Support Act 2003* (Financial Statement Guidelines)
- *Government Sector Finance Act 2018*
- Government Sector Finance Regulation 2018.

The University of Newcastle and the Group are a not-for-profit entities and these statements have been prepared on that basis. Some of the AAS requirements for not-for-profit entities are inconsistent with the International Financial Reporting Standards (IFRS) requirements.

Date of authorisation for issue

The financial statements were authorised for issue by the Council of the University of Newcastle on 29 March 2024.

Historical cost convention

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

Critical accounting estimates and judgements

The preparation of financial statements in conformity with AAS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. This note provides an overview of the areas that involved a higher degree of judgement or complexity and of items which are more likely to be materially adjusted due to actual results differing from these assumptions and judgements. Detailed information about each of these estimates and judgements are included within other notes.

- Fair value of other financial assets (refer to Note 13)
- Trade and other receivables (refer to Note 12)
- Employee benefits - Long service leave provision (refer to Note 18)
- Employee benefits - Defined benefit plans obligation (refer to Notes 18 and 31)
- Useful lives of property, plant and equipment (refer to Note 14)
- Fair value of property, plant and equipment (refer to Note 14)

Key judgements

Management has not made any judgement in the process of applying accounting policies that would have a significant impact on the amounts disclosed in the financial report other than the normal operational judgements affecting depreciation, impairment, revaluation of assets and calculation of employee benefits.

THE UNIVERSITY OF NEWCASTLE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

1. Summary of material accounting policy information (continued)**(b) Basis of Consolidation****(i) Subsidiaries**

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of the University of Newcastle as at 31 December 2023 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.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated 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 companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

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

Loss of control of the subsidiary will result in derecognition of the assets and liabilities of the former subsidiary from the consolidated statement of financial position. Any investment retained in the former subsidiary is recognised and accounted for in accordance with the relevant Standards. The loss or gain associated with loss of control attributable to the former controlling interest is recognised.

(ii) Associates

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

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

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 accounted 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. Details relating to Associates are set out in Note 23.

(iii) Joint Ventures

The interest in a joint venture entity is accounted for in the consolidated financial statements using the equity method and is carried at cost by the parent entity. Under the equity method, the share of the profits or losses of the entity is recognised in the income statement, and the share of movements in reserves is recognised in reserves in the statement of comprehensive income and the statement of changes in equity. Details relating to the joint venture entities are set out in Note 23.

(c) 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.

(d) Income Taxation

The University of Newcastle, The University of Newcastle Research Associates Ltd, Newcastle University Sport and NUservices Pty Ltd. do not provide for Australian income tax as it is exempt under the provisions of Division 50 of the *Income Tax Assessment Act 1997* (ITAA). Newcastle Australia Institute of Higher Education Pte Ltd is subject to income tax under Singaporean Legislation.

THE UNIVERSITY OF NEWCASTLE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

1. Summary of material accounting policy information (continued)**(e) 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.

(f) 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 University and Group financial statements are presented in Australian dollars, which is the University of Newcastle's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

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

(g) Rounding of Amounts

Amounts have been rounded off to the nearest thousand dollars, or in certain cases, to the nearest dollar.

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(h) Initial application of AAS

The Group has applied for the first time the following amendments, effective for annual periods beginning on or after 1 January 2023 (unless otherwise stated). The impact of each amendment has been disclosed below:

AASB2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates

The amendments covered several AAS (AASB 7, 101, 108, 134) to clarify and identify the information that entities should disclose relating to accounting policies, estimates and materiality.

The Group has reviewed these amendments and identified no material effect on its financial statements.

AASB2021-5 Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The amendments to AASB 1 *First-time Adoption of Australian Accounting Standards* and AASB 112 *Income Taxes* clarify requirements for deferred tax accounting related to leases and other transactions.

The Group has minimal exposure to deferred tax assets and as such has not identified any material impact from this new standard.

AASB2023-2 Amendments to Australian Accounting Standards – International Tax Reform – Pillar Two Model Rules.

The amendments covered AASB 112 *Income Taxes*, implementing a mandatory temporary exemption to accounting for deferred taxes arising from the implementation of the Pillar Two model rules published by the Organisation for Economic Co-operation and Development (OECD) and requiring specific disclosures related to income taxes arising from the reform of the Pillar Two Model Rules.

The Group has minimal exposure to deferred tax assets and as such has not identified any material impact from this new standard.

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1. Summary of Significant Accounting Policies (continued)**(i) New accounting standards and interpretations issued but not yet effective**

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

Standard	Application Date	Implications
AASB2022-8 Amendments to Australian Accounting Standards – Insurance Contracts: Consequential Amendments	1 January 2027	An amendment which enables public sector entities (both for-profit and not-for-profit) to apply transitional provisions in AASB 4 <i>Insurance Contracts</i> and AASB 1023 <i>General Insurance Contracts</i> for the periods 1 January 2023 up until 1 July 2026, while the AASB amend AASB 17 for specific application by public sector entities. No material impact has been identified for the Group.
AASB2022-9 Amendments to Australian Accounting Standards – Insurance Contracts in the Public Sector	1 January 2027	An amendment also related to the application of AASB 17 to enable specific treatment for public sector entities including exemptions, as well as amendments for AASB 1050 <i>Administered Items</i> to enable accounting choice for government departments to apply either AASB 17 or AASB 137 <i>Provisions, Contingent Liabilities and Contingent Assets</i> . No material impact has been identified for the Group.
AASB2014-10 Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to AASB10 and AASB128	1 January 2025	An amendment to AASB 10 <i>Consolidated Financial Statements</i> and AASB 128 <i>Investments in Associates and Joint Ventures</i> and requires changes to the disclosure of investments in associates and joint ventures and how an entity reports their investment. No material impact has been identified for the Group.
AASB2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Amendments to AASB101	1 January 2024	An amendment to AASB 101 <i>Presentation of Financial Statements</i> and clarifies requirements for the presentation of liabilities as either current or non-current, including outlining application where settlement rights exist extending beyond 12 months. No material impact has been identified for the Group.
AASB2022-5 Amendments to Australian Accounting Standards – Lease Liability in a Sale and Leaseback – Amendments to AASB16	1 January 2024	An amendment to AASB 16 <i>Leases</i> , adding subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements for AASB 15 <i>Revenue from Contracts with Customers</i> to be accounted for as a sale. No material impact has been identified for the Group.
AASB2022-10 Amendments to Australian Accounting Standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities	1 January 2024	An amendment to AASB 13 <i>Fair Value Measurement</i> , adding implementation guidance and related illustrative examples for not-for-profit public sector entities with non-financial assets not primarily held for cash generation. No material impact has been identified for the Group.
AASB2022-6 Non-current Liabilities with Covenants	1 January 2024	An amendment to AASB 101 <i>Presentation of Financial Statements</i> to improve the information provided by entities in financial statements regarding liabilities arising from loan arrangements where a right to defer exists. No material impact has been identified for the Group.
AASB2023-1 Supplier Finance Arrangements	1 January 2024	An amendment to AASB 107 <i>Statement of Cash Flows</i> and AASB 7 <i>Financial Instruments: Disclosures</i> , requiring additional disclosure of supplier finance arrangements. No material impact has been identified for the Group.

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2. Disaggregated Information**(i) Geographical [Consolidated Entity]**

	Revenue and income from transactions*		Results		Assets	
	2023	2022	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Australia	854,369	819,077	(2,279)	(36,210)	2,373,430	2,295,260
Singapore	13,907	10,355	1,952	1,664	13,732	11,301
Total	868,276	829,432	(327)	(34,546)	2,387,162	2,306,561

*Includes revenue from contracts with customers in scope of AASB15 and income of not-for-profit entities in scope of AASB1058.

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FOR THE YEAR ENDED 31 DECEMBER 2023

3.1 Australian Government Financial Assistance including Australian Government Loan Programs (HELP)

		Consolidated		Parent	
		2023	2022	2023	2022
	Note	\$'000	\$'000	\$'000	\$'000
(a) Commonwealth Grant Schemes and Other Grants					
Commonwealth Grants Scheme ^{#1}		239,053	238,761	239,053	238,761
Indigenous, Regional and Low SES Attainment Fund		9,767	9,775	9,767	9,775
National Priorities and Industry Linkage Fund		7,310	7,063	7,310	7,063
Higher Education Disability Support Program ^{#2}		324	256	324	256
Indigenous Student Success Program ^{#3}		3,925	3,735	3,925	3,735
Other		2,535	1,951	2,535	1,951
Total Commonwealth Grants Scheme and Other Grants	32(a)	262,914	261,541	262,914	261,541
(b) Higher Education Loan Programs					
HECS-HELP		130,680	131,523	130,680	131,523
FEE-HELP		17,905	18,716	17,905	18,716
SA-HELP payments		4,829	4,996	4,829	4,996
Total Higher Education Loan Programs	32(b)	153,414	155,235	153,414	155,235
(c) EDUCATION Research					
Research Training Program		30,662	27,539	30,662	27,539
Research Support Program		24,288	23,709	24,288	23,709
Total EDUCATION Research Grants	32(c)	54,950	51,248	54,950	51,248
(d) Other Capital Funding					
Other Capital Funding		489	20	489	20
Total Other Capital Funding	32(e)	489	20	489	20
(e) Australian Research Council					
Discovery		6,207	6,283	6,207	6,283
Linkages ^{#4}		1,729	853	1,729	853
Networks and Centres		1,409	1,317	1,409	1,317
Special Research Initiatives		434	600	434	600
Total Australian Research Council	32(f)	9,779	9,053	9,779	9,053

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FOR THE YEAR ENDED 31 DECEMBER 2023

3.1 Australian Government Financial Assistance including Australian Government Loan Programs (HELP) (continued)

	Consolidated		Parent	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
(f) Other Australian Government Financial Assistance				
Non-capital				
Other Commonwealth Research Grant	16,356	17,074	16,356	17,074
Other Commonwealth Non-Research Grant	12,499	12,067	12,499	12,067
National Health and Medical Research Council	21,171	20,645	21,171	20,645
Total Non-capital	50,026	49,786	50,026	49,786
Capital				
Other	7,108	3,256	7,108	3,256
Total Capital	7,108	3,256	7,108	3,256
Total other Australian Government financial assistance	57,134	53,042	57,134	53,042
Total Australian Government financial assistance	538,680	530,139	538,680	530,139

#1 Includes the basic CGS grant amount, Medical Student Loading, Transition Fund loading, Allocated Places and Non Designated Courses.

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

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

#4 Australian Research Council (ARC) Linkage Infrastructure, Equipment and Facilities grants are reported in (d) Other capital funding.

Accounting Policy

Revenue from grants, including research grants is recognised within the scope of AASB 15 *Revenue from Contracts with Customers* when there is an enforceable arrangement with the grantor and 'sufficiently specific' performance obligations exist within the funding arrangement. Under these circumstances, revenue is recognised when the Group satisfies the performance obligation by transferring the promised services, such as research services, data, detailed findings or the availability of access to the funding body or designated third party.

The Group applies the requirements of AASB 9 *Financial Instruments* when the revenue relates to a financial instrument. The acquisition or construction of the non-financial asset is accounted for separately to the transfer of the financial asset, in accordance with other Standards.

Depending on the nature of the promise, the Group either recognises revenue at a point in time when the promise is delivered (e.g. when the detailed findings are provided) or recognises revenue over time as the service is performed (e.g. as the funder obtains control of the intellectual property as it is created). Generally, research contract revenue is recognised over time using an input methodology, based on expenditure incurred to date for the project.

Income from grants without sufficiently specific performance obligations within the scope of AASB 1058 *Income for Not-for-profit Entities* is generally recognised when the entity has an unconditional right to receive the granted assets (e.g. cash).

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.

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FOR THE YEAR ENDED 31 DECEMBER 2023

3.2 State and Local Government Financial Assistance

	Consolidated		Parent	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Non-capital				
State Government contributions	2,053	3,389	2,053	3,389
State and Local Government research grants	13,155	9,437	13,155	9,437
Total Non-capital	15,208	12,826	15,208	12,826
Capital				
State Government capital contributions	709	81	709	81
Total capital	709	81	709	81
Total State and Local Government Financial Assistance	15,917	12,907	15,917	12,907

Accounting Policy

Contributions and grants from State and Local Governments are recognised within the scope of AASB 15 *Revenue from Contracts with Customers* or AASB 1058 *Income for Not-for-profit Entities* depending on the existence of performance obligations within the funding arrangement, consistent with application for Australian Government funding.

In cases where the transaction includes a transfer to enable the Group to acquire or construct a recognisable non-financial asset to be controlled by the Group, the Group recognises a liability for the excess of the fair value of the transfer over any related amounts recognised and recognises income in the income statement as it satisfies its obligations under the transfer.

A transfer of a financial asset to enable the Group to acquire or construct a recognisable non-financial asset for its own use is one that:

- (i) requires the Group to use that financial asset to acquire or construct a non-financial asset to identified specifications
- (ii) does not require the Group to transfer the non-financial asset to the transferor or other parties and
- (iii) occurs under an enforceable agreement.

For each obligation, the Group determines whether the obligation would be satisfied over time or at a point in time, depending on the nature and obligations of the funding agreement. If the Group does not satisfy an obligation over time, the obligation would be satisfied at a point in time. For an obligation that is satisfied over time (not at a point in time) the Group is required to measure its progress towards complete satisfaction of the obligation at the end of each reporting period.

The Group applies the requirements of AASB 9 *Financial Instruments* when accounting for the financial asset (e.g. cash) received. The acquisition or construction of the non-financial asset is accounted for separately to the transfer of the financial asset, in accordance with other Standards.

The above applies for transfers that meet the criteria to be considered as 'transfers to enable the Group to acquire or construct a recognisable non-financial asset to be controlled by the Group'.

A key criterion is that the non-financial asset to be constructed or acquired by the Group needs to be permitted to be recognised by another standard (e.g. the construction of a building under AASB116 *Property, Plant and Equipment* or intangible asset under AASB138 *Intangible Assets*).

If the non-financial asset is not permitted to be recognised by another standard (e.g. research activities which cannot be recognised as an asset in accordance with AASB138 *Intangible Assets*), the Group is not permitted to apply the capital grant accounting. Instead, the Group would revert back to the general income recognition requirements (under AASB1058.9 *Income for Not-for-profit Entities*) which is to recognise the difference between the initial carrying amount of the asset and any 'related amounts' immediately as income in the income statement.

