

2019 ANNUAL REPORT



THE UNIVERSITY OF
NEWCASTLE
AUSTRALIA



REPORT OBJECTIVES

This Annual Report summarises the University of Newcastle's achievements in 2019 and outlines our financial position as at 31 December 2019. It reviews the performance of the University against strategic objectives and highlights key milestones reached.

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

ACKNOWLEDGEMENT OF COUNTRY

The University of Newcastle respectfully acknowledges the traditional custodians: the Pambalong clan of the Awabakal people, the Darkinjung people and the Birapai people on whose traditional lands our main campuses are located.

The University acknowledges that Aboriginal and Torres Strait Islander peoples are two distinct racial groups within the term 'Indigenous Australians.' For the purposes of this document, 'Aboriginal and Torres Strait Islander' or 'Indigenous' person means any person of Aboriginal and/or Torres Strait Islander descent who is recognised and accepted as such by other Aboriginal or Torres Strait Islander peoples and who identifies as an Aboriginal and/or Torres Strait Islander.

FRONT COVER:

Dr Brett Turner, pictured with undergraduate, Petra Greaves, is using the power of naturally occurring proteins in hemp to potentially clear toxic per and poly fluoroalkyl substances (PFAS) from soil in Williamstown in the Hunter Region. In March, Dr Turner and the late Laureate Professor Scott Sloan AO from our Priority Research Centre for Geotechnical Science and Engineering, secured \$4.7 million through the Department of Industry, Innovation and Science. Their work aims to pioneer a more cost-effective and natural way of removing PFAS from soil, groundwater and surface waters. This will benefit not only our local Williamstown community, but many other sites across the world.

Vale Laureate Professor Scott Sloan AO

The University community was deeply saddened by the sudden passing of Laureate Professor Scott Sloan AO in April 2019. Laureate Professor Sloan's research had a profound impact on civil engineering practice worldwide and was recognised by countless awards and accolades over his distinguished career. His vision, talents and generosity will be sorely missed.

LETTER OF SUBMISSION

Dear Minister,

On behalf of the University of Newcastle, we are pleased to submit our Annual Report for presentation to Parliament, following a resolution of the University Council on 8 April 2020. The Annual Report has been prepared in accordance with relevant legislation including the *Annual Reports (Statutory Bodies) Act 1984* and the *Public Finance and Audit Act 1983 (NSW)*.

Yours sincerely,



P.E. (Paul) Jeans
Chancellor



Professor Alex Zelinsky AO
Vice-Chancellor and President

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PART 1

OVERVIEW







CHANCELLOR P.E. (PAUL) JEANS AND VICE-CHANCELLOR AND PRESIDENT PROFESSOR ALEX ZELINSKY AO

A MESSAGE FROM THE CHANCELLOR AND VICE-CHANCELLOR

This has been a year of achievement, reflection and forward thinking at the University of Newcastle.

In just 55 years, we have achieved a national and global standing that belies our relative youth. Our 2020 QS World University ranking of 207 puts us within reach of the top 200 in the world and we are pushing the boundaries of research and innovation, with our best Excellence in Research for Australia (ERA) result to date, declaring 95 per cent of our research to be 'at' or 'above' world standard.

The University of Newcastle continues to deliver sound financial performance in an increasingly challenging operating environment. The University has delivered an operating surplus in 2019, driven by unrealised gains on our investment portfolio.

This 2019 Annual Report coincides with a key juncture in strategic planning for the University of Newcastle. 2019 marks the last year of our *NeW Futures Strategic Plan 2016–2025* and we report on the completion of a number of the strategic objectives from that plan. 2019 was also a year of extensive consultation and development for the University's next strategic plan, scheduled for launch in March 2020. The *Looking Ahead University of Newcastle Strategic Plan 2020–2025* provides the framework for the next phase in the continued growth of the University. Driven by our vision to be a world leading university for our regions, the *Looking Ahead Strategic Plan* places delivering an outstanding student experience and serving our communities at the heart of all we will do.

With nearly 38,000 students, including more than 7,000 international students from 113 countries, our focus on an outstanding student experience will guide us in the years to come. This work will build on initiatives delivered in the *NeW Futures Strategic Plan*, including our commitment to Work Integrated Learning (WIL). During 2019, we were able to provide over 23,000 WIL experiences and a core commitment in the *Looking Ahead Strategic Plan* will be to expand this program so that all students have the opportunity for a WIL experience in their undergraduate program.

During the year, the University celebrated significant milestones that reinforce the important role we are playing in our regions. 2019 heralded our 30th anniversary on the Central Coast. The development of the Central Coast Clinical School and Research Institute and the ongoing planning for a campus in Gosford is a clear demonstration of our commitment to this important region. In 2019 we also commemorated 20 years of Yapug, our Indigenous pathway program, and graduated our 100th Indigenous medical doctor.

Looking further afield, we formed partnerships to create and explore new opportunities, such as the partnership with the University of the Thai Chamber of Commerce (UTCC) and Nurture Higher Education, to offer a new double-degree program in Bangkok. Further, the Pacific Node, an initiative between the University and the Secretariat of the Pacific Regional Environment Programme (SPREP) in Apia, Samoa, is empowering students and researchers to tackle environmental issues in vulnerable island and ocean ecosystems.

With the environment in sharp focus throughout 2019, we launched our response to climate change. Our *Environmental Sustainability Plan 2019–2025* set ambitious targets for us, with an early commitment of a new electricity supply contract that will provide the University with 100 per cent renewable electricity from 1 January 2020.

We remain committed to addressing issues of inequity. In November, we launched our *Maligagu Aboriginal and Torres Strait Islander Employment Strategy and Action Plan 2020–2025*. This aims, among other things, to increase the number of Aboriginal and Torres Strait Islander people working at the University of Newcastle. We have set recruitment targets because we know that having a diverse and inclusive workforce leads to better decision making and a better experience for all of our staff and students.

Our *Progress to Equity Plan*, which includes many of the actions we committed to under our successful SAGE Athena SWAN Bronze Award application, is our blueprint to tackling persistent gender inequality challenges. We have achieved an above sector average ratio of 30 per cent women in Level E (Professorial) academic roles in 2019. We were also proud to be recognised as an Employer of Choice for Gender Equality for the sixth consecutive year, but there is more to do. The appointment of an Equity, Diversity and Inclusion Assistant Dean in each of our faculties signals our commitment.

Our staff continue to be the key to our ongoing success. We thank them for their excellence in education, research and professional services and for their ongoing contribution to the communities we serve. We thank Council colleagues, executive, staff, students, alumni, partners, community supporters and donors who have contributed to our success in 2019.

We take great pleasure in sharing some of our successes with you in our 2019 University of Newcastle Annual Report.



P.E. (Paul) Jeans
Chancellor



Professor Alex Zelinsky AO
Vice-Chancellor and President



ABOUT US

Since 1965, the University of Newcastle has delivered superior education and world-class research. Our University is currently ranked 207th in the world by the QS World University Rankings.

As Australia's largest provider of enabling programs, we offer a range of alternative entry pathways into university for students from diverse backgrounds. Guided by our sector-leading Wollotuka Institute, we are notable leaders in Indigenous education.

We promote interactive and collaborative teaching and learning, enabled by cutting-edge technologies. Our students can take part in work placement opportunities and global learning. Our programs centre on real-world problem solving, multidisciplinary collaboration and creating environments that enhance entrepreneurial thinking and deliver job-ready graduates.

The Newcastle Institute for Energy and Resources (NIER) and the Hunter Medical Research Institute (HMRI) are our flagship institutes, delivering cross-disciplinary research translated into world-class innovation. We also have well-established partnerships with government and industry to drive impact in our regions.

As a university of our regions and for our regions, we are committed to tackling some of the world's greatest challenges, while also addressing local concerns and issues, knowing that our work can have global impact.

The University of Newcastle has state-of-the-art facilities located at our Callaghan, Ourimbah, Port Macquarie and Sydney campuses and in our Newcastle City precinct. There is also the University of Newcastle in Singapore and we have regional offices located in Orange, Tamworth, Taree, Armidale, Moree and Coffs Harbour.

LOOKING AHEAD

In 2020, the University of Newcastle will commence implementation of a new strategic plan. Our *Looking Ahead Strategic Plan 2020-2025* will continue to focus our efforts on being a world-leading university for our regions, with an enduring commitment to excellence, equity, engagement and sustainability.

OUR VISION AND VALUES

The 2019 Annual Report is a summary of our achievements under the *NeW Futures Strategic Plan 2016–2025*. Under this plan, it was the University's vision to:

Stand as a global leader distinguished by a commitment to equity and excellence and to creating a better future for its regions through a focus on innovation and impact.

NeW Futures Strategic Plan included eight themes underpinned by our values:

EQUITY AND SOCIAL JUSTICE

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

EXCELLENCE

We deliver the highest quality in everything we do and benchmark ourselves against the world's best.

ENGAGEMENT

We are partners and collaborators in world-class research, teaching and learning, and our skilled graduates contribute to our regions, Australia and the world.

INNOVATION


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

INTEGRITY

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

SUSTAINABILITY

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

 For further information about the University of Newcastle, visit:

Our history: newcastle.edu.au/about-uon/our-university/history

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

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

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

THE UNIVERSITY OF NEWCASTLE BY NUMBERS



**RANKED
207**

university in the world¹



TOP 10

university in Australia¹



No. 1

in NSW for social equity³



95%

of our research is
'at' or 'above'
world standard⁴



3000+

employer connections⁸



37,946

students from 113 countries
educated and supported
by 2,766 staff²



7,399

international enrolments²

1. QS World University Rankings 2020 2. The University of Newcastle Data Warehouse 5 February 2020 3. 2019 Good Universities Guide

4. Excellence in Research for Australia 2018 5. The University of Newcastle Research Partners Engagement Survey 2018

6. Times Higher Education Asia-Pacific University Rankings 2019 7. The Audited Higher Education Research Data Collection Returns 2018

8. The University of Newcastle Employability and Enterprise Data 9. Shanghai Ranking's Global Ranking of Academic Subjects 2019 — Automation and Control

10. Department of Education, Skills and Employment Student Statistics 2019 11. Salesforce as at 13 January 2020

**8TH**

in Australia for research
'well above world standard'⁴

**9TH**

in Australia for research
income (HERDC),
\$108.5m in total⁷

**100%**

of our STEMM research is
'at' or 'above' world standard⁴

**1ST**

in the sector for number of
Aboriginal and Torres Strait Islander
students (1,139)¹⁰

**TOP 50**

university in the
Asia-Pacific Region⁶

**148,000**

alumni based in
144 countries¹¹

**HIGHEST
RANKED**

NSW regional
university¹

**8TH**

in the world for
Automation and Control⁹

KEY STATISTICS

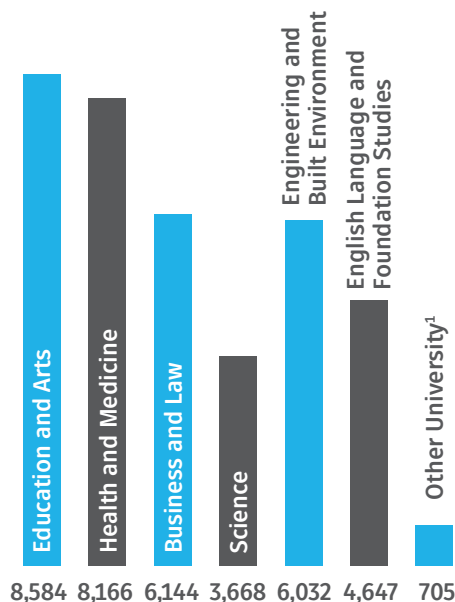
STUDENT ENROLMENTS

Enrolments at the University of Newcastle remain strong and reflect the organisation's international and national reputation. We are sector leaders when it comes to pathway programs and have an unwavering commitment to equity so that every student with the drive and ability is given the opportunity to study. Our degrees are shaped around global learning, work placements and entrepreneurial opportunities. This is the best way for us to make sure our graduates succeed well beyond university.

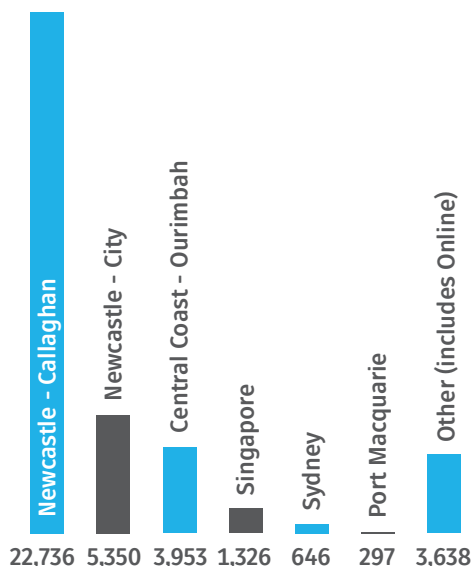
Notes for graphs on pages 9 and 10:

1. Other University includes the Wollotuka Institute, non-award studies, exchange and study abroad.
2. Equivalent Full-time Student Load
3. The 2019 Higher Education Research Data Collection (HERDC) Research Income Return is due for submission to the Commonwealth by 30 June 2020 and was not available at the time of publishing this report.
4. 2019 student data source: The University of Newcastle Data Warehouse as at 5 February 2020

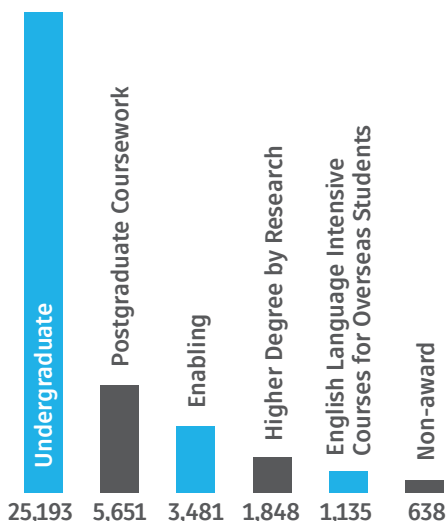
STUDENT ENROLMENTS BY FACULTY AND AREA⁴



STUDENT ENROLMENTS BY CAMPUS⁴



STUDENT ENROLMENTS BY PROGRAM LEVEL⁴



STUDENT LOAD AND ENROLMENTS

37,946
student enrolments

7,399
international enrolments

25,974
student load (EFTSL)²

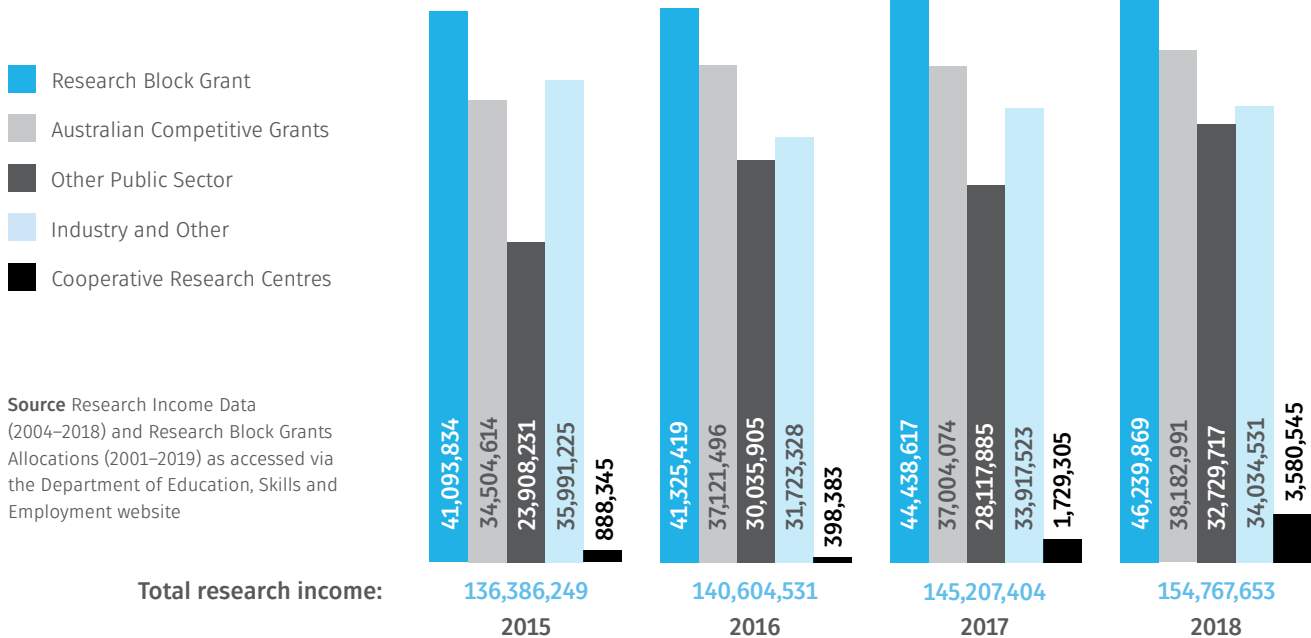
4,996
international load (EFTSL)²

16,812
commencing enrolments

10,404
commencing load (EFTSL)²

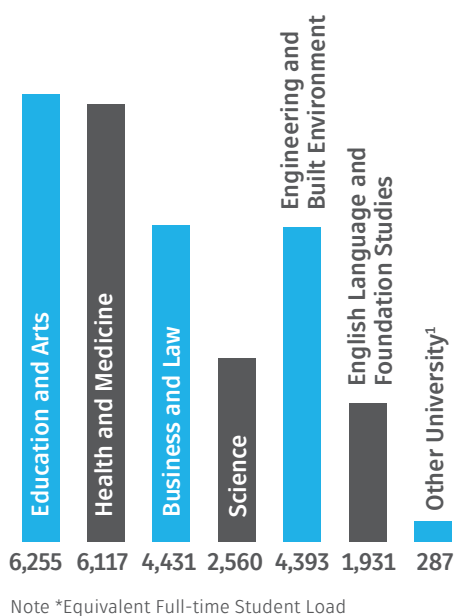
RESEARCH INCOME

RESEARCH INCOME BY SOURCE 2015–2018³

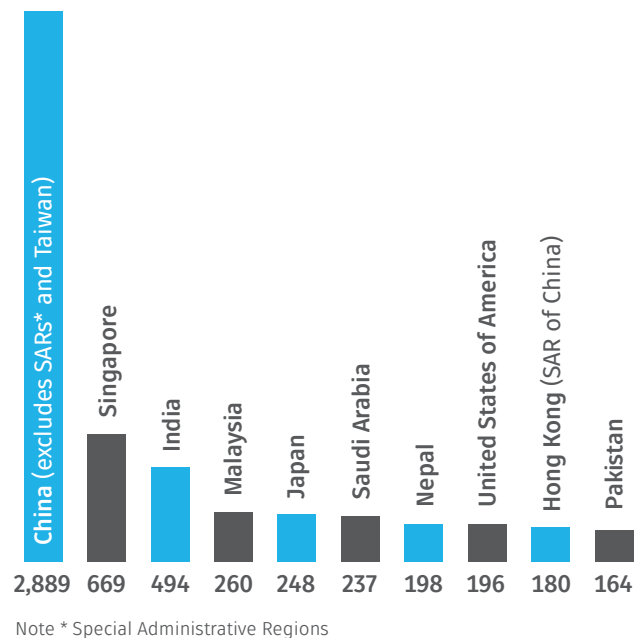


Source Research Income Data (2004–2018) and Research Block Grants Allocations (2001–2019) as accessed via the Department of Education, Skills and Employment website

STUDENT LOAD (EFTSL*) BY FACULTY AND AREA⁴



TOP 10 INTERNATIONAL ENROLMENTS BY COUNTRY⁴



FIXED TERM AND ONGOING STAFF (FTE*)

Rounding errors may apply

Note *Full-time Equivalent

Source Department of Education, Skills and Employment, Higher Education Staff Statistics as at March 2019



1,137
academic



1,598
professional



31
teacher



2,766
total staff FTE
(excludes casuals)

PART 2

REPORT OF OPERATIONS





AN ENDURING COMMITMENT TO EQUITY AND SOCIAL JUSTICE

We ensure students from under-represented backgrounds can enter university, graduate and succeed. We collaborate with partners to provide global leadership in the field of equity in higher education through pioneering research and practice. We break new ground and work tirelessly to challenge persistent inequalities in higher education.

— *NeW Futures Strategic Plan*



Yapug Program Convenor Sharlene Leroy Dyer (R) with artist, Saretta Fielding

YAPUG CELEBRATES 20 YEARS

For 20 years, the Yapug program has provided academic skills to prepare Aboriginal and Torres Strait Islander students for undergraduate study.

We remain the largest provider of alternative entry programs in Australia and Yapug (meaning “pathways” in Awabakal language) is just one of our undergraduate entry models.

The 12-month Yapug program provides Aboriginal and Torres Strait Islander people with skills needed for success at university, such as how to structure essays, reference resource materials and maximise study time. Yapug students can also access Wollotuka Indigenous Engagement and Advancement services including counselling, tutorial assistance, health support and cultural programs.

In the 20 years it has been running, more than 500 students have undertaken the no-cost Yapug program.



IMPROVING STUDENT RETENTION AND SUCCESS

In August, we launched our Student Success Strategy, a student-centred approach recognising the rich diversity of our students and supporting their different needs.

The strategy is framed around the four goals of Connect, Belong, Empower and Prepare. A comprehensive suite of materials for educators and administrators was developed to support implementation, including best practice research, performance data and other resources to improve student retention and success.



maximum 5-star rating received for social equity and student retention¹

INDIGENOUS MEDICAL GRADUATES SURPASS 100

This year, our total number of Indigenous medical graduates reached 110 through The Joint Medical Program[®] (The JMP[®]). The JMP is taught in partnership with the University of New England, the Central Coast Local Health District and the Hunter New England Local Health District. It ensures our graduates are ready to play a key role in shaping future health care for individuals and communities.

The JMP provides students with rural clinical experience and encourages practice in rural areas. Indigenous students studying medicine are supported by the Thurru Indigenous Health Unit which is committed to delivering empowering and transformative education for health professionals.

SHAPING FUTURES SCHOLARSHIPS

In 2019, through the support of our generous philanthropic supporters, we increased the number of Shaping Futures Scholarships available to a record number of 58. In nine years, these donor-funded scholarships have provided crucial financial support to more than 212 students from disadvantaged backgrounds.

WOMEN IN STEM DECADAL PLAN CHAMPION

In October, we were named a Women in STEM* Decadal Plan Champion by the Australian Academy of Science. This formally recognises our commitment to challenging persistent inequalities and progressing a gender-balanced STEM workforce.

*STEM refers to research and learning in the disciplines of science, technology, engineering and mathematics. Where external organisations refer to STEM, science includes medicine. At the University of Newcastle, we refer to STEM to acknowledge medicine as a unique major discipline within the sciences.

3.8%

of our student population is made up of Indigenous enrolments — making us the No. 1 university in Australia for Indigenous enrolments²

25%

of our domestic undergraduate students come from families where their parents' education did not exceed Year 12¹

24%

of our domestic undergraduate students come from low socioeconomic or disadvantaged backgrounds¹



Standing (L-R): Drs Heather Douglas, Andrea Griffin, Debra Donnelly, Hedda Askland, Tamara Young and Laura Luo. Seated (L-R): Dr Renee Goreham, Professor Frances Kay-Lambkin (Acting Pro Vice-Chancellor, Research and Innovation) and Drs Helen English and Sally Hunt. Absent: Dr Peta Tehan

SUPPORTING EQUITY IN HIGHER EDUCATION

In October, the academic careers of 10 promising female researchers were boosted in the third round of the Research Advantage Women in Research (WIR) Fellowships.

Recognising the different obstacles women face in their academic careers, recipients can tailor the Fellowship to address their individual circumstances including

mentoring from senior academics, training, placement and travel opportunities, as well as support juggling family and carer responsibilities.

The WIR Fellowship is part of a \$300,000 investment, with awards given based on the potential of the Fellowship to transform and invigorate recipients' research careers.

GRADUATES WHO MAKE A DIFFERENCE

Our outstanding staff inspire and support students. The University of Newcastle student experience prepares our graduates to be global citizens, leaders and entrepreneurs who are eager for life's challenges and will change the world for the better.

— NeW Futures Strategic Plan



Visual Communication Design students with The Living End

PREPARING STUDENTS FOR THE WORKPLACE

Our Work Integrated Learning (WIL) programs integrate theory with the practice of work. Students can participate in a clinical or professional work placement, practicum, internship or project-based learning. In this way they are equipped with professional skills that meet the needs of tomorrow's employers.

WIL opportunities are aligned with the curriculum of more than 350 undergraduate and postgraduate courses. Researchers and faculty staff work together to give our students exposure to transformative technologies. These include augmented and virtual reality WIL programs which prepare them for challenges they will inevitably face in the workplace.

23,000

Work Integrated Learning
experiences delivered each year¹

Music video for iconic Australian band

The opportunity to create the music video for ARIA award-winning rock band, The Living End, provided unique real-world insights for 40 Bachelor of Visual Communication Design students.

The students conceptualised, shot, animated and edited the video in our School of Creative Industries' world-class production studios. The student-produced clip was nominated for best Australian and New Zealand animated music video at the 2019 CLIPPED Music Video Festival as part of Vivid Sydney.

Students equipped for emergency

Unfortunately, conflict and aggression in hospitals and health clinics is becoming more frequent. For aspiring healthcare workers, our world first virtual reality (VR) simulation trains students to respond to a high-pressure mock scenario and helps create a safer workplace.

Immersed in a VR headset, students face 'Angry Stan', an avatar representing someone they may have to deal with in the workplace. Being able to neutralise potentially challenging situations builds students' resilience and real-life work skills in a safe environment.

WORLD FIRST BIG PICTURE DEGREE

In September, the University launched the new Bachelor of Public and Community Health degree designed in partnership with Big Picture Education Australia and offered exclusively at our Ourimbah campus on the Central Coast.

Touted as a game-changer in tertiary education, this degree lets students decide what, how and when they learn. Internships form part of the design, giving students the opportunity for real-world experience with expert community mentors and enhancing graduates' employability.

The new degree builds on our investment in health on the Central Coast and will make a positive impact on the health and wellbeing of communities both in the region and the globalised world. It also demonstrates our commitment to enhancing student engagement through new ways of learning.

90%

of our undergraduates
find employment within
four months of graduating²

NEW STUDY PROGRAMS

In our continued commitment to delivering education that prepares our students for rewarding careers, we developed new programs drawing on leading academic research and input from industry and communities.

In February, we advanced Indigenous education at a local, national and international level, taking our first enrolments into the Bachelor of Global Indigenous Studies. This program will help graduates develop an in-depth understanding of Indigenous culture, history and political life in Australia and globally.

Meeting the demands of a growing defence industry and aligned with our sustainability priorities, our first cohort of students also entered the new Bachelor of Aerospace Systems Engineering (Honours) degree and Bachelor of Renewable Energy Engineering (Honours) degree. In Semester 2, students began studying our new Masters of Materials Science and Engineering, delivered through the Global Innovative Centre for Advanced Nanomaterials (GICAN) in collaboration with industry partner, CSIRO.

In July, we launched the Master of Data Science, offering 100 per cent online study and specialisation options in computational intelligence or health data analysis. We also recognise cyberspace is transforming the way we live and offered the highly specialised Master of Cyber Security degree in Semester 2.

SUPPORTING OUR SPORTING STUDENTS

Our 14-year Elite Athlete Program continued to nurture academics and sporting excellence, supporting over 130 athletes in 2019. This includes student athletes from the Newcastle Jets, Newcastle Knights, NSW Waratahs, Olympic and Paralympic athletes and a host of other national and state representatives covering 31 sports.



Bachelor of Civil Engineering (Honours) Graduate and Newcastle Jets mid-fielder and striker, Tara Andrews, was part of our 2019 Elite Athlete Program.

\$62,600

median starting salary for
undergraduate employment
— above the national average³

\$92,000

median starting salary for
postgraduate employment
— above the national average³



maximum 5-star rating for
full-time employment, starting salary,
learner engagement, overall student
experience and teaching quality for
postgraduate studies²

A PASSION FOR EXCELLENCE AND DISCOVERY

Our areas of excellence in education and research have scale and span discipline, regional and national boundaries. We recognise that research, discovery and access to new knowledge are at the heart of a world-class education. We are resolute in our commitment to excellence in Indigenous education and research and to the importance of Indigenous culture and knowledges.

— NeW Futures Strategic Plan



Professor Lyndall Ryan AM (L) with the award-winning Colonial Frontier Massacres Map

MASSACRES MAP WINS WALKLEY AND PREMIER'S AWARDS

The Killing Times, a collaboration between The Guardian Australia and the University of Newcastle's Colonial Frontier Massacres research team, won the 2019 Walkley Award for Coverage of Indigenous Affairs and the 2019 NSW Premier's History Prize (Digital History category).

Groundbreaking research, led by Conjoint Professor Lyndall Ryan AM, School of Humanities and Social Science, used mapping software and visual and written sources to painstakingly create a world-first interactive digital map revealing the sites and harrowing details of the massacres that occurred on the colonial frontier of Australia. Of those killed, around 97 per cent were Aboriginal and Torres Strait Islander peoples.

The digital map has been viewed nearly 700,000 times since its initial release in 2017 and our partnership with The Guardian Australia has generated 23 million media impressions to-date. In November, Stage 3 of the project launched with a further 53 massacre sites added to the digital map, including 41 in Western Australia and a further nine in the Northern Territory.

EXCELLENCE IN RESEARCH

In March, the latest *Excellence in Research for Australia (ERA) Report* was released. Conducted every three years, the report showed we remained eighth in Australia for research 'well above world standard'. Quality of our research has risen, with 95 per cent of our research deemed to be 'at' or 'above' world standard. Similarly, 50 per cent of our research fields achieved the highest possible rating of 'well above world standard' — up from 38 per cent in 2015 and our best-ever performance in this metric.

In the Australian Research Council's first-ever Engagement and Impact (EI) Assessment, we received 'high' ratings across all three assessment measures in Engineering, Education and Studies in Creative Arts and Writing.

95%

of our research is
'at' or 'above' world standard²

GROWING OUR RESEARCH INCOME

Our world-class researchers continued to attract funding from national and international funding bodies as well as industry and community partnerships. Of the top 10 universities for research income, only one can match our record of sustained growth in research and development income received over the past five years.

2019 top five grants

The top five grants (based on dollar value) awarded to the University in 2019 were as follows:

- **Laureate Professor Kevin Galvin:** Australian Research Council's Centre of Excellence for Enabling Eco-Efficient Beneficiation of Minerals (\$35 million over seven years)
- **Dr Brett Turner:** Department of Industry, Innovation and Science funded grant: 'Remediation of PFAS contaminated soil and groundwater using plant proteins and nanoparticles' (\$4.7 million)
- **Centre for Ironmaking Materials Research:** BHP Billiton Innovation Pty Ltd funded grant: 'Ironmaking Research Collaboration' (\$4.5 million)
- **Professor Christine Jorm:** MRFF Rapid Applied Research Translation grant: 'NSW Regional Health Partners — MRFF Rapid Applied Research Translation, Stage Two' (\$4.1 million)
- **Gillian Gould:** Department of Health grant: 'Provision of training and materials to aid health professionals/ organisations to support smoking cessation for Indigenous women during pregnancy' (\$3.89 million)

Hosting new Centre of Excellence

The University of Newcastle will host the new \$35 million Australian Research Council Centre of Excellence for Enabling Eco-Efficient Beneficiation of Minerals, announced in October. The new research centre will develop more selective and faster methods for the separation of valuable minerals. Leading the Centre is Laureate Professor Kevin Galvin from the School of Engineering and NIER. More than 76 PhD students and 15 post-doctoral researchers will join collaborators across multiple research disciplines with eight Australian universities, overseas universities, CSIRO and other industry partners to reduce the environmental footprint.

SUPPORTING ACADEMIC ACHIEVEMENT

In late 2018, Vice-Chancellor Professor Alex Zelinsky AO announced a new \$5 million fund — the Higher Degree by Research (HDR) Training Scholarships Program — to benefit budding research students studying a postgraduate university degree comprised of a supervised research project. During 2019, the program offered scholarship opportunities for 88 HDR students. Recipients will receive a tuition fee scholarship, living allowance fixed for three and a half years, a laptop, overseas student health cover for international candidates and, if eligible, a relocation allowance.

This major investment is aimed at attracting and retaining the best and brightest students to the region and helping to shape the leaders of the future. Further, these scholars will engage in an academic training experience beyond the research experience. This enables candidates to develop a portfolio of academic experiences, including core competencies in university teaching.

ACADEMIC EXCELLENCE SCHOLARSHIPS

In August, Vice-Chancellor Professor Alex Zelinsky AO committed a further half a million dollars to establish the Academic Excellence Scholarships recognising outstanding performance in undergraduate studies. These provide a \$10,000 award to students from each faculty who have excelled academically in their previous year of studies. The first cohort of scholarship recipients will be announced in early 2020.

2019 AWARDS AND PRIZES

Our staff impressed on the regional, national and world stage. Some of the awards and prizes received include:

- **2019 John Booker Medal:** Professor Anna Giacomini
- **2019 HMRI Researcher of the Year:** Professor Frances Kay-Lambkin
- **Australian Awards for University Teaching in 2019 — Citations for Outstanding Contributions to Student Learning:** Dr Simon Iveson, Associate Professor Amy Maguire and Dr Marcus Rodrigs
- **Lowijta Institute Aboriginal and Torres Strait Islander Student Award:** NHMRC Early Career Fellow Dr Michelle Bovill
- **iNews Benchmark Award for Emerging Technologies:** Dr Denise Higgins
- **Mental Health Service Awards of Australia and New Zealand:** Professor Brenda Happell
- **2019 Coalition for Energy Efficient Comminution Medal for Technical Research:** Laureate Professor Graeme Jameson AO and Dr Cagri Emer
- **2019 Guy Bomford Prize:** Dr Michal Šprlák
- **2019 Bupa Foundation Emerging Health Researcher of the Year Award:** Dr Myles Young
- **Council for Australasian Directors of Information Technology (CAUDIT) Awards Learning and Teaching Prize:** Research Grants Robotics Initiative
- **2019 Web of Science Highly Cited Researchers:** Professor Ravi Naidu, Professor David Lubans, Professor Nanthi Bolan, Conjoint Associate Professor Saskia Keesstra
- **The Australian's 2019 Research Magazine — Top Researchers in their Field:** Laureate Professor John Aitken, Professor Scott Brown, Professor Clare Collins, Conjoint Professor Peter Gibson, Conjoint Professor Tracy Levett-Jones
- **The Australian's 2019 Research Magazine — Top Research Institute for Architecture:** University of Newcastle
- **2019 Mental Health Foundation of Australia Organisation of the Year:** Centre for Rural and Remote Mental Health

OVER
\$108.5 million

in research income¹

DRIVING GLOBAL AND REGIONAL IMPACT

We work with partners across the world to build equitable prosperity, social cohesion and healthy communities. We engage with business, industry and government to deliver innovation and impact. We exploit new knowledge to create start-ups, new businesses and new jobs across our regions.

— NeW Futures Strategic Plan



L-R: Vice-Chancellor, Professor Alex Zelinsky AO; students Malelili Nauilvo Rokomatu, Make Movono and Awei Bainivalu and Director Newcastle Institute for Energy and Resources (NIER), Professor Alan Broadfoot

ENHANCING CAPABILITY IN THE PACIFIC

Our newly established Pacific Node continued to support environmental sustainability measures and climate change resilience with our neighbouring Pacific Island communities, awarding PhD scholarships to three Pacific Islander students.

The Pacific Node, an initiative between the University and the Secretariat of the Pacific Regional Environment Programme (SPREP) in Apia, Samoa, is empowering students and researchers to tackle environmental and biodiversity in vulnerable island and ocean ecosystems. It builds on the existing capacity and research excellence established through the Newcastle Institute for Energy and Resources (NIER).

TOP 150

in the world
— Business Administration¹

EXECUTIVE MBA LAUNCHED IN SYDNEY

In October, the Newcastle Business School, the University's centre for undergraduate, postgraduate and community business education, launched a new Executive Master of Business Administration (EMBA) in Sydney. Companies from across Sydney and the Hunter Region attended the launch at the offices of NIB.

The EMBA is a practice-oriented, one-year postgraduate business degree, aimed at professionals working in mid to high-level management positions. It will be delivered in intensive mode at the University of Newcastle in Sydney from February 2020. The launch of this unique, fast-tracked program marks the implementation of the University's strategy to revitalise our presence in Sydney's CBD and, for the Newcastle Business School, is an important flagship program, designed *with industry for industry*.

No. 1

ranked university in Australia
for industry collaboration²

MULTI-CAMPUS VISION FOR THE CENTRAL COAST

In 2019, we unveiled our vision for an integrated multi-campus solution for the Central Coast, with plans for a new campus in Gosford's CBD already receiving \$18 million funding from the Federal Government.

The new \$85 million Central Coast Clinical School and Research Institute (CCCSRI) will open at Gosford Hospital in 2021. A joint project with the Central Coast Local Health District — and funded by the Federal and NSW State Government — the CCCSRI will, for the first time, allow students studying medicine to complete The JMP[®] at the Central Coast.

CONNECT_ED AT OUR OURIMBAH CAMPUS

The University introduced a new extra-curricular program at our Ourimbah campus called Central Coast Connect_ED, examining issues leading to the betterment of the Central Coast and students alike.

Focusing on the inaugural theme of 'employment', University students from seven disciplines collaborated onsite with industry partners including the Australian Taxation Office, NSW Business Chamber and Central Coast Industry Connect, as well as project coaches from the University.

THE ALTITUDE ACCORD PARTNERSHIP

In February, Lockheed Martin Australia and New Zealand launched the Altitude Accord Partnership with the University of Newcastle and Regional Development Australia Hunter. The University will provide scholarship funding, fine-tune our Aerospace Systems Engineering undergraduate curriculum and build the prosperity of the Hunter region.

Lockheed Martin Australia and New Zealand is providing more than \$40,000 in funding to facilitate the partnership, which will deliver scholarships to 12 of our first-year Aerospace Systems Engineering students. The partnership also facilitates increased training and touring opportunities with STELaRLab based at Melbourne University, the Endeavour Centre in Canberra and the Williamstown RAAF base, as well as specialised curriculum development and collaboration.

JOINING NRL AND HARVARD TO IMPROVE THE OUTCOMES OF COLLISION SPORT

In November, the National Rugby League (NRL) announced it will partner with the University of Newcastle and the Spaulding Research Institute at Harvard Medical School. The partnership will embark on one of the world's largest studies into head injuries and brain health in collision sport.

The Retired Professional Rugby League Players Brain Health Study will be a multinational, multi-year program of research to transform the understanding of head injuries. The NRL will provide initial funding of \$250,000 to advance knowledge and healthcare for rugby league players and athletes in other contact sports. It is expected this research will improve player safety and healthcare for retired NRL players and other former athletes worldwide.

I2N SUPPORTING START-UPS AND SCALE-UPS

We are committed to supporting a maturing innovation and entrepreneurship ecosystem in our regions. In its first three years, our Integrated Innovation Network (I2N) has helped emerging entrepreneurs and established businesses innovate and scale up.

In 2019, the I2N launched the University's Venture Mentor Service (VMS), a sister program to the highly regarded Massachusetts Institute of Technology (MIT) VMS initiative. This program matches entrepreneurs with volunteer industry experts and experienced businesspeople to gain valuable information to assist with starting and scaling a business. Following a successful pilot and strong industry demand, the program will take on more mentors and entrepreneurs in 2020.



Dr Antony Martin with the handheld materials testing device which is being commercialised to help farmers. In November, Dr Martin and a team of University graduates secured \$837,000 commercialisation funding to develop the technology underpinning their start-up, Hone.

PARTNERING WITH NEWCASTLE AIRPORT

In November, we signed a Memorandum of Understanding (MOU) with Newcastle Airport. This MOU connects the University as the primary research partner with the Airport. It also maximises opportunities to establish the Hunter region as a leader in defence and aerospace-related research, education and industry and promotes WIL opportunities for our students.

ENGAGING ACROSS THE GLOBE

The University of Newcastle stands in the world as distinctive in its commitment to excellence and equity. We collaborate with respected global partners to deliver unique opportunities for students through a world-class education, work integrated learning and internship experiences. We engage with our research partners to deliver outcomes which improve the future for the next generation. Our staff have a world view and are connected globally.

— NeW Futures Strategic Plan



Director CARE-P, Associate Professor Chris Kewley (L), with Newcastle Business School Associate Lecturer, Dr Elsa Licumba

AFRICAN RESEARCH AND ENGAGEMENT

The University will play a leading role in developing Australia-Africa research and education partnerships following the launch of our new Centre for Africa Research, Engagement and Partnerships (CARE-P) in November.

The launch was held at our Callaghan campus and we welcomed staff from the Department of Foreign Affairs and Trade and diplomatic representatives from Uganda, Ethiopia, Ghana and Kenya. CARE-P will draw on the knowledge and expertise of the growing Australian-African communities; the Australia Africa Universities Network is also a key partner.

7,399

international enrolments
from 113 countries¹

GLOBAL IMPACT STARTS LOCALLY

In 2019, we renewed our partnership with the United Nations International Training Centre for Authorities and Leaders (CIFAL). As host of CIFAL Newcastle, we are the only United Nations-affiliated university in Australia.

CIFAL Newcastle will play an important role in developing the capacity of students and organisations within the region to meet the United Nations Sustainable Development Goals (SDGs). These address, among other things, good health and wellbeing, responsible consumption and production to ensure a sustainable future for all. We celebrated this important partnership on United Nations Day in October, holding a series of events at our Callaghan campus in Newcastle and our Ourimbah campus on the Central Coast.



cifal
Newcastle



unitar
United Nations Institute for Training and Research

DOUBLE-DEGREE PROGRAM IN THAILAND

The University of Newcastle, the University of the Thai Chamber of Commerce (UTCC) and Nurture Higher Education launched a new double-degree program in Bangkok in 2019. Students can earn a degree from each university without studying abroad and attend graduation ceremonies in two countries. We are the first university in Australia to offer such a program.

Students at UTCC in Bangkok can now undertake our courses and graduate with a University of Newcastle degree in Entrepreneurship and Innovation. This is helping prepare students for careers in the dynamic Thai economy and stimulating business between Australia and Thailand, and intra-regional trade in the Association of South East Asian Nations (ASEAN).

RECOGNISING INTERNATIONAL IMPACT: ALUMNA NONI PURNOMO

Female business leader, entrepreneur and philanthropist, Noni Purnomo, is recognised for her role in supporting and inspiring communities in Indonesia. In celebration of her exceptional achievements and contribution, the University acknowledged Noni with a National Leadership Alumni Award and a Doctor of Letters Honoris Causa this year.

Using her position to help those around her, Noni founded Blue Bird Care, a philanthropic division of Blue Bird Group, launching the Women Empowerment Project. This supports 40,000 wives of Blue Bird Group drivers and employees with small loans and training to start their own businesses from home. Noni is recognised as a 'Power Woman in Asia' by Forbes Magazine and one of Globe Asia's 'Most Powerful Women'. She was also named Indonesia's Australian Alumnus of the Year 2019 — a most distinguished honour given by the Department of Foreign Affairs and Trade to Indonesian nationals who have studied at an Australian institution.



Noni Purnomo, President and CEO Blue Bird Group; Honorary Degree — Doctor of Letters 2019; Bachelor of Engineering 1995

PROMOTING SOCIALLY CONSCIOUS DEVELOPMENT

Through a series of partnerships, the University enabled world-class opportunities for the 2019 Ma & Morley scholars.

The Ma & Morley Scholarship Program honours the lifelong and profound friendship between Chinese entrepreneur and Alibaba founder, Jack Ma and respected Novocastrian, the late Ken Morley. The Program was made possible thanks to a generous US\$20 million philanthropic commitment from Jack Ma through the Jack Ma Foundation announced in 2017.

The 2019 scholars, our second cohort, visited China, meeting with Jack Ma at the Xixi Alibaba Headquarters in Hangzhou. Other standouts from the program included the introduction of the Alibaba Global Dreamers Program, made available for the first time to Ma & Morley scholars. Scholars also learned from a Nobel Peace Prize winner, a global geopolitical expert, University Alumni Achievers, leaders in renewable energy social enterprises, a national soccer coach and Harvard-trained leadership coaches. The group honoured the two men behind the program by performing an Australian Indigenous dance at the West Lake where Jack Ma and Ken Morley met in 1980.



Renae Lamb (L) with fellow scholar, Katherine Waria

DAUGHTERS AND DADS ACTIVE AND EMPOWERED REACHES THE UK

The University's award-winning Daughters and Dads Active and Empowered Program was successfully piloted in the United Kingdom in partnership with Women in Sport UK, the Fatherhood Institute, Fulham FC Foundation and the English Football League (EFL) Trust.

Sport England, through National Lottery Funding, awarded Women in Sport UK a AU\$1 million grant over three years to use the successful Daughters and Dads Active and Empowered program to increase the physical activity levels, sports skills and social-emotional wellbeing of young girls through fun activities and one-on-one time with their dads. Program founder, Professor Philip Morgan from the School of Education, led the initial training sessions, which will be expanded to a further five English football league clubs in 2020.

A SHARED FUTURE WITH OUR COMMUNITIES

The University of Newcastle has strong relationships with our alumni and donors, our business partners and sponsors, and with leaders and friends in the communities in each of our regions. Through reciprocity and commitment, we work together with our partners to support the economic, social and cultural transformation of strong regional communities.

— *NeW Futures Strategic Plan*



Our 2019 Alumni Award Achievers

ALUMNI AWARD ACHIEVERS

In September, we welcomed alumni, their families and friends to our Callaghan campus to honour 25 high achieving alumni working across law, business, creative industries, philanthropy, science and medicine.

- **Alumni Medal for Professional Excellence Recipient:**
Dr Ruth Lopert
Achievers: Steven McArthur; Liesl Tesch AM
- **Newton-John Award Recipient:** Nick Mitzevich
Achievers: Rosemarie Milsom; Gavin Langley
- **International Leadership Award**
Achievers: Sherrill Whittington; Dr Isiye Ndombi
- **National Leadership Award**
Achievers: Tandin Wangmo; Noni Purnomo; Dr Eileen Doyle
- **Regional Leadership Award**
Achievers: Dr Kirsten Molloy; Graeme Irwin
- **Indigenous Alumni Award**
Achievers: Dr James Charles; Dr Mark Wenitong; Luke Pearson
- **Alumni Award for Exceptional Community Service**
Achievers: Philip Sketchley OAM; Lee Shearer APM; Renée Bianchi
- **Beryl Nashar Young Researcher Award**
Achievers: Dr Serene Yoong; Dr Emma Beckett; Dr Georgina Ramsay
- **Young Alumni Award**
Achievers: Brendan Swansborough; Jessie Porteus; Dr Vivak (Bhavi) Ravindran

QUALITY TEACHING ROUNDS REACH SCHOOLS AROUND AUSTRALIA

During 2019, the Teachers and Teaching Research Centre (TTRC) embarked on the largest randomised controlled trial in Australian education research history.

The trial is part of the landmark Building Capacity for Quality Teaching in Australian Schools project, funded primarily by the Paul Ramsay Foundation's philanthropic investment to the University.

Led by Laureate Professor Jenny Gore, the TTRC is investigating the impact of Quality Teaching Rounds (QTR) — a unique professional development approach that is empowering teachers and improving student outcomes. A digital approach to QTR is also available to teachers participating from small, regional and remote schools.

If the team can embed QTR culture into every school in Australia, schooling can be improved for more than 200,000 Australian teachers and millions of students.

148,000+

alumni based in 144 countries around the world¹

\$12.41 million

in donations and sponsorships from 2173 supporters²

INCREASING ACCESS TO JUSTICE

The Older Persons Legal Clinic will provide older people with legal advice, representation and information about their legal rights, thanks to a three-year \$696,000 State Government grant. Established by the Newcastle Law School in October, the Clinic is co-located in the University's Legal Centre at NUspace and at Gosford on the Central Coast, with a mobile outreach service available for those unable to attend either of these sites.

SMALLER AND SMARTER CITIES

The insights and evidence of the Hunter Research Foundation (HRF) Centre are helping Greater Newcastle and the Hunter Region transition into a global, knowledge-based economy. In October, the HRF Centre hosted the 2019 Smaller and Smarter Cities International Symposium at NUspace with more than 300 people in attendance.

The Symposium — a partnership between the University, the City of Newcastle, Hunter and Central Coast Development Corporation, Hunter Water and AECOM — is Australia's premier forum for addressing the opportunities that exist in Australia's smaller cities and surrounds. The HRF Centre is helping to create a shared vision for the future of our region between industry, government and our communities.

ENGAGING WITH CENTRAL COAST SCHOOL STUDENTS FOR "ILLUMINATE"

More than 200 high school students from 14 Central Coast schools participated in the 2019 "Illuminate" NextGen Challenge at our Ourimbah campus. Involving the participating schools, University staff, and Central Coast business and community sector leaders, it better prepares students for further learning and creating positive change in their communities. Now in its fourth year, "Illuminate" students set a high bar and we will no doubt see the legacy of their work in years to come.

THE NEWCASTLE WRITERS FESTIVAL

The 2019 Newcastle Writers Festival was a resounding success as over 12,000 people (an increase of 1,200 from the previous year) heard from more than 130 writers at around 100 sessions over four days. Academics from the School of Humanities and Social Science (HASS) presented (with HASS postgraduate research students also involved) and the festival created WIL opportunities for our students. In December, we signed a formal sponsorship and partnership agreement with the festival honouring our long relationship and recognising us as a major 'Proud Founding Sponsor' in all festival marketing and collateral.



HunterWiSE founding academics (L-R): Professor Anna Giacomini, Professor Erica Wanless, Professor Regina Berretta, Acting Professor Elena Prieto, Professor Sarah Johnson, Professor Juanita Todd and Associate Professor Karen Blackmore

HUNTERWISE SETS YEAR 8 GIRLS ON STEM PATH

The University's HunterWiSE outreach program is improving participation rates of high school girls involved in STEM-related subjects and activities.

Created by a team of female academics from various STEM disciplines, the 10-week program targets Year 8 girls in schools across the Hunter Region of NSW. More than 100 high school girls participated in

HunterWiSE in 2019 — up from 20 in 2017. The delivery of the program is made possible with support from the following industry sponsors: Hunter Water, Glencore, Muswellbrook Shire Council, Newcastle Coal and Infrastructure Group, GHD, Transport for NSW, Quarry Mining, Port of Newcastle, Impervium Solutions, NIER, Orica and Jacobs.

STAFF WHO MAKE THEIR MARK

The University of Newcastle attracts, fosters and retains remarkable academic and professional staff who actively contribute to our reputation for innovative and engaged teaching and research. University staff are distinguished by their willingness to change the status quo when required, take on new challenges and provide inspirational leadership. Our staff engage cooperatively to deliver agile solutions and the best outcomes possible for our students, partners and communities.

— *NeW Futures Strategic Plan*



Our new Assistant Deans for Equity, Diversity and Inclusion (L-R): Professor Allyson Holbrook, Professor Jenny Bowman, Professor Regina Berretta, Professor Lisa Toohey and Associate Professor Nikola Bowden with Women in STEMM Chair, Professor Billie Bonevski (front)

PROGRESS TO EQUITY

In November, the University appointed five female Assistant Deans for Equity, Diversity and Inclusion (AD-EDI) as part of the SAGE Athena SWAN action plan to address gender inequity in higher education.

These governance and leadership roles will ensure we deliver on approximately 80 action items in the plan. Each AD-EDI is working towards improving the representation, inclusion, diversity, awareness or acceptance of/for women and other under-represented groups, as identified within their respective faculties. These positions complement the 2018 appointment of our inaugural Women in STEMM Chair.

In December, Vice-Chancellor, Professor Alex Zelinsky AO, announced the appointment of a Director Equity, Diversity and Inclusion, to drive a broader EDI agenda across the University in line with our commitment to equity and social justice.

2,766

total (full-time equivalent) University staff
(excludes casual staff)¹



WGEA

Employer of Choice for Gender Equality
for six consecutive years

SHINING A LIGHT ON INDIGENOUS EMPLOYMENT

In November, the University launched the *Maligagu Aboriginal and Torres Strait Islander Employment Strategy and Action Plan 2020–2025*. Our strategy and action plan will help us maintain a diverse and inclusive workforce that is truly representative of our students and communities. We are also recruiting Indigenous staff in both professional and academic cohorts and have committed to achieving 3.9 per cent Indigenous staff representation by the end of 2020.



(L-R): Pro Vice-Chancellor Indigenous Strategy and Leadership Nathan Towney, student Taylah Gray and Vice-Chancellor Professor Alex Zelinsky AO

STAFF EXCELLENCE AWARD WINNERS

In December, we recognised and celebrated our professional and academic staff for their outstanding service, performance and contributions to the University.

- **Global Engagement:** Dr Elena Aydos
- **Community Engagement:**
Associate Professor Patricia Pender
- **Industry Engagement:** Dr Andrea Coda
- **Research Supervision:** Dr Bobae Choi and Dr Doowon Lee
- **Early Career Researcher:** Dr Emma Beckett
- **Teaching:** Dr Paul Hodge
- **Sessional Academic Teaching:** Dr Annika Herb
- **Student Experience:** Carl Anderson, Jamie-Lee Costa, Gemma Edgar, Jade Hartigan, Rachael McDermott, Lauren Miles and Tim Roberts
- **Individual:** Gillean Shaw
- **Professional Team:** Taona Afful, Joanne Connor, Jedda Cranfield, Andrew Dunne, Sara Gill, Mary Kazembe, Narelle Martinez, Carrol Wood
- **Rising Star:** Louis Ndagijimana
- **Leadership:** Michael Robertson
- **Equity, Diversity and Inclusion:** Professors Regina Berretta, Sarah Johnson, Anna Giacomini, Juanita Todd, Elena Prieto-Rodriguez, Erica Wanless and Associate Professor Karen Blackmore
- **Health, Safety and Wellbeing:** Paul Chojenta, Paula Convery, Jamie-Lee Costa, Gemma Edgar, Jen Elhindi, Astrid Gearin, Chris Krogh, Michelle Lampis, Deanna McCall, Jayne McCartney, Stuart Meldrum, Liam Phelan, Amber Sauni and Nisha Thapliyal
- **Values:** Veronica Pettifer

RECOGNITION FROM NSW PREMIER

University of Newcastle and HMRI researcher, Dr Matt Dun, was named Outstanding Cancer Research Fellow at the 2019 NSW Premier's Awards for Outstanding Cancer Research. Dr Dun received the award in October in recognition for his dedication to providing innovative insights into the most common and devastating types of cancers.

Professor John Wiggers received a Premier's Prize for Science and Engineering for his commitment to closing the gap in life expectancy between Aboriginal and non-Aboriginal people. His research focuses on preventing chronic diseases and injury by targeting smoking and alcohol consumption, and by promoting healthy eating and physical activity.

ANOTHER WALKLEY AWARD

Lecturer in Journalism at the University and investigative reporter for the Newcastle Herald, Donna Paige, together with fellow reporter, Nick Bielby, won the 2019 Walkley Award for Coverage of Community and Regional Affairs. Their thorough investigation, 'Dirty Deeds', revealed large-scale pollution in the Hunter Region.

SCHOLARS AND FELLOWS

- **Fulbright Scholars:** Professor Philip Dwyer, Professor Scott Donne and Dr Julie McIntyre
- **John Monash Scholars:** Samuel Parker (student) and Dr Maria Bilal (alumni)
- **Fellow of the Australian Academy of Health and Medical Sciences:** Professor Clare Collins
- **Fellow of the Thoracic Society of Australia and New Zealand, Fellow of the American Thoracic Society and Fellow of the European Respiratory Society:** Laureate Professor Paul Foster
- **Fellow of the Australian Academy of Science:** Professor Alex Zelinsky AO

CONNECTING SESSIONAL ACADEMIC STAFF

In September, we launched our inaugural 'Connect 2019' skills expo, attended by more than 80 sessional academic staff. Attendees were provided with new resources for their teaching toolkit, networking opportunities and skills development — all of which will enhance their teaching impact and improve the student experience.



The inaugural Connect 2019 for sessional staff

BUILDING A SUSTAINABLE FUTURE

The University of Newcastle responds nimbly to changes in our external environment, targets investment to align with our vision and strategic goals and effectively manages our resources and campuses. Investment in our workforce and our physical and digital environments ensures we are equipped to meet future challenges. Responsible management of our unique campus environments ensures we take account of the needs of the next generation.

— *NeW Futures Strategic Plan*



The new Maths Cafe Pavilion at our Callaghan campus

BREATHING NEW LIFE INTO OLD SPACES

The Campus Entry and V Building (Mathematics) Refurbishment project has created a strong entry area at our Callaghan campus and provided dynamic and engaging spaces for collaboration, peer-based learning and socialising.

We are committed to providing physical environments that enrich the experience of all who study, work and visit the University. In August, we opened two revamped outdoor areas, with redesigned functional paths, seating and landscaping and the inclusion of a covered retail structure with outdoor seating. There were also newly refurbished indoor spaces to meet a range of student learning and staff office and teaching needs. A significant part of the refurbishment was the installation of a lift to enhance accessibility for those living with a disability.

CLEVER CAMPUS WINNER AND GREEN GOWN FINALIST

In October, we received the Innovation Award at the annual Tertiary Education Facilities Management Association (TEFMA) Clever Campus Awards, recognising outstanding achievement in the university sector.

The TEFMA Clever Campus Innovation Award recognises innovation that improves the delivery and effectiveness of an organisation's facilities, their management and services. We received the 2019 award for our first-of-its-kind agreement with Red Energy, which will see us powered by 100 per cent renewable electricity by January 2020 and result in a 75 per cent reduction of our carbon emissions. Our sector-leading stance is also likely to spark further innovation and proves that large organisations can move towards 100 per cent renewables.

We were also proud to be named the sole NSW finalist at the 2019 Green Gown Awards Australasia in the category of '2030 Climate Action' for our submission, '100% Renewable, 100% Do-able'. This centred on our journey to becoming carbon neutral by 2025 and our agreement with Red Energy.

CHANGE IN FOCUS AT PORT MACQUARIE

In June, we announced our decision to focus on postgraduate programs and research opportunities at our Port Macquarie campus. This shift away from offering new undergraduate enrolments reflects significant changes to the future of the local higher education landscape.

The interests of students who want to study locally are now being met through collaboration and multiple providers. The University continues to support existing full-time students in their local studies through to graduation. We have also worked closely with part-time students to identify and plan individual pathways and options for completion of their degrees locally with us and will continue to remain a key higher education presence in Port Macquarie and the Mid-North Coast Region.

ENVIRONMENTAL SUSTAINABILITY PLAN 2019–2025

In October, we launched our *Environmental Sustainability Plan 2019–2025* — our roadmap to operating in a sector-leading, environmentally sustainable way.

As a proud CIFAL host, we are conscious of our pivotal role in promoting and increasing understanding of the United Nations SDGs and our sustainability plan is guided by these. The plan outlines our priority actions across the breadth of the climate challenge including energy, water, waste, biodiversity, design and transport. We are also committed to embedding Environmentally Sustainable Design (ESD) principles across all our capital projects.

Energy

In addition to our 100 per cent renewable electricity contract with Red Energy, we are also investing in our own site-based photovoltaic (PV) solar system at our Callaghan and Ourimbah campuses. A 1.8 megawatt PV system will be installed by the end of January 2020 which is equivalent to powering approximately 500 households.

During 2019 we also installed four dual electric vehicle charging stations. This is part of a \$500,000 investment which will culminate in 12 charging stations in total for staff, students and the general public to use.

Water

We recognise the extreme drought conditions we are now faced with across Australia, NSW and the Hunter Region. Our smart water metering and highly efficient water fixtures are helping improve water efficiency at the University. We have also irrigated our sports fields from our stormwater retention ponds and planted native and low irrigation landscaping around our buildings. We purchased a two million litre rainwater capture system designed to significantly increase our ability to irrigate our sporting fields from non-potable sources. This will be installed in 2020.

235,203
KILOLITRES

of potable water used at Callaghan campus in 2019
— 11 million litres less than 2018

Waste

We continued to divert general waste away from landfill as we move towards our waste recycling target of 70 per cent by 2021. Our partnership with Plastic Police, the largest soft plastic recycling program in the Hunter region, is turning plastic bags and wrappers into outdoor seating across the Callaghan campus. During 2018 and 2019 we collected 1.4 tonnes of soft plastics; we purchased 50 percent of this back to make innovative furniture.

We also installed coffee cup recycling stations across our campuses. These Simply Cups can then be turned into new, reusable coffee cups, as well as a range of other products.

Biodiversity

We continued extensive bush regeneration work over more than 30 hectares on our Ourimbah and Callaghan campuses. We planted approximately 2,000 native seedlings alone in the bushland zones which have been set aside for conservation and improving the biodiversity of our campuses. The team worked across the majority of 10 native bushland zones across Callaghan, and a further two wetlands and riparian areas as identified in the *Landscape Management Implementation Plan*.

Design

The University has embedded principles of sustainable design in many of our new building projects. Some of our most recent sustainable design features include engineered timber structures and rooftop solar, high performance glazing to demand controlled ventilation. Our major infrastructure projects include landscaping designing and plans, focused on planting native and semi-native species, for exterior landscape zones.

Transport

Throughout 2019, our NUspace shuttles have continued to transport people between our Callaghan and City campuses. These shuttles operate on hybrid technology, blending diesel and electric, which has halved our carbon emissions from that transport group.



NUspace hybrid shuttle bus

MANAGING AND GOVERNING

Our Council and management teams support collaborative planning, strategic decision making and effective and transparent governance.

ROLE OF THE COUNCIL AND ITS COMMITTEES

Council is the University's most senior decision-making body and is chaired by the Chancellor. Council is responsible for the oversight, management and development of strategic plans and key policies according to the *University of Newcastle Act 1989 (NSW) (the Act)* and the *University of Newcastle By-law 2017 (NSW) (the By-law)*.

Council oversees the long-term success of the University, ensuring all matters are discussed within the context of our risk management framework and ethical standards. Council provides leadership and direction to support corporate governance and the overall financial performance of the University.

Council retains control of key decisions through a schedule of reserved matters, with other matters delegated to its committees, the Vice-Chancellor, Academic Senate and additional management teams.

The Council has the following seven standing committees:

- Chancellor's Committee
- Controlled and Associated Entities Committee
- Finance Committee
- Nominations and Governance Committee
- People and Culture Committee
- Risk Committee
- Strategic Development Committee

The Academic Senate is the principal advisory committee to the Council on academic matters and has a major role in academic quality assurance processes. The Academic Senate is supported in its functions by its subcommittees:

- Program and Course Approval Committee
- Research Committee
- Teaching and Learning Committee
- Faculty Boards

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

UNIVERSITY COUNCIL AND ITS MEMBERS

Council comprises 16 members who contribute their expertise and time, with membership at 31 December 2019 as follows:

EX-OFFICIO EXTERNAL MEMBER

Chancellor

P.E. (Paul) Jeans

BE(UNSW), FRSN, FIEAust, FAICD

Chairs

University Council, Chancellor's Committee, Nominations and Governance Committee

EX-OFFICIO MEMBER

Vice-Chancellor and President

Professor Alex Zelinsky AO

BMathSc(Hons), PhD, Hon DSc(UOW), GradDip(AICD), FAA, FTSE, FIEEE, Hon FIEAust, FAICD

EX-OFFICIO MEMBER

President of Academic Senate

Professor Mark Jones

BSc(Hons), PhD(CNAA, UK), FIMechE, CEng, FIEAust, CPEng

Chairs

Academic Senate



COUNCIL

Front row seated (L-R): Madeline Temple, Professor Mark Jones, Dr Kylie Twyford, Professor Peter Coaldrake AO, Michelle McPherson, Jann Gardner. Middle row (L-R): Julie Phillips, Professor Geoff Lilliss, Deputy Chancellor Dianne Allen, Chancellor Paul Jeans, Vice-Chancellor and President Professor Alex Zelinsky AO, Bob Kennedy AM. Back row (L-R): John Bowers, Associate Professor Brendan Boyle, Dr Roslyn Larkin and Doug Dean AM

MINISTERIALLY APPOINTED EXTERNAL MEMBER¹

Robert (Bob) Kennedy AM
BEc(ANU), FCPA

Chairs

Controlled and Associated Entities
Committee

MINISTERIALLY APPOINTED EXTERNAL MEMBER¹

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

Chairs

Strategic Development Committee

COUNCIL APPOINTED EXTERNAL MEMBER²

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

Chairs

Finance Committee

COUNCIL APPOINTED EXTERNAL MEMBER²

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

COUNCIL APPOINTED EXTERNAL MEMBER²

Professor Peter Coaldrake AO
BA(Hons)(JCU), PhD, D Univ (Griffith), D
Univ (QUT)

COUNCIL APPOINTED EXTERNAL MEMBER²

Julie Phillips
BPharm, DHP, MSc(Sydney), MBA(Macq)

COUNCIL APPOINTED EXTERNAL MEMBER²

Doug Dean AM
BCom(Newcastle), FCPA, FIML

COUNCIL APPOINTED EXTERNAL MEMBER²

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

Chairs

People and Culture Committee

COUNCIL APPOINTED EXTERNAL MEMBER²

Michelle McPherson
BBus(Accounting)(UTS), CA, GAICD

Chairs

Risk Committee

ELECTED STAFF MEMBER³

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

ELECTED STAFF MEMBER³

Associate Professor Brendan Boyle
BBus(DkIT, Ireland), MBS(UCD, Ireland),
PhD(Sydney)

ELECTED STAFF MEMBER³

Dr Kylie Twyford
AssocDipBus(Valuation) (SIT),
BBus(Newcastle), BEd(Hons1)
(Adult Education) PhD(UTS)

ELECTED STUDENT MEMBER⁴

Madeline Temple

¹ External members appointed by the Minister, are appointed for up to four years.

² External members appointed by Council, are appointed for up to four years. ³ Staff members are elected for up to two years.

⁴ Student members are elected for a term of one year.

BOARD MEETINGS AND ATTENDANCE TABLE

Council may attend all committee meetings with rights of audience and debate, with the exception of the Chancellor's Committee.

The table below provides details of the number of meetings convened during the year, details the meetings Council members were eligible to attend and records their attendance.

MEMBERS	COUNCIL (SCHEDULED) MEETINGS	NOMINATIONS AND GOVERNANCE COMMITTEE	STRATEGIC DEVELOPMENT COMMITTEE	CONTROLLED AND ASSOCIATED ENTITIES COMMITTEE	FINANCE COMMITTEE	RISK COMMITTEE	PEOPLE AND CULTURE COMMITTEE	CHANCELLOR'S COMMITTEE
P.E. (Paul) Jeans	6/6	4/5	4/5	4	6	4/5	4/5	2/2
Professor Alex Zelinsky AO	6/6	5/5	5/5	5/5	7/7	4/5	5/5	2/2
Professor Mark Jones	6/6	5/5	5/5	N/A	1	N/A	N/A	2/2
Dianne Allen	6/6	5/5	4	4/5	7/7	5/5	5/5	2/2
John Bowers	5/6	N/A	1	4/5	6/7	4/5	N/A	N/A
Associate Professor Brendan Boyle	5/6	N/A	4/5	N/A	7/7	N/A	1	N/A
Professor Peter Coaldrake AO	4/5	N/A	2/4	N/A	N/A	1/3	N/A	N/A
Doug Dean AM	6/6	N/A	4/5	N/A	1	N/A	5/5	N/A
Jann Gardner	6/6	5/5	2	N/A	N/A	N/A	5/5	N/A
Robert (Bob) Kennedy AM	5/6	N/A	4/5	5/5	7/7	N/A	N/A	N/A
Dr Roslyn Larkin	5/6	N/A	N/A	4/5	N/A	5/5	4/5	N/A
Conjoint Professor Geoff Lilliss	6/6	1	5/5	1	2	N/A	3/5	2/2
Michelle McPherson	3/6	N/A	1	N/A	5/7	5/5	N/A	N/A
Julie Phillips	6/6	N/A	4/5	N/A	N/A	N/A	N/A	N/A
Madeline Temple	6/6	N/A	1	N/A	N/A	N/A	3/5	N/A
Dr Kylie Twyford	6/6	N/A	2	5/5	N/A	N/A	5/5	N/A

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

COUNCIL TERMS OF OFFICE

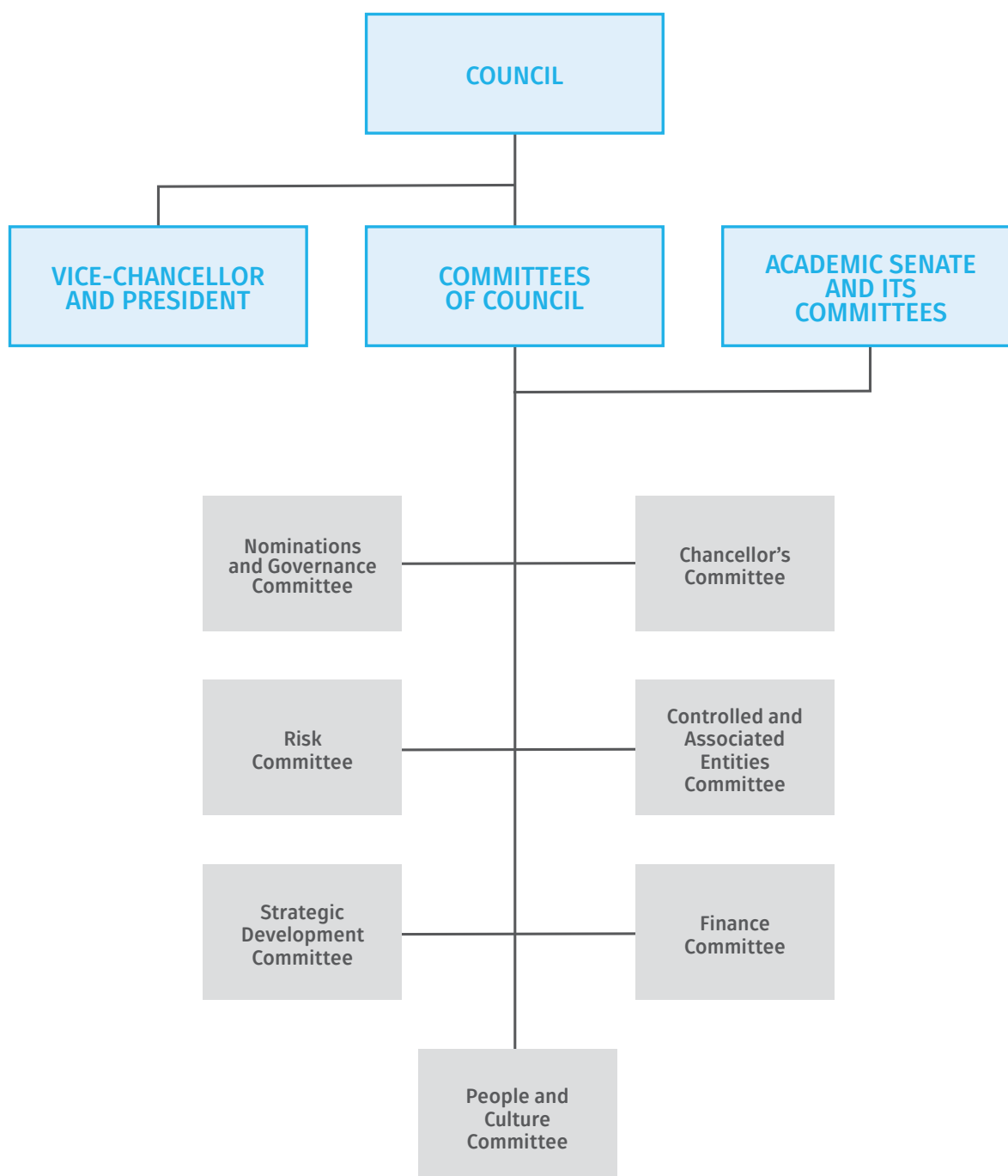
COUNCIL MEMBER	DATE OF INITIAL APPOINTMENT	EXPIRY OF CURRENT TERM
OFFICIAL MEMBERS		
P.E. (Paul) Jeans (Chancellor) BE(UNSW), FRNS, FIEAust, FAICD	01/07/2013	30/06/2021
Professor Alex Zelinsky AO (Vice-Chancellor and President) BMathSc(Hons), PhD, Hon DSc(UOW), GradDip(AICD), FAA, FTSE, FIEEE, Hon FIEAust, FAICD	19/11/2018	18/11/2023
Professor Mark Jones (President of Academic Senate) BSc(Hons), PhD(CNAA, UK) FIMechE, CEng, FIEAust, CPEng	01/01/2014	31/12/2019
EXTERNAL MEMBERS APPOINTED BY THE MINISTER		
Conjoint Professor Geoff Lilliss BE(Hons), MBA(Merit)(Newcastle), Hon FIEAust, MAICD	01/09/2009	31/08/2021
Robert (Bob) Kennedy AM BEc(ANU), FCPA	01/02/2014	31/01/2023
EXTERNAL MEMBERS APPOINTED BY COUNCIL		
Dianne Allen (Deputy Chancellor) BCom(Newcastle), FCA, GAICD	01/01/2006	31/12/2020
John Bowers BCom(Hons1), MCom(Newcastle), AM(Harvard), CFA	14/08/2015	13/08/2022
Professor Peter Coaldrake AO BA(Hons)(JCU), PhD, DUniv(Griffith), DUniv(QUT)	01/03/2019	28/02/2021
Doug Dean AM BCom(Newcastle), FCPA, FIML	14/08/2015	13/08/2022
Jann Gardner BA/LLB(Sydney), MBA(Newcastle), GAICD	01/01/2015	31/12/2020
Michelle McPherson BBus(Accounting)(UTS), CA, GAICD	09/07/2014	31/12/2021
Julie Phillips BPharm, DHP, MSc(Sydney), MBA(Macq)	13/08/2016	12/08/2022
ACADEMIC STAFF MEMBERS — ELECTED		
Dr Roslyn Larkin BBus(Hons), PhD(Newcastle)	01/09/2014	31/08/2020
Associate Professor Brendan Boyle BBus(DKIT, Ireland), MBS(UCD, Ireland), PhD(Sydney)	01/09/2018	31/08/2020
NON-ACADEMIC STAFF MEMBER — ELECTED		
Dr Kylie Twyford AssocDipBus(Valuation)(SIT), BBus(Newcastle), BEd(Hons1)(Adult Education) PhD(UTS)	01/09/2018	31/08/2020
STUDENT MEMBER — ELECTED		
Madeline Temple	01/01/2019	31/12/2019

OUR GOVERNANCE FRAMEWORK

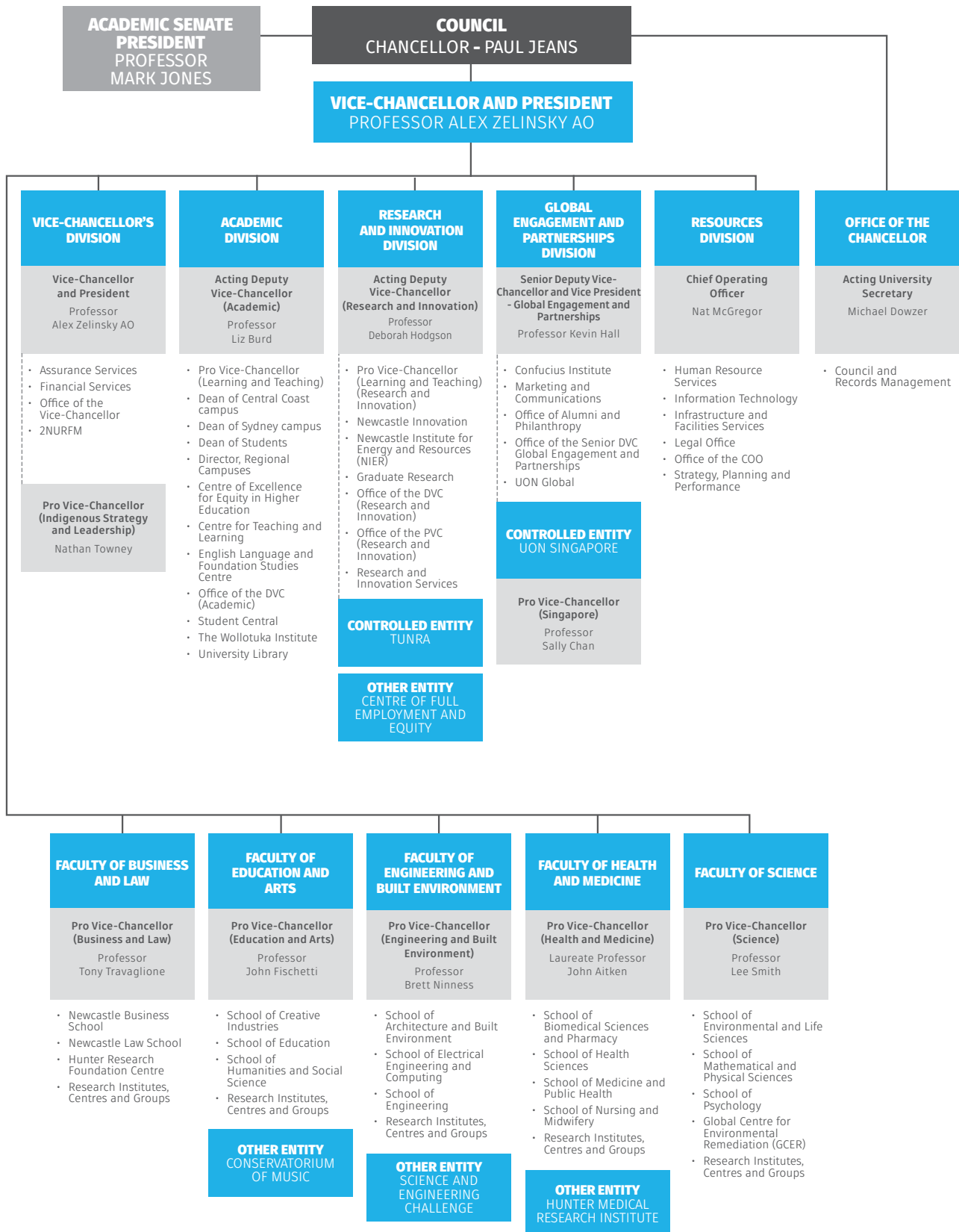
A copy of the University's governance policies can be found on our website at:

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

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



OUR ORGANISATIONAL STRUCTURE



EXECUTIVE COMMITTEE

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

ROLE OF THE EXECUTIVE COMMITTEE

The Executive Committee is a forum for the Executive to share information and provide advice to the Vice-Chancellor on major strategic matters. It defines and focuses the University's strategic direction in line with the strategic plan. It operationalises the strategic plan through business planning processes and prioritises operational decisions according to this framework.

EXECUTIVE COMMITTEE MEMBERS

Professor Alex Zelinsky AO
Vice-Chancellor and President (Chair)
MathSc(Hons), PhD, HonDSc(UOW),
GradDip(AICD), FAA, FTSE, FIEEE, Hon
FIEAust, FAICD

Professor Kevin Hall
**Senior Deputy Vice-Chancellor and
Vice-President (Global Engagement
and Partnerships)**
BSc(Hons), MSc(Queen's),
PhD(UNSW) FRSN

Professor Deborah Hodgson
**Acting Deputy Vice-Chancellor
(Research and Innovation)**
BA(Hons), PhD(Macquarie), AM FRSN,
FRSN, AHPRA, PBA, FAICD

Professor Liz Burd
**Acting Deputy Vice-Chancellor
(Academic), Pro Vice-Chancellor
(Learning and Teaching)**
BEd(Hons)(CNA), MSc, DPhil(York),
PhD(Dunelm), FHEA, SMIEEE

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

**Distinguished Laureate Professor
John Aitken**
**Pro Vice-Chancellor, Faculty of Health
and Medicine**
BSc(Lond), MSc(Wales), ScD, PhD(Camb),
FRSE, FRSN, FAHMS, FAA

Professor John Fischetti
**Pro Vice-Chancellor, Faculty of
Education and Arts**
BA(UVA), EdD(UMass)

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

Professor Lee Smith
Pro Vice-Chancellor, Faculty of Science
BSc(Hons)(Leicester), PhD(Warwick),
FRSB, FRSN



EXECUTIVE COMMITTEE

Front row (L-R): Joel Palmer, Nat McGregor, Paula Johnston, Tracy Chalk, Professor Frances Kay Lambkin, Professor Liz Burd, Michelle Jarvie. Middle row (L-R): Tina Crawford, Nathan Towney, Professor Alex Zelinsky AO, Laureate Professor John Aitken, Anthony Molina, Professor Deborah Hodgson. Back row (L-R): Michael Dowzer, Professor John Fischetti, Professor Lee Smith, Professor Mark Jones. Not shown: Professor Kevin Hall, Professor Tony Travaglione and Professor Brett Ninness

Professor Tony Travaglione
Pro Vice-Chancellor, Faculty of
Business and Law
BBus(Curtin), MIR, PhD(UWA)

Nathan Towney
Pro Vice-Chancellor, Indigenous
Strategy and Leadership
BTeach/BHPE(Newcastle)

Professor Frances Kay-Lambkin
Acting Pro Vice-Chancellor
(Research and Innovation)
BSc(Psych)Hons, PhD(Psychiatry)
(Newcastle)

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

Paula Johnston
Chief Financial Officer
BA, BComm(ANU), CA

Tina Crawford
Director, People and Workforce Strategy
BOHS, DipAppSc(Nurs)(Newcastle),
MTEREd(Mgt)(Melb)

Joel Palmer
Director, Strategy, Planning
and Performance
BA, MCom(USYD)

Anthony Molina
Chief Information Officer

Michelle Jarvie
Director, Assurance Services
BCom(Newcastle), CA, FIIA, FGIA,
FRMIA, MAICD

Tracy Chalk
Chief Marketing Officer
BA(UNSW)

Michael Dowzer
Acting University Secretary
LLB, GDipLegPrac(ANU), GAICD

PART 3

FINANCIALS

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2019 FINANCIAL OVERVIEW

The University of Newcastle continued to focus on its core operating activity in 2019. Overall, the 2019 Group* result was a positive one with research income and international student income continuing to grow. The net result for the Group was \$65.9 million — \$41.2 million (167 per cent) more than in 2018. This was primarily due to a change in accounting standards impacting the recognition of revenue and the treatment of an unrealised gain of \$42.2 million on investments at 31 December 2019.

Paula Johnston joined the University as Chief Financial Officer in June 2019 replacing Paul Dunn who resigned in February 2019.

The 2019 Financial Statements include new disclosures to account for key Australian Accounting Standards introduced for 1 January 2019 including AASB 15 Revenue from Contracts with Customers, AASB 1058 Income of Not-for-Profit Entities and AASB 16 Leases.

FINANCIAL OUTCOMES

In 2019, the Group result showed strong annual growth of 8.7 per cent in total group income (in 2018 this was 0.9 per cent). This was bolstered by continued growth in international student income, up \$7.5 million to \$121.9 million and representing a 6.6 per cent increase; as well as strong investment returns and research revenue in line with 2018.

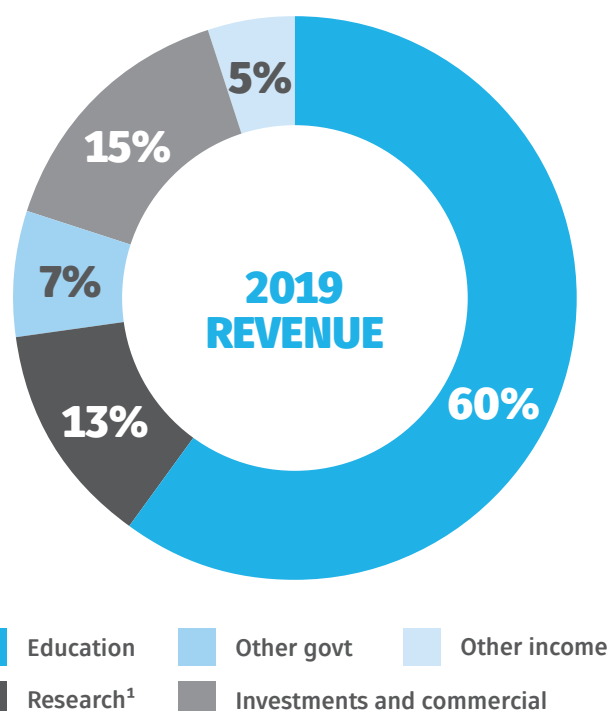
Employee-related expenses for the Group grew 3.5 per cent in 2019 to \$444.9 million, largely due to the increments included in the enterprise agreements finalised in late 2018.

Total non-salary expenses in the University increased by 6 per cent in 2019 reflecting an additional investment in IT services and the University's *Global Partnerships Plan* Phase 2 (GPP 2.0).

In 2019, the University Group's operating cash flows were \$60.3 million, slightly down on the \$64.0 million reported in the previous year. The Group's capital expenditure on property, plant and equipment was \$78 million in 2019, up from \$71.9 million recorded in 2018, due to the University's development of the STEMM precinct and other campus refurbishments.

FINANCIAL POSITION

The Group's financial position remains strong with net assets of \$1.41 billion at 31 December 2019 (2018: \$1.39 billion), and no external borrowings. The University's low current ratio has been maintained and is due to the strategic allocation of investments to a long-term pool and their classification as non-current assets. A significant portion of funds within the long-term pool, disclosed in the University's non-current assets, are invested in highly liquid assets attracting greater returns. This investment strategy enhances the Group's liquidity. During 2019, the University transitioned its Australian and global share funds into 'socially responsible' portfolios.



The Group's investments totalled \$534.7 million at the end of 2019, compared with \$498.2 million in the prior year. The Group recognised an unrealised investment gain of \$42.2 million for the year ended 31 December 2019 due to the strong performance of investment markets. Excluding investment revaluations, the net result was \$23.7 million in 2019 compared with \$47.0 million in 2018. Realised investment income was \$21.9 million in 2019, representing a decrease compared to \$27.6 million in 2018, but still a favourable return.

The University elected to continue recording its long-term strategic investment in Education Australia Ltd at fair value through Other Comprehensive Income. The revaluation of this investment resulted in an unrealised gain of \$16.8 million at 31 December 2019 (in 2018 this was \$6.7 million).

The annual independent valuation of land, buildings and infrastructure assets resulted in a net decrement of \$13.5 million (in 2018 the net increment was \$38.3 million) which was recorded in the asset revaluation reserve. The decrease in 2019 was largely due to adjustments to the useful life of four buildings at the Callaghan campus in Newcastle. This includes the McMullin Building as part of the *STEMM Demolition Strategy Plan* in 2020.

*Unless otherwise stated, references to the 'Group' in this section indicate the Consolidated Group's results in the financial statements starting on page 46. The Group includes the University of Newcastle (parent entity) and its controlled entities, UON Singapore Pte Ltd and the University of Newcastle Research Associates Ltd.

TABLE 1: FINANCIAL RESULTS AND BUDGET (UNIVERSITY ONLY)

	2019 ACTUAL	2019 BUDGET	2018 ACTUAL	2018 BUDGET
INCOME FROM CONTINUING OPERATIONS \$ million (m)				
Australian government financial assistance	499.3	473.1	492.0	457.6
State and local government financial assistance	16.9	16.9	20.3	20.3
HECS-HELP — Student payments	5.4	4.6	5.2	0.8
Fees and charges	173.7	199.6	165.6	175.8
Investment revenue	65.9	22.5	10.7	25.3
Royalties, trademarks and licences	0.4	0.0	0.1	0.2
Consultancy and contracts	36.8	38.9	32.7	55.1
Other revenue	35.5	25.8	39.9	35.3
Other investment income	-	0.0	-	-
Total income from continuing operations	833.9	781.4	766.7	770.4
EXPENSES FROM CONTINUING OPERATIONS \$ m				
Employee related expenses	(437.0)	(454.4)	(422.2)	(461.9)
Depreciation and amortisation	(55.9)	(51.4)	(50.7)	(48.8)
Repairs and maintenance	(31.0)	(29.7)	(31.2)	(25.4)
Borrowing costs	(0.4)	0.0	(0.1)	-
Impairment of assets	(0.1)	(0.1)	(0.3)	(0.2)
Loss on disposal of assets	(0.1)	0.0	(0.1)	(0.1)
Deferred superannuation expense	(4.2)	0.0	(3.5)	-
Other expenses	(239.3)	(230.6)	(233.8)	(216.4)
Total expenses from continuing operations	(768.9)	(766.2)	(741.9)	(752.8)
Net result before income tax	65.0	15.2	24.8	17.6

Note 1: Research income reported in accordance with Australian Accounting Standards differs from HERDC reported research income and the actual value of research grants awarded, but not recognised as income, during the year.

Note 2: The 2019 budget provided above was the first and only budget approved by the University's Council for the year.

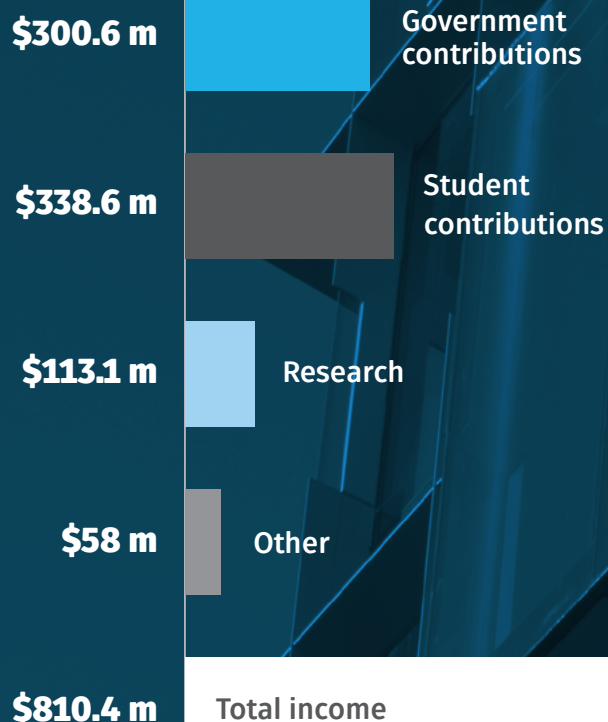
TABLE 2: 2019 CONSOLIDATED RESULTS

	INCOME \$ m	EXPENSES \$ m	NET SURPLUS (DEFICIT) \$ m	BUDGET NET SURPLUS (DEFICIT) \$ m
University of Newcastle	833.9	(768.9)	65.0	15.2
TUNRA	8.0	(7.4)	0.6	0.2
UON Singapore	8.2	(7.8)	0.3	0.0
Consolidation adjustments	(4.9)	4.8	-	-
Consolidated entity	845.2	(779.3)	65.9	15.4

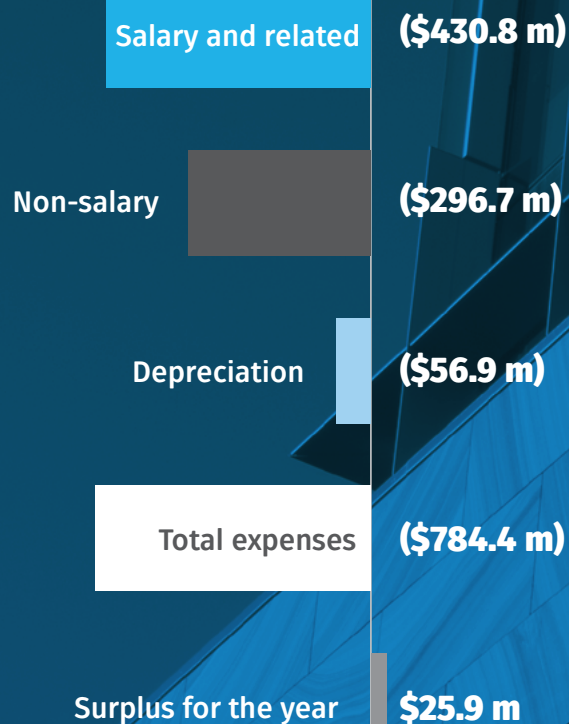
2020 BUDGET

SUMMARY 2020 BUDGETED FINANCIAL PERFORMANCE (UNIVERSITY ONLY)

INCOME



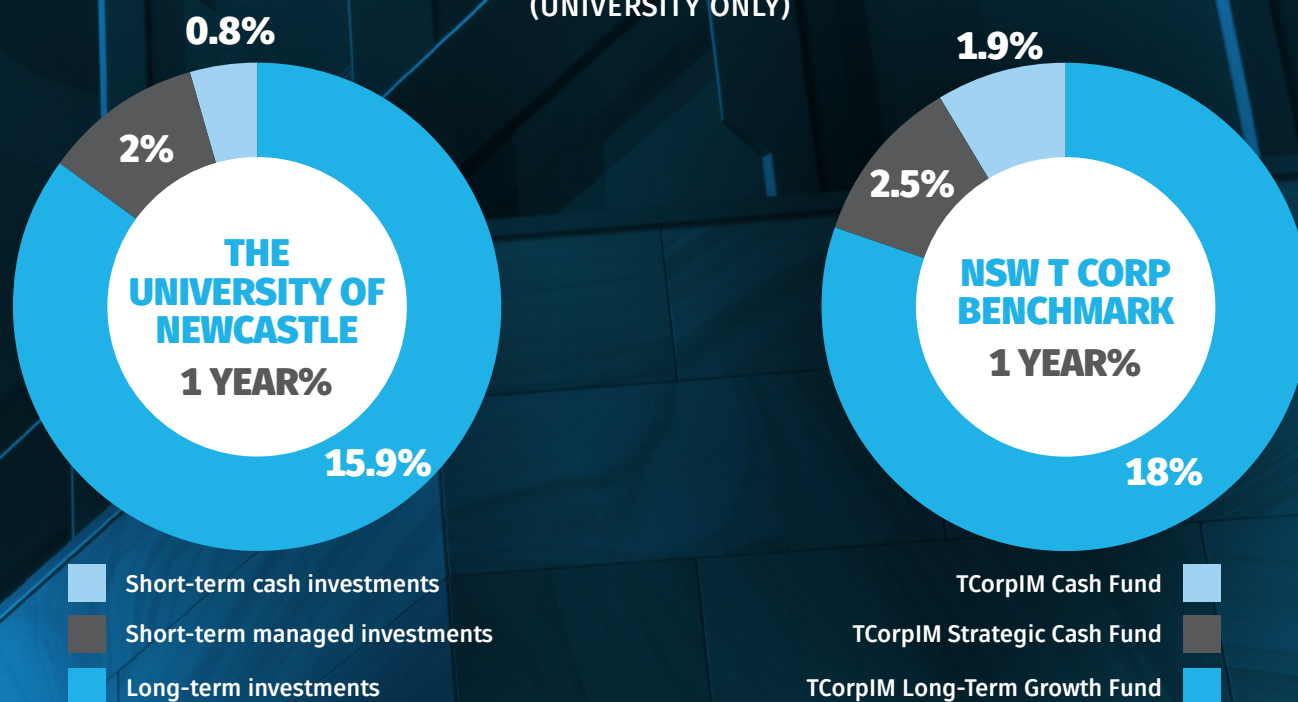
EXPENSES



INVESTMENT PERFORMANCE

Performance for 2019 is shown in the graphs below:

INVESTMENT PERFORMANCE ACHIEVED COMPARED TO NSW TREASURY CORPORATION BENCHMARKS (UNIVERSITY ONLY)



Source University treasury records and NSW TCorpIM Fund performance provided by Mercer Consulting

LIABILITY MANAGEMENT PERFORMANCE

The University did not have any external bank borrowings at 31 December 2019.

ACCOUNTS PAYABLE PERFORMANCE

There were no significant events that affected payment performance. The University continued making internal process improvements to accounts payable performance in 2019, including the implementation of Robotic Process Automation to assist with streamlining processes. There were no instances where penalty interest was paid in 2019.

TABLE 3: ACCOUNTS PAYABLE PERFORMANCE IN 2019 (UNIVERSITY ONLY)

ACCOUNTS PAYABLE AT:	31 MARCH \$ m	30 JUNE \$ m	30 SEPTEMBER \$ m	31 DECEMBER \$ m
Not overdue	4.4	2.6	1.8	23.7
Under 30 days	0.1	0.1	0.5	1.3
Between 30 to 60 days	-	-	-	0.1
Between 60 to 90 days	-	-	-	-
More than 90 days overdue	-	-	-	-
Total	4.5	2.7	2.3	25.1
Invoices paid on time	Q1 31 March	Q2 30 June	Q3 30 September	Q4 31 December
	%	%	%	%
Actual based on volume	97.1	98.8	99.1	98.6
Actual based on value	97.9	97.7	99.2	99
Target	66.7	66.7	66.7	66.7
	\$ m	\$ m	\$ m	\$ m
Actual value paid	58.3	63.6	77.5	118.1
Total amount paid	59.6	65.1	78.1	119.3

MOVEMENT IN WAGES

The movement in wages is consistent with the University's strategy and reflects enterprise agreement salary increases agreed in late 2018. There were no exceptional movements in wages, salaries or allowances in 2019.

OVERSEAS TRAVEL

The University is committed to growing its reputation internationally and building worldwide awareness of its educational achievements and innovative research outcomes. The total expenditure on international travel was \$7.7 million in 2019 (compared with \$7.1 million in 2018). This includes the cost of airfares, accommodation and other transport costs. In 2019, University staff members travelled overseas to promote the University and collaborate internationally by undertaking international research and delivering academic presentations.

LAND DISPOSAL

The University did not dispose of any land in excess of \$5 million during 2019.

FUNDS GRANTED TO NON-GOVERNMENT COMMUNITY ORGANISATIONS

During 2019, the University provided \$143,245 in grant funding to local non-government community organisations (compared to \$72,182 in 2018).

TABLE 4: FUNDS GRANTED TO NON-GOVERNMENT COMMUNITY ORGANISATIONS

NAME OF RECIPIENT ORGANISATION	PROGRAM AREA AS PER BUDGET	NATURE AND PURPOSE OF THE PROJECT INCLUDING AIMS AND TARGET CLIENTS	2019 GRANT AMOUNT \$
Central Coast Academy of Sport	Joint activities in sports education, training and research	To facilitate the sporting, vocational and academic opportunities of pre-elite and elite athletes in the Central Coast region	80,000
Central Coast NSW Business Chamber	Academic Division	Sponsor of 2019-2020 Central Coast events; raise the profile of the University in the region and enhance linkages to industry and local business community for students	35,000
Central Coast Industry Connect	Academic Division	Raise the profile of the University within the region and support the organisation's events to create growth opportunities in the manufacturing industry	5,000
Hunter Writers Centre	Newcastle Poetry Prize & Short Story Competition	Raise the profile of Arts and Humanities in the region, support the cultural community and enhance links into this community for students	3,500
Hunter Manufacturing Awards	Faculty of Engineering and Built Environment	Sponsor of Excellence in Product Design; support the Hunter Region's productivity and innovation in manufacturing	5,000
Newcastle Historic Reserve Trust	School of Creative Industries	Sponsorship of The Lock-Up's Artist in Residence program; raise the profile of Arts and Humanities in the region; support the cultural community	5,000
Generation Entrepreneur	Initiate 48	Support the 'Initiate 48' event in Newcastle which helps high school students gain entrepreneurial experience, tools and connections	5,000
Redfrogs	Student Support	Support the organisation's programs which include providing a positive peer presence for young people in Australia; enhancing links to the community for students	4,745
Total			143,245

SUBSIDIARIES

UON SINGAPORE PTE LTD

Established in 2006, the University of Newcastle in Singapore (UON Singapore) is the international footprint of the University of Newcastle in the Asia Pacific region. More than 5,000 students from 39 countries who have enrolled in our programs have graduated and joined our prolific partner institutions in Singapore.

UON Singapore provides access to a world-class higher education and contributes to the human capital development of Singapore and the broader region. Our graduates are making meaningful and lasting improvements nationally and internationally. We continuously strive to ensure our graduates possess future skills, knowledge, competencies and the right attitude to meet and exceed stakeholders' expectations in an increasingly globalised world.

2019 KEY HIGHLIGHTS

Some of our key highlights include:

- University of Newcastle's degrees offered in Singapore continue to be recognised by the Chinese Service Center for Scholarly Exchange (CSCSE), Ministry of Education, People's Republic of China. Such recognition ensures that graduates from UON Singapore are eligible to apply for jobs in the government sectors in China.
- University of Newcastle's Bachelor of Commerce offered in Singapore has been included as one of the recognised degrees for Associate membership in the Institute of Singapore Chartered Accountants (ISCA) admission. Graduates of this degree program can apply to be admitted and will not be required to complete the Singapore Chartered Accountant (CA) Qualification (Foundation).
- The Institution of Engineers Australia Panel has provided Conditional Full Accreditation for the Bachelor of Electrical and Electronic Engineering (Honours) and Bachelor of Mechanical Engineering (Honours) offered in Singapore at the level of Professional Engineer. Provisional Accreditation has also been given to the Bachelor of Civil Engineering (Honours) at the level of Professional Engineer.
- With the increasing focus on industry engagement and prioritising graduate employability, UON Singapore has formed five Industry Advisory Committees (IACs). IACs consist of members from industry and provide support with keeping the curriculum up-to-date with industry needs.
- The employment outcomes of the 2018 cohort affirm that our graduates are highly employable.
- UON Singapore Bachelor of Communication students were successful in the Institute of Public Relations of Singapore's Public Relations in the Service of Mankind Awards (PRISM) in the categories of Outstanding Public Relation Project Award — Student Category and the Outstanding Public Relation Student Award.

- All of our academics are research active. In 2019, UON Singapore academics published 33 refereed journal articles, two books, one book chapter and they gave 30 conference presentations. UON Singapore academics won eight external research grants worth a total of AU\$4,760,420. In addition, UON Singapore funded six internal research projects worth S\$62,500.
- We conducted monthly public research seminars that showcased world-class researchers and exciting research projects. These events provided us with a platform enabling collaborators to discuss new developments in their fields and share thoughts and opinions across disciplines.
- One of our students, Gineish S/O Krisnan Murty, from the Bachelor of Electrical and Electronic Engineering (Honours) program, was awarded first runner up at the National Engineers Day Competition 2019.

ENGAGEMENT

- To enhance engagement and visibility in Singapore and beyond, UON Singapore joined membership of the Australian Chamber of Commerce Singapore (AustCham); Singapore International Chamber of Commerce (SICC); the Singapore Association for Private Education (SAPE); Singapore National Employers Federation (SNEF); and Australian Alumni Singapore.
- To enhance our online presence, our website has been refreshed with a new look.
- Our 2019 Corporate Social Responsibility involvement included working alongside Children's Wishing Well for Every Student's Home. We also raised funds for the Straits Times School Pocket Money Fund.
- The UON Singapore Alumni Chapter Committee continued its efforts in fostering lifelong relationships with our graduates and friends through a variety of networking and celebratory events throughout the year. Our alumnus and guests were given exclusive insights into the future of the city as industry leaders discussed Singapore 2030 during the event.

ACTIVITIES FOR 2020

In 2019, the UON Singapore student load showed overall growth of 10.2 per cent in comparison to 2018. The University undertakes marketing, recruitment and business development activities in Singapore and around the region to complement our program diversification and enrichment efforts, while also contributing to the growth in student load. We aim to continue to build our presence as a hub for the University of Newcastle in the Asia-Pacific Region.

THE UNIVERSITY OF NEWCASTLE RESEARCH ASSOCIATES LIMITED (TUNRA)

The University of Newcastle Research Associates Limited (TUNRA) completed another successful year of commercial operation as part of the Research and Innovation Division. TUNRA operates as a wholly-owned controlled entity of the University of Newcastle and acts as an important interface between academia and industry. TUNRA plays a significant role in the strategy of the University of Newcastle by leveraging University research capabilities and assets to create additional value for the institution by operating in a commercial setting.

In 2019, the business has focused on the continued growth of the TUNRA Bulk Solids (TBS) business unit, as well as exploring new business opportunities across the University. This year also saw the significant milestone of TUNRA reaching 50 years of operation.

2019 ACHIEVEMENTS

Some of our key achievements include:

- A continued focus on the governance structure to support the commercial research activities. This includes policy documentation, legislative compliance and review of risk management frameworks.
- Strong performance of the TBS business unit that has continued the success seen in the last few years. The main commercial research services that TBS offer are flow property testing and characterisation, and engineering design services.
- The completion of 10 industry-specific training courses in the materials handling sector. These courses are conducted as a means of educating industry based on the research developments of the University and are conducted throughout Australia.
- TUNRA-hosted project, Mineral Carbonation International, had a successful year with the commissioning of their new pilot plant at NIER with trials now underway and ahead of schedule. This project is focused on transforming carbon dioxide emissions into valuable products for use in advanced materials and in building products such as cements and plasterboards.

- A new TUNRA-hosted project commenced in 2019, known as the ImmVirX research project. This project, led by Professor Darren Shafren, will focus on the use of selected viruses to target colorectal cancer, ovarian cancer, head and neck cancer and liver cancer. The project involves many of the same team as the previously successful Viralytics project, which resulted in the research technology being acquired by US pharmaceutical firm Merck in 2018.
- A celebration dinner was held in October 2019 to mark the significant milestone of the 50th Anniversary of TUNRA. The event, attended by senior representatives of the University and industry partners, focused on recognising the past successes whilst looking forward to how TUNRA can continue to meet the needs of both the University and industry partners.

ACTIVITIES FOR 2020

TUNRA will increase engagement across the University of Newcastle to further leverage the University's research resources, in line with strategy, to enhance the engagement with industry and community.

We will also facilitate a more robust and responsive customer-service environment, supported by a flexible operating model that provides additional opportunities for University research.

We will continue to make, as a controlled entity, a direct and indirect contribution to the University of Newcastle.

THE UNIVERSITY OF NEWCASTLE

AUDITED FINANCIAL STATEMENTS

ABN 15 736 576 735

FOR THE YEAR ENDED 31 DECEMBER 2019

INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2019

		Consolidated		Parent	
		2019	2018	2019	2018
	Note	\$'000	\$'000	\$'000	\$'000
Income from continuing operations					
Australian Government financial assistance					
Australian Government grants	3.1	335,586	335,288	335,586	335,288
HELP - Australian Government payments	3.1	163,683	156,680	163,683	156,680
State and Local Government financial assistance	3.2	16,979	20,353	16,979	20,353
HECS-HELP - student payments		5,483	5,250	5,483	5,250
Fees and charges	3.3	181,737	172,372	173,712	165,639
Investment income	4	65,799	10,994	65,690	10,699
Royalties, trademarks and licences		826	904	435	146
Consultancy and contracts	3.4	43,501	39,854	36,829	32,733
Other revenue	3.5	31,626	36,199	35,545	39,931
Total income from continuing operations		845,220	777,894	833,942	766,719
Expenses from continuing operations					
Employee related expenses	5	444,936	430,446	436,968	422,155
Depreciation and amortisation	6	56,248	50,852	55,825	50,748
Repairs and maintenance	7	31,133	31,295	31,077	31,253
Borrowing costs	8	390	6	422	52
Impairment of assets	9	1,015	330	1,006	332
Loss on disposal of assets		67	140	77	140
Deferred superannuation expense	5	4,201	3,469	4,201	3,469
Other expenses	10	241,322	236,696	239,392	233,775
Total expenses from continuing operations		779,312	753,234	768,968	741,924
Net result before income tax from continuing operations		65,908	24,660	64,974	24,795
Income tax expense		-	-	-	-
Net result after income tax for the period		65,908	24,660	64,974	24,795
Net result attributable to:					
Members of the University of Newcastle		65,908	24,660	64,974	24,795
Total		65,908	24,660	64,974	24,795

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2019

Note	Consolidated		Parent	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Net result after income tax for the period	65,908	24,660	64,974	24,795
Items that will be reclassified to profit or loss				
Exchange differences on translation of foreign operations	42	240	-	-
Net changes in value of available for sale financial assets, net of tax	-	-	-	-
Reclassification to profit and loss – disposal of available-for-sale assets	-	-	-	-
Total	42	240	-	-
Items that will not be reclassified to profit or loss				
Gain/(loss) on revaluation of land and buildings, net of tax	(13,506)	38,339	(13,506)	38,339
Net actuarial gain/(loss) recognised in respect of defined benefit plans	1,830	1,483	1,830	1,483
Gain/(loss) on revaluation of other financial assets through comprehensive income	16,790	6,733	16,790	6,733
Total	5,114	46,555	5,114	46,555
Total other comprehensive income	5,156	46,795	5,114	46,555
Comprehensive result	71,064	71,455	70,088	71,350
Total comprehensive income attributable to:				
Members of the University of Newcastle	71,064	71,455	70,088	71,350
Total	71,064	71,455	70,088	71,350

STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	Consolidated		Parent	
		2019	2018	2019	2018
		\$'000	\$'000	\$'000	\$'000
Assets					
Current assets					
Cash and cash equivalents	11	36,514	13,053	30,836	8,078
Trade and other receivables	12	62,124	49,107	61,293	48,278
Inventories		179	50	179	50
Other financial assets	13	85,045	75,068	85,045	75,068
Non-current assets held for sale		51	1,586	-	1,583
Total current assets		183,913	138,864	177,353	133,057
Non-current assets					
Receivables	12	454,197	432,266	454,100	432,183
Other financial assets	13	449,600	423,141	449,692	423,118
Property, plant and equipment	14	1,047,266	1,030,367	1,047,047	1,030,129
Right of use asset	14.1	11,580	-	10,944	-
Intangible assets	15	32,198	21,843	32,197	21,840
Total non-current assets		1,994,841	1,907,617	1,993,980	1,907,270
Total assets		2,178,754	2,046,481	2,171,333	2,040,327
Liabilities					
Current liabilities					
Trade and other payables	16	138,673	47,243	139,181	47,660
Borrowings	17	2,808	-	2,442	-
Provisions	18	105,296	98,114	104,128	96,894
Other liabilities	19	14,941	36,451	14,941	36,451
Total current liabilities		261,718	181,808	260,692	181,005
Non-current liabilities					
Provisions	18	495,558	474,340	495,558	474,101
Borrowings	17	9,262	-	8,963	-
Total non-current liabilities		504,820	474,340	504,521	474,101
Total liabilities		766,538	656,148	765,213	655,106
Net assets		1,412,216	1,390,333	1,406,120	1,385,221
Equity					
Reserves	20	504,590	499,434	503,286	498,172
Retained earnings	20	907,626	890,897	902,834	887,039
Total equity		1,412,216	1,390,331	1,406,120	1,385,211

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2019

2019	Reserves \$'000	Parent Retained Earnings \$'000	Total \$'000
Balance at 1 January 2019	498,172	887,039	1,385,211
Impact on retained earnings on adoption of AASB 15	-	(51,957)	(51,957)
Restated balance at 1 January 2019	498,172	835,082	1,333,254
Net result	-	64,974	64,974
Gain/(loss) revaluation of land and buildings, net of tax	(10,728)	-	(10,728)
Gain/(loss) financial assets at fair value through OCI	16,790	-	16,790
Transfers from reserves	(2,778)	2,778	-
Remeasurements of Defined Benefit Plans	1,830	-	1,830
Total comprehensive income	5,114	67,752	72,866
Balance at 31 December 2019	503,286	902,834	1,406,120

2018	Reserves \$'000	Parent Retained Earnings \$'000	Total \$'000
Balance at 1 January 2018	474,246	839,625	1,313,871
Transfer from revaluation reserves to retained earnings on adoption of AASB 9	(22,629)	22,629	-
Restated balance at 1 January 2018	451,617	862,254	1,313,871
Net result	-	24,785	24,785
Gain/(loss) revaluation of land and buildings, net of tax	38,339	-	38,339
Gain/(loss) financial assets at fair value through OCI	6,733	-	6,733
Remeasurements of Defined Benefit Plans	1,483	-	1,483
Total comprehensive income	46,555	24,785	71,340
Balance at 31 December 2018	498,172	887,039	1,385,211

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2019

2019	Reserves \$'000	Consolidated Retained Earnings \$'000	Total \$'000
Balance at 1 January 2019	499,434	890,897	1,390,331
Impact on retained earnings on adoption of AASB 15	-	(51,957)	(51,957)
Restated balance at 1 January 2019	499,434	838,940	1,338,374
Net result	-	65,908	65,908
Gain/(loss) revaluation of land and buildings, net of tax	(10,728)	-	(10,728)
Gain/(loss) financial assets at fair value through OCI	16,790	-	16,790
Gain/(loss) on foreign exchange	42	-	42
Transfers from reserves	(2,778)	2,778	-
Remeasurements of Defined Benefit Plans	1,830	-	1,830
Total comprehensive income	5,156	68,686	73,842
Balance at 31 December 2019	504,590	907,626	1,412,216

2018	Reserves \$'000	Consolidated Retained Earnings \$'000	Total \$'000
Balance at 1 January 2018	475,809	843,069	1,318,878
Transfer from revaluation reserves to retained earnings on adoption of AASB 9	(23,170)	23,170	-
Restated balance at 1 January 2018	452,639	866,239	1,318,878
Net result	-	24,658	24,658
Gain/(loss) revaluation of land and buildings, net of tax	38,339	-	38,339
Gain/(loss) financial assets at fair value through OCI	6,733	-	6,733
Gain/(loss) on foreign exchange	240	-	240
Remeasurements of Defined Benefit Plans	1,483	-	1,483
Total comprehensive income	46,795	24,658	71,453
Balance at 31 December 2018	499,434	890,897	1,390,331

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	Consolidated		Parent	
		2019	2018	2019	2018
		\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities					
Australian Government grants		533,532	516,000	533,532	516,000
OS- HELP (net)		1,082	(158)	1,082	(158)
State Government grants		15,660	20,353	15,660	20,353
HECS-HELP - student payments		5,483	5,250	5,483	5,250
Receipts from student fees and other customers		231,865	252,279	219,181	240,300
Donations received		1,900	500	1,900	500
Payments to suppliers and employees (inclusive of GST)		(743,306)	(739,756)	(732,315)	(727,524)
Interest received		472	288	458	287
Interest paid		(389)	(6)	(366)	(6)
GST recovered / (paid)		17,782	9,214	18,687	10,008
Lease payments for short-term and low-value leases		(3,815)	-	(3,779)	-
Net cash provided by / (used in) operating activities	27	60,266	63,964	59,523	65,010
Cash flows from investing activities					
Proceeds from sale of property, plant and equipment		1,725	245	1,725	176
Payments for property, plant and equipment		(78,008)	(71,923)	(77,947)	(71,916)
Proceeds from sale of financial assets		275,256	153,601	275,000	151,239
Payments for financial assets		(233,000)	(149,000)	(233,000)	(149,000)
Payments for purchase of intellectual property		-	(18)	-	-
Proceeds from investments		1,593	-	-	-
Payments for investments		(1,588)	(1,595)	-	-
Proceeds from repayments of interest bearing loans		84	79	84	79
Net cash provided by / (used in) investing activities		(33,938)	(68,611)	(34,138)	(69,422)
Cash flows from financing activities					
Repayment of borrowings		-	(33)	-	(33)
Repayment of lease liabilities		(2,944)	-	(2,627)	-
Net cash provided by / (used in) financing activities		(2,944)	(33)	(2,627)	(33)
Net increase / (decrease) in cash and cash equivalents		23,384	(4,680)	22,758	(4,445)
Cash and cash equivalents at the beginning of year		13,053	17,431	8,078	12,523
Effects of exchange rate changes on cash and cash equivalents		77	302	-	-
Cash and cash equivalents at end of financial year	11	36,514	13,053	30,836	8,078

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

1. Summary of Significant Accounting Policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied for all years reported unless otherwise stated. The financial statements include separate statements for the University of Newcastle as the parent entity and the consolidated entity consisting of the University of Newcastle and its subsidiaries.

(a) Basis of preparation

The annual financial statements represent the audited general purpose financial statements of the University of Newcastle and its subsidiaries ('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 Group applies Tier 1 reporting requirements.

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

- *Higher Education Support Act 2003* (Financial Statement Guidelines)
- *Public Finance and Audit Act 1983* (NSW)
- *Public Finance and Audit Regulation 2015* (NSW)

The University of Newcastle is a not-for-profit entity and these statements have been prepared on that basis. Some of the 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 24 March 2020.

Historical cost convention and reporting basis

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

Critical accounting estimates

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 financial assets (refer to Note 13)
- Impairment of financial assets (refer to Note 13)
- 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 finance report other than the normal operational judgements effecting depreciation, impairment, revaluation of assets and calculation of employee benefits.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

1. Summary of Significant Accounting Policies (continued)

(b) Basis of Consolidation

(i) Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of the University of Newcastle ("parent entity") as at 31 December 2019 and the results of all subsidiaries for the year then ended. The University of Newcastle and its subsidiaries together are referred to in this financial report as the Group or the consolidated entity.

Subsidiaries are all those entities (including structured entities) over which the Group has control. The Group has control over an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Power over the investee exists when the Group has existing rights that give it current ability to direct the relevant activities of the investee. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Returns are not necessarily monetary and can be only positive, only negative, or both positive and negative.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are 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.

(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 24.

(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 does not provide for Australian income tax as it is exempt under the provisions of Division 50 of the *Income Tax Assessment Act 1997* (ITAA). UON Singapore Pte Ltd is subject to income tax under Singaporean Legislation.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

1. Summary of Significant Accounting Policies (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 operations ('the functional currency'). The consolidated 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 exchange rates 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.

(h) New Accounting Standards and Interpretations

The following standards have been issued but are not mandatory for 31 December 2019 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
AASB 138 Intangible Assets	1 Jan 2020	AASB 138 has been amended to incorporate changes to International Accounting Standards (IAS) 38. The Group has assessed its intangible assets against these amendments. The Group has not identified any material impact from the amendments to AASB 138 which will affect its accounting for 2020.
AASB 1059 Service Concession Arrangements: Grantors	1 Jan 2020	AASB 1059 requires public sector entities to recognise a service concession asset and corresponding liability where the required conditions are met and make disclosures to enable users to understand the nature, amount, timing and uncertainty of assets, liabilities, revenue and cash flows arising from service concession arrangements. The Group has reviewed its contracts and no impact from the new standard has been identified as at 31 December 2019.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

1. Summary of Significant Accounting Policies (continued)

(i) Initial Application of New Standards

Adoption of AASB 15 Revenue from Contracts with Customers (AASB 15), AASB 1058 Income of Not-For-Profit Entities (AASB 1058) and AASB 16 Leases (AASB 16) is made in accordance with the transitional provisions applicable to each standard. The nature and effect of the changes as a result of adoption of these new accounting standards is described below.

AASB 15 Revenue from contracts with customers and AASB 1058 Income of Not-For-Profit Entities

The Group adopted AASB 15 and AASB 1058 using the modified retrospective method of transition, with the date of initial application of 1 January 2019. In accordance with the provisions of this transition approach, the Group recognised the cumulative effect of applying these new standards as an adjustment to opening retained earnings at the date of initial application, i.e. 1 January 2019. Consequently, the comparative information presented has not been restated and continues to be reported under the previous standards on revenue and income. In addition, the Group has applied the practical expedient and elected to apply these standards retrospectively only to contracts and transactions that were not completed contracts at the date of initial application, i.e. as at 1 January 2019.

The new accounting policies for revenue and other income for not-for-profit in accordance with AASB 15 and AASB 1058 respectively are provided in Note 3.

Under the new income recognition model applicable to not-for-profit entities, the Group first determines whether an enforceable agreement exists and whether the promises to transfer goods or services to the customer are 'sufficiently specific'.

If an enforceable agreement exists and the promises are 'sufficiently specific' (to a transaction or part of a transaction), the Group applies the general AASB 15 principles to determine the appropriate revenue recognition. If these criteria are not met, the Group considers whether AASB 1058 applies.

The nature and effect of the changes as a result of adoption of AASB15 and AASB1058 are described as follows:

	Consolidated		Parent	
	Ref adjustments	1 January 2019 \$'000	Ref adjustments	1 January 2019 \$'000
Assets				
Contract assets	12	4,633	12	4,633
Total assets		4,633		4,633
Contract liabilities	16	(64,334)	16	(64,334)
Other liabilities	19	7,744	19	7,744
Total liabilities		(56,590)		(56,590)
Total adjustment on equity				
Retained earnings	20	(51,957)	20	(51,957)
		(51,957)		(51,957)

Set out below are the amounts by which each financial statement line item is affected as at and for the year ended 31 December 2019 as a result of the adoption of AASB 15 and AASB 1058. The adoption of AASB 15 did not have a material impact on OCI or the Group's operating, investing and financing cash flows. The first column shows amounts prepared under AASB 15 and AASB 1058 and the second column shows what the amounts would have been had AASB 15 and AASB 1058 not been adopted:

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

1. Summary of Significant Accounting Policies (continued)

(i) Initial Application of New Standards (continued)

Income Statement

	Ref.	Consolidated		Increase/ (decrease) \$'000	Amounts prepared under Parent		Increase/ (decrease) \$'000
		AASB15/ AASB1058 \$'000	Previous AAS \$'000		AASB15/ AASB1058 \$'000	Previous AAS \$'000	
Revenue and income from continuing operations							
Australian Government grants	2.1	335,586	347,853	(12,267)	335,586	347,853	(12,267)
State and Local Government financial assistance	2.2	16,979	15,806	1,173	16,979	15,806	1,173
Consultancy and contracts	2.4	43,501	42,574	927	36,829	35,902	927
Other revenue	2.5	31,626	34,240	(1,031)	35,545	38,159	(1,031)
Total revenue and income from continuing operations		<u>427,692</u>	<u>440,473</u>	<u>(11,198)</u>	<u>424,939</u>	<u>437,720</u>	<u>(11,198)</u>
Expenses from continuing operations							
Other expense	9	<u>241,322</u>	<u>254,703</u>	<u>(13,381)</u>	<u>239,392</u>	<u>252,773</u>	<u>(13,381)</u>
Total expenses from continuing operations		<u>241,322</u>	<u>254,703</u>	<u>(13,381)</u>	<u>239,392</u>	<u>252,773</u>	<u>(13,381)</u>
Net result before income tax from continuing operations		<u>186,370</u>	<u>185,770</u>	<u>2,183</u>	<u>185,547</u>	<u>184,947</u>	<u>2,183</u>
Net result from continuing operations, after tax		187,953	185,770	2,183	187,130	184,947	2,183
Net result attributable to:							
Members		<u>187,953</u>	<u>185,770</u>	<u>2,183</u>	<u>187,130</u>	<u>184,947</u>	<u>2,183</u>
Total		<u>187,953</u>	<u>185,770</u>	<u>2,183</u>	<u>187,130</u>	<u>184,947</u>	<u>2,183</u>
Net result attributable to members from:							
Continuing operations		<u>187,953</u>	<u>185,770</u>	<u>2,183</u>	<u>187,130</u>	<u>184,947</u>	<u>2,183</u>
Total		<u>187,953</u>	<u>185,770</u>	<u>2,183</u>	<u>187,130</u>	<u>184,947</u>	<u>2,183</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

1. Summary of Significant Accounting Policies (continued)

(i) Initial Application of New Standards (continued)

Statement of Financial Position

		Consolidated			Amounts prepared under		
	Ref.	AASB15/ AASB1058 \$'000	Previous AAS \$'000	Increase/ (decrease) \$'000	AASB15/ AASB1058 \$'000	Previous AAS \$'000	Increase/ (decrease) \$'000
Assets							
Contract assets	12	9,906	1,132	8,774	8,774	-	8,774
Total assets		9,906	1,132	8,774	8,774	-	8,774
Contract liabilities	16	(66,740)	(448)	(66,292)	(66,292)		(66,292)
Other liabilities	19		(7,744)	7,744		(7,744)	7,744
Total liabilities		(66,740)	(8,192)	(58,548)	(66,292)	(7,744)	(58,548)
Equity							
Retained earnings	20	(56,834)	(7,060)	(49,774)	(57,518)	(7,744)	(49,774)
Total equity		(56,834)	(7,060)	(49,774)	(57,518)	(7,744)	(49,774)

The nature of the adjustments as at 1 January 2019 and the reasons for the significant changes in the statement of financial position as at 31 December 2018 and the income statement for the year ended 31 December 2019 are described below:

a) Recognition of Research Income under AASB 15

The implementation of AASB 15 on some research revenue has resulted in contract assets and liabilities being recognised as applicable as at 31 December 2018 and the current financial year. Previously unspent research funding was recognised in the year payments were received and a commitment disclosed in the financial statements.

b) Recognition of lease liabilities under AASB 16

Additional other liabilities recognised relate the implementation of AASB 16 being the recognition of leases previously considered to be operating leases.

AASB 16 Leases

The Group has adopted AASB 16 using the modified retrospective method of transition, with the date of initial application of 1 January 2019. Under the modified approach, the Group has classified leases previously recognised as operating leases by discounting the remaining lease payments using the incremental borrowing rate at the date of initial implementation.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

1. Summary of Significant Accounting Policies (continued)

(i) Initial Application of New Standards (continued)

In accordance with the provisions of this transition approach, the Group recognised the cumulative effect of applying this new standard as an adjustment to opening retained earnings at the date of initial application, i.e. 1 January 2019. Consequently, the comparative information presented has not been restated and continues to be reported under the previous standards on leases – AASB 117 and AASB Interpretation 4 *Determining whether an arrangement contains a lease* (Interpretation 4). The new accounting policies for leases in accordance with AASB 16 are provided in Note 14.1.

The nature and effect of the changes as a result of adoption of AASB 16 are as described below:

Definition of lease

Previously, the Group determined at contract inception whether an arrangement is or contains a lease under Interpretation 4. Under AASB 16, the Group will continue to assess at contract inception whether a contract is, or contains, a lease but now uses the new definition of a lease.

On transition to AASB 16, the Group elected to apply the practical expedient to grandfather the assessment of which transactions are or contain leases. This means that for arrangements entered into before 1 January 2019, the Group has not reassessed whether they are, or contain, a lease in accordance with the new AASB 16 lease definition. Consequently, contracts existing prior to 1 January 2019 which were assessed per the previous accounting policy described below in accordance with AASB 117 and Interpretation 4 as a lease will be treated as a lease under AASB 16. In addition, contracts previously not identified as a lease will not be reassessed to determine whether they would meet the new definition of a lease in accordance with AASB 16. Therefore, the Group applied the recognition and measurement requirements of AASB 16 only to contracts that were previously identified as leases and does not apply AASB 16 to contracts that were previously not identified as leases. The new definition of lease under AASB 16 will only be applied to contracts entered into or modified on or after 1 January 2019.

Assets in relation to make good provisions

On transition to AASB 16, the Group recognised assets in relation to the make good provision as part of the right-of-use asset if the cost related to restoring the leased premises.

The Group continue to capitalise costs related to dismantling and removing the leasehold improvement as part of leasehold improvements and are amortised over the shorter of the term of the lease and the useful life of the assets.

UON as a lessee

The Group previously classified leases as operating or finance leases based on its assessment of whether the lease transferred substantially all of the risks and rewards incidental to ownership of the underlying asset to the Group. Under AASB 16 this classification no longer exists for the Group as a lessee. Instead, practically all leases are now recognised on the statement of financial position as right-of-use assets with corresponding lease liabilities comprising all amounts which are considered to be lease payments (see Note 16.1 for the new leases policy which explains what amounts are included in lease payments).

Leases previously classified as operating leases under AASB 117

On transition to AASB 16, the Group recognised lease liabilities for leases previously classified as operating leases by discounting the remaining lease payments using the incremental borrowing rate as at the date of initial application, i.e. 1 January 2019. The right-of-use assets were recognised at its carrying amount as if AASB 16 had been applied since the commencement date, but discounted using the lessee's incremental borrowing rate at the date of initial application.

The Group has applied the following practical expedients in transitioning existing operating leases:

- a) Applied a single discount rate to a portfolio of leases with reasonably similar characteristics (such as leases with a similar remaining lease term for a similar class of underlying asset in a similar economic environment)
- b) Applied the exemption not to recognise right-of-use assets and lease liabilities where the remaining leases term is 12 months or less from the date of initial application
- c) Relied on its assessment of whether leases are onerous applying AASB 137 immediately before the date of initial application, as an alternative to undertaking an impairment review
- d) Used hindsight in determining the lease term where the contract contains options to extend or terminate the lease
- e) Excluded initial direct costs from the measurement of right-of-use asset at the date of initial application.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

1. Summary of Significant Accounting Policies (continued)

(i) Initial Application of New Standards (continued)

Leases previously classified as finance leases under AASB 117

On the date of initial application, right-of-use assets and lease liabilities continued to be recognised for leases previously classified as finance leases at the same carrying amounts of the leased assets and finance lease liabilities recognised in accordance with AASB 117 immediately before the date of initial application.

As a lessee, the weighted average incremental borrowing rate applied to lease liabilities recognised in the statement of financial position on the date of initial application was 5%.

The difference between the operating lease commitments disclosed previously by applying AASB 117 and the value of the lease liabilities recognised under AASB 16 on 1 January 2019 is explained as follows:

	Consolidated	Parent
	1 January 2019	
	\$'000	\$'000
Operating lease commitments disclosed as at 31 December 2018	13,575	13,075
Discounted using the University of Newcastle weighted average incremental borrowing rate of 5%	(667)	(652)
Add: Finance lease liabilities as at 31 December 2018	-	-
(Less): Short-term leases recognised on a straight-line basis as an expense	(18)	-
(Less): Low-value leases recognised on a straight-line basis as an expense	(4,901)	(4,885)
Add/(less): Adjustments as a result of a different treatment of extension and termination options	6,253	5,739
Add/(less): Adjustments relating to changes in the index or rate	18	-
Add/(less): Others	138	138
Lease liability recognised as at 1 January 2019	14,398	13,415

2. Disaggregated Information

	Revenue and income from transactions*		Results		Assets	
	2019	2018	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Australia	837,032	771,062	65,563	25,103	2,184,399	2,042,368
Singapore	8,188	6,832	345	(443)	5,354	4,113
Total	845,220	777,894	65,908	24,660	2,189,753	2,046,481
Unallocated	-	-	-	-	-	-
Total	845,220	777,894	65,908	24,660	2,189,753	2,046,481

*Includes Revenue from Contracts with Customers in scope of AASB15 and Income of not-for-profit Entities in scope of AASB1058.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

3. Revenue and Income

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

		Consolidated		Parent	
	Note	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
(a) Commonwealth Grant Schemes and Other Grants					
Commonwealth Grants Scheme ^{#1}		222,573	221,419	222,573	221,419
Higher Education Participation and Partnership Program		5,495	5,773	5,495	5,773
Disability Performance Funding ^{#2}		68	94	68	94
Indigenous Student Success Program ^{#3}		3,652	3,739	3,652	3,739
Other		2,204	1,250	2,204	1,250
Total Commonwealth Grants Scheme and Other Grants	32(a)	233,992	232,275	233,992	232,275
(b) Higher Education Loan Programs					
HECS-HELP		139,226	134,612	139,226	134,612
FEE-HELP ^{#4}		19,053	16,838	19,053	16,838
SA-HELP payments		5,404	5,230	5,404	5,230
Total Higher Education Loan Programs	32(b)	163,683	156,680	163,683	156,680
(c) EDUCATION Research					
Research Training Program ^{#5}		24,390	24,101	24,390	24,101
Research Support Program ^{#6}		22,660	22,207	22,660	22,207
Total EDUCATION Research Grants	32(c)	47,050	46,308	47,050	46,308
(d) Other Capital Funding					
Other Capital Funding		-	-	-	-
Total Other Capital Funding	32(e)	-	-	-	-
(e) Australian Research Council					
Discovery		8,231	9,145	8,231	9,145
Linkages ^{#7}		2,366	2,180	2,366	2,180
Networks and Centres		(16)	-	(16)	-
Total Australian Research Council	32(f)	10,581	11,325	10,581	11,325

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

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

Note	Consolidated		Parent	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
(f) Other Australian Government Financial Assistance				
Non-capital				
Other Commonwealth Research Grant	14,561	9,405	14,561	9,405
Other Commonwealth Non-Research Grant	10,793	13,123	10,793	13,123
National Health and Medical Research Council	18,609	22,852	18,609	22,852
Total other Australian Government financial assistance	43,963	45,380	43,963	45,380
Total Australian Government financial assistance	499,269	491,968	499,269	491,968

#1 Commonwealth Grants Scheme (CGS) includes the basic CGS grant amount, Regional Loading, Enabling Loading, Medical Student Loading, Allocated Places and Non Designated Courses.

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

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

#4 Higher Education Loan Programs are in respect of FEE-HELP for Higher Education only and exclude funds received in respect of VET FEE-HELP.

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

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

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

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

3.2. State and Local Government Financial Assistance

	Consolidated		Parent	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Non-capital				
State Government contributions	1,769	1,517	1,769	1,517
State and Local Government research grant	14,391	18,705	14,391	18,705
Total Non-capital	16,160	20,222	16,160	20,222
Capital				
State Government capital contributions	819	131	819	131
Total capital	819	131	819	131
Total State and Local Government Financial Assistance	16,979	20,353	16,979	20,353

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.

3.3. Fees and Charges

	Note	Consolidated		Parent	
		2019	2018	2019	2018
		\$'000	\$'000	\$'000	\$'000
Course Fees and Charges					
Fee-paying onshore overseas students		120,768	113,012	120,768	113,012
Fee-paying offshore overseas students		9,180	8,125	1,153	1,413
Fee-paying domestic postgraduate students		18,749	17,991	18,749	17,991
Fee-paying domestic undergraduate students		2	9	2	9
Fee-paying domestic non-award students		595	611	595	611
Course and conference fees		3,758	3,885	3,751	3,878
Total Course Fees and Charges		153,052	143,633	145,018	136,914
Other Non-Course Fees and Charges					
Student services and amenities fees from students	32(i)	1,592	1,614	1,592	1,614
Library fines		564	663	564	663
Parking fines and fees		3,347	3,879	3,371	3,879
Student accommodation		21,733	20,712	21,733	20,712
Other services		1,449	1,871	1,434	1,857
Total Other Fees and Charges		28,685	28,739	28,694	28,725
Total Fees and Charges		181,737	172,372	173,712	165,639

Accounting Policy

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

3.4. Consultancy and Contracts

	Consolidated		Parent	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Contract research				
Consultancy	3,402	2,695	3,100	2,372
Other contract revenue	11,080	9,127	11,080	9,126
Co-operative research centre	4,538	3,623	4,538	3,623
Hunter Medical Research Institute	7,752	7,010	7,752	7,010
Industry research	16,729	17,399	10,359	10,602
Total contract research	40,099	37,159	33,729	30,361
Total consultancy and contracts	43,501	39,854	36,829	32,733

Accounting Policy

For contracts assessed as containing a reciprocal arrangement, revenue is recognised using the output method, in accordance with AASB 15 *Revenue from Contracts with Customers*. The stage of completion is measured by considering actual costs as a percentage of total forecast costs, or other suitable estimate techniques.

Non-reciprocal consultancy and contract arrangements are accounted for in accordance with AASB 1058 *Income for Not-for-profit Entities* and revenue is recognised at fair value when the Group obtains control of the right to receive the funds, it is probable that economic benefits will flow to the Group, and it can be reliably measured.

3.5. Other Revenue and Income

	Consolidated		Parent	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Other revenue				
Donations and bequests	10,653	12,048	10,729	12,342
Other revenue	588	616	423	532
Sale of goods	-	-	-	-
Sales, memberships and tickets	3,722	3,252	3,720	3,252
Rebates and commissions from external parties	2,119	4,422	2,119	4,422
Insurance recoveries	1,108	1,074	1,108	1,074
Rental revenue	2,137	2,239	2,136	2,239
Sponsorship	2,226	2,612	2,221	2,603
Other related party revenue	-	-	3,987	3,534
Cost recoveries	9,073	9,936	9,102	9,933
Total other revenue	31,626	36,199	35,545	39,931

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

3.6. Revenue and Income Streams from Continuing Operations

	Consolidated							2019	
	Higher Education Loan Program ("HELP")	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	144,644	2	-	-	-	-	-	144,646	-
Domestic students undergraduate		61,315	-	-	-	-	-	61,315	-
Onshore overseas students undergraduate		7,316	-	-	-	-	-	7,316	-
Offshore overseas students undergraduate	19,039	18,749	-	-	-	-	-	37,788	-
Domestic students postgraduate		51,101	-	-	-	-	-	51,101	-
Onshore overseas students postgraduate		1,861	-	-	-	-	-	1,861	-
Offshore overseas students postgraduate		12,724	-	-	-	-	-	12,724	-
Others (e.g. non-award)		153,068	-	-	-	-	-	316,751	-
Total course fees and charges	163,683	-	-	-	-	-	-	-	-
Research									
Contract research [AASB15]	-	41,303	11,136	27,340	5,205	-	-	84,984	-
Research grant [AASB1058]	-	49,498	3,255	-	1,659	-	12,759	-	67,171
Total research	-	90,801	14,391	27,340	6,864	-	12,759	84,984	67,171
Recurrent government grants	-	246,554	-	-	-	-	-	237,339	9,215
Non-course fees and charges	-	-	-	-	-	-	-	-	-
Parking fees	-	-	-	2,650	-	-	-	2,650	-
Student services and amenities fees from students	-	1,592	-	-	-	-	-	1,592	-
Student accommodation	-	-	-	21,733	-	-	-	21,733	-
Other	-	-	-	2,820	-	-	-	2,820	-
Total non-course fees and charges	-	1,592	-	27,203	-	-	-	28,795	-
Capital Government grants	-	-	819	-	-	-	-	-	819
Royalties	-	-	-	427	-	-	-	427	-
Licences	-	-	-	399	-	-	-	399	-
Other [AASB15]	-	-	-	22,031	-	-	-	22,031	-
Other [AASB1058]	-	-	-	-	6,006	1	-	-	6,007
Total other	-	-	-	22,031	6,006	1	-	22,031	6,007
Total revenue from contracts with customers	-	-	-	-	-	-	-	690,726	-
Total income of not-for-profit	-	-	-	-	-	-	-	-	83,212

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

3.6. Revenue and Income Streams from Continuing Operations (continued)

	Parent						2019	
	Sources of Funding						Total Revenue from contracts with customers	Total Income of not-for-profit entities
	Higher Education Loan Program ("HELP")	Student fees	Australian Government financial assistance	State and Local Government financial assistance	Donations, including corporate sponsorship	Bequest		
Revenue and Income Streams								
Course fees and charges								
Domestic students undergraduate	144,644	2	-	-	-	-	144,646	-
Onshore overseas students undergraduate	-	61,315	-	-	-	-	61,315	-
Offshore overseas students undergraduate	-	71	-	-	-	-	71	-
Domestic students postgraduate	19,039	18,749	-	-	-	-	37,788	-
Onshore overseas students postgraduate	-	51,101	-	-	-	-	51,101	-
Offshore overseas students postgraduate	-	1,056	-	-	-	-	1,056	-
Others (e.g. non-award)	-	12,724	-	-	-	-	12,724	-
Total course fees and charges	163,683	145,018	-	-	-	-	308,701	-
Research								
Contract research [AASB15]	-	-	41,303	11,136	20,970	5,205	78,614	-
Research grant [AASB1058]	-	-	49,498	3,255	-	1,659	12,759	67,171
Total research	-	-	90,801	14,391	20,970	6,864	78,614	67,171
Recurrent government grants								
Non-course fees and charges								
Parking fees	-	-	-	-	2,650	-	2,650	-
Student services and amenities fees from students	-	1,592	-	-	-	-	1,592	-
Student accommodation	-	-	-	-	21,733	-	21,733	-
Other	-	-	-	-	2,719	-	2,719	-
Total non-course fees and charges	-	1,592	-	-	27,102	-	28,694	-
Capital Government grants								
Royalties	-	-	-	819	-	-	-	819
Licences	-	-	-	-	36	-	36	-
Other	-	-	-	-	399	-	399	-
Other [AASB15]	-	-	-	-	-	-	-	-
Other [AASB1058]	-	-	-	-	25,695	-	25,695	-
Total other	-	-	-	-	6,085	1	-	6,086
Total revenue from contracts with customers	-	-	-	-	25,695	1	25,695	6,086
Total income of not-for-profit	-	-	-	-	-	-	679,478	83,291

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

3.7. Reconciliation of Revenue and Income

		Consolidated	Parent
		2019	2019
	Note	\$'000	\$'000
Total Australian Government financial assistance including Australian Government loan programs (HELP)	3.1	499,269	499,269
Total State and Local Government financial assistance	3.2	16,979	16,979
Total Fees and charges	3.3	181,737	173,712
Total Royalties, trademarks and licences		826	435
Total Consultancy and contract fees	3.4	43,501	36,829
Total Other revenue and income	3.5	31,626	35,545
Total		773,938	762,769
Total Revenue from contracts with customers as per AASB15	3.6	690,726	679,478
Total Income of not-for-profit as per AASB1058	3.6	83,212	83,291
Total Revenue and Income from continuing operations		773,938	762,769

4. Investment Income

	Consolidated		Parent	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Interest income	506	359	492	358
Total Interest	506	359	492	358
Dividends and Distributions				
Available for sale financial assets	-	-	-	-
Other financial assets at fair value through profit and loss	23,274	31,283	23,274	31,283
Other financial assets at fair value through other comprehensive income	814	2,714	814	2,714
Total dividends and distributions	24,088	33,997	24,088	33,997
Other investment gains/(losses)				
Net gains/(losses) arising on sale of investments	-	-	-	-
Net gains/(losses) arising on other financial assets designated at fair value through profit and loss	41,205	(23,362)	41,110	(23,656)
Cumulative gains/(loss) reclassified from equity on disposal of available-for-sale investments	-	-	-	-
Total other investment gains/(losses)	41,205	(23,362)	41,110	(23,656)
Total investment revenue and other investment income	65,799	10,994	65,690	10,699

Accounting Policy

Interest

For all financial instruments measured at amortised cost and debt instruments measured at fair value 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

5. Employee Related Expenses

	Consolidated		Parent	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Academic				
Salaries	169,349	162,635	166,816	159,977
Contributions to superannuation and pension schemes				
Contributions to funded schemes	25,518	29,815	25,306	29,633
Contributions to unfunded schemes	569	647	569	647
Payroll tax	11,247	10,768	11,247	10,768
Worker's compensation	643	489	643	489
Long service leave	10,612	7,267	10,612	7,267
Annual leave	10,999	11,020	10,982	11,032
Other	4,472	4,043	4,472	4,043
Total academic	233,409	226,684	230,647	223,856
Professional and technical				
Salaries	153,316	147,104	149,357	142,996
Contributions to superannuation and pension schemes				
Contributions to funded schemes	23,366	28,073	22,808	27,628
Contributions to unfunded schemes	677	743	677	743
Payroll tax	11,217	11,119	10,904	10,892
Worker's compensation	608	441	594	422
Long service leave	4,217	(758)	4,132	(826)
Annual leave	13,954	12,953	13,702	12,628
Other	4,172	4,087	4,147	3,816
Total non-academic	211,527	203,762	206,321	198,299
Total employee related expenses	444,936	430,446	436,968	422,155
Deferred superannuation expense	31(e) 4,201	3,469	4,201	3,469
Total employee related expenses, including government employee benefits for superannuation	449,137	433,915	441,169	425,624

Accounting Policy

Contributions to the defined contribution section of the Groups 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

Liabilities for short-term employee benefits including wages and salaries, non-monetary benefits and 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. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates payable.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

5. Employee Related Expenses (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.

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) 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 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	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Depreciation				
Buildings and infrastructure	24,998	24,973	24,998	24,973
Plant and equipment	21,081	20,958	21,003	20,880
Right-of-use asset	3,075	-	2,730	-
Total depreciation	49,154	45,931	48,731	45,853
Amortisation				
Intangibles	7,094	4,921	7,094	4,895
Total amortisation	7,094	4,921	7,094	4,895
Total depreciation and amortisation	56,248	50,852	55,825	50,748

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

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	2019	2018
Buildings and infrastructure	20 - 60 years	20 - 60 years
Plant and Equipment	2 - 10 years	2 - 10 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Intangible assets

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

Amortised assets	2019	2018
Intellectual property	2 - 10 years	2 - 10 years
Computer software	1 - 5 years	1 - 5 years

7. Repairs and Maintenance

	Consolidated		Parent	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Repair and maintenance – general	24,598	22,757	24,553	22,724
Buildings	6,535	8,538	6,524	8,529
Total repairs and maintenance	31,133	31,295	31,077	31,253

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.

8. Borrowing Costs

	Consolidated		Parent	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Lease interest	381	-	358	-
Borrowing costs	9	6	64	52
Total Borrowing Costs	390	6	422	52

Accounting Policy

Borrowing costs incurred for the construction of any qualifying asset are expensed in the period in which they are incurred regardless of how the borrowings are applied. Finance charges in respect of finance leases, and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs are included in the definition of borrowing costs.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

9. Impairment of Assets

	Consolidated		Parent	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Trade and receivables	643	222	634	224
Intangibles	372	108	372	108
Total impairment of assets	1,015	330	1,006	332

Accounting Policy

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

For further information on accounting policies of impairment of financial assets, refer to Note 12 and Note 13.

10. Other Expenses

	Consolidated		Parent	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Advertising, marketing and promotional expenses	6,495	6,444	6,429	6,381
Consumables	28,671	27,513	28,399	27,126
Donations	33	89	33	89
Insurance	2,255	2,036	2,137	1,913
Minor equipment	22,017	20,409	21,462	20,170
Operating lease rental	4,383	4,085	4,373	4,075
Professional services	59,025	47,805	58,629	46,203
Scholarships, grants and prizes	50,365	57,369	50,559	58,151
Telecommunications	4,790	3,359	4,759	3,322
Travel, staff development and entertainment	25,327	23,170	25,016	22,650
Utilities	8,145	9,235	8,139	9,230
Other expenses	29,816	35,182	29,457	34,465
Total other expenses	241,322	236,696	239,392	233,775

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

11. Cash and Cash Equivalents

	Consolidated		Parent	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Cash at bank and on hand	<u>36,514</u>	<u>13,053</u>	<u>30,836</u>	<u>8,078</u>
Total cash and cash equivalents	<u>36,514</u>	<u>13,053</u>	<u>30,836</u>	<u>8,078</u>

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

Cash at bank and on hand

Cash on hand is non-interest bearing. Cash at bank earns floating interest rates between 0.70% and 1.00% (2018: 0.65% and 1.20%).

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

12. Trade and Other Receivables

	Consolidated		Parent	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Current				
Trade receivables	21,996	10,693	21,370	10,050
Student fees	1,883	1,126	1,883	1,126
Less: Provision for impaired receivables	(777)	(380)	(758)	(371)
	<u>23,102</u>	<u>11,439</u>	<u>22,495</u>	<u>10,805</u>
Prepayments	20,873	19,321	20,734	19,200
Related party receivables	-	-	1,030	957
Other receivables	8,243	17,321	8,260	17,316
Contract asset	9,906	1,026	8,774	-
Total current receivables	<u>62,124</u>	<u>49,107</u>	<u>61,293</u>	<u>48,278</u>
Non-current				
Deferred government benefit for superannuation	448,613	428,427	448,613	428,427
Other receivables	5,584	3,839	5,487	3,756
Total non-current receivables	<u>454,197</u>	<u>432,266</u>	<u>454,100</u>	<u>432,183</u>
Total receivables	<u>516,321</u>	<u>481,373</u>	<u>515,393</u>	<u>480,461</u>

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 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.

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

	Consolidated		Parent	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
At 1 January	380	199	371	187
Provision for expected credit losses	777	380	758	371
Write-off	(247)	(41)	(247)	(41)
Unused amount reversed	(133)	(158)	(124)	(146)
At 31 December	<u>777</u>	<u>380</u>	<u>758</u>	<u>371</u>

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

The significant changes in the balances of contract asset are disclosed in Note 3.6 Revenue and Income Streams, while information about the credit exposures are disclosed in Note 29 Financial Risk Management.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

13. Other Financial Assets

	Consolidated		Parent	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Current				
Other financial asset at fair value through the profit and loss	85,045	75,068	85,045	75,068
Total current other financial assets	85,045	75,068	85,045	75,068
Non-Current				
Other financial assets at fair value through other comprehensive income	39,723	22,933	39,723	22,933
Other financial assets at fair value through profit and loss	409,877	400,208	409,969	400,185
Total non-current other financial assets	449,600	423,141	449,692	423,118
Total other financial assets	534,645	498,209	534,737	498,186

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 3).

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

Equity investments at designated fair value through other comprehensive income include Education Australia Ltd. Dividends received/receivable from Education Australia Ltd are recorded in investment income (Note 4) in the income statement and during the year amounted to \$0.8 million. There were no disposals of other financial assets through other comprehensive income during the year.

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

13. Other Financial Assets (continued)

Accounting Policy (continued)

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 (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 loan to related parties.

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.

From 1 January 2019, The Group classifies its financial assets in the following measurement categories:

- Those to be measured subsequently at fair value (either through other comprehensive income (OCI) or through profit or loss), and
- Those to be measured at amortised cost.

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.

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

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 other income in the income statement when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group elected to 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

13. Other Financial Assets (continued)

Accounting Policy (continued)

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 other income in the income statement when the right of payment has been established.

Derecognition

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

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

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

14. Property, Plant and Equipment

	Capital Works in Progress \$'000	Land \$'000	Buildings \$'000	Plant & Equipment \$'000	Artwork and Libraries \$'000	Infrastructure \$'000	Total \$'000
Parent							
As at 1 January 2018							
- Cost	33,629	-	86,308	141,147	2,888	1,027	264,999
- Valuation	-	57,757	677,343	-	-	62,757	797,857
Accumulated depreciation and impairment	-	-	(5,150)	(77,870)	-	(432)	(83,452)
Net book amount	33,629	57,757	758,501	63,277	2,888	63,352	979,404
Year ended 31 December 2018							
Opening net book amount	33,629	57,757	758,501	63,277	2,888	63,352	979,404
Additions	42,548	17,383	-	-	-	-	59,931
Disposals	-	(946)	(637)	(108)	-	-	(1,691)
Transfers	(38,256)	-	18,584	10,625	7	9,040	-
Revaluation increase recognised in equity	-	2,139	33,308	937	-	1,955	38,339
Depreciation charge	-	-	(21,958)	(20,880)	-	(3,016)	(45,854)
Closing net book amount	37,921	76,333	787,798	53,851	2,895	71,331	1,030,129
As at 31 December 2018							
- Cost	37,921	15,205	9,322	139,481	2,895	7,666	212,490
- Valuation	-	61,128	783,543	-	-	64,194	908,865
Accumulated depreciation and impairment	-	-	(5,067)	(85,630)	-	(529)	(91,226)
Net book amount	37,921	76,333	787,798	53,851	2,895	71,331	1,030,129
Year ended 31 December 2019							
Opening net book amount	37,921	76,333	787,798	53,851	2,895	71,331	1,030,129
Additions	73,725	-	-	-	-	-	73,725
Disposal	-	-	-	(77)	-	-	(77)
Transfers	(29,090)	-	10,304	18,207	33	546	-
Revaluation increase recognised in equity	-	1,003	(11,943)	-	-	211	(10,729)
Depreciation charge	-	-	(21,976)	(21,003)	-	(3,022)	(46,001)
Effect of foreign currency translation	-	-	-	-	-	-	-
Closing net book amount	82,556	77,336	764,183	50,978	2,928	69,066	1,047,047
As at 31 December 2019							
Cost	82,556	-	13,831	150,296	2,928	549	250,160
Fair value	-	77,336	762,782	-	-	70,029	910,147
Accumulated depreciation and impairment	-	-	(12,430)	(99,318)	-	(1,512)	(113,260)
Net book amount	82,556	77,336	764,183	50,978	2,928	69,066	1,047,047

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

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
Consolidated							
As at 1 January 2018							
- Cost	33,637	-	86,308	142,181	2,888	1,027	266,041
- Valuation	-	57,757	677,343	-	-	62,757	797,857
Accumulated depreciation and impairment	-	-	(5,150)	(78,602)	-	(432)	(84,184)
Net book amount	33,637	57,757	758,501	63,579	2,888	63,352	979,714
Year ended 31 December 2018							
Opening net book amount	33,637	57,757	758,501	63,579	2,888	63,352	979,714
Additions	42,548	17,383	-	5	-	-	59,936
Transfers to held for sale	-	(946)	(637)	(108)	-	-	(1,691)
Transfers	(38,255)	-	18,584	10,624	7	9,040	-
Revaluation increase recognised in equity	-	2,139	33,308	937	-	1,955	38,339
Depreciation charge	-	-	(21,957)	(20,958)	-	(3,016)	(45,931)
Closing net book amount	37,930	76,333	787,799	54,079	2,895	71,331	1,030,367
As at 31 December 2018							
- Cost	37,930	15,205	9,322	140,521	2,895	7,666	213,539
- Valuation	-	61,128	783,544	-	-	64,194	908,866
Accumulated depreciation and impairment	-	-	(5,067)	(86,442)	-	(529)	(92,038)
Net book amount	37,930	76,333	787,799	54,079	2,895	71,331	1,030,367
Year ended 31 December 2019							
Opening net book amount	37,930	76,333	787,799	54,079	2,895	71,331	1,030,367
Addition	73,784	-	-	(77)	-	-	73,784
Disposal	-	-	-	-	-	-	(77)
Transfers to held for sale	-	-	-	-	-	-	-
Transfers	(29,128)	-	10,304	18,245	33	546	-
Revaluation increase recognised in equity	-	1,003	11,943	-	-	211	13,157
Depreciation charge	-	-	(21,977)	(21,080)	-	(3,022)	(46,079)
Effect of foreign currency translation	-	-	-	1	-	-	1
Closing net book amount	82,586	77,336	788,069	51,167	2,928	69,066	1,071,152
As at 31 December 2019							
Cost	82,586	-	13,831	151,332	2,928	549	251,226
Fair value	-	77,336	762,782	-	-	70,029	910,147
Accumulated depreciation	-	-	(12,430)	(100,165)	-	(1,512)	(114,107)
Net book amount	82,586	77,336	764,183	51,167	2,928	69,066	1,047,266

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

14. Property, Plant and Equipment (continued)

(a) Valuations of Land and Buildings

The University's land and buildings were revalued at 30 June 2019 by independent valuers CBRE Valuations Pty Limited. Valuations for land were made on the basis of sales evidence and is the estimated amount for which an asset should exchange on the valuation date between a willing buyer and seller in an arm's length transaction, after proper marketing and where the parties have acted knowledgeably, prudently and without compulsion. Buildings and infrastructure, which are of a specialised educational nature and rarely sold in the open market, were valued using industry construction rates adjusted for estimated useful lives and proprietary data of the valuation expert. The revaluation decrement net of applicable deferred income taxes was credited to an asset revaluation reserve in equity.

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

At 31 December 2019, property, plant and equipment assets classified as held for sale were \$0.1 million (2018: \$1.5 million). Non-current assets held for sale are carried at the lower of the carrying amount or the fair value less costs to sell. For the fair value of the non-current asset see Note 23.

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.

Cost may also include gains or losses that were recognised in other comprehensive income on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

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, net of tax, 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

14.1. Right-of-Use Assets

	Consolidated	Parent
	2019	2019
	\$'000	\$'000
At 1 January 2019	14,398	13,415
Additions of right-of-use assets	259	259
Depreciation charge	(3,077)	(2,730)
At 31 December 2019	11,580	10,944

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
Delpratt Cottage	Educational and ancillary functions of Newcastle University	99	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

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:

- 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.
- 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 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:
 - The customer has the right to direct how and for what purpose the identified asset is used throughout the period of use; or
 - 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 asset

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

15. Intangible Assets

Parent	Computer Software \$'000	Intellectual Property \$'000	Total \$'000
As at 1 January 2018			
Cost	22,367	1,098	23,465
Accumulated depreciation and impairment	<u>(8,273)</u>	<u>(242)</u>	<u>(8,515)</u>
Net book amount	14,094	856	14,950
Year ended 31 December 2018			
Opening net book amount	14,094	856	14,950
Additions	7,629	579	8,208
Disposals	(37)	(171)	(208)
Work in progress	3,762	24	3,786
Amortisation	<u>(4,711)</u>	<u>(185)</u>	<u>(4,896)</u>
Closing net book amount	20,737	1,103	21,840
As at 31 December 2018			
Cost	32,944	1,474	34,418
Accumulated depreciation and impairment	<u>(12,208)</u>	<u>(370)</u>	<u>(12,578)</u>
Net book amount	20,736	1,104	21,840
Year ended 31 December 2019			
Opening net book amount	20,736	1,104	21,840
Additions	8,509	508	9,017
Disposal	-	-	-
Work in progress	8,459	(26)	8,433
Revaluation increase recognised in equity	-	-	-
Amortisation charge	(6,869)	(224)	(7,093)
Effect of foreign currency translation	-	-	-
Closing net book amount	30,835	1,362	32,197
As at 31 December 2019			
Cost	50,101	1,956	52,057
Fair value	-	-	-
Accumulated depreciation and impairment	<u>(19,266)</u>	<u>(594)</u>	<u>(19,860)</u>
Net book amount	<u>30,835</u>	<u>1,362</u>	<u>32,197</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

15. Intangible Assets (continued)

	Computer Software \$'000	Intellectual Property \$'000	Total \$'000
Consolidated			
As at 1 January 2018			
Cost	22,431	1,666	24,097
Accumulated amortisation and impairment	(8,336)	(733)	(9,069)
Net book amount	14,095	933	15,028
Year ended 31 December 2018			
Opening net book amount	14,095	933	15,028
Additions	7,630	597	8,227
Disposals	(37)	(240)	(277)
Work in progress	3,762	24	3,786
Amortisation	(4,711)	(210)	(4,921)
Closing net book amount	20,739	1,104	21,843
As at 31 December 2018			
Cost	33,009	1,861	34,870
Accumulated amortisation and impairment	(12,270)	(757)	(13,027)
Net book amount	20,739	1,104	21,843
Year ended 31 December 2019			
Opening net book amount	20,739	1,104	21,843
Addition	8,509	508	9,017
Disposals	-	-	-
Work in progress	8,459	(26)	8,433
Revaluation increase recognised in equity	-	-	-
Amortisation	(6,872)	(223)	(7,095)
Effect of foreign currency translation	-	-	-
Closing net book amount	30,835	1,363	32,198
As at 31 December 2019			
Cost	50,164	2,343	52,507
Accumulated amortisation and impairment	(19,329)	(980)	(20,309)
Net book amount	30,835	1,363	32,198

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.

(i) Intellectual Property

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

(ii) 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 3 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 3 years.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

16. Trade and Other Payables

	Consolidated		Parent	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Current				
Unsecured liabilities				
OS-HELP liability to Australian Government	2,013	924	2,013	924
Trade payables	67,268	42,866	66,303	41,899
Related party payables	-	-	2,101	2,504
Contract liability	66,740	935	66,292	-
Other payables	2,652	2,518	2,472	2,333
Total current trade and other payables	138,673	47,243	139,181	47,660

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	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Australian Dollars	136,271	45,285	138,760	47,417
Chinese Yuan	-	-	-	-
11Euros	670	26	670	26
Great British Pounds	294	46	294	46
Singaporean Dollars	1,533	785	-	5
Japanese Yen	-	-	-	-
US Dollars	457	163	457	163
Philippine Pesos	-	3	-	3
	139,225	46,308	140,181	47,660

For an analysis of the sensitivity of trade and other payables to foreign currency risk refer to Note 29.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

17. Borrowings

	Consolidated		Parent	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Lease liability				
Lease - current	2,808	-	2,442	-
Lease - Non-current	9,262	-	8,963	-
Total lease	12,070	-	11,405	-
Unrestricted access was available at reporting date to the following lines of credit:				
Credit card facilities				
Total facilities	10,100	10,100	10,100	10,000
Used at balance date	(33)	(36)	1	(6)
Unused at balance date	10,067	10,064	10,101	9,994
Bank overdraft facilities				
Total facilities	10,000	10,000	10,000	10,000
Unused at balance date	10,000	10,000	10,000	10,000

Accounting Policy

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.

17.1. UON as Lessee

Amounts recognised in the income statement	Consolidated	Parent
	2019	2019
	\$'000	\$'000
Interest on lease liabilities	381	358
Variable lease payments not included in the measurement of leases	6	5
Income from sub-leasing right of use assets	-	-
Expenses relating to short-term leases	68	-
Expenses relating to leases of low-value assets, excluding short term leases of low-value assets	4,492	4,487
	4,947	4,850

Maturity analysis - undiscounted contractual cash flows	Consolidated	Parent
	2019	2019
	\$'000	\$'000
Less than one year	5,975	5,958
One to five years	11,976	11,542
More than five years	892	892
Total undiscounted contractual cash flows	18,843	18,392
Current	2,808	2,442
Non-current	9,262	8,963
Lease liabilities recognised in the statement of financial position	12,070	11,405

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

17.1. UON as Lessee (continued)

Accounting Policy

Lease liabilities – The Group as lessee

Policy on assessment of whether a contract is, or contains, a lease is detailed in note 14.1 above.

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 14.1 and lease liabilities are presented as borrowings in Note 17.

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 \$5,000 or less. The Group recognises the lease payments associated with these leases as expense on a straight-line basis over the lease term.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

18. Provisions

	Consolidated		Parent	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Current provisions expected to be settled within 12 months				
Employee benefits				
Annual leave	17,905	17,393	17,615	17,034
Long service leave	16,799	15,319	16,423	15,228
Contract severance	177	166	177	166
Parental leave	-	1,857	-	1,857
Unused sick leave	-	857	-	857
Defined benefit obligation	2,107	2,021	2,107	2,022
Other employee provisions	197	-	-	-
Redundancy	4,996	2,339	4,938	2,068
	<u>42,181</u>	<u>39,952</u>	<u>41,260</u>	<u>39,232</u>
Current provisions expected to be settled after more than 12 months				
Employee benefits				
Annual leave	4,363	4,823	4,283	4,657
Long service leave	56,626	50,781	56,459	50,447
Employment on-costs provisions	2,126	2,558	2,126	2,558
	<u>63,115</u>	<u>58,162</u>	<u>62,868</u>	<u>57,662</u>
Total current provisions	<u>105,296</u>	<u>98,114</u>	<u>104,128</u>	<u>96,894</u>
Non-current provisions				
Employee benefits				
Long service leave	14,792	13,965	14,792	13,726
Provision for employee benefits	32,154	31,948	32,154	31,948
Defined benefit obligation	448,612	428,427	448,612	428,427
Total non-current provisions	<u>495,558</u>	<u>474,340</u>	<u>495,558</u>	<u>474,101</u>
Total provisions	<u>600,854</u>	<u>572,454</u>	<u>599,686</u>	<u>570,995</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 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

19. Other Liabilities

	Consolidated		Parent	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Current				
State Government unspent grants	1,198	12,000	1,198	12,000
Income received in advance	13,743	24,451	13,743	24,451
Total current other liabilities	14,941	36,451	14,941	36,451

20. Reserves and Retained Earnings

(a) Reserves

	Consolidated		Parent	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Reserves				
Property, plant and equipment revaluation surplus	460,397	473,903	460,397	473,903
Foreign currency translation surplus	1,304	1,261	-	-
Defined benefit actuarial assumptions reserves	3,176	1,347	3,176	1,347
FVOCI reserve	39,713	22,923	39,713	22,923
Other comprehensive income	-	-	-	-
Total reserve	504,590	499,434	503,286	498,172

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

20. Reserves and Retained Earnings (continued)

(a) Reserves (continued)

Movements	Note	Consolidated		Parent	
		2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Foreign currency translation surplus					
Balance 1 January		1,261	1,022	-	-
Currency translation differences arising during the year		42	239	-	-
Balance 31 December		1,303	1,261	-	-
Property, plant and equipment revaluation surplus					
Balance 1 January		473,903	435,564	473,903	435,564
Revaluation increment/(decrement)	18	(10,728)	38,339	(10,728)	38,339
Transfer to retained earnings		(2,778)	-	(2,778)	-
Balance 31 December		460,397	473,903	460,397	473,903
Available-for-sale investments revaluation					
Balance 1 January		-	39,359	-	38,818
Reclassification on adoption of AASB9 - FVOCI		-	(16,190)	-	(16,190)
Reclassification on adoption of AASB9 - Retained Earnings		-	(23,170)	-	(22,629)
Balance 31 December		-	-	-	-
Defined benefit actuarial remeasurements					
Balance 1 January		1,347	(136)	1,347	(136)
Revaluation increment/(decrement)		1,830	1,483	1,830	1,483
Balance 31 December		3,177	1,347	3,177	1,347
FVOCI reserve					
Balance 1 January		22,923	-	22,923	-
Reclassification on adoption of AASB9		-	16,190	-	16,190
Revaluation increment/(decrement)		16,790	6,733	16,790	6,733
Balance 31 December		39,713	22,923	39,713	22,923
Total reserves		504,590	499,434	503,286	498,172

Movements in retained earnings were as follows:

	Consolidated		Parent	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Retained earnings at 1 January	890,897	843,069	887,039	839,625
Net result for the period	65,908	24,658	64,974	24,785
Reclassification on adoption of AASB 15	(51,957)	-	(51,957)	-
Transfer from reserves	2,778	23,170	2,778	22,629
Retained earnings at end of the financial year	907,626	890,897	902,834	887,039

(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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

20. Reserves and Retained Earnings (continued)

(b) Nature and purpose of reserves (continued)

comprehensive income and accumulated in a separate reserve within equity. Amounts are reclassified to the income statement when the associated assets are sold or impaired.

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.

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

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

21. Key Management Personnel Disclosures

(a) Names of Responsible Persons and Executive Officers

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

Mr Paul Jeans
 Professor Alex Zelinsky AO
 Ms Dianne Allen
 Professor Mark Jones – resigned 31/12/2019
 Conjoint Professor Geoff Lillis
 Mr Robert Kennedy
 Ms Michelle McPherson
 Dr Roslyn Larkin
 Ms Jann Gardner
 Mr John Bowers
 Mr Doug Dean AM
 Ms Julie Phillips
 Associate Professor Brendan Boyle
 Dr Kylie Twyford
 Ms Madeline Temple – appointed 1/01/2019 and resigned 31/12/2019
 Professor Peter Coaldrake – appointed 1/03/2019

(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
 Mr Nat McGregor
 Professor Kevin Hall
 Laureate Professor John Aitken – resigned 31/12/2019
 Professor Elizabeth Burd
 Mr Paul Dunn – resigned 15/02/2019
 Mr Justin Ryan – appointed 16/02/2019 and resigned 16/06/2019
 Ms Paula Johnston – appointed 17/06/2019
 Professor Deborah Hodgson
 Professor Brett Ninness
 Professor Darrell Evans – resigned 28/06/2019
 Professor Lee Smith
 Professor Tony Travaglione
 Mr Dary Milani – resigned 15/03/2019
 Professor John Fischetti
 Mr Nathan Towney – appointed 14/10/2019

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

21. Key Management Personnel Disclosures (continued)

(c) Remuneration of Board Members and Executives

	Consolidated 2019	2018	Parent 2019	2018
Remuneration of council members				
Nil to \$9,999	2	4	2	4
\$10,000 to \$19,999	7	3	7	3
\$20,000 to \$29,999	-	3	-	3
\$30,000 to \$39,999	1	-	1	-
\$40,000 to \$49,999	1	-	1	-
\$50,000 to \$59,999	-	2	-	2
\$80,000 to \$89,999	-	1	-	1
\$100,000 to \$109,999	-	1	-	1
\$110,000 to \$119,999	-	1	-	1
\$130,000 to \$139,999	1	-	1	-
\$140,000 to \$149,999	-	1	-	1
\$150,000 to \$159,999	1	1	1	1
\$170,000 to \$179,999	-	1	-	1
\$190,000 to \$199,999	1	-	1	-
\$270,000 to \$279,999	1	-	1	-
\$340,000 to \$349,999	-	1	-	1
\$850,000 to \$859,999	1	-	1	-
\$980,000 to \$989,999	-	1	-	1
	16	20	16	20
Remuneration of executive officers				
\$60,000 to \$69,999	2	-	2	-
\$70,000 to \$79,999	1	1	1	1
\$100,000 to \$109,999	1	3	1	3
\$200,000 to \$209,999	1	-	1	-
\$230,000 to \$239,999	1	-	1	-
\$330,000 to \$339,999	-	1	-	1
\$360,000 to \$369,999	1	-	1	-
\$380,000 to \$389,999	1	-	1	-
\$390,000 to \$399,999	1	2	1	2
\$400,000 to \$409,999	-	1	-	1
\$410,000 to \$419,999	1	1	1	1
\$430,000 to \$439,999	1	2	1	2
\$450,000 to \$459,999	1	-	1	-
\$460,000 to \$469,999	1	2	1	2
\$490,000 to \$499,999	1	-	1	-
\$530,000 to \$539,999	1	-	1	-
\$580,000 to \$589,999	-	2	-	2
\$600,000 to \$609,999	-	1	-	1
\$850,000 to \$859,999	1	-	1	-
\$980,000 to \$989,999	-	1	-	1
	16	17	16	17

Remuneration bands for the Vice-Chancellor appear in both tables in note 21(c) as this position is a member of both Council and Executive Committee.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

21. Key Management Personnel Disclosures (Continued)

(d) Key Management Personnel Compensation

	Consolidated		Parent	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Short-term employee benefits	6,445	6,172	6,445	6,172
Post-employment benefits	822	1,315	822	1,315
Termination benefits	16	484	16	484
Total key management personnel compensation	7,283	7,971	7,283	7,971

22. Remuneration of Auditors

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	
	2019	2018	2019	2018
	\$	\$	\$	\$
Audit the Financial Statements				
Audit Office of NSW	374,775	360,000	300,000	288,000
PwC Singapore	-	38,322	-	-
BDO Singapore	10,545	-	-	-
Total paid for audit	385,320	398,322	300,000	288,000

	Consolidated		Parent	
	2019	2018	2019	2018
	\$	\$	\$	\$
Other services				
DFK Crosbie	10,000	9,500	10,000	9,500
Bentleys MRI	5,510	-	5,510	-
Total paid for other services	15,510	9,500	15,510	9,500

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

Bentleys MRI provide audit services for funding acquittals.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

23. 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:

		Carrying Amount		Fair Value	
		2019	2018	2019	2018
Consolidated	Note	\$'000	\$'000	\$'000	\$'000
Other financial assets at fair value through other comprehensive income	13	39,723	22,933	39,723	22,933
Other financial assets at fair value through profit or loss	13	494,922	475,276	494,922	475,276
Total		534,645	498,209	534,645	498,209

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
- available-for-sale financial assets
- financial assets at fair value through other comprehensive income
- land, buildings and infrastructure

(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 2019.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

23. Fair Value Measurement (continued)

(b) Fair Value Hierarchy (continued)

Fair value measurements at 31 December 2019

Consolidated	Note	2019 \$'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	39,723	-	39,723	-
Other financial assets at fair value through profit and loss	13	494,922	-	494,922	-
Total financial assets		534,645	-	534,645	-
Non-financial assets					
Land and buildings					
Land	14	77,336	-	77,336	-
Buildings	14	762,782	-	1,522	761,260
Infrastructure	14	70,029	-	-	70,029
Total non-financial assets		910,147	-	78,858	831,289

Fair value measurements at 31 December 2018

Consolidated	Note	2018 \$'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	22,933	-	22,933	-
Other financial assets at fair value through profit and loss	13	475,276	-	475,276	-
Total financial assets		498,209	-	498,209	-
Non-financial assets					
Land and buildings					
Land	14	61,128	-	61,128	-
Buildings	14	783,544	-	1,560	781,984
Infrastructure	14	64,194	-	-	64,194
Total non-financial assets		908,866	-	62,688	846,178

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.

(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;

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

23. Fair Value Measurement (continued)

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

- 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 explain 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 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.

(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 2019 and 2018.

Consolidated			
Level 3 Fair Value	Infrastructure	Buildings	Total
Measurement 2019	\$'000	\$'000	\$'000
Opening balance	64,194	781,984	846,178
Transfers	-	-	-
Depreciation	5,624	(8,781)	(3,157)
Recognised in other comprehensive income	211	(11,943)	(11,732)
Closing balance	70,029	761,260	831,289
Consolidated			
Level 3 Fair Value	Infrastructure	Buildings	Total
Measurement 2018	\$'000	\$'000	\$'000
Opening balance	62,757	675,893	738,650
Transfers	-	9,262	9,262
Depreciation	(518)	63,631	63,113
Recognised in other comprehensive income	1,955	33,198	35,153
Closing balance	64,194	781,984	846,178

(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 2019	Unobservable inputs*	Range of inputs (probability weighted average)	Relationship of unobservable inputs to fair value
Buildings	761,260	Remaining useful life	+/- 5%	Increase term of useful life by 5% would increase fair value by \$38.1 million. Decrease term of useful life by 5% would decrease fair value by \$38.1 million
Infrastructure	70,029	Remaining useful life	+/- 5%	Increase term of useful life by 5% would increase fair value by \$3.5 million. Decrease term of useful life by 5% would decrease fair value by \$3.5 million

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

23. Fair Value Measurement (continued)

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 measurement date. Other valuation techniques used are the cost approach and the income approach based on the characteristics of the asset and the assumptions made by market participants.

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.

24. Interests in Other Entities

(a) Subsidiaries

The Group's principal subsidiaries at 31 December 2019 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	
		2019 %	2018 %
The University of Newcastle Research Associates Ltd, company limited by guarantee	Australia	100.00	100.00
UON Singapore Pte Ltd	Singapore	100.00	100.00

(i) Significant restrictions

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

The carrying amount of the assets included within the consolidated financial statements to which these restrictions apply is \$4.50 million (2018: \$3.86 million).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

24. Interests in Other Entities (continued)

(b) Interests in associates

Set out below are the associates of the Group as at 31 December 2019. 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	
			2019	2018	2019	2018
			%	%	\$'000	\$'000
Hunter Medical Research Institute	Australia	Equity Method	25.00	25.00	-	-
NUSport	Australia	Equity Method	27.00	27.00	-	-
Mineral Carbonation International	Australia	Equity Method	-	30.00	-	3
ResTech	Australia	Equity Method	30.00	30.00	204	216

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.

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

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 2019.

(c) Interests in joint ventures

Set out below are the joint ventures of the Group as at 31 December 2019. 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	
			2019	2018	2019	2018
			%	%	\$'000	\$'000
NUW Alliance Co Pty Ltd	Australia	Equity Method	33.33	-	-	-

NUW Alliance Co Pty Limited is a joint venture (University of New South Wales, University of Newcastle and University of Wollongong) incorporated on 2 May 2019. Operational activity for the entity is expected to commence in 2020.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

25. 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 24.

(c) Key Management Personnel

Disclosures relating to Council members and executive officers are set out in Note 21.

(d) Transactions with Related Parties

The following transactions occurred with related parties:

	Consolidated		Parent	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
i) Subsidiaries				
Sale of goods and services				
Service fees	-	-	3,502	3,117
Consultancy, consumables and others	-	-	807	827
Other revenue	-	-	-	6
Purchase of goods				
Other expenses	-	-	670	944
Other transactions				
Interest expense	-	-	55	46
ii) Associates				
Sale of goods and services				
Consultancy and contracts	7,625	7,492	7,625	7,300
Other revenue	877	558	877	558
Purchase of goods				
Other expenses	7,345	6,157	7,214	6,154
Other transactions				
Contributions	370	-	370	-
Interest income	21	26	21	26

(e) Loans to/from related parties

	Consolidated		Parent	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Loans to/ (from) subsidiaries				
Beginning of the year	-	-	(1,547)	(864)
Loan advanced	-	-	4,523	4,190
Loan repayment received	-	-	(3,992)	(4,833)
Interest charged	-	-	(55)	-
Interest received	-	-	-	(40)
End of year	-	-	(1,071)	(1,547)
Loans to / (from) associates				
Beginning of the year	371	450	371	450
Loan repayments received	(105)	(105)	(105)	(105)
Interest received	21	26	21	26
End of year	287	371	287	371

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

25. Related Parties (continued)

(e) Loans to/from related parties (continued)

No expected credit losses (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.

(f) Outstanding Balances

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

	Consolidated		Parent	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Current receivables (sale of goods and services)				
Subsidiaries	-	-	75	104
Associates	741	1,051	741	839
Current receivables (Investments held)				
Subsidiaries	-	-	6	14
Total current receivables	741	1,051	822	957
Non-current receivables (loans)				
Current payables (purchase of goods and services)				
Subsidiaries	-	-	127	24
Associates	119	84	119	84
Current payables (other transactions)				
Subsidiaries	-	-	19	18
Total current payables	119	84	265	126

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.

26. Contingencies

Contingent liabilities

(i) Bank Guarantee

Group has \$2.26 million bank guarantees predominantly being security for a rental bond which expires on 31 May 2027 (2018: \$2.26 million).

(ii) Excess Salaries

In February 2015, the Department of Education formalised the agreement between the Commonwealth, the NSW State Government and each University in respect to the funding arrangements for the State Superannuation funds and the method of calculation and recovery by the State Trustee for excess salaries. At 31 December 2019, the University has a possible obligation to compensate the State Trustee in respect of excess salaries that have not yet been crystallised by the retirement of SASS or SSS members. The obligation will only be confirmed at the time that the member exits the fund and where the member's final pensionable salary is in excess of the member's notional salary. The estimated potential expense at 31 December 2019 is \$0.94 million (2018: \$0.49 million).

(iii) Casual Employee Overtime Payments

In December 2019 the University identified circumstances that may indicate underpayment of some overtime payments for casual professional staff in prior financial periods. While management considers the existence of a present obligation is possible, it has not yet been feasible to reliably determine the value of potential underpayments, nor to determine whether any shortfalls will be material. A forensic review of overtime payments to professional casual staff has been initiated.

(iv) IT Services Restructure

In 2019 the University initiated an organisational change process of IT Services under Section 20 of the Professional Staff EBA. As at 31 December 2019 the Change Proposal as required under s20.13 of the EBA had not been finalised. Management consider the existence of a present obligation is possible, but due to possible variations to the scope, timing and number of affected staff it is not yet feasible to estimate with any certainty the value of redundancy payments and other costs associated with the change.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

26. Contingencies (continued)

(v) Supplier Negotiation

The University is currently in negotiations with a supplier, as a member of a universities consortium, regarding the supply of services for the period to 31 December 2019 which have been provided under contract terms that expired in 2018. At the date of finalising the financial statements contract negotiations have not been finalised and any potential additional liability for services provided to 31 December 2019 cannot reliably be estimated.

Contingent assets

At 31 December 2019, the Group had no contingent assets (2018: Nil).

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

	Consolidated		Parent	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Net result for the period	65,908	24,660	64,974	24,795
Depreciation and amortisation	56,248	50,852	55,825	50,748
Impairment on intangibles assets	372	108	372	108
Net (gain) / loss on sale of property, plant and equipment	(65)	140	(65)	140
Net exchange differences	(41)	(68)	-	-
Net (gain) / loss disposal of financial assets	(41,360)	23,192	(41,110)	23,656
Fair value losses (gains) on other financial assets at fair value through the income statement	55	-	-	-
Changes in assets and liabilities associated with operating activities				
(Increase) / Decrease in trade debtors	(61,775)	(8,863)	(61,692)	(8,929)
(Increase) / Decrease in other receivables	(33,243)	6,921	(33,219)	6,950
(Increase) / Decrease in related party receivables	-	-	(73)	(166)
(Increase) / Decrease in inventories	(128)	16	(128)	16
Increase / (Decrease) in other financial assets at fair value through profit or loss	(20,652)	(25,402)	(20,652)	(25,572)
Increase / (Decrease) in trade creditors	22,142	6,264	22,159	6,232
Increase / (Decrease) in other operating liabilities	42,773	(7,957)	43,012	(7,664)
Increase / (Decrease) in related party payables	-	-	(402)	856
Increase / (Decrease) in other provisions	30,032	(5,899)	30,522	(6,160)
Net cash provided by / (used in) operating activities	60,266	63,964	59,523	65,010

28. Events Occurring After the Reporting Date

(i) International Student Enrolments

The impact of the COVID-19 outbreak in mainland China is expected to have an impact on the financial performance of the University in 2020. As at the time of completion of the 2019 Financial Statements, the University was not yet in a position to fully assess the extent of the financial impact. This is due to the continued uncertainty of the number of students affected and for what duration by the current situation.

The University has implemented a number of measures to support students affected by this situation to enable them to continue their studies wherever possible. The University has a range of options at its disposal to adjust discretionary expenditure as the financial impact of this issue becomes clearer.

(ii) Non-Current Financial Asset Performance

The current investment performance of the University's non-current financial assets has been materially impacted by market movements as a result of the COVID-19 virus spread across the world. The University applies a risk-based approach to its investment strategy including diversification of financial assets to minimise significant exposure; however the widespread market shock has resulted in a decrease in the University's non-current financial assets since 31 December 2019 of approximately 13% (\$53.7m) as at 19 March 2020.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

29. Financial Risk Management (continued)

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 Groups 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.

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

The Groups 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 2019, 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

29. Financial Risk Management (continued)

(a) Market Risk (continued)

31 December 2019	Carrying Amount \$'000	Interest Rate Risk				Foreign Exchange Risk				Other Price Risk			
		-1%		+1%		-10%		+10%		-15%		+15%	
		Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000
Financial Assets													
Cash and Cash Equivalents - at bank	36,513	(365)	(365)	365	365	(450)	(450)	450	450	-	-	-	-
Receivables	72,241	-	-	-	-	-	-	-	-	-	-	-	-
Financial assets	534,645	-	-	-	-	-	-	-	-	-	(80,197)	-	80,197
Financial Liabilities													
Payables	138,454	-	-	-	-	(24)	(24)	24	24	-	-	-	-
Total increase / (decrease)		(365)	(365)	365	365	(474)	(474)	474	474	-	(80,197)	-	80,197

31 December 2018	Carrying Amount \$'000	Interest Rate Risk				Foreign Exchange Risk				Other Price Risk			
		-1%		+1%		-10%		+10%		-15%		+15%	
		Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000
Financial Assets													
Cash and Cash Equivalents - at bank	13,053	(131)	(131)	131	131	(387)	(387)	387	387	-	-	-	-
Receivables	48,289	-	-	-	-	-	-	-	-	-	-	-	-
Financial assets	498,209	-	-	-	-	-	-	-	-	-	(74,731)	-	74,731
Financial Liabilities													
Payables	46,226	-	-	-	-	(23)	(23)	23	23	-	-	-	-
Total increase / (decrease)		(131)	(131)	131	131	(410)	(410)	410	410	-	(74,731)	-	74,731

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

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, only independently rated parties with a minimum rating of 'BBB+' are accepted. If wholesale customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Council. Fees from students are settled in cash or using major credit cards, mitigating credit risk.

The carrying amount of financial assets (as contained in the table in subnote 23(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 control 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 are not subject to enforcement activity. 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:

	Trade receivables						
	Days past due						
31 December 2019	Current	< 30 days	30-60 days	61-90 days	91-120 days	>120 days	Total
	\$	\$	\$	\$	\$	\$	\$
UON - General Debtors							
Expected credit loss rate	0.02%	0.06%	0.19%	0.43%	10.19%	95.22%	
Cross carrying amount - trade receivables	3,587,567	2,183,629	11,871,992	484,658	653,366	232,711	19,013,922
Loss allowance	776	1,313	22,340	2,104	66,591	221,590	314,714
UON - Student Debtors							
Expected credit loss rate	0.11%	0.75%	2.11%	6.38%	66.46%	-	
Cross carrying amount - trade receivables	940,859	191,670	13,761	93,911	642,485	-	1,882,686
Loss allowance	1,018	1,441	290	5,995	426,989	-	435,733
TUNRA - Trade Debtors							
Expected credit loss rate	1.26%	1.97%	5.05%	15.80%	22.92%	26.14%	
Cross carrying amount - trade receivables	425,673	170,126	189,584	-	-	2,750	788,133
Loss allowance	5,377	3,355	9,580	-	-	719	19,031
Total loss allowance							769,478

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

29. Financial Risk Management (continued)

(b) Credit Risk (continued)

31 December 2018	Current	< 30 days	30-60 days	61-90 days	91-120 days	>120 days	Total
	\$	\$	\$	\$	\$	\$	\$
UON - General Debtors							
Expected credit loss rate	-	0.02%	0.06%	0.15%	25.73%	1.23%	
Cross carrying amount - trade receivables	5,800,592	1,788,632	1,297,705	407,404	1,086,478	121,273	10,502,084
Loss allowance	-	339	783	603	279,560	1,495	282,780
UON - Student Debtors							
Expected credit loss rate	0.32%	1.42%	3.21%	8.35%	18.53%	19.77%	
Cross carrying amount - trade receivables	542,221	36,120	33,186	114,374	261,593	133,926	1,121,420
Loss allowance	1,737	512	1,067	9,553	48,462	26,471	87,802
TUNRA - Trade Debtors							
Expected credit loss rate	-	0.28%	6.25%	8.75%	12.5%	-	
Cross carrying amount - trade receivables	259,558	365,912	16,390	-	50,760	-	692,620
Loss allowance	-	1,624	819	-	7,251	-	9,694
Total loss allowance							<u>380,276</u>

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by Group in accordance with 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 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 \$36.5 million and had available a facility of \$10 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 balances date refer to Note 17.

The Group's financial liabilities are trade and other payables which were \$139.2 million at year end (2018: \$46.3 million). All liabilities are non-interest bearing and have a maturity date of less than 12 months.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

30. Commitments

(a) Capital Commitments

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

	Consolidated		Parent	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Property, plant and equipment				
Within one year	<u>98,616</u>	31,421	<u>98,616</u>	31,421
Total property, plant and equipment	<u>98,616</u>	31,421	<u>98,616</u>	31,421

(b) Lease Commitments

(i) Operating Leases

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

	Consolidated	Parent
	2018	2018
	\$'000	\$'000
Within one year	5,776	5,420
Between one year and five years	7,703	7,561
Later than five years	<u>95</u>	<u>95</u>
Total future minimum lease payments	<u>13,574</u>	<u>13,076</u>

(c) Other Commitments

Other commitments including unspent research grants contracted for at the reporting date but not recognised as liabilities is as follows:

	Consolidated	Parent
	2018	2018
	\$'000	\$'000
Within one year	<u>68,534</u>	<u>68,534</u>
Total other commitments	<u>68,534</u>	<u>68,534</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

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 \$1.00 million (2018: \$1.33 million) to the defined benefit plan during the next financial year.

The weighted average duration of the defined benefit obligation is 10.2 years (2018: 11 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 2019	28,630	28,275	79,465	356,684	493,054
Defined benefit obligations - 31 December 2018	28,671	28,468	82,155	386,061	525,355
Pension benefit obligations - 31 December 2019	2,048	2,276	6,484	23,183	33,991
Pension benefit obligations - 31 December 2018	2,105	2,304	6,634	25,769	36,812

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

31. Defined Benefit Plans (continued)

(b) Categories of Plan Assets

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

	2019	2018
	%	%
	Active Market	Active Market
Australian equities	19.30	19.30
International equities	31.30	26.20
Australian fixed interest	3.50	5.60
International fixed interest	4.80	3.50
Property	8.70	8.90
Short-term securities	8.90	9.80
Alternatives	23.50	26.70
Total	100.00	100.00

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

	2019	2018
	%	%
Discount rate(s)	1.37	2.33
Expected rate(s) of CPI increase	1.75	2.00
Expected rate(s) of salary increase	3.20	2.70

(c) Actuarial Assumptions and Sensitivity

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

	Change in assumption	Impact on defined benefit obligation	
		Increase in assumption	Decrease in assumption
Discount rate	1.00%	Decrease by 9.77%	Increase by 11.70%
Salary growth rate	0.50%	Decrease by 5.20%	Increase by 5.64%
CPI increase	0.50%	Decrease by 0.20%	Increase by 0.20%

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

31. Defined Benefit Plans (continued)

(d) Statement of Financial Position Amounts

Amounts recognised in the statement of financial position - 2019	\$'000 Pension	\$'000 SANCS	\$'000 SSS	\$'000 SASS	\$'000 Total
Liabilities					
Provision for deferred government benefits for superannuation	-	3,071	434,803	10,739	448,613
Provision for pension entitlements	29,548	-	-	-	29,548
add: On-costs on pension entitlements	4,713	-	-	-	4,713
Total liabilities recognised in the statement of financial position	34,261	3,071	434,803	10,739	482,874
Assets					
Receivable for deferred government benefit for superannuation	-	3,071	434,803	10,739	448,613
Total assets recognised in the statement of financial position	-	3,071	434,803	10,739	448,613
Net liability recognised in the statement of financial position	34,261	-	-	-	34,261
Net liability reconciliation - 2019	\$'000 Pension	\$'000 SANCS	\$'000 SSS	\$'000 SASS	\$'000 Total
Defined benefit obligation	29,548	5,924	451,529	40,466	527,467
Fair value of plan assets	-	(2,853)	(16,726)	(29,727)	(49,306)
Net liability	29,548	3,071	434,803	10,739	478,161
Present value of obligation - 2019	\$'000 Pension	\$'000 SANCS	\$'000 SSS	\$'000 SASS	\$'000 Total
Opening defined benefit obligation	29,297	6,664	427,205	43,652	506,818
Current service cost	-	228	-	893	1,121
Interest expense	4,201	139	9,797	952	15,089
	33,498	7,031	437,002	45,497	523,028
Remeasurements					
Actuarial losses / (gains) arising from changes in demographic assumptions					-
Actuarial losses / (gains) arising from changes in financial assumptions	(1,830)	247	36,395	1,329	36,141
Experience (gains) / losses	-	(647)	(636)	(869)	(2,152)
	(1,830)	(400)	35,759	460	33,989
Contributions from plan participants		-	168	438	606
Payments from plan					
Benefits paid	(2,120)	(718)	(20,172)	(5,849)	(28,859)
Taxes, premiums and expenses paid	-	11	(1,228)	(80)	(1,297)
	(2,120)	(707)	(21,400)	(5,929)	(30,156)
Closing defined benefit obligation	29,548	5,924	451,529	40,466	527,467

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

31. Defined Benefit Plans (continued)

(d) Statement of Financial Position Amounts (continued)

	\$'000 Pension	\$'000 SANCS	\$'000 SSS	\$'000 SASS	\$'000 Total
Present value of plan assets - 2019					
Opening fair value of plan assets	-	2,167	14,040	32,886	49,093
Interest (income)	-	51	441	701	1,193
	-	2,218	14,481	33,587	50,286
Remeasurements					
Return on plan assets, excluding amounts included in net interest expense	-	(18)	168	1,631	1,781
Contributions					
Employers	-	1,360	23,309	-	24,669
Plan participants	-	-	168	438	606
	-	1,360	23,477	438	25,275
Payments from plan					
Benefits paid	-	(718)	(20,172)	(5,849)	(26,739)
Taxes, premiums and expenses paid	-	11	(1,228)	(80)	(1,297)
	-	(707)	(21,400)	(5,929)	(28,036)
Closing defined benefit obligation	-	2,853	16,726	29,727	49,306

	\$'000 Pension	\$'000 SANCS	\$'000 SSS	\$'000 SASS	\$'000 Total
Amounts recognised in the statement of financial position - 2018					
Liabilities					
Provision for deferred government benefits for superannuation	-	4,497	413,164	10,766	428,427
Provision for pension entitlements	29,297	-	-	-	29,297
Add: On-costs on pension entitlements	4,672	-	-	-	4,672
Total liabilities recognised in the statement of financial position	33,969	4,497	413,164	10,766	462,396
Assets					
Receivable for deferred government benefit for superannuation	-	4,497	413,164	10,766	428,427
Total assets recognised in the statement of financial position	-	4,497	413,164	10,766	428,427
Net liability recognised in the statement of financial position	33,969	-	-	-	33,969

	\$'000 Pension	\$'000 SANCS	\$'000 SSS	\$'000 SASS	\$'000 Total
Net liability reconciliation - 2018					
Defined benefit obligation	29,297	6,664	427,205	43,652	506,818
Fair value of plan assets	-	(2,167)	(14,041)	(32,886)	(49,094)
Net liability	29,297	4,497	413,164	10,766	457,724

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

31. Defined Benefit Plans (continued)

(d) Statement of Financial Position Amounts (continued)

	\$'000 Pension	\$'000 SANCS	\$'000 SSS	\$'000 SASS	\$'000 Total
Present value of obligation - 2018					
Opening defined benefit obligation	29,350	7,387	429,163	49,381	515,281
Current service cost	-	256	359	1,116	1,731
Interest expense	3,469	178	11,044	1,224	15,915
	32,819	7,821	440,566	51,721	532,927
Remeasurements					
Actuarial losses / (gains) arising from changes in demographic assumptions	-	(113)	1,957	(531)	1,313
Actuarial losses / (gains) arising from changes in financial assumptions	(1,483)	97	13,690	505	12,809
Experience (gains) / losses	-	740	(7,319)	2,454	(4,125)
	(1,483)	724	8,328	2,428	9,997
Contributions from plan participants	-	-	185	508	693
Payments from plan					
Benefits paid	(2,039)	(1,780)	(20,893)	(10,850)	(35,562)
Taxes, premiums and expenses paid	-	(101)	(981)	(155)	(1,237)
	(2,039)	(1,881)	(21,874)	(11,005)	(36,799)
Closing defined benefit obligation	29,297	6,664	427,205	43,652	506,818

	\$'000 Pension	\$'000 SANCS	\$'000 SSS	\$'000 SASS	\$'000 Total
Present value of plan assets - 2018					
Opening fair value of plan assets	-	2,686	8,948	42,785	54,419
Interest (income)	-	71	260	1,049	1,380
	-	2,757	9,208	43,834	55,799
Remeasurements					
Return on plan assets, excluding amounts included in net interest expense	-	(31)	(56)	(451)	(538)
Contributions					
Employers	-	1,322	26,578	-	27,900
Plan participants	-	-	185	508	693
	-	1,322	26,763	508	28,593
Payments from plan					
Benefits paid	-	(1,780)	(20,893)	(10,850)	(33,523)
Taxes, premiums and expenses paid	-	(101)	(981)	(155)	(1,237)
	-	(1,881)	(21,874)	(11,005)	(34,760)
Closing defined benefit obligation	-	2,167	14,041	32,886	49,094

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

31. Defined Benefit Plans (continued)

(e) Amounts Recognised in Other Statements

Amounts recognised in the Income Statement - 2019

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.

	Note	\$'000 Pension	\$'000 SANCS	\$'000 SSS	\$'000 SASS	\$'000 Total
Current service cost		4,201	-	-	-	4,201
Total expense recognised in the Income Statement	5	4,201	-	-	-	4,201

Amounts recognised in other comprehensive income - 2019

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 19).

	Note	\$'000 Pension	\$'000 SANCS	\$'000 SSS	\$'000 SASS	\$'000 Total
Remeasurements						
Actuarial losses / (gains) arising from changes in financial assumptions		(1,830)	-	-	-	(1,830)
Total amounts recognised in the Statement of Comprehensive Income		(1,830)	-	-	-	(1,830)

Amounts recognised in the Income Statement - 2018

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.

	Note	\$'000 Pension	\$'000 SANCS	\$'000 SSS	\$'000 SASS	\$'000 Total
Current service cost		3,469	-	-	-	3,469
Total expense recognised in the Income Statement	5	3,469	-	-	-	3,469

Amounts recognised in other comprehensive income - 2018

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 19).

	Note	\$'000 Pension	\$'000 SANCS	\$'000 SSS	\$'000 SASS	\$'000 Total
Remeasurements						
Actuarial losses (gains) arising from changes in financial assumptions		(1,483)	-	-	-	(1,483)
Total amounts recognised in the Statement of Comprehensive Income		(1,483)	-	-	-	(1,483)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

31. Defined Benefit Plans (continued)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

32. Acquittal of Australian Government Financial Assistance

(a) Education - CGS and Other Education Grants

	Note	Commonwealth Grants Scheme ^{#1}		Indigenous Student Success ^{#2}		Higher Education Participation Program			
		2019	2018	2019	2018	2019	2018		
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)		222,573	221,625	3,775	3,739	5,432	5,773		
Net accrual adjustments		-	(206)	(123)	-	63	-		
Revenue for the period	3.1(a)	222,573	221,419	3,652	3,739	5,495	5,773		
Surplus / (deficit) from the previous year		-	-	1,045	488	453	796		
Total revenue including accrued revenue		222,573	221,419	4,697	4,227	5,948	6,569		
Less expenses including accrued expenses		(222,573)	(221,419)	(4,208)	(3,182)	(5,602)	(6,116)		
Surplus / (deficit) for reporting period		-	-	489	1,045	346	453		

	Note	Promotion of Excellence in Learning and Teaching		Disability Performance Funding ^{#3}		Other ^{#4}		Total	
		2019	2018	2019	2018	2019	2018	2019	2018
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)		-	-	68	94	2,500	1,250	234,348	232,481
Net accrual adjustments		-	-	-	-	(296)	-	(356)	(206)
Revenue for the period	3.1(a)	-	-	68	94	2,204	1,250	233,992	232,275
Surplus / (deficit) from the previous year		83	221	-	-	-	-	1,581	1,505
Total revenue including accrued revenue		83	221	68	94	2,204	1,250	235,573	233,780
Less expenses including accrued expenses		(9)	(138)	(68)	(94)	(2,204)	-	(234,664)	(230,949)
Surplus / (deficit) for reporting period		74	83	-	-	-	1,250	909	2,831

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

#2 Indigenous Student Success Program has replaced the Indigenous Commonwealth Scholarships Program and the Indigenous Support Program as of 1 January 2019. Prior year programs should be combined and reported in Indigenous Student Success Program for 2018.

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

#4 Revenue for this program is recognised under AASB 15, surplus/(deficit) from the previous year is not carried forward in 2019.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

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	
		2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Parent Entity (University) Only									
Cash payable / (receivable) at the beginning of year		(127)	491	(1,188)	(2,017)	(7)	(1,283)	(1,322)	(2,809)
Financial assistance received in cash during the reporting period		139,633	133,994	19,840	17,667	5,416	6,506	164,889	158,167
Cash available for period		139,506	134,485	18,652	15,650	5,409	5,223	163,567	155,358
Revenue earned	3.1(b)	139,226	134,612	19,053	16,838	5,404	5,230	163,683	156,680
Cash payable / (receivable) at the end of year		280	(127)	(401)	(1,188)	5	(7)	(116)	(1,322)

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

(c) Department of Education Research^{#5}

	Note	Research Training Program		Research Support Program		Total	
		2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Parent Entity (University) Only							
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the program)		24,390	24,101	22,660	22,207	47,050	46,308
Net accrual adjustments		-	-	-	-	-	-
Revenue for the period	3.1(c)	24,390	24,101	22,660	22,207	47,050	46,308
Surplus / (deficit) from the previous year		1,031	2,306	-	482	1,031	2,788
Total revenue including accrued revenue		25,421	26,407	22,660	22,689	48,081	49,096
Less expenses including accrued expenses		(23,678)	(25,376)	(22,660)	(22,689)	(46,338)	(48,065)
Surplus / (deficit) for reporting period		1,743	1,031	-	-	1,743	1,031

^{#5} The reported surpluses for Research Training Program of \$1.74 million for 2019 are expected to be rolled over for future use by the Group.

(d) Total Higher Education Provider Research Training Program Expenditure^{#6}

	Total Domestic Students \$'000	Total Overseas Students \$'000
Training Program Expenditure		
Research Training Program Fee Offsets	11,045	882
Research Training Program Stipends	9,407	491
Research Training Program Allowances	1,801	52
Total for all types of support^{#7}	22,253	1,425

^{#6} Please refer to the Commonwealth Scholarship Guidelines for expenditure definitions for the Research Training Program.

^{#7} The total for all types of support domestic and overseas students is expected to match the Research Training Program expenses, including accrued expenses of \$23.68 million (Note 32(c)) in respect to the 2019 year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

32. Acquittal of Australian Government Financial Assistance (continued)

(e) Other Capital Funding

	Note	Other Capital Funding		Total	
		2019	2018	2019	2018
		\$'000	\$'000	\$'000	\$'000
Parent Entity (University) Only					
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the program)			-	-	-
Net accrual adjustments			-	-	-
Revenue for the period	3.1(d)	-	-	-	-
Surplus / (deficit) from the previous year		359	2,228	359	2,228
Total revenue including accrued revenue		359	2,228	359	2,228
Less expenses including accrued expenses		(332)	(1,869)	(332)	(1,869)
Cash surplus / (deficit) for the reporting period		27	359	27	359

(f) Australian Research Council Grants^{#8}

	Note	Discovery		Linkages		Networks and Centres		Total	
		2019	2018	2019	2018	2019	2018	2019	2018
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Parent Entity (University) Only									
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the program)		9,202	9,145	2,058	2,180	-	-	11,260	11,325
Net accrual adjustments		(971)		308		(16)		(679)	
Revenue for the period	3.1(e)	8,231	9,145	2,366	2,180	(16)	-	10,581	11,325
Surplus / (deficit) from the previous year		-	7,844	-	3,388	-	(430)	-	10,802
Total revenue including accrued revenue		8,231	16,989	2,366	5,568	(16)	(430)	10,581	22,127
Less expenses including accrued expenses		(8,231)	(9,398)	(2,366)	(2,819)	16	(98)	(10,581)	(12,315)
Surplus / (deficit) for reporting period		-	7,591	-	2,749	-	(528)	-	9,812

^{#8} Revenue for ARC program is recognised under AASB 15, surplus/(deficit) from the previous year is not carried forward in 2019.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

32. Acquittal of Australian Government Financial Assistance (continued)

(g) OS-Help

		2019 \$'000	2018 \$'000
Parent Entity (University) Only	Note		
Cash received during the reporting period		5,764	4,464
Cash spent during the reporting period		(4,675)	(4,624)
Net cash received		1,089	(160)
Cash surplus / (deficit) from the previous period		925	1,085
Cash surplus / (deficit) for the reporting period	16	2,014	925

(h) Higher Education Superannuation Program

		2019 \$'000	2018 \$'000
	Note		
Cash received during the reporting period		18,179	20,731
University contribution in respect of current employees			-
Cash available		18,179	20,731
Cash surplus / (deficit) from the previous period			-
Cash available for current period		18,179	20,731
Contributions to specified defined benefits funds		(18,179)	(20,731)
Cash surplus / (deficit) this period		-	-

(i) Student Services and Amenities Fee

		2019 \$'000	2018 \$'000
Parent Entity (University) Only	Note		
Unspent / (overspent) revenue from previous period		1,384	1,480
SA-HELP revenue earned	3.1(b)	5,404	5,230
Student Services Fees direct from students	3.3	1,592	1,614
Total revenue expendable in period		8,380	8,324
Student Services expenses in period		(5,871)	(6,940)
Unspent / (overspent) Student Services revenue		2,509	1,384

STATEMENT BY MEMBERS OF COUNCIL

FOR THE YEAR ENDED 31 DECEMBER 2019

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 41 C of the Public Finance & Audit Act 1983 (NSW), we state that to the best of our knowledge and belief:

(a) The attached general purpose financial statements present a true and fair view of the financial position Of the University and consolidated entity at 31 December 2019 and its financial performance for the year then ended.

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

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

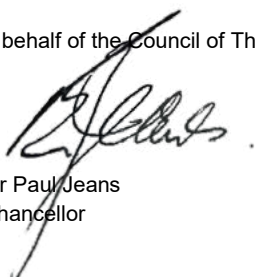
(d) We are not aware of any circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.

(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.



Mr Paul Jeans
Chancellor



Ms Dianne Allen
Chair Finance Committee

Dated the 24th day of March 2020

INDEPENDENT AUDITOR'S REPORT



INDEPENDENT AUDITOR'S REPORT

The University of Newcastle

To Members of the New South Wales Parliament

Opinion

I have audited the accompanying financial statements of The University of Newcastle (the University), which comprise the Income Statement and Statement of Comprehensive Income for the year ended 31 December 2019, the Statement of Financial Position as at 31 December 2019, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, notes comprising a Summary of significant accounting policies and other explanatory information of the University and the consolidated entity. The consolidated entity comprises the University and the entities it controlled at the year's end or from time to time during the financial year.

In my opinion, the financial statements:

- give a true and fair view of the financial position of the University and the consolidated entity, as at 31 December 2019, and of their financial performance and cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (PF&A Act) and the Public Finance and Audit Regulation 2015
- comply with the 'Financial Statement Guidelines for Australian Higher Education Providers for the 2019 Reporting Period' (the Guidelines), issued by the Australian Government Department of Education, pursuant to the *Higher Education Support Act 2003* and the *Australian Research Council Act 2001*.

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).

I have fulfilled my other ethical responsibilities in accordance with 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 believe the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

INDEPENDENT AUDITOR'S REPORT

Other Information

The University's annual report for the year ended 31 December 2019, includes other information in addition to the financial statements and my Independent Auditor's Report thereon. The Council of the University are responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprises the Statement by Members of Council.

My opinion on the financial statements does not cover the other information. Accordingly, I do not express any form of assurance conclusion on the other information.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude there is a material misstatement of the other information, I must report that fact.

I have nothing to report in this regard.

University Council's Responsibilities for the Financial Statements

The Council is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, the PF&A Act and the Guidelines and for such internal control as the Council determines is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Council is responsible for assessing the University's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting.

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/ar3.pdf. The description forms part of my auditor's report.

INDEPENDENT AUDITOR'S REPORT

My opinion does *not* provide assurance:

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



Nathan Carter
Director, Financial Audit Services

Delegate of the Auditor-General for New South Wales

25 March 2020
SYDNEY

PART 4

APPENDICES

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FIVE YEAR KEY STATISTICS

	CATEGORY	2015	2016	2017	2018	2019	% CHANGE 2015-2019	% CHANGE 2018-2019
Number of students¹	Total	38,109	37,186	37,043	37,670	37,946	-0.4%	0.7%
	Commencing	15,939	16,098	16,392	17,454	16,812	5.5%	-3.7%
Student load²	Total	25,186	24,509	24,595	25,617	25,974	3.1%	1.4%
	Undergraduate	18,644	18,202	18,425	19,402	19,863	6.5%	2.4%
	Postgraduate Coursework	2,910	2,638	2,460	2,521	2,590	-11.0%	2.8%
	Higher Degree Research	1,192	1,234	1,334	1,426	1,343	12.7%	-5.8%
	Other (Enabling, ELICOS, Non Award)	2,440	2,435	2,376	2,268	2,178	-11.0%	-4.0%
Funding type³	Commonwealth-supported	19,083	18,730	18,881	19,467	19,736	3.4%	1.4%
	Fee-paying overseas	1,749	1,484	1,312	1,245	1,259	-28.0%	1.1%
	Fee-paying domestic	4,355	4,294	4,402	4,905	4,979	14.3%	1.5%
Award completions⁴	Total	7,384	7,108	7,271	6,550	6,725	-9.0%	3.0%
	Undergraduate	4,572	4,519	4,688	4,401	4,571	0.0%	4.0%
	Postgraduate Coursework	2,566	2,348	2,333	1,881	1,902	-26.0%	1.0%
	Higher Degree Research	246	241	250	268	252	2.0%	-6.0%
Full-time staff (FTE)⁵	Total	2,644	2,672	2,754	2,680	2,766	4.6%	3.2%
	Academic	1,035	1,068	1,096	1,107	1,137	9.8%	2.7%
	Professional	1,610	1,604	1,658	1,573	1,629	1.2%	3.6%
Work function (FTE)	Teaching only	26	29	24	32.24	44.36	70.6%	37.6%
	Research only	394	436	454	458	485	23.0%	5.9%
	Teaching and research	751	746	761	748	755	0.6%	1.0%
	Other	1,473	1,462	1,516	1,442	1,482	0.6%	2.8%
Casual staff⁶	Total	442	469	462	483	478	8.1%	-0.9%
	Academic	250	264	280	291	291	16.4%	0.0%
	Professional	192	205	182	192	187	-2.6%	-2.4%

Notes: Rounding errors may occur. Data subject to revision. Student data source: The University of Newcastle Data Warehouse 5 February 2020. Staff data source: Department of Education, Skills and Employment Higher Education Staff Statistics. 1. Number of students represents the number of student enrolments in programs, full year. 2. Student load represents the sum of the load for each term expressed in Equivalent Full-time Student Load (EFTSL), full year. 3. Funding type expressed in EFTSL. 4. Award completions represents the number of completed program enrolments for undergraduate and postgraduate award programs. Completion year is based on the official government completion year of 1 April–31 March. Data source: The University of Newcastle Data Warehouse 31 March 2020. 5. Staff Full-time Equivalent (FTE) positions occupied by full-time and part-time staff members as at 31 March (excluding Independent Operations). 6. Casual staff full year FTE positions occupied during year (excluding Independent Operations). 2019 casual FTE is preliminary and subject to validation and submission to Department of Education, Skills and Employment at 30 June 2020.

B

ACADEMIC SENATE PROGRAM DEVELOPMENT AND ASSURANCE

During 2019 the committees of Academic Senate reviewed the academic content of 29 new or replacement programs and recommended that Academic Senate establish 14 new awards.

Academic Senate approved the discontinuation of 17 existing programs. Professional accreditation was received for 15 programs and 20 programs were externally reviewed.

ACADEMIC SENATE PROGRAM DEVELOPMENT

Faculty of Business and Law

- Bachelor of Science/Bachelor of Laws (Honours)
- Executive Master of Business Administration
- Graduate Certificate in Financial Planning
- Graduate Certificate in Health Economics, Management and Policy
- Master of Professional Accounting/Master of Business Administration

Faculty of Education and Arts

- Bachelor of Arts (Honours)
- Bachelor of Music
- Bachelor of Music/Bachelor of Arts
- Bachelor of Visual Communication Design
- Graduate Diploma in Education Studies
- Master of Teaching (Primary)
- Master of Teaching (Secondary)

Faculty of Engineering and Built Environment

- Bachelor of Aerospace Systems Engineering (Honours)
- Bachelor of Chemical Engineering (Honours)/Bachelor of Science
- Bachelor of Computer Systems Engineering (Honours)/Bachelor of Science
- Bachelor of Electrical and Electronic Engineering (Honours)/Bachelor of Science
- Bachelor of Mechanical Engineering (Honours)/Bachelor of Science
- Bachelor of Mechatronics Engineering (Honours)/Bachelor of Science
- Master of Cyber Security
- Master of Materials Science and Engineering

Faculty of Science

- Bachelor of Coastal and Marine Science
- Bachelor of Mathematics (Advanced)
- Bachelor of Psychology (Advanced)
- Bachelor of Science (Advanced)
- Graduate Diploma in Data Science and Analytics
- Master of Business Administration (Global)/Master of Science (Data Analytics)
- Master of Data Science
- Master of Science (Data Analytics)

English Language and Foundation Studies Centre

- Open Foundation

ACCREDITATION

Faculty of Education and Arts

The following programs have been reviewed by the New South Wales Education Standards Authority (NESA) and were granted accreditation:

- Bachelor of Education (Secondary)
- Bachelor of Education (Secondary) (Honours)
- Bachelor of Education (Primary)
- Bachelor of Education (Primary) (Honours)
- Bachelor of Education (Early Childhood and Primary)
- Bachelor of Education (Early Childhood and Primary) (Honours)

The Bachelor of Speech Pathology (Honours) was reviewed by Speech Pathology Australia and was granted accreditation.

The Bachelor of Social Work (Honours) was reviewed by the Australian Association of Social Workers and was granted accreditation.

Faculty of Engineering and Built Environment

The Bachelor of Construction Management (Building) (Honours) was reviewed by the Royal Institute of Chartered Surveyors (RICS) and the Australian Institute of Quantity Surveyors (AIQS) and was granted continuing full accreditation.

The Bachelor of Electrical and Electronic Engineering (Honours) and the Bachelor of Mechanical Engineering (Honours) were reviewed by Engineers Australia and granted conditional accreditation at UON Singapore.

The Bachelor of Civil Engineering (Honours) was reviewed by Engineers Australia and was granted provisional accreditation at UON Singapore.

The Bachelor of Surveying (Honours) was reviewed by the Council of Reciprocating Surveyors Boards of Australia and New Zealand (CRSBANZ) and was granted full accreditation.

Faculty of Science

The Bachelor of Psychological Science (Advanced) was reviewed by the Australian Psychology Accreditation Council and was granted accreditation.

The Bachelor of Exercise and Sport Science was reviewed by Exercise and Sport Science Australia and was granted provisional accreditation.

ACADEMIC PROGRAM REVIEW**Faculty of Business and Law**

- Master of Applied Finance
- Graduate Certificate in Applied Finance
- Master of Business Administration
- Graduate Certificate in Business Administration
- Master of Human Resource Management
- Graduate Certificate in Human Resource Management
- Master of International Business
- Master of Marketing
- Graduate Certificate in Marketing
- Bachelor of Laws (Honours) combined
- Bachelor of Laws (Honours)/Diploma of Legal Practice
- Juris Doctor/Graduate Diploma in Legal Practice

Faculty of Health and Medicine

- Bachelor of Midwifery
- Bachelor of Midwifery (Honours)
- Bachelor of Nursing
- Bachelor of Nursing (Honours)
- Master of Family Studies
- Graduate Certificate in Family Studies

Faculty of Science

- Bachelor of Biotechnology
- Bachelor of Biotechnology (Honours)

C

STUDENT STATISTICS

TABLE 1: STUDENT LOAD (EFTSL) BY STUDENT TYPE

	2015	2016	2017	2018	2019
Domestic	20,835	20,218	20,171	20,691	20,978
International Onshore	3,043	3,254	3,480	3,904	3,882
International Offshore	1,307	1,037	943	1,022	1,114
Total	25,186	24,509	24,595	25,617	25,974

TABLE 2: STUDENT LOAD (EFTSL) BY ACADEMIC LEVEL

	2015	2016	2017	2018	2019
Undergraduate	18,644	18,202	18,425	19,402	19,863
Postgraduate Coursework	2,910	2,638	2,460	2,521	2,590
Higher Degree by Research	1,192	1,234	1,334	1,426	1,343
Non-award	343	301	312	320	250
Enabling	1,616	1,682	1,675	1,546	1,575
ELICOS	482	452	390	402	353
Total	25,186	24,509	24,595	25,617	25,974

TABLE 3: ENROLMENTS BY FACULTY/DIVISION

	2015	2016	2017	2018	2019
Business and Law	6,127	5,968	5,891	6,133	6,144
Education and Arts	9,137	8,507	8,965	8,699	8,584
Engineering and Built Environment	4,643	4,752	5,550	6,064	6,032
Health and Medicine	7,635	7,558	7,792	7,886	8,166
Science	5,350	5,068	3,410	3,443	3,668
Other University ¹	5,217	5,333	5,435	5,445	5,352
Total	38,109	37,186	37,043	37,670	37,946

TABLE 4: STUDENT LOAD (EFTSL) BY LOCATION

	2015	2016	2017	2018	2019
Newcastle	17,397	17,406	17,753	18,474	18,373
Central Coast	2,965	2,793	2,704	2,685	2,661
Port Macquarie	266	252	253	254	232
Sydney	539	545	492	503	362
UON Singapore	1,241	1,001	910	982	1,082
Online	2,503	2,301	2,411	2,718	3,112
Other University ¹	275	211	72	2	151
Total	25,186	24,509	24,595	25,617	25,974

1. Other University includes Broken Bay Institute, Hong Kong Management Association (HKMA) and Research off campus. Source for tables 1-4: University of Newcastle Data Warehouse 5 February 2020

Rounding errors may occur; applies to Tables 1, 2 and 4.

D

EQUITY AND DIVERSITY

GENDER

In 2018, the University of Newcastle was one of only 15 universities/research institutions to receive a SAGE Athena SWAN Bronze Award following a two-year pilot which included development of a four-year (evidence-based) action plan to improve the representation and retention of women in STEM.*

In 2019, we commenced the implementation of this plan, with priority given to first establishing governance and leadership roles to ensure the University delivers on approximately 80 action items. Establishment of new leadership roles of five Assistant Deans Equity, Diversity and Inclusion (complementing the inaugural Women in STEM Chair appointment in late 2018) ensures responsibility in achieving goals is shared across the University and equity and diversity is part of localised decision making.

Several additional achievements were made such as key policy review and updates; increased flexibility for staff on, and returning from, parental leave; equity grants for return to work and PhD completion; and development of Gender Recruitment Guidelines. The University was also recognised as a Women in STEM Decadal Plan Champion in recognition of its achievements to date and strategies to address gender inequities in STEM.

During 2019, we exceeded our target of 30 per cent representation for senior academic women through succession planning, strategic recruitment and a successful promotion round. Women had a success rate of 89 per cent (across all levels) and represented 64 per cent of the total promotions for men and women. During the year, women were further encouraged to apply and were supported through a number of initiatives including tailored information sessions, mentors and mock interviews. In addition, a further 10 Women in Research (WIR) Fellowships were awarded, bringing the total to 30 since the commencement of the program in 2017. Recipients receive flexible funding to assist with re-invigorating or furthering their research career which will assist with career progression and future promotion.

In 2019, the University again ran its Academic Women in Leadership (AWiL) program, Ignite, and we had 17 participants graduate. Ignite is an Athena SWAN and Senior Academic Women initiative, helping senior women navigate their academic careers within a complex university system. Through building their leadership knowledge and skills, and increasing their confidence through coaching and networking opportunities, women are empowered to take up leadership positions across the University and progress through academic promotion.

ABORIGINAL AND TORRES STRAIT ISLANDER REPRESENTATION

The University of Newcastle's new Aboriginal and Torres Strait Islander employment strategy was formally launched in November 2019. The *Maligagu Aboriginal and Torres Strait Islander Employment Strategy and Action Plan 2020-2025* reflects our longstanding commitment to the advancement of Aboriginal and Torres Strait Islander peoples and will provide a roadmap for achieving our target of 3.9 per cent Indigenous staff representation by the end of 2020. Four key priority areas have been identified in the Strategy: Attraction and Recruitment; Environment and Retention; Development and Advancement; and Governance and Leadership.

Central to the strategy is the establishment of career pathways for Aboriginal and Torres Strait Islander staff members, with each division/faculty establishing entry-level positions within their staff profiles. Once these staff members develop the skills and knowledge they need to progress to other roles in the University, the position will be re-filled with another Indigenous staff member. In addition, the University is strategically recruiting for more established Indigenous staff in both professional and academic cohorts and will develop these staff to be leaders in their field and the community.

New leadership appointments, including the newly-appointed Pro Vice-Chancellor Indigenous Strategy and Leadership, Nathan Towney, and roles such as the Assistant Deans Equity, Diversity and Inclusion, will ensure that accountability for implementing the employment strategy and achieving the 3.9 per cent target is shared across the University. It will also ensure that the employment of Aboriginal and Torres Strait Islander peoples is part of a broader strategy encompassing staff, students and members of the community.

Harnessing Indigenous student talent as a means of building a pipeline for future Indigenous staff is an important feature of our strategy. In 2019, we continued to nurture our current Indigenous cadets, with more to be appointed in 2020. The University also entered into a MOU with the Aurora Foundation to further support the nexus of students and staff. We also signed an MOU with the Sydney Poche Centre for Indigenous Health as part of our commitment to improving the health of Indigenous communities.

Other achievements included:

- Attendance and presentation of the *University of Newcastle Aboriginal and Torres Strait Islander Employment Strategy and Action Plan 2020-2025* at the National Indigenous Employment Coordinators Network Forum
- Employment Information stall at 2019 NSW Annual Aboriginal Rugby League Knockout
- Attendance at Annual National NACCHO Aboriginal Men's Health Forum
- Attendance at NAIDOC march and celebrations
- Community consultation with key Aboriginal and Torres Strait Islander organisations on the Central Coast
- Roll out of the SBS Cultural Awareness Training (Indigenous) suite to all staff.

STAFF EQUITY STATISTICS**TABLE 1: TRENDS IN THE REPRESENTATION OF EEO TARGET GROUPS¹**

	% OF TOTAL STAFF ²										
	BENCHMARK OR TARGET	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Women	50	60.2	60.5	60.8	60.7	61.0	61.5	60.9	61.6	61.9	62.9
Aboriginal and Torres Strait Islander peoples	3.9	2.5	2.7	2.8	2.5	2.7	2.5	2.5	2.6	2.2	2.3
People whose first language was not English	19	7.7	7.8	8.0	7.7	9.8	9.2	9.2	8.7	9.7	9.7
People with a disability	n.a.	2.9	2.7	2.5	2.2	2.5	2.4	2.3	2.3	2.2	2.2
People with a disability requiring work-related adjustment	1.5	0.6	0.6	0.6	0.5	0.6	0.4	0.5	0.5	0.5	0.5

TABLE 2: REPRESENTATION OF EEO TARGET GROUPS: ACADEMIC AND GENERAL STAFF²

EEO GROUP	% OF TOTAL STAFF ²	% OF TOTAL STAFF ²	AWARD	
	BENCHMARK OR TARGET	TOTAL		
Women	50.0	62.9	Academic	51.9%
			Professional	70.7%
			Teacher	73.0%
Aboriginal and Torres Strait Islander peoples	3.9	2.3	Academic	2.1%
			Professional	2.4%
			Teacher	-
People whose first language was not English	19.0	9.7	Academic	16.5%
			Professional	4.7%
			Teacher	8.1%
People with a disability	n.a.	2.2	Academic	2.1%
			Professional	2.2%
			Teacher	-
People with a disability requiring work-related adjustment	1.5	0.5	Academic	0.4%
			Professional	0.5%
			Teacher	-

Source for tables 1 and 2: Ascender HR Database Notes: 1. Staff numbers are as at 30 June 2019 2. Excludes casual staff

TABLE 3: TRENDS IN THE DISTRIBUTION OF EEO TARGET GROUPS

	DISTRIBUTION INDEX ³										
	BENCHMARK OR TARGET	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Women	100	81.2	81.6	82.3	82.7	82.1	83.1	82.7	82.4	83.4	82.6
Aboriginal and Torres Strait Islander peoples	100	83.4	85.1	85.0	87.9	89.5	91.1	92.7	91.0	87.0	87.1
People whose first language was not English	100	111.2	111.4	110.8	111.5	110.2	111.5	111.5	115.0	112.5	114.0
People with a disability	100	101.9	100.1	101.2	100.9	105.8	101.8	103.5	102.5	104.0	103.8
People with a disability requiring work-related adjustment	100	107.5	102.7	105.7	105.2	112.6	107.4	112.9	109.2	112.1	109.1

Source: Ascender HR Database

TABLE 4: DISTRIBUTION OF EEO TARGET GROUPS: ACADEMIC AND GENERAL STAFF

	DISTRIBUTION INDEX ³		AWARD	
	TARGET	TOTAL		
Women	100	82.6	Academic	89.4
			Non-academic	89.8
Aboriginal and Torres Strait Islander peoples	100	87.1	Academic	80.4
			Non-academic	90.8
People whose first language was not English	100	114.0	Academic	93.6
			Non-academic	101.4
People with a disability	100	103.8	Academic	108.1
			Non-academic	94.1
People with a disability requiring work-related adjustment	100	109.1	Academic	108.1
			Non-academic	108.7

Source for tables 3 and 4: Ascender HR Database Notes: 3. A distribution index of 100 indicates that the distribution of the EEO group across salary levels is equivalent to that of other staff. Values less than 100 mean that the EEO group tends to be more concentrated at lower salary levels.

STUDENT FOCUSED INITIATIVES

Student Central is often the first point of contact for students requiring help and advice about most of the University of Newcastle's facilities, services and procedures. The Student Central team is also involved in a range of student equity and support initiatives addressing students' needs.

2019 events and projects

These included the following:

Students with a Refugee Background or Experience

These students were invited to participate in the Centre for Excellence in Equity and Higher Education (CEEHE) gatherings, student events, education supports, scholarships and conferences. When students enrol at the University, they are invited to identify whether they have a refugee background or experience. The University is working with Settlement Services International, Jesmond Neighbourhood Centre, NSW Service for the Treatment and Rehabilitation of Torture and Trauma Survivors (STARTTS) and Northern Settlement Services to create more pathways for entry and opportunities to engage with these students. The University has a dedicated Equity Diversity and Inclusion Coordinator to support these students.

Refugee Week

The University actively participated in Unity in Diversity's Refugee Week event. Over 1,000 people attended, enjoying more than 20 cultural performances, international food and free activities for community and families.

International Women's Day

International Women's Day was a collaboration between the University's Student Central and various student organisations including the Newcastle University Students' Association (NUSA); the Newcastle University Postgraduate Students' Association (NUPSA); the Women's Collective; Queer Collective; Indigenous Collective; homelessness service, NOVA for Women and Children and external providers. The theme was 'Balance for Better' and 10 cultural groups were represented. The day focused on balance; celebrating its presence, and noting its absence and the role we all share in ensuring there is more of it.

Harmony Day

The theme of Harmony Day was 'Everyone Belongs' and approximately 200 people attended. Key stakeholders included students' associations and clubs, comprising over 28 discrete groups.

SBS Cultural Competency Modules

In 2019, the University of Newcastle introduced the SBS Cultural Competency Program for the benefit of staff and students. The program, developed by the SBS, International Education Services and Multicultural NSW, explores topics such as cross-cultural communication, addressing stereotypes, diversity and the benefits of multiculturalism. Using video interviews, animated education graphics and interactive activities, the program provides participants with practical skills and culturally specific knowledge which can be applied to study and everyday life. Of the students who attempted the modules, 62 per cent were successful in passing all eight modules.

The ALLY Network

The ALLY Network aims to create a more inclusive culture at the University by promoting greater visibility and awareness of those who are diverse in their sex, gender and/or sexuality. An 'Ally' is a staff member or student leader on campus who, through attending professional development, is aware of the issues faced by members of the LGBTIQA+* community. In 2019, Student Central delivered five ALLY training sessions and more than 130 staff and student leaders participated.

* This includes: lesbian, gay, bisexual, transgender, intersex, queer, asexual, agender, aromantic; + other diverse sexual orientations and gender identities

CEEHE

The Centre of Excellence for Equity in Higher Education (CEEHE) is a world first model, bringing together research and innovative practice to generate the highest level, transformative impact for equity and excellence in higher education. CEEHE generates innovative research-informed equity practice and outstanding practice-informed research with international reach, significance and relevance. A rigorous research oriented approach to practice ensures that the University of Newcastle is on the cutting edge of policy and practice, is future facing and student centred.

2019 HIGHLIGHTS

The following highlights occurred in 2019:

SUPERBE

The Strategy Undergirding Participation and Empowerment for Refugee Backgrounds in Education (SUPERBE) is a suite of programs and engagements run across the community and within the University of Newcastle. Elements of the program include ongoing advice; informal student gatherings where students can connect, share experiences, and learn about relevant services; and partnership with external networks such as the Newcastle Multicultural Youth Group which supports approximately 45 school students from refugee backgrounds.

In 2019, 60 students from Callaghan College participated in a leadership day held at the University of Newcastle. Student representatives led the workshop and Indigenous Health Project Officer, Simon Munro, from the University's Department of Rural Health, delivered the keynote speech.

Reclaiming My Place

This is an eight-week, arts informed program for women who have experienced the trauma of gendered violence. It is delivered in partnership with community-based services and learning partners, to creatively explore opportunities for engagement in lifelong learning. In 2019, the program formed part of a larger significant grant from the NSW Minister for Women's 'Investing in Women' project.

The Equity and Social Justice Strategic Framework

The Equity and Social Justice Strategic Framework was established as the University's *Higher Education Participation Partnerships Program (HEPPP) 2019 Access Plan*. The framework outlines how the University's commitment to equity and excellence will be further embedded in institutional strategies, practice, research and pedagogy. Drawing on Nancy Fraser's (1997) multi-dimensional social justice framework for parity of participation, it establishes three key principles: Resource Accountability (Redistribution); Co-Development (Representation); and Valuing Diversity and Difference (Recognition).

The National Writing Program for Equity & Widening Participation Practitioners

This is a year-long program covering critical research, analysis and writing. Participants attend workshops and are mentored by leading academics in the field from around Australia and the world. The program aims to bring practitioner voices into academia, build methodological capacity for research and develop capacity around critical reading and writing. An important outcome of the program is the collective work of the cohort to examine and innovate within their widening participation practice. In 2019, alongside the program, CEEHE held a forum to bring together past and present participants, published a Special Issue in the journal, *International Studies of Widening Participation* and presented on the program at a national conference.

The Excellence in Teaching for Equity and Higher Education (ETEHE) and the Educator Network (Research Stream) Program (within the University of Newcastle)

This program is guided by a praxis-based framework where research teams work with a senior academic mentor and are supported in a community of praxis through sustained mentorship and co-exchange. The aim is to generate research for high-level and meaningful forms of impact. In 2019, several projects continued with support from mentors and the first in a series of ETEHE Research Reports, *Yearning to Yarn: Using Aboriginal ways of knowing and learning to support clinical placement experiences of Aboriginal health professional students* was produced. A suite of briefing sheets on projects developed in the scheme were made available online.

Research Excellence in Equity in Higher Education

In 2019, CEEHE researchers were awarded three grants under the HEPPP National Priority Pool and National Centre for Student Equity in Higher Education (NCSEHE) grant schemes and supported many applications through peer review and submission processes. The projects are designed to generate the highest quality research that will make a direct contribution to Australian equity in higher education policy and practice.

E

HUMAN
RESOURCES

2019 HIGHLIGHTS

2018 Enterprise Agreement implementation

Progress on Athena SWAN Action Plan

Employer of Choice citation awarded

Indigenous Employment Strategy launched

UON Academy

Your Voice Survey

Superannuation Remediation Project

Human Resource Services (HRS) attracts, supports, develops and retains the world-class staff of the University of Newcastle. HRS provides strategic, procedural, legislative and administrative support and advice covering workforce strategy and transformation, employee relations, HR business partnering, workplace health and safety, remuneration and benefits, HR support services, recruitment and HR information systems.

In 2019, HRS delivered many successful operational and strategic initiatives aligned with the *NeW Futures Strategic Plan 2016-2025*.

2018 ENTERPRISE AGREEMENTS IMPLEMENTATION

The University's two new Enterprise Agreements were approved by the Fair Work Commission (FWC) in March 2019. Following approval, an extensive implementation plan was undertaken which included Faculty and Division roadshows, development of leaders' understanding of the changes and HR system and policy adjustments.

ATHENA SWAN BRONZE AWARD (ACCREDITATION)

As part of the Athena SWAN Action Plan, new governance and leadership roles were established including the inaugural Women in STEMM Chair; five new Assistant Deans Equity, Diversity and Inclusion; Faculty Equity, Diversity and Inclusion Committees; and the Athena Swan Working Party.

EMPLOYER OF CHOICE CITATION AWARDED

The University was again recognised by the Workplace Gender Equality Agency (WGEA) as an Employer of Choice for Gender Equality for the sixth successive year. The citation recognises our commitment and progress towards gender equity through policies and best practice strategies that provide an inclusive and equitable workplace culture where staff can excel.

INDIGENOUS EMPLOYMENT STRATEGY LAUNCHED

In November, the *Maligagu Aboriginal and Torres Strait Islander Employment Strategy and Action Plan 2020-2025* was developed and launched. Under this strategy, we aim to achieve our 2020 target of a workforce that is 3.9 per cent Indigenous — a reflection of the community we represent.

REFINEMENT AND EMBEDDING OF PRD

Following staff feedback, our Performance Review and Development (PRD) system was improved to be more user friendly and streamlined. Following these system changes, a large-scale staff engagement plan was implemented which included improved process flow, refined staff resources and practical PRD drop-in sessions.

UON ACADEMY

The UON Academy continued to develop, support and engage our sessional academic staff through semester e-newsletters, communication of development opportunities, professional development awards and networking events. Over 80 sessional staff attended the inaugural Connect 2019 expo in August, which was a joint initiative of the UON Academy, the Educator Network (tEN) and Centre for Teaching and Learning (CTL). The expo provided short presentations as well as several booths to develop skills and assist sessional staff with tools to enhance their teaching impact.

YOUR VOICE SURVEY

In February, we launched the Your Voice survey, a confidential survey run by the Voice Project. We ran two surveys concurrently for ongoing, fixed-term and professional casual staff, as well as sessional academic staff and made survey results available to all staff. Leaders undertook analysis and presented staff briefings which contributed to priorities for actions across all work areas. University-wide activities have progressed to improve in these areas.

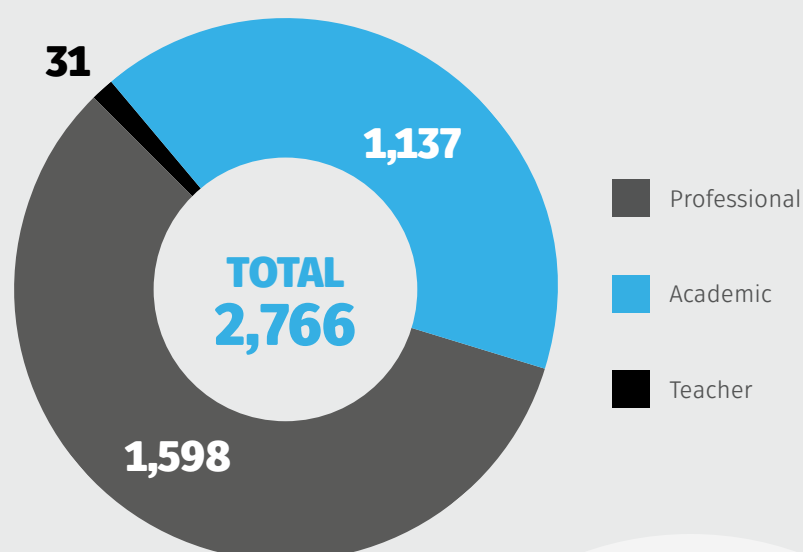
SUPERANNUATION REMEDIATION PROJECT

The Superannuation Remediation Project Team undertook work to finalise the superannuation remediation payments for remaining affected staff. In addition, several system and process changes were implemented to resolve underlying issues on an ongoing basis and also to mitigate the risk of the issue reoccurring. These changes have strengthened University governance and controls and significantly reduced the University's compliance risk.

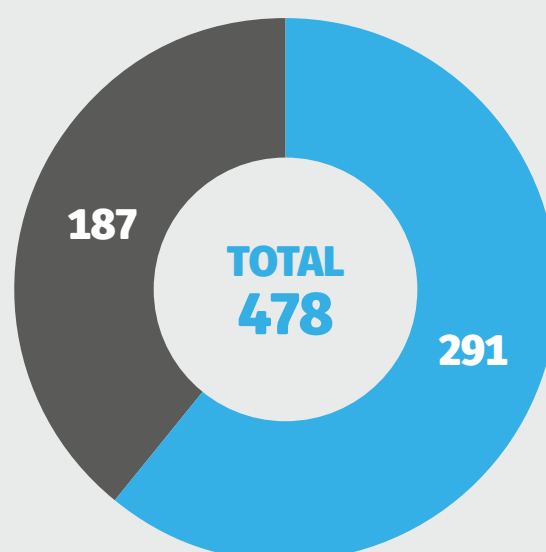
1. See Appendix D, page 127 for further information

FIGURE 1
FIXED-TERM AND CONTINUING STAFF FTE

(As at 31 March 2019)

**FIGURE 2**
CASUAL AND SESSIONAL STAFF FTE

(1 January to 31 December 2019)

**FIGURE 3**
JOB APPLICANTS

(1 January to 31 December 2019)



6,923
total number of applicants

TABLE 1: CONJOINT STAFF

(as at 31 March 2019)

FACULTY/DIVISION	TOTAL
Academic Division	12
Faculty of Business and Law	49
Faculty of Education and Arts	145
Faculty of Engineering and Built Environment	128

FACULTY/DIVISION	TOTAL
Faculty of Health and Medicine	1,262
Faculty of Science	206
Research and Innovation Division	2
Total	1,804

Source: Figure 1 Department of Education, Skills and Employment, Higher Education Staff Statistics Figure 2 Ascender HR Database Preliminary figures subject to validation and submission to Department of Education, Skills and Employment at 30 June 2019 Figure 3 Ascender HR Database

**TABLE 2: NUMBER OF ACADEMIC STAFF BY APPOINTMENT TERM, LEVEL AND GENDER 2016-2019
(AS AT 31 MARCH 2019)**

	LEVEL	2016			2017			2018			2019		
		FEMALE	MALE	TOTAL	FEMALE	MALE	TOTAL	FEMALE	MALE	TOTAL	FEMALE	MALE	TOTAL
Continuing	A	11	6	17	15	8	23	15	9	24	16	8	24
	B	109	89	198	91	65	156	82	56	138	84	47	131
	C	84	117	201	93	114	207	98	105	203	97	100	197
	D	50	83	133	51	80	131	52	86	138	61	87	148
	E	23	102	125	33	108	141	39	110	149	41	107	148
Continuing total		277	397	674	283	375	658	286	366	652	299	349	648
Fixed-term	A	82	87	169	99	84	183	113	106	219	132	105	237
	B	148	86	234	156	95	251	149	99	248	172	104	276
	C	28	32	60	36	42	78	43	39	82	47	39	86
	D	5	17	22	10	21	31	10	15	25	11	16	27
	E	17	33	50	17	37	54	22	32	54	23	37	60
Fixed-term total		280	255	535	318	279	597	337	291	628	385	301	686
Total		557	652	1209	601	654	1,255	623	657	1,280	684	650	1334

**TABLE 3: NUMBER OF PROFESSIONAL STAFF BY APPOINTMENT TERM, HEW LEVEL AND GENDER 2016-2019
(AS AT 31 MARCH 2019)**

	HEW	2016			2017			2018			2019		
		FEMALE	MALE	TOTAL	FEMALE	MALE	TOTAL	FEMALE	MALE	TOTAL	FEMALE	MALE	TOTAL
Continuing	2	2		2	1		1	1		1	1		1
	3	42	27	69	30	15	45	32	13	45	28	8	36
	4	126	20	146	115	17	132	112	16	128	98	12	110
	5	159	44	203	169	47	216	156	44	200	160	34	194
	6	142	53	195	150	63	213	140	57	197	141	63	204
	7	155	85	240	160	85	245	161	79	240	161	77	238
	8	93	60	153	96	67	163	96	71	167	93	75	168
	9	44	28	72	49	28	77	47	26	73	55	29	84
	10	27	20	47	21	21	42	23	21	44	20	21	41
Continuing total		790	337	1,127	791	343	1,134	768	327	1,095	757	319	1076
Fixed-term	<1	1	0	1	1		1				2	1	3
	1	11	4	15	11	1	12	2	2	4			
	2	58	37	95	48	33	81	40	27	67	40	29	69

Source for tables 2–4: Department of Education, Skills and Employment Higher Education Staff Statistics as at 31 March. Excludes casual staff. Number of staff includes full-time and fractional full-time staff who occupy more than one position.

TABLE 3: NUMBER OF PROFESSIONAL STAFF BY APPOINTMENT TERM, HEW LEVEL AND GENDER 2016-2019 (AS AT 31 MARCH 2019) (CONTINUED)

		2016			2017			2018			2019		
	HEW	FEMALE	MALE	TOTAL	FEMALE	MALE	TOTAL	FEMALE	MALE	TOTAL	FEMALE	MALE	TOTAL
	3	20	11	31	30	20	50	36	15	51	47	17	64
	4	67	20	87	78	23	101	65	23	88	91	30	121
	5	162	30	192	189	36	225	165	52	217	167	62	229
	6	120	41	161	125	41	166	121	34	155	127	43	170
	7	78	39	117	83	39	122	69	32	101	84	34	118
	8	33	32	65	32	30	62	32	22	54	40	24	64
	9	11	18	29	8	18	26	8	9	17	11	9	20
	10	12	9	21	14	13	27	13	16	29	11	23	34
Fixed-term total		573	241	814	619	254	873	551	232	783	620	272	892
Total		1,363	578	1,941	1,410	597	2,007	1,319	559	1,878	1,377	591	1,968

TABLE 4: NUMBER OF ACADEMIC AND PROFESSIONAL STAFF BY APPOINTMENT TERM AND GENDER 2016-2019 (AS AT 31 MARCH 2019)

	2016			2017			2018			2019		
	FEMALE	MALE	TOTAL	FEMALE	MALE	TOTAL	FEMALE	MALE	TOTAL	FEMALE	MALE	TOTAL
Continuing	1,067	734	1,801	1,074	718	1,792	1,054	693	1,747	1,056	668	1,724
Fixed-term	853	496	1,349	937	533	1,470	888	523	1,411	1,005	573	1,578
Total	1,920	1,230	3,150	2,011	1,251	3,262	1,942	1,216	3,158	2,061	1,241	3,302

Source for tables 2-4: Department of Higher Education, Skills and Employment Staff Statistics as at 31 March. Excludes casual staff. Number of staff includes full-time and fractional full-time staff who occupy more than one position.

EMPLOYEE POLICIES AND PRACTICES

In 2019, Enterprise Bargaining moved into the implementation phase. Employee Relations has conducted familiarisation briefings and sessions to support the operationalisation of the two agreements, especially the new provisions such as Educational Focused Academics and Industry and Clinical Educators. Feedback to the new agreements has generally been positive and the transition from three to two does not seem to have caused any transitional problems.

Work has also been done to operationalise some of the more sensitive provisions regarding paid Domestic Violence Leave and the encashment of excess annual leave.

The effective implementation of Organisational Change continued to be an area of focus, debate and improvement in 2019. A number of organisational changes including Academic Division, Port Macquarie, Faculty of Engineering (PVC Unit), Newcastle Business School and IT Services were supported.

In 2019, a number of complex cases were addressed and resolved.

HEALTH, SAFETY AND WELLBEING

The University of Newcastle is committed to developing a culture that strives for continuous improvement in health, safety and wellbeing that embodies strong leadership commitment, high levels of staff participation and engagement and is integrated into business decisions and processes.

In 2019, the University identified four health, safety and wellbeing principles that provide the framework for our new *Health, Safety and Wellbeing Strategy 2019-2021*. These are:

- **Leadership and Commitment:** Our leaders are committed to effective leadership and management through their behaviours and engagement to drive a positive safety culture.
- **Ownership and Engagement:** We encourage a culture of genuine care and commitment to enhance physical and mental wellbeing.
- **Risk Management and Assurance:** We take a risk-based approach and engage directly with the people involved in the work. We monitor performance and seek opportunities to drive continuous improvement.
- **Wellbeing of our People:** University staff and students have strong awareness of WHS matters and are confident to participate and be a part of identifying solutions.

2019 KEY INITIATIVES

In 2019, we undertook the following key initiatives to support our new health, safety and wellbeing strategy:

Safety Culture

Safety 'walk and talks' led by Executive Committee members were introduced. This enhanced both leader and staff engagement and resulted in collaborative improvements in work, health and safety outcomes.

The Executive Committee and the University Council fulfilled their H&S management role with ongoing discussion of performance trends, mitigating actions and the effectiveness of improvement activities.

Council reviewed and discussed their due diligence responsibilities and other relevant H&S information provided by the University.

People and Wellbeing

The highly successful 'R U OK Day' focussed on mental health and support for staff across all University of Newcastle campuses.

A variety of programs were offered to encourage physical and mental health including mental health awareness for managers, mental health first aid, aggression minimisation training, resilience through organisational change, pilates and yoga, special programs offered via the Employee Assistance Program (EAP) provider and ergonomics assessments and training.

A strong representation in the University 10,000 Step Challenge (third place) and a number of informal sporting activities undertaken during 2019 provided a foundation for increased wellness activity.

We supported 69 people through the 'Well to Work' program. This program supports employees who are injured outside of work but require assistance to make a swift and productive return to work.

The Early Intervention Physiotherapy Program (EIP) continued to deliver strong outcomes with 221 visits (an average of three visits per case) scheduled. In this program, staff reporting low level physical pain (that if not treated may exacerbate and result in a workers' compensation claim), are referred to physiotherapy for early treatment to reduce pain and the risk of a claim.

Risk Management

The safety review process for assessing the risks of research and other projects is well established across the University with a total of 496 applications being reviewed during the year. These included projects involving hazardous substances, radiation, genetically modified organisms, teaching and research field trips and travel to destinations overseas that are deemed high-risk according to their security and medical classifications.

The University Institutional Biosafety Committee (IBC) and the Chemical and Radiation Technical Committee (CRTC) coordinated the certification and annual IBC inspections of certified facilities with 36 inspections conducted in 2019.

The introduction of the Historian Online Radiation Management System has been used to manage personal radiation monitoring data for all University radiation workers (past and present). The University of Newcastle is the first University to purchase Historian and we are continuing to work with the vendor to enhance and develop Historian's capability to manage other compliance areas and help develop sector-leading management practices in this area.

During 2019, we undertook inspections of chemical holdings in a cross-section of research and teaching facilities at NIER and the University of Newcastle campus at Callaghan in order to verify the accuracy of the ChemWatch Chemical Manifest. The first round of inspections identified that not all areas had their data up to date and this was reported back to local leadership, along with improvement advice. A further round of inspections conducted in late 2019 confirmed most areas have made a concerted effort to become compliant.

The ChemWatch Chemical Management System hosted by the library allows all staff and students to search for Safety Data Sheets and create and print labels. Designated staff are also responsible for maintaining the Chemical Inventory or Manifest for their group or facility. To date, access has been granted to over 300 workers to manage their chemical stores. Training is provided through e-learning modules imbedded in ChemWatch and the University belongs to a sector ChemWatch User Group.

In addition to online Lab Safety training, we conducted training sessions with staff and research students on Radiation Safety (sources), Radiation Safety (X-ray equipment), Liquid Nitrogen Safety, Gas Safety, Biological Safety and Respirator Safety, all of which were well attended.

Ownership and Engagement

Every faculty, division and campus now has an active WHS Committee which report into the University's Peak Health and Safety Committee, where trends are reviewed and improvement actions identified.

Assurance and Continuous Improvement

Ten comprehensive audits were conducted within a school or unit selected from each faculty and division. Results were analysed and provided to the local leadership team for discussion and remedial action. There is ongoing work with SafeWork NSW and other universities to establish a Dangerous Goods Manifest for the University and a common approach to Dangerous Goods management across the sector.

HEALTH AND SAFETY PERFORMANCE

The University of Newcastle Executive Committee receives a monthly H&S performance report with an analysis of incidents that include discussion of any trends and corrective actions being undertaken. In addition to injuries, the percentage of hazards and near misses are reported on a monthly basis to maintain focus and allow for corrective actions to be monitored and their effectiveness evaluated over time. There were consistently more hazards and near misses reported (558 or 59 per cent of reports) compared with injuries (394 or 41 per cent of reports) during the year and this will remain a key focus in 2020.

As at December 31 2019, the Lost Time Injury Frequency Rate (LTIFR) was 2.45 compared with 3.32 in 2018. The Total Recordable Frequency Rate (TRIFR) was 5.65 compared to 7.81 in 2018. Total recordable injuries are defined as any work-related injury that required assessment and treatment from a medical practitioner and includes all lost time injuries and other injuries which are medically treated but allow for return to work on pre-injury or suitable duties.

WORKERS' COMPENSATION

The University continued with the loss prevention and recovery approach administered by iCare (previously WorkCover NSW). While it takes four years for full figures to be known, due to the way in which premiums are calculated under the scheme, we tracked to save \$1,233,238 on our annual premium for 2019 compared to what would have fallen due under the conventional scheme. We continued encouraging early reporting of injuries and early symptoms of pain so that assessments could be made to determine cause, identify corrective actions and make prompt referrals for physiotherapy if required. Where staff required time off work to recover from an injury, they were supported during recovery and through management of a graded return to pre-injury duties. During the year, 38 accepted workers compensation claims were managed (down from 48 in 2018).

In 2019, the University continued as an award sponsor at the annual Hunter Safety Awards and a University research group was nominated for an award.

F

EXECUTIVE REMUNERATION

TABLE 1: NUMBER OF SENIOR EXECUTIVES EMPLOYED AT 31 DECEMBER

Senior executive band	2018		2019	
	Female	Male	Female	Male
Vice-Chancellor	0	1	0	1
Deputy Vice-Chancellor and Chief Operating Officer	0	3	0	2
Pro Vice-Chancellor and Chief Financial Officer	2	4	3	6
Totals	2	8	3	9
	10		12	

TABLE 2: AVERAGE TOTAL REMUNERATION PACKAGE OF SENIOR EXECUTIVES EMPLOYED AT 31 DECEMBER

SENIOR EXECUTIVE BAND	AVERAGE TOTAL REMUNERATION PACKAGE	
	2018 \$	2019 \$
Vice-Chancellor	850,038	850,422
Deputy Vice-Chancellor and Chief Operating Officer	516,821	519,155
Pro Vice-Chancellor and Chief Financial Officer	426,569	388,273

TABLE 3: PERCENTAGE OF TOTAL EMPLOYEE-RELATED EXPENDITURE IN THE FINANCIAL YEAR THAT RELATES TO SENIOR EXECUTIVES

	2017	2018	2019
Percentage of total employee-related expenditure in the financial year that relates to senior executives	1.4%	1.6%	1.6%



RISK MANAGEMENT FRAMEWORK

Risk management is a core part of the University of Newcastle's governance practice. We have adopted AS/NZS ISO 31000-2018 Risk Management Guidelines in developing our approach to risk management.

The Executive Committee is actively engaged in the risk management process. The Risk Committee and the University Council oversee the Enterprise Risk Management Framework and discuss strategic risks at each Committee meeting.

The Risk Management Framework is considered across the University at a strategic, operational and project management level. Ongoing practices identify, manage, mitigate, monitor and report from strategic and operational perspectives. This process is supported by the Risk Management Policy and the Risk Management Framework.

INTERNAL CONTROL

Council is responsible for ensuring an effective system of internal controls over financial and operational activities.

The Vice-Chancellor, as the principal Executive Officer, is responsible for ensuring that the internal environment supports the efficient and effective operation of appropriate internal controls to support the University's strategy and objectives.

The Vice-Chancellor provides annual assurance to Council on the systems of internal controls, accountability and delegations (including in relation to controlled entities) as part of the management of the University's annual financial reporting.

INSURANCE

Our suite of insurance policies is reviewed and renewed annually with the insurance period commencing 1 November each year. Our broker supports the management of this process to ensure that optimal and cost effective coverage is obtained.

Details of insurance policies relevant to staff and students are published on our website at:

 newcastle.edu.au/current-staff/our-organisation/governance/assurance-services/insurance

H

CYBER SECURITY ANNUAL ATTESTATION STATEMENT

I, Anthony Molinia (CIO), am of the opinion that the University of Newcastle has managed cyber security risks in a manner consistent with the Mandatory Requirements set out in the NSW Government Cyber Security Policy.

Risks to the information and systems of the University of Newcastle have been assessed and are managed. Governance is in place to manage the cyber security maturity and initiatives of the University of Newcastle.

There exists a current *Cyber Incident Response Plan* for the University of Newcastle which has been tested during the reporting period.

An independent review of the effectiveness of the University's cyber security controls was undertaken by Pure Hacking during the 2019 calendar year and these were found to be adequate or in the process of being addressed.

I

ETHICAL AND RESPONSIBLE DECISION MAKING

The culture of the University of Newcastle is underpinned by strong values and ethical behaviour centred around integrity, respect and professionalism. The Code of Conduct governs our community in its day-to-day activity, decision making and interaction with clients, colleagues and stakeholders.

In conjunction with the Ethics Centre, Council established the Ethical Decision Making Framework to set the 'tone' for behaviour and decision making and support the University in realising its vision to be a global leader in each of our spheres of achievement. The University of Newcastle Ethical Framework is provided to guide and support decision making at all levels and helps to ensure that when making decisions on behalf of the University, the 'standard for judgement' lies in the Ethical Framework rather than the personal beliefs of any individual, thus ensuring clarity and consistency in application.

Our policies and codes are in place to provide ethical guidance and support ethical behaviour. These include: the Conflicts of Interest Policy; the Student Academic Integrity Policy; the Responsible Conduct of Research Policy; and the Code of Ethical Academic Conduct Policy.

Our activities support compliance with relevant legislative requirements, professional standards and internal controls to ensure the provision of timely and transparent information to our stakeholders and the general public.

ACEC

The Animal Care and Ethics Committee (ACEC) is responsible for overseeing the care and use of animals in research and teaching. The University of Newcastle is committed to the highest standard of ethical practice in this regard and the ACEC ensures that these activities meet the requirements of the regulatory framework.

The ACEC plays an important role in reviewing applications for research and teaching where animals are involved. It is also responsible for monitoring approved activities in accordance with legislative requirements.

The Animal Care and Ethics Committee reports to Council, the governing body of the University of Newcastle, and is responsible for the consideration of ethical and welfare aspects as well as the scientific or educational value of the use of animals for research and teaching purposes.

Its membership includes the following categories:

- **Category A:** Veterinarians — persons with qualifications in veterinary science who are recognised for registration as a veterinary surgeon in Australia, and with experience relevant to the University's activities or the ability to acquire relevant knowledge.
- **Category B:** Researchers — persons with substantial and recent experience in the use of animals for scientific purposes relevant to the institution and the business of the ACEC. This must include possession of a higher degree in research or equivalent experience.
- **Category C:** Animal welfare members — persons with demonstrable commitment to, and established experience in furthering the welfare of animals, who are not employed by or otherwise associated with the institution, and who are not currently involved in the care and use of animals for scientific purposes. Veterinarians with specific animal welfare interest and experience may meet the requirements of this category. While not representing an animal welfare organisation, the person should, where possible, be selected on the basis of active membership of, and endorsement by, such an organisation.
- **Category D:** Independent members — persons not employed by or otherwise associated with the institution and who have never been involved in the use of animals in scientific or teaching activities, either in their employment or beyond their undergraduate education. Category D members should be viewed by the wider community as bringing a completely independent view to the ACEC, and must not fit the requirements of any other category.

These categories are as defined in the *Australian Code for the Care and Use of Animals for Scientific Purposes* 8th edition 2013.

HREC

The Human Research Ethics Committee (HREC) is responsible for the review of applications for ethics approval for human research to be conducted at, or under the auspices of, the University and for the provision of advice to the University on related matters.

The HREC performs its responsibilities within the terms of reference as set out in the National Statement, issued jointly by the National Health and Medical Research Council (NHMRC), the Australian Research Council (ARC) and Universities Australia, and relevant State and Commonwealth legislation, policies and codes.

Our HREC reports directly to the NSW Privacy Commissioner where the HREC is the lead ethics committee and the Statutory Guidelines on Research, issued under Section 64 of the *Health Records and Information Privacy Act 2002 (NSW)* (HRIP Act), have been applied.

Reports to the NSW Privacy Commissioner are prepared and submitted on a financial year basis. In the 2018/2019 financial year, the HREC did not consider any ethics applications which required application of the HRIP Statutory Guidelines on Research.

We are also required to report decisions to the NHMRC, which collects information on behalf of the Australian Information Commissioner, where the NHMRC Guidelines under Section 95 and 95a of the *Privacy Act 1988* have been applied.

During the year, the HREC considered and approved two ethics applications that required the application of the NHMRC Guidelines under Section 95 of the *Privacy Act 1988*. These decisions will be reported to the NHMRC in the HREC's Annual Report for the period 1 January 2019 to 31 December 2019.



ACCESS TO INFORMATION

The University of Newcastle encourages and supports appropriate, open and transparent engagement with our communities.

PROTECTING PRIVACY

The University supports an individual's privacy when it collects, stores, uses and discloses personal information. When dealing with private and health information, the University complies with the *Privacy and Personal Information Protection Act 1998 (NSW) (PPIPA)* and the *Health Records and Information Privacy Act 2002 (NSW) (HRIPA)*, outlined in our *Privacy and Information Access Policy and Privacy Management Plan*.

During 2019, a key initiative of the University's Privacy Team was the training of staff to raise awareness of how privacy obligations apply to their job responsibilities and duties. The University has engaged an external training partner to assist in raising staff privacy awareness. This will continue through 2020.

RIGHT TO INFORMATION

The University supports openness and transparency as encompassed in the *Government Information (Public Access) Act 2009 (the GIPA Act)*.

Information not readily available on our website can be obtained by submitting an informal request or, where further consideration is required, a formal request for the release of government information under the *GIPA Act*. Access to information is only restricted when there is an overriding public interest against disclosure.

During 2019 the University:

- Continued to proactively disclose information to the public and our key stakeholders. Information is generally published on our website at: newcastle.edu.au and policies are published in the University's policy library. Details regarding non-confidential decisions made by the Council are published in online newsletters.
- Continued to provide our GIPA contracts register.
- Participated in the Information and Privacy Commissioner's 'Right to Know Week' activities as a 'Right to Know Champion'.
- Responded to two requests from third parties consulting about the release of University Information.
- Consulted with a third party regarding the release of its information in response to one application during 2019. We received 13 applications with 12 decisions made. One application was in process at 31 December 2019. Statistics on the applications decided in 2019 are provided below:

TABLE 1: NUMBER OF APPLICATIONS BY TYPE OF APPLICANT AND OUTCOME¹

	ACCESS GRANTED IN FULL	ACCESS GRANTED IN PART	ACCESS REFUSED IN FULL	INFORMATION NOT HELD	INFORMATION ALREADY AVAILABLE	REFUSE TO DEAL WITH APPLICANT	REFUSE TO CONFIRM OR DENY WHETHER INFORMATION IS HELD	APPLICATION WITHDRAWN
Media	0	2	0	1	0	0	0	0
Members of Parliament	0	0	0	0	0	0	0	0
Private sector business	0	0	0	0	0	0	0	0
Not-for-profit organisations or community groups ²	0	1	0	0	0	0	0	0
Members of the public (application by legal representative)	0	1	0	0	0	0	0	0
Members of the public (other)	1	2	1	2	0	0	0	2

Notes: 1. More than one decision can be made in respect of a particular access application. If so, a recording must be made in relation to each such decision. This also applies to Table 2. 2. Includes other NSW government agencies

**TABLE 2: NUMBER OF APPLICATIONS
BY TYPE OF APPLICATION AND OUTCOME**

	ACCESS GRANTED IN FULL	ACCESS GRANTED IN PART	ACCESS REFUSED IN FULL	INFORMATION NOT HELD	INFORMATION ALREADY AVAILABLE	REFUSE TO DEAL WITH APPLICANT	REFUSE TO CONFIRM OR DENY WHETHER INFORMATION IS HELD	APPLICATION WITHDRAWN
Personal information applications ¹	1	1	0	1	0	0	0	0
Access applications (other than personal information applications)	0	4	1	2	0	0	0	2
Access applications that are partly personal information applications and partly other	0	1	0	0	0	0	0	0

Notes 1. A personal information application is an access application for personal information (as defined in clause 4 of Schedule 4 to the GIPA Act) about the applicant (the applicant being an individual).

TABLE 3: INVALID APPLICATIONS

Application does not comply with formal requirements (Section 41 of the GIPA Act)	2
Application is for excluded information of the agency (Section 43 of the GIPA Act)	0
Application contravenes restraint order (Section 110 of the GIPA Act)	0
Total number of invalid applications received	0
Invalid applications that subsequently became valid applications	0

TABLE 4: CONCLUSIVE PRESUMPTION OF OVERRIDING PUBLIC INTEREST AGAINST DISCLOSURE (MATTERS LISTED IN SCHEDULE 1 OF THE GIPA ACT)

Overriding secrecy laws	0	Documents affecting law enforcement and public safety	0
Cabinet information	0	Transport safety	0
Executive Council information	0	Adoption	0
Contempt	0	Care and protection of children	0
Legal Professional Privilege	0	Ministerial code of conduct	0
Excluded information	0	Aboriginal and environmental heritage	0

More than one public interest consideration may apply in relation to a particular access application and, if so, each consideration is to be recorded (but only once per application). This also applies in relation to Table 5.

**TABLE 5: OTHER PUBLIC INTEREST CONSIDERATIONS AGAINST DISCLOSURE
(MATTERS LISTED IN TABLE TO SECTION 14 OF THE ACT)**

Responsible and effective government	0
Law enforcement and security	0
Individual rights, judicial processes and natural justice	4
Business interests of agencies and other persons	3
Environment, culture, economy and general matters	0
Secrecy provisions	0
Exempt documents under equivalent interstate legislation	0

TABLE 6: TIMELINESS

Decided within the statutory timeframe (20 days plus any extensions)	12
Decided after 35 days (by agreement with applicant)	0
Not decided within timeframe (deemed refusal) ¹	0
Total	12

**TABLE 7: NUMBER OF APPLICATIONS REVIEWED UNDER PART 5 OF THE GIPA ACT
(BY TYPE OF REVIEW AND OUTCOME)**

	DECISION VARIED	DECISION UPHELD	TOTAL
Internal review	0	0	0
Review by Commissioner	0	0	0
Internal review following recommendation under Section 93 of the GIPA Act	0	0	0
Review by NSW Civil and Administrative Tribunal	0	0	0
Total	0	0	0

The Information Commissioner does not have the authority to vary decisions, but can make recommendations to the original decision maker. The data in this case indicates that a recommendation to vary or uphold the original decision has been made by the Information Commissioner.

TABLE 8: APPLICATIONS FOR REVIEW UNDER PART 5 OF THE GIPA ACT (BY TYPE OF APPLICANT)

Applications by access applicants	1
Applications by persons to whom the subject of access application relates (see Section 54 of the GIPA Act)	0
Total	0

**TABLE 9: APPLICATIONS TRANSFERRED TO OTHER AGENCIES UNDER DIVISION 2
OF PART 4 OF THE ACT (BY TYPE TRANSFER)**

Agency - initiated transfer	0
Applicant - initiated transfer	0
Total	0

PUBLIC INTEREST DISCLOSURE

The *Public Interest Disclosures Act 1994 (the PID Act)* sets in place a system to encourage public officials to report serious wrongdoing in the categories of maladministration, serious and substantial waste of public money, breach of the *Government Information (Public Access) Act* and corrupt conduct.

The University has an internal reporting policy and procedures in place for receiving, assessing and dealing with public interest disclosures, as required under Section 6D of the *PID Act*. Our Public Interest Disclosures Policy and protections under the Act support reporters, as required under Section 6E(1)(b) of the *PID Act*.

STATISTICAL INFORMATION ON PIDS

	MADE BY PUBLIC OFFICIALS PERFORMING THEIR DAY-TO- DAY FUNCTIONS	UNDER A STATUTORY OR OTHER LEGAL OBLIGATION	ALL OTHER PIDS
Number of public officials who made PIDs directly	3	0	0
Number of PIDs received	3	0	0
Number of PIDs finalised	1	0	0

Note: The number of PIDs finalised only refers to PIDs that have been received since 1 January 2017.

The PIDs received allege cases of maladministration and corrupt conduct. The PID that was finalised found no evidence of the allegations made. The remaining PIDs are currently being investigated by the Assurance Services

business unit, as the relevant authority responsible for handling the investigation in accordance with the University's obligations under the PID Act and its policy.

K

CONSUMER
RESPONSE

2019 HIGHLIGHTS

We continue to work to the highest standard of professional, consistent and respectful engagement with students and staff. A number of operational units assist the Complaints and Human Resources teams in engaging with and supporting our communities in solving problems, resolving issues and addressing their concerns. We ensure matters are dealt with in a timely, confidential and professional manner.

Our Complaints and Grievance Policy with supporting templates, provides a consistent process to assist staff, students and our communities to raise issues in a constructive manner. These processes enable us to receive and respond to complaints and grievances quickly and fairly, through early intervention, appropriate support and advocacy, and local level resolution where practicable. The University aims to resolve issues through early intervention or local resolution using a collaborative approach across the University.

Assurance Services oversees the formal Complaint and Grievance handling processes and supports students and staff to resolve issues locally and informally. The Complaints Office regularly reviews the complaints handling framework to ensure the operations support procedural fairness and natural justice; are transparent; timely and consistently communicated; and outcomes are based on fair and factual considerations. This year, 121 formal complaints were raised with the Complaints Office and resolved either via investigation or directly within accountable areas. Of these:

- Approximately 70 per cent were raised by students. The number of student complaints (84) received by the Complaints Office, was significantly lower than those lodged in 2018 due to continued processes to support students and the Student Advocate team to resolve issues without formal interventions.
- There were 78 complaints from staff in 2019 as the Human Resources Services (HRS) business partnership model has successfully worked with staff to resolve issues. The HRS is the first point of contact for staff issues.
- Just over 25 per cent of the issues raised were received from the community. This is consistent with those received in 2018 and 2017.

In 2019 the approach to managing complaints and grievances were improved with updated policies, procedures, templates, web pages, training and guidance implemented. The Complaints handling processes operate in line with industry practice, the AS/NZS 10002:2014 *Guidelines for complaint management organisations*, together with the *Complaint Handling at Universities: Australasian Best Practices Guidelines* (January 2015).

Human Resources Services, through its business partnership model, remains the first point of contact for staff issues.



REVIEWS

INTERNAL AUDIT

The Internal Audit team supports Council and the Executive by providing an independent and objective review and advisory service that seeks to evaluate and improve the effectiveness and efficiency of the University's governance, risk management, legislative compliance, and internal control processes. To achieve this aim, the team undertakes a range of risk-based audits to support Council's three-year *Internal Audit Plan*.

The Director Assurance Services, who heads the Internal Audit team, and the Senior Internal Auditor, have independent reporting lines to the Chair of the Risk Committee and attend Risk Committee meetings to present audit findings and provide status reports on management action taken to address previous findings.

EXTERNAL AUDIT

The Audit Office of New South Wales audits the financial statements of the University and its controlled entities.

INTERNAL REVIEWS

No management reviews were undertaken by Internal Audit in the year to 31 December 2019.

M

LEGAL MATTERS

TERTIARY EDUCATION AND QUALITY STANDARDS AGENCY ACT 2011 (COMMONWEALTH)

The *Tertiary Education and Quality Standards Agency (TEQSA) Act* was amended in 2019 to reflect recommendations following a review of the Act. The amendments are largely technical in nature and are intended to improve the Act's administration, strengthen TEQSA's regulatory role and better reflect the evolution of the role of the Higher Education Standards Panel.

EDUCATION SERVICES FOR OVERSEAS STUDENTS REGULATIONS 2019 (CTH)

In 2019, the Education Services for Overseas Students Regulations were repealed and replaced with new Regulations. The new regulations are substantially the same except that education providers are now required to enter additional information on the Provider Registration and International Student Management System.

HIGHER EDUCATION SUPPORT ACT 2003 (CTH)

The *Higher Education Support Act* was amended in 2019 to impose an annual charge on all higher education providers whose students are entitled to HECS-HELP assistance or FEE-HELP assistance. The annual charge will be imposed as a tax and be prescribed by regulation.

MODERN SLAVERY ACT 2019 (CTH)

A new *Modern Slavery Act* commenced on 1 January 2019 and aims to address 'modern slavery' in the business community. In particular the new legislation requires certain entities, including the University of Newcastle, to report on the risks of modern slavery in its operations and supply chains. Such reports must also outline actions undertaken by the entity to address such modern slavery risks.

The University of Newcastle must submit reports annually beginning 30 June 2021.

AUSTRALIAN CHARITIES AND NOT-FOR-PROFITS COMMISSION (ACNC) EXTERNAL CONDUCT STANDARDS

The ACNC External Conduct Standards were established in 2019 by an amendment to the ACNC Regulations 2013 (Cth). Not-for-profit entities are required to comply with the standards in relation to various overseas activities. The intention of the standards is to provide greater confidence that funds sent, and services provided overseas, are being used for legitimate purposes. The University of Newcastle will be required to comply with the standards with respect to some of its activities.

The standards that must be met include: minimising the risk of corruption and fraud, taking steps to protect vulnerable individuals and keeping records of activities and expenditure.

COMPETITION AND CONSUMER ACT 2010 (CTH)

The *Competition and Consumer Act* was amended in 2019 to change the way intellectual property rights holders control their intellectual property. Such changes affect the University as an entity engaging in the development and commercialisation of intellectual property.

The amendments are such that conditional licensing and assignment of certain intellectual property rights are no longer exempt from competition provisions in the Act.

The intention of making all intellectual property rights dealings subject to competition law is to improve competition and innovation in the intellectual property sector in Australia and bring Australia into alignment with comparable jurisdictions.

EMERGENCY RESPONSE FUND ACT 2019 (CTH)

The *Emergency Response Fund Act* commenced in 2019 and uses uncommitted funds from the Education Investment Fund to establish the Emergency Response Fund for the purpose of providing an additional funding source for emergency response and natural disaster recovery efforts. With the de-funding of the Education Investment Fund there is now no dedicated source of funding for investment in capital works for higher education providers.

N

MAJOR
WORKS

STEMM BIORESOURCES FACILITY

Describe nature and range of activities undertaken during 2019	2019 saw the commencement of construction on the Bioresources Facility. The contractors have poured concrete for the ground floor, level 1 and level 2 slabs, completed bulk earthworks, piling and retaining walls, installed a rainwater tank and commenced installing structural steel. The team have also started to purchase equipment so that it is ready to install once construction is complete.
If practicable provide qualitative and quantitative performance measures showing efficiency and effectiveness	N/A
Major problems and issues which arose during 2019	No major problems were encountered with the project in 2019.
Major works progress during 2019	The design was finalised and construction commenced.
Approved budget	\$37.5 million (m)
Costs to date	\$10.3 m
Total expenditure to 31 December 2019	\$10.3 m
Dates of completion	Q4 2020
Significant cost overruns or delays / amendments / deferrals / cancellations	Nil
Key activity for 2020	Construction will be completed in 2020 with the building expected to be operational in early 2021.

STEMM PROJECT, CALLAGHAN	
Describe nature and range of activities undertaken during 2019	<p>2019 was a busy year for the STEMM Project Team. The design progressed through concept and schematic design. The concept design was presented at an all-staff forum in July 2019. The Design Team held significant consultation with stakeholders from each of the three STEMM faculties, as well as staff from the Academic Division, Research and Innovation, Infrastructure and Facilities Services (IFS) and IT Services.</p> <p>The enabling works commenced, which includes upgrades to essential services — not only to power the STEMM building — but also to provide services across the western side of the campus. The design was finalised for the network room, with construction commencing in Q4 2019.</p>
If practicable provide qualitative and quantitative performance measures showing efficiency and effectiveness	N/A
Major problems and issues which arose during 2019	No major problems were encountered with the project in 2019.
Major works progress during 2019	There was completion of the schematic design phase for the main building, commencement of the enabling works construction and network room construction.
Approved budget	\$207.625 m
Costs to date	\$8.3 m
Total expenditure to 31 December 2019	\$8.3 m
Dates of completion	Q2 2023
Significant cost overruns or delays / amendments / deferments / cancellations	Nil
Key activity for 2020	<p>The key activities will be:</p> <ul style="list-style-type: none"> • Completion of enabling works and network room • Commence demolition of the McMullin building • Main works design finalisation • Award main works construction • Lodgement and approval of State Significant Development Application (SSDA)

STEMM – CENTRAL COAST CLINICAL SCHOOL RESEARCH INSTITUTE PROJECT

Describe nature and range of activities undertaken during 2019	During 2019, the major activities have focused on finalising the funding agreements, engagement of project managers, designers and consultant team. The construction contractor for the base building has been engaged with construction of the first four floors of the building shell completed. Extensive design consultation associated with the fit-out portion of the project has resulted in the design progressing through the schematic design stage.
Major problems and issues which arose during 2019	NIL
Major works progress during 2019	Construction of four floors of the building shell
Approved budget	\$72.5 m plus \$2.5 m. Interest earned: \$75 m
Costs to date	\$30.7 m
Total expenditure to 31 December 2019	\$30.7 m
Dates of completion	2021
Significant cost overruns or delays / amendments / deferrals / cancellations	NIL
	NIL
Key activity for 2020	2020 will see completion of the base building construction which is being delivered by Health Infrastructure NSW. The fit-out design will be finalised. The construction contract will be awarded and construction works of the fit-out substantially completed.

NEWCASTLE CITY CAMPUS DEVELOPMENT

Describe nature and range of activities undertaken during 2019	<p>The Honeysuckle City Campus Development Concept Plan SSDA required amendments following the initial public exhibition period. A final set of amendments were completed late 2019 and issued to the Department of Planning and Environment for assessment.</p> <p>2019 saw the commencement of the enabling works and mine rectification works onsite. For the Stage 1A building, the developed design was completed, which included significant consultation with staff from the School of Creative Industries and the Integrated Innovation Network (I2N) as well as IFS and IT Services subject matter experts to review the technical aspects of the design. The tender process for the head contractor commenced towards the end of 2019 and the contract will be awarded in Q1 2020. The SSDA for the Stage 1A building is expected to be approved in March 2020.</p> <p>The project team was established for Stage 2 of works, which includes Building B purpose-built student accommodation and commercial spaces. Planning for the facility continues.</p>
Major problems and issues which arose during 2019	<p>The SSDA for the concept plan experienced higher than expected challenges during the assessment period. These challenges included responding to agency comments on proposed transport strategies and overshadowing caused by the proposed building in the master plan. Responding to the challenges has extended the expected approval dates.</p> <p>The Stage 1A SSDA approval is also linked to the concept plan SSDA approval causing a delay to approvals.</p>
Major works progress during 2019	<p>Stage 1A: Completed design development and tender for head contractor. Commenced mine rectification and enabling works.</p> <p>Stage 2: Established the project team and tested the project brief.</p>
Approved budget	<p>Stage 1A: \$25 m</p> <p>Site 1 and 2 enabling works: \$10 m (Site 1 — \$8 m and Site 2 — \$2 m)</p> <p>Building B: \$48.85 m</p>
Costs to date	<p>Stage 1A: \$2.23 m</p> <p>Enabling works: \$1.5 m</p> <p>Building B: \$0.38 m</p>
Total expenditure to 31 December 2019	\$4.1 m
Dates of completion	<p>Stage 1A: Q3 2021</p> <p>Enabling works: Q1 2020</p> <p>PBSA: Q1 2023</p>
Significant cost overruns or delays / amendments / deferments / cancellations	NIL
Key activity for 2020	2020 will see completion of the enabling and mine rectification works, construction will commence on the Stage 1A building and design will commence on Building B.

ABBREVIATIONS AND ACRONYMS

AASB	Australian Accounting Standards Board
AAHMS	Australian Academy of Health and Medical Sciences
ACEC	Animal Care and Ethics Committee
AM	Member of the Order of Australia
ANU	Australian National University
AO	Officer of the Order of Australia
ARC	Australian Research Council
AWIL	Academic Women in Leadership (program)
BHERT	Business/Higher Education Round Table Awards
CARE-P	Centre for Africa Research, Engagement and Partnerships
CBD	Central Business District
CEEHE	Centre of Excellence for Equity in Higher Education
CIFAL	United Nations International Training Centre for Authorities and Leaders
CRC	Cooperative Research Centre
CRRMH	Centre for Rural and Remote Mental Health
CSIRO	(The) Commonwealth Scientific and Industrial Research Organisation
DFAT	Department of Foreign Affairs and Trade
DTC	Doctoral Training Centre
EAP	Employee Assistance Program
EEO	Equal Employment Opportunity
EFTSL	Equivalent Full-time Student Load
ELICOS	English Language Intensive Courses for Overseas Students
ELT	English Language Teaching Barometer
EMBA	Executive Master of Business Administration
ERA	Excellence in Research for Australia
ESD	Environmentally Sustainable Design
ESG	Environmental, Social and Governance issues
ESP	Environmental Sustainability Plan
FTE	Full-Time Equivalent
GIPA, The GIPA Act	Government Information (Public Access) Act 2009
HDR	Higher Degree by Research
HEPPP	Higher Education Participation and Partnerships Program
HERDC	Higher Education Research Data Collection
HMRI	Hunter Medical Research Institute
HNEH	Hunter New England Health

HPB	Hunter Pilot Biorefinery
HREC	Human Research Ethics Committee
HRIPA	Health Records and Information Privacy Act 202 (NSW)
I2N	Integrated Innovation Network
JMP	(The) Joint Medical Program
LTIFR	Lost Time Injury Frequency Rate
MOU	Memorandum of Understanding
MRFF	Medical Research Future Fund
NHMRC	The National Health and Medical Research Council
NIER	Newcastle Institute for Energy and Resources
NUW (Alliance)	UON, UNSW and UOW Alliance
OAM	Medal of the Order of Australia
PFAS	Per and poly fluoroalkyl substances
PID, The PID Act	Public Interest Disclosure, The Public Interest Disclosures Act 1994
PPIPA	Privacy and Personal Information Protection Act 1998 (NSW)
PWIL	Professional Women in Leadership (program)
QS World University Rankings	Quacquarelli Symonds World University Rankings
QTR	Quality Teaching Rounds
SAGE	Science in Australia Gender Equity
SDGs	Sustainable Development Goals
SPREP	Secretariat of the Pacific Regional Environment Programme
STEM	Science (includes Medicine), Technology, Engineering, Mathematics
STEMM	Science, Technology, Engineering, Mathematics and Medicine
tEN	The Educator Network, supporting teaching, research and professional excellence
TBS	TUNRA Bulk Solids business unit
TTRC	Teachers and Teaching Research Centre
TUNRA	The University of Newcastle Research Associates Limited
UNISDR	United Nations International Strategy for Disaster Reduction
UON	University of Newcastle
UTCC	University of the Thai Chamber of Commerce
VR	Virtual Reality
WGEA	Workplace Gender Equality Agency
WIL	Work Integrated Learning
WIR (Fellowship)	Women in Research

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Access and printing costs

Enquiries and feedback regarding this annual report are welcome at:

Council and Records Management

The University of Newcastle

University Drive,

Callaghan NSW 2308 Australia

P: +61 2 4921 8865

E: secretariat@newcastle.edu.au

Alternatively, please complete and save our feedback form, available at:

newcastle.edu.au/about-uon/our-university/annual-report

This can be returned to us by print, post or via email to: **annualreport@newcastle.edu.au**

Our office hours are 9am to 5pm, Monday to Friday.

No external costs are foreshadowed as printing will be completed in-house.

Other information

For more information on the University of Newcastle, including links to our annual report and strategic plan, please go to: **newcastle.edu.au/about-uon**

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