



MACQUARIE
UNIVERSITY
SYDNEY ~ AUSTRALIA

50[★]
YEARS
STILL DIFFERENT



Annual Report 2013

Volume 1





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Letter of submission

For the period 1 January 2013 to 31 December 2013

The Hon Adrian Piccoli, BEc, LLB MP
Minister for Education
Parliament House, Sydney

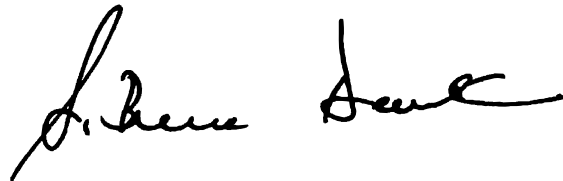
Dear Minister,

The Council of Macquarie University has the honour to submit the Annual Report of Macquarie University for the year ended 31 December 2013. The report has been prepared for presentation to Parliament in accordance with the *Annual Reports (Statutory Bodies) Act 1984* and the *Public Finance and Audit Act 1983*.

Yours sincerely,



The Hon Michael Egan
Chancellor



Professor S Bruce Downton
Vice-Chancellor and President

Message from the Vice-Chancellor

Macquarie University has continued to grow and accelerate during 2013. There has been a deepening of the research enterprise and continuation of our strong trajectory in education. More than 39,000 students enrolled across four faculties, the Macquarie Graduate School of Management, and the Australian School of Advanced Medicine.

The University experienced continuing popularity in its domestic and international students enrolments. Students are drawn to Macquarie University by the diversity and flexibility of the curriculum that allows them to improve their scholastic, communication, problem-solving and leadership skills. The Bachelor of Philosophy/Master of Research (MRes), the first of its kind in Australia, was launched during 2013 and brings Macquarie University into alignment with the Bologna Accord.

A signature part of Macquarie University is the natural environment of its campus. Significant work has been undertaken during 2013 to redevelop the master plan of the University and a number of precinct plans therein. This is now complete and will allow the University to continue growth and development in research and education through development of commercial partnerships with organisations that share our aspirations.

During 2013 the University community came together in an unprecedented fashion to develop *Our University: A Framing of Futures*, a strategic vision for the far horizon. Through this work the University has defined itself as an institution of service and engagement. Seven areas of strategic priority have been identified for elaboration through five-year strategic plans and annual operating plans. The seven areas of strategic endeavour include:

- a culture of transformative learning in a research-enriched environment
- an accelerating and impactful performance in discovery
- aligning the nature and size of the University for the future
- creating an innovation nexus where Macquarie and our partners contribute solutions to the world and develop lasting relationships
- emboldening Macquarie University's recognition and international presence
- developing a vibrant and sustainable campus, clearly at the centre of a rapidly changing neighbourhood in the international, cosmopolitan city of Sydney
- improving those aspects of our support services to realise this aspiration and vision.

Another important project undertaken during the year was a review of governance. As a result of this review there has been a general improvement in governance fundamentals across the University, including clearly defined delegations of authority.

During 2013 Macquarie's research accomplishment continued to gather pace. In addition to being ranked as Australia's top University under the age of 50 years in the QS World University Rankings on the eve of our 50th birthday, the University has also achieved a five star rating across all aspects of evaluation in that system.

The Macquarie Graduate School of Management retains a pre-eminent place in Australian business school education programs. Professor Alex Frino joined the MGSM as the new Dean during 2013. It is pleasing to note that the MGSM attained AACSB accreditation status during this reporting year as well.



There have been a number of changes in the University Executive Group during 2013 with the appointment of a new Chief Operating Officer and Deputy Vice-Chancellor (Research). Two new portfolios were also created: the Deputy Vice-Chancellor (Corporate Engagement and Advancement) and the Deputy Vice-Chancellor (International), while Executive Deans were also appointed to the Executive Group in early 2013.

The University is on an excellent course with every indicator pointing to accelerating success in the coming years.

I commend the Annual Report for 2013 to you, and to all members of Macquarie University's community and interested partners.

A handwritten signature in black ink, which appears to read "S Bruce Dowton". The signature is fluid and cursive.

Professor S Bruce Dowton
Vice-Chancellor and President

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PHOTO: PAUL WRIGHT

Research

Macquarie is one of the country's leading research universities, bringing the best minds together to conduct cutting-edge research without traditional disciplinary boundaries.

Research quality

The 2013 release of the Australian Research Council (ARC)'s *Benefits Realisation Review of Excellence in Research for Australia (ERA)* affirmed ERA's instrumental role in identifying the research strengths of Australian universities, and their capacity to deliver outcomes that are at world standard – or better – from publicly funded research activity to Australian society.

For Macquarie, this report underscores the return on investment it generates by developing its research strengths, with Macquarie's ERA 2012 results contributing significantly to the Government's ERA-based identification of national strengths in research.

Of the 20 national research strengths, determined by 10 or more universities rating above world standard (ERA rating 4 or 5), Macquarie contributed to eight areas: astronomical and space sciences, ecology, environmental science and management, evolutionary biology, geology, historical studies, law, and plant biology.

As testament to the quality of the researchers at Macquarie, three of the University's most eminent researchers were appointed to serve on the ARC College of Experts. The ARC College of Experts assesses and ranks ARC grant applications submitted under the National Competitive Grants Program, makes funding recommendations to the ARC and provides strategic advice to the ARC on emerging disciplines and interdisciplinary developments. Macquarie's successful nominees to the College of Experts were:

- Professor Katherine Demuth, Department of Linguistics
- Professor Bernard Mans, Department of Computing
- Professor Lucy Taksa, Department of Marketing and Management.

Research publications

Macquarie University's researchers increased their output of research publications in 2012 (reported in 2013) by 11 per cent over 2011. This includes increases of almost 40 per cent in authored research books or monographs and 32 per cent in published book chapters.

The Faculty of Science produced 44 per cent of published research output reported by the University, while the Faculty of Human Sciences had the largest increase in output – up 32 per cent from the previous year. In terms of productivity based on reported publications per academic FTE, Macquarie again outperformed all non-Group of Eight (Go8) universities and all but two Go8 universities.

Using 2013 CWTS Leiden Ranking data together with Australian Competitive Grants research income, Macquarie University outperforms all Australian universities in terms of generating high impact scholarship per Competitive Grant dollar. Macquarie produced a publication in the top 10 per cent of cited papers for every \$169,221 received in competitive public funding, while for the next 14 Australian universities in the Leiden ranking the cost is, on average, \$305,000 to produce a paper of equal impact.

Macquarie University's international reputation for world-leading research in environmental science continued in 2013 with the University retaining its place in the top 15 research institutions in the world for cited research papers in environment/ecology (Thomson Reuters Essential Science Indicators). Macquarie's continuing research impact in this area places it alongside Princeton, Stanford, NASA and the Smithsonian Institute as the institutions producing the most cited environmental science research in the 21st century.

Macquarie University researchers actively collaborate with other researchers both nationally and internationally. For research articles published by Macquarie University researchers in 2013, 44.09 per cent were co-authored with researchers from another country, while 44.87 per cent were co-authored with researchers from another Australian university or institution (SCOPUS).

The CWTS Leiden Ranking for 2013 revealed more depth to Macquarie's capacity for international collaboration and greater impact from its scientific scholarship. Macquarie was ranked fifth in Australia for proportion of publications co-authored with researchers from another country. In terms of the proportion of research papers in the top 10 per cent of citation impact in their field, it was ranked fourth in natural sciences and engineering and life and earth sciences; and fifth in mathematics and computer science.

Research partnerships

Macquarie's capacity for collaboration extends to its research partnerships as well. The University is closely involved in the development of a medical technology knowledge hub (precinct), together with Cochlear, the Medical Technology Association of Australia, and many other commercial and research organisations. This long-term strategic partnership seeks to increase the size and scope of the medical technology industry in Australia, linking commercial entities with research in technology and other relevant fields, including business, marketing, psychology, regulation and workforce management. This development aligns both with the state government's 2014 priorities for economic development in NSW and with the Commonwealth Government's industry precincts initiative.

The success of the \$23 million proposal for an ARC Centre of Excellence in Nanoscale BioPhotonics, of which Macquarie is a major node, will enrich and extend Macquarie's collaboration with the University of Adelaide in this research area of national significance. Research conducted by the Centre will transform our capacity to harness light-matter interactions to make measurements at the nano-scale, resulting in the development of a suite of new tools for quantifying the dynamic environment within a living cell and inside organisms.

The School of Education was successful in recent national competitive grant schemes. Associate Professor Joanne Mulligan is leading a cross-institutional team that received \$2.3 million from the Office of Learning and Teaching's Enhancing the Training of Mathematics and Science Teachers Program. They received funds for the *Opening real science: Authentic mathematics and science education for Australia* project. Partner institutions for this project are the Australian Astronomical Observatory, Australian Catholic University, Charles Sturt University, CSIRO, US-based Las Cumbres Observatory Global Telescope Network, University of Notre Dame Australia, University of Canberra and the University of Western Sydney.

Macquarie University will also lead a research project to reduce peer victimisation in Australian schools. This project will be undertaken in partnership with universities across Australia, including Curtin University, Edith Cowan University, Deakin University and the University of Sydney. Costed at almost \$2 million, the project will be funded from a variety of sources including the NHMRC and the Commonwealth Department of Education, with cooperation and in-kind contributions from several state Departments of Education.

Higher degree research enrolments and completions

Macquarie's higher degree research (HDR) training program is strategically focused to ensure high-achieving applicants receive candidature places and scholarships. The University's targeted HDR scholarships also reward candidates and researchers working in priority areas.

The University experienced a dramatic increase in the number of new students enrolled in its HDR programs in 2013 (see Table 2). Overall, there were 532 new PhD/MPhil enrolments, a significant increase from enrolments in 2012 (347). This included a significant increase in the number of new domestic candidates (from 211 in 2012 to 356 in 2013). This is a very strong result, given that Australian universities have found it challenging in recent years to attract domestic HDR enrolments. This dramatic increase may be partly attributable to the higher profile Macquarie's HDR programs have achieved by the introduction of the innovative Master of Research pathway to HDR study.

As shown in Table 1, Macquarie's annual HDR completions steadily increased between 2009 and 2013, with the University achieving its highest ever number of HDR completions in 2013 (297), exceeding the University's target of 235 by 26 per cent. The University now ranks in the top 10 Australian universities for (weighted) completions.

The University is continuing to implement policies and practices that encourage HDR candidates to complete their research in good time. The new HDR Learning Skills program offers support to candidates in oral presentation, software use, statistics and project management, and writing, so that all candidates have the skills and support they need to complete without unnecessary and stressful delays. This program will be expanded further in 2014, with a number of faculty-based appointments so that candidates will have on-the-spot access to writing experts. Data from 2012 Annual Progress Reports continues to show students and supervisors are increasingly confident of achieving completion by their expected submission date, and there are declining numbers of students under review.

2013 was the first year of teaching for Macquarie's new pathway program to HDR study, the Bachelor of Philosophy/Master of Research (MRes). From January 1, 2014 completion of this program or its equivalent will be required by all newly enrolling HDR candidates. The first cohort of students will complete this program in 2014, increasing the University's number of research student completions dramatically.

Macquarie has been participating in cotutelle degree programs since 1999. These became a formal component of the University's research strategy in 2007. They aim to help establish deep, continuing relationships with international research universities, through joint research candidate supervision.

By the end of 2013, Macquarie had over 100 cotutelle and Joint PhD candidates with more than 100 universities from 30 countries, led by China, Germany, France and the United Kingdom.

Table 1: Higher degree research completions 2009–2013

	2009	2010	2011	2012	2013
Faculty of Arts	55	45	62	70	67
Faculty of Business and Economics	10	9	20	20	23
Faculty of Human Sciences	60	39	47	75	90
Faculty of Science	79	78	103	94	103
MGSM	11	13	12	11	14
Total	215	184	244	270	297

Table 2: Higher degree research student enrolments 2009–2013

	2009	2010	2011	2012	2013
Faculty of Arts	490	534	556	512	519
Faculty of Business and Economics	122	146	167	165	197
Faculty of Human Sciences	465	496	567	579	601
Faculty of Science	553	574	580	540	566
MGSM	150	130	117	107	96
Total	1780	1880	1987	1903	1979

Research excellence recognised

In February 2013, Macquarie University's Dean of the Australian School of Advanced Medicine, Professor Simon Foote, was awarded the prestigious Julian Wells Medal, at the 34th annual Lorne Genome Conference, in Victoria. The Medal is awarded annually to a scientist who has made an outstanding contribution to understanding the human genome and to the development of this field.

In March 2013, a Fulbright Senior Scholarship was awarded to Deputy Vice-Chancellor (Corporate Engagement and Advancement) Professor David Wilkinson. He will travel to the University of California, San Francisco to look at improving the outcomes of medical education through global benchmarking.

The University officially launched the Australian Hearing Hub in April 2013. The Australian Hearing Hub brings together the country's leading hearing research and service provision organisations in one building, to help improve outcomes for those affected by hearing loss or impairment. The Australian Hearing Hub is an initiative of the Federal government, established as part of the Education Investment Fund.

The University gave a fond farewell to long-standing Deputy Vice-Chancellor (Research), Professor Jim Piper in June 2013. In his ten years as DVC(R), Piper greatly enhanced the research capabilities of the University. In July 2013, the University welcomed Professor Sakkie Pretorius as the new DVC(R) for Macquarie University. Pretorius is internationally recognised as a pioneer in molecular microbiology and biotechnology, and the translation of research outcomes to industry, forged through senior academic roles in South Africa, the US and Europe.

In December 2013, the University launched the new Centre for the Health Economy in response to the increasing difficulty health-related industries experience accessing data across the whole health sector. The new centre will provide cross-disciplinary research to public and private health organisations that will help understand the sector-wide impacts of intersecting research, technologies, systems, people and processes involved in the business of health.

Research funding

Macquarie University researchers attract significant funding through competitive research grants. In 2013, the University reported \$44.28 million of competitive external research funding earned during 2012. In addition, the University was awarded \$34.03 million of research block grants from the Federal government in 2013. A preliminary analysis of research income received in 2013 indicates that the University will have achieved a higher level of funding than that received in 2012.

Macquarie University's ARC grant application outcomes for funding commencing in 2014 highlight both the success of the application round as well as the breadth and scope of research at Macquarie. A total of 34 Macquarie University research projects were successful in receiving a grant, including eight Future Fellowships (\$5,996,004 total funding), 21 Discovery Projects (\$7,466,683 total funding), and five Discovery Early Career Researcher Awards (DECRA) (\$1,787,254 total funding).

Macquarie's success rate was significantly above the national average in Discovery Projects and Future Fellowships, and level with the national average for DECRA. The Faculty of Arts was awarded more than \$4 million as part of the ARC's Future Fellowships, Discovery Projects and Discovery Early Career Researcher Awards schemes – a significant and notable achievement and testament to the quality of research within the Faculty.

In May 2013, Macquarie University was awarded \$2.1 million of ARC funding to support a new Industrial Transformation Training Centre. The centre, led by Professor Paul Haynes, will provide world-class research training to the next generation of scientists, modernising the food industry by bringing state-of-the-art molecular analytical technologies into the mainstream of the food supply chain.

Australian Research Council

During 2013, Professor Katherine Demuth, member of the Department of Linguistics at Macquarie University, was awarded an Australian Laureate Fellowship. The Australian Laureate Fellowships scheme, administered by the ARC, gives outstanding research leaders the opportunity to tackle some of the most urgent and complex research issues facing Australia and the world. With \$2.8 million in funding from this fellowship, Demuth's project will utilise the Australian Hearing Hub's facilities, collaborating with experts in brain imaging and behavioural methods to better understand the nature of these problems. With interdisciplinary input from across the University, this important work will lead to more effective intervention and better child health, wellbeing and educational outcomes.

In 2013, eight prestigious ARC Future Fellowships were awarded to Macquarie researchers for projects commencing in 2014. The successful researchers were:

- Professor Bridget Griffen-Foley, who will map the voices of media audiences since the rise of the radio
- Associate Professor Simon Griffith, who seeks insight into the patterns of reproductive failure and changes in breeding and migration times in birds, related to a changing climate
- Dr Dayong Jin, who plans to develop new nanophotonic luminescent probes to measure hitherto undetectable rare-event molecules and cells, for the discovery of new biomarkers
- Dr Richard Menary, who seeks to advance understanding of the influence of the cultural and social environment on our cognitive capabilities
- Dr Andrew Piggott, who seeks to develop new generation antibiotics by characterising the cellular targets and modes of action of new and historic natural antibiotic products
- Professor Wendy Rogers, who seeks to define the limits of physical disease to answer questions about when a presentation is a disease, and when it is simply a risk factor or mild condition
- Dr Robert Sinnerbrink, who plans to develop a new interdisciplinary framework for understanding cinema's power to evoke ethical experiences via audio-visual means
- Dr Yingjie Yang, who looks to develop a novel seismological approach combining both ambient noise and earthquake data that can image small-scale upper mantle convection.

In addition, five Macquarie researchers were awarded the ARC Discovery Early Career Researcher Award for funding commencing in 2014. The successful researchers were:

- Dr Graeme Lloyd, who will use the fossil record to establish whether swimming or flying are key traits in long-term organism survival
- Dr Simon McCarthy-Jones, who aims to better understand the experience of inner speech and how brains distinguish between this experience and the words others speak to us
- Dr Tom Murray, whose project will use documentary film and 'reconciling' research methodologies to repatriate significant Australian cultural records from a WWI PoW archive
- Dr Brent Nongbri, who will undertake a fresh investigation of the earliest remains of the New Testament, with an historiographical analysis of their use in the academic world and popular media
- Dr Regine Zopf, who will use innovative virtual hand technology to investigate the impact of body actions on concurrent visual perception.



Learning and teaching

Macquarie strives to motivate and inspire students, engender a command of a field of study, foster independent learning, respect students as individuals and encourage participation in scholarly activities to enhance learning and teaching.

In 2013, Macquarie focused on further developing its academic quality processes. Both the undergraduate and postgraduate coursework programs were reviewed to reduce complexity while maintaining flexibility. The postgraduate coursework program review was accompanied by the development of a Recognition of Prior Learning Policy that acknowledges that, for the processes of enrolment and credit transfer, learning can take place outside the formal education system.

Undergraduate students will also benefit from a streamlined course transfer process and the introduction of new awards and majors that tap into the future of work, allowing students to construct innovative combinations of skills and knowledge. Macquarie students and staff will also benefit from the application of the University's Quality Enhancement Framework to its Learning Management System.

During the year Macquarie piloted the development of three Massive Open Online Courses (MOOCs) and made these available to students across the globe. Hosted on Open Universities Australia (OUA)'s Open to Study platform, they are:

- Associate Professor Greg Downey's *Becoming Human*
- Professor Paul Clitheroe's *Financial Literacy*
- Professor Lesley Hughes' *Climate Change*.

Other highlights of 2013 include:

- Macquarie University student Paul Keil winning a Prime Minister's Australia Asia Endeavour Award to undertake fieldwork in north-east India in conjunction with the Indian Institute of Technology
- Macquarie University hosting the 30th Conference of the Australasian Society for Computers in Learning (ASCILITE), the 6th Asia Pacific Conference on Educational Integrity (APCEI) and the 2nd Australasian Conference of Undergraduate Research
- establishing an eReserve in the Library and piloting online submission of assignments and online grading
- reviewing the First Year Experience Unit with the aim of expanding the reach of student mentors into the faculties and across the student lifecycle
- extending the Merit Scholar Program to include high achieving HSC students as well as students from other pathways who achieve a grade point average of 4.0
- establishing undergraduate research scholarships and integration with the Education Studio's Innovation and Scholarship Program
- developing a Student Code of Conduct and strategies for student retention, Distance Education Online and Open Universities Australia
- over 3000 Macquarie undergraduate students having an international experience through studying or undertaking international fieldwork or participation in an international volunteering program.

Teaching excellence

In 2013 Macquarie's academic staff were recognised for their excellence in a significant number of national awards and grants.

Prime Minister's Award for Australian University Teacher of the Year

- Professor John Croucher, Professor in Management from the Macquarie Graduate School of Management (MGSM) won the Prime Minister's Award for Australian University Teacher of the Year

National Citation for Outstanding Contributions to Student Learning

- Jean Brick was recognised for excellence in fostering student understanding of the interconnection of language and content, and inspiring students to express their voice in academic and professional contexts
- Dr Matthew Bulbert was recognised for designing an innovative teaching and support framework that enhances student participation, resourcefulness and creative critical thinking
- Dr Sabine Krajewski was recognised for developing inclusive approaches to assessment that foster independent learning and build intercultural competence for linguistically and culturally diverse graduate students

National Learning and Teaching Grants

- Dr Debbie Haski-Leventhal: Volunteering to learn – enhancing learning in the student volunteering experience in Australian universities
- Associate Professor Judi Homewood: Curricular approaches to increasing cultural competence and Indigenous participation in psychology education and training
- Professor Lori Lockyer: Completing the loop; returning meaningful learning analytic data to teachers
- Professor Lori Lockyer: Student retention and learning analytics; a snapshot of current Australian practices and a framework for advancement
- Nicholas McGuigan: Realising the potential – assessing professional learning through the integration of ePortfolios in Australian business education
- Associate Professor Joanne Mulligan: Opening real science – Authentic mathematics and science education for Australia
- Associate Professor Leonie Tickle: Developing web-based case studies for actuarial education
- Professor David Wilkinson: Australian Medical Assessment Collaboration – from proof of concept to proof of sustainability
- Professor David Wilkinson: From proof of concept towards implementation; nationwide collaborative assessment of Australian medical students
- Dr Theresa Winchester-Seeto: Building institutional capacity to enhance access, participation and progression in Work Integrated Learning

Student enrolments

In 2013, 38,753 students were enrolled at Macquarie University, an increase of six students compared with the same time in 2012. There was a decrease of 1345 international students compared with 2012, while domestic student enrolments increased by 1351 over the same period. The University's total equivalent full-time student load in 2013 was 27,945, a decrease of 556 (2 per cent) over 2012. Of the total student load, 22 per cent was in higher degree and 78 per cent in undergraduate programs.

Table 1: Student enrolments 2013¹

Type of attendance	
Full-time	26,453
Part-time	12,300
Gender	
Female	21,216
Male	17,537
Total	38,753

Table 2: Enrolments by program level 2013

Doctorate by research	1814
Professional doctorate	55
Masters degree by research	110
Masters degree by coursework	7675
Other postgraduate programs	1628
Postgraduate total	11,282
Bachelor degrees (including honours)	26,342
Other undergraduate degrees	202
Non-award and enabling degrees	927
Undergraduate total	27,471

Table 3: Enrolments by home location 2013

Africa and the Middle East	281
Americas	591
North-East Asia	6814
Northern and Western Europe	328
Oceania and Antarctica	43
South and Central Asia	663
South-East Asia	1197
Southern and Eastern Europe	115
International total	10,032
Domestic total	28,721

Table 4: Student load by discipline 2013

Agriculture, environmental and related studies	382
Architecture and building	24
Creative arts	1400
Education	2332
Engineering and related technologies	264
Health	935
Information technology	824
Management and commerce	9163
Natural and physical sciences	3062
Society and culture	9559
Total	27,945

Table 5: Student awards 2013

Higher doctorate	0
Honorary award	4
Non-professional doctorate by research	257
Professional doctorate	39
Masters degree by research	10
Masters degree by coursework	2735
Other postgraduate programs	924
Postgraduate total	3969
Bachelor degrees (including honours)	5848
Other undergraduate degrees	32
Undergraduate total	5880

¹ Source: preliminary calendar year data as at 1 January 2014 except award data preliminary as at 9 January 2014. Individual figures may not add up to totals due to rounding.

Note: A student with multiple enrolments will be counted only once in the course with the greatest EFTSL, which is consistent with the method adopted by the Federal government.

Learning and teaching *continued*

Student experience: Student feedback and consumer response

The University continued a significant program of work in 2013 to improve on the student experience and to develop the people, culture, structures, services and technology that underpin this important area of life at the University. The Deputy Vice-Chancellor (Students and Registrar) delivers a broad range of services to engage with, assist and support students throughout their time at University and provides a framework to support student and academic governance.

Student representation and engagement in institutional governance and management

Inaugural elections were held for the Student Advisory Board in 2013. The Student Advisory Board was created with broad terms of reference, including advising the University on the allocation of Student Services and Amenities Fee income. The Board provides broader engagement and constructive consultation with the student community on matters affecting them and their student experience, and is a key stakeholder group consulted in academic and non-academic decisions made by the University.

In addition a Student Experience Committee reporting to the University Council was created in 2013. This Committee includes members of the University Council, Executive Group, academic and professional staff and students and is focused on strategies to improve the student experience.

Academic appeals

The Academic Appeals Committee hears appeals from students against exclusion from enrolment. Despite an increasing population of students, the Committee has received a declining number of appeals each year since 2008.

Academic Appeals Committee determinations

Appeals	2009	2010	2011	2012	2013
Considered	304	289	231	158	117
Successful	84	59	52	28	11*

* does not include Session 2 2013 determinations

Grievances

A student grievance management procedure was approved in 2013 to support the University's Grievance Management Policy. In 2013, 44 student complaints were managed as formal grievances in accordance with established procedures.

Discipline

Academic and non-academic misconduct by students is managed under Student Misconduct and Discipline Rules. A total of 353 student misconduct matters progressed to University disciplinary committees for determination in 2013. Of this total, 21 determinations were subsequently appealed by students to the University's discipline appeal bodies.

Escalation and the Student Ombudsman

The role of Student Ombudsman was created in 2012 and reports directly to the Chancellor, providing an independent and impartial service to students who are dissatisfied with a University decision or process. During the first full year of operation in 2013, the Student Ombudsman received and managed 62 case referrals:

2013 Student Ombudsman referrals

Type of referral	Number of cases
Academic advice	1
Academic supervision Grade review	1
Exclusion	31
Grade review	12
Grievance	14
Other	3

Internationalisation

The continuing strength of the University's international reputation was reflected in *The Times Higher Education* (THES) rankings that placed Macquarie equal ninth among the 100 most international universities in the world.

The list was compiled using THES's international outlook indicator, which examines a university's international student numbers, its percentage of international staff and the proportion of its research papers published with a co-author from at least one other country.

There were approximately 10,000 full degree international students studying at Macquarie University North Ryde and City campuses in 2013, equivalent to 25.6 per cent of the student population and representing 116 countries. Of those, 4256 students commenced their studies at Macquarie in 2013. Additionally, 441 students were enrolled in the University's offshore programs in China, Hong Kong, Korea and Singapore in 2013.

In 2013, Macquarie offered 135 scholarships to commencing international students, including full, partial and joint scholarships.

The University continued to encourage a global outlook in its students through the Professional and Community Engagement (PACE) program and Global Leadership Program, which continued its success with over 3800 students enrolled at the end of 2013. One hundred and thirty students participated in PACE International projects in India, Borneo, Peru, Vietnam, Cambodia and the Philippines (see page 15 for more about PACE). Four hundred and sixteen Macquarie students went overseas on exchange or short-term overseas study in 2013, and the University welcomed 521 inbound exchange and study abroad students.

Macquarie's world-leading cotutelle program grew, with 26 new student agreements executed in 2013. Since the program's inception, 174 doctoral students from 36 countries have benefitted from the collaborative research opportunities it offers. Some 74 cotutelle PhDs have been awarded to date, 23 of which were awarded in 2013, including Macquarie's two first joint PhD degrees with partners in the United Kingdom. Another 14 international agreements were signed in 2013 with institutions in China, Germany, India, and Thailand; these include several staff exchange agreements with our German and Chinese partners in the context of Macquarie's new staff exchange program.

Global Leadership Program

During 2013, the Macquarie Global Leadership Program (GLP) provided a 30-hour structured extracurricular program for 2500 students to develop cross-cultural understanding through elective workshops focusing on global issues and skills development. The GLP also offered a flexible experiential component, an annual Distinguished Speaker event hosting 1000 students, and 12 optional events ranging from consular seminars to international symposia. Participants come from a broad cross-section of the University community – undergraduate and postgraduate, HDR, domestic, international and study abroad students.



PHOTO: COREY WINTER

Engagement and advancement

Macquarie University values partnerships with its alumni, donors and industry that strengthen opportunities for enterprise and innovation, and contribute to the development of the local, national and international community.

In 2013, in readiness for the University's 50th anniversary in 2014, the University appointed Professor David Wilkinson as the new Deputy Vice-Chancellor (Corporate Engagement and Advancement). He leads the University's marketing and institutional advancement efforts – including alumni relations and corporate engagement to support the delivery of the University's strategic framework.

The Foundation Office

The Foundation Office continued to build its team and relationships with corporate and individual stakeholders and supporters throughout the year, delivering an increase in philanthropic income. Expanding core fundraising activities and support services resulted in successful appeals seeing much-needed support for Motor Neurone Disease research and assistance in the form of equity scholarships for over 100 students in need.

In 2013, the University realised two bequests and welcomed four new patrons of the Joan and John Lincoln Society at the annual society lunch hosted by the Chancellor, The Hon. Michael Egan and the Vice-Chancellor and President, Professor S Bruce Downton.

Other achievements included significant research donations from Google Ltd and the Snow Foundation.

Alumni Relations

The University's alumni community continued to grow through 2013 with the number of graduates approaching 150,000.

Macquarie University is committed to building an ongoing mutually beneficial relationship with alumni through a program of communications, events, benefit, services and opportunities to contribute time and talent.

In 2013, more than 1500 alumni attended a Macquarie event and 1300 took up an alumni benefit or service.

The University expanded its alumni engagement activities with the appointment of a new Director, Alumni Relations and the creation of several new positions designed to strategically increase the number and depth of relations with alumni over the coming year.



Social inclusion

Macquarie University is a diverse, vibrant and innovative university, committed to equity and inclusion in education and employment. 2013 saw many successful initiatives and further embedding of principles of equality into the usual practice of the University.

In 2013, Macquarie gained National White Ribbon Workplace Accreditation, with the Vice-Chancellor and Executive agreeing to become ambassadors. Macquarie also signed up for the Corporate Champions project, a federally driven anti-age discrimination initiative; provided employment opportunities for people with disability with CRS Australia; and received commendation from Pride in Diversity for support of gay, lesbian, bi-sexual, transgender and intersex staff. The University retained national accreditation from the Australian Breastfeeding Association, which involved policy review and establishing specially equipped parenting rooms across campus.

Following the departure of Professor Gail Whiteford, Pro Vice-Chancellor (Social Inclusion) a structural review of the Social Inclusion portfolio was undertaken. As a result new reporting lines were established to ensure the university's continued commitment to social inclusion at Macquarie and to provide an opportunity for greater strategic impact.

During the year, the Mentors@Macquarie program supported a smooth transition for new students through expanded and strengthened peer mentoring. The LEAP (Learning, Education, Aspiration, Participation) program provided outreach to students from low socio-economic backgrounds to build aspiration to come to university.

Student and staff-led cultural events remained varied and exciting. Indigenous enrolments and participation increased and strengthened, and the roll out of the Disability Action Plan engaged both staff and students.

PACE

Until August 2013 PACE was known as Participation and Community Engagement, however in September 2013 the acronym was changed to Professional and Community Engagement to better reflect the focus and intent of the program.

As an integral part of our curriculum, PACE develops the capabilities of students to actively contribute to the wellbeing of other people and the planet. People and Planet units are included in all undergraduate programs and provide students with an opportunity to learn about contemporary world issues and develop capacity to become engaged and ethical local and global citizens. PACE units build on this experience by providing an academic framework to give students the opportunity to work on real-world projects with local, regional and international partner organisations.

Through PACE, Macquarie produces graduates who are work-ready and equipped with the skills and experience sought by employers. In 2013, 3800 students enrolled in 51 PACE units, offered across the four faculties, and worked with some 600 partner organisations. Over 130 students participated in PACE international projects in India, Borneo, Peru, Vietnam, Cambodia and the Philippines. PACE International is co-managed by Australian Volunteers International (AVI).