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

3.3 Fees and Charges

	Note	Consolidated		Parent	
		2023	2022	2023	2022
		\$'000	\$'000	\$'000	\$'000
Course Fees and Charges					
Fee-paying onshore overseas students		108,587	89,496	108,964	89,519
Fee-paying offshore overseas students		15,773	12,636	2,196	2,737
Fee-paying domestic postgraduate students		18,946	19,848	18,946	19,848
Fee-paying domestic undergraduate students		140	54	140	54
Fee-paying domestic non-award students		551	578	551	578
Course and conference fees		2,356	1,659	1,776	1,281
Total Course Fees and Charges		146,353	124,271	132,573	114,017
Other Non-Course Fees and Charges					
Student services and amenities fees from students	32 (i)	2,086	1,812	2,086	1,812
Library fines		490	283	490	283
Parking fines and fees		2,335	2,626	2,334	2,634
Student accommodation		22,570	18,976	22,570	18,976
Other services		1,494	1,392	1,494	1,392
Total Other Fees and Charges		28,975	25,089	28,974	25,097
Total Fees and Charges		175,328	149,360	161,547	139,114

Accounting Policy

Fees and charges are recognised as income over time when the course is delivered to students or at a point in time when a fee is related to services provided immediately or non-refundable. When the courses or other services have been paid in advance by students or customers or the Group has received government funding in advance, the Group recognises a contract liability until the services are delivered. Conversely, fees and charges relating to debtors are recognised as revenue in the year to which the prescribed course relates.

3.4 Royalties, Trademarks and Licences

	Consolidated		Parent	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Royalties, trademarks and licences	744	1,049	405	1,276
Total royalties, trademarks and licences	744	1,049	405	1,276

3.5 Consultancy and Contracts

	Consolidated		Parent	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Contract research				
Consultancy	5,884	4,779	4,335	3,468
Other contract revenue	18,974	23,263	18,974	23,263
Co-operative research centre	1,578	1,187	1,578	1,187
Hunter Medical Research Institute	9,913	12,321	9,913	12,321
Industry research	31,052	26,904	21,194	18,447
Total contract research	61,517	63,675	51,659	55,218
Total consultancy and contracts	67,401	68,454	55,994	58,686

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FOR THE YEAR ENDED 31 DECEMBER 2023

3.5 Consultancy and Contracts (continued)**Accounting Policy**

Revenue is recognised in accordance with AASB 15 *Revenue from Contracts with Customers*, using the method most appropriate based on the nature of the contract. The stage of completion is measured by considering actual costs as a percentage of total forecast costs, or other suitable estimate techniques.

Where contract arrangements meet conditions set out by AASB 1058 *Income for Not-for-profit Entities*, 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.

3.6 Other Revenue and Income

	Consolidated		Parent	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Other revenue				
Donations and bequests	12,133	12,807	12,903	12,902
Other revenue	2,179	2,168	314	244
Sales, memberships and tickets	7,267	6,359	3,818	3,414
Rebates and commissions from external parties	1,981	1,728	681	861
Insurance recoveries	826	189	803	142
Rental revenue	2,932	2,440	2,649	1,388
Sponsorship	1,916	1,045	1,913	1,045
Other related party revenue	-	-	4,277	3,711
Cost recoveries	9,107	9,416	9,044	9,394
Total other revenue	38,346	36,152	36,402	33,101

Accounting Policy

Other revenue is accounted for in accordance with AASB 15 *Revenue from Contracts with Customers* where enforceable arrangements with the customer exist. This includes sale of goods and other revenue. AASB 1058 *Income for Not-for-profit Entities* is applied for other revenue where suitable enforcement arrangements are not in existence. In these instances, the Group generally recognises revenue when there is an unconditional right to receive the funds (e.g. cash). This includes donations and bequests as well as some other revenue.

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

3.7 Revenue and Income Streams from Continuing Operations

Consolidated

Sources of Funding											2023
	Higher Education Loan Program ("HELP")	Student fees	Australian Government financial assistance	State and Local Government financial assistance	Commercial arrangements	Donations, including corporate sponsorship	Bequest	Others	Total Revenue from contracts with customers	Total Income of not-for-profit entities	
Revenue and Income Streams											
Course fees and charges											
	130,724	140	-	-	-	-	-	-	130,864	-	
	-	48,204	-	-	-	-	-	-	48,204	-	
	-	10,988	-	-	-	-	-	-	10,988	-	
	17,861	18,946	-	-	-	-	-	-	36,807	-	
	-	57,087	-	-	-	-	-	-	57,087	-	
	-	4,387	-	-	-	-	-	-	4,387	-	
	-	4,245	-	-	-	-	-	-	4,245	-	
	148,585	143,997	-	-	-	-	-	-	292,582	-	
Research											
	-	-	44,595	11,431	11,339	-	-	32,232	99,597	-	
	-	-	57,661	1,724	96	-	-	17,850	-	77,331	
	-	-	102,256	13,155	11,435	-	-	50,082	99,597	77,331	
	-	-	275,413	2,053	-	-	-	-	256,910	20,556	
Recurrent government grants											
Non-course fees and charges											
	-	-	-	-	2,334	-	-	-	2,334	-	
	4,829	2,086	-	-	-	-	-	-	6,915	-	
	-	-	-	-	22,570	-	-	-	22,570	-	
	-	-	-	-	3,765	-	-	-	3,765	-	
	4,829	2,086	-	-	28,669	-	-	-	35,584	8,306	
Total non-course fees and charges											
	-	-	7,597	709	-	-	-	-	-	-	
Capital Government grants											
	-	-	-	-	537	-	-	-	537	-	
	-	-	-	-	207	-	-	-	207	-	
	-	-	-	-	30,691	-	-	-	30,691	-	
	-	-	-	-	-	-	-	-	-	-	
	-	-	-	-	-	12,334	1,712	69	-	14,115	
	-	-	-	-	30,691	12,334	1,712	69	30,691	14,115	
Total revenue from contracts with customers											
	-	-	-	-	-	-	-	-	716,108	120,308	

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FOR THE YEAR ENDED 31 DECEMBER 2023

3.7 Revenue and Income Streams from Continuing Operations (continued)

Consolidated	Sources of Funding								2022	
	Higher Education Loan Program ("HELP")	Student fees	Australian Government financial assistance	State and Local Government financial assistance	Commercial arrangements	Donations, including corporate sponsorship	Bequest	Others	Total Revenue from contracts with customers	Total Income of not-for-profit entities
Revenue and Income Streams										
Course fees and charges										
Domestic students undergraduate	131,546	54	-	-	-	-	-	-	131,600	-
Onshore overseas students undergraduate	-	44,010	-	-	-	-	-	-	44,010	-
Offshore overseas students undergraduate	-	8,873	-	-	-	-	-	-	8,873	-
Domestic students postgraduate	18,693	19,848	-	-	-	-	-	-	38,541	-
Onshore overseas students postgraduate	-	42,950	-	-	-	-	-	-	42,950	-
Offshore overseas students postgraduate	-	3,717	-	-	-	-	-	-	3,717	-
Others (e.g. non-award)	-	3,183	-	-	-	-	-	-	3,183	-
Total course fees and charges	150,239	122,635	-	-	-	-	-	-	272,874	-
Research										
Research goods and services [AASB15]	-	-	43,278	5,727	23,788	-	-	14,965	87,758	-
Research income [AASB1058]	-	-	54,742	3,710	3,116	-	-	21,806	-	83,374
Total research	-	-	98,020	9,437	26,904	-	-	36,771	87,758	83,374
Recurrent government grants	-	-	273,608	3,389	-	-	-	-	252,233	24,764
Non-course fees and charges										
Parking fees	-	-	-	-	2,626	-	-	-	2,626	-
Student services and amenities fees	4,996	1,812	-	-	-	-	-	-	6,808	-
Student accommodation	-	-	-	-	18,976	-	-	-	18,976	-
Other	-	-	-	-	2,962	-	-	-	2,962	-
Total non-course fees and charges	4,996	1,812	-	-	24,564	-	-	-	31,372	-
Capital Government grants	-	-	3,276	81	-	-	-	-	-	3,357
Royalties	-	-	-	-	91	-	-	-	91	-
Licences	-	-	-	-	958	-	-	-	958	-
Other [AASB15]	-	-	-	-	27,255	-	-	-	27,255	-
Other [AASB1058]	-	-	-	-	-	11,998	1,854	290	-	14,142
Total other	-	-	-	-	-	11,998	1,854	290	27,255	14,142
Total revenue from contracts with customers	-	-	-	-	27,255	11,998	1,854	290	672,541	-
Total income of not-for-profit	-	-	-	-	-	-	-	-	-	125,637

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3.7 Revenue and Income Streams from Continuing Operations (continued)

Parent	Sources of Funding							2023		
	Higher Education Loan Program ("HELP")	Student fees	Australian Government financial assistance	State and Local Government financial assistance	Commercial arrangements	Donations, including corporate sponsorship	Bequest	Others	Total Revenue from contracts with customers	Total Income of not-for-profit entities
Revenue and Income Streams										
Course fees and charges										
Domestic students undergraduate	130,724	140	-	-	-	-	-	-	130,864	-
Onshore overseas students undergraduate	-	48,204	-	-	-	-	-	-	48,204	-
Offshore overseas students undergraduate	-	1,708	-	-	-	-	-	-	1,708	-
Domestic students postgraduate	17,861	18,946	-	-	-	-	-	-	36,807	-
Onshore overseas students postgraduate	-	57,087	-	-	-	-	-	-	57,087	-
Offshore overseas students postgraduate	-	467	-	-	-	-	-	-	467	-
Others (e.g.non-award)	-	4,245	-	-	-	-	-	-	4,245	-
Total course fees and charges	148,585	130,797	-	-	-	-	-	-	279,382	-
Research										
Research goods and services [AASB15]	-	-	44,595	11,431	1,481	-	-	32,232	89,739	-
Research income [AASB1058]	-	-	57,661	1,724	96	-	-	17,850	-	77,331
Total research	-	-	102,256	13,155	1,577	-	-	50,082	89,739	77,331
Recurrent government grants										
Non-course fees and charges										
Parking fees	-	-	-	-	2,334	-	-	-	2,334	-
Student services and amenities fees	4,829	2,086	-	-	-	-	-	-	6,915	-
Student accommodation	-	-	-	-	22,570	-	-	-	22,570	-
Other	-	-	-	-	3,760	-	-	-	3,760	-
Total non-course fees and charges	4,829	2,086	-	-	28,664	-	-	-	35,579	-
Capital Government grants										
Royalties	-	-	7,597	709	-	-	-	-	199	8,306
Licences	-	-	-	-	206	-	-	-	206	-
Other	-	-	-	-	-	-	-	-	-	-
Other [AASB15]	-	-	-	-	25,921	-	-	-	25,921	-
Other [AASB1058]	-	-	-	-	-	13,104	1,712	-	-	14,816
Total other	-	-	-	-	25,921	13,104	1,712	-	25,921	14,816
Total revenue from contracts with customers	-	-	-	-	25,921	13,104	1,712	-	25,921	14,816
Total income of not-for-profit									687,936	121,009

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3.7 Revenue and Income Streams from Continuing Operations (continued)

Parent	Sources of Funding							2022		
	Higher Education Loan Program ("HELP")	Student fees	Australian Government financial assistance	State and Local Government financial assistance	Commercial arrangements	Donations, including corporate sponsorship	Bequest	Others	Total Revenue from contracts with customers	Total Income of not-for-profit entities
Revenue and Income Streams										
Course fees and charges										
Domestic students undergraduate	131,546	54	-	-	-	-	-	-	131,600	-
Onshore overseas students undergraduate	-	44,010	-	-	-	-	-	-	44,010	-
Offshore overseas students undergraduate	-	1,189	-	-	-	-	-	-	1,189	-
Domestic students postgraduate	18,693	19,848	-	-	-	-	-	-	38,541	-
Onshore overseas students postgraduate	-	42,950	-	-	-	-	-	-	42,950	-
Offshore overseas students postgraduate	-	1,502	-	-	-	-	-	-	1,502	-
Others (e.g. non-award)	-	3,183	-	-	-	-	-	-	3,183	-
Total course fees and charges	150,239	112,736	-	-	-	-	-	-	262,975	-
Research										
Research goods and services [AASB15]	-	-	43,278	5,727	15,331	-	-	14,965	79,301	-
Research income [AASB1058]	-	-	54,742	3,710	3,116	-	-	21,806	-	83,374
Total research	-	-	98,020	9,437	18,447	-	-	36,771	79,301	83,374
Recurrent government grants										
Non-course fees and charges										
Parking fees	-	-	-	-	2,634	-	-	-	2,634	-
Student services and amenities fees	4,996	1,812	-	-	-	-	-	-	6,808	-
Student accommodation	-	-	-	-	18,976	-	-	-	18,976	-
Other	-	-	-	-	2,956	-	-	-	2,956	-
Total non-course fees and charges	4,996	1,812	-	-	24,566	-	-	-	31,374	-
Capital Government grants										
Royalties	-	-	3,276	81	-	-	-	-	-	3,357
Licences	-	-	-	-	338	-	-	-	338	-
Other	-	-	-	-	938	-	-	-	938	-
Other [AASB15]	-	-	-	-	-	-	-	-	-	-
Other [AASB1058]	-	-	-	-	22,622	-	-	-	22,622	-
Total other	-	-	-	-	-	12,093	1,854	-	-	13,947
Total revenue from contracts with customers	-	-	-	-	22,622	12,093	1,854	-	22,622	13,947
Total income of not-for-profit									649,781	125,442

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3.8 Reconciliation of Revenue and Income

		Consolidated 2023 \$'000	Parent 2023 \$'000
	Note		
Total Australian Government financial assistance including Australian Government loan programs (HELP)	3.1	538,680	538,680
Total State and Local Government financial assistance	3.2	15,917	15,917
Total Fees and charges	3.3	175,328	161,547
Total Royalties, trademarks and licences	3.4	744	405
Total Consultancy and contract fees	3.5	67,401	55,994
Total Other revenue and income	3.6	38,346	36,402
Total		836,416	808,945
Total Revenue from contracts with customers as per AASB15	3.7	716,108	687,936
Total Income of not-for-profit as per AASB1058	3.7	120,308	121,009
Total Revenue and Income from continuing operations		836,416	808,945

4 Investment Income

	Consolidated		Parent	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Interest income	9,724	2,032	9,426	2,029
Total Interest	9,724	2,032	9,426	2,029
Dividends and Distributions				
Other financial assets at fair value through profit and loss	8,211	22,403	8,211	22,403
Other financial assets at fair value derecognised through profit and loss	(22,759)	-	(22,759)	-
Total dividends and distributions	(14,548)	22,403	(14,548)	22,403
Total Investment income	(4,824)	24,435	(5,122)	24,432
Investment gains/(losses)				
Unrealised Investment gains/(losses)	28,754	(40,430)	28,754	(40,250)
Realised Investment gains/(losses)	-	(9,939)	-	(9,893)
Investment gains/(losses)	28,754	(50,369)	28,754	(50,143)
Total investment revenue and other investment income	23,930	(25,934)	23,632	(25,711)

In 2021 the University recognised a franking credit receivable of \$22.76 million due to an in-specie distribution of IDP Education Pty Ltd shares by Education Australia Limited. In response to the ATO's notice of assessment in October 2023 citing section 207-122(b)(1) of the *Income Tax Assessment Act 1997* to not recognise the eligibility for franking credits arising from the transaction As a result, the University has derecognised the income in 2023. The University, along with 38 Universities, have lodged objections to the notices of assessment.

Accounting Policy**Interest**

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

Dividends and distributions

Revenue is recognised when (a) the Group's right to receive the payment is established, which is generally when shareholders approve the dividend, (b) it is probable that the economic benefits associated with the dividend will flow to the entity; and (c) the amount of the dividend can be measured reliably.

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5 Employee Related Expenses

	Consolidated		Parent	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Academic				
Salaries	167,677	163,234	163,944	160,540
Contributions to superannuation and pension schemes				
Contributions to funded schemes	29,087	28,561	28,788	28,368
Contributions to unfunded schemes	122	169	122	169
Payroll tax	11,425	13,583	11,425	13,583
Worker's compensation	618	690	618	690
Long service leave	7,467	853	7,467	853
Annual leave	14,495	14,692	14,333	14,574
Other	7,641	2,305	7,641	2,305
Total academic	238,532	224,087	234,338	221,082
Non-academic				
Salaries	179,454	163,549	168,284	153,863
Contributions to superannuation and pension schemes				
Contributions to funded schemes	30,763	29,071	29,480	28,328
Contributions to unfunded schemes	226	270	226	270
Payroll tax	12,439	13,537	12,013	13,200
Worker's compensation	712	730	638	670
Long service leave	7,598	(1,247)	7,605	(1,257)
Annual leave	16,393	15,020	15,565	14,254
Other	4,073	981	3,957	894
Total non-academic	251,658	221,911	237,768	210,222
Total employee related expenses	490,190	445,998	472,106	431,304
Deferred superannuation expense	809	437	809	437
Total employee related expenses, including government employee benefits for superannuation	490,999	446,435	472,915	431,741

Accounting Policy

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.

Past service costs are recognised in profit or loss at the earlier of the following dates:

- (a) when the plan amendment or curtailment occurs; and
- (b) when the entity recognises related restructuring costs or termination benefits.

(i) Short-term obligations

When an employee has rendered service to the Group during an accounting period, the Group recognises the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:

- (a) as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the Group recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund.
- (b) as an expense unless another AASB requires or permits the inclusion of the benefits in the cost of an asset.

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5. Employee Related Expenses (continued)**Accounting Policy (continued)****(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 and long service leave liabilities.

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

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 is classified as a non-current liability.

(iii) 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. 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.

6 Depreciation and Amortisation

	Consolidated		Parent	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Depreciation				
Buildings and infrastructure	36,823	34,141	36,468	33,586
Plant and equipment	12,758	17,318	12,627	17,117
Right-of-use asset	3,750	3,328	2,993	2,732
Total depreciation	53,331	54,787	52,088	53,435
Amortisation				
Intangible assets	5,782	8,778	5,774	8,778
Total amortisation	5,782	8,778	5,774	8,778
Total depreciation and amortisation	59,113	63,565	57,862	62,213

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6. Depreciation and Amortisation (continued)**Accounting Policy****Property, Plant and Equipment**

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:

Depreciable assets	2023	2022
Buildings and infrastructure	20 - 60 years	20 - 60 years
Plant and equipment	2 - 40 years	2 - 15 years

The asset's 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.

Right of use assets (under AASB16 *Leases*) and leasehold improvements are depreciated/amortised over the shorter of the lease term and the useful life of the asset.

Intangible assets

Amortisation has been included within the depreciation and amortisation line. The following useful lives are applied for intangible assets with finite useful lives:

Amortised assets	2023	2022
Intellectual property	2 - 22 years	2 - 20 years
Computer software	1 - 5 years	1 - 5 years

7. Repairs and Maintenance

	Consolidated		Parent	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Repair and maintenance – general	29,211	29,322	28,718	28,854
Buildings	7,864	6,623	7,740	6,615
Total repairs and maintenance	37,075	35,945	36,458	35,469

Accounting Policy

Repairs and maintenance costs are recognised as expenses as incurred, except where they relate to the replacement of a component of an asset, in which case the carrying amount of those parts that are replaced is derecognised and the cost of the replacing part is capitalised if the recognition criteria are met. Other routine operating maintenance, repair and minor renewal costs are also recognised as expenses, as incurred.

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8. Borrowing Costs

	Consolidated		Parent	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Interest expense on lease liabilities	208	189	143	139
Borrowing costs	250	2	598	88
Total borrowing costs	458	191	741	227

Accounting Policy

Finance charges in respect of finance leases, to the extent that they are regarded as an adjustment to interest costs are included in the definition of borrowing costs.

For interest expense on lease liabilities, please refer to Note 17.1 which details the policy for lease accounting where the Group is a lessee.

Borrowing costs relate to interest and other costs incurred in connection to borrowing of funds, including interest charges on funds held by the parent on behalf of its controlled entities.

9. Impairment of Assets

	Consolidated		Parent	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Trade and receivables	1,079	357	1,057	363
Capital Works in Progress	1,289	15,785	1,289	15,785
Plant and Equipment	1	11	1	11
Infrastructure	-	700	-	700
Intangible Assets	96	258	96	258
Total impairment of assets	2,465	17,111	2,443	17,117

Accounting Policy

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

Continuing economic challenges including high inflation and political tension worldwide continues to cause increased uncertainty and potential for the impairment of assets which has been considered in the Groups key assumptions and assessment of assets for impairment.

For further information on accounting policies of impairment of financial assets refer to Note 12, Trade and Other Receivables and Note 14 Property Plant and Equipment.

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10. Other Expenses

	Consolidated		Parent	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Advertising, marketing and promotional expenses	8,431	6,581	7,428	6,161
Consumables	30,089	29,112	29,271	28,514
Donations	16	12	5	12
Insurance	5,428	4,509	5,275	4,383
Minor equipment (inc. IT related expenses)	16,324	15,118	15,845	14,677
Operating lease rental	4,411	4,088	4,369	4,074
Professional services	75,886	74,916	76,206	75,771
Scholarships, grants and prizes	64,459	52,147	64,570	51,968
Telecommunications	3,585	3,599	3,526	3,547
Travel, staff development and entertainment	24,222	17,877	23,538	17,737
Utilities	8,452	7,121	8,358	7,086
Software maintenance and licence fees	20,184	18,379	20,012	18,235
Other expenses	17,000	15,754	16,313	14,516
Total other expenses	278,487	249,213	274,716	246,681

Accounting Policy

Other expenses are recognised as expenses as and when incurred.

11. Cash and Cash Equivalents

	Consolidated		Parent	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Cash at bank and on hand	59,632	46,262	45,896	39,396
Total cash and cash equivalents	59,632	46,262	45,896	39,396

The above figures are included as cash and cash equivalents in the Statement of Cash Flows.

(a) Restricted cash

As at 31 December 2023 the Group had no restricted cash amounts. Refer to Note 13 for restricted amounts of other financial assets held by the Group.

Cash at bank and on hand

Cash on hand is non-interest bearing. Cash at bank earns floating interest rates between 2.5% and 4.6% (2022: 0.00% and 3.35%).

Accounting Policy

For statement of cash flows presentation purposes, cash and cash equivalents includes cash on hand, 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.

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12. Trade and Other Receivables

	Consolidated		Parent	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Current				
Trade receivables	16,410	40,072	13,891	39,023
Student fees	3,124	5,513	3,124	5,513
Less: allowance for expected credit losses	(1,207)	(1,054)	(1,171)	(1,038)
	18,327	44,531	15,844	43,498
Prepayments	33,306	23,237	33,012	22,965
Related party receivables	-	-	1,061	883
Other receivables	4,713	4,826	4,624	4,777
Contract asset	9,210	10,030	8,770	8,647
Total current receivables	65,556	82,624	63,311	80,770
Non-current				
Deferred government benefit for superannuation 31	307,759	318,425	307,759	318,425
Other receivables	346	1,852	-	1,691
Total non-current receivables	308,105	320,277	307,759	320,116
Total receivables	373,661	402,901	371,070	400,886

The 2022 trade receivable balance included a franking credit receivable of \$22.76 million related to Education Australia Limited. In 2023 the receivable was derecognised, impacting investment income. Further details are included in note 4.

Accounting Policy**Classification and measurement**

Trade receivables are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. These are classified and measured as debt instruments at amortised cost. Trade receivables are generally due for settlement within 30 days of the date of invoice. The carrying value less provision for impairment is a reasonable approximation of their fair values due to the short-term nature of trade receivables.

Impairment

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

Continued economic challenges including high inflation and political tension worldwide continues to cause increased uncertainty and potential for the impairment of assets. The Group has considered these ongoing challenges and uncertainty and the impact of these events on the modelling of expected credit losses which are the subject of higher scrutiny during this period.

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12. Trade and Other Receivables (continued)

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

	Consolidated		Parent	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
At 1 January	1,054	1,329	1,038	1,260
Provision for expected credit losses	1,207	1,054	1,171	1,038
Write-off	(924)	(585)	(924)	(585)
Unused amount reversed	(130)	(744)	(114)	(675)
At 31 December	1,207	1,054	1,171	1,038

Information about the credit exposures are disclosed in Note 29 Financial Risk Management.

13. Other Financial Assets

	Consolidated		Parent	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Current				
Other financial assets at amortised cost	112,567	127,300	111,000	126,000
Total current other financial assets	112,567	127,300	111,000	126,000
Non-Current				
Other financial assets at fair value through other comprehensive income	763	1,071	763	1,071
Other financial assets at fair value through profit and loss	499,871	442,063	499,957	442,149
Total non-current other financial assets	500,634	443,134	500,720	443,220
Total other financial assets	613,201	570,434	611,720	569,220

Changes in fair values of other financial assets at fair value through profit or loss are recorded in investment income in the income statement (Note 4).

(a) Equity instruments elected to be at fair value through other comprehensive income

Equity investments at designated fair value through other comprehensive income include shares in Education Australia Ltd. (EAL). The equity adjustment in other comprehensive income for 2023 reflects the revaluation of the University's shareholding in EAL. There were no disposals of other financial assets through other comprehensive income during the year.

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13. Other Financial Assets (continued)

Accounting Policy

Financial assets

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

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

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

Restricted other financial assets

As at 31 December 2023, the Group held financial assets subject to restrictions of \$108.2 million (2022: \$98.7 million). These amounts relate to donations and bequests from donors for the purpose of funding scholarships, prizes, foundations and endowments and funds required to meet the cost of the Group's liability under superannuation schemes.

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

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

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

Subsequent measurement

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

- Other financial assets at amortised costs
- Other financial assets at fair value through other comprehensive income
- Other financial assets at fair value through profit or loss

Financial assets at amortised cost

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

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

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

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

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13. Other Financial Assets (continued)**Accounting Policy (continued)*****Financial assets at fair value through other comprehensive income***

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

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

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

Investments in equity instruments designated at fair value through other comprehensive income

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under AASB132 *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

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

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

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

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model.

Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the income statement.

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

Derecognition

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

- The rights to receive cash flows from the asset have expired or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the Group has transferred

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

13. Other Financial Assets (continued)

Accounting Policy (continued)

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Offsetting

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

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FOR THE YEAR ENDED 31 DECEMBER 2023

14. Property, Plant and Equipment

	Capital Works in Progress \$'000	Land \$'000	Buildings \$'000	Plant & Equipment \$'000	Artwork and Libraries \$'000	Infrastructure \$'000	Total Owned Assets \$'000	Right of Use Assets \$'000	Total \$'000
Parent									
As at 1 January 2022									
- Cost	73,111	242	6,979	165,789	2,650	4,805	253,576	-	253,576
- Valuation	-	82,048	929,116	-	-	91,650	1,102,814	30,447	1,133,261
Accumulated depreciation and impairment	-	-	(66,177)	(112,686)	-	(2,225)	(181,088)	(1,071)	(182,159)
Net book amount	73,111	82,290	869,918	53,103	2,650	94,230	1,175,302	29,376	1,204,678
Year ended 31 December 2022									
Opening net book amount	73,111	82,290	869,918	53,103	2,650	94,230	1,175,302	29,376	1,204,678
Additions	44,684	140	641	17,167	79	12	62,723	506	63,229
Disposals	-	-	(295)	(572)	-	-	(867)	-	(867)
Transfers to held for sale	-	(199)	(688)	-	-	-	(887)	-	(887)
Transfers	(57,441)	17	31,836	20,074	-	5,619	105	-	105
Revaluation increment/(decrement)	-	4,392	26,951	-	-	3,215	34,558	-	34,558
Depreciation charge	-	-	(28,832)	(17,118)	-	(4,753)	(50,703)	(2,732)	(53,435)
Impairment charge	(14,230)	-	-	(11)	-	(702)	(14,943)	-	(14,943)
Closing net book amount	46,124	86,640	899,531	72,643	2,729	97,621	1,205,288	27,150	1,232,438
As at 31 December 2022									
- Cost	46,124	140	25,503	184,684	2,729	1,641	260,821	30,648	291,469
- Valuation	-	86,500	912,601	-	-	100,035	1,099,136	-	1,099,136
Accumulated depreciation and impairment	-	-	(38,573)	(112,041)	-	(4,055)	(154,669)	(3,498)	(158,167)
Net book amount	46,124	86,640	899,531	72,643	2,729	97,621	1,205,288	27,150	1,232,438
Year ended 31 December 2023									
Opening net book amount	46,124	86,640	899,531	72,643	2,729	97,621	1,205,288	27,150	1,232,438
Additions	53,566	-	-	8,508	143	-	62,217	1,906	64,123
Disposals	-	(265)	(685)	(686)	-	(27)	(1,663)	-	(1,663)
Transfers to held for sale	-	199	686	-	-	-	885	-	885
Transfers	(46,890)	8	19,541	21,173	-	6,920	752	-	752
Revaluation increment/(decrement)	-	1,843	43,293	-	-	4,711	49,847	-	49,847
Depreciation charge	-	-	(31,326)	(12,627)	-	(5,142)	(49,095)	(2,993)	(52,088)
Impairment charge	(1,289)	-	-	(1)	-	-	(1,290)	-	(1,290)
Closing net book amount	51,511	88,425	931,040	89,010	2,872	104,083	1,266,941	26,063	1,293,004
As at 31 December 2023									
Cost	51,511	-	29,053	200,391	2,872	3,868	287,695	32,554	320,249
Fair value	-	88,425	941,297	-	-	105,351	1,135,733	-	1,135,733
Accumulated depreciation and impairment	-	-	(39,310)	(111,381)	-	(5,136)	(156,487)	(6,491)	(162,978)
Net book amount	51,511	88,425	931,040	89,010	2,872	104,083	1,266,941	26,063	1,293,004

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14. Property, Plant and Equipment (continued)

	Capital Works in Progress \$'000	Land \$'000	Buildings \$'000	Plant & Equipment \$'000	Artwork and Libraries \$'000	Infrastructure \$'000	Total \$'000	Right of Use Assets \$'000	Total \$'000
Consolidated									
As at 1 January 2022									
- Cost	73,267	242	11,290	168,421	2,650	4,806	260,676	4,647	265,323
- Valuation	-	82,048	929,116	-	-	91,650	1,102,814	30,448	1,133,262
Accumulated depreciation and impairment	-	-	(45,648)	(114,774)	-	(1,568)	(161,990)	(1,980)	(163,970)
Net book amount	73,267	82,290	894,758	53,647	2,650	94,888	1,201,500	33,115	1,234,615
Year ended 31 December 2022									
Opening net book amount	73,267	82,290	894,758	53,647	2,650	94,888	1,201,500	33,115	1,234,615
Additions	44,776	140	774	17,171	79	12	62,952	543	63,495
Disposals	-	-	(295)	(573)	-	-	(868)	-	(868)
Transfers to held for sale	-	(199)	(688)	-	-	-	(887)	-	(887)
Transfers	(57,575)	17	31,859	20,174	-	5,619	94	9	103
Revaluation increment/(decrement)	-	4,392	26,951	-	-	3,215	34,558	-	34,558
Re-Measurement of lease liability	-	-	-	-	-	-	-	(11)	(11)
Depreciation charge	-	-	(29,387)	(17,318)	-	(4,753)	(51,458)	(3,328)	(54,786)
Impairment charge	-	-	-	(11)	-	(702)	(14,943)	-	(14,943)
Effect of foreign currency translation	(14,230)	-	-	-	-	-	42	155	197
Closing net book amount	46,238	86,640	923,998	73,106	2,729	98,279	1,230,990	30,483	1,261,473
As at 31 December 2022									
- Cost	46,238	140	33,210	187,419	2,729	1,642	271,378	4,683	276,061
- Valuation	-	86,500	912,601	-	-	100,035	1,099,136	30,648	1,129,784
Accumulated depreciation and impairment	-	-	(21,813)	(114,313)	-	(3,398)	(139,524)	(4,848)	(144,372)
Net book amount	46,238	86,640	923,998	73,106	2,729	98,279	1,230,990	30,483	1,261,473
Year ended 31 December 2023									
Opening net book amount	46,238	86,640	923,998	73,106	2,729	98,279	1,230,990	30,483	1,261,473
Addition	53,658	-	462	8,678	143	-	62,941	2,950	65,891
Disposal	-	(265)	(686)	(702)	-	(27)	(1,680)	(123)	(1,803)
Transfers to held for sale	-	199	686	-	-	-	885	-	885
Transfers	(47,052)	8	19,216	21,632	-	6,920	724	-	724
Revaluation increment/(decrement)	-	1,843	45,548	-	-	5,847	53,238	-	53,238
Depreciation charge	-	-	(31,681)	(12,758)	-	(5,142)	(49,581)	(3,750)	(53,331)
Impairment charge	(1,289)	-	-	(1)	-	-	(1,290)	-	(1,290)
Effect of foreign currency translation	-	-	6	1	-	-	7	118	125
Closing net book amount	51,555	88,425	957,549	89,956	2,872	105,877	1,296,234	29,678	1,325,912
As at 31 December 2023									
Cost	51,555	-	38,802	203,609	2,872	5,005	301,843	34,526	336,369
Fair value	-	89,085	941,297	-	-	105,351	1,135,733	-	1,135,733
Accumulated depreciation	-	(660)	(22,550)	(113,653)	-	(4,479)	(141,342)	(4,848)	(146,190)
Net book amount	51,555	88,425	957,549	89,956	2,872	105,877	1,296,234	29,678	1,325,912

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THE UNIVERSITY OF NEWCASTLE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

14. Property, Plant and Equipment (continued)**(a) Valuations of Land, Building and Infrastructure Assets**

The University's land, building and infrastructure assets were revalued through a desktop valuation at 30 June 2023 by independent valuers CBRE Valuations Pty Limited, following a comprehensive valuation in 2022. 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 increments have been credited to an asset revaluation reserve in equity.

(b) Non-current Assets Classified as Held for Sale

At 31 December 2023, no property, plant and equipment assets were classified as held for sale (2022: \$0.9 million). Non-current assets held for sale are carried at the lower of the carrying amount or the fair value less costs to sell.

Accounting Policy

Land, buildings and infrastructure 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. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Each class of property, plant and equipment is carried at cost or fair value, less where applicable, any accumulated depreciation and impairment losses.

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

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

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.

Construction work in progress

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

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

Impairment of Assets

All non-current tangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amounts might not be recoverable. The valuation of land, buildings and infrastructure has considered the impact of the economic challenges on the land values and fair value assumptions used to value buildings and infrastructure. In addition to valuations, the Group has reviewed the useful life of building and infrastructure assets and changes in use as a result of economic conditions. Plant and equipment items were considered in light of changes applied by the Group in managing the current economic conditions.

Refer to Note 9 for details of impairment recognised by the Group in 2023.

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

14. Property, Plant and Equipment (continued)

Right-of-use assets	Consolidated		Parent	
Buildings	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
At 1 January	29,319	32,029	27,097	29,366
Additions of right-of-use assets	1,871	454	827	454
Transfer	-	(18)	-	-
Depreciation charge	(3,500)	(3,146)	(2,806)	(2,723)
Re-measurement of lease liability	-	-	-	-
Other movements	(123)	-	-	-
At 31 December	27,567	29,319	25,118	27,097

Right-of-use assets	Consolidated		Parent	
Equipment	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
At 1 January	1,164	1,086	53	10
Additions of right-of-use assets	1,079	90	1,079	52
Transfer	-	27	-	-
Depreciation charge	(250)	(183)	(187)	(9)
Re-measurement of lease liability	-	(11)	-	-
Other movements	-	-	-	-
Effect of foreign currency translation	118	155	-	-
At 31 December	2,111	1,164	945	53

Concessionary leases

The Group has elected to measure the following leases right-of-use assets at initial recognition at cost in accordance with AASB16.23–25. The balance of right-of-use assets are not illustrated as they are not material to the Group.

Buildings	Permitted Use	Lease Term (Year)	Annual Rent (\$)
Tamworth Base Hospital	Conduct of a University Department of Rural Health (UDRH) and for purposes reasonably incidental thereto to the satisfaction of the Minister and Secretary including the hosting of corporate functions and events	25	1
Ray Watt Oval & Pavilion	Open space purposes and games of sport	50	1
Flathead Lane, West Ballina	Field test facility for geotechnical research	7	1
University of Newcastle Central Coast Clinical School and Central Coast Research Institute	Medical teaching and research	40	-

Accounting Policy

At inception of a contract, the Group assesses whether a contract is, or contains a lease. A contract is or contains a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

The Group assesses whether:

a. The contract involves the use of an identified asset – The asset may be explicitly or implicitly specified in the contract. A capacity portion of larger assets is considered an identified asset if the portion is physically distinct or if the portion represents substantially all of the capacity of the asset. The asset is not considered an identified asset, if the supplier has the substantive right to substitute the asset throughout the period of use.

b. The customer has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use.

THE UNIVERSITY OF NEWCASTLE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

14. Property, Plant and Equipment (continued)

Accounting Policy (continued)

c. The customer has the right to direct the use of the asset throughout the period of use – The customer is considered to have the right to direct the use of the asset only if either:

- i. The customer has the right to direct how and for what purpose the identified asset is used throughout the period of use; or
- ii. The relevant decisions about how and for what purposes the asset is used is predetermined and the customer has the right to operate the asset, or the customer designed the asset in a way that predetermines how and for what purpose the asset will be used throughout the period of use.

Accounting for leases – the Group as lessee

In contracts where The Group is a lessee, The Group recognises a right-of-use asset and a lease liability at the commencement date of the lease, unless the short-term or low-value exemption is applied.

Right-of-use assets

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

A right-of-use asset associated with land and buildings is subsequently measured at cost. All other property, plant and equipment are measured as described in the accounting policy for property, plant and equipment in Note 14.

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FOR THE YEAR ENDED 31 DECEMBER 2023

15. Intangible Assets

	Computer Software \$'000	Intellectual Property \$'000	Work in Progress \$'000	Total \$'000
Parent				
As at 1 January 2022				
Cost	46,647	2,226	2,663	51,536
Accumulated depreciation and impairment	<u>(27,523)</u>	<u>(908)</u>	<u>-</u>	<u>(28,431)</u>
Net book amount	19,124	1,318	2,663	23,105
Year ended 31 December 2022				
Opening net book amount	19,124	1,318	2,663	23,105
Additions	-	321	1,588	1,909
Disposal	-	18	-	18
Transfers	1,265	-	(1,370)	(105)
Amortisation charge	(8,661)	(119)	-	(8,780)
Impairment charge	<u>(122)</u>	<u>(110)</u>	<u>(1,555)</u>	<u>(1,787)</u>
Closing net book amount	11,606	1,428	1,326	14,360
As at 31 December 2022				
Cost	32,042	2,326	1,326	35,694
Accumulated depreciation and impairment	<u>(20,436)</u>	<u>(898)</u>	<u>-</u>	<u>(21,334)</u>
Net book amount	11,606	1,428	1,326	14,360
Year ended 31 December 2023				
Opening net book amount	11,606	1,428	1,326	14,360
Additions	54	400	6,268	6,722
Disposal	-	(45)	-	(45)
Transfers	-	-	(752)	(752)
Amortisation charge	(5,646)	(128)	-	(5,774)
Impairment charge	<u>(33)</u>	<u>(16)</u>	<u>(47)</u>	<u>(96)</u>
Closing net book amount	5,981	1,639	6,795	14,415
As at 31 December 2023				
Cost	28,934	2,681	6,795	38,410
Accumulated depreciation and impairment	<u>(22,953)</u>	<u>(1,042)</u>	<u>-</u>	<u>(23,995)</u>
Net book amount	5,981	1,639	6,795	14,415

THE UNIVERSITY OF NEWCASTLE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

15. Intangible Assets (continued)

	Computer Software \$'000	Intellectual Property \$'000	Work in Progress \$'000	Total \$'000
Consolidated				
As at 1 January 2022				
Cost	46,710	2,611	2,663	51,984
Accumulated amortisation and impairment	(27,587)	(1,292)	-	(28,879)
Net book amount	19,123	1,319	2,663	23,105
Year ended 31 December 2022				
Opening net book amount	19,123	1,319	2,663	23,105
Additions	-	321	1,588	1,909
Disposals	-	17	-	17
Transfers	1,265	-	(1,370)	(105)
Amortisation	(8,660)	(119)	-	(8,779)
Impairment	(122)	(110)	(1,555)	(1,787)
Closing net book amount	11,606	1,428	1,326	14,360
As at 31 December 2022				
Cost	32,105	2,541	1,326	35,972
Accumulated amortisation and impairment	(20,499)	(1,113)	-	(21,612)
Net book amount	11,606	1,428	1,326	14,360
Year ended 31 December 2023				
Opening net book amount	11,606	1,428	1,326	14,360
Addition	54	401	6,290	6,745
Disposals	-	(46)	-	(46)
Transfers	28	-	(752)	(724)
Amortisation	(5,654)	(128)	-	(5,782)
Impairment	(33)	(16)	(47)	(96)
Closing net book amount	6,001	1,639	6,817	14,457
As at 31 December 2023				
Cost	29,017	2,896	6,864	38,777
Accumulated amortisation and impairment	(23,016)	(1,257)	(47)	(24,320)
Net book amount	6,001	1,639	6,817	14,457

Accounting Policy

Intangible assets internally generated and acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

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 22 years.

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.

Internally-generated software is capitalised only when the amounts are greater than the Group's capitalisation threshold and they satisfy the conditions for capitalisation. Internal-use software is recognised at cost and amortised over the useful life of up to 5 years.

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

15. Intangible Assets (continued)**Accounting Policy (continued)****Disposal**

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss.

Research

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

Development

Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate; technical feasibility, intention to complete, future economic benefits can be realised and the expenditure can be reliably measured during development.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation is recorded in profit or loss. During the period of development, the asset is tested for impairment annually.

Impairment Tests and Key Assumptions

The Group undertakes annual assessment of impairment for intangible assets in line with ASSB 136 *Impairment of Assets*. In addition, the Group has continued to apply additional tests to consider current economic factors on the use and value of intangible assets. The results impairment testing have informed impairment calculations and the overall amount of intangible asset impairment for the year.

The Group has recognised impairment of a small number of intangible assets in 2023, as follows:

- IP Assets – the University determined that a number of patents were abandoned in 2023. A total impairment of \$0.1million (2022: \$0.1million) has been recognised.
- IT Software – the University identified several IT Software assets which were no longer in use in 2023. A total impairment of less than \$0.1million (2022: \$0.1million) has been recognised.

Software-as-a-Service arrangements

SaaS arrangements are arrangements in which the Group does not control the underlying software used in the arrangement.

Where costs incurred to configure or customise SaaS arrangements result in the creation of a resource which is identifiable, and where the Group has the power to obtain the future economic benefits flowing from the underlying resource and to restrict the access of others to those benefits, such costs are recognised as a separate intangible software asset and amortised over the useful life of the software on a straight-line basis. The amortisation period is reviewed at least at the end of each reporting period and any changes are treated as changes in accounting estimates.

Where costs incurred to configure or customise do not result in the recognition of an intangible software asset, then those costs that provide the Group with a distinct service (in addition to the SaaS access) are recognised as expenses when the supplier provides the services. When such costs incurred do not provide a distinct service, the costs are capitalised as a prepayment and are recognised as expenses over the duration of the SaaS contract. Previously some costs had been capitalised and amortised over its useful life. In the process of applying the Group's accounting policy on configuration and customisation of costs incurred in implementing SaaS arrangements, management has made following judgements which have the most significant effect on the amounts recognised in the consolidated financial statements.

Determining whether cloud computing arrangements contain a software licence intangible asset

The Group evaluates cloud computing arrangements to determine if it provides a resource that the Group can control. The Group determines that a software licence intangible asset exists in a cloud computing arrangement when both of the following are met at the inception of the arrangement:

- The Group has the contractual right to take possession of the software during the hosting period without significant penalty.
- It is feasible for the Group to run the software on its own hardware or contract with another party unrelated to the supplier to host the software.

Capitalisation of configuration and customisation costs in SaaS arrangements

Where the Group incurs costs to configure or customise SaaS arrangements and such costs are considered to enhance current on-premise software or provide code that can be used by the Group in other arrangements, the Group applies judgement to assess

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15. Intangible Assets (continued)**Accounting Policy (continued)**

whether such costs result in the creation of an intangible asset that meets the definition and recognition criteria in AASB138 Intangible Assets. For the year ended 31 December 2023, \$0.1million (2022: \$0.0million) of costs incurred in implementing SaaS arrangements were recognised as intangible assets.

16. Trade and Other Payables

	Consolidated		Parent	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Current				
Unsecured liabilities				
Trade payables	59,997	62,485	57,773	60,567
Related party payables	-	-	6,871	9,449
Contract liability	119,616	98,225	118,919	98,190
Other payables	14,558	10,457	13,765	9,821
Total current trade and other payables	194,171	171,167	197,328	178,027

Accounting Policy

Trade and other payments represent liabilities for unpaid goods and services provided to the Group as at the end of the financial year. The amounts are unsecured and are usually paid within 30 days of recognition.

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. Where a customer makes payment in advance of the Group transferring goods or services, a contract liability is recognised. Contract liabilities are recognised as revenue when services required by the contract have been performed.

Foreign currency risk

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

	Consolidated		Parent	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Australian Dollars	192,530	169,312	196,691	177,068
Swiss Franc	-	6	-	6
Euros	56	56	56	56
Great British Pounds	85	471	85	471
Singaporean Dollars	1,004	896	-	-
Samoan Tala	-	7	-	7
US Dollars	496	420	496	420
Hong Kong Dollars	-	-	-	-
	194,171	171,167	197,328	178,027

For additional information regarding analysis of the sensitivity of trade and other payables to foreign currency risk: Note 29. Financial Risk Management.

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17. Borrowings

	Consolidated		Parent	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Current				
Lease liability	<u>3,336</u>	<u>2,816</u>	<u>2,609</u>	<u>2,328</u>
Total current borrowings	<u>3,336</u>	<u>2,816</u>	<u>2,609</u>	<u>2,328</u>
Non-Current				
Lease liability	<u>3,934</u>	<u>5,030</u>	<u>2,433</u>	<u>3,602</u>
Total non-current borrowings	<u>3,934</u>	<u>5,030</u>	<u>2,433</u>	<u>3,602</u>
Total Borrowings	<u>7,270</u>	<u>7,846</u>	<u>5,042</u>	<u>5,930</u>
Unrestricted access was available at reporting date to the following lines of credit:				
Loan facilities				
Total facilities	<u>80,000</u>	<u>-</u>	<u>80,000</u>	<u>-</u>
Used at balance date	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Unused at balance date	<u>80,000</u>	<u>-</u>	<u>80,000</u>	<u>-</u>
Credit card facilities				
Total facilities	<u>10,220</u>	<u>10,100</u>	<u>10,000</u>	<u>10,000</u>
Used at balance date	<u>(1,418)</u>	<u>(1,129)</u>	<u>(1,342)</u>	<u>(1,089)</u>
Unused at balance date	<u>8,802</u>	<u>8,971</u>	<u>8,658</u>	<u>8,911</u>
Bank overdraft facilities				
Total facilities	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>
Unused at balance date	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>

#1 In 2023 the University secured a revolving credit facility of \$80.0 million. As at 31 December 2023 the facility was unutilised.

Accounting Policy

Borrowings are initially recognised at fair value, net of transaction costs incurred and subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and 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 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 end of the reporting period and does not expect to settle the liability for at least 12 months after the end of the reporting period.

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17.1 UON as Lessee

Amounts recognised in the income statement	Consolidated		Parent	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Interest on lease liabilities	208	189	143	139
Variable lease payments not included in the measurement of leases	-	-	-	-
Expenses relating to short-term leases	146	-	-	-
Expenses relating to leases of low-value assets, excluding short term leases of low-value assets	4,395	4,088	4,369	4,074
	4,749	4,277	4,512	4,213

Maturity analysis - undiscounted contractual cash flows	Consolidated		Parent	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Less than one year	3,721	3,122	2,733	2,432
One to five years	4,522	5,720	2,523	3,679
More than five years	10	-	10	-
Total undiscounted contractual cash flows	8,253	8,842	5,266	6,111
Current	3,336	2,816	2,609	2,328
Non-current	3,934	5,030	2,433	3,602
Lease liabilities recognised in the statement of financial position	7,270	7,846	5,042	5,930

Accounting Policy**Lease liabilities – The Group as lessee**

Policy on assessment of whether a contract is, or contains, a lease is detailed in Note 14.

Lease liability

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

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

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

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

Right-of-use assets are presented within Note 14 and lease liabilities are presented as borrowings in Note 17.

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FOR THE YEAR ENDED 31 DECEMBER 2023

17.1. UON as Lessee (continued)

Accounting Policy (continued)

Nature of leasing activities

The Group's leasing activities include buildings, plant and equipment as well as motor vehicles.

Buildings – The Group leases buildings to support its operations. Lease terms vary between fixed and variable (on account of CPI) depending on the individual arrangements with landlords.

Plant and Equipment – The Group leases electronic equipment including computers and printers, typically with fixed lease payment terms.

Motor Vehicles – The Group leases motor vehicles to support its operations, typically with fixed lease payment terms.

Short-term leases and leases of low-value assets

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

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18. Provisions

		Consolidated		Parent	
		2023	2022	2023	2022
		\$'000	\$'000	\$'000	\$'000
Current provisions expected to be settled within 12 months					
Employee benefits					
Annual leave		25,532	23,564	24,822	22,828
Long service leave		14,112	14,054	14,059	13,952
Contract severance		2,062	2,237	2,062	2,237
Defined benefit obligation	31	2,274	2,137	2,274	2,137
Other employee provisions		940	283	940	283
Redundancy		4,289	1,324	4,289	1,285
		<u>49,209</u>	<u>43,599</u>	<u>48,446</u>	<u>42,722</u>
Current provisions expected to be settled after more than 12 months					
Employee benefits					
Annual leave		8,105	7,366	7,830	7,114
Long service leave		51,014	46,529	50,344	46,026
Employment on-costs provisions		-	-	-	-
		<u>59,119</u>	<u>53,895</u>	<u>58,174</u>	<u>53,140</u>
Total current provisions		<u>108,328</u>	<u>97,494</u>	<u>106,620</u>	<u>95,862</u>
Non-current provisions					
Employee benefits					
Long service leave		15,996	13,715	15,760	13,498
Provision for employee benefits		21,180	22,106	21,180	22,106
Defined benefit obligation		307,759	318,425	307,759	318,425
Total non-current provisions		<u>344,935</u>	<u>354,246</u>	<u>344,699</u>	<u>354,029</u>
Total provisions		<u>453,263</u>	<u>451,740</u>	<u>451,319</u>	<u>449,891</u>

Accounting Policy

Provisions for redundancies and legal claims 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.

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 not recognized for future operating losses

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate pre-tax 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*.

(i) Short-term obligations

Liabilities for short-term employee benefits including wages and salaries, non-monetary benefits and profit-sharing bonuses are measured at the amount expected to be paid when the liability is settled, if it is expected to be settled wholly before 12 months after the end of the reporting period and is recognised in other payables. Expenses for non-accumulating sick leave are recognised when the leave is taken and measured at the rates payable.

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18. Provisions (continued)**Accounting Policy (continued)****(ii) Other long-term obligations**

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

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.

(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 Group companies and the Group's legal or constructive obligation is limited to these contributions. The employees of the parent entity are all members of the defined contribution and defined benefit 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 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 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 at the earlier of the following dates:

- (a) when the plan amendment or curtailment occurs
- (b) when the entity recognises related restructuring costs or termination benefits.

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) 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 AASB137 that involves the payment of termination benefits. The expense and liability are recognised when the Group is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy.

Termination benefits are measured on initial recognition and subsequent changes are measured and recognised in accordance with the nature of the employee benefit. Benefits expected to be settled wholly within 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.

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19. Other Liabilities

	Consolidated		Parent	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Current				
Income received in advance	<u>37,618</u>	<u>23,156</u>	<u>37,293</u>	<u>22,947</u>
Total current other liabilities	<u>37,618</u>	<u>23,156</u>	<u>37,293</u>	<u>22,947</u>

20. Key Management Personnel Disclosures**(a) Names of Responsible Persons and Executive Officers**

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

Mr P.E. (Paul) Jeans – resigned 31/12/2023
 Professor Alex Zelinsky AO
 Ms Michelle McPherson
 Ms Julie Phillips
 Associate Professor Brendan Boyle
 Mr Kevin Young
 Professor Jennifer Martin
 Mr Shane James
 Professor Tania Sourdin – appointed 01/01/2023
 Mr Robert Kennedy AM – resigned 31/01/2023
 Mr Sean Gordon – resigned 14/08/2023
 Dr Stephanie Fahey – resigned 31/12/2023
 Ms Jann Gardner – resigned 31/12/2023
 Mr Lucas Dowling – resigned 31/12/2023
 Ms Jennifer Leslie
 Adjunct Professor Michael di Rienzo

(b) Other Key Management Personnel

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

Professor Alex Zelinsky AO
 Professor Mark Hoffman
 Professor Kent Anderson
 Professor Elizabeth Sullivan
 Mr David Toll
 Ms Dianne Allen
 Mr Martin Sainsbury
 Professor Zee Upton
 Mr Nathan Towney
 Professor Jennifer Milam
 Professor Mike Bowyer
 Professor Craig Simmons
 Professor Tania Sourdin – appointed 01/01/2023
 Mr Joel Palmer – appointed 02/05/2023
 Ms Paula Johnston – resigned 11/12/2023
 Professor John Fischetti – resigned 11/12/2023
 Mr Brian Jones – resigned 11/12/2023

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20. Key Management Personnel Disclosures (continued)**(c) Remuneration of Board Members and Executives**

	Consolidated		Parent	
	2023	2022	2023	2022
Remuneration of council members				
Nil to \$9,999	3	4	3	4
\$10,000 to \$19,999	6	7	6	7
\$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
\$150,000 to \$159,999	1	-	1	-
\$200,000 to \$209,999	-	1	-	1
\$210,000 to \$219,999	1	-	1	-
\$260,000 to \$269,999	-	1	-	1
\$270,000 to \$279,999	1	-	1	-
\$340,000 to \$349,000	1	-	1	-
\$930,000 to \$939,000	-	1	-	1
\$970,000 to \$979,999	1	-	1	-
	16	17	16	17
Remuneration of executive officers				
\$40,000 to \$49,000	-	1	-	1
\$60,000 to \$69,999	-	1	-	1
\$210,000 to \$219,999	1	-	1	-
\$220,000 to \$229,999	-	1	-	1
\$240,000 to \$249,999	-	1	-	1
\$250,000 to \$259,999	-	1	-	1
\$260,000 to \$269,999	-	1	-	1
\$270,000 to \$279,999	1	-	1	-
\$280,000 to \$289,999	1	-	1	-
\$300,000 to \$309,999	-	2	-	2
\$320,000 to \$329,999	2	-	2	-
\$340,000 to \$349,999	1	-	1	-
\$350,000 to \$359,999	-	1	-	1
\$380,000 to \$389,999	1	1	1	1
\$390,000 to \$399,999	-	1	-	1
\$400,000 to \$409,999	1	-	1	-
\$420,000 to \$429,999	1	1	1	1
\$440,000 to \$449,999	-	1	-	1
\$450,000 to \$459,999	1	-	1	-
\$460,000 to \$469,999	1	-	1	-
\$470,000 to \$479,999	1	-	1	-
\$500,000 to \$509,999	-	3	-	3
\$530,000 to \$539,999	2	-	2	-
\$540,000 to \$549,999	1	-	1	-
\$630,000 to \$639,999	-	1	-	1
\$670,000 to \$679,999	1	-	1	-
\$930,000 to \$939,999	-	1	-	1
\$970,000 to \$979,999	1	-	1	-
	17	18	17	18

Remuneration bands for the Vice-Chancellor and President of Academic Senate appear in both tables in Note 20(c) as these positions are members of both Council and Executive Committee.

(d) Key Management Personnel Compensation

	Consolidated		Parent	
Short-term employee benefits	7,333	6,622	7,333	6,622
Post-employment benefits	1,108	999	1,108	999
Termination benefits	45	2	45	2
Total key management personnel compensation	8,486	7,623	8,486	7,623

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21. Remuneration of Auditors

	Consolidated		Parent	
	2023	2022	2023	2022
	\$	\$	\$	\$
Audit the Financial Statements				
Audit Office of NSW	499,150	481,150	348,500	307,000
BDO Singapore	17,934	17,579	-	-
Total paid for audit	517,084	498,729	348,500	307,000

During the year the following fees were paid for services provided by the auditors of the Parent Entity, its related practices and non-related audit firms:

	Consolidated		Parent	
	2023	2022	2023	2022
	\$	\$	\$	\$
Other services				
Bishop Collins	-	20,000	-	20,000
Bentleys MRI	1,835	6,445	1,835	6,445
Ernst and Young	665,343	208,285	665,343	208,285
PWC	-	34,680	-	34,680
Pitcher Partners	-	10,500	-	10,500
Total paid for other services	667,178	279,910	667,178	279,910

Ernst & Young and PWC audit costs relate to internal audit services provided.

Bentleys MRI and Bishop Collins provide audit services for funding acquittals.

Pitcher Partners completed audit of the Higher Education Research Data Collection (HERDC) return.

22. 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 cash and cash equivalents and 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 trade and other payables is also expected to approximate fair value.

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

	Note	Carrying Amount		Fair Value	
		2023	2022	2023	2022
		\$'000	\$'000	\$'000	\$'000
Consolidated					
Other financial assets at fair value through other comprehensive income	13	763	1,071	763	1,071
Other financial assets at fair value through profit or loss	13	499,871	442,063	499,871	442,063
Other financial assets at amortised costs	13	112,567	127,300	112,567	127,300
Total		613,201	570,434	613,201	570,434

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

- financial assets at fair value through profit or loss

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22. Fair Value Measurement (continued)

For additional information regarding the non-current borrowings refer to Note 17. Borrowings

(b) Fair Value Hierarchy

The Group categorises assets and liabilities measured at fair value 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).

(i) Recognised fair value measurements

Fair value measurements recognised in the statement of financial position are categorised into the following levels at 31 December 2023.

Fair value measurements at 31 December 2023

Consolidated	Note	2023 \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Recurring fair value measurements					
Financial assets					
Other financial asset at fair value through other comprehensive income	13	763	-	763	-
Other financial assets at fair value through profit and loss	13	499,871	-	414,120	85,751
Other financial assets at amortised costs	13	112,567	-	112,567	-
Total financial assets		613,201	-	613,201	-
Non-financial assets					
Land and buildings					
Land	14	88,425	-	88,425	-
Buildings	14	957,549	-	1,104	956,445
Infrastructure	14	105,877	-	-	105,877
Total non-financial assets		1,151,851	-	89,529	1,062,322

Fair value measurements at 31 December 2022

Consolidated	Note	2022 \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Recurring fair value measurements					
Financial assets					
Other financial assets at fair value through other comprehensive income	13	1,071	-	1,071	-
Other financial assets at fair value through profit and loss	13	442,063	-	442,063	-
Other financial assets at amortised costs	13	127,300	-	127,300	-
Total financial assets		570,434	-	570,434	-
Non-financial assets					
Land and buildings					
Land	14	86,640	-	86,639	1
Buildings	14	923,998	-	1,802	922,196
Infrastructure	14	98,279	-	-	98,279
Total non-financial assets		1,108,917	-	88,441	1,020,476

There were no transfers between levels 1 and 2 for recurring fair value measurements during the year.

There were no transfers between levels 2 and 3 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.

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22. Fair Value Measurement (continued)

(c) Valuation Techniques Used to Derive Level 2 and Level 3 Fair Values

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 rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

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

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

All of the resulting fair value estimates are included in level 2 except for buildings and infrastructure which are explained below.

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

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

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

All resulting fair value estimates for properties are included in level 3 except for vacant land, while buildings are split between both level 2 and level 3.

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22. Fair Value Measurement (continued)**(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 2023 and 2022.

Consolidated

Level 3 Fair Value Measurement 2023	Other financial assets through profit and loss	Infrastructure	Buildings	
	\$'000	\$'000	\$'000	
Opening balance	-	98,279	922,196	1,02
Additions	-	-	462	
Disposals	-	(27)	-	
Transfers	-	6,920	19,904	2
Depreciation	-	(5,142)	(31,620)	(36)
Revaluation	-	5,847	45,497	5
Effect on foreign currency translation	-	-	6	
Closing balance	-	105,877	956,445	1,06

Consolidated

Level 3 Fair Value Measurement 2022	Other financial assets through profit and loss	Infrastructure	Buildings	
	\$'000	\$'000	\$'000	
Opening balance	-	94,888	893,161	98
Additions	2,569	12	774	
Disposals	-	-	(295)	
Transfers	83,770	5,619	31,171	3
Depreciation	-	(4,753)	(29,316)	(34)
Transfers to level 2	-	-	(688)	
Revaluation	(588)	3,215	27,363	3
Impairment	-	(702)	-	
Effect on foreign currency translation	-	-	26	
Closing balance	85,751	98,279	922,196	1,02

(e) 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 2023	Unobservable inputs*	Range of inputs (probability weighted average)	Relationship of unobservable inputs to fair value
Buildings	956,445	Remaining useful life	+/- 5%	Increase term of useful life by 5% would increase fair value by \$47.8 million. Decrease term of useful life by 5% would decrease fair value by \$47.8 million
Infrastructure	105,877	Remaining useful life	+/- 5%	Increase term of useful life by 5% would increase fair value by \$5.3 million. Decrease term of useful life by 5% would decrease fair value by \$5.3 million

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

Accounting Policy**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

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22. Fair Value Measurement (continued)

(e) Valuation Inputs and Relationships to Fair Value (continued)

Accounting Policy (continued)

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

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.

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23. Interests in Other Entities**(a) Subsidiaries**

The Group's principal subsidiaries as at 31 December 2023 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	
		2023 %	2022 %
The University of Newcastle Research Associates Ltd	Australia	100.00	100.00
NUServices Pty Ltd	Australia	100.00	100.00
Newcastle University Sport (NUsport)	Australia	100.00	100.00
Newcastle Australia Institute of Higher Education	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 \$5.4 million(2022: \$4.5 million).

(b) Interests in associates

Set out below are the associates of the Group as at 31 December 2023. 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	
			2023	2022	2023	2022
			%	%	\$'000	\$'000
Hunter Medical Research Institute	Australia	Equity Method	25.00	25.00	-	-
ResTech	Australia	Equity Method	30.00	30.00	198	267

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 31 December reporting period.

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 2023.

(c) Interests in joint ventures

Set out below are the joint ventures of the Group as at 31 December 2023. 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	
			2023	2022	2023	2022
			%	%	\$'000	\$'000
NUW Alliance Co Pty Ltd	Australia	Equity Method	25.00	25.00	-	-
NSWCo Pty Ltd	Australia	Equity Method	25.00	-	-	-

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24. Related Parties**(a) Parent entity**

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

(b) Subsidiaries

Interests in subsidiaries are set out in Note 23.

(c) Key Management Personnel

Disclosures relating to Council members and executive officers are set out in Note 20.

(d) Transactions with Related Parties

The following transactions occurred with related parties:

	Consolidated		Parent	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
i) Subsidiaries				
Sale of goods and services				
Service fees	-	-	3,172	2,821
Consultancy, consumables and others	-	-	1,521	1,882
Other revenue	-	-	213	161
Other transactions				
Interest income	-	-	-	4
Purchase of goods				
Other expenses	-	-	2,345	1,276
Other transactions				
Interest expense	-	-	19	84
Financial assistance provided	-	-	195	-
ii) Associates				
Sale of goods and services				
Consultancy and contracts	11,277	12,304	11,277	12,304
Other revenue	426	797	426	797
Purchase of goods				
Other expenses	7,641	6,694	7,641	6,694
Other transactions				
Interest income	-	-	-	-
iii) Joint Ventures				
Other transactions				
Contributions	195	195	195	195

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24. Related Parties (continued)**(e) Outstanding Balances**

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

	Consolidated		Parent	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Current receivables (sale of goods and services)				
Subsidiaries	-	-	2,048	246
Associates	197	307	197	307
Current receivables (Investments held)				
Subsidiaries	-	-	-	-
Total current receivables	197	307	2,245	553
Current payables (purchase of goods and services)				
Subsidiaries	-	-	382	1,126
Associates	29	118	29	118
Current payables (other transactions)				
Subsidiaries	-	-	-	-
Total current payables	226	425	2,656	1,797
Non-current payables (other transactions)				
Subsidiaries	-	-	4,376	4,039
Total non-current payables			4,376	4,039

No provisions for impairment 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.

(g) Terms and Conditions of Outstanding Balances

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

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25. Contingencies**Contingent liabilities****(i) Bank Guarantee**

The Group has a \$1.8 million bank guarantee facility in place, predominantly being security for a rental bond which expires on 31 May 2027 (2022: \$2.7 million).

(ii) Support of NUservices Pty Ltd

The University continues to provide commitment to provide financial support to NUservices Pty Ltd in 2024 to ensure that the company has sufficient cash to pay all financial obligations as and when they fall due. The current commitment of support extends until 31 December 2024.

(iii) Combustible Cladding

In 2021 the University identified a number of buildings with combustible cladding installed. The University has continued to replace this cladding across the affected buildings in 2023 and is working with relevant Council's where required and due to this a contingent liability may exist but the costs for the required work cannot be determined.

Contingent assets

At 31 December 2023, the Group had \$0.1 million contingent assets related to a Loss Prevention & Recovery based Workers Compensation Insurance Policy with Employers Mutual Limited which in prior years has been a contingent liability. (2022: Nil).

Accounting Policy

A contingent liability is:

- (a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the Group; or
- (b) a present obligation that arises from past events but is not recognised because:
 - i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - ii) the amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

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26. Reconciliation of Net Result After Income Tax to Net Cash Provided by / (used in) Operating Activities

	Consolidated		Parent	
	2023	Restated 2022	2023	Restated 2022
	\$'000	\$'000	\$'000	\$'000
Net result for the period	(327)	(34,589)	(4,314)	(37,877)
Depreciation and amortisation	59,113	63,565	57,862	62,213
Impairment of assets (excl. trade receivables)	1,386	16,754	1,386	16,754
Net (gain) / loss on sale of property, plant and equipment	(321)	759	(321)	759
Net exchange differences	29	(167)	-	-
Net (gain) / loss disposal of other financial assets	-	9,939	-	9,893
Distributions reinvested	(9,055)	(19,110)	(9,055)	(19,110)
Fair value (gains) / losses on other financial assets at fair value through the income statement	(28,754)	40,430	(28,754)	40,250
Changes in assets and liabilities associated with operating activities				
(Increase) / Decrease in trade debtors	26,204	(2,444)	27,654	(1,918)
(Increase) / Decrease in other receivables	3,036	79,610	2,340	80,087
(Increase) / Decrease in related party receivables	-	-	(178)	69
(Increase) / Decrease in inventories	(41)	(11)	-	18
Increase / (decrease) in deferred tax asset	-	-	-	-
Increase / (Decrease) in trade creditors	(2,488)	(1,347)	(2,794)	(1,021)
Increase / (Decrease) in other operating liabilities	34,080	2,227	33,181	2,477
Increase / (Decrease) in provision for income taxes payable	27	131	-	-
Increase / (Decrease) in related party payables	-	-	(2,578)	5,209
Increase / (Decrease) in other provisions	1,523	(96,008)	1,428	(95,523)
Net cash provided by / (used in) operating activities	84,412	59,739	75,857	62,280

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27. Reserves and Retained Earnings**(a) Reserves**

	Consolidated		Parent	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Reserves				
Property, plant and equipment revaluation surplus	613,839	560,752	588,919	539,225
Foreign currency translation surplus	1,261	1,196	-	-
Defined benefit actuarial assumptions reserves	6,909	7,580	6,909	7,580
FVOCI reserve	753	1,061	754	1,062
Total reserve	622,762	570,589	596,582	547,867

Movements	Note	Consolidated		Parent	
		2023	2022	2023	2022
		\$'000	\$'000	\$'000	\$'000
Foreign currency translation surplus					
Balance 1 January		1,196	1,028	-	-
Currency translation differences arising during the year		65	168	-	-
Balance 31 December		1,261	1,196	-	-
Property, plant and equipment revaluation surplus					
Balance 1 January		560,752	530,626	539,225	509,099
Revaluation increment/(decrement)	14	53,238	34,558	49,847	34,558
Transfer to retained earnings		(151)	(4,432)	(153)	(4,432)
Balance 31 December		613,839	560,752	588,919	539,225
Defined benefit actuarial remeasurements					
Balance 1 January		7,580	4,927	7,580	4,927
Revaluation increment/(decrement)		(671)	2,653	(671)	2,653
Balance 31 December		6,909	7,580	6,909	7,580
FVOCI reserve					
Balance 1 January		1,061	1,043	1,062	1,044
Revaluation increment/(decrement)		(308)	18	(308)	18
Balance 31 December		753	1,061	754	1,062
Total reserves		622,762	570,589	596,582	547,867

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27. Reserves and Retained Earnings (continued)**(a) Reserves (continued)**

Movements in retained earnings were as follows:

	Consolidated		Parent	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Retained earnings at 1 January	1,072,254	1,102,411	1,052,744	1,086,189
Net result for the period	(327)	(34,589)	(4,314)	(37,877)
Transfer from reserves	151	4,432	153	4,432
Retained earnings at end of the financial year	1,072,078	1,072,254	1,048,583	1,052,744

(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 and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed.

Fair Value of Other Comprehensive Income (FVOCI) reserve: changes in the fair value and exchange differences arising on translation of investments, such as equities, classified as fair value through other comprehensive income, are recognised in other comprehensive income and accumulated in a separate reserve within equity.

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

Defined benefit actuarial remeasurements: actuarial remeasurements arising on valuation of the pension are recognised in other comprehensive income and accumulated in a separate reserve within equity.

28. 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.

29. 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 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 conducted by Mercer, the Group's investment manager, under policies approved by the University Council. Mercer 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 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.

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29. Financial Risk Management (continued)**(a) Market Risk (continued)**

Management has set up a policy requiring the University of Newcastle and Group companies to manage their foreign exchange risk against their functional currency.

The University of Newcastle and Group's treasury 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 financial assets 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 other financial assets, the Group diversifies its portfolio. Diversification of the portfolio is in accordance with the limits set by the Group.

(iii) Cash Flow and Fair Value Interest Rate Risk

At 31 December 2023, the Group has no long-term borrowings, it is only subject to cash flow and interest rate risk on its 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.

31 December 2023	Carrying Amount \$'000	Interest Rate Risk				Foreign Exchange Risk				Other Price Risk			
		-3%		+3%		-15%		+15%		-20%		+20%	
		Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000
Financial Assets													
Cash and Cash Equivalents - at bank	59,632	(1,789)	(1,789)	1,789	1,789	(728)	(728)	728	728	-	-	-	-
Receivables	373,661	-	-	-	-	-	-	-	-	-	-	-	-
Financial assets	613,201	-	-	-	-	-	-	-	-	(122,640)	(122,640)	122,640	122,640
Financial Liabilities													
Payables	194,171	-	-	-	-	(250)	(250)	250	250	-	-	-	-
Total increase / (decrease)		(1,789)	(1,789)	1,789	1,789	(978)	(978)	978	978	(122,640)	(122,640)	122,640	122,640

31 December 2022	Restated Carrying Amount \$'000	Interest Rate Risk				Foreign Exchange Risk				Other Price Risk			
		-3%		+3%		-15%		+15%		-20%		+20%	
		Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000
Financial Assets													
Cash and Cash Equivalents - at bank	46,262	(1,388)	(1,388)	1,388	1,388	(613)	(613)	613	613	-	-	-	-
Receivables	402,901	-	-	-	-	-	-	-	-	-	-	-	-
Financial assets	567,495	-	-	-	-	-	-	-	-	(113,499)	(113,499)	113,499	113,499
Financial Liabilities													
Payables	171,167	-	-	-	-	(280)	(280)	280	280	-	-	-	-
Total increase / (decrease)		(1,388)	(1,388)	1,388	1,388	(893)	(893)	893	893	(113,499)	(113,499)	113,499	113,499

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29. Financial Risk Management (continued)**(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, the Group maintains a credit risk framework and sets credit exposure limits based on external credit ratings to manage credit risk. 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, generally on or prior to census date, mitigating credit risk, unless otherwise arranged on a case-by-case basis.

The carrying amount of financial assets (as contained in the table in subnote 22(a)) represents the Group's maximum exposure to credit risk.

Receivables

Credit risk is managed at group level subject to the Group's established policy, procedures and controls relating to credit risk management. Credit quality of a customer is assessed based on individual credit limits. Outstanding receivables are regularly monitored.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region, product type, customer type and rating). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written-off if past due for more than one year and enforcement activity is not considered economically feasible. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in the notes above.

The Group evaluates the concentration of risk with respect to trade receivables as low. Set out below is the information about the credit risk exposure on the Group's receivables using an expected credit loss matrix:

31 December 2023	Trade receivables						
	Days past due						
	Current	< 30 days	30-60 days	61-90 days	91-120 days	>120 days	Total
	\$	\$	\$	\$	\$	\$	\$
UON - General Debtors							
Expected credit loss rate	0.01%	0.04%	0.13%	0.29%	0.40%	66.90%	
Cross carrying amount - trade receivables	3,954,528	2,481,517	1,137,376	529,661	1,250,625	127,805	9,481,513
Loss allowance	544	1,003	1,475	1,539	4,979	127,272	136,813
UON - Student Debtors							
Expected credit loss rate	0.56%	5.80%	8.79%	13.72%	30.92%	-	
Cross carrying amount - trade receivables	826,014	101,455	87,794	547,223	1,561,045	-	3,123,531
Loss allowance	4,605	5,881	7,719	75,063	940,840	-	1,034,108
TUNRA - Trade Debtors							
Expected credit loss rate	0.23%	1.26%	1.68%	3.11%	3.34%	-	
Cross carrying amount - trade receivables	810,454	207,440	85,219	38,088	37,716	-	1,178,917
Loss allowance	1,889	2,612	1,435	1,183	26,149	-	33,268
Total loss allowance							<u>1,204,188</u>

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29. Financial Risk Management (continued)**(b) Credit Risk (continued)**

31 December 2022	Trade receivables Days past due						Total \$
	Current \$	< 30 days \$	30-60 days \$	61-90 days \$	91-120 days \$	>120 days \$	
UON - General Debtors							
Expected credit loss rate	0.07%	0.18%	0.39%	0.63%	0.85%	65.36%	
Cross carrying amount - trade receivables	2,579,134	3,576,846	3,253,525	672,327	222,877	532,296	10,837,005
Loss allowance	1,856	6,547	12,800	4,236	1,905	347,899	375,243
UON - Student Debtors							
Expected credit loss rate	0.31%	2.55%	6.03%	11.79%	60.93%	-	
Cross carrying amount - trade receivables	3,858,733	97,731	137,424	490,443	955,840	-	5,540,171
Loss allowance	11,816	2,497	8,291	57,847	582,424	-	662,875
TUNRA - Trade Debtors							
Expected credit loss rate	0.70%	1.39%	5.91%	-	19.60%	100.00%	
Cross carrying amount - trade receivables	627,211	26,200	17,243	-	13,860	7,420	691,934
Loss allowance	4,368	364	1,020	-	2,717	7,420	15,889
Total loss allowance							<u>1,054,007</u>

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Group in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Council on an annual basis and may be updated throughout the year subject to approval of the Group's Finance Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments.

(c) Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through adequate credit facilities to meet obligations when they fall due. At the end of the reporting period the Group held cash of \$59.6 million (2022: \$46.3 million) and had available facilities of \$90.0 million (2022: \$10.0 million) to manage liquidity risk. Management regularly monitors rolling forecasts of the Group's liquidity reserve and cash and cash equivalents on the basis of expected cash flows.

For details of the Group's financing arrangements unused at balance date refer to Note 17.

The Group's financial liabilities are trade and other payables which were \$194.2 million at year end (2022: \$171.2 million). All liabilities are non-interest bearing and have a maturity date of less than 12 months.

30. Commitments**Capital Commitments**

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

	Consolidated		Parent	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Property, plant and equipment				
Within one year	<u>73,814</u>	<u>15,123</u>	<u>73,814</u>	<u>15,123</u>
Total property, plant and equipment	<u>73,814</u>	<u>15,123</u>	<u>73,814</u>	<u>15,123</u>

THE UNIVERSITY OF NEWCASTLE

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FOR THE YEAR ENDED 31 DECEMBER 2023

31. 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 University expects to make a contribution of \$0.0 million (2022: \$0.0 million) to the defined benefit plan during the next financial year.

The weighted average duration of the defined benefit obligation is 8.4 years (2022: 8.6 years). The expected maturity analysis of undiscounted benefit payments is as follows:

	Less than 1 year \$'000	Between 1 and 2 years \$'000	Between 2 and 5 years \$'000	Over 5 years \$'000	Total \$'000
Defined benefit obligations - 31 December 2023	25,281	24,479	69,005	277,316	396,081
Defined benefit obligations - 31 December 2022	25,394	24,578	69,176	271,873	391,021
Pension benefit obligations - 31 December 2023	2,234	2,192	5,957	16,239	26,622
Pension benefit obligations - 31 December 2022	2,113	2,191	6,011	17,954	28,269

(b) Categories of Plan Assets

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

	2023 %	2022 %
	Active Market	Active Market
Australian equities	14.34	19.22
International equities	37.16	38.02
Australian fixed interest	0.28	0.26
International fixed interest	3.03	3.88
Property	7.85	2.26
Short-term securities	12.21	13.69
Alternatives	25.13	22.67
Total	100.00	100.00

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

	2023 %	2022 %
Discount rate(s)	4.00	4.09
Expected rate(s) of CPI increase	6.60	7.00
Expected rate(s) of salary increase	5.74	3.19

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

31. Defined Benefit Plans (continued)**(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	0.50%	Increase by 4.30%	Decrease by 4.00%
Salary growth rate	0.50%	Increase by 0.07%	Decrease by 0.07%
CPI increase	0.50%	Increase by 4.61%	Decrease by 4.31%

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.

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

31. Defined Benefit Plans (continued)**(d) Statement of Financial Position Amounts**

Amounts recognised in the statement of financial position - 2023	\$'000	\$'000	\$'000	\$'000	\$'000
	Pension	SANCS	SSS	SASS	Total
Liabilities					
Provision for deferred government benefits for superannuation	-	(2,364)	299,939	10,184	307,759
Provision for pension entitlements	19,969	-	-	-	19,969
add: On-costs on pension entitlements	3,485	-	-	-	3,485
Total liabilities recognised in the statement of financial position	23,454	(2,364)	299,939	10,184	331,213
Assets					
Receivable for deferred government benefit for superannuation	-	(2,364)	299,939	10,184	307,759
Total assets recognised in the statement of financial position	-	(2,364)	299,939	10,184	307,759
Net liability recognised in the statement of financial position	23,454	-	-	-	23,454
Net liability reconciliation - 2023	\$'000	\$'000	\$'000	\$'000	\$'000
	Pension	SANCS	SSS	SASS	Total
Defined benefit obligation	19,969	1,306	323,284	15,554	360,113
Fair value of plan assets	-	(3,670)	(23,345)	(5,370)	(32,385)
Net liability	19,969	(2,364)	299,939	10,184	327,728
Present value of obligation - 2023	\$'000	\$'000	\$'000	\$'000	\$'000
	Pension	SANCS	SSS	SASS	Total
Opening defined benefit obligation	20,729	1,987	328,927	19,756	371,399
Current service cost	-	71	-	79	150
Interest expense	809	71	12,999	743	14,622
	21,538	2,129	341,926	20,578	386,171
Remeasurements					
Actuarial losses / (gains) arising from changes in financial assumptions	671	62	7,280	326	8,339
Experience (gains) / losses	-	(545)	(2,773)	(1,017)	(4,335)
	671	(483)	4,507	(691)	4,004
Contributions from plan participants	-	-	10	148	157
Payments from plan					
Benefits paid	(2,240)	(362)	(21,891)	(4,459)	(28,952)
Taxes, premiums and expenses paid	-	21	(1,268)	(22)	(1,269)
	(2,240)	(341)	(23,159)	(4,481)	(30,221)
Closing defined benefit obligation	19,969	1,305	323,284	15,554	360,111

THE UNIVERSITY OF NEWCASTLE

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FOR THE YEAR ENDED 31 DECEMBER 2023

31. Defined Benefit Plans (continued)**(d) Statement of Financial Position Amounts (continued)**

	\$'000	\$'000	\$'000	\$'000	\$'000
	Pension	SANCS	SSS	SASS	Total
Present value of plan assets - 2023					
Opening fair value of plan assets	-	3,454	19,938	8,853	32,245
Interest (income)	-	141	890	302	1,333
	-	3,595	20,828	9,155	33,578
Remeasurements					
Return on plan assets, excluding amounts included in net interest expense	-	(27)	(199)	315	89
Contributions					
Employers	-	443	25,865	233	26,541
Plan participants	-	-	10	148	158
	-	443	25,875	381	26,699
Payments from plan					
Benefits paid	-	(362)	(21,891)	(4,459)	(26,712)
Taxes, premiums and expenses paid	-	21	(1,268)	(22)	(1,269)
	-	(341)	(23,159)	(4,481)	(27,981)
Closing defined benefit obligation	-	3,670	23,345	5,370	32,385

	\$'000	\$'000	\$'000	\$'000	\$'000
	Pension	SANCS	SSS	SASS	Total
Amounts recognised in the statement of financial position - 2022					
Liabilities					
Provision for deferred government benefits for superannuation	-	(1,467)	308,989	10,903	318,425
Provision for pension entitlements	20,729	-	-	-	20,729
Add: On-costs on pension entitlements	3,514	-	-	-	3,514
Total liabilities recognised in the statement of financial position	24,243	(1,467)	308,989	10,903	342,668
Assets					
Receivable for deferred government benefit for superannuation	-	(1,467)	308,989	10,903	318,425
Total assets recognised in the statement of financial position	-	(1,467)	308,989	10,903	318,425
Net liability recognised in the statement of financial position	24,243	-	-	-	24,243

	\$'000	\$'000	\$'000	\$'000	\$'000
	Pension	SANCS	SSS	SASS	Total
Net liability reconciliation - 2022					
Defined benefit obligation	20,729	1,987	328,927	19,756	371,399
Fair value of plan assets	-	(3,454)	(19,938)	(8,853)	(32,245)
Net liability	20,729	(1,467)	308,989	10,903	339,154

THE UNIVERSITY OF NEWCASTLE

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FOR THE YEAR ENDED 31 DECEMBER 2023

31. Defined Benefit Plans (continued)**(d) Statement of Financial Position Amounts (continued)**

	\$'000	\$'000	\$'000	\$'000	\$'000
	Pension	SANCS	SSS	SASS	Total
Present value of obligation - 2022					
Opening defined benefit obligation	25,061	2,851	401,930	26,635	456,477
Current service cost	-	95	-	145	240
Interest expense	437	42	6,540	409	7,428
	25,498	2,988	408,470	27,189	464,145
Remeasurements					
Actuarial losses / (gains) arising from changes in financial assumptions	(2,653)	(202)	(63,972)	(1,384)	(68,211)
Experience (gains) / losses	-	(192)	10,278	(1,427)	8,659
	(2,653)	(394)	(53,694)	(2,811)	(59,552)
Contributions from plan participants	-	-	20	180	200
Payments from plan					
Benefits paid	(2,116)	(639)	(22,307)	(4,745)	(29,807)
Taxes, premiums and expenses paid	-	32	(3,562)	(57)	(3,587)
	(2,116)	(607)	(25,869)	(4,802)	(33,394)
Closing defined benefit obligation	20,729	1,987	328,927	19,756	371,399

	\$'000	\$'000	\$'000	\$'000	\$'000
	Pension	SANCS	SSS	SASS	Total
Present value of plan assets - 2022					
Opening fair value of plan assets	-	3,457	21,203	13,344	38,004
Interest (income)	-	57	349	188	594
	-	3,514	21,552	13,532	38,598
Remeasurements					
Return on plan assets, excluding amounts included in net interest expense	-	(17)	(147)	(361)	(525)
Contributions					
Employers	-	564	24,382	305	25,251
Plan participants	-	-	20	180	200
	-	564	24,402	485	25,451
Payments from plan					
Benefits paid	-	(639)	(22,307)	(4,745)	(27,691)
Taxes, premiums and expenses paid	-	32	(3,562)	(57)	(3,587)
	-	(607)	(25,869)	(4,802)	(31,278)
Closing defined benefit obligation	-	3,454	19,938	8,854	32,246

THE UNIVERSITY OF NEWCASTLE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

31. Defined Benefit Plans (continued)**(e) Amounts Recognised in Other Statements****Amounts recognised in the Income Statement - 2023**

The amounts recognised in the income statement are restricted to the pension scheme in accordance with the accounting policy detailed below. The amounts are included in the Income Statement.

		\$'000	\$'000	\$'000	\$'000	\$'000
	Note	Pension	SANCS	SSS	SASS	Total
Interest cost		809	-	-	-	809
Total expense recognised in the Income Statement	5	809	-	-	-	809

Amounts recognised in other comprehensive income - 2023

The amounts recognised in the statement of comprehensive income are restricted to the pension scheme in accordance with the accounting policy detailed below. The amounts are included in reserves (Note 20).

		\$'000	\$'000	\$'000	\$'000	\$'000
	Note	Pension	SANCS	SSS	SASS	Total
Remeasurements						
Actuarial losses / (gains) arising from changes in financial assumptions		671	-	-	-	671
Total amounts recognised in the Statement of Comprehensive Income		671	-	-	-	671

Amounts recognised in the Income Statement - 2022

The amounts recognised in the income statement are restricted to the pension scheme in accordance with the accounting policy detailed below. The amounts are included in the Income Statement.

		\$'000	\$'000	\$'000	\$'000	\$'000
	Note	Pension	SANCS	SSS	SASS	Total
Interest cost		437	-	-	-	437
Total expense recognised in the Income Statement	5	437	-	-	-	437

Amounts recognised in other comprehensive income - 2022

The amounts recognised in the statement of comprehensive income are restricted to the pension scheme in accordance with the accounting policy detailed below. The amounts are included in reserves (Note 20).

		\$'000	\$'000	\$'000	\$'000	\$'000
	Note	Pension	SANCS	SSS	SASS	Total
Remeasurements						
Actuarial losses (gains) arising from changes in financial assumptions		(2,653)	-	-	-	(2,653)
Total amounts recognised in the Statement of Comprehensive Income		(2,653)	-	-	-	(2,653)

Accounting Policy**Retirement benefit obligations**

All employees of the University are entitled to benefits on retirement, disability or death from the University's superannuation plan. The University 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 University companies and the University's legal or constructive obligation is limited to these contributions. The employees of the parent entity are all members of the defined contribution section of the University'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 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.

THE UNIVERSITY OF NEWCASTLE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

31. Defined Benefit Plans (continued)

Accounting Policy (continued)

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 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 University's superannuation fund and other independent defined contribution superannuation funds are recognised as an expense as they become payable.

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 (Education), the effects of the unfunded superannuation liabilities of the University 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 University'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.

THE UNIVERSITY OF NEWCASTLE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

32. Acquittal of Australian Government Financial Assistance**(a) Education - CGS and Other Education Grants**

	Note	Commonwealth Grants Scheme ^{#1}		Indigenous Student Success ^{#2}		Indigenous, Regional and Low-SES Attainment Fund ^{#3}		National Priorities and Industry Linkage Fund	
		2023	2022	2023	2022	2023	2022	2023	2022
Parent Entity (University) Only		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the program)		239,396	236,031	3,925	3,735	11,461	11,068	7,310	7,063
Net adjustments		(343)	2,730	-	-	(1,694)	(1,293)	-	-
Revenue and income for the period	3.1(a)	239,053	238,761	3,925	3,735	9,767	9,775	7,310	7,063
Surplus / (deficit) from the previous year		-	-	315	527	1,281	193	-	-
Total revenue and income including accrued revenue		239,053	238,761	4,240	4,262	11,048	9,968	7,310	7,063
Less expenses including accrued expenses		(239,053)	(238,761)	(3,991)	(3,947)	(10,428)	(8,687)	(7,310)	(7,063)
Surplus / (deficit) for reporting period		-	-	249	315	620	1,281	(0)	-

	Note	Promotion of Excellence in Learning and Teaching		Higher Education Disability Support Program ^{#4}		Other		Total	
		2023	2022	2023	2022	2023	2022	2023	2022
Parent Entity (University) Only		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the program)		-	-	324	256	2,535	1,951	264,951	260,104
Net adjustments		-	-	-	-	-	-	(2,037)	1,437
Revenue and income for the period	3.1(a)	-	-	324	256	2,535	1,951	262,914	261,541
Surplus / (deficit) from the previous year		1	1	95	-	-	-	1,692	721
Total revenue and income including accrued revenue		1	1	419	256	2,535	1,951	264,606	262,262
Less expenses including accrued expenses		-	-	(336)	(161)	(2,535)	(1,951)	(263,653)	(260,570)
Surplus / (deficit) for reporting period		1	1	83	95	-	-	953	1,692

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

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

#3 Includes the Higher Education Participation and Partnership Program, regional loading and enabling loading.

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

THE UNIVERSITY OF NEWCASTLE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

32. Acquittal of Australian Government Financial Assistance (continued)**(b) Higher Education Loan Programs (excl OS-HELP)**

	Note	HECS-HELP (Australian Government Payments Only)		FEE- HELP		SA-HELP		Total	
		2023	2022	2023	2022	2023	2022	2023	2022
Parent Entity (University) Only		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash payable / (receivable) at the beginning of year		(236)	(992)	111	(137)	241	351	116	(778)
Financial assistance received in cash during the reporting period		132,898	132,279	18,054	18,964	4,552	4,886	155,504	156,129
Cash available for period		132,662	131,287	18,165	18,827	4,793	5,237	155,620	155,351
Revenue earned	3.1(b)	130,680	131,523	17,905	18,716	4,829	4,996	153,414	155,235
Cash payable / (receivable) at the end of year		1,982	(236)	260	111	(36)	241	2,206	116

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

(c) Department of Education Research

	Note	Research Training Program		Research Support Program		Total	
		2023	2022	2023	2022	2023	2022
Parent Entity (University) Only		\$'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)		30,662	27,539	24,288	23,709	54,950	51,248
Revenue for the period	3.1(c)	30,662	27,539	24,288	23,709	54,950	51,248
Surplus / (deficit) from the previous year		12,066	7,409	1,641	-	13,706	7,409
Total revenue including accrued revenue		42,728	34,948	25,929	23,709	68,656	58,657
Less expenses including accrued expenses		(25,630)	(22,882)	(25,929)	(22,068)	(51,559)	(44,951)
Surplus / (deficit) for reporting period		17,098	12,066	-	1,641	17,097	13,706

(d) Total Higher Education Provider Research Training Program Expenditure^{#5}

	Total Domestic Students	Total Overseas Students
Training Program Expenditure	\$'000	\$'000
Research Training Program Fee Offsets	12,211	2,577
Research Training Program Stipends	8,262	113
Research Training Program Allowances	1,267	1,200
Total for all types of support^{#6}	21,740	3,890

^{#5} Please refer to the Commonwealth Scholarship Guidelines for expenditure definitions for the Research Training Program.

^{#6} The total for all types of support for domestic and overseas students is expected to match the Research Training Program expenses, including accrued expenses of \$25.6 million (Note 32(c)) in respect to the 2023 year.

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

32. Acquittal of Australian Government Financial Assistance (continued)**(e) Other Capital Funding**

	Note	Other Capital Funding		Total	
		2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Parent Entity (University) Only					
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the program)		866	410	866	410
Net adjustment		(377)	(390)	(377)	(390)
Revenue for the period	3.1(d)	489	20	489	20
Surplus / (deficit) from the previous year		-	27	-	27
Total funding available during the year		489	47	489	47
Less expenses including accrued expenses		(489)	(47)	(489)	(47)
Cash surplus / (deficit) for the reporting period		-	-	-	-

(f) Australian Research Council Grants

	Note	Discovery		Linkages ^{#7}		Networks and Centres		Special Research Initiatives	
		2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Parent Entity (University) Only									
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the program)		6,034	6,618	2,375	1,832	5,411	5,228	-	-
Net adjustment		173	(335)	(646)	(979)	(4,002)	(3,911)	434	600
Revenue for the period	3.1(e)	6,207	6,283	1,729	853	1,409	1,317	434	600
Total revenue including accrued revenue		6,207	6,283	1,729	853	1,409	1,317	434	600
Less expenses including accrued expenses		(6,207)	(6,283)	(1,729)	(853)	(1,409)	(1,317)	(434)	(600)
Surplus / (deficit) for reporting period		-	-	-	-	-	-	-	-

Australian Research Council Grants

		Total	
		2023 \$'000	2022 \$'000
Financial assistance received in cash during the reporting period		13,820	13,678
Net accrual adjustment		(4,041)	(4,625)
Revenue for the period	3.1(e)	9,779	9,053
Surplus / (deficit) from the previous year			
Total revenue including accrued revenue		9,779	9,053
Less expenses including accrued expenses		(9,779)	(9,053)
Surplus / (deficit) for reporting period		-	-

#7 ARC Linkage Infrastructure, Equipment and Facilities grants should be reported in (32e) Other Capital Funding.

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

32. Acquittal of Australian Government Financial Assistance (continued)**(g) OS-Help**

		2023	2022
		\$'000	\$'000
Parent Entity (University) Only	Note		
Cash received during the reporting period		4,072	(7,276)
Cash spent during the reporting period		(3,781)	(1,968)
Net cash received		290	(9,243)
Cash surplus / (deficit) from the previous period		(840)	8,403
Cash surplus / (deficit) for the reporting period		(550)	(840)

(h) Higher Education Superannuation Program

		2023	2022
		\$'000	\$'000
Cash received during the reporting period (total cash received from the Australian Government only for the program)		20,304	19,018
University contribution in respect of current employees		-	-
Cash surplus / (deficit) from the previous period		-	-
Contributions to specified defined benefits funds		(20,304)	(19,018)
Cash surplus / (deficit) this period		-	-

(i) Student Services and Amenities Fee

		2023	2022
		\$'000	\$'000
Parent Entity (University) Only	Note		
Unspent / (overspent) revenue from previous period		2,933	2,631
SA-HELP revenue earned	3.1(b)	4,829	4,996
Student Services Fees direct from students	3.3	2,086	1,812
Total revenue expendable in period		9,848	9,439
Student Services expenses in period		(8,414)	(6,506)
Unspent / (overspent) Student Services revenue		1,434	2,933

THE UNIVERSITY OF NEWCASTLE

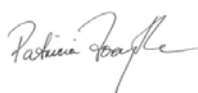
STATEMENT BY MEMBERS OF COUNCIL

FOR THE YEAR ENDED 31 DECEMBER 2023

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 7.6 (4) of the *Government Sector Finance Act 2018*, we state that to the best of our knowledge and belief:

- (a) The attached general purpose financial statements present fairly the financial position of the University of Newcastle and Group as at 31 December 2023, and the financial performance and cash flows for the year ended on that date.
- (b) The financial statements have been prepared in accordance with the provisions of the *Government Sector Finance Act 2018*, the *Government Sector Finance Regulation 2018* and the *Higher Education Support Act 2003* (Cwth) (Financial Statement Guidelines).
- (c) The financial statements have been prepared in accordance with the 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* (Cwth) 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.

On behalf of the Council of The University of Newcastle.



The Hon. Patricia Forsythe AM
Chancellor



Ms Michelle McPherson
Chair Finance Committee

Dated: 28 March 2024

THE UNIVERSITY OF NEWCASTLE

INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

**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 2023, the Statement of Financial Position as at 31 December 2023, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, notes to the financial statements, including a Summary of material accounting policy information, and other explanatory information of the University and the consolidated entity and the Statement by Members of Council. 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:

- have been prepared in accordance with Australian Accounting Standards and the applicable financial reporting requirements of the *Government Sector Finance Act 2018* (GSF Act) and the Government Sector Finance Regulation 2018
- presents fairly, the financial position, financial performance and cash flows of the University and the consolidated entity.

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 (including Independence Standards)' (APES 110).

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.

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

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

THE UNIVERSITY OF NEWCASTLE

INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements for the year ended 31 December 2023. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, I do not provide a separate opinion on these matters. I have determined the matters described below to be the key audit matters to be communicated in my report.

Key Audit Matter	How my audit addressed the matter
Fair value measurement property, plant and equipment	
As at 31 December 2023, the University reported \$1.3 billion in property, plant and equipment. In 2023, the University performed a desktop valuation and an annual impairment assessment of land, buildings and infrastructure using an independent valuer. The closing balance of property, plant and equipment included a revaluation increment of \$49.8 million. The last comprehensive valuation of land, buildings and infrastructure was performed during the year ended 31 December 2022. I considered this to be a key audit matter because of the: - significance of property, plant and equipment to the University's financial position and the specialised nature of the assets - judgement and complexities associated with the application of AASB 13 'Fair Value Measurement' and assessing the impairment indicators and recoverable amounts under AASB 136 'Impairment of Assets' - use of the significant assumptions applied in valuation process required to estimate fair value. Further information on the fair value measurement is included in Note 14 'Property, Plant and Equipment'.	Key audit procedures included the following: - assessed the competence, capability and objectivity of management's independent valuer - assessed the accuracy and completeness of the assets included within the interim valuation - assessed the appropriateness of the methodology used and key assumptions and judgments adopted, including the inputs provided by management's independent valuer and material changes to useful lives - assessed management's impairment assessment and where asset impairment indicators existed, reviewed management's estimate of its recoverable amount - reviewed the reconciliation of the valuation report to the reported financial statement balances - assessed the adequacy of the financial statement disclosures against the requirements of the applicable Australian Accounting Standards.
Valuation of defined benefit superannuation and long service leave liabilities	
At 31 December 2023, the University reported: - defined benefit superannuation liabilities totalling \$310 million - employee long service leave liabilities totalling \$80.2 million. I considered this to be a key audit matter because: - the defined benefit superannuation and long services leave liabilities are financially significant to the University's financial position - there is a risk that data in the defined benefit superannuation and long services leave liability models (the 'models') is not accurate and/or complete - the underlying models used to value the liabilities are complex due to a high level of judgement and estimation involved in the valuation assumptions,	Key audit procedures included the following: - assessed the completeness and accuracy of the data used in the models - obtained management's actuarial reports and year-end adjustments, and in relation to the defined benefit superannuation liabilities engaged a qualified actuary ('auditors expert') to: - assess the qualifications, competence and objectivity of management's independent experts - assess the appropriateness of the models - confirm the reasonableness of key assumptions used - assess the reasonableness of the reported liability values

THE UNIVERSITY OF NEWCASTLE

INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

Key Audit Matter	How my audit addressed the matter
- including discount rates, salary inflation and other assumptions - the total value of the liabilities is sensitive to small changes in key valuation inputs.	assessed the adequacy of the financial statement disclosures against the requirements of applicable Australian Accounting Standards.

Further information on the valuation of defined benefit superannuation and long service leave liabilities is included in Note 18 'Provisions' and Note 31 'Defined Benefit Plans'.

University Council's Responsibilities for the Financial Statements

The University Council is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, the GSF Act, GSF Regulation and the 'Financial Statement Guidelines for Australian Higher Education Providers for the 2023 Reporting Period'. The University Council's responsibilities also includes such internal control as the University 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 University 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.

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.

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/ar5.pdf. The description forms part of my auditor's report.

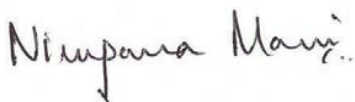
THE UNIVERSITY OF NEWCASTLE

INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

The scope of my audit does not include, nor provide assurance:

- that the University carried out its activities effectively, efficiently and economically
- as to the appropriateness of the certifications in the Statement by Members of Council that 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 the expenditure
 - University charged Student Services and Amenities Fees strictly in accordance with the *Higher Education Support Act 2003* (HES Act) and the Administration Guidelines made under the HES Act. Revenue from the fees were spent strictly in accordance with the HES Act and only on services and amenities specified in subsection 19-38(4) of the HES Act
- 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.



Nirupama Mani
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

3 April 2024
SYDNEY