The University plans to expand PACE as a signature transformative learning program that distinguishes Macquarie University in learning and teaching. As a result, it is anticipated that students enrolling in PACE units will continue to increase, with up to 10,000 enrolments expected by 2016.

Access and inclusion initiatives

Alternative pathways to university

Macquarie's Centre for Open Education continued to offer an entry pathway via non-award courses to all domestic students able to pay tuition fees and who meet the more flexible entry requirements. Applications were assessed on a case-by-case basis with consideration also given to non-academic factors. In 2013 there were 267 non-award applications: 49 per cent had no previous tertiary study, 5 per cent had incomplete undergraduate study, 7 per cent held TAFE or other post-secondary study, and 48 per cent were mature age.

Fifty-seven Bachelor of Arts and 48 Bachelor of Science places were offered by direct entry in 2013. An additional 468 new places were offered in other external degrees by UAC application. These included students with incomplete tertiary study, those living in low socio-economic or regional areas, mature age students and incarcerated students.

Open Universities Australia continued to offer an alternative entry pathway for non-award undergraduate admission in 2013, with access to a Bachelor of Arts after successful completion of four units at pass grade (GPA 2.0). There were 14,314 unit enrolments in the online program (13,433 undergraduate, 756 postgraduate and 124 non-award) in 2013. From voluntary disclosure, 1.8 per cent were Indigenous, 1.1 per cent lived in remote areas, 8 per cent had a disability, 5.6 per cent spoke a language other than English and 12 per cent had not completed high school.

The following alternative pathways (which considered academic and non-academic factors) were also offered by Macquarie in 2013:

- Lighthouse Scheme for students whose disadvantage seriously affected their senior schooling
- Jubilee Scheme for applicants over 21 years of age who have not previously undertaken any university study
- Warawara Alternative Entry Program for Indigenous Australian applicants
- uniTEST for those who experienced disadvantage during their HSC that impacted their final results
- Next Step program for students whose UAI/ATAR rank was not sufficient to gain an offer
- Rural Bonus Scheme for students from rural and regional Australia.

Scholarships

Macquarie offers a range of generous Equity Scholarships, awarded on the basis of financial need or other hardship. Most are renewable for up to four years. Since their introduction in 2008, more than 1300 students have received funding. Recipients include students from rural or remote areas, culturally and linguistically diverse backgrounds, from refugee backgrounds, with a disability and/or long-term medical conditions, sole parents and people with carers responsibilities.

Equity related scholarship recipients 2011–2013

Scheme	2011	2012	2013
Macquarie Accommodation Scholarships	55	55	58
Macquarie Education Costs Scholarships	143	150	127
Indigenous Access Scholarships	8	8	11
Indigenous Commonwealth Accommodation Scholarships	4	5	9
Indigenous Commonwealth Education Costs Scholarships	6	7	22
Macquarie Higher Study Scholarships	41	25	22
Macquarie University Indigenous Grant Program	60	100	111
Merit Scholarships	35	45	39
Non-Current School Leaver Scholarships	14	18	16
Refugee Scholarships	1	3	2
Macquarie University Dunmore Lang College Indigenous Incentive Scholarship	2	12	20
Macquarie University Dunmore Lang College Regional and Rural Scholarship	2	4	6

Indigenous engagement

Patyegarang, the University's Aboriginal and Torres Strait Islander Peoples' Advancement Strategy 2012–2017, provides an institutional framework to advance educational and employment opportunities for Indigenous Australians and covers the areas of community engagement and outreach (building aspiration); access and participation, retention and completion; academic programs and pathways; and research advancement, sustainable employment and wellbeing.

Warawara: Department of Indigenous Studies

In 2013 Associate Professor Michelle Trudgett began as the new Head of Department of Warawara. Aunty Elaine Chapman continued as Elder in Residence supporting Indigenous students and staff. A highlight of 2013 was the establishment of the Warawara Council of Elders by Trudgett and Aunty, working closely with senior Darug man Lex Dadd. This Council proved to be a rich asset, regularly offering guidance and advice on campus.

There were 219 Indigenous students enrolled across Macquarie in 2013 (up from 205 in 2012). There were 189 undergraduates, 25 postgraduate coursework students and five Higher Degree Research (HDR) students. The Master of Indigenous Education was offered for the second year with 41 enrolments.

Warawara continued to provide support for all Indigenous students with services including academic advice, induction, referral and pastoral care, and provision of facilities such as the Indigenous student common room and dedicated computer laboratory. The Indigenous Tutorial Assistance Scheme (ITAS) provided supplementary individual and small group tutoring to Indigenous students. A total of 71 Indigenous students accessed the program.

National Indigenous Science Education Program

The National Indigenous Science Education Program (NISEP) is an innovative program run collaboratively by Macquarie staff, secondary school staff, Aboriginal communities and a growing consortium of science outreach organisations and universities. In 2013, NISEP was supported through the Higher Education Participation and Partnerships Program (HEPPP) and Bridges to Higher Education funding, and externally by Inspiring Australia, the NSW Science Outreach Program and the Dusseldorp Skills Forum. The main aim of NISEP is to use science engagement activities to provide secondary students from low-SES backgrounds, especially Indigenous youth, with the motivation and skills to complete their high school studies.

Since 2005, NISEP has worked closely with approximately 400 youth from low-SES schools across NSW, along with their parents, guardians, teachers, Aboriginal Education Officers and Aboriginal communities. In 2013, NISEP was consolidated and expanded with activities reaching several thousand students.

Indigenous outreach

In 2013, Macquarie undertook an Indigenous mentoring initiative to develop academic preparedness and increase success levels with Chifley College and Tuggerah Lakes Senior College. Two Faculty Indigenous Outreach and Support Officers at Macquarie continued working with current and potential students, linking them to faculty programs.

SBS NITV Indigenous Media Mentoring

In 2013, Macquarie launched the SBS NITV Indigenous Media Mentorship. A parallel program to the SBS Media Mentorship, it is a joint initiative of the Ethnic Communities' Council and SBS. The programs provide additional support and opportunities to students of diverse backgrounds with the ultimate goal of improving the cultural diversity of the Australian media landscape. A highlight of the program in 2013 was four Indigenous students having the opportunity to work behind the scenes on the National Indigenous Media Awards held in Darwin in August.

Indigenous cadetships at Macquarie

Indigenous Cadetships continued in 2013, receiving central funding for 14 positions across the University. Cadets are employed at Macquarie for 60 days per year in an area related to their study and interests to gain professional experience and networks, as well as work skills and confidence. Cadetships can have an academic or professional focus, and cadets receive mentoring, pastoral support and professional development opportunities.

Indigenous Staff Development Fund

This fund continued to provide top-up funding for Indigenous staff to attend or present at conferences, participate and host national meetings and undertake further professional development.

Multicultural Policies and Services Program

Macquarie University values the cultural diversity of its community, and is committed to ensuring that people from culturally and linguistically diverse backgrounds (CALD) have equal opportunity to participate fully in University life. Students come from 116 countries and 30 per cent of staff are from CALD backgrounds.

During 2013 the Equity and Diversity Unit reviewed multicultural services and programs under the new University guidelines from the Community Relations Commission. It also continued comprehensive collection and analysis of CALD staff and student statistics across a range of parameters, in order to ensure that initiatives were supported by evidence, and specific needs identified.

Macquarie teaches and undertakes research across a broad range of multicultural areas, for example, Literacy in a Multicultural Society (EDUC373); Migration and Multicultural Studies (SOC297); and Cross Cultural Management (BBA340). Postgraduate programs also offer a range of topics and staff publish in fields grouped under 'Multicultural, Intercultural and Cross-Cultural Studies'.

Aspiration and capacity building across diverse communities

Macquarie's Widening Participation team continued to engage with students, teachers, parents and communities in 2013 through the LEAP (Learning, Education Aspiration, and Participation) suite of programs. LEAP aims to increase knowledge and awareness of higher education, build capacity to access higher education and increase educational confidence and motivation among students from communities under-represented in higher education, many of whom are from migrant and refugee backgrounds.

Collectively, Widening Participation has reached over 8398 primary and high school students, 242 teachers and 146 parents at 64 schools across NSW. Programs included Advancement via Individual Determination (AVID); Community of Schools (Auburn); Environmental Science Curriculum Enrichment (Broken Hill); Macquarie Mentoring; Macquarie Tutoring Program; Robotics for 9- to 16-year-olds; and Rural Students University Experience, in partnership with the Country Education Foundation of Australia.

Supporting diversity of students and staff

In 2013, Macquarie continued to increase access and participation of students from diverse backgrounds and provide a range of services and social programs. Until the restructure of the Social Inclusion portfolio, mentoring and literacy support was offered through the First Year Experience (FYE) Unit including academic orientation and peer mentoring, and learning skills and numeracy programs.

In 2013, Learning Skills built resources to support academic writing and communication needs of first year students. It delivered 167 undergraduate and postgraduate academic literacy workshops with a total attendance of 2766 students. A key highlight was the development of the Academic Integrity Module for Students, and iLearn unit that addresses important concepts of academic integrity including plagiarism.

Macquarie University continued to provide a range of health, wellbeing and support services to students from diverse backgrounds including medical, counselling, triage, welfare (including financial scholarships advice), disability support, advocacy, careers advice and overseas exchange. The demand continued to increase in 2013, with a focus on assisting commencing and 'at risk' students.

More than 1200 students registered with the Disability Services in 2013; more than 1200 students also used the Counselling Service. Campus Wellbeing's triage service saw over 400 students and Welfare Services saw more than 150 students. The 24 hour Helpline (1800 CARE MQ) provided immediate response to over 1300 students.

In 2013, Macquarie continued to provide facilities, services and amenities such as a multi-faith prayer room, Chaplaincy service, access to housing, child care, a Women's room, Queerspace and expanded social spaces. With 30 culturally based student groups, activities are many and varied. 'Big Brunches' on campus bring international and domestic students together to share culture with regular attendances of more than 500.

Other initiatives to support students from CALD backgrounds included:

- Learning skills, a suite of academic literacy videos to assist first year from CALD backgrounds to connect with students who share their expectations about commencing university

Social inclusion *continued*

- buddy program, involving 20 student volunteers who offer peer support, accurate information and a friendly point of contact to CALD students
- SBS Media Mentorship Program, for Macquarie media students from migrant and refugee backgrounds providing extension activities, workshops, networking and one-on-one mentoring with SBS staff
- Lucy Mentoring, connecting disadvantaged female students in the Faculty of Business and Economics with high-level mentors in the public, private and NGO sector.

Macquarie also supports staff from CALD backgrounds by offering career advancement, a free and confidential 24/7 Employee Assistance Program; paid education leave to undertake approved English language courses; cultural leave; a suite of skills workshops; postgraduate study scholarships; and the postgraduate MGSM Scholarship Scheme. The Equity and Diversity Unit continued to offer free Australian Sign Language classes to interested staff and students to raise awareness of deaf culture and language.

CALD engagement activities

Macquarie partnered with the Ethnic Communities' Council of NSW on two major projects in 2013. The third annual Building Inclusive Communities Awards recognised individuals and groups whose work promoted understanding across cultures, and made a significant contribution to building a culturally inclusive Australian community. The Awards were supported by the State government through the Community Relations Commission and SBS. The second project 'Multiculturalism, Inclusion and Participation: Lessons from the Research' was a sold out public forum with keynote address by Race Discrimination Commissioner, Dr Tim Soutphommasane.

International Women's Day (IWD) at Macquarie in 2013 partnered with Rotary to host an Inspirational Women: Ideas Worth Sharing event. Compered by Juliana Nkumrah OAM, the panel entitled 'A salute to women working in international development' included Naomi Steer (founding National Director of Australia for UNHCR), Carol Angir (Senior Program Coordinator for ActionAid's violence against women program) and Gemma Sisia (Australian founder of St Jude's School in Tanzania).

Macquarie continued its involvement with UN Women in 2013, ensuring representation and participation in a range of events including the IWD breakfast, guest speaker and panel evenings on economic development, and the inaugural Australian Arab Womens' Dialogue.

In 2013 student activities included:

- Islamic Awareness Week and Arabian Bazaar – an event led by the Muslim Society to celebrate Islamic Awareness Week
- Around the World Party – a cultural event attracting more than 300 students (especially those living on campus) to come dressed as 'your country'
- The Bangladeshi Cultural Dinner – covered by SBS Radio, the event attracted 265 attendees.

Macquarie University also continued the internal Diversity Grants initiative in 2013, distributing \$65,000 for projects supporting inclusion and diversity. Criteria included being innovative, creative and sustainable.

Projects funded include:

- Nelson Mandela Lecture – for attendees to learn about African culture. Led by the African Students' Association the keynote presentation was *Diaspora and our homeland: The role of Africans in the diaspora as catalysts for development in the Motherland* by Dr Valentine Mukuria, UWS

- Chinese Cultural Food Festival – Opened by the Hon Victor Dominello, Minister for Communities and Citizenship the festival showcased traditional Chinese food cultures across different provinces and included 20 food stalls and performances
- Human Rights in Focus – held in partnership with the Sydney Latin American Film Festival this event included a feature film addressing human rights issues in Latin America, a panel discussion, food and a live performance
- Tree of Life – featuring two free theatre performances by community Treehouse Theatre and an open workshop by directors, this event facilitated cultural awareness about the experiences of young people in refugee communities in Sydney
- Love, Peace and Faith – a one-day event promoting interfaith and intercultural harmony and dialogue, through a range of cultural performances, workshops and an interfaith panel.

Multicultural Policies and Services Program goals for 2014

- establish a Multicultural Working Party to consult on the reviewed Multicultural Plan 2014–2018
- develop a prioritised multicultural principles and activity brief for the University including methods of strengthening staff cultural proficiency, facilitated conversations about race, and a possible follow-up Multicultural Symposium
- continue the Macquarie outreach programs for students from disadvantaged backgrounds through Widening Participation and LEAP initiatives
- continue to provide language and literacy programs for CALD students and staff, monitor usage rates and identify specific needs based on direct feedback
- continue successful collaborations with external partners such as Rotary, the White Ribbon Foundation, the Ethnic Communities' Council New South Wales, SBS Broadcasting, UN Women, and the Community Relations Commission
- continue internal funding for innovative projects that support and engage CALD staff and students
- strengthen the mechanisms that allow CALD staff and students to participate fully in academic and campus life, and have a voice in decision making
- support career advancement, professional opportunities and visibility of CALD staff
- ensure that University policy and procedures support, respect and value CALD staff and students
- monitor University and student publications to ensure balanced representation for CALD students and staff in content and images

Sustainability

Universities educate most of the world's future leaders, decision-makers and teachers, while advancing the boundaries of knowledge. As major employers and consumers of goods and services, universities have substantial influence and impact on society, while education has been described as the best hope and most effective means through which to achieve sustainability. Macquarie University is actively seeking to meet its responsibility and exemplify sustainability best practice.

Vision

The University's sustainability vision is to be ecologically sound, socially just and economically viable in all its activities. Macquarie aims to:

- function as a sustainable community, embodying responsible consumption of energy, water, food, products and transport
- support sustainability in the local community and region
- ensure students leave the University prepared to contribute as working citizens to an environmentally healthy and equitable society
- have a reputation for being the place to learn, to work and to connect with the local and global community
- meet changing social, environmental and economic conditions to reduce the impact of climate change upon the environment
- embed sustainability in all that we do.

Staff leadership

Sustainability emerged as a key theme throughout the 2013 strategic review process. It was incorporated into new employee induction presentations, with a team member meeting and greeting all new employees each Monday. This initial contact highlighted the significance of sustainability at Macquarie, and introduced new staff members to a number of the innovative sustainability initiatives underway at Macquarie.

Partnership and engagement

Macquarie developed a website and resources to assist staff in organising community volunteering days. The Sustainability team itself participated in the scheme by volunteering at the Sydney Dog and Cat shelter.

A new staff engagement program commenced, providing a structure and support system for our Sustainability Representative Network. With a new theme released bi-monthly, 'M-power' quickly became a focus point for sustainability action. One of the most successful M-Power initiatives was 'Get Green with Your Team', where 20 departments took part in decorating offices with indoor plants to improve indoor air quality and establish a healthier working environment.

A new staff award program was introduced to recognise and reward the efforts of an outstanding SRN member who has endeavoured to make a positive difference towards sustainability at Macquarie. Three awards were presented: an overall winner (Suzane Azzi, Faculty of Human Sciences); a highly commended (Carlene Kirvan, Faculty of Arts); and a certificate of recognition (Natalia Psyarenko, Property).

Thirty-seven departments across campus participated in the fifth annual Department Sustainability Challenge. The Challenge encouraged departments to undertake actions such as greening the office, Nude Food team lunches, picking up MOOP (Matter Out Of Place), community volunteering efforts, mobile phone recycling collections, or swapping items at our bi-annual Swap Party.

A heated competition this year saw Human Resources and Ancient History winning the Most Sustainable Department (Professional and Academic) titles, while the Faculty of Human Science took out the Most Sustainable Faculty award. Thirty-two departments achieved over 15 stars, for which a tree was planted in critical koala habitat. Sixteen departments achieved over 30 stars, for which they received Oxfam sponsorship of a piglet for a family in Vietnam.

The Arboretum continued to attract crowds with 12 tours conducted, including school, corporate and community groups. Staff and students also joined in with dedicated walks on campus. The Arboretum continued to expand with the completion of the Indian Spice Garden, a collaborative project with the Faculty of Arts. Explanatory signs were also installed in the Bush Tucker Garden, the Indian Spice Garden, and by the lake, with 80 individual plant labels installed across campus.

Apart from active involvement with Australasian Campuses Towards Sustainability (ACTS), an international tertiary sustainability non-profit association, Macquarie Sustainability developed several new partnerships, including one with Pymble Ladies College.

Learning, teaching and research

The Learning and Teaching for Sustainability project continued with the commencement of a Community of Practice for People and Planet convenors, as well as the development of an online interactive module for academics to engage with sustainability.

The Green Steps program was delivered as part of PACE for the first time in Session 2, with good engagement and feedback from students.

Ecological Footprinting was embedded into the Environmental Management major, utilising footprinting at 100-, 200- and 300-levels. The aim is to generate complete campus engagement for the common goal of a One Planet campus by 2030 and in turn produce 'One Planet conscious' graduates who can contribute to sustainable societal outcomes.

Campus operations

E-waste collection

Partnering with SIMS Recycling Solutions, staff and students were invited to bring their e-waste from home and dispose of it free of charge. Almost 1.6 tonnes of e-waste was collected over a two-day period with desktop PCs, laser printers and monitors accounting for more than 60 per cent of this total.

Estimated gross embedded energy and subsequent greenhouse gas reduction from the recycling of these items was estimated at 6.6 tonnes of carbon dioxide.

Sustainability *continued*

Partial rehabilitation of Mars Creek

The first on-ground milestones under the 2011 Mars Creek Environmental Plan reached completion – a comprehensive rehabilitation of an unstable, eroding channel in Mars Creek’s uppermost reaches. The completed works have reinstated a diverse watercourse, fringed with half a hectare of planted native vegetation.

To protect creek habitats locally and downstream, common forms of storm water pollution flowing into the campus are now captured in a new array of pollutant traps and wetland features. As part of the campus living laboratory, the project’s ecological values have been captured by students undertaking core environmental units of study. Measurements commenced prior to the works, and will continue each year with field-measurement of change over time.

Furniture store

2013 saw continued growth in the popularity of the furniture reuse scheme, with 532 items of furniture and 223 chairs re-used, representing a total saving to the University of almost \$260,000. Staff members are embracing the scheme and its benefits, including low cost and ease of use thanks to an online catalogue of items to choose from. An additional benefit was a reduction in the University’s waste volume with approximately 380 tonnes diverted from landfill.

One Planet

Macquarie University utilised its Ecological Footprinting tool, One Planet, for assessments of the campus, faculties and buildings with the following outcomes:

- establishing a campus basecase
- identifying a One Planet pathway, in light of the 2030 Master Plan
- generating new build and refurbishment benchmarks
- incorporating One Planet into the curriculum via the Environmental Management program

More information about sustainability at Macquarie can be found at mq.edu.au/sustainability

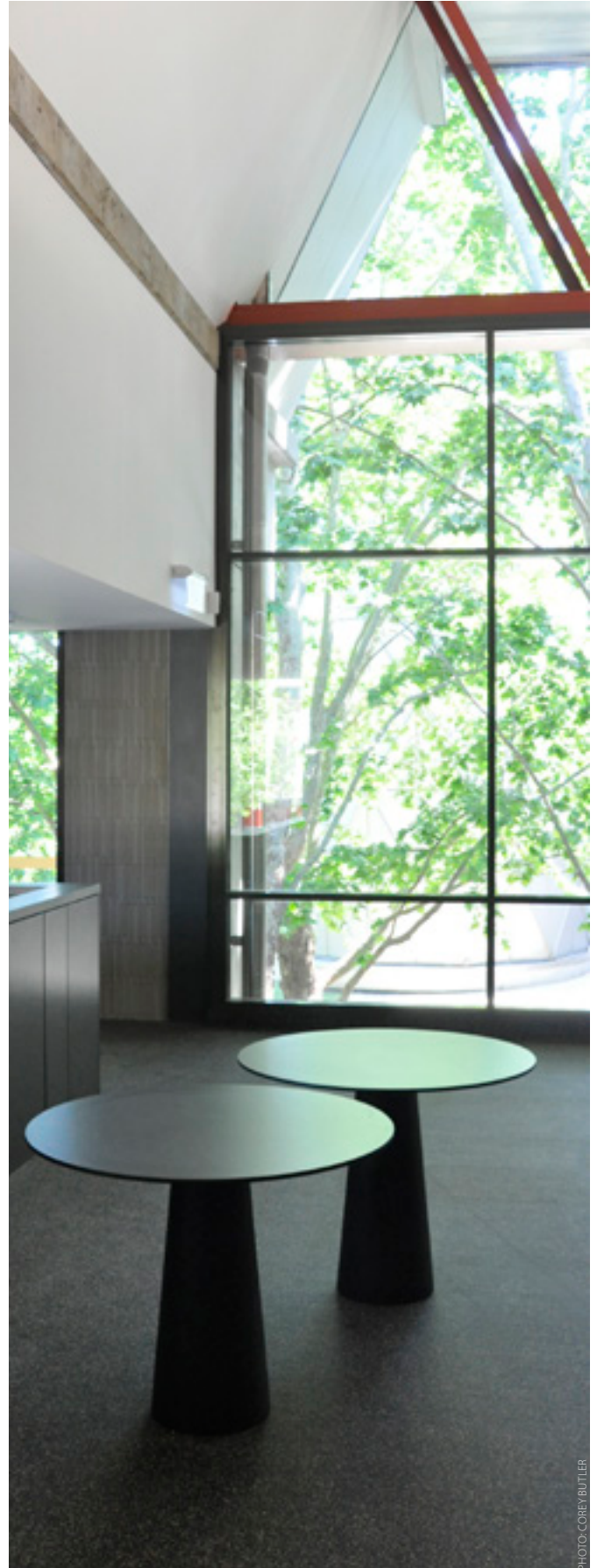


PHOTO: COREY BUTLER

Staff

Macquarie University invests in its people. Both academic and professional staff benefit from the University's focus on developing staff capability and rewarding excellence.

Staff engagement and development

Throughout 2013, the University provided a broad range of development activities and events for staff at all levels including centrally run courses, bespoke developmental and team building workshops, and grants and scholarships for professional staff.

The University provided ongoing development to managers and leaders through the High Potential Management Development Program, Leadership Seminar Series and Leadership Coaching Program and initiated the development and implementation of a Succession Planning Process.

There was an unusually high level of staff engagement in 2013 as part of the *Our University: A Framing our Futures* strategic planning process, including group sessions with more than 850 staff.

The *Your Say* staff survey was opened for all continuing and fixed term staff to have their say and give their opinions on issues impacting them and their work. Feedback on the results was provided at the University, faculty and department level for management teams to take action on concerns raised by staff.

Policy and procedure

There were no major changes to staff policies in 2013, however there were a number of refinements to procedures and processes. The online Performance Development Review system has been streamlined and simplified and training has been implemented to enable staff to easily access these enhancements.

The University has continued its program of process improvements. These improvements include the launch of online professional staff time sheets, the scanning of all paper-based staff files and the introduction of online file retrieval and the redesign of the processes for on-boarding and induction and of new staff.

In order to improve efficiency, the University payroll subsumed the payroll of a number of wholly owned subsidiaries. In 2013, the University took over the payroll function of the subsidiary U@MQ.

Wage and salary movements

All staff covered by Macquarie University Enterprise Agreements received 2 per cent salary increases at the end of March and June 2013. The modal increase for senior management employed outside of the Enterprise Agreement was 2.5 per cent. There have been no significant wage movements outside of these increases.

Industrial relations policies and practices

The University has industrial agreements in place for both academic and professional staff. Enterprise bargaining for the Academic Staff Agreement commenced in July 2013. Industrial action was taken towards the end of 2013, amounting to less than two days lost time for the year, with minimal disruption to the operation of the University.

In 2013, in line with the development of the *Our University: A Framing our Futures* strategic framework there were 10 departmental restructures across the University resulting in 30 redundancies or retrenchments.

Staff statistics

There were 212 female academic staff at the level of Level C (Senior Lecturer) or above (46 per cent of all female academic staff), compared with 359 males (56 per cent of all male academic staff).

Of the 1405 professional staff positions, 515 (37 per cent) were in academic faculties and research centres of the University, 119 (8 per cent) in the library and 144 (10 per cent) in the Students and Registrar Office. The balance of 627 (45 per cent) were in central administration or other offices of University administration.

Staff full-time equivalence

The full-time equivalence (FTE) of non-casual staff as at 31 March 2013 was 2226, an increase of 57 FTE (2.6 per cent) over 2012. The change consisted of an increase of 26 FTE for academic staff and a decrease of two FTE for professional staff. In 2013 the FTE of casual staff was 586, including 362 academic and 224 professional FTE.

Full-time staff members who work more than a normal workload for additional remuneration hold notional appointments as casual staff in addition to their full-time position. The additional load of such staff members is converted into casual FTE based on the amount paid to them, with the total FTE per individual capped at an upper limit for a realistic representation of a person's capacity.

Staff full-time equivalences: 2010–2013¹

Academic classification	2010	2011	2012	2013
Level A	163	175	165	178
Level B	260	275	301	297
Level C	213	222	225	225
Level D	154	158	156	164
Level E	129	134	142	148
Deputy Vice-Chancellor	4	4	4	4
Vice-Chancellor	1	1	1	1
Casual ²	256	320	340	362
Total academic	1180	1288	1334	1380

Professional classifications ³	2010	2011	2012	2013
HEW Level 1	1	1	1	1
HEW Level 2	28	25	14	10
HEW Level 3	37	44	35	30
HEW Level 4	71	74	70	87
HEW Level 5	173	206	193	215
HEW Level 6	254	265	260	262
HEW Level 7	197	231	253	265
HEW Level 8	112	124	131	131
HEW Level 9	106	116	119	109
HEW Level 10	72	85	90	81
Above HEW Level 10	15	7	7	20
Casual ²	223	246	259	2243
Total professional	1289	1423	1434	1432
Full-time/part-time total	1988	2145	2169	2226
Casual total	480	566	599	586
Total University	2468	2711	2768	2812

¹ As at 31 March 2014. Figures may not add up to totals due to rounding.

² Casual staff FTE are for the previous calendar year from 1 January to 31 December.

³ HEW Higher Education Worker

Information regarding Employment Equity and Diversity can be found on page 24.

Health and safety

Macquarie University operates in a wide range of work and risk environments, each adding to the University's risk profile. The following section outlines the University's health and safety performance in 2013.

Incident profile

A total of 121 staff-related incidents were reported in 2013, representing a 12 per cent decrease in the number of incidents reported compared with 2012. The University's incident type profile has remained stable between 2012 and 2013; with most incidents occurring as a result of:

- commuting on campus
- incorrect ergonomic practices
- undertaking experiments, research and/or field trips

The following results provide further information regarding employees' incidents.

Performance measure	2010	2011	2012	2013
Incidents reported (staff only)	148	166	139	121
FTE employees	2647	2595	2400	2425
Incidence rate (per 100 employees)	5.59	6.32	5.88	4.99
Frequency rate (per million hours worked)	15.83	35.51	41.82	30.00
Incidents to claims lodged rate	45%	32%	43%	41%

Incidents	2010	2011	2012	2013
At work incidents				
– manual handling	10	2	0	10
– maintenance	8	0	0	5
– undertaking experiments	2	1	3	11
– moving equipment	6	4	5	5
– administration	50	58	52	25
– commuting on campus	40	42	42	35
– other	1	1	8	10
At work incidents total	117	108	110	101
Attending approved break or sporting event	9	20	5	5
Travelling to and from work	28	36	20	9
Field trips	0	0	4	6
Total incidents	154	166	139	121

Workers' compensation

A total of 50 claims for workers' compensation were lodged in 2013, compared with 61 claims in 2012, representing an 18 per cent reduction in claims reported. The University's claim lodgement rate decreased to 2.06 (per 100 FTE) from 2.53 in 2012. Overall the University's performance on workers' compensation continues to show significant improvement, with ongoing reductions in the number of claims with lost time, the average cost per claim and in length of time that injured employees are certified as unfit for work.

There were no fatalities reported in 2013.

Health and Safety unit

The unit plans, coordinates and administers the health and safety system across the University and its controlled entities. The unit consists of 10 staff, and works closely with faculty-based specialists and over 100 health and safety representatives across the faculties and offices of the University.

The unit's focus in 2013 was to:

- further cement the system of health and safety workplace inspections
- develop risk profiles across different areas of the University
- implement risk management plans in key areas of the University
- strengthen consultative structures between management and employees

Retro Paid Loss Premium model (workers' compensation)

In 2011 the University Group became a participant in the Retro Paid Loss Premium model with respect to its workers' compensation insurance requirements. This model is driven largely by claims costs and provides incentives for employers with strong performance in workplace health and safety, injury management and return to work.

Ongoing strong claims and injury management practices continue to realise savings to the Macquarie University group (Macquarie University and all its controlled entities) premium. The University group's 2014 minimum premium was calculated at \$1,001,344. This represents a saving of \$1,918,228 on what would have been paid under the conventional premium model calculation.

Notifiable incidents

There were no notifiable incidents in 2013.



PHOTO: PAUL WRIGHT

Workers' compensation results

Performance	2010	2011	2012	2013
Claim numbers	66	52	61	50
Claims (per 100 FTE)	2.49	2.00	2.53	2.06
Total claims costs	\$222,058.43	\$284,931.37	\$116,025.00	\$86,526.00
Average cost of claim	\$3,364.52	\$3,372.00	\$1,902.00	\$1745.64

Claims by accident type	2010	2011	2012	2013
Burns and scalds	1	0	1	1
Caused by another person	0	0	2	1
Exposure to electrical current	0	0	0	0
Exposure to extreme temperature	0	0	1	1
Exposure to radiation	0	0	0	0
Fall of a person	0	16	20	15
Falling object	0	0	0	0
Stress/anxiety/harassment	5	2	1	1
Hit object with body	11	10	4	3
Journey/recess	7	11	10	5
Manual handling	21	9	15	10
Struck by an animal	2	0	3	1
Other	1	4	4	12

Employment equity and diversity

Gender equity

In 2013, women represented 55 per cent of all staff (1329 women from a total of 2427* continuing and fixed-term staff) exceeding the 50 per cent government benchmark.

The representation of women on the three key University decision-making bodies in 2013 was:

- 25 per cent on University Executive (3 out of 12 members)
- 44.4 per cent on University Council (8 out of 18 members)
- 33 per cent on Academic Senate (12 out of 36 members)

Representation of academic women in 2013 was 41.5 per cent which was marginally below the higher education sector average of 43 per cent (latest figures available).

Representation of women in the professoriate was 38.5 per cent for Level D (Associate Professor) and 30.9 per cent at Level E (Professor). Both of these figures are above the sector averages, which are 32 per cent and 23 per cent respectively. There has been a marginal increase (1.3 per cent) in the representation of women at Level D since 2012. Representation of women at Level E was 3.6 per cent higher than the previous reporting year.

In terms of distribution of academic women across salary levels, data shows that in 2013 more academic women were concentrated at lower salary levels than men. The Group Distribution Index (GDI) shows, however, an increase from 78 in 2012 to 83 in 2013. There has been a marginal decline in the percentage (2 per cent) of women at levels A, B and C, and a marginal increase in the percentage (2 per cent) of women at levels D and E, which explains the change in GDI.

Women held 41.3 per cent of all continuing academic positions, a figure that has remained steady over the past five reporting years. Of all academic women in continuing roles, there is significant over-representation in those working full-time (88.7 per cent) with only marginal fluctuations of the full-time to part-time ratio over the past five years.

The rate at which academic women left the Macquarie workforce in 2013 was 46.5 per cent (33 out of 71), which was 7.4 per cent higher than in 2012 (39.1 per cent) and above the 2013 workforce participation rate for academic women (41.8 per cent). The actual number of academic women leaving Macquarie in 2013 was fewer than in 2012. The majority of all academic women separations from the University in 2013 was due to the end of contracts (51.5 per cent) followed by resignations or retirements (45.5 per cent). There were no voluntary redundancies and one forced separation of an academic woman in 2013.

As at 31 March 2013, women represented 23.4 per cent of the 47 Concentration of Research Excellence (CORE) appointments. As CORE appointments are at senior levels C, D and E, this appointment rate is significantly below women's workforce representation at these levels.

The percentage of women applying to participate in the Outside Studies Program in 2013 was 50 per cent (38 out of 76). The success rate for women applying was 100 per cent. Women represented 52.9 per cent of all applicants for New Staff and Staff Returning from Parental Leave Research Grants in 2013 and their success rate was 72.2 per cent.

* based on headcount

In 2013, 48.1 per cent of all applications for academic promotion were from women (26 out of 54).

- For Level B, 40 per cent of all applications (two out of five) and 40 per cent of all promotions (two out of five) were women. Of all female applicants 100 per cent (two out of two) were promoted.
- For Level C, 46.4 per cent of all applications (13 out of 28) and 45.8 per cent of promotions (11 out of 24) were women. Of all female applicants 84.6 per cent (11 out of 13) were promoted. Both the application and promotion rates were higher than women's workforce participation rate (42.2 per cent) and the sector average at this level (41 per cent).
- For Level D, 42.9 per cent of applications (six out of 14) and 54.5 per cent of promotions (six out of 11) were women. Of all female applicants 100 per cent (six out of six) were promoted. Both the application and promotion rates are significantly higher than women's workforce representation (38.5 per cent) and the sector average at this level (32 per cent).
- For Level E, 71.4 per cent of all applications (five out of seven) and 71.4 per cent of all promotions (five out of seven) were women. All female applicants (five out of five) were promoted. Both the application and promotion rates are significantly higher than women's workforce participation rate (30.9 per cent) and the sector average at this level (23 per cent).

The workforce participation rate of women on professional staff was 65.1 per cent. Women remained clustered in mid-range employment levels. Their Group Distribution Index (GDI) during the reporting period was 89, three points lower than the previous year (92 in 2012).

Women held 64.5 per cent of all continuing professional staff positions in 2013, a figure that has remained steady over the past five reporting years. The majority were employed in full-time roles (79 per cent), which has been consistent over the past five reporting years. Women on professional staff remained significantly over-represented in part-time contract positions (79.6 per cent).

During the year, professional women left the Macquarie University workforce at a rate of 66.3 per cent (112 of 169), a 2.5 per cent decrease over the previous reporting year. The actual number of professional women leaving Macquarie in 2013 declined in comparison with the previous reporting year. In 2013 the majority (63.4 per cent) of professional women separated from the University due to retirement or resignation. This was followed by separations due to the end of contracts (59.5 per cent) and voluntary redundancies (42.3 per cent). Of all forced separations in 2013, 62.5 per cent were women.

The University continues to have comprehensive and generous parental leave provisions allowing four weeks' paid leave on the child's birth (for birth mother and partner) and up to 22 weeks of paid leave for the primary carer. The University recognises same sex parents, adoption, and fostering of children. In 2013, 168 staff (72 per cent of whom were women and 28 per cent men) took parental leave. Of the number of days taken, 9.8 per cent were taken by men.

In 2013, as part of the Equal Opportunity Management Plan for Women, the University reinvigorated the Macquarie Women's Brain's Trust, a diverse group of women (academic/professional / junior/senior) to come together to discuss the Management Plan and prioritise issues and responses at Macquarie. The University continued to offer gendered professional development opportunities for staff and commenced the design of a Women in Research Leadership residential program. In 2013 the University sponsored 10 women to attend the Macquarie Women, Work and Management Conference, and supported women to attend the Universities Australia Executive Women Workshops, and a range of networking events on campus.

The University continued to be part of the Australian Breastfeeding Association workplace initiative and retained its status as an accredited Breastfeeding Friendly Workplace. The University provides four parenting rooms and paid lactation breaks for women wishing to breastfeed or express on campus.

Macquarie also continued to participate in the National White Ribbon Workplace Accreditation Pilot, as an extension of Australia's largest anti-violence towards women campaign.

Indigenous Australians

In 2013, the University continued the implementation of the Patyegarang: Macquarie University's Aboriginal and Torres Strait Islander People's Advancement Strategy 2012–2017 to improve educational and employment outcomes for Indigenous people at Macquarie.

According to voluntary responses, the representation of Aboriginal and Torres Strait Islander Peoples in the Macquarie workforce remained below the government benchmark of 2.6 per cent. For academic staff, Indigenous Australian representation was 0.8 per cent in 2013 (six academic staff at levels A, B, C, and D). Indigenous professional staff representation in 2013 was 1.1 per cent (13 professional staff).

In 2013, the University continued to administer the Indigenous Staff Development Fund which provides financial support and supplementary funding for Indigenous Australian staff to participate in a range of developmental activities such as attendance at national and international conferences, courses and programs.

People with disability

In 2013, Macquarie continued implementation of the Disability Action Plan (DAP) 2012–2017 and established an Accessible Environments Advisory Group and a number of local work area DAPs. The University recognises that employment equity for people with disability requires targeted interventions across a range of areas. The University continued to work in partnership with CRS Australia to provide work experience placements for people with disability across the University. The University also became a member of the Australian Network on Disability, a not-for-profit organisation resourced by its members to advance the inclusion of people with disability in employment. Raising the awareness of disability issues, rights and responsibilities in the Macquarie workforce is a key part of professional development.

According to voluntary responses, people with disability represented 4.3 per cent of academic and 4.1 per cent of professional staff at Macquarie in 2013. Representation of academic and professional staff with disability requiring work-related adjustments was 1.4 and 1.3 per cent respectively (the government target for 2012–2013 was 1.5 per cent).

According to the voluntary data, academic staff with disability were primarily employed at Level C in 2013 (36.4 per cent of all academic staff with disability) and in mid-range professional staff positions HEW 5–7 (highest being HEW 6 at 23 per cent).

Of all academic staff with disability, 72.7 per cent were in continuing and 27.3 per cent in fixed-term roles. Of these continuing roles 79.2 per cent were full-time. Of all professional staff with disability, 82.1 per cent were continuing and 17.9 per cent were fixed-term employees. Of these continuing roles 78.1 per cent were full-time.

During the reporting year, there were no voluntary redundancies or forced separations for academic staff with disability. There was one voluntary redundancy and no forced separations among professional staff with disability.

Cultural and linguistic diversity

Macquarie University's staff body is highly diverse, comprising staff from 80 countries, who speak 66 different languages. In 2013, based on voluntary responses, the representation of staff from non-English speaking backgrounds (NESB) was 30.1 per cent in the academic and 34.4 per cent in the professional workforce. These rates are significantly higher than the NSW government benchmark of 19.0 per cent.

In 2013 the highest representation of academic NESB staff was at Level C (27.4 per cent of all NESB academics). For professional NESB staff it was at HEW 7 (27.7 per cent).

NESB staff represented 10.6 per cent of all academic and 17 per cent of all professional employees externally recruited in 2013. External recruitment of NESB staff was to academic Levels A, B and D, and to professional HEW levels 3–7 and 9.

In separations from the Macquarie workforce, NESB staff represented 12.6 per cent of all academic and 11.2 per cent of all professional staff separations in 2013. There were no voluntary redundancies of NESB academic and four voluntary redundancies for NESB professional staff.

Of all academic NESB staff, 68.4 per cent held continuing and 31.5 per cent fixed-term positions. Of the continuing roles, 97.3 per cent were full-time which is similar to the rates for all academic staff. Of all professional NESB staff, 83.5 per cent were employed in continuing roles and 16.5 per cent in fixed-term roles. Of these continuing roles, 89.1 per cent were full-time, which is 5.6 per cent higher than for all professional staff.

The GDI for both academic and professional NESB staff remained below the government benchmark of 100 (85 and 87 respectively).

Employment equity goals for 2014

- embed equity considerations in human resources processes (recruitment and selection, induction, professional development, promotion and advancement)
- monitor restructures and change management processes for equity issues
- partner with external organisations that align with our equity goals and maximise opportunities to build a sense of community and engagement for all employees
- continue to provide Equity Observers for all academic promotion rounds and participation in reviews of processes
- provide professional development for managers and supervisors on legislation, rights and responsibilities around discrimination for staff and students, with a focus on inclusive leadership and the prevention of bullying and harassment
- develop comprehensive information packages for designated equity groups on the range of services offered by the University to attract and retain staff from designated equity groups
- review the suite of Macquarie gender equity initiatives in light of the Workplace Gender Equality Agency reforms, in consultation with the Macquarie Women's Brains Trust
- secure White Ribbon Workplace Accreditation and roll out associated local reforms
- implement the employment related recommendations of the Patyegarang Strategy 2012–2017
- sustain the Indigenous cadetship program to full capacity (12 cadets) and continue the Indigenous Staff Development Fund
- implement and monitor the Disability Action Plan 2012–2017 in preparation of a 2015 mid-term review that will include increasing local area operational plans and strategies that promote and support people with disability
- investigate the feasibility of introducing a cadetship-type scheme at Macquarie for Macquarie graduates with disability
- establish the Multicultural Working Party and launch the reviewed Multicultural Policies and Services Program Plan

Total staff figures differ slightly from DEEWR-audited statistics reported on pages 21 – 22. Numbers in this section were sourced from the Macquarie University human resources information system in order to enable categorisation and reporting on employment equity.

EEO group representation (2010–2013) – benchmark comparison at 31 March 2013¹

Professional staff

	2010	2011	2012	2013	Government benchmark or target
Women ²	62.9%	64.9%	64.4%	65.1%	50%
Aboriginal people and Torres Strait Islanders ³	0.5%	1.1%	1.0%	1.1%	2.6%
People whose first language was not English ³	32.2%	32.5%	35.8%	34.4%	19%
People with disability ³	4.6%	4.1%	4.9%	4.1%	N/A
People with a disability requiring work-related adjustment ³	1.1%	1.1%	1.2%	1.3%	1.5% (2013)

Academic staff

	2010	2011	2012	2013	Government benchmark or target
Women ²	42.1%	41.7%	42.2%	41.8%	50%
Aboriginal people and Torres Strait Islanders ³	0.8%	0.8%	0.7%	0.8%	2.6%
People whose first language was not English ³	25.6%	25.0%	28.8%	30.1%	19%
People with disability ³	4.4%	4.6%	4.8%	4.3%	N/A
People with a disability requiring work-related adjustment ³	1.1%	1.2%	1.4%	1.4%	1.5% (2013)

¹ Continuing and fixed-term staff numbers are as at 31 March 2013

² Actual persons

³ Based on voluntary responses to EO questions

EEO Group Distribution Index¹ (2010–2013) – benchmark comparison at 31 March 2013²

Professional staff

	2010	2011	2012	2013	Government benchmark
Women	93	93	92	89	100
Aboriginal people and Torres Strait Islanders	N/A	N/A	N/A	N/A	100
People whose first language was not English	98	96	92	87	100
People with disability	93	92	101	107	100
People with a disability requiring work-related adjustment	N/A	N/A	N/A	N/A	100

Academic staff

	2010	2011	2012	2013	Government benchmark
Women	80	83	78	83	100
Aboriginal people and Torres Strait Islanders	N/A	N/A	N/A	N/A	100
People whose first language was not English	96	95	93	85	100
People with disability	102	97	90	99	100
People with a disability requiring work-related adjustment	N/A	N/A	N/A	N/A	100

¹ A distribution index of 100 indicates that the centre of 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 than is the case for other staff. The more pronounced this tendency is, the lower the index will be. In some cases the index may be more than 100, indicating that the EEO group is less concentrated at lower salary levels. N/A denotes where numbers are too small for the distribution index figure to be reliable.

² Continuing and fixed-term staff numbers are as at 31 March 2013

EEO group representation (FTE) within Levels at 31 March 2013^{1,2}

Professional staff

Level	Total staff	Women ²	Aboriginal people and Torres Strait Islanders ³	People whose first language was not English	People with disability ³	People with a disability requiring adjustment ³
Level 1	1	100.0%	0.0%	0.0%	100.0%	100.0%
Level 2	10	31.1%	8.1%	8.7%	20.1%	0.0%
Level 3	30	51.7%	0.0%	35.4%	8.4%	0.0%
Level 4	87	63.1%	0.0%	43.8%	4.5%	0.0%
Level 5	215	69.9%	2.0%	40.5%	4.0%	0.8%
Level 6	262	77.0%	1.6%	35.2%	4.4%	1.8%
Level 7	265	62.4%	0.0%	39.3%	3.0%	1.6%
Level 8	131	57.5%	1.0%	31.4%	3.8%	1.9%
Level 9	109	52.6%	0.0%	29.1%	4.6%	0.0%
Level 10 +	100	45.2%	1.3%	18.0%	3.7%	1.4%
Total	1208	63.6%	1.0%	34.9%	4.2%	1.3%

Academic staff

Level	Total staff	Women ²	Aboriginal people and Torres Strait Islanders ³	People whose first language was not English	People with disability ³	People with a disability requiring adjustment ³
Level A	178	44.4%	1.1%	45.9%	3.0%	0.7%
Level B	297	46.4%	0.5%	30.0%	3.8%	1.0%
Level C	225	42.2%	0.6%	31.3%	5.4%	3.1%
Level D	164	38.5%	1.5%	26.7%	1.2%	0.0%
Level E ⁴	153	30.9%	0.9%	24.0%	5.7%	0.9%
Total	1018	41.5%	0.8%	30.8%	3.9%	1.3%

¹ FTE: Full-time equivalences

² Continuing and fixed-term staff

³ Based on the responses to EO questions

⁴ Level E includes Vice-Chancellor and Deputy Vice-Chancellors

Note: Figures may not add up due to total rounding

Governance and management

Report by members of Council

The members of the Council present their report on the consolidated entity consisting of Macquarie University and the entities it controlled at the end of, or during, the year ended 31 December 2013.

Members

The following persons were members of the Macquarie University Council during 2013:

The Hon Michael Egan – Chancellor
Elizabeth Crouch – Deputy Chancellor
Professor S Bruce Dowton – Vice-Chancellor and President
Professor Dominic Verity – Chair of Academic Senate
Andrew Bissett – retired October 2013
Dr Wylie Bradford – retired 31 December 2013
Brendan Crotty – appointed 1 September 2013
Professor Linda Cupples – retired 31 December 2013
Chum Darvall
The Hon Patricia Forsythe
Greg Jones
Professor Deb Kane
Greg Lindsay, AO – retired 21 February 2013
The Hon Sandra Nori
Gemma Quinn
Steven Rubic
Dr Kerry Schott
Kathy Vozella
Greg Ward
John Wigglesworth

Meetings of members

Information about the numbers of meetings of the members of Macquarie University's Council in 2013, and the number of meetings attended by each member, appears on page 34.

Principal activities

During the year, the principal continuing activities of the consolidated entity consisted of:

- (a) the provision of facilities for education and research of university standard
- (b) the encouragement of the dissemination, advancement, development and application of knowledge informed by free enquiry
- (c) the provision of courses of study or instruction across a range of fields, and the carrying out of research, to meet the needs of the community
- (d) the participation in public discourse
- (e) the conferring of degrees, including those of bachelor, master and doctor, and the awarding of diplomas, certificates and other awards
- (f) the provision of teaching and learning that engage with advanced knowledge and enquiry
- (g) the development of governance, procedural rules, admission policies, financial arrangements and quality assurance processes that are underpinned by the values and goals referred to in the functions set out in the *Macquarie University Act (1989)*, and that are sufficient to ensure the integrity of the University's academic programs.

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

Review of operations

The activities of the Council of Macquarie University during 2013 included:

- approval of a new Strategic Framework for the University – *Our University: A Framing of Futures*
- receipt of the Vice-Chancellor's report to each meeting of Council, covering major strategic items, external developments and general issues of note, including selected projects and goals related to the objectives contained in key performance indicators
- receipt of regular reports on health and safety across campus
- approval of new student organisation rules
- approval of a new Delegations of Authority Policy for the University
- approval of key compliance reports including the Macquarie University 2012 Annual Report
- approval of the 2014 Consolidated Budget and 2014 Capital Management Plan
- approval of the conferral of various honorary awards

Matters subsequent to the end of the financial year

There have been no subsequent events of significance announced by the University since the end of 2013.

Likely developments and expected results of operations

There have been no developments of significance since the end of 2013.

Environmental regulation

The significant environmental legislation and regulations to which the University is subject are as follows:

Legislation

- *Contaminated Land Management Act 1997* (NSW)
- *Energy Efficiency Opportunities Act 2006* (Cth)
- *Environmental Planning and Assessment Act 1979* (NSW)
- *Environment Protection and Biodiversity Conservation Act 1999* (Cth)
- *Local Government Act 1993* (NSW)
- *National Greenhouse and Energy Reporting Act 2007* (Cth)
- *Threatened Species Conservation Act 1995* (NSW)
- *Native Vegetation Act 2003* (NSW)
- *Pesticides Act 1999* (NSW)
- *Protection of the Environment Operations Act 1997* (NSW)

Regulations:

- *Energy Efficiency Opportunities Regulations 2006* (Cth)
- *National Greenhouse and Energy Reporting Regulations 2008* (Cth)
- *National Greenhouse and Energy Reporting (Measurement) Determination 2008* (Cth)

- *Native Vegetation Regulation 2005* (NSW)
- *Protection of the Environment Operations (Clean Air) Regulation 2010* (NSW)
- *Protection of the Environment Operations (Waste) Regulation 2005* (NSW)

Insurance of officers

The University holds two insurance policies covering Members of Council and officers of the University. They are:

- Professional Liability Protection Insurance, which covers professional, consulting, research and teaching activities (and any activities associated therewith), undertaken by the University or its affiliates, including the provision of and/or the facilitation of all recognised student activities.
- Directors and Officers Liability Insurance, which covers the University and individuals deemed to be insured Directors or Officers for their legal liability arising out of their conduct as officers of the University. Deemed insured persons include any Chancellor; Deputy Chancellor; Vice-Chancellor; Deputy Vice-Chancellor; Registrar; Bursar; Member of Council; Member of Senate; Member of a Regulatory Board or Committee who is responsible for the management, or monitoring the performance of management, of the University; University Secretary and any employee who is concerned in, or takes part in, the management of the University.

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



Michael Rueben Egan
Chancellor

10 April 2014

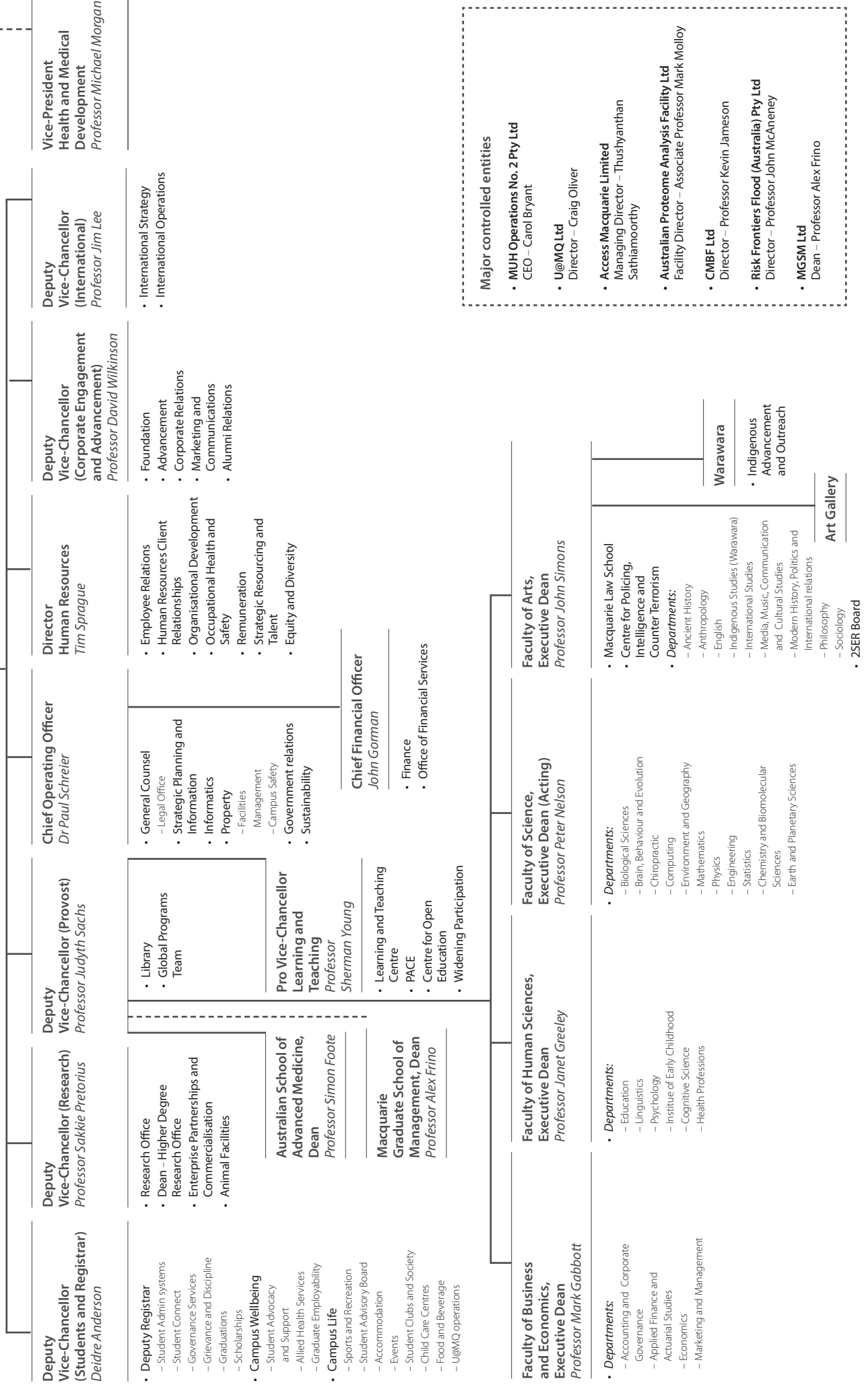


PHOTO: HOLLIVAGE

Macquarie University organisation chart

Vice-Chancellor

Professor S Bruce Dowton



Governance and management *continued*

Principal office bearers

Visitor

Her Excellency the Governor of New South Wales
Professor Marie Bashir AC CVO

Chancellor

The Hon Michael Rueben Egan, BA *Syd.*, FAICD

Deputy Chancellor

Elizabeth Crouch, BEc *Macq.*, FAICD

Vice-Chancellor and President

Professor S Bruce Dowton, MB *Syd.*, BS *Syd.*, MD *Harv.*, FACMG FRACP

Deputy Vice-Chancellor (Provost)

Professor Judyth Sachs, BA *Qld.*, PhD *Qld.*, MA *WMich.*

Deputy Vice-Chancellor (Students and Registrar)

Deidre Anderson, BA *VU.*, MA *VU.*, PGCert Athlete Counselling *AIS.*, PGDipSocSc *Latrobe*

Deputy Vice-Chancellor (Corporate Engagement and Advancement)

Professor David Wilkinson, BSc *Manc.*, MBChB *Manc.*, MSc *Col.*, MD *Natal.*, PhD *UniSA.*, DSc *UniSA.*, FRCP (*London.*), FAFPHM, FRACGP, FACRRM
From 1 May 2013

Deputy Vice-Chancellor (Research)

Professor Jim Piper, BSc *Otago.*, PhD *Otago.*, FOSA, FAIP
Until 7 July 2013

Deputy Vice-Chancellor (Research)

Professor Sakkie Pretorius, BSc *Free State.*, BSc (Hons) *Free State.*, MSc *Free State.*, PhD *Free State.*
From 8 July 2013

Deputy Vice-Chancellor (International)

Professor Jim Lee, BS *QU.*, MA *Prin.*, PhD *Prin.*
From 5 December 2013

Acting Chief Operating Officer

Jeff Stewart, BCom *Syd.*, MBA *Col.*
Until 10 March 2013

Chief Operating Officer

Dr Paul Schreier, MA *Cantab.*, MEng *Cantab.*, PhD, *Cantab.*
From 11 March 2013

Chief Financial Officer

John Gorman, BBus *Kuring-gai.*, MBA *Rochester.*, FCPA, FTIA

Director, Human Resources

Timothy Sprague, BSc *Syd.*, DipEd *Syd.*, MCom *NSW*

Executive Dean, Faculty of Arts

Professor John Simons, BA *Abw.*, PhD *Exon*

Executive Dean, Faculty of Business & Economics

Professor Mark Gabbott, BA *Essex.*, MSc *JCL.*, DTS *UK.*, PhD *Stir*

Executive Dean, Faculty of Human Sciences

Professor Janet Greeley, BSc *Nfld.*, MA *Tor.*, PhD *Tor*

Executive Dean, Faculty of Science

Professor Clive Baldock, PhD *KCL.*, MSc *LHMC.*, MTEM, BSc (Hons) *Sus.*, FACPSEM FAIP FIPESM FInstP

Macquarie University Council

(Membership as at 31 December 2013)

Macquarie University Council is the governing authority of the University, established under Part 3 of the *Macquarie University Act 1989*. Under Part 4 of the Act, the Council acts for and on behalf of the University in the exercise of the University's functions, has the control and management of the affairs and concerns of the University, and may act in all matters concerning the University in such manner as appears to the Council to be best calculated to promote the objectives and interests of the University.

Members of Council

The Chancellor

Elected pursuant to Section 8h of the Act

The Hon Michael Rueben Egan, BA *Syd.*, FAICD
Current term to 28 February 2017

The Vice-Chancellor

Appointed pursuant to Section 8h of the Act

Professor S Bruce Dowton, MB BS MD FACMG FRACP
Appointed 3 September 2012, ex officio

The Chair of the Academic Senate

Appointed pursuant to Section 9(1)(a)(iii) of the Act

Professor Dominic Verity, BA *Cantab.*, PhD *Cantab*

Appointed by the Minister for Education and Training

Pursuant to Section 8g of the Act

The Hon Patricia Forsythe, BA DipEd *Newcastle (NSW)*
Current term to 31 December 2016

Dr Kerry Schott, BA(Hons) *UNE.*, MA *UBC.*, PhD *Oxford*
Current term to 31 December 2017

Appointed by Council

Pursuant to Section 8f of the Act

Elizabeth Anne Crouch, BEc *Macq.*, FAICD
Current term to 31 December 2016

Gregory Mackenzie Jones, BA *Macq.*, MA *Macq.*
Current term to 31 December 2016

The Hon Sandra Christine Nori, BEc *Syd.*
Current term to 31 December 2016

Greg Ward, BEc *Macq.*, MEc *Macq.*, FCA., F Fin
Current term to 31 December 2017

John Wigglesworth, BEc *Macq.*, CA
Current term to 31 December 2016

Elected by and from the academic staff

Pursuant to Section 8d of the Act

Dr Wylie Bradford, BEc(Hons) *Newcastle (NSW).*, MPhil *Cambridge.*, PhD *Cambridge.*
Current term to 31 December 2013

Professor Linda Cupples, BSc(Hons) *Monash and Melbourne.*, PhD *Melbourne.*
Current term to 31 December 2013

Professor Deb Kane, BSc(Hons) *Otago.*, PhD *St Andrews.*
Current term to 31 December 2013

Governance and management *continued*

Elected by and from the non-academic staff

Pursuant to Section 8d of the Act

Kathy Vozella, BComms *Canberra*
Current term to 31 December 2014

Elected by and from the students of the University

Pursuant to Section 8d of the Act

Gemma Quinn
Current Term to 31 May 2015

Appointed by Council

Pursuant to Section 8e of the Act

Andrew Bissett, BCom *Macq*, MCom *Macq*, MBA *Macq*, CA,
GAICD, CISA
Retired October 2013

Brendan Crotty LS, DQIT (T&CP), Dip BusAdmin *Macq* FAPI
FAICD FRICS
Current term to 31 August 2017

Chum Darvall BA *Macq* F Fin and FAICD
Current term to 31 December 2016

Gregory John Lindsay, AO BA *Macq*, DipTchg *STC*
Retired February 2013

Steven Rubic, BHealthAdmin *NSW*, MBA *MGSM*, FAICD
Current term to 31 December 2016

Members' attendance at meetings

Council	A	B
The Hon Michael Egan	5	6
Elizabeth Crouch	6	6
Professor S Bruce Dowton	6	6
Professor Dominic Verity	6	6
Andrew Bissett	4	4
Dr Wylie Bradford	5	6
Brendan Crotty	1	2
Professor Linda Cupples	5	6
Chum Darvall	3	6
The Hon Patricia Forsythe	6	6
Greg Jones	5	6
Professor Deb Kane	6	6
Greg Lindsay AO	0	1
The Hon Sandra Nori	5	6
Gemma Quinn	6	6
Steven Rubic	2	6
Dr Kerry Schott	5	6
Kathy Vozella	6	6
Greg Ward	2	6
John Wigglesworth	5	6

A Number of meetings attended

B Number of meetings eligible to attend

Executive performance summary

Vice-Chancellor and President Professor S Bruce Dowton

\$843,953

Was in the role for the full reporting period. Developed a ten-year strategic framework for the University – *Our University: A Framing of Futures*. Created performance and development plans for the University Executive. Recruited four new members to the Executive team.

Deputy Vice-Chancellor (Provost) Professor Judyth Sachs

\$542,160

Bonus \$77,211

Was in the role for the full reporting period. Increased the scope and effectiveness of the PACE program and oversaw programs resulting in an increase in Indigenous student retention. Restructured and increased the capability of teaching and learning in the University and the alignment of social inclusion programs. Developed distance education and student retention strategies. Oversaw a University-wide curriculum review including the development of program-level objectives for all programs.

Deputy Vice-Chancellor (Students and Registrar) Deidre Anderson

\$511,679

Bonus \$64,480

Was in the role for the full reporting period. Developed a student experience framework to align academic and para-academic areas of student life. Implemented a career and employment strategy for students. Implemented a student exchange strategy. Created an allied health model to enable effective management of student wellbeing.

Deputy Vice-Chancellor (Corporate Engagement and Advancement) Professor David Wilkinson

\$315,529 (part year)

Commenced in the role in May 2013. Established the new portfolio of Corporate Engagement and Advancement, recruiting new senior staff. Established a strategic plan for the portfolio, with key result areas and key performance indicators. Initiated major projects to review and revise the University brand strategy, develop a new website for the institution, strengthen the Macquarie University Foundation, and initiate an institution-wide approach to corporate engagement.

**Deputy Vice-Chancellor (Research)
Professor Jim Piper**

\$226,186 (part year)
Bonus \$32,791
Payout of annual leave and long service leave on retirement \$603,088

Was in the role to July 2013. Improved research performance through increased activity and quality aligned to strategic goals, increased HDR completions and enhanced HDR programs. Delivered capital projects on time and within budget.

**Deputy Vice-Chancellor (Research)
Professor Sakkie Pretorius**

\$236,033 (part year)
Bonus \$40,000

Has been in the role since July 2013. Reviewed and developed a research strategy and framework to improve research performance.

**Deputy Vice Chancellor (International)
Professor Jim Lee**

\$24,990 (part year)

Commenced the role in December 2013. Undertook a review of the international activities across the University and has begun a restructuring of the portfolio.

**Acting Chief Operating Officer
Jeff Stewart**

\$66,000 (part year)

Was in the role to March 2013. Oversaw the Operations portfolio including budgeting and capital planning.

**Chief Operating Officer
Dr Paul Schreier**

\$379,861 (part year)

Was in the role from March 2013. Contributed to the development of the ten-year strategic plan. Established a strategic planning function to support planning and delivery of strategic initiatives and better link strategies to resources. Strengthened the governance of campus safety and recruited a new Head of Risk and Compliance. Initiated improvements to support services. Strengthened the University's approach to government relations.

**Chief Financial Officer
John Gorman**

\$474,320
Bonus \$67,670

Was in the role for the full reporting period. Improved reporting and budget processes and timelines. Sponsored the project to migrate the planning module from a third party provider to an in-house application.

**Director, Human Resources
Tim Sprague**

\$412,339
Bonus \$58,434

Was in the role for the full reporting period. Implemented strategies to improve staff engagement. Increased the suite of leadership development programs for middle level and emerging leaders. Improved health and safety communication and outcomes and workers compensation performance. Facilitated 10 change programs across the University and conducted enterprise bargaining on the academic staff enterprise agreement.

**Executive Dean, Arts
Professor John Simons**

\$421,166
Bonus \$59,488

Was in the role for the full reporting period. Increased student numbers in the Faculty of Arts and hit target for on time completions of HDR students. Introduced new criminology degree and set in place plans for new MA programs in public diplomacy, creative media and future journalism (to start 2014). Continued to improve success rates for external grant applications in arts and published two new books.

**Executive Dean, Business and Economics
Professor Mark Gabbott**

\$520,886
Bonus \$66,367

Was in the dual roles of Executive Dean, and Pro Vice-Chancellor International, to December 2013. As Pro Vice-Chancellor International, he significantly enhanced opportunities for international programs and agent partnerships through a restructure of the international operations team. He oversaw Macquarie's activities in key markets of Indonesia, China and India, and continued to grow its international networks. As Executive Dean, he established a cross-faculty research centre, the Centre for the Health Economy, and conducted external reviews of the faculty and its key research centres.



**Executive Dean, Human Sciences
Professor Janet Greeley**

\$418,148
Bonus \$59,618

Was in the role for the full reporting period. Effectively and efficiently managed the Faculty of Human Sciences, returning a budget surplus while delivering on major strategic initiatives. These included the move to the Australian Hearing Hub, completion of physiotherapy research facilities, establishing five new degrees, improving research performance and HDR student completions and commencements and completing a full faculty review with positive outcomes.

**Executive Dean, Science
Professor Clive Baldock**

\$399,438
Bonus \$20,942

Was in the role for the full reporting period. Instigated a significantly improved governance framework for capital projects that enabled delivery of major projects on time and within budget. Instrumental in the growth of the engineering program and in creating a new associate dean role focused on improving quality and standards at the Faculty of Science.

Notes:

- Remuneration data provided is total remuneration package, inclusive of superannuation.
- In 2013, the remuneration structure for executive salaries changed. Bonuses were discontinued as an incentive payment with bonuses being rolled into base salary. The salary data provided includes a component that was previously paid in the form of bonuses.
- The bonus payments paid in 2013 relate to the 2012 calendar year, with the exception of the payment to Professor Pretorius, which relates to a commencement arrangement.

Infrastructure

Macquarie is investing in a number of infrastructure projects to ensure the campus has the facilities required to attract and retain the best students and staff, to support world-class research, and to form partnerships with like-minded companies to support and further the research aims of the University.

Australian Hearing Hub

In the Australian Hearing Hub, Macquarie University brings together some of the country's best researchers, educators and service providers to improve the lives of people who experience hearing and language disorders.

The Australian Hearing Hub was established to enhance research, education and training capacity in hearing and speech sciences through collaboration. The building is located on University Avenue, opposite Cochlear Ltd, and forms the western gateway into the University.

The building was officially opened in April 2013 by the Federal Minister for Health and coincided with the Australian Hearing Hub Inaugural Conference for Language, Literacy and Cognition in Children with Hearing Impairment. The Australian Hearing Hub houses some of the University's leading research teams (language sciences, cognitive sciences and nanofabrication) and clinical research/professional training teams (audiology and speech language pathology), as well as partners Australian Hearing, the National Acoustic Laboratories, Cochlear Ltd, the Royal Institute for Deaf and Blind Children, The Shepherd Centre, Sydney Cochlear Implant Centre (SCIC), ARC Centre of Excellence in Cognition and its Disorders and the Hearing CRC.

The building has approximately 24,000m² of gross floor area over six levels plus two basements for parking. Construction commenced in early 2011 and was completed in December 2012.

Master Plan

The University's Master Plan follows the successful approval of the University Concept Plan in 2009. In 2013, the Master Plan was further developed to accommodate flexible growth over the next 30–50 years and define how the University will build a leading Australian campus. A master planning charette was conducted in May 2013 as part of the overall strategic planning exercise of the University. A number of prominent and international planning experts attended the whole-day session and provided valuable insight and value to inform the Master Plan. The work was completed by the end of the year and it is proposed that it will be formally adopted by the University in 2014.

Macquarie University Spatial Experience (MUSE)

This is an experimental project that has allowed for interim use of part of C7A (the old Library) while a major planning exercise is conducted for the future long-term redevelopment of the building. It is a transformable space engineered to shift and change; a creative environment in which to think, and to be inspired. It was designed as a space for serendipitous encounters and social learning, with an aesthetic that draws on raw materials from the industrial and natural world.

Property engaged four architectural firms to develop four different spaces within the useable areas of C7A. The brief was to provide a variety of flexible spaces that support the social learning environment and push the boundaries of previously developed spaces. These spaces were designed as areas for groups of two, four, six and more than eight students to collaborate, work together or study while also providing opportunity for some more personal work spaces. It also hosts a dedicated Student Connect zone which is the first point of contact for student administration.

The project has a three-year life and its use is being monitored by the three principal architects and an academic researcher looking into the impact of different learning outcomes based on different spaces. The four architects involved were: Bennett and Trimble, Woods Bagot, and NBRS and Partners for the social learning spaces, and BNMH for the Student Connect space and overall building services design. The space opened informally in December 2013.

Other infrastructure and refurbishment projects

Other significant refurbishments undertaken in 2013 include the completion of new space for the Australian School of Advanced Medicine on Level 1 of 75 Talavera Road, and completion of new laboratories to accommodate the school's growing medical research team. The refurbishment of Level 2, C5C, which was completed in December 2013, allowed Human Resources, Equity and Diversity and the Chaplaincy to relocate to a space with shared meeting and training rooms in the centre of campus. The Department of Physics and Astronomy also relocated to E6A.

A condition audit of all of the University's buildings was also conducted to inform a 10-year capital plan that takes into account code compliance, condition of buildings and refurbishment requirements. This was used as part of a new three-year Capital Management Planning process that commences in 2014.

Operations

Freedom of information

Macquarie University actively makes information available on its website and through press releases, and seeks at all times to provide information in a manner which is consistent with the *Government Information (Public Access) Act 2009* (GIPA Act).

Information held by the University is available by either searching the University's website or by contacting the University. The University then assesses the request and decides whether the information requested is readily available, could be disclosed as part of a proactive release of information, could be disclosed through informal release, or that a formal access application was required. The fee for a formal GIPA Act application in 2013 was \$30.

The due date for determination for one of the 13 formal access applications received in the period 1 January 2012 to 31 December 2012 was in 2013. This formal access application was determined on 15 January 2013 with documents released to the applicant. An advance deposit fee had been part-paid on 8 January 2013 with the balance of fees owing to the University being provided on 22 January 2013. The application fees for this matter totalled \$1500.

During the period 1 January 2013 to 31 December 2013 Macquarie University received five formal access applications for information. One formal application for third party consultation under the GIPA Act was received from the NSW Ministry of Health.

No payment was made for one of the five formal access applications and the application was declared to be invalid. For one application the information sought was found to be already in the public domain. One application was determined within statutory timeframes, one was decided after 25 days by agreement with the applicant, and one was modified by the applicant after a period of negotiation with the University and is now due for determination in 2014.

For one of the five access applications the applicant sought review via the Information Commissioner. The University was also involved in proceedings at the Administrative Decisions Tribunal concerning a 2012 application. The applicant commenced these proceedings in 2013 and the matter will be determined in 2014.

Assistance for any matter concerning the GIPA Act is available from:
The Right to Information Officer
Building C5C, Room 371
Macquarie University
NSW 2109
T: +61 2 9850 1561
E: gipa@mq.edu.au

The statistical reports that follow correspond to Schedule 2 of the Government Information (Public Access) Amendment Regulation 2010.



Table A: 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 application	Refuse to confirm/deny whether information is held	Application withdrawn
Media	0	0	0	0	0	0	0	0
Members of Parliament	0	0	0	0	0	0	0	0
Private sector business	0	0	0	0	1	0	0	0
Not-for-profit organisations or community groups	0	0	0	0	0	0	0	0
Members of the public (application by legal representative)	0	0	0	0	0	0	0	0
Members of the public (other)	3	0	0	0	1	1	0	0

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 B.

Table B: Number of applications by type of applicant and outcome

	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/deny whether information is held	Application withdrawn
Personal information applications ²	1	0	1	0	0	1	0	0
Access applications (other than personal information applications)	2	0	0	0	1	0	0	0
Access applications (partly personal and partly other information applications)	0	0	0	0	0	0	0	0

² A personal information application is an access application for personal information (as defined in Clause 4 of Schedule 4 to the Act) about the applicant (the applicant being an individual)

Table C: Invalid applications

Reason for invalidity	Number of applications
Application does not comply with formal requirements (Section 41 of the Act)	1
Application is for excluded information of the agency (Section 43 of the Act)	0
Application contravenes restraint order (Section 110 of the Act)	0
Total number of invalid applications received	1
Invalid applications that subsequently became valid applications	0

Table D: Conclusive presumption of overriding public interest against disclosure: matters listed in Schedule 1 to Act

	Number of times consideration used ³
Overriding secrecy laws	0
Cabinet information	0
Executive Council information	0
Contempt	0
Legal professional privilege	0
Excluded information	0
Documents affecting law enforcement and public safety	0
Transport safety	0
Adoption	0
Care and protection of children	0
Ministerial code of conduct	0
Aboriginal and environmental heritage	0

³ More than one public interest consideration may apply in relation to a particular access application and, if so, each such consideration is to be recorded (but only once per application). This also applies in relation to Table E.

Table E: Other public interest considerations against disclosure: matters listed in table to Section 14 of Act

	Number of occasions when application not successful
Responsible and effective government	0
Law enforcement and security	0
Individual rights, judicial processes and natural justice	0
Business interests of agencies and other persons	0
Environment, culture, economy and general matters	0
Secrecy provisions	0
Exempt documents under interstate Freedom of Information legislation	0

Table F: Timeliness

	Number of applications
Decided within the statutory timeframe (20 days plus any extensions)	1
Decided after 35 days (by agreement with applicant)	2
Not decided within time (deemed refusal)	0
Total	3

Table G: Number of applications reviewed under Part 5 of the Act (by type of review and outcome)

	Decision varied	Decision upheld	Total
Internal review	0	0	0
Review by Information Commissioner*	0	0	0
Internal review following recommendation under section 93 of Act	0	0	0
Review by ADT	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 H: Applications for review under Part 5 of the Act (by type of applicant)

	Number of applications for review
Applications by access applicants	0
Applications by persons to whom information the subject of access application relates (see Section 54 of the Act)	0

Credit card certification

During the 2013 financial year, credit card use was in accordance with the University's credit card and purchasing policies. These policies are themselves based on New South Wales Treasury requirements.

Credit card use within the University is largely limited to claimable work-related travel expenses and accommodation, and for minor consumable expenses where the use of credit cards is a more efficient process.

Officers are required to sign a declaration that their obligations and duties in relation to the use of credit cards have been explained to them before a credit card is issued. Officers issued with a credit card can review their expenses on a daily basis via the University's online expense management system. On a monthly basis officers are required to verify and certify that expenses were for official University business. At this time original tax invoices must be provided. Acquittals are examined and authorised by a more senior officer who has appropriate delegation. The University follows a strict process of warning and cancellation of credit cards where they are used outside policy or not acquitted in a timely manner.

Insurance

The University ensures that a cost-effective insurance program that sufficiently protects the University's investment in assets and protects against liabilities arising from the conduct of its business activities is in place at all times.

Following a review of the University's insurance program it was decided to group all of the University's medical and allied health insurance risks with respect to medical malpractice, professional indemnity and clinical trials. This process grouped together these risks for the Macquarie University Hospital, the Australian School of Advanced Medicine and the various clinics operated by the University as well as management liability and public and products liability for the Macquarie University Hospital. The University subsequently engaged Strathearn Insurance Brokers (Strathearn) to broker these insurances for the November 2012 to October 2013 insurance year. The remaining insurances for the November 2012 to October 2013 insurance year were brokered by Marsh Limited (Marsh) under their existing contract. The open market approach adopted by the University resulted in the University securing the best available terms.

Following a tender process, during 2013 the University appointed Aon Risk Services Australia Ltd (Aon) as its insurance broker for a three-year term commencing in July 2013. All insurances previously brokered by Marsh Limited were brokered by Aon for the November 2013 to October 2014 insurance year. Strathearn were engaged to broker the University's medical and allied health insurances for the November, 2013 to October, 2014 insurance year.

The University Group has been accepted by New South Wales WorkCover as a participant in the Retro Paid Loss Premium model in respect of its workers' compensation insurance requirements. 2013 is the third year that the University Group has been part of the Retro Paid Loss Premium model. This model is driven largely by claims costs and provides incentives for employers with strong performance in workplace health and safety, injury management and return to work. The University expects substantial savings on premium cost each year provided that claims costs are maintained at current levels.

Internal audit and risk management

The internal audit and risk management functions of Macquarie University are overseen by the Council's Audit and Risk Committee and undertaken by Deloitte Touche Tohmatsu (Deloitte).

The University re-appointed Deloitte to the internal audit and risk management function in 2009, following an exhaustive tendering process conducted by the University's Audit and Risk Committee for the 2010-2012 period. During 2012 the Audit and Risk Committee extended the contract with Deloitte to December 2014.

The internal audit and risk management function is primarily concerned with evaluating the accuracy and effectiveness of internal controls and assessing risks which may impact on the University's ability to achieve its objectives.

During 2013, internal audit and risk management activities were completed in line with the three year rolling internal audit and risk management plan approved by the Audit and Risk Committee at the commencement of each year.

The Committee acknowledges the changing nature of the University's business and the change in the external business environment. The University has a program of major capital developments that are funded by a mix of cash reserves, debt and government contributions. Each of these projects imports new and different levels of risk into the University.

In addition to the business risk assessment, internal audits undertaken in 2013 involved assessments of internal controls and associated risks, and compliance with University policies and procedures and governing guidelines.

Audit and assurance activities resulted in identification of areas where there was opportunity for improvement and/or enhancement of existing processes and controls. Following discussion and agreement with management, internal audit reports were submitted to key stakeholders and reported to the Audit and Risk Committee. The status of significant and important risk issues outstanding is monitored by the Audit and Risk Committee.

During 2013 the new role of Head of Risk and Compliance was recruited and commenced in October 2013. A risk dashboard was launched to augment the risk management framework.

Legal affairs

The University is required to report on changes in acts and subordinate legislation and significant judicial decisions affecting the statutory body or users of the services provided by the body pursuant to the *Annual Report (Statutory Bodies) Regulation 2010 (NSW)*.

Key changes in legislation affecting the University in 2013 were:

Education Services for Overseas Students Act 2000 (Cth) (ESOS Act)

Automatic and mandatory student visa cancellation was abolished from 13 April 2013, pursuant to changes made to the ESOS Act.

From 13 April 2013, a student's visa can no longer be automatically cancelled and education providers are no longer able to issue students a Section 20 notice. Education providers are required to report students who breach course progress or attendance requirements to the Department of Immigration and must still inform the student that they intend to report the visa condition breach. Breaches of student visa conditions are assessed at the discretion of Immigration Officers.

On 4 December 2013 the Minister of Education, the Hon Christopher Pyne MP, introduced the *Education Services for Overseas Students Amendment Bill 2013* ('the Bill') to Parliament. The purpose of the Bill is to amend the ESOS Act to clarify refund provisions for overseas students studying in Australia, as well as for intending overseas students yet to arrive in Australia.

The proposed changes as outlined in the Bill will remove the current definition 'pre-paid fees' and all references to 'pre-paid' throughout the ESOS Act, and replace them with a reference to 'tuition fees'. The changes will simplify the terminology for students and ensure they receive a fair and reasonable refund. The University will change its procedures to comply with this amendment when the Bill takes effect on a date to be fixed by proclamation.

Fair Work Act 2009 (Cth) (FWA)

Amendments to FWA relating to various 'family friendly measures'; protection of penalty rates and union right of entry did not present a significant legal compliance issue for the University. The most significant aspect of the amendments to the FWA is the establishment of the anti-bullying jurisdiction within the Fair Work Commission (FWC). With effect from 1 January 2014, an employee who is bullied at work can apply to the FWC for an order to stop the bullying.

The University will continue to comply the FWA.

Higher Education Support ACT 2003 (Cth)(HESA)

The amendments to the census dates requirements under HESA took effect on 1 January 2013. The changes to HESA ensure that census date requirements are now determined in accordance with the administrative guidelines for FEE-HELP, enabling the University to have greater flexibility to offer courses, to meet student and industry needs and minimise administrative obligations.

Amendments to HESA took effect on 1 January 2013 including removal of the eligibility for Commonwealth supported places and the Higher Education Loan Program schemes for Australian citizens who commence a course of study after 1 January 2013 and who will not be resident in Australia for any of their course of study. This change affects Australian citizens who are living overseas and intend to study online with the University. The University has made the necessary changes to ensure compliance with HESA.

From 1 January 2013, all students who enrol in units of study in mathematics, science and statistics will pay an increased student contribution amount. Mathematics, statistics and science units were classified as National Priority units of study and students had been charged a reduced maximum student contribution amount. The maximum student contribution amount for students enrolled in these units increases to \$8363 in 2013 from \$4520 in 2012, which is an increase of \$3843.

Workplace Gender Equality Act 2012 (Cth) (WGEA)

WGEA aims to improve and promote gender equality in the workplace. From May 2014, the University's reporting requirements in relation to the gender equality indicators will be extended. The additional reporting matters will include: gender composition of the workforce; equal remuneration between women and men; and availability and utility of employment terms, conditions and practices relating to flexible working arrangements for employees and to working arrangements supporting employees with family or caring responsibilities. The University's systems and processes will be able to collect the relevant data to ensure that the University continues to comply with the Act.

Australian Charities and Not-for-profits Commission (ACNC) legislation

The formation of the charity regulator, the Australian Charities and Not-for-profits Commission, under the *Australian Charities and Not-for-profits Commission Act 2012* (Cth) impacted the University and the controlled entities that have charitable status. Various ACNC laws commenced or were in a transitional phase relating to the registration of charitable bodies with the ACNC, reporting requirements, governance and associated matters.

National Energy Retail Law

New laws and regulatory requirements commenced in NSW in 2013, regarding a person reselling energy being electricity or gas to other persons. The new laws impact the University and its controlled entities leasing, subleasing, licensing to third parties, or other arrangements where third parties are being supplied and charged for energy use. The University and its controlled entities must hold valid exemptions in respect to the selling of energy to other persons; and comply with the conditions of the relevant exemptions.

The University and its controlled entities are reviewing their systems and arrangements in relation to the supply of energy to ensure compliance with the new national energy requirements.

Public Interest Disclosures

The *Public Interest Disclosures Act 1994* (Cth) (PID), sets in place a system to encourage public officials to report serious wrongdoing. Under section 6D of the PID, the University is required to have a policy and procedures for receiving, assessing and dealing with reports of wrongdoing. The University is a NSW public authority and its Reporting Wrongdoing – Public Interest Disclosures Policy 2013 satisfies this requirement. The University is required to report annually to Parliament on their obligations under section 31 of the PID.

Report to NSW Ombudsman (under section 6CA Public Interest Disclosures Act)

	2012	2013
No of public officials who made public interest disclosures to the University's public authority	2	3
No of public interest disclosures received by the University's public authority	2	3

Primary subject of public interest disclosures received

	2012	2013
Corrupt conduct	2	0
Maladministration	1	2
Serious and substantial waste	0	0
Government information contravention	0	0
Local government pecuniary interest contravention	0	0
Total	3	2
No of public interest disclosures (received since 1 Jan 2012) that have been finalised in this reporting period	5	0

Operations *continued*

Privacy

The *Annual Reports (Statutory Bodies) Regulation 2010* requires the University to report on the actions it has taken to comply with the *Privacy and Personal Information Protection Act 1988 (NSW)* (PPIPA) and provide any statistical details of any review conducted by or on its behalf.

The strategic actions the University took to promote privacy in 2013 include:

- development and publication of a new privacy compliance framework
- reviewing the University's Privacy Management Plan.

At an operational level, the University took a number of steps, including:

- raising staff awareness regarding compliance with privacy
- monitoring and improving security systems across University sites
- updating privacy notices on electronic and hard copy forms used to collect personal information
- maintaining a privacy website
- providing accurate and timely advice on privacy matters and training to members of the University community.

In 2013, the University conducted one internal review under Part 5 of the PPIPA.

The role of Privacy Officer is assigned to the General Counsel and the role of Right to Information Officer is assigned to the Manager, Records and Archives.

Statement of attitude to fraud and corruption

The University requires all staff at all times to act honestly and with integrity and to safeguard the public resources for which they are responsible. The University is committed to protecting all revenue, expenditure and assets from any attempt to gain illegal financial or other benefits. Any fraud or corruption committed against the University is a major concern to the University. Consequently, any case of suspected corrupt conduct will be thoroughly investigated and appropriate disciplinary action will be taken against any staff member who is guilty of corrupt conduct. This may include referral to the police.

The University has an obligation to report suspected corruption, whether or not it involves an officer of the University, to the Independent Commission Against Corruption. The University endeavours to make its staff, contractors, suppliers and clients aware of its statement of attitude to fraud and corruption by placing it on the University's website, referring to key attributes of its strategy in University publications (including the Annual Report) and regular fraud and corruption awareness training sessions.

Travel

The University spent \$17.3 million on travel and related staff development and training in 2013. (2012: \$14.8 million). The travel was for a wide range of purposes including the promotion and marketing of the University and specific programs, visits to overseas partners and the development of new partner relationships, the attendance and presentation of research papers at international conferences and research and teaching at affiliated universities. In 2013 this also included increased travel relating to the PACE program and the purchase of discount travel vouchers for sale to international students.

Payment of accounts

The University's terms of credit in respect of its creditors is 30 days. In 2013, 91.3 per cent of invoices were paid in accordance with these terms. During 2013, 98 per cent of Australian dollar transactions were made by EFT and 2 per cent were made by cheque. In late 2013 the University commenced the rollout of an automated invoice approval system to enhance the capture of invoices and improve the timeliness of the invoice approval process. This will further improve the University's ability to pay invoices within payment terms.

Aged Analysis at the end of each quarter

Quarter	Current (within due date) \$'000	Less than 30 days overdue \$'000	Between 30 and 60 days overdue \$'000	Between 61 and 90 days overdue \$'000	More than 90 days overdue \$'000
March	8899	1554	5202	3522	328
June	7790	1523	1672	145	469
September	10,829	1052	2919	687	153
December	7132	1389	2900	222	201

Accounts due or paid within each quarter

Measure	March	June	September	December
Number of accounts due for payment	18,670	23,974	24,896	25,896
Number of accounts paid on time	16,783	21,992	22,884	23,611
Actual percentage of accounts paid on time (based on number of accounts)	90%	92%	92%	91%
Dollar amount of accounts due for payment	90,623,391	97,185,307	108,602,399	122,130,006
Dollar amount of accounts paid on time	79,151,787	88,212,049	97,556,280	113,044,857
Actual percentage of accounts paid on time (based on value)	87%	91%	90%	93%
Number of payments for interest on overdue accounts	–	–	–	–
Interest paid on overdue accounts	–	–	–	–

Financial performance

Statements in this chapter are unaudited.

The operating result for the year for Macquarie University and its subsidiaries was a surplus of \$62.3 million. The surplus for the consolidated University represented 7.2 per cent of income.

State superannuation schemes

The University's liability under the State Superannuation Scheme (SSS) and State Authorities Superannuation Scheme (SASS) was \$348.1 million as at 31 December 2013 (\$397.5 million in 2012). This is matched by an asset based on future funding expected from the Australian Government.

Consolidated income analysis

Income totalled \$869.6 million, an increase of 6.8 per cent. This increase has been driven by a number of factors:

- income from Australian Government Grants increased by \$16.4 million and government Higher Education Loan Programs by \$22.0 million owing to increased student load in Commonwealth Supported Places, which was partially offset by a decline of \$6.4 million in fee paying overseas students due to a slight reduction in enrolments.
- Macquarie University Hospital services revenue increased by \$21.6 million, reflecting continued growth in operations.

Consolidated expense analysis

Expenses totalled \$807.3 million, an increase of 8.3 per cent. This increase has occurred over several expense categories:

- employee related expenses increased by \$24.6 million (6.0 per cent) due to salary increases and the appointment of additional staff for the Macquarie University Hospital operations
- other expenses have increased by \$29.8 million, driven by increases in the parent entity maintenance contracts, IT equipment, computer software and licences, staff development and Macquarie University Hospital-related expenditure.

Consolidated balance sheet

Net assets increased by \$87.5 million from 2012 to 2013 with total assets decreasing by \$8.6 million and total liabilities decreasing by \$96.1 million. This included a \$50.0 million decrease in the provisions for deferred government benefits for superannuation and \$41.0 million decrease in borrowings.

Risk analysis

The following ratios are provided in respect of the financial risk assessment of the University at 31 December 2013.

Indicator	Result	Risk
Income growth	6.8%	Low
Proportion of revenue from Australian Government grants	25.6%	Low
Growth in Australian Government funding	8%	High
Proportion of revenue from overseas student fees	24%	Medium
Consecutive deficits recorded	0	Low
Number of weeks income cash and investments is equivalent to	14.3	Low
Current ratio	1.7	Low
Adjusted current ratio ¹	2.0	Low
Gearing ratio ²	7.2%	Low

¹The current liability of long service leave entitlements is determined as all leave that was unconditional as at 31 December 2013. The University expects that \$22.2 million of this current liability will be settled after 12 months and the current ratio has been adjusted to reflect this.

²Gearing ratio = net debt / (net debt + net assets), where net debt = borrowings less cash and cash equivalents and other financial assets.

Returns on University investments

Indicator	Actual returns 2012	Benchmark 2012	Actual returns 2013	Benchmark 2013
Cash and cash equivalent	3.72%	3.54%	2.64%	3.54%
Australian equities	10.71%	19.74%	(7.2%)	19.7%
Debt securities	5.4%	7.72%	6.0%	2.0%
Property	34.53%	32.79%	n/a	n/a

Note 1: Returns excluded realised gain/loss of investments disposed during the year.

Note 2 benchmarks:

Cash and cash equivalent: UBS Australia Bank Bill Index
 Australian equities: ASX 300 Accumulation Index
 International equities: MSCI World Index (ex Australia) in A\$ (unhedged)
 Debt Securities: UBSWA Composite Bond Index (all maturity)
 Property: ASX Property Accumulation Index

Financial performance *continued*

Budgets

The following is a summary of financial performance against budget for 2013.

Income statement

Indicator	Budget 2013 \$'000	Actual 2013 \$'000
Income from continuing operations	850,857	869,629
Expenses from continuing operations	824,315	807,288
Operating result from continuing operations	26,542	62,341

Balance sheet

Indicator	Budget 2013 \$'000	Actual 2013 \$'000
Current assets	159,665	279,746
Non-current assets	2,203,670	2,144,357
Total assets	2,363,335	2,424,103
Current liabilities	151,317	163,337
Non-current liabilities	769,439	729,222
Total liabilities	920,757	892,559
Net assets	1,442,578	1,531,544

Cash flow statement

Indicator	Budget 2013 \$'000	Actual 2013 \$'000
Net cash provided by operating activities	89,337	111,939
Net cash used in investing activities	(85,755)	(31,958)
Net cash provided by financing activities	(198)	(41,231)
Net increase in cash and cash equivalents	100,793	38,750

Macquarie University has consolidated the following controlled entities:

- Access Macquarie Ltd (AccessMQ)
- Australian Proteome Analysis Facility Ltd (APAF)
- CMBF Ltd
- COH Property Trust
- LAMS Foundation Ltd
- LAMS International Pty Ltd
- Macquarie Education South Africa NPC
- Macquarie University Property Investment Company Pty Ltd
- Macquarie University Property Investment Company No 3 Pty Ltd
- Macquarie University Property Investment Trust (MUPIT)
- MGSM Ltd
- MU Hospital Pty Ltd
- MUH Operations Pty Ltd
- MUH Operations No 2 Pty Ltd
- MUPH Clinic Pty Ltd
- MUPH Hospital Pty Ltd
- Risk Frontiers Flood (Australia) Pty Ltd
- Risk Frontiers Group Pty Ltd
- U@MQ Ltd

The following 10 controlled entities were trading in 2013.

Access Macquarie Ltd

Access Macquarie Ltd (AccessMQ) is a not-for-profit public company limited by guarantee and wholly owned by Macquarie University. AccessMQ provided English language training to students from over 40 countries and IELTS testing for over 15,000 candidates in 2013. Its quality teaching resulted in students achieving 15 per cent higher grades in their first year at Macquarie University. Its continued management of research and consulting projects serves as a vital link between academics and researchers from Macquarie University and industry. In 2013, the AccessMQ research and consulting practice attracted approximately \$13 million in research and consulting engagements.

Australian Proteome Analysis Facility Ltd

Australian Proteome Analysis Facility Ltd (APAF) is a not-for-profit public company limited by guarantee and wholly owned by Macquarie University. APAF was the birthplace of the term proteomics in 1995 and was the world's first dedicated high throughput proteomics laboratory. APAF has over 18 years of experience in providing proteomic services, and combined with leading-edge infrastructure and expertise provides total solutions for proteomic research needs.

CMBF Ltd

CMBF Ltd (CMBF) is a not-for-profit public company limited by guarantee and wholly owned by Macquarie University. CMBF administers the delivery of the University's Master of Applied Finance in Sydney and other locations, domestically and internationally. The program has approximately 1000 students enrolled and is internationally recognised in the global banking and finance industry.

LAMS International Pty Ltd

LAMS International Pty Ltd (LAMS) is a for-profit private company limited by shares. Macquarie University owns 77 per cent of the entity. LAMS is an eLearning system that allows teachers to author and structure learning activities for students in any age group. AccessMQ provides administrative and technical support for LAMS. In 2013 LAMS sponsored a successful LAMS Conference in Sydney.

Macquarie University Property Investment Trust

Macquarie University Property Investment Trust (MUPIT) is a trust wholly owned by Macquarie University. The Trust was established in 2007 for the purpose of investing in the construction of two new buildings, entering into lease agreements, and issuing new units to related entities under the control of the Trustee Company.

Macquarie University Property Investment Company Pty Ltd

Macquarie University Property Investment Company Pty Ltd is a for-profit, private company limited by shares and wholly owned by Macquarie University. The Company acts as the Trustee for Macquarie University Property Investment Trust.

MGSM Ltd

MGSM Ltd is a not-for-profit public company limited by guarantee and wholly owned by Macquarie University. Since 1 April 2012 the company has been the trading entity for the Macquarie Graduate School of Management. The three primary divisions of MGSM are Award Programs, Research and Executive Education, which are supported by the MGSM's conference centre on the main campus. MGSM was again ranked among the world's top 100 MBA programs (*The Economist*, Full time MBA ranking, 2013). It also ranked number one in New South Wales, number three in Australia, and number five in the Asia-Pacific region in the same study.

Financial performance *continued*

MUH Operations No 2 Pty Ltd

MUH Operations No 2 Pty Ltd (MUH) is a not-for-profit, public company limited by shares and wholly owned by Macquarie University. Macquarie University Hospital's objectives are to provide evidenced-based care of the highest quality to every one of its patients; to provide education to its scholars by supporting University-based learning and actively supporting the professional development of its staff; and to support innovation in clinical care by providing the most advanced hospital facilities, links to research space and better information systems. Performance of the Company's operations is measured in terms of occupancy levels, patient days, average length of stay, patient revenue per patient day, labour work hours per patient day, and clinical and pharmaceutical supplies costs per patient day. The Hospital's Board reviews the Company's performance at each of its meetings.

Risk Frontiers Flood (Australia) Pty Ltd

Risk Frontiers Flood (Australia) Pty Ltd (Risk Frontiers) is a for-profit private company limited by shares and ultimately wholly owned by Macquarie University. Risk Frontiers is a research centre sponsored by the insurance industry to aid better understanding and pricing of natural hazard risks in the Asia-Pacific region. Its aims are to undertake risk assessment and research into natural hazards, develop databases of natural hazards and their impact on communities and insured assets, and develop loss models to improve the pricing of natural hazard catastrophe risks. It is the preferred provider of research to the New South Wales State Emergency Service and works with various government agencies and a number of corporate and utility organisations on risk-related issues.

U@MQ Ltd

U@MQ is a not-for-profit public company limited by guarantee and wholly owned by Macquarie University. The principal activities of U@MQ are to provide products, services and facilities to the members of the University community – including staff and students – that complement and support the academic activities of the University. Those services and facilities include sporting and recreational facilities; food, beverage and retail services; and childcare. The company's operations are measured in terms of number of transactions per outlet, average outlet transactions revenue, sports membership numbers, child care utilisation rates, customer satisfaction rates, per cent of cost of goods sold against revenue, per cent of wages, and per cent of direct expenses against revenue.

The financial statements for those controlled entities required to produce financial statements are available in the second volume to this Annual Report, which is available at mq.edu.au/about/how_mq_works/reports.

Financial statements

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INDEPENDENT AUDITOR'S REPORT

Macquarie University

To Members of the New South Wales Parliament

I have audited the accompanying financial statements of Macquarie University (the University), which comprise the statement of financial position as at 31 December 2013, the income statement, the statement of comprehensive income, the statement of changes in equity and the statement of cash flow 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.

Opinion

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 2013, and of the 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* (the PF&A Act) and the Public Finance and Audit Regulation 2010
- comply with the 'Financial Statement Guidelines for Australian Higher Education Providers for the 2013 Reporting Period' (the Guidelines), issued by the Australian Government Department of Education, pursuant to the *Higher Education Support Act 2003*, the *Higher Education Funding Act 1988* and the *Australian Research Council Act 2001*.

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

University Council's Responsibility for the Financial Statements

The Council of the University is responsible for the preparation of the financial statements that give a true and fair view 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 of the financial statements that give a true and fair view and that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based on my audit. I conducted my audit in accordance with Australian Auditing Standards. Those Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Council, as well as evaluating the overall presentation of the financial statements.

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

My opinion does *not* provide assurance:

- about the future viability of the University or the consolidated entity
- that they have carried out their activities effectively, efficiently and economically
- about the effectiveness of their internal control
- 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.

Independence

In conducting my audit, I have complied with the independence requirements of the Australian Auditing Standards and other relevant ethical pronouncements. The PF&A Act further promotes independence 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, but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by the possibility of losing clients or income.



A T Whitfield
Acting Auditor-General

11 April 2014
SYDNEY

Statement of appointed officers

Macquarie University
Statement of Appointed Officers
For the Year Ended 31 December 2013

Statement of Appointed Officers

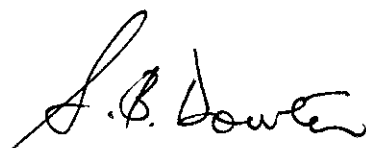
In accordance with a resolution of the Council of Macquarie University, pursuant to Section 41C (1B) and (1C) of the *Public Finance and Audit Act 1983*, we state that to the best of our knowledge and belief:

1. The financial statements present a true and fair view of the financial position of the University at 31 December 2013 and the results of its operations and transactions of the University for the year then ended.
2. The financial statements have been prepared in accordance with the provisions of the *Public Finance and Audit Act 1983*, the *Public Finance and Audit Regulation 2010* and the Financial Statement Guidelines for Australian Higher Education Providers for the 2013 Reporting Period issued by the Australian Government (Department of Education).
3. The financial statements have been prepared in accordance with Australian Accounting Standards, which include Australian Accounting Interpretations.


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

In accordance with the *Higher Education Support Act 2003*, the amount of Australian government financial assistance expended during the reporting period was for the purposes for which it was intended and Macquarie University has complied with applicable legislation, contracts, agreements and programme guidelines in making expenditure.

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



Professor S B Downton
Vice-Chancellor



J Wigglesworth
Chair Audit and Risk Committee



E A Crouch
Chair Finance and Facilities Committee

Sydney
10 April 2014

Income statement

Macquarie University
Income Statement
For the Year Ended 31 December 2013

		Consolidated		Parent	
	Note	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Income from continuing operations					
Australian Government financial assistance					
Australian Government grants	2	221,088	204,726	221,034	204,672
HELP - Australian Government Payment	2(b)	149,461	127,489	149,461	127,489
State and local Government financial assistance	3	2,273	1,218	2,273	1,218
HECS-HELP - Student Payments		21,252	21,243	21,252	21,243
Fees and charges	4	272,975	280,238	263,693	272,849
Investment revenue	5	8,742	11,052	12,221	13,780
Royalties, Trademarks and Licences	6	903	575	699	413
Consultancy and contracts	7	26,062	19,513	12,474	13,147
Other revenue	8	159,560	131,334	54,892	49,488
Total revenue from continuing operations		862,316	797,388	737,999	704,299
Gains on disposal of assets	9	7,313	17,183	7,313	17,183
Total income from continuing operations		869,629	814,571	745,312	721,482
Expenses from continuing operations					
Employee related expenses	10	434,035	409,420	345,867	331,959
Depreciation and amortisation	11	58,151	53,388	56,814	52,183
Repairs and maintenance	12	10,704	7,561	6,795	4,494
Borrowing costs	13	21,375	22,443	21,375	22,443
Impairment of assets	14	2,065	9,628	14,613	58,305
Losses on disposal of assets	15	349	321	284	219
Deferred superannuation expense	10/42	792	655	792	655
Consultants and contractors		38,907	34,294	64,763	60,694
Scholarships and grants		43,808	40,246	43,223	39,804
Other expenses	16	197,102	167,312	123,394	104,499
Total expenses from continuing operations		807,288	745,268	677,920	675,255
Operating result before income tax		62,341	69,303	67,392	46,227
Income tax expense		-	-	-	-
Operating result from continuing operations		62,341	69,303	67,392	46,227
Operating result after income tax for the period		62,341	69,303	67,392	46,227
Operating result attributable to members of Macquarie University	29	62,341	69,303	67,392	46,227

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

Statement of comprehensive income

Macquarie University
Statement of Comprehensive Income
For the Year Ended 31 December 2013

	Consolidated		Parent	
Note	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Operating result after income tax for the period	62,341	69,303	67,392	46,227
<i>Items that have been reclassified to income statement</i>				
Realised (gains) on available-for-sale financial assets	29(a) <u>(5,502)</u>	(13,004)	<u>(5,502)</u>	(13,004)
Total items that have been reclassified to income statement	(5,502)	(13,004)	(5,502)	(13,004)
<i>Items that may be reclassified to income statement</i>				
Unrealised gain on value of available-for-sale financial assets	29(a) <u>500</u>	7,241	<u>571</u>	7,241
Total items that may be reclassified to income statement	500	7,241	571	7,241
<i>Items that will not be reclassified to income statement</i>				
Unrealised gain on revaluation of property, plant and equipment	23 27,158	877	27,158	868
Net Actuarial (losses) / gains recognised in respect of Defined Benefits Plans	29(b) <u>2,999</u>	(1,012)	<u>2,999</u>	(1,012)
Total items that will not be reclassified to income statement	30,157	(135)	30,157	(144)
Total other comprehensive income	25,155	(5,898)	25,226	(5,907)
Total comprehensive income attributable to members of Macquarie University	87,496	63,405	92,618	40,320

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

Statement of financial position

Macquarie University
Statement of Financial Position
As at 31 December 2013

	Note	Consolidated		Parent	
		2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
ASSETS					
Current assets					
Cash and cash equivalents	17	202,818	164,049	174,561	133,089
Receivables	18	31,533	40,052	18,698	24,378
Inventories	19	5,037	4,510	180	200
Other financial assets	20	27,890	47,369	4,658	26,869
Other non-financial assets	21	12,468	12,998	11,057	11,868
Total current assets		279,746	268,978	209,154	196,404
Non-current assets					
Receivables	18	377,647	427,744	377,255	427,019
Other financial assets	20	8,482	8,299	46,395	57,093
Investments in subsidiaries	22	-	-	20,582	260
Property, plant and equipment	23	1,734,096	1,710,675	1,730,052	1,706,635
Intangible assets	24	879	766	879	766
Other non-financial assets	21	23,253	16,205	25,076	18,470
Total non-current assets		2,144,357	2,163,689	2,200,239	2,210,243
Total assets		2,424,103	2,432,667	2,409,393	2,406,647
LIABILITIES					
Current liabilities					
Trade and other payables	25	61,485	59,803	43,739	34,347
Borrowings	26	1,352	1,242	1,118	1,045
Provisions	27	62,283	69,355	54,452	61,852
Other liabilities	28	38,217	34,423	36,994	33,379
Total current liabilities		163,337	164,823	136,303	130,623
Non-current liabilities					
Borrowings	26	355,910	396,980	355,739	396,596
Provisions	27	366,288	416,124	364,623	415,650
Other liabilities	28	7,024	10,692	7,024	10,692
Total non-current liabilities		729,222	823,796	727,386	822,938
Total liabilities		892,559	988,619	863,689	953,561
Net assets		1,531,544	1,444,048	1,545,704	1,453,086
EQUITY					
Parent entity interest					
Reserves	29(a)	475,756	453,600	475,567	453,340
Retained earnings	29(b)	1,055,788	990,448	1,070,137	999,746
Parent interest		1,531,544	1,444,048	1,545,704	1,453,086
Total equity		1,531,544	1,444,048	1,545,704	1,453,086

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

Statement of changes in equity

Macquarie University
Statement of Changes in Equity
For the Year Ended 31 December 2013

	Consolidated			Parent	
	Reserves	Retained Total: Owner earnings of the parent	Total	Reserves	Retained earnings
	\$'000	\$'000	\$'000	\$'000	\$'000
Balance as at 1 January 2012	458,486	922,157	1,380,643	458,235	954,531
Profit or loss	-	69,303	69,303	-	46,227
Revaluation of property, plant & equipment	877	-	877	868	-
Realised (gains) on available-for-sale financial assets	(13,004)	-	(13,004)	(13,004)	-
Unrealised gain on available-for-sale financial assets	7,241	-	7,241	7,241	-
(Loss) on Defined Benefit	-	(1,012)	(1,012)	-	(1,012)
Total comprehensive income	(4,886)	68,291	63,405	(4,895)	45,215
Balance at 31 December 2012	453,600	990,448	1,444,048	453,340	999,746
Balance at 1 January 2013	453,600	990,448	1,444,048	453,340	999,746
Profit or loss	-	62,341	62,341	-	67,392
Revaluation of property, plant & equipment	27,158	-	27,158	27,158	-
Realised (gains) on available-for-sale financial assets	(5,502)	-	(5,502)	(5,502)	-
Unrealised gain on available-for-sale financial assets	500	-	500	571	-
Net gain on Defined Benefit	-	2,999	2,999	-	2,999
Total comprehensive income	22,156	65,340	87,496	22,227	70,391
Balance at 31 December 2013	475,756	1,055,788	1,531,544	475,567	1,070,137

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

Statement of cash flows

Macquarie University
Statement of Cash Flows
For the Year Ended 31 December 2013

		Consolidated		Parent	
	Note	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Cash flows from operating activities					
Australian Government Grants	2(g)	380,663	330,597	380,663	330,597
OS-HELP (net)	2(g)	(184)	(246)	(184)	(246)
State Government Grants		2,233	1,109	2,233	1,109
Local Government Grants received		40	109	40	109
HECS-HELP - Student payments		21,252	21,243	21,252	21,243
Receipts from student fees and other customers		463,653	470,095	315,384	371,139
Dividends received		2,002	1,977	2,002	1,977
Interest received		6,867	9,068	4,958	6,957
Payments to suppliers and employees (inclusive of GST)		(761,904)	(724,439)	(602,621)	(617,071)
Interest and other cost of finance		(25,047)	(22,028)	(25,060)	(21,953)
GST recovered		22,364	35,225	14,665	28,325
Net cash provided by operating activities					
	38	111,939	122,710	113,332	122,186
Cash flows from investing activities					
Proceeds from sale of property, plant and equipment		204	165	180	144
Payments for property, plant and equipment		(53,345)	(197,504)	(51,885)	(196,688)
Proceeds from sale of financial assets		57,871	83,909	23,962	46,558
Payments for financial assets		(36,688)	(43,291)	(82)	(2,042)
Loans to related parties	34(e)	-	-	(3,000)	(11,100)
Net cash (used in) investing activities		(31,958)	(156,721)	(30,825)	(163,128)
Cash flows from financing activities					
Proceeds from borrowings		100,000	120,000	100,000	120,000
Repayment of borrowings		(141,034)	(958)	(141,034)	(958)
Repayment of finance leases		(197)	(182)	-	-
Net cash provided by / (used in) financing activities		(41,231)	118,860	(41,034)	119,042
Net increase in cash and cash equivalents held		38,750	84,849	41,473	78,100
Cash and cash equivalents at beginning of the financial year		164,047	79,200	133,088	54,989
Cash and cash equivalents at end of financial year	17	202,797	164,049	174,561	133,089
Financing arrangements	26				

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

Notes to the financial statements

Macquarie University
Notes to the financial statements
31 December 2013

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1 Summary of Significant Accounting Policies

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

(a) Basis of Preparation

The financial statements are general purpose financial statements which have been prepared on an accrual basis in accordance with Australian Accounting Standards, AASB Interpretations, the *Public Finance and Audit Act 1983*, the *Public Finance and Audit Regulations 2010*, the *Higher Education Support Act 2003* and the Financial Statement Guidelines for Australian Higher Education Providers, as issued by the Australian Government (Department of Education).

Macquarie University is a not-for-profit entity and these statements have been prepared on that basis. Some of the Australian Accounting Standards requirements for not-for-profit entities are inconsistent with the IFRS requirements.

Date of authorisation for issue

The financial statements for the year ended 31 December 2013 have been authorised for issue by the Macquarie University Council on 10 April 2014.

Historical cost convention

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

Critical accounting estimates

The preparation of financial statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying Macquarie University's accounting policies. The estimates and underlying assumptions are reviewed on an ongoing basis. All significant estimates or assumptions made in the preparation of the financial statements have been explained in the accounting policy notes or subsequent notes.

(b) Basis of consolidation

(i) Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Macquarie University ("parent entity") as at 31 December 2013 and the results of all subsidiaries for the year then ended. Macquarie University and its subsidiaries together are referred to in this financial report as the Group or the Consolidated Entity.

Subsidiaries are all those entities (including special purpose entities) over which the Group has the ability to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

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

The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group.

Intercompany transactions, balances and unrealised gains on transactions between Group entities are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

A list of the subsidiaries appear in note 35.

(ii) Common control transactions

The predecessor method of accounting is used to account for business combinations between the entities in the Group.

Assets acquired and liabilities assumed in common control transactions are measured at acquisition date at the carrying value for the Group's perspective.

1 Summary of Significant Accounting Policies (continued)

(b) Basis of consolidation (continued)

Non-cash distributions involving entities under common control are treated as contributions by owners/distributions to owners and are accounted for through equity, as a redemption of ownership interest.

Transfer of businesses, assets and liabilities involving entities under common control are done at book values through equity.

(iii) Joint ventures, associates and minority interests

The proportionate interests in the assets, liabilities and expenses of joint venture operations were not considered material and have not been incorporated in the financial statements. Details of joint ventures and associates are set out in note 36.

(c) Foreign currency translation

(i) Functional and presentation currency

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

(ii) Transactions and balances

Foreign currency transactions during the period have been converted to Australian currency at the rate applicable at the dates of transactions, with exchange rate fluctuations being recorded in the income statement. The balances of foreign currency accounts at balance sheet date are included with cash and cash equivalents in the statement of financial position, converted at the rates applicable at year end. The balances of payables denominated in foreign currency at the balance sheet date are included in payables in the statement of financial position, converted at the rates applicable at year end.

(d) Comparative Amounts

Where necessary, comparative information has been reclassified to enhance comparability in respect of changes in presentation adopted in the current year. Refer to note 1 (z) for further details.

(e) Revenue Recognition

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

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Group and specific criteria have been met for each of the Group's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue is recognised for the major business activities as follows:

(i) Government Grants

The University treats operating grants received from Australian Government entities as revenue in the year of receipt.

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

(ii) HELP payments

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

(iii) Student fees and charges

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

1 Summary of Significant Accounting Policies (continued)

(e) Revenue Recognition (continued)

(iv) Royalties, trademarks and licences

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

(v) Consultancy and Contracts / Fee for Service

Contract and consultancy revenue is recognised when the service is provided. Where appropriate, stage of completion is measured by reference to labour hours incurred to date as a percentage of estimated total labour hours for each contract.

(vi) Lease income

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

Finance lease income is recognised in the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the receivable for each period.

(vii) Investment revenue

Interest revenue is recognised on an accruals basis using the effective interest method. Dividend revenue is recognised as received.

(f) Income Tax Exemption

Macquarie University and its controlled entities have received an endorsement by the Australian Taxation Office to access the income tax exemption from 1st July 2000 under the Income Tax Assessment Act 1997, with the exception of LAMS International Pty Ltd, Risk Frontiers Flood (Australia) Pty Ltd and Macquarie University Property Investment Company. LAMS International Pty Ltd and Macquarie University Property Investment Company have no income tax liability as at 31 December 2013.

(g) Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases (note 33(b)). Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

The University is lessor in a number of long term leases of land to commercial organisations. Where substantially all the risks and rewards incidental to ownership are transferred to the lessee at inception, these leases are classified as finance leases. Finance leases are recognised at the lease's inception at the lower of the fair value of the lease property and the present value of the minimum lease payments. The corresponding rent receivables, net of finance lease income, are included in other short term and long term receivables. Each lease receipt is allocated between the receivable and finance lease income. The finance lease income is recognised in the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the receivable for each period.

At the end of the lease period, buildings constructed by the lessees on the various sites will revert to University ownership without payment of consideration to the lessee. These assets have not been recognised in the financial statements as management considers the value of the assets at the end of the long term lease period to be immaterial.

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

(h) Impairment of assets

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subjected to amortisation are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use i.e. depreciated replacement cost.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows which are largely independent of the cash inflows from other assets or groups of assets (cash generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

1 Summary of Significant Accounting Policies (continued)

(i) Cash and cash equivalents

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

(j) Trade receivables

Trade receivables are initially recognised and subsequently measured at invoiced amount. There is no material difference between invoiced amount and amortised cost due to their short term nature. Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for impairment of receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables.

Significant financial difficulties, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. Consideration is also given to history of late but successful payment relations with the debtors and the quality of correspondence between the Group and the debtor. The amount of the provision is the difference between the asset's carrying amount and the value of estimated future cash flows. The amount of the provision is recognised in the income statement.

A provision for impairment of receivables has been created based on a review of all outstanding amounts at 31 December 2013. Bad debts are written off in the period in which they are identified.

(k) Inventories

Printery, publications, food and beverage, service stores, medical supplies and other inventories held for resale are valued at the lower of cost and net realisable value.

(l) Investments and other financial assets

Funds are invested using guidelines established by the University Council. In 1996, the University applied for and was granted wide investment powers under part 4 of Schedule 4 of the "Public Authorities (Financial Arrangements) Act 1987". Using these powers in 1997 the University implemented a strategy to diversify its investment portfolio between current and non-current investments.

For further information references should be made to the following notes:

Available-for-sale financial assets (Note 20)

Held-to-maturity investments (Note 20)

Other financial assets (Note 20)

Reserves and retained earnings (Note 29)

(i) Classification

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

(ii) Financial assets at fair value through income statement

Financial assets at fair value through income statement include financial assets held for trading. No such assets were held in 2013 and 2012.

(iii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of selling the receivable. They are included in current assets, except for those with maturities greater than 12 months after the reporting date which are classified as non-current assets. Loans and receivables are included in receivables in the statement of financial position.

1 Summary of Significant Accounting Policies (continued)

(l) Investments and other financial assets (continued)

(iv) Held-to-maturity investments

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

(v) Available-for-sale financial assets

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

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

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

Subsequent measurement

Available-for-sale financial assets are subsequently carried at fair value where this can be reliably measured or at historical cost where no reliable fair value measurement is available. Loans and receivables and held-to-maturity investments are carried at historical cost, which approximates to fair value calculated using the effective interest method.

Unrealised gains and losses arising from changes in the fair value of non-monetary securities classified as available-for-sale are recognised in equity in the available-for-sale investments revaluation surplus. Changes in the fair value of other monetary and non-monetary securities classified as available-for-sale are recognised in equity.

Fair value

The fair values of quoted investments are based on quoted prices in an active market. If the market for a financial asset is not active, 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. If fair value cannot be determined, the investment is measured at cost.

Impairment

The Group assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered in determining whether the security is impaired.

In the case of unlisted securities measured at cost, reference to the percentage stake in the net assets of the investment is considered in determining whether the security is impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss, measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss, is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement.

(m) Derivatives

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

(i) Fair value hedge

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

1 Summary of Significant Accounting Policies (continued)

(m) Derivatives (continued)

attributable to the hedged risk.

(ii) Cash flow hedge

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

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

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

When a hedging instrument expires or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss that has been recognised in other comprehensive income from the period when the hedge was effective shall remain separately in equity until the forecast transaction occurs. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was recognised in other comprehensive income is reclassified to income statement as a reclassification adjustment.

(iii) Derivatives that do not qualify for hedge accounting

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

(n) Fair value measurement

The fair value of assets and liabilities is measured for recognition and disclosure purposes.

Macquarie University classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements.

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

The fair value of assets or liabilities that are not traded in an active market (for example, over-the-counter-derivatives) is determined using valuation techniques. Macquarie University 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 reporting date. The level in the fair value hierarchy shall be 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. Macquarie University considers market participants use of, or purchase price of the asset, to use it in a manner that would be highest and best use.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short-term nature. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to Macquarie University for similar financial instruments.

1 Summary of Significant Accounting Policies (continued)

(o) Property, Plant and Equipment

Acquisition and additions of non-current assets are capitalised if the value is more than \$5,000 for the University, U@MQ Ltd and MGSM Pty Ltd, and \$1,000 for all other subsidiaries where individual items are less than these amounts but the project total is collectively greater than the capitalisation limit, the collective total may be capitalised. These additions are recorded at cost in the year of acquisition.

Land and buildings are measured at fair value. Fair value is determined on the basis of an independent valuation prepared by external experts and is assessed in accordance with AASB 13.

The fair value of property, plant and equipment is measured on an existing use basis, where there are no feasible alternative uses in the existing natural, legal, financial and socio-political environment. However, in the limited circumstances where there are feasible alternative uses, assets are valued at their highest and best use. Fair value of property, plant and equipment is determined based on the best available market evidence, including current market selling prices for the same or similar assets. Where there is no available market evidence, the asset's fair value is measured at its market buying price, the best indicator of which is depreciated replacement cost.

The fair values are recognised in the financial statements, and are reviewed at the end of the reporting periods to ensure that the carrying values of land and buildings are not materially different from their fair value.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Increases in the carrying amounts arising on revaluation of land and buildings are recognised in other comprehensive income and accumulated in equity under the heading reserves. To the extent that the increase reverses a decrease previously recognised in the income statement, the increase is first recognised in the income statement. Decreases that reverse previous increases of the same asset are also firstly recognised in other comprehensive income before reducing the balance of revaluation reserves in equity, to the extent of the remaining reserve attributable to the asset; all other decreases are charged to the income statement.

Gains and losses on disposals are recorded on a net basis in the income statement.

Land, Building and Infrastructure is revalued annually, with dates of inspection between 31 July 2013 to 30 November 2013 and valuation date as at 1 December 2013. The valuation was provided by Mr B Hill AAPI, Registered Valuer No. 024135 of Global Valuations Services Pty Ltd.

The carrying value of other plant and equipment is measured at depreciated historic cost. There is no substantive difference between the fair value and the carrying value of these assets.

IT software relating to capital projects which is purchased, developed or implemented, is recorded at historical cost and amortised over its useful life.

The Library General Collection is recorded at fair value on the basis of depreciated replacement value.

The following asset collections are measured at fair value and are revalued every three years:

- Works of Art were revalued as at 31 December 2013 by Mr W Caruana for the indigenous works, and by Ms S Downer and Ms S Hewitt for the non-indigenous works, including works in the University's Sculpture Park. The valuers are approved valuers under the Australian Government Cultural Gifts Program.
- The Library Special Collection was revalued as at 3 November 2013. The valuation was provided by Mr S Taaffe, an approved valuer under the Australian Government Cultural Gifts Program.
- Artefacts contained in the Lachlan Macquarie Room located at Macquarie University were revalued on 1 December 2013. The valuation was provided by Mr S Hollington M.A.V.A.A, Registered Valuer No. 255 of Hollington Fine Art Valuation.
- Artefacts owned by Macquarie University in the Museum of Ancient Cultures were revalued in November 2013. The valuation was provided by Mr R Loosley, an approved valuer under the Australian Government Cultural Gifts Program.
- The collections of papyri held by the Museum of Ancient Cultures were revalued in November 2013. The valuation was provided by Mr R Loosley, an approved valuer under the Australian Government

1 Summary of Significant Accounting Policies (continued)

(o) Property, Plant and Equipment (continued)

Cultural Gifts Program.

- Coins held in the Museum of Ancient Cultures located at Macquarie University were revalued on 15 December 2013. The valuation was provided by Mr W Holt ANA, ANS, ASAN.

Property, plant and equipment are depreciated only when they are completed and ready for use. Depreciation is calculated on a straight line basis to expense the net cost or fair value of each item of property, plant and equipment over its expected useful life. Land is not depreciated. Standard applicable rates by asset type are:

Asset	Typical expected useful lives
- Patents	20 years
- Buildings	40 years
- Infrastructure	21 years
- Assets under construction	Nil
Plant and Equipment	
- Computer equipment	3.3 years
- Other equipment	10 years
- Science equipment	5 years
- Motor vehicles	6.7 years
- Medical equipment	5 - 10 years
- IT capital projects	3 - 10 years
Leasehold improvements	5 years
Library Collections: General	5 years
Library Collections: Special	Nil
Works of Art and Museum Collections	Nil

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

(p) Intangible Assets

(i) Research

Expenditure on research activities, undertaken with the prospect of obtaining new scientific or technical knowledge and understanding, is recognised in the income statement as an expense when it is incurred.

(ii) Development

Expenditure on development activities, 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 development expenditure is recognised in the income statement as an expense as incurred. Capitalised development 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.

(iii) Patents

Patents were revalued on 1 December 2008. The valuation was provided Mr Steven Allan from Moore Stephens, Associates of the Institute of Chartered Accountants in Australia, Member of CPA Australia and Fellow of the Taxation Institute of Australia.

The University conducts an annual internal review of patents to gain assurance that the product or service continues to be technically and commercially feasible.

(q) Unfunded Superannuation

Refer to notes 41 and 42 for details of amounts owing by Commonwealth / State Governments for unfunded deferred liabilities for superannuation schemes.

Summary of Significant Accounting Policies (continued)

(r) Trade and other payables

Trade accounts payable are recognised when the University becomes obliged to make future payments as a result of purchases. Trade accounts payable are measured at original cost, which is not materially different to amortised cost due to the short term nature of liabilities. The amounts are unsecured and are usually paid within 30 days of recognition.

(s) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the income statement over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after date of the statement of financial position and does not expect to settle the liability for at least 12 months after the date of statement of financial position.

(t) Borrowing costs

Borrowing costs are recognised as expenses in the period in which they are incurred (except where they are included in the costs of qualifying assets during the period of time that is required to complete and prepare the asset for its intended use or sale). Interest is expensed as it accrues, unless it relates to qualifying assets, in which case the borrowing cost is capitalised.

(u) Provisions

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

Provisions are not recognised for future operating losses.

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

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

(v) Employee benefits

(i) Short-term obligations

Liabilities for short-term employee benefits including wages and salaries are measured at the amount expected to be paid when the liability is settled, if it is expected to be settled wholly before twelve months after the end of the reporting period, and is recognised in payables.

(ii) Other long-term obligations

The liability for other long-term employee benefits such as annual leave and long service leave is recognised in current provisions for employee benefits if it is expected to be settled wholly before twelve months after the end of the reporting period. The liability is measured at the present value expected future payments to be made in respect of services provided by employees up to the reporting date. 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.

The long service leave liability has been recognised according to an actuarial assessment performed in accordance with AASB 119 Employee Benefits.

(iii) Retirement benefit obligations

All University employees, including casuals, receive superannuation benefits equal to or exceeding the

1 Summary of Significant Accounting Policies (continued)

(v) Employee benefits (continued)

Superannuation Guarantee Levy.

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 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 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 and any unrecognised past service cost. The present value of the defined benefit obligation is based on expected future payments which arise from membership of the fund to the reporting date, calculated annually by independent actuaries using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service.

Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

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

Past service costs are recognised in income immediately.

Contribution to the defined contribution fund are recognised as an expense as they become payable.

(iv) Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts an offer of benefits in exchange for the termination of employment. The Group recognises 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. Benefits not expected to be settled wholly before 12 months after the end of the reporting period are discounted to present value.

(v) Changes in accounting policy

The adoption of the revised AASB 119 has not had a material impact on the financial statements. Management estimate that the impact to the income statement for 2012 would have been less than \$0.5m. Accordingly, the 2012 income statement has not been adjusted.

(w) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

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

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(x) Rounding of amounts

Amounts in the financial statements have been rounded to the nearest thousand dollars.

(y) New Accounting Standards and Interpretations

Certain new Accounting Standards and Interpretations became mandatory for the 31 December 2013 reporting period. These new requirements have not had a material impact on either the results or disclosure of the University. See note 1 (v) for details of the assessment of the impact of the revised AASB 119.

Summary of Significant Accounting Policies (continued)

(y) New Accounting Standards and Interpretations (continued)

Certain new Accounting Standards and Interpretations have been published that are not mandatory for 31 December 2013 reporting period. The University has elected not to early adopt any of these standards. The University has assessed the impact of these future Standards and Interpretations and considers the impact to be insignificant for the year ending December 2014.

(z) Reclassification of comparative information

During 2013 the University undertook a review of the classification of material items in the financial statements, in order to ensure the presentation of results continues to provide information that is reliable and relevant to users.

The following material item was reclassified in 2013 and has been restated in the 2012 results:

Item	Location in 2012 accounts	Location in 2013 accounts	2012 balance \$'000	Rational for classification
Reclassification of certain accounts relating to repairs and maintenance	Other expenses, non-capitalised equipment	Repairs and maintenance	1,849	Reclassification ensures all costs relating to repairs and maintenance are included in repairs and maintenance note

2 Australian Government financial assistance including HECS-HELP and other Australian Government loan

(a) Commonwealth Grants Scheme and Other Grants

	Consolidated		Parent	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Note				
Commonwealth Grants Scheme ^{#1}	142,014	134,080	142,014	134,080
Indigenous Support Fund	710	544	710	544
Partnership & Participation Program ^{#2}	2,434	1,519	2,434	1,519
Disability Support Program	916	856	916	856
Transitional Cost Program	-	36	-	36
Promotion of Excellence in Learning and Teaching	345	619	345	619
Reward Funding	667	584	667	584
Total Commonwealth Grants Scheme and Other Grants	147,086	138,238	147,086	138,238
43(a)				
(b) Higher Education Loan Programs				
HECS-HELP	114,896	96,732	114,896	96,732
FEE-HELP ^{#3}	32,936	29,439	32,936	29,439
SA-HELP	1,629	1,318	1,629	1,318
Total Higher Education Loan Programs	149,461	127,489	149,461	127,489
43(b)				
(c) Scholarships				
Australian Postgraduate Awards	5,837	5,225	5,837	5,225
International Postgraduate Research Scholarships	465	448	465	448
Commonwealth Education Costs Scholarship ^{#4}	(103)	134	(103)	134
Commonwealth Accommodation Scholarships ^{#4}	(58)	93	(58)	93
Indigenous Access scholarships	9	101	9	101
Indigenous Staff Scholarships	43	-	43	-
Total Scholarships	6,193	6,001	6,193	6,001
43(c)				
(d) Education Research				
Joint Research Engagement Program ^{#5}	5,812	5,816	5,812	5,816
JRE Engineering Cadetships	49	25	49	25
Research Training Scheme	13,772	12,813	13,772	12,813
Research Infrastructure Block Grants	3,146	2,650	3,146	2,650
Commercialisation Training Scheme	-	(250)	-	(250)
Sustainable Research Excellence in Universities	2,252	2,002	2,252	2,002
Total Education Research Grants	25,031	23,056	25,031	23,056
43(d)				

2 Australian Government financial assistance including HECS-HELP and other Australian Government loan (continued)

(e) Australian Research Council

	Note	Consolidated		Parent	
		2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
(i) Discovery					
Projects		9,316	9,331	9,316	9,331
Fellowships		7,493	6,482	7,493	6,482
Indigenous Researchers Development		43	73	43	73
Total Discovery	43(f)(i)	16,852	15,886	16,852	15,886
(ii) Linkages					
Infrastructure		390	809	390	809
International		-	(7)	-	(7)
Projects		2,431	2,018	2,431	2,018
Total Linkages	43(f)(ii)	2,821	2,820	2,821	2,820
(iii) Networks and Centres					
Centres		5,258	5,169	5,258	5,169
Total Networks and Centres	43(f)(iii)	5,258	5,169	5,258	5,169
Total ARC	43(f)	24,931	23,875	24,931	23,875

#1 Includes the basic CGS grant amount, CGS - Regional Loading, CGS - Enabling Loading, Maths and Science Transition Loading and Full Fee Places Transition Loading.

#2 Includes Equity Support Program.

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

#4 Includes Grandfathered Scholarships, National Priority and National Accommodation Priority Scholarships respectively.

#5 Includes Institutional Grants Scheme.

(f) Other Australian Government financial assistance

Non-capital

Commonwealth Parliament	54	54	-	-
Agriculture, Fisheries and Forestry	56	45	56	45
Attorney-General	-	108	-	108
Education, Employment and Workplace Relations	1,809	1,233	1,809	1,233
Environment, Water, Heritage and the Arts	-	29	-	29
Foreign Affairs and Trade	(3)	1,851	(3)	1,851
Health and Ageing	4,263	4,297	4,263	4,297
Innovation, Industry, Science and Research	5,185	3,298	5,185	3,298
Prime Minister and Cabinet	-	7	-	7
Other	5,775	1,123	5,775	1,123
Total: non-capital	17,139	12,045	17,085	11,991

Capital

Education, Employment and Workplace Relations	-	20	-	20
Health and Ageing	32	219	32	219
Innovation, Industry, Science and Research	670	1,272	670	1,272
Other	6	-	6	-
Total: capital	708	1,511	708	1,511
Total Other Australian Government financial assistance	17,847	13,556	17,793	13,502
Total Australian Government financial assistance	370,549	332,215	370,495	332,161

2 Australian Government financial assistance including HECS-HELP and other Australian Government loan (continued)

Reconciliation

	Consolidated		Parent	
	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000
Reconciliation				
Australian Government Grants	221,088	204,726	221,034	204,672
HECS-HELP payments	114,896	96,732	114,896	96,732
FEE-HELP payments	32,936	29,439	32,936	29,439
SA-HELP payments	1,629	1,318	1,629	1,318
Total Australian Government financial assistance	370,549	332,215	370,495	332,161

(g) Australian Government Grants received - cash basis

	Note	Consolidated		Parent	
		2013	2012	2013	2012
		\$'000	\$'000	\$'000	\$'000
CGS and Other EDUCATION Grants	43(a)	151,209	136,044	151,209	136,044
Higher Education Loan Programs	43(b)	155,780	127,687	155,780	127,687
Scholarships	43(c)	6,193	6,001	6,193	6,001
EDUCATION Research	43(d)	25,031	23,306	25,031	23,306
ARC grants - Discovery	43(f)(i)	16,622	16,082	16,622	16,082
ARC grants - Linkages	43(f)(ii)	2,779	2,806	2,779	2,806
ARC grants - Networks and Centres	43(f)(iii)	5,258	5,169	5,258	5,169
Other Australian Government Grants		17,790	13,502	17,790	13,502
Total Australian Government Grants received - cash basis		380,662	330,597	380,662	330,597
OS-HELP (Net)	43(g)	(184)	(246)	(184)	(246)
Total Australian Government funding received - cash basis		380,478	330,351	380,478	330,351

3 State and local government financial assistance

	Consolidated		Parent	
	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000
Non-capital				
State and Local Government Research	1,786	719	1,786	719
Other State and Local Government financial assistance	487	499	487	499
Total Non-capital	2,273	1,218	2,273	1,218
Capital				
Total capital	-	-	-	-
Total State and Local Government Financial Assistance	2,273	1,218	2,273	1,218

Macquarie University
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4 Fees and charges

	Consolidated		Parent	
	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000
Course fees and charges				
Fee-paying overseas students	208,648	215,000	202,944	210,849
Continuing education	752	783	752	783
Fee-paying domestic postgraduate students	16,115	16,292	12,751	13,308
Fee-paying domestic undergraduate students	7,050	7,422	7,050	7,422
Fee-paying domestic non-award students	2,048	2,311	2,048	2,311
English language programs	3,402	3,133	3,402	3,133
Income from Sydney Institute of Business and Technology (SIBT)	18,058	18,842	17,783	18,570
Total course fees and charges	256,073	263,783	246,730	256,376
Other non-course fees and charges				
Other service fees	5,204	5,787	5,233	5,793
Parking fees	4,671	3,824	4,703	3,836
Student accommodation	2,520	3,037	2,520	3,037
Student Services and Amenities Fees from students	2,997	2,875	2,997	2,875
Miscellaneous non-course fees and charges	1,510	932	1,510	932
Total Other Fees and Charges	16,902	16,455	16,963	16,473
Total Fees and Charges	272,975	280,238	263,693	272,849

5 Investment revenue

	Consolidated		Parent	
	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000
Dividends	1,786	2,285	1,786	2,285
Interest	6,956	8,767	10,435	11,495
Total investment revenue	8,742	11,052	12,221	13,780

6 Royalties, trademarks and licences

	Consolidated		Parent	
	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000
Royalties	903	575	699	413
Total royalties, trademarks and licences	903	575	699	413

7 Consultancy and contracts

	Consolidated		Parent	
	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000
Consultancy	15,021	8,670	1,432	2,304
Contract research	11,041	10,843	11,042	10,843
Total consultancy and contracts	26,062	19,513	12,474	13,147

8 Other revenue and income

	Consolidated		Parent	
	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000
Donations and bequests	1,444	1,316	1,443	1,314
Scholarships and prizes	486	425	486	425
Publication sales	522	784	573	879
Recoveries	1,824	2,615	29,731	29,931
Rental charges	27,227	22,437	18,556	13,702
Child care fees	4,137	3,840	-	-
Food sales, hotel & retail	11,098	9,951	-	-
Hospital services revenue	89,969	68,324	-	-
Management fees	1,233	910	-	-
Members' fees	7,581	6,750	-	-
Project research	1,139	988	-	-
Room, academic dress hire	927	1,332	-	-
Sports and recreation income	569	475	-	-
Other revenue and income	11,404	11,187	4,103	3,237
Total other revenue	159,560	131,334	54,892	49,488

9 Gains on disposal of assets

	Consolidated		Parent	
	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000
(a) Sale of shares, managed funds and fixed income securities				
Gains on disposal of assets	7,254	17,039	7,254	17,039
(b) Disposal of property, plant and equipment				
Gains on disposal of assets	59	144	59	144
Total net gain on disposal of assets	7,313	17,183	7,313	17,183

Macquarie University
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10 Employee related expenses

	Consolidated		Parent	
	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000
Academic				
Salaries	156,285	148,812	153,661	146,467
Contribution to superannuation and pension schemes	22,182	20,445	21,631	19,934
Payroll tax	10,480	9,587	10,119	9,265
Worker's compensation	825	470	492	468
Long service leave expense	(649)	6,445	(651)	6,747
Annual leave	531	113	524	1,114
Total academic	189,654	185,872	185,776	183,995
Non-academic				
Salaries	208,425	182,385	133,479	119,486
Contribution to superannuation and pension schemes	25,163	22,150	18,433	16,262
Payroll tax	9,535	8,850	7,618	7,559
Worker's compensation	624	875	416	319
Long service leave expense	(507)	4,206	(313)	3,820
Annual leave	1,141	5,082	458	518
Total non-academic	244,381	223,548	160,091	147,964
Total employee related expenses	434,035	409,420	345,867	331,959
Deferred superannuation expense ¹	792	655	792	655
Total employee related expenses, including deferred government employee benefits for superannuation	434,827	410,075	346,659	332,614

¹ Includes \$442k (2012: \$473k) for Professorial Superannuation Scheme and \$350k (2012: \$182k) for State Authorities Non-Contributory Scheme. See note 42 for further details.

11 Depreciation and amortisation

	Consolidated		Parent	
	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000
Depreciation				
Buildings	25,522	21,945	25,522	21,941
Plant and equipment ¹	20,562	20,357	19,225	19,156
Infrastructure	4,407	3,687	4,407	3,687
Library Collection - General	7,200	6,906	7,200	6,906
Leasehold improvements	436	475	436	475
Total depreciation	58,127	53,370	56,790	52,165
Amortisation				
Patents and trademarks	24	18	24	18
Total depreciation and amortisation	58,151	53,388	56,814	52,183

¹ Includes motor vehicles

Macquarie University
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12 Repairs and maintenance

	Consolidated		Parent	
	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000
Buildings and infrastructure	10,704	7,561	6,795	4,494
Total repairs and maintenance	10,704	7,561	6,795	4,494

13 Borrowing costs

	Consolidated		Parent	
	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000
Bank loans	4,287	2,968	4,287	2,968
Bond interest	17,125	17,154	17,125	17,154
Interest rate swap and financing costs	(37)	2,321	(37)	2,321
Total borrowing costs expensed	21,375	22,443	21,375	22,443

The student housing loan and bond issuance are carried at a fixed interest rate of 7.035% and 6.750% respectively until 2020.

No interest relating to qualifying assets was capitalised during 2013. 2012 costs are shown net of \$1.0m of capitalised interest related to qualifying assets.

14 Impairment of assets

	Consolidated		Parent	
	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000
Third party receivables	336	285	192	114
Available-for-sale financial assets	384	7,320	384	7,320
Controlled entity loan investment	-	-	(35,869)	50,871
Controlled entity equity investment	-	-	49,749	-
Associate investment and receivables	1,188	2,023	-	-
Intangible assets	157	-	157	-
Total impairment of assets	2,065	9,628	14,613	58,305

Refer to notes 20 and 22 for details of the impairment charges and reversals for the debt and equity investments in MUH Operations No. 2 Pty Ltd, a controlled entity.

During 2013 the Group made an impairment provision of \$1.2m (2012: \$2.0m) against the investment and receivables of an associate, Macquarie Medical Imaging Pty Ltd. Refer to note 20 for further details.

Macquarie University
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15 Losses on disposal of assets

	Consolidated		Parent	
	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000
(a) Disposal of property, plant and equipment				
Losses on disposal of assets	349	321	284	219
Total net loss on disposal of assets	349	321	284	219

16 Other expenses

	Consolidated		Parent	
	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000
Advertising, marketing and promotions	7,968	6,389	4,976	3,433
Audit fees, bank charges, legal costs and insurance	9,413	8,446	7,246	6,375
Cleaning	4,429	3,198	4,432	3,200
Copyright charges	1,181	1,128	1,181	1,129
General consumables and materials	68,959	55,965	16,692	14,024
Agents commission	11,756	10,510	7,595	6,740
Maintenance contracts	9,202	7,980	9,202	7,980
Non-capitalised equipment	7,346	6,615	6,000	4,609
Printing, postage and stationery	2,344	2,426	1,500	1,564
Rental, hire and other leasing fees	10,193	10,666	8,743	9,242
Security	3,781	3,061	3,138	2,415
Subscriptions	2,645	1,777	2,387	1,603
Telecommunications	1,475	1,363	1,240	1,080
Travel and related staff development and training	17,325	14,811	17,054	13,983
Tuition services	18,903	18,458	18,903	18,458
Utilities	11,646	9,222	9,122	7,135
Miscellaneous expenses	8,536	5,297	3,983	1,529
Total other expenses	197,102	167,312	123,394	104,499

17 Cash and cash equivalents

	Consolidated		Parent	
	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000
Cash at bank and on hand	33,978	43,711	28,628	35,785
Deposits at call	22,907	23,034	-	-
NSW TCorp Hour Glass Investment Facility	145,933	96,382	145,933	96,382
UBS Cash Plus	-	922	-	922
Total cash and cash equivalent	202,818	164,049	174,561	133,089

(a) Reconciliation to cash at the end of the year

The above figures are reconciled to cash at the end of the year as shown in the statement of cash flows as follows:

	Consolidated		Parent	
	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000
Balances as above	202,818	164,049	174,561	133,089
Less: Overdraft (see note 26)	(21)	-	-	-
Balance as per cash flow statement	202,797	164,049	174,561	133,089

(b) Cash at bank and on hand and NSW TCorp Hour Glass Investment Facility

Group cash at bank and on hand comprises \$33.90m of cash at bank with an average rate at 31 December 2013 of 3.1% (2012: 3.2%).

NSW TCorp Hour Glass Investment Facility had a rate at 31 December 2013 of 2.72% (2012: 3.60%).

(c) Deposits at call

Group deposits at call have a term of 90 days or less and bear interest with a weighted average of 3.90% (2012: 3.75%).

(d) Restricted Funds

Included in the cash at bank and on hand is an amount of \$157k as at 31 December 2013 (2012: \$201k) for the purpose of meeting the objectives of the estate of the late F.J. Walsh bequest.

Included in the cash at bank and on hand is an amount of \$146k as at 31 December 2013 (2012: \$157k) for the purpose of meeting the objectives of the Nippon Fellowship Fund.

Refer to note 39 for details regarding credit risk, liquidity risk and market risk arising from financial instruments.

18 Receivables

	Consolidated		Parent	
	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000
Current				
Related parties	-	-	4,707	5,073
Other debtors	19,039	24,980	6,529	8,832
Student debtors	2,604	2,386	2,604	2,386
Less: provision for impaired receivables	(992)	(971)	(777)	(812)
Total net receivables	20,651	26,395	13,063	15,479
Accrued income	10,454	13,256	5,207	8,498
Finance lease receivables	428	401	428	401
Total current receivables	31,533	40,052	18,698	24,378
Non-current				
Finance lease receivables	29,109	29,537	29,109	29,537
Deferred government contribution for superannuation ¹	348,146	397,482	348,146	397,482
Associates	2,603	1,748	-	-
Less: provision for impaired receivables - associates	(2,211)	(1,023)	-	-
Total non-current receivables	377,647	427,744	377,255	427,019
Total receivables	409,180	467,796	395,953	451,397

¹ State Authorities Superannuation Scheme (SASS) and State Superannuation Scheme (SSS).

Refer to note 39 for details regarding credit risk, liquidity risk and market risk arising from financial instruments.

Deferred government contribution for superannuation

Refer to note 41 for details of the deferred government contribution for superannuation.

Refer to note 42 for details of the individual defined benefit plans.

Finance Leases - Macquarie University Village

The University has entered into a finance lease with Campus Living Pty Ltd to manage and operate the student accommodation known as Macquarie University Village Stage 1.

The period of the lease is 30 years which commenced in December 2006 and the carrying value of the student accommodation has been written down to nil at 1 January 2007 on the basis that there is no future economic benefit to the University from the student accommodation.

Finance Leases - Macquarie University Research Park

During 2011, the University reclassified several long term land leases within the Macquarie University Research Park issued to commercial organisations from operating leases to finance leases.

Public Private Partnerships (PPP)

The University has entered into a Public Private Partnership with Campus Living Pty Ltd to build, manage and operate the student accommodation known as Macquarie University Village Stage 2.

The period of the agreement is 30 years which commenced in December 2006 and at the end of that time the student accommodation will revert to the University.

At the end of the concession agreement no right to receive an asset has been recognised as the University believes the buildings will have reached the end of their useful life.

18 Receivables (continued)
(a) Impaired receivables

As at 31 December 2013 receivables of the University with a nominal value of \$0.8 million (2012: \$0.8 million) were impaired. Consolidated receivables of \$3.2 million (2012: \$2.0 million) were impaired.

The remaining individually impaired receivables relate to students, student sponsors and trade debtors.

The ageing of these impaired receivables is as follows:

	Consolidated		Parent	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
< 3 months	1,229	13	9	13
3 to 6 months	56	190	74	37
Over 6 months	1,918	1,791	694	762
Total current impaired receivables	3,203	1,994	777	812

As at 31 December 2013, University receivables of \$2.97 million (2012: \$3.49 million) were past due but not impaired. Consolidated receivables of \$4.79 million (2012: \$6.13 million) were past due but not impaired.

These relate to a number of independent customers including current students for whom there is no recent history of default.

The ageing analysis of receivables past due but not impaired is as follows:

	Consolidated		Parent	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
< 3 months	1,769	3,208	996	1,256
3 to 6 months	2,088	1,997	1,047	1,319
Over 6 months	929	918	929	918
Total impaired trade receivables	4,786	6,123	2,972	3,493

Movements in the provision for impaired receivables are as follows:

	Consolidated		Parent	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
At 1 January	1,994	1,364	812	1,283
Provision for impairment recognised during the year	1,530	1,548	191	92
Receivables written off during the year as uncollectible	(338)	(944)	(246)	(590)
Unused amount reversed	17	26	20	27
At 31 December	3,203	1,994	777	812

The creation and release of the provision for impaired receivables has been included in note 14 of the income statement. Amounts charged to the provision account are generally written off when there is no expectation of recovering additional cash.

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

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19 Inventories

	Consolidated		Parent	
	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000
Current				
<i>At cost:</i>				
Medical supplies	3,684	3,346	-	-
Services store	44	50	-	-
Other inventories	388	276	-	-
Total inventories at cost	4,116	3,672	-	-
<i>At net realisable value:</i>				
Printery	43	62	22	37
Other inventories	158	163	158	163
Food and beverages	96	78	-	-
Services store	624	535	-	-
Total inventories at net realisable value	921	838	180	200
Total current inventories	5,037	4,510	180	200

20 Other financial assets

	Consolidated		Parent	
	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000
Current				
Available-for-sale - listed investments	-	22,232	-	22,232
Held to maturity - term deposits	23,232	20,500	-	-
Restricted assets - Held to maturity - term deposits	4,658	4,637	4,658	4,637
Total current other financial assets	27,890	47,369	4,658	26,869
Non-current				
<i>Available-for-sale: listed investments</i>				
- investment	9,625	9,752	9,625	9,752
- impairment	(6,108)	(5,864)	(6,108)	(5,864)
	3,517	3,888	3,517	3,888
<i>Available-for-sale: unlisted investments</i>				
- investment	5,780	5,492	5,780	5,492
- impairment	(1,190)	(1,456)	(1,190)	(1,456)
	4,590	4,036	4,590	4,036
<i>Investment in associate</i>				
- investment	1,000	1,000	-	-
- impairment	(1,000)	(1,000)	-	-
	-	-	-	-
<i>Investment in controlled entities</i>				
- loan	-	-	52,637	99,387
- impairment	-	-	(14,349)	(50,218)
	-	-	38,288	49,169
Held to maturity - term deposits	375	375	-	-
Total non-current other financial assets	8,482	8,299	46,395	57,093
Total other financial assets	36,372	55,668	51,053	83,962

20 Other financial assets (continued)

Investment in controlled entities

Since 2010 the University has offered a loan facility to a controlled entity, MUH Operations No. 2 Pty Limited, for the purposes of providing capital and working capital start-up funds to the greenfield hospital site in pursuance of the Hospital's goal to provide the highest quality of patient care and to provide world class facilities and research environments for the Hospital and the University to meet its research and teaching agenda.

During 2013, \$70m of debt issued by the University to MUH Operations No. 2 Pty Limited was converted to an equity investment in MUH Operations No. 2 Pty Limited by issue of \$70m of Class B Funding shares in consideration for \$70m of debt. This equity investment is shown in note 22.

At 31 December 2013 the loan balance, after allowing for the \$70m consideration noted above, was \$52.6m. At 31 December 2013 the 10 year evergreen facility was \$120m, with \$67.4m undrawn. On 5 December 2013, Macquarie University Council resolved that funds would continue to be lent to MUH Operations No. 2 Pty Limited to enable MUH Operations No. 2 Pty Limited to meet its obligations.

At 31 December 2013 management identified indicators that the loan may be impaired. The loan investment of \$52.6m was therefore assessed for impairment in accordance with AASB 139 *Financial Instruments: Recognition and Measurement*.

The impairment test modelled the discounted cashflows expected to be received from MUH Operations No. 2 Pty Ltd relating to the loan balance at 31 December 2013, over the expected remaining life of the loan. Inputs into the modelling included a 10 year plan approved by the Board of MUH Operations No. 2 Pty Ltd in 2013, to which management applied a number of judgements based on actual history of performance against plan by MUH Operations No. 2 Pty Ltd. The discount rate applicable to the loan as at 31 December 2013, of 4.58%, was used to discount the cashflows.

An impairment of \$14.3m was determined as at 31 December 2013. In the prior year the impairment on the loan as at 31 December 2012 had been determined as \$50.2m. The decrease in provision represents a write-back of \$35.9m and is reflected in the income statement in note 14.

Investment in Associate

The Group holds \$1.0m of Series A Preference Shares in an associate, Macquarie Medical Imaging Pty Ltd (MMI).

This investment, and \$2.6m of receivables owing from MMI was assessed for impairment in accordance with AASB 139 and an impairment provision of \$3.2m was made in 2013 (2012: \$2.0m). The impairment was applied fully against the \$1.0m of Preference Shares; the remaining provision was applied against the receivable (see note 18 for details).

Restricted Assets

When the University is granted statutory funds, these funds will be used for specific purposes, however, the University has the power to invest these funds in a manner to generate sufficient return on these unused funds.

Included in held to maturity term deposits is an amount of \$2.7 million (2012: \$2.6 million) held by the University solely for the purposes of meeting the objectives of the Nippon Foundation and \$2.0 million (2012: \$2.0 million) for the Numismatic Fund.

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21 Other non-financial assets

	Consolidated		Parent	
	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000
Current				
Prepayments - Library subscriptions	4,170	3,612	4,170	3,612
Prepayments - Other	6,803	8,053	5,257	6,765
Lease Asset	1,495	1,333	1,630	1,491
Total current other non-financial assets	12,468	12,998	11,057	11,868
Non-current				
Lease Asset	23,253	16,205	25,076	18,470
Total non-current other non-financial assets	23,253	16,205	25,076	18,470
Total other non-financial assets	35,721	29,203	36,133	30,338

22 Investments in subsidiaries

	Consolidated		Parent	
	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000
<i>Investment in MUH Operations No. 2 Pty Ltd</i>				
- investment: Class B Funding Shares	-	-	70,000	-
- impairment	-	-	(49,749)	-
	-	-	20,251	-
<i>Investment in LAMS International Pty Ltd</i>				
- investment: Ordinary Shares	-	-	912	912
- impairment	-	-	(581)	(652)
	-	-	331	260
Total non-current investment in subsidiaries	-	-	20,582	260

On 28 December 2013 MUH Operations No. 2 Ltd changed to a proprietary company limited by shares and changed the name of the company to MUH Operations No. 2 Pty Ltd. On the same day MUH Operations No. 2 Pty Ltd issued to Macquarie University, 70 million Class B funding shares at the cost of \$1 per share in consideration for \$70 million of debt owed by MUH Operations No. 2 Pty Ltd to Macquarie University (see Note 20).

Class B Funding shares have a right, on winding up, after satisfaction of all the Company's debts and liabilities, to payment of the amount then paid up on the share.

Class B shareholders do not have a right to participate in a dividend nor a right to repayment of capital in a reduction of the Company's share capital nor a right to participate in a buy back of the Company's shares, nor a right to participate in the distribution of the surplus property of the Company on winding up, except, as noted above, to payment of the amount then paid up on the share after satisfaction of all the Company's debts and liabilities.

At 31 December 2013 management identified indicators that the equity investment may be impaired. The University's investment in the Class B Funding shares was therefore assessed for impairment under AASB 136 *Impairment of Assets*. The impairment test modelled the discounted cashflows expected to be available to equity holders from the operations of MUH Operations No. 2 Pty Ltd, and included a terminal value. Inputs into the modelling included a 10 year plan approved by the Board of MUH Operations No. 2 Pty Ltd in 2013, to which management applied a number of judgements based on actual history of performance against plan by MUH Operations No. 2 Pty Ltd. A discount rate was selected based on the weighted average cost of capital of a listed entity within the Australian private health-care sector.

An impairment provision of \$49.7m was made as at 31 December 2013, and is reflected in the income statement in note 14.

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23 Property, plant and equipment

Parent	Construction in progress ¹	Land	Buildings	Plant and equipment ²	Leasehold improvements	Library General	Library Special	Works of Arts	Infrastructure	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 January 2012										
- Cost	69,693	-	-	150,439	2,005	33,630	-	-	-	255,767
- Valuation	-	465,550	819,970	-	-	-	5,619	18,799	64,847	1,374,785
Accumulated depreciation	-	-	(1,825)	(58,705)	(515)	(16,632)	-	-	(298)	(77,975)
Net book amount	69,693	465,550	818,145	91,734	1,490	16,998	5,619	18,799	64,549	1,552,577
Year ended 31 December 2012										
Opening net book amount	69,693	465,550	818,145	91,734	1,490	16,998	5,619	18,799	64,549	1,552,577
Additions	18,509	-	156,574	11,532	1,146	7,605	-	153	1,169	196,888
Revaluation increase/(decrease)	-	(503)	1,116	-	-	-	-	-	255	868
Assets classified as held for sale and other disposals	-	-	-	(419)	(417)	-	-	-	-	(836)
Depreciation charge	-	-	(21,941)	(19,156)	(475)	(6,906)	-	-	(3,687)	(52,165)
Transfer between asset classes	(67,233)	-	48,220	8,636	-	-	-	-	10,377	-
Transfer from finance lease (see note 23b)	-	9,503	-	-	-	-	-	-	-	9,503
Closing net book amount	20,969	474,550	1,002,114	92,327	1,744	17,697	5,619	18,952	72,663	1,706,635
At 31 December 2012										
- Cost	20,969	-	-	165,567	2,151	35,446	-	-	-	224,133
- Valuation	-	474,550	1,004,308	-	-	-	5,619	18,952	73,012	1,576,441
Accumulated depreciation	-	-	(2,194)	(73,240)	(407)	(17,749)	-	-	(349)	(93,939)
Net book amount	20,969	474,550	1,002,114	92,327	1,744	17,697	5,619	18,952	72,663	1,706,635

23 Property, plant and equipment (continued)

	Construction in progress ¹	Land	Buildings	Plant and equipment ²	Leasehold improvements	Library General	Library Special	Works of Arts	Infrastructure	Total
Parent	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Year ended 31 December 2013										
Opening net book amount	20,969	474,550	1,002,114	92,327	1,744	17,697	5,619	18,952	72,663	1,706,635
Additions	11,798	-	15,963	10,770	39	8,180	-	373	6,330	53,453
Revaluation increase/ (decrease)	-	50	21,910	-	-	-	419	920	3,859	27,158
Assets classified as held for sale and other disposals	-	-	-	(404)	-	-	-	-	-	(404)
Depreciation charge	(15,322)	-	(25,522)	(19,225)	(436)	(7,200)	-	-	(4,407)	(56,790)
Transfer between asset classes	-	-	5,115	6,973	-	-	-	-	3,234	-
Closing net book amount	17,445	474,600	1,019,580	90,441	1,347	18,677	6,038	20,245	81,679	1,730,052
At 31 December 2013										
- Cost	17,445	-	-	179,332	2,190	37,584	-	-	-	236,551
- Valuation	-	474,600	1,021,854	-	-	-	6,038	20,245	82,040	1,604,777
Accumulated depreciation	-	-	(2,274)	(88,891)	(843)	(18,907)	-	-	(361)	(111,276)
Net book amount	17,445	474,600	1,019,580	90,441	1,347	18,677	6,038	20,245	81,679	1,730,052

¹ Construction in progress includes WIP for patents and other expenses for property and equipment.

² Plant and equipment include motor vehicles.

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23 Property, plant and equipment (continued)

	Construction in progress	Land	Buildings	Plant and equipment	Leasehold improvements	Library General	Library Special	Works of Arts	Infrastructure	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Consolidated										
At 1 January 2012										
- Cost	69,774	-	-	8,292	2,969	33,630	-	-	-	114,665
- Valuation	-	465,550	819,970	150,439	-	-	5,619	18,799	64,847	1,525,224
Accumulated depreciation	-	-	(1,825)	(62,511)	(1,466)	(16,632)	-	-	(298)	(82,732)
Net book amount	69,774	465,550	818,145	96,220	1,503	16,998	5,619	18,799	64,549	1,557,157
Year ended 31 December 2012										
Opening net book amount	69,774	465,550	818,145	96,220	1,503	16,998	5,619	18,799	64,549	1,557,157
Additions	18,744	-	156,578	12,109	1,146	7,605	-	153	1,169	197,504
Revaluation increase/ (decrease)	-	(503)	1,116	9	-	-	-	-	255	877
Assets classified as held for sale and other disposals	(19)	-	-	(559)	(417)	-	-	-	-	(995)
Depreciation charge	-	-	(21,945)	(20,357)	(475)	(6,906)	-	-	(3,687)	(53,370)
Transfer between asset classes	(67,530)	-	48,220	8,944	(11)	-	-	-	10,377	-
Transfer from finance lease (see note 23b)	-	9,503	-	-	(1)	-	-	-	-	9,502
Closing net book amount	20,969	474,550	1,002,114	96,366	1,745	17,697	5,619	18,952	72,663	1,710,675
At 31 December 2012										
- Cost	20,969	-	-	8,287	2,355	35,446	-	-	-	67,057
- Valuation	-	474,550	1,004,308	165,567	-	-	5,619	18,952	73,012	1,742,008
Accumulated depreciation	-	-	(2,194)	(77,488)	(610)	(17,749)	-	-	(349)	(98,390)
Net book amount	20,969	474,550	1,002,114	96,366	1,745	17,697	5,619	18,952	72,663	1,710,675

23 Property, plant and equipment (continued)

	Construction in progress	Land	Buildings	Plant and equipment	Leasehold improvements	Library General	Library Special	Works of Arts	Infrastructure	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Consolidated										
Year ended 31 December 2013										
Opening net book amount	20,969	474,550	1,002,114	96,366	1,745	17,697	5,619	18,952	72,663	1,710,675
Additions	12,492	-	15,963	11,535	38	8,180	-	373	6,330	54,911
Revaluation increase/ (decrease)	-	50	21,910	-	-	-	419	920	3,859	27,158
Assets classified as held for sale and other disposals	-	-	-	(521)	-	-	-	-	-	(521)
Depreciation charge	-	-	(25,522)	(20,562)	(436)	(7,200)	-	-	(4,407)	(58,127)
Transfer between asset classes	(15,934)	-	5,115	7,585	-	-	-	-	3,234	-
Closing net book amount	17,527	474,600	1,019,580	94,403	1,347	18,677	6,038	20,245	81,679	1,734,096
At 31 December 2013										
- Cost	17,527	-	-	187,045	2,190	37,584	-	-	-	244,346
- Valuation	-	474,600	1,021,854	-	-	-	6,038	20,245	82,040	1,604,777
Accumulated depreciation	-	-	(2,274)	(92,642)	(843)	(18,907)	-	-	(361)	(115,027)
Net book amount	17,527	474,600	1,019,580	94,403	1,347	18,677	6,038	20,245	81,679	1,734,096

¹ Construction in progress includes WIP for patents and other expenses for property and equipment.

² Plant and equipment include motor vehicles.

23 Property, plant and equipment (continued)
(a) Land and buildings

As at 31 December 2013, the University is not aware of any land or native title claims against University owned land.

(b) Leased non-current assets

The University has issued several long term land leases to third party organisations. Whilst legal ownership rests with the University, as lessor, control has been transferred to the lessee, and finance leases have been recognised for these leases (see note 18).

It is the University's expectation that the buildings situated on this leased land will have reached the end of their useful life when control reverts to the University.

During 2012 two land leases were relinquished by their commercial lessees, upon purchase by the University of the properties residing on these land lots. Control of the land reverted to the University, leading to the derecognition of associated finance leases of \$9.5m and recognition of the land within this note. The land was subsequently included in the revaluation assessment noted above.

24 Intangible Assets

	Patents, trademarks and other rights	Total
Consolidated and Parent	\$'000	\$'000
At 1 January 2012		
- Cost	701	701
- Accumulated amortisation and impairment	(34)	(34)
Net book amount	667	667
Year ended 31 December 2012		
Opening net book value	667	667
Additions - Internal development	288	288
Impairment losses	(171)	(171)
Amortisation charge	(18)	(18)
Closing net book amount	766	766
At 31 December 2012		
- Cost	818	818
- Accumulated amortisation and impairment	(52)	(52)
Net book amount	766	766
Year ended 31 December 2013		
Opening net book amount	766	766
Additions - Internal development	294	294
Impairment losses	(157)	(157)
Amortisation charge	(24)	(24)
Closing net book amount	879	879
At 31 December 2013		
- Cost	955	955
- Accumulated amortisation and impairment	(76)	(76)
Net book amount	879	879

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25 Trade and other payables

	Consolidated		Parent	
	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000
Current				
Related parties	-	-	849	2,006
Third parties	23,853	32,623	12,488	10,749
Accrued expenses	37,632	27,180	30,402	21,592
Total current trade and other payables	61,485	59,803	43,739	34,347
Total trade and other payables	61,485	59,803	43,739	34,347

Refer to note 39 for details regarding credit risk, liquidity risk and market risk arising from financial instruments.

(a) Foreign currency risk

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

	Consolidated		Parent	
	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000
Australian dollar (AUD)	60,743	59,249	42,997	33,793
US dollar (USD)	545	265	545	265
UK pound (GBP)	109	143	109	143
Singapore dollar (SGD)	6	74	6	74
Swiss Franc (CHF)	-	30	-	30
Euro (EUR)	68	29	68	29
Chinese Yuan (CNY)	-	9	-	9
Canadian dollar (CAD)	2	4	2	4
New Zealand dollar (NZD)	12	-	12	-
	61,485	59,803	43,739	34,347

For an analysis of the sensitivity of trade and other payables to foreign currency risk refer to note 39.

26 Borrowings

	Consolidated		Parent	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Current				
Secured				
Lease liabilities	213	197	-	-
Total current secured borrowings	213	197	-	-
Unsecured				
Bank loans	1,118	1,045	1,118	1,045
Overdraft	21	-	-	-
Total current unsecured borrowings	1,139	1,045	1,118	1,045
Total current borrowings	1,352	1,242	1,118	1,045
Non-current				
Secured				
Lease liabilities	171	384	-	-
Total non-current secured borrowings	171	384	-	-
Unsecured				
Bank loans (student accommodation)	7,411	8,518	7,411	8,518
Bank loans (ANZ / CBA)	100,000	140,000	100,000	140,000
Bonds	248,328	248,078	248,328	248,078
Total non-current unsecured borrowings	355,739	396,596	355,739	396,596
Total non-current borrowings	355,910	396,980	355,739	396,596
Total borrowings	357,262	398,222	356,857	397,641

(a) Borrowings in respect of assets

In January 1999 the University received approval from the Treasurer of New South Wales to borrow funds to the maximum of \$18 million towards the construction of student accommodation.

Such approval is required under Section 16.1(d) of the Macquarie University Act 1989. The interest rate of the loan was fixed at 7.035% for the period of the loan and the final drawn down amount was \$17.769 million. The loan is unsecured and is denominated in AUD.

The balance of the loan outstanding as at 31 December 2013 was \$8.53 million (2012: \$9.56 million).

Refer to note 39 for details regarding credit risk, liquidity risk and market risk arising from financial instruments.

(b) Assets pledged as security

The Group and parent entity had no assets pledged as security in 2013 and 2012.

(c) Financing arrangements

In August 2010, the University received approval from the Treasurer of New South Wales to borrow a maximum of \$450 million, by way of bank facilities and/or bond issue in the capital market, with a maximum term of 10 years. In September 2010 the University issued Medium Term Notes (MTN) to the value of \$250 million. The bond coupon rate is 6.75% fixed for 10 years.

The University has entered into bank facilities of \$100 million each with Australia and New Zealand Banking Group (ANZ) and the Commonwealth Bank of Australia (CBA). The interest rates on both facilities are variable. At 31 December 2013 \$100 million was drawn down and \$100 million remained available to be drawn. The loans are denominated in AUD.

(d) Fair value

The carrying amounts of borrowings at the date of statement of financial position are approximate to their fair value.

26 Borrowings (continued)

(e) Risk exposures

Information about the Group and the parent entity's exposure to interest changes and contractual repricing dates is provided in note 39.

27 Provisions

	Consolidated		Parent	
	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000
Current provisions expected to be settled wholly within 12 months				
Employee benefits				
Annual leave	26,444	20,854	22,100	18,497
Long service leave	8,848	11,285	8,406	9,523
Other employee related costs	1,459	1,757	1,204	1,594
Other provisions	1,400	846	-	-
Subtotal	38,151	34,742	31,710	29,614
Current provisions expected to be settled wholly after more than 12 months				
Employee benefits				
Annual leave	1,901	5,816	1,291	3,911
Long service leave	22,231	28,797	21,451	28,327
Subtotal	24,132	34,613	22,742	32,238
Total current provisions	62,283	69,355	54,452	61,852
Non-current provisions				
Employee benefits				
Long service leave	11,901	8,778	10,410	8,391
Deferred non-government benefits for superannuation ¹	2,591	5,675	2,591	5,675
Deferred government benefits for superannuation ²	351,388	401,350	351,388	401,350
Make Good	408	321	234	234
Total non-current provisions	366,288	416,124	364,623	415,650
Total provisions	428,571	485,479	419,075	477,502

¹ Professorial Superannuation Fund

² State Authorities Superannuation Scheme (SASS), State Authorities Non-contributory Superannuation Scheme (SANCS) and State Superannuation Scheme (SSS).

See note 41 for an explanation of the deferred government benefits for superannuation. Note 42 provides details of the deferred government benefits by plan.

28 Other liabilities

	Consolidated		Parent	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Current				
Advances - other	454	263	369	173
Prepaid Income - student fees	28,626	29,803	28,626	29,803
Prepaid Income - other	8,762	3,982	7,624	3,028
Lease incentive	375	375	375	375
Total current other liabilities	38,217	34,423	36,994	33,379
Non-current				
Interest rate swap liability	6,874	10,168	6,874	10,168
Lease incentive	150	524	150	524
Total non-current other liabilities	7,024	10,692	7,024	10,692
Total other liabilities	45,241	45,115	44,018	44,071

Refer to note 39 for details of the interest rate swap liability.

29 Reserves and retained earnings

(a) Reserves

	Consolidated		Parent	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Property, plant and equipment revaluation surplus	471,263	444,105	471,003	443,845
Available-for-sale investments revaluation surplus	4,493	9,495	4,564	9,495
Total Reserves	475,756	453,600	475,567	453,340

Movements

	Consolidated		Parent	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
<i>Property, plant and equipment revaluation surplus</i>				
Balance 1 January	444,105	443,228	443,845	442,977
Revaluation - gross	27,158	877	27,158	868
Balance 31 December	471,263	444,105	471,003	443,845
<i>Available-for-sale investments revaluation surplus</i>				
Balance 1 January	9,495	15,258	9,495	15,258
Realised (gains) transferred from reserves	(5,502)	(13,004)	(5,502)	(13,004)
Unrealised gains / (losses) on revaluation	500	7,241	571	7,241
Balance 31 December	4,493	9,495	4,564	9,495

29 Reserves and retained earnings (continued)

(b) Movements in retained earnings

	Consolidated		Parent	
	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000
Retained earnings at 1 January	990,448	922,157	999,746	954,531
Operating result for the period	62,341	69,303	67,392	46,227
Actuarial gain / (loss) on defined benefit plans recognised directly in retained earnings	2,999	(1,012)	2,999	(1,012)
Retained earnings at 31 December	<u>1,055,788</u>	<u>990,448</u>	<u>1,070,137</u>	<u>999,746</u>

(c) Nature and purpose of reserves

(i) Property, plant and equipment revaluation reserve

The reserve reflects the difference between the valuation assessment amount and the carrying cost. The University has engaged valuers (refer to note 1(o) for land, buildings, infrastructure, works of art and library special collection).

(ii) Available-for-sale investments revaluation reserve

The reserve reflects the difference between the carrying cost and market value of available-for-sale investments. At the end of every month, relevant fund managers advise the University as to the market value of its investments.

30 Key Management Personnel Disclosures

Other key management personnel transactions

For details of other transactions with key management personnel, refer to note 34: Related Party Transactions.

(a) Names of responsible persons and executive officers

The following persons were responsible persons and executive officers of Macquarie University during the financial year.

All members of the University Council were appointed or elected under the provisions of the Macquarie University Act 1989. Council members include University employees who may be ex-officio members or elected staff members.

(i) Executive officers

Anderson, D
Baldock, C (from January 2013)
Dowton, SB
Gabbott, M (from January 2013)
Gorman, PJ
Greeley, J (from January 2013)
Lee, J (from December 2013)
Piper, J (until July 2013)
Pretorius, S (from July 2013)
Sachs, J
Schreier, P (from March 2013)
Simons, J (from January 2013)
Sprague, T
Stewart, J (until March 2013)
Wilkinson, D (from May 2013)

(ii) University Council Members

Bissett, A (until October 2013)
Bradford, W (until December 2013)
Crotty, B (from September 2013)
Crouch, E
Cupples, L (until December 2013)
Darvall, C
Dowton, SB
Egan, M
Forsythe, P
Jones, G
Kane, D (until December 2013)
Lindsay, G (until February 2013)
Nori, S
Quinn, G (nee Brooks)
Rubic, S
Schott, K
Verity, D (from January 2013)
Vozella, K (from January 2013)
Ward, G
Wigglesworth, J

(b) Remuneration of Council Members and Executives

No council member has received any remuneration in his/her capacity as a council member.

30 Key Management Personnel Disclosures (continued)

(b) Remuneration of Council Members and Executives (continued)

	Parent	
	2013	2012
	\$'000	\$'000
Remuneration of executive officers		
\$20,000 to \$29,999	1	-
\$60,000 to \$69,999	1	-
\$140,000 to \$149,999	-	1
\$260,000 to \$269,999	-	1
\$270,000 to \$279,999	1	-
\$310,000 to \$319,000	1	-
\$370,000 to \$379,999	1	-
\$390,000 to \$399,999	-	2
\$420,000 to \$429,999	1	1
\$470,000 to \$479,999	2	1
\$480,000 to \$489,999	1	-
\$520,000 to \$529,999	-	2
\$540,000 to \$549,999	1	1
\$570,000 to \$579,999	1	-
\$580,000 to \$589,999	1	-
\$610,000 to \$619,999	1	-
\$840,000 to \$849,999	1	-
\$860,000 to \$869,999	1	-
\$1,180,000 to \$1,189,999	-	1
	15	10

The University is not aware of any material transactions that may have been conducted with Council members of the University and directors of its related parties, or their director related entities. At any rate, any such transactions would have occurred at arm's length and on terms and conditions no more favourable than those which it is expected the University would have adopted for a normal employee, customer or supplier relationship.

(c) Key management personnel compensation

	Parent	
	2013	2012
	\$'000	\$'000
Short-term employee benefits	6,340	4,210
Other long-term benefits	603	200
Termination benefits	-	473
	6,943	4,883

Short-term employee benefits include salary, superannuation and short term bonus payments.

(d) Loans to key management personnel

During 2013 a Loan Agreement was signed between Macquarie University and Professor S B Dowton for the purpose of acquiring a residence in Sydney. The loan has a facility limit of \$875,000 and an Availability Period until April 2015. At 31 December 2013 no advances had been made against the loan.

(e) Key management personnel of controlled entities

Key management personnel of individual controlled entities within the Group are detailed in Volume 2 of the Annual Report.

31 Remuneration of Auditors

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

	Consolidated		Parent	
	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000
Audit and review of the Financial Statements				
Fees paid to Audit Office of NSW				
Audit fees for parent entity/ group entity	573	577	285	271
Audit fees for Restricted Funds	6	4	6	4
Total paid for audit and assurance	579	581	291	275
Other audit and assurance services				
Fees paid to Audit Office of NSW				
Audit of regulatory returns	11	10	11	10
Total paid for audit and assurance	11	10	11	10
Total remuneration for audit and assurance related services	590	591	302	285

It is the consolidated entity's policy to employ the Audit Office of NSW on assignments additional to their statutory audit duties where the Audit Office of NSW's expertise and experience with the consolidated entity are important. It is the consolidated entity's policy to seek competitive tenders for all major consulting projects.

32 Contingencies

Bank Guarantees

The University has been accepted into the Retro Paid Loss Premium Model Workers' Compensation Insurance Scheme. The following bank guarantees have been issued to WorkCover by the University:

	2013	2012
	\$'000	\$'000
Insurance Period - commencement date		
2011	5,980	5,980
2012	6,150	6,150
2013	3,570	-
2014	3,520	-
Total	19,220	12,130

Each insurance period covers six years from commencement date.

Other bank guarantees of \$0.76 million (2012: \$0.76 million) have also been issued.

As at 31 December 2013 there is an unused bank guarantee facility of \$3.00 million.

The Group does not have any other contingent liabilities (2012: nil).

33 Commitments

(a) Capital commitments

Capital expenditure contracted for various building capital projects at the reporting date but not recognised as liabilities as at 31 December 2013 is as follows. Commitments are shown net of GST.

	Consolidated		Parent	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Property, plant and equipment				
Within one year	10,635	12,496	10,289	12,462
Later than one year	-	-	-	-
Total PPE commitments	10,635	12,496	10,289	12,462

(b) Lease commitments

(i) Operating Leases - as lessee

Future minimum lease payments by the University under non-cancellable operating leases.

Operating leases comprise the lease of property, computers, photocopy machines, printers and other equipment.

	Consolidated		Parent	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Within one year	6,277	8,268	6,231	6,570
Between one year and five years	7,768	14,057	9,120	10,502
Later than five years	2,860	2,894	2,208	2,894
Total future minimum lease payments	16,905	25,219	17,559	19,966

(ii) Finance Leases - as lessee

Future minimum lease payments by the University under non-cancellable equipment finance leases:

	Note	Consolidated		Parent	
		2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Within one year		236	236	-	-
Between one year and five years		177	413	-	-
Total future minimum lease payments		413	649	-	-
Future finance charges		(29)	(68)	-	-
Recognised as finance lease liabilities		384	581	-	-
Lease incentives on non-cancellable operating leases included in lease liabilities		-	-	-	-
Representing lease liabilities					
Current	26	213	197	-	-
Non-current	26	171	384	-	-
Total finance lease liabilities		384	581	-	-

The weighted average interest rate implicit in the leases is 8.03% (2012: 8.03%).

33 Commitments (continued)

(c) Lease commitments: where a Group company is the lessor

(i) Operating leases - as lessor

Future minimum lease payments to the University under non cancellable property operating leases:

	Consolidated		Parent	
	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000
Within one year	21,550	17,844	33,889	31,850
Between one year and five years	72,226	68,811	111,074	119,621
Later than five years	90,786	110,682	160,404	186,233
	184,562	197,337	305,367	337,704

Rental income is shown undiscounted, and net of any GST liability.

The University leases out various strategically held properties, including the Hearing Hub, the Cochlear building, the Hospital and Clinic buildings and several properties within the Macquarie University Research Park.

(ii) Finance leases - as lessor

Future minimum lease payments to the University under non cancellable property finance leases:

	Consolidated		Parent	
	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000
Within one year	2,297	2,297	2,297	2,297
Between one year and five years	9,187	9,187	9,187	9,187
Later than five years	74,621	78,689	74,621	78,689
Less: Future finance charge	(56,568)	(60,234)	(56,568)	(60,234)
	29,537	29,939	29,537	29,939

The University has entered into a finance lease with Campus Living Pty Ltd to manage and operate the student accommodation known as Macquarie University Village Stage 1. See note 18 for further details.

Additionally, the University has issued several long term land leases to third party organisations. During 2011 these leases were recognised as finance leases. See note 23 for further details.

Macquarie University
Notes to the Financial Statements
For the Year Ended 31 December 2013

34 Related Parties

(a) Parent entities

The ultimate parent entity within the Group is Macquarie University, an entity incorporated in Australia.

(b) Subsidiaries

Interests in subsidiaries are set out in note 35.

(c) Key management personnel

Disclosures relating to responsible persons and executive officers of the University are disclosed in note 30.

Disclosures relating to key management personnel of each controlled entity within the University group are included in Volume 2 of the Annual Report.

(d) Transactions with related parties

The following transactions occurred with related parties in 2013:

	Revenue \$'000	Expenses \$'000	Receivables/ Investments \$'000	Payables \$'000
Access Macquarie Ltd	2,360	6,559	1,971	147
APAF Ltd	1,217	270	402	8
CMBF Ltd	31	2,805	12	2
MGSM Ltd	9,810	20,605	1,825	194
MUH Operations No.2 Pty Ltd	20,928	710	125,828	320
U@MQ Ltd	1,370	5,955	289	176
	35,716	36,904	130,327	847

The receivables / investment value of \$125.8m with MUH Operations No. 2 Pty Ltd includes equity with a face value of \$70m (see note 22) and a loan with a face value of \$52.6m (see note 20). Both of these investments are partially impaired. Refer to notes 20 and 22.

The following material transactions occurred with related parties in 2012:

	2012 \$'000
MUH - Rental, interest & other charges (P/L)	19,607
MUH - Loan (B/S)	99,387
MGSM - Student fees & other charges (P/L)	16,734

(e) Loans to related parties

		2013 \$'000	2012 \$'000
Loan to MUH Operations No. 2 Pty Ltd			
Beginning of the year	20	99,387	68,436
Capitalisation of rental charges		14,773	14,843
Loans advanced	20	3,000	11,100
Interest charged		5,477	5,008
Issue of Class B Funding Shares in consideration of debt	20	(70,000)	-
End of year		52,637	99,387

An impairment provision of \$14.3m (2012: \$50.2m) has been raised against the loan to MUH Operations No. 2 Pty Ltd. See note 20 for further details.

35 Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1(b):

Name of Entity	Country of Incorporation	Class of Shares	Equity Holding	
			2013 %	2012 %
Access Macquarie Ltd	Australia	Limited by Guarantee	100	100
Australian Proteome Analysis Facility Ltd	Australia	Limited by Guarantee	100	100
CMBF Ltd	Australia	Limited by Guarantee	100	100
COH Property Trust	Australia	Units	100	100
LAMS Foundation Ltd	Australia	Limited by Guarantee	100	100
LAMS International Pty Ltd	Australia	Ordinary	77	77
Macquarie Education South Africa NPC	South Africa	Ordinary	100	100
MGSM Limited	Australia	Limited by Guarantee	100	100
Macquarie University Property Investment Company No. 3 Pty Ltd	Australia	Ordinary	100	100
Macquarie University Property Investment Company Pty Ltd	Australia	Ordinary	100	100
Macquarie University Property Investment Trust	Australia	Units	100	100
MU Hospital Pty Ltd	Australia	Ordinary	100	100
MUH Operations No.2 Pty Ltd (formerly MUH Operations No.2 Ltd)	Australia	Class B Funding	100	100
MUH Operations Pty Ltd	Australia	Ordinary	100	100
MUPH Clinic Pty Ltd	Australia	Ordinary	100	100
MUPH Hospital Pty Ltd	Australia	Ordinary	100	100
Risk Frontiers Flood (Australia) Pty Ltd	Australia	Ordinary	100	100
Risk Frontiers Group Pty Ltd	Australia	Ordinary	100	100
U@MQ Ltd	Australia	Limited by Guarantee	100	100

The following entities were de-registered during 2013:

- Macquarie Graduate School of Management Pty Limited
- Macquarie University Property Investment Company No. 2 Pty Ltd

35 Subsidiaries (continued)

(a) The result of the operations of the related parties

	Access Macquarie Ltd	Australian Proteome Analysis Facility Ltd	CMBF Ltd	International Pty Ltd	LAMS Pty Ltd	MGSM Ltd	Operations No.2 Pty Ltd	MUH Operations Pty Ltd	Risk Frontiers Flood (Australia) Pty Ltd	U@MQ Ltd	Total*
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
For the year ended 31 December 2012											
Operating income	26,341	1,382	3,847	461	24,709	74,616	-	28,463	159,819		
Operating expense	(26,992)	(1,360)	(3,637)	(297)	(21,679)	(106,024)	-	(28,021)	(188,010)		
Operating result	(651)	22	210	164	3,030	(31,408)	-	442	(28,191)		

For the year ended 31 December 2013

	Access Macquarie Ltd	Australian Proteome Analysis Facility Ltd	CMBF Ltd	International Pty Ltd	LAMS Pty Ltd	MGSM Ltd	Operations No.2 Pty Ltd	MUH Operations Pty Ltd	Risk Frontiers Flood (Australia) Pty Ltd	U@MQ Ltd	Total*
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Operating income	33,416	1,514	3,229	412	26,152	96,435	1,139	30,140	192,437		
Operating expense	(32,140)	(1,520)	(2,864)	(318)	(24,312)	(119,701)	(1,164)	(29,524)	(211,543)		
Operating result	1,276	(6)	365	94	1,840	(23,266)	(25)	616	(19,106)		

* Other controlled entity balances are nil and have not been separately identified.

Macquarie University
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For the Year Ended 31 December 2013

35 Subsidiaries (continued)

(b) The statements of financial position of the controlled entities

As at 31 December 2012

	Access Macquarie Ltd	Australian Proteome Analysis Facility Ltd	CMBF Ltd	International Pty Ltd	LAMS Pty Ltd	MGSM Ltd	Operations No.2 Pty Ltd	MUH Operations Pty Ltd	Risk Frontiers Flood (Australia) Pty Ltd	U@MQ Ltd	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Current assets	15,709	1,021	2,843	420	23,155	23,795	-	12,814	79,757		
Non-current assets	602	-	17	1	806	1,500	-	2,989	5,915		
Total assets	16,311	1,021	2,860	421	23,961	25,295	-	15,803	85,672		
Current liabilities	(10,664)	(739)	(806)	(83)	(4,040)	(17,980)	-	(7,259)	(41,571)		
Non-current liabilities	(295)	-	-	-	(179)	(102,226)	-	(384)	(103,084)		
Total liabilities	(10,959)	(739)	(806)	(83)	(4,219)	(120,206)	-	(7,643)	(144,655)		
Net assets / liabilities	5,352	282	2,054	338	19,742	(94,911)	-	8,160	(58,983)		
Represented by:											
Reserves	-	-	-	-	-	-	-	-	-	261	261
Retained profit/ (losses)	5,352	282	2,054	338	19,742	(94,911)	-	7,899	(59,244)		
Net equity	5,352	282	2,054	338	19,742	(94,911)	-	8,160	(58,983)		

35 Subsidiaries (continued)

	Australian Proteome Analysis Facility Ltd	CMBF Ltd	International Pty Ltd	LAMS Pty Ltd	MGSMLtd No.2 Pty Ltd	MUH Operations Pty Ltd	Frontiers Flood (Australia) Pty Ltd	Risk U@MQ Ltd	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
As at 31 December 2013									
Current assets	15,338	2,749	512	25,100	21,294	300	9,894	76,201	
Non-current assets	771	28	2	899	1,300	3	2,717	5,720	
Total assets	16,109	2,777	514	25,999	22,594	303	12,611	81,921	
Current liabilities	(9,033)	(361)	(81)	(4,046)	(15,083)	(154)	(3,060)	(32,557)	
Non-current liabilities	(529)	-	-	(370)	(55,686)	-	(777)	(57,362)	
Total liabilities	(9,562)	(361)	(81)	(4,416)	(70,769)	(154)	(3,837)	(89,919)	
Net assets / liabilities	6,547	2,416	433	21,583	(48,175)	149	8,774	(7,998)	
Represented by:									
Reserves	-	-	-	-	-	-	260	260	
Share Capital	-	-	-	-	70,000	-	-	70,000	
Retained profit/ (losses)	6,547	2,416	433	21,583	(118,175)	149	8,514	(78,258)	
Net equity	6,547	2,416	433	21,583	(48,175)	149	8,774	(7,998)	

36 Joint ventures, associates and minority interests

Other entities that are operational with percentage holdings of more than 20%.

(a) Sydney Educational Broadcasting Limited

The University has a 50% joint venture interest in the F.M. radio station, 2SER FM. The University of Technology, Sydney (UTS) holds the remaining 50% interest in the station. The University's contribution to the operations of the company in 2013 was \$0.27 million (2012: \$0.25 million). The company is independently audited by the Auditor - General of New South Wales and its Financial Statements are not included in the Consolidated Financial Statements of the University.

(b) Sydney Institute Marine Science Limited

Sydney Institute Marine Science Limited (SIMS) is a partnership between Macquarie University, University of New South Wales (UNSW), the University of Sydney and the University of Technology, Sydney (UTS). SIMS is a joint venture, research facility based on Sydney Harbour's North Shore at Chowder Bay. It will bring together key researchers to form cross disciplinary teams of leading scientists working on issues that are critical for the sustainable management of our coastal and oceanic environments. The University holds a 25% interest in the company.

(c) Macquarie Medical Imaging (MMI) Pty Ltd

Macquarie Medical Imaging (MMI) Pty Ltd provides radiology services to Macquarie University Hospital and external patients. The Group holds a 30% stake in the ordinary share capital of MMI, and also holds 1,000,000 of Series A Preference Shares, which carry a right to receive, out of funds legally available for dividends, cumulative dividends at an annual rate of 9% of the share price. The Preference Shares are fully impaired; refer to note 20.

37 Events Occurring After the Reporting Date

There has not occurred in the period between the end of the financial year and the date of this report any item, transaction or event of a material nature to significantly affect the financial position of the Group.

38 Reconciliation of operating result after income tax to net cash flows from operating activities

	Consolidated		Parent	
	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000
Operating result for the period	62,341	69,303	67,392	46,227
Depreciation and amortisation	57,803	53,387	56,814	52,183
Net (gain) / loss on sale of non-current assets	(6,965)	(16,944)	(7,029)	(16,964)
Net (gain) / loss on impairment of non-current assets	734	7,434	14,613	58,305
Macquarie University Hospital rent and interest	-	-	(20,250)	(19,851)
Change in operating assets and liabilities:				
(Increase) / decrease in trade debtors	6,194	(1,730)	5,707	(956)
(Increase) / decrease in inventories	(414)	(579)	21	(7)
(Increase) / decrease in other operating assets	(5,554)	(3,439)	(5,797)	(2,661)
Increase / (decrease) in trade creditors	3,139	7,873	7,696	(1,405)
Increase / (decrease) in other operating liabilities	43	185	198	849
Increase/ (decrease) in provision for employee entitlements	(6,033)	7,090	(6,033)	6,466
Increase / (decrease) in other provisions	651	130	-	-
Net cash provided by / (used in) operating activities	111,939	122,710	113,332	122,186

39 Financial Risk Management

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses derivative financial instruments such as foreign exchange contracts and interest rate swaps to hedge certain risk exposures. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks, ageing analysis for credit risk and beta analysis in respect of investment portfolios to determine market risk.

The Group's Finance and Facilities Committee reviews the University's financial risk at each of its bi-monthly meetings. The Group's investment policy and strategy has been determined by the Finance and Facilities Committee and is also reviewed against performance by senior University management.

(a) Market risk

(i) Foreign exchange risk

The Group is exposed to fluctuations in foreign currencies arising from the purchase of goods and services in currencies other than the Group's functional currency. The University reduces this exposure by holding appropriate volumes of the most commonly used foreign currencies within the cash portfolio.

(ii) Price risk

The University is exposed to equity securities price risk. This arises from investments held by the University and classified on the statement of financial position as available-for-sale. The University has no direct exposure to commodity price risk. The risk is not material to the Group, given the limited holdings in these assets.

(iii) Cash flow and fair value interest rate risk

Although the University carries debt, the majority of debt is at a fixed rate of interest. Interest rate risk relates to investments. All other financial assets and liabilities are non-interest bearing.

(iv) Summarised sensitivity analysis

The following table summarises the sensitivity of the Group's financial assets and financial liabilities to interest rate risk, foreign exchange risk and other price risk.

Consolidated

31 December 2013	Carrying amount	Result \$'000	Interest rate risk		Foreign exchange risk				Other price risk			
			-1% Equity \$'000	+1% Equity \$'000	-10% Result \$'000	+10% Equity \$'000	-10% Result \$'000	+10% Equity \$'000				
Financial assets												
Cash and cash equivalents	202,818	(2,028)	-	2,028	-	(1,727)	-	1,727	-	-	-	-
Term deposits	28,265	(283)	-	283	-	-	-	-	-	-	-	-
Receivables	28,066	-	-	-	-	-	-	-	-	-	-	-
Finance lease receivables	29,537	-	-	-	-	-	-	-	-	-	-	-
Listed investments	3,517	-	-	-	-	-	-	-	-	(352)	-	352
Unquoted investments	4,590	-	-	-	-	-	-	-	-	(459)	-	459
Financial liabilities												
Trade and other payables	(61,485)	-	-	-	74	-	(74)	-	-	-	-	-
Bonds	(248,328)	2,483	-	(2,483)	-	-	-	-	-	-	-	-
Bank borrowings	(108,529)	1,085	-	(1,085)	-	-	-	-	-	-	-	-
Interest rate swap	(6,874)	69	-	(69)	-	-	-	-	-	-	-	-
Finance lease	(384)	-	-	-	-	-	-	-	-	-	-	-
Overdraft	(21)	-	-	-	-	-	-	-	-	-	-	-
Total increase/(decrease)		1,326	-	(1,326)	-	(1,653)	-	1,653	-	-	(811)	811

39 Financial Risk Management (continued)

(a) Market risk (continued)

Consolidated

31 December 2012

	Carrying amount	Interest rate risk				Foreign exchange risk				Other price risk			
		-1%		+1%		-10%		+10%		-10%		+10%	
		Result	Equity	Result	Equity	Result	Equity	Result	Equity	Result	Equity	Result	Equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Financial assets													
Cash and cash equivalents	164,049	(1,640)	-	1,640	-	(1,508)	-	1,508	-	-	-	-	-
Receivables	37,363	-	-	-	-	-	-	-	-	-	-	-	-
Finance lease receivables	29,938	-	-	-	-	-	-	-	-	-	-	-	-
Other financial assets	25,512	-	-	-	-	-	-	-	-	-	-	-	-
Listed investments	26,120	-	-	-	-	-	-	-	-	(2,612)	-	2,612	-
Unquoted investments	4,036	-	-	-	-	-	-	-	-	(404)	-	404	-
Financial liabilities													
Trade and other payables	(59,803)	-	-	-	-	56	-	(56)	-	-	-	-	-
Borrowings	(398,222)	3,982	-	(3,982)	-	-	-	-	-	-	-	-	-
Interest rate swap	(10,168)	102	-	(102)	-	-	-	-	-	-	-	-	-
Total increase/(decrease)		<u>2,444</u>	-	<u>(2,444)</u>	-	<u>(1,452)</u>	-	<u>1,452</u>	-	-	<u>(3,016)</u>	-	<u>3,016</u>

Parent

31 December 2013

	Carrying amount	Interest rate risk				Foreign exchange risk				Other price risk			
		-1%		+1%		-10%		+10%		-10%		+10%	
		Result	Equity	Result	Equity	Result	Equity	Result	Equity	Result	Equity	Result	Equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Financial assets													
Cash and cash equivalents	174,561	(1,746)	-	1,746	-	(1,727)	-	1,727	-	-	-	-	-
Term deposits	4,658	(47)	-	47	-	-	-	-	-	-	-	-	-
Receivables	15,632	-	-	-	-	-	-	-	-	-	-	-	-
Finance lease receivables	29,537	-	-	-	-	-	-	-	-	-	-	-	-
Investment in associates and controlled entities	38,288	-	(383)	-	383	-	-	-	-	-	-	-	-
Listed investments	3,517	-	-	-	-	-	-	-	-	(352)	-	352	-
Unquoted investments	4,590	-	-	-	-	-	-	-	-	(459)	-	459	-
Financial liabilities													
Trade and other payables	(43,739)	-	-	-	-	74	-	(74)	-	-	-	-	-
Bonds	(248,328)	2,483	-	(2,483)	-	-	-	-	-	-	-	-	-
Bank borrowings	(108,529)	1,085	-	(1,085)	-	-	-	-	-	-	-	-	-
Interest rate swap	(6,874)	69	-	(69)	-	-	-	-	-	-	-	-	-
Total increase/(decrease)		<u>1,844</u>	<u>(383)</u>	<u>(1,844)</u>	<u>383</u>	<u>(1,653)</u>	-	<u>1,653</u>	-	-	<u>(811)</u>	-	<u>811</u>

Parent

31 December 2012

	Carrying amount	Interest rate risk				Foreign exchange risk				Other price risk			
		-1%		+1%		-10%		+10%		-10%		+10%	
		Result	Equity	Result	Equity	Result	Equity	Result	Equity	Result	Equity	Result	Equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Financial assets													
Cash and cash equivalents	133,089	(1,331)	-	1,331	-	(1,508)	-	1,508	-	-	-	-	-
Receivables	20,519	-	-	-	-	-	-	-	-	-	-	-	-
Finance lease receivables	29,938	-	-	-	-	-	-	-	-	-	-	-	-
Other financial assets	53,806	-	-	-	-	-	-	-	-	-	-	-	-
Listed investments	26,120	-	-	-	-	-	-	-	-	(2,612)	-	2,612	-
Unquoted investments	4,296	-	-	-	-	-	-	-	-	(430)	-	430	-
Financial liabilities													
Trade and other payables	(34,347)	-	-	-	-	56	-	(56)	-	-	-	-	-
Borrowings	(397,641)	3,976	-	(3,976)	-	-	-	-	-	-	-	-	-
Interest rate swap	(10,168)	102	-	(102)	-	-	-	-	-	-	-	-	-
Total increase/(decrease)		<u>2,747</u>	-	<u>(2,747)</u>	-	<u>(1,452)</u>	-	<u>1,452</u>	-	-	<u>(3,042)</u>	-	<u>3,042</u>

39 Financial Risk Management (continued)

(b) Credit risk

The maximum exposure to credit risk at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of these assets, as disclosed in the statement of financial position and notes to the financial statements. The University has no credit risk for derivative financial instruments.

Financing facilities

There was no formal overdraft facility in place as at 31 December 2013. There were unused credit card facilities with ANZ with total of \$4.49 million (2012: \$4.58 million) at the year end.

In January 1999 the University received approval from the Treasurer of New South Wales to borrow funds to the maximum of \$18 million towards the construction of student accommodation. Such approval is required under Section 16.1(d) of the Macquarie University Act 1989. The interest rate of the loan was fixed at 7.035% for the period of the loan and the final drawn down amount was \$17.769 million. This loan is unsecured. The balance of the loan outstanding after allowing for amortised cost adjustment as at 31 December 2013 was \$8.53 million (2012: \$9.56 million).

In July 2010, the University received approval from the Treasurer of New South Wales to borrow a maximum of \$450 million, either by way of bank facilities and/or bond issue in the capital market, with a maximum term of 10 years. In September 2010 the University issued Medium term notes (MTN) to the value of \$250 million. The bond coupon rate is 6.75% fixed for 10 years. The University has entered into bank facilities of \$100 million each with Australia and New Zealand Banking Group and the Commonwealth Bank of Australia. The interest rates on both facilities are variable. At 31 December 2013 \$100 million was drawn down and \$100 million remained available to be drawn. The loans are denominated in AUD.

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

(c) Liquidity risk

The University manages liquidity risk by monitoring forecast cash flows and maintains sufficient cash to maintain short term flexibility and enable the University to meet financial commitments in a timely manner.

Interest Rate Risk Exposures

The consolidated entity's exposure to interest rate risk and the effective weighted average interest rate by maturity periods is set out in the following table. For interest rates applicable to each class of asset or liability refer to individual notes to the financial statements.

Exposures arise predominantly from assets and liabilities bearing variable interest rates as the University intends to hold fixed rate assets and liabilities to maturity.

The following tables summarise the maturity of the Group's financial assets and financial liabilities:

Consolidated 2013

	Average Interest rate	Variable interest rate	Within 1 year	1 - 5 years	5+ years	Non Interest	Total
	2013 %	2013 \$'000	2013 \$'000	2013 \$'000	2013 \$'000	2013 \$'000	2013 \$'000
Financial Assets:							
Cash and cash equivalents	3.10	196,988	-	-	-	5,830	202,818
Term deposits	3.90	-	27,891	374	-	-	28,265
Receivables	-	-	-	-	-	28,066	28,066
Finance lease receivable	-	-	428	1,713	27,396	-	29,537
Listed investments	-	-	-	-	-	3,517	3,517
Unquoted investments	-	-	-	-	-	4,590	4,590
Total Financial Assets		196,988	28,319	2,087	27,396	42,003	296,793
Financial Liabilities:							
Trade and other payables	-	-	-	-	-	(61,485)	(61,485)
Bonds	6.75	-	-	-	(248,328)	-	(248,328)
Bank borrowings*	-	-	-	-	(108,529)	-	(108,529)
Interest rate swap	6.60	-	-	(6,874)	-	-	(6,874)
Finance lease	-	-	(213)	(171)	-	-	(384)
Overdraft	-	(21)	-	-	-	-	(21)
Total Financial Liabilities		(21)	(213)	(7,045)	(356,857)	(61,485)	(425,621)

*Interest rates for Bank borrowings are not disclosed due to confidentiality.

Macquarie University
Notes to the Financial Statements
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39 Financial Risk Management (continued)

Consolidated 2012

	Average Interest rate	Variable interest rate	Within 1 year	1 - 5 years	5+ years	Non Interest	Total
	2012 %	2012 \$'000	2012 \$'000	2012 \$'000	2012 \$'000	2012 \$'000	2012 \$'000
Financial Assets:							
Cash and cash equivalents	3.19	134,058	23,034	-	-	6,957	164,049
Receivables	-	-	-	-	-	37,363	37,363
Finance lease receivables	-	-	-	-	-	29,938	29,938
Other financial assets	5.36	-	25,137	375	-	-	25,512
Listed investments	-	-	-	-	-	26,120	26,120
Unquoted investments	-	-	-	-	-	4,036	4,036
Total Financial Assets		134,058	48,171	375	-	104,414	287,018
Financial Liabilities:							
Trade and other payables	-	-	-	-	-	(59,803)	(59,803)
Borrowings	5.87	-	(1,242)	(5,225)	(391,755)	-	(398,222)
Interest rate swap	6.60	(10,168)	-	-	-	-	(10,168)
Total Financial Liabilities		(10,168)	(1,242)	(5,225)	(391,755)	(59,803)	(468,193)

Parent 2013

	Average Interest rate	Variable interest rate	Within 1 year	1 - 5 years	5+ years	Non Interest	Total
	2013 %	2013 \$'000	2013 \$'000	2013 \$'000	2013 \$'000	2013 \$'000	2013 \$'000
Financial Assets:							
Cash and cash equivalents	2.40	167,623	-	-	-	6,923	174,546
Term deposits	3.90	-	4,658	-	-	-	4,658
Receivables	-	-	-	-	-	15,632	15,632
Finance lease receivables	-	-	428	2,020	27,089	-	29,537
Investments in associates and controlled entities	-	-	-	-	72,419	-	72,419
Listed investments	-	-	-	-	-	3,517	3,517
Unquoted investments	-	-	-	-	-	4,921	4,921
Total Financial Assets		167,623	5,086	2,020	99,508	30,993	305,230
Financial Liabilities:							
Trade and other payables	-	-	-	-	-	(43,739)	(43,739)
Bonds	6.75	-	-	-	(248,328)	-	(248,328)
Bank borrowings	-	-	-	-	(108,529)	-	(108,529)
Interest rate swap	6.60	(6,874)	-	-	-	-	(6,874)
Total Financial Liabilities		(6,874)	-	-	(356,857)	(43,739)	(407,470)

Parent 2012

	Average Interest rate	Variable interest rate	Within 1 year	1 - 5 years	5+ years	Non Interest	Total
	2012 %	2012 \$'000	2012 \$'000	2012 \$'000	2012 \$'000	2012 \$'000	2012 \$'000
Financial Assets:							
Cash and cash equivalents	3.07	126,203	-	-	-	6,886	133,089
Receivables	-	-	-	-	-	20,519	20,519
Finance lease receivables	-	-	-	-	-	29,938	29,938
Other financial assets	5.03	-	4,638	-	49,168	-	53,806
Listed investments	-	-	-	-	-	26,120	26,120
Unquoted investments	-	-	-	-	-	4,296	4,296
Total Financial Assets		126,203	4,638	-	49,168	87,759	267,768
Financial Liabilities:							
Trade and other payables	-	-	-	-	-	(34,347)	(34,347)
Borrowings	5.27	-	(1,045)	(5,225)	(391,371)	-	(397,641)
Interest rate swap	6.60	(10,168)	-	-	-	-	(10,168)
Total Financial Liabilities		(10,168)	(1,045)	(5,225)	(391,371)	(34,347)	(442,156)

39 Financial Risk Management (continued)
Interest rate swap contracts - cash flow hedges

It is policy to protect part of the loans from exposure to increasing interest rates. Accordingly, the Group has entered into interest rate swap contracts under which it is obliged to receive interest at variable rates and to pay interest at fixed rates.

The Group has entered into an interest rate swap starting on 20 October 2010, for a term of 5 years. This amounts to \$98.25 million at an average interest rate of 6.6%. The contracts require settlement of net interest receivable or payable each 30 days. At 31 December 2013 the interest rate swap liability had a market value of \$6.87 million (2012: \$10.17 million). This liability is recorded in Other Liabilities (note 28).

Any gain or loss from remeasuring the hedging instruments at fair value is deferred in equity in the hedging reserve, to the extent that the hedge is effective, and reclassified to income statement when the hedged interest expense is recognised. The ineffective portion is recognised in the income statement immediately. The swap noted above is not effective for hedge accounting, and remeasurements to fair value are therefore recognised in the income statement (note 13).

40 Fair Value Measurement

(a) Fair value measurements

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

Due to the short-term nature of the current receivables their carrying value is assumed to approximate 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.

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

	Carrying Amount		Fair Value	
	2013	2012	2013	2012
Consolidated	\$'000	\$'000	\$'000	\$'000
Financial assets				
Cash and cash equivalents	202,818	164,049	202,818	164,049
Receivables	31,497	40,376	31,497	40,376
Term deposits - held to maturity	28,265	25,512	28,265	25,512
Listed investments	3,517	26,120	3,517	26,120
Unquoted investments - fair value	4,486	3,932	4,486	3,932
Unquoted investments - historical cost	104	104	104	104
Total financial assets	270,687	260,093	270,687	260,093
Financial Liabilities				
Payables	(61,485)	(59,803)	(61,485)	(59,803)
Borrowings	(357,262)	(398,222)	(357,262)	(398,222)
Interest rate swap	(6,874)	(10,168)	(6,874)	(10,168)
Total financial liabilities	(425,621)	(468,193)	(425,621)	(468,193)

40 Fair Value Measurement (continued)

(a) Fair value measurements (continued)

	Carrying Amount		Fair Value	
	2013	2012	2013	2012
Parent	\$'000	\$'000	\$'000	\$'000
Financial assets				
Cash and cash equivalents	174,561	133,089	174,561	133,089
Receivables	18,270	23,977	18,270	23,977
Term deposits - held to maturity	4,658	4,637	4,658	4,637
Listed investments	3,517	26,120	3,517	26,120
Investment in subsidiary	72,419	49,169	72,419	49,169
Unquoted investments - fair value	4,817	4,192	4,817	4,192
Unquoted investments - historical cost	104	104	104	104
Total financial assets	278,346	241,288	278,346	241,288
Financial Liabilities				
Payables	(43,739)	(34,347)	(43,739)	(34,347)
Borrowings	(356,857)	(397,641)	(356,857)	(397,641)
Interest rate swap	(6,874)	(10,168)	(6,874)	(10,168)
Total financial liabilities	(407,470)	(442,156)	(407,470)	(442,156)

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

- Derivative financial instruments
- Available-for-sale financial assets
- Land and buildings
- Library General and Special
- Works of Art

(b) Fair value hierarchy

Macquarie University categorises assets and liabilities measured at fair value into a hierarchy based on the level of inputs used in measurements.

Other

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 2013. Comparative information for non-financial assets has not been provided as permitted by the transitional provisions of the new standard.

The non-financial assets listed below have a carrying value that equates to their fair value.

40 Fair Value Measurement (continued)

(b) Fair value hierarchy (continued)
Fair value measurements at 31 December 2013

Consolidated 2013	Note	2013 \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Recurring fair value measurements					
Financial assets					
Term deposits - held to maturity	20	28,265	28,265	-	-
Listed investments	20	3,517	3,517	-	-
Unquoted investments - fair value	20	4,486	-	4,486	-
Unquoted investments - historical cost	20	104	-	-	104
Total financial assets		36,372	31,782	4,486	104
Non-financial assets					
PPE					
Construction in progress	23	17,527	-	-	17,527
Land	23	474,600	-	-	474,600
Buildings	23	1,019,580	-	87,580	932,000
Plant and equipment	23	94,403	-	-	94,403
Leasehold improvements	23	1,347	-	-	1,347
Library general	23	18,677	-	-	18,677
Library special	23	6,038	-	-	6,038
Works of art	23	20,245	-	-	20,245
Infrastructure	23	81,679	-	-	81,679
Intangibles	24	879	-	-	879
Total non-financial assets		1,734,975	-	87,580	1,647,395
Financial liabilities					
Interest rate swap	28	(6,874)	-	(6,874)	-
Total liabilities		(6,874)	-	(6,874)	-

40 Fair Value Measurement (continued)

(b) Fair value hierarchy (continued)

Parent 2013	Note	2013 \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Recurring fair value measurements					
Financial assets					
Term deposits - held to maturity	20	4,658	4,658	-	-
Listed investments	20	3,517	3,517	-	-
Investment in subsidiary - equity	22	20,582	-	20,582	-
Investment in subsidiary - loan	20	38,288	-	38,288	-
Unquoted investments - fair value	20	4,486	-	4,486	-
Unquoted investments - historical cost	20	104	-	-	104
Total financial assets		71,635	8,175	63,356	104
Non-financial assets					
PPE					
Construction in progress	23	17,445	-	-	17,445
Land	23	474,600	-	-	474,600
Buildings	23	1,019,580	-	87,580	932,000
Plant and equipment	23	90,441	-	-	90,441
Leasehold improvements	23	1,347	-	-	1,347
Library general	23	18,677	-	-	18,677
Library special	23	6,038	-	-	6,038
Works of art	23	20,245	-	-	20,245
Infrastructure	23	81,679	-	-	81,679
Intangibles	24	879	-	-	879
Total non-financial assets		1,730,931	-	87,580	1,643,351
Financial liabilities					
Interest rate swap	28	(6,874)	-	(6,874)	-
Total liabilities		(6,874)	-	(6,874)	-

40 Fair Value Measurement (continued)

(b) Fair value hierarchy (continued)

Fair value measurements at 31 December 2012

Consolidated 2012	Note	2012 \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Recurring fair value measurements					
Financial assets					
Term deposits - held to maturity	20	25,512	25,512	-	-
Listed investments	20	26,120	26,120	-	-
Unquoted investments - fair value	20	3,932	-	3,932	-
Unquoted investments - historical cost	20	104	-	-	104
Total financial assets		55,668	51,632	3,932	104
Financial liabilities					
Interest rate swap	28	(10,168)	-	(10,168)	-
Total liabilities		(10,168)	-	(10,168)	-

Parent 2012	Note	2012 \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Recurring fair value measurements					
Financial assets					
Term deposits - held to maturity	20	4,637	4,637	-	-
Listed investments	20	26,120	26,120	-	-
Investment in subsidiary - loan	20	49,169	-	49,169	-
Unquoted investments - fair value	20	4,192	-	4,192	-
Unquoted investments - historical cost	20	104	-	-	104
Total financial assets		84,222	30,757	53,361	104
Financial liabilities					
Interest rate swap	28	(10,168)	-	(10,168)	-
Total liabilities		(10,168)	-	(10,168)	-

There were no transfers between levels 1 and 2 for recurring fair value measurements during the year. For transfers in and out of level 3 measurements, see (d) below.

Macquarie University's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

40 Fair Value Measurement (continued)

(c) Valuation techniques used to derive fair values for key assets and liabilities

(i) Assets or liabilities traded in active markets

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

(ii) Held-to-maturity investments

The fair values of held-to-maturity investments were determined by reference to published price quotations in an active market (Level 1).

(iii) Trade receivables and payables

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

(iv) Borrowings

The fair value of both current and non-current borrowings approximates the carrying amount, as the impact of discounting is not significant (Level 2).

(v) Derivatives

Derivative contracts classified as held for trading are fair valued by comparing the contracted rate to the current market rate for a contract with the same remaining period to maturity.

(vi) Assets or liabilities not traded in active markets

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) 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.

(vii) Property, Plant and Equipment – off-campus buildings

Off-campus buildings are assessed annually by an independent expert valuer. Observable market transactions or market information is used when available (Sales Comparison Approach and Income Capitalisation Approach). These assets are located in established and relatively liquid markets and are classified as Level 2.

(viii) Property Plant and Equipment – on-campus land

On-campus land is assessed annually by an independent expert valuer, based on direct comparison with land sales, taking into account its existing use as a university as the highest and best use (Level 3).

(ix) Property Plant and Equipment – on-campus buildings and infrastructure

On-campus buildings are assessed annually by an independent expert valuer. Market information is not observable, and other valuation techniques (including discounted replacement value) are used that maximise the use of relevant observable inputs and minimises the use of unobservable inputs. These assets are classified as Level 3.

(x) Intangible assets – patents

Patents are revalued every five years by an independent external valuer. In addition, an annual internal review is conducted to gain assurance that the product or service continues to be technically and commercially feasible. Patents are classified as Level 3 due to the limited number of external observable inputs.

(xi) Library General and Special

The Library General Collection is recorded at fair value on the basis of depreciated replacement value. The Library Special Collection is revalued every three years by an independent expert valuer. Both collections are classified as Level 3 due to the limited number of external observable inputs.

(xii) Works of Art

Works of Art are revalued every five years by an independent external valuer, on the basis of market value for existing use. The collection is classified as Level 3 due to the limited number of external observable inputs.

40 (d) Fair Value Measurement (continued)
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 2013 and 2012.

Consolidated Level 3 Fair Value Measurement 2013	Unquoted investments \$'000	Construction in progress \$'000	Land \$'000	Buildings \$'000	Plant and equipment \$'000	Leasehold improvements \$'000	Library General \$'000	Library Special \$'000	Works of Art \$'000	Infrastructure \$'000	Intangible \$'000	Total \$'000
Opening balance	104	20,969	474,550	916,622	96,366	1,745	17,697	5,619	18,952	72,663	766	1,626,053
Acquisitions	-	12,492	-	15,963	11,535	38	8,180	-	373	6,330	294	55,205
Sales	-	-	-	-	(521)	-	-	-	-	-	-	(521)
Recognised in profit or loss	-	-	-	(27,610)	(20,562)	(436)	(7,200)	-	-	(4,407)	(181)	(60,396)
Recognised in other comprehensive income	-	-	50	21,910	-	-	-	419	920	3,859	-	27,158
Transfers	-	(15,934)	-	5,115	7,585	-	-	-	-	3,234	-	-
Closing balance	104	17,527	474,600	932,000	94,403	1,347	18,677	6,038	20,245	81,679	879	1,647,499

Consolidated Level 3 Fair Value Measurement 2012	Unquoted investments \$'000	Construction in progress \$'000	Land \$'000	Buildings \$'000	Plant and equipment \$'000	Leasehold improvements \$'000	Library General \$'000	Library Special \$'000	Works of Art \$'000	Infrastructure \$'000	Intangibles \$'000	Total \$'000
Opening balance	120	-	-	-	-	-	-	-	-	-	-	120
Recognised in profit or loss	(16)	-	-	-	-	-	-	-	-	-	-	(16)
Closing balance	104	-	-	-	-	-	-	-	-	-	-	104

Comparative information for non-financial assets has not been provided, as permitted by the transitional provisions of the standard.

40 Fair Value Measurement (continued)

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

Parent	Unquoted investments \$'000	Construction in progress \$'000	Land \$'000	Buildings \$'000	Plant and equipment \$'000	Leasehold improvements \$'000	Library General \$'000	Library Special \$'000	Works of Art \$'000	Infrastructure \$'000	Intangibles \$'000	Total \$'000
Opening balance	104	20,969	474,550	916,622	92,327	1,744	17,697	5,619	18,952	72,663	766	1,622,013
Acquisitions	-	11,798	-	15,963	10,770	39	8,180	-	373	6,330	294	53,747
Sales	-	-	-	-	(404)	-	-	-	-	-	-	(404)
Recognised in profit or loss	-	-	-	(27,610)	(19,225)	(436)	(7,200)	-	-	(4,407)	(181)	(59,059)
Recognised in other comprehensive income	-	-	50	21,910	-	-	-	419	920	3,859	-	27,158
Transfers	-	(15,322)	-	5,115	6,973	-	-	-	-	3,234	-	-
Closing balance	104	17,445	474,600	932,000	90,441	1,347	18,677	6,038	20,245	81,679	879	1,643,455

Parent	Unquoted investments \$'000	Construction in progress \$'000	Land \$'000	Buildings \$'000	Plant and equipment \$'000	Leasehold improvements \$'000	Library General \$'000	Library Special \$'000	Works of Art \$'000	Infrastructure \$'000	Intangibles \$'000	Total \$'000
Opening balance	120	-	-	-	-	-	-	-	-	-	-	120
Recognised in profit or loss	(16)	-	-	-	-	-	-	-	-	-	-	(16)
Closing balance	104	-	-	-	-	-	-	-	-	-	-	104

Comparative information for non-financial assets has not been provided, as permitted by the transitional provisions of the standard.

40 Fair Value Measurement (continued)

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

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

There were no transfers of assets / liabilities between levels 2 and 3.

(ii) Valuation inputs and relationships to fair value

Buildings and Land represent the majority of the assets classified within level 3. Key inputs for these assets, with a range of changes in fair value given a 5% increase or decrease in these assumptions, are shown below:

Consolidated and Parent

Description	Fair value at 31 December 2013 \$'000	Unobservable inputs	Range of inputs	Relationship of unobservable inputs to fair value
PPE - buildings	932,000	Remaining useful life of assets	+ / - 5%	Increased term of useful life by 5% would increase fair value by \$46.4m Decrease term of useful life by 5% would decrease fair value by \$46.2m
Land	474,600	\$ per square metre for campus land	+ / - 5%	Increase in \$ per square metre by 5% would increase fair value by \$22.5m Decrease in \$ per square metre by 5% would decrease fair value by \$22.5m

(iii) Valuation processes

Valuation methodology has been disclosed as part of (c) in this note.

41 Employee Benefits - Unfunded Defined Benefit Superannuation Liabilities

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 defined benefit superannuation liabilities have been recognised in the Statement of Financial Position under Provisions with a corresponding asset recognised under Receivables.

This arrangement is supported by Division 41 of the Commonwealth Higher Education Support Act 2003 and section 20 of the Higher Education Funding Act 1988.

The unfunded defined benefit superannuation liabilities for the University determined by the actuary at 31 December 2013 was \$348.1 million (2012: \$397.5 million) as reflected in note 18.

The recognition of both the asset and liability does not affect the year end net position of the University and its controlled entities.

42 Defined Benefits Plans

(a) Fund specific disclosure

The Pooled Funds holds in trust the investments of the closed NSW public sector superannuation schemes:

- State Authorities Superannuation Scheme (SASS)
- State Authorities Non-contributory Superannuation Scheme (SANCS)
- State Superannuation Scheme (SSS)

The Professorial Superannuation Fund (PSF) is a combination of an accumulation benefit and a defined benefit.

The Professorial Superannuation Scheme was an alternative superannuation arrangement to the State Superannuation Scheme that was available to professors of the University, until its closure to new entrants in 1988. The scheme provides active members with a combination of accumulation benefits and defined benefits. Pensioner members receive pension payments from the scheme. The University commenced its funding of the previously unfunded "non-contributory pension" during the 2006 year.

The above schemes are all defined benefit schemes - at least a component of the final benefit is derived from a multiple of member salary and years of membership. Members receive lump sum or pension benefits on retirement, death, disablement and withdrawal. All schemes are closed to new members.

The University does not expect to make contributions to any Pooled Fund Schemes in 2014 (2013: nil) aside from normal payments made under the Superannuation Guarantee Levy for those employees who are members of these funds. The University expects to make a contribution of \$1.3m (2013: \$1.2m) to the Professorial Superannuation Scheme.

Pooled Funds - maturity analysis

The expected maturity analysis of undiscounted benefit obligations 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 2013	30,640	31,302	95,067	591,605	748,614

Professorial Superannuation Fund - maturity analysis

The expected maturity analysis of discounted benefit obligations 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 2013	1,563	1,516	4,238	9,192	16,509

42 Defined Benefits Plans (continued)
(b) Categories of plan assets

Pooled Funds - key assumptions

The analysis of the plan assets and the expected rate of return at the reporting date is as follows:

	2013 (%)		2012 (%)
	Active Market	No Active Market	Total Market
Cash and Cash Equivalents	5	3	13
Equity instruments	55	8	55
Debt instruments	-	6	9
Property	2	6	9
Other	1	14	14
Total	63	37	100

There is no data available from the actuaries for 2012 to split the plan assets between active and inactive markets.

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

	2013	2012
	%	%
Discount rate(s)	4.27	3.30
Expected return on plan assets	8.30	8.60
Expected rate(s) of salary increase	2.25	2.50
Expected rate of CPI increase	2.50	2.50

Professorial Superannuation Fund - key assumptions

The analysis of the plan assets and the expected rate of return at the reporting date is as follows:

	2013 (%)		2012 (%)	
	Active Market	No Active Market	Active Market	No Active Market
Cash and Cash Equivalents	-	18	-	56
Equity instruments	56	-	33	-
Debt instruments	-	17	-	2
Property	-	-	-	8
Other securities	-	9	-	1
Total	56	44	33	67

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

	2013	2012
	%	%
Discount rate(s)	4.00	3.20
Expected rate(s) of salary increase	4.00	3.20
Pension growth rate	4.00	3.50

42 Defined Benefits Plans (continued)
(c) Actuarial assumptions and sensitivity

The sensitivity of the obligation under the Pooled Funds to changes in significant assumptions is:

	Change in assumption	Impact on defined obligation	
		Increase in assumption	Decrease in assumption
Discount rate	1.00 %	Decrease by 9.1%	Increase by 10.8%
Rate of CPI increase	0.50 %	Increase by 4.9%	Decrease by 4.5%
Rate of salary increase	0.50 %	Increase by 0.2%	Decrease by 0.2%
Rate of pensioner mortality	0.50 %	Decrease by 1.1%	Increase by 1.2%

Comparative information has not been provided for the sensitivity analysis, as permitted by the transitional provisions of the revised standard.

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.

(d) Balance sheet amounts

	\$'000	\$'000	\$'000	\$'000	\$'000
	SASS	SANCS	SSS	PSF	Total
Present value of obligations - 2013					
Opening defined benefit obligation	33,981	6,649	461,049	18,510	520,189
Current service cost	1,086	252	589	413	2,340
Interest expense/(income)	1,053	206	14,820	427	16,506
	<u>36,120</u>	<u>7,107</u>	<u>476,458</u>	<u>19,350</u>	<u>539,035</u>
Remeasurements					
Actuarial losses/(gains) arising from changes in financial assumptions	(1,050)	(273)	(45,298)	(388)	(47,009)
Experience (gains)/losses	2,312	(7)	(4,047)	(470)	(2,212)
	<u>1,262</u>	<u>(280)</u>	<u>(49,345)</u>	<u>(858)</u>	<u>(49,221)</u>
Contributions					
Plan participants	467	-	636	-	1,103
	<u>467</u>	<u>-</u>	<u>636</u>	<u>-</u>	<u>1,103</u>
Payments from plan					
Benefits paid	(2,687)	(1,040)	(24,102)	(1,570)	(29,399)
Taxes, premiums and expenses paid	(202)	75	3,139	(413)	2,599
	<u>(2,889)</u>	<u>(965)</u>	<u>(20,963)</u>	<u>(1,983)</u>	<u>(26,800)</u>
Closing defined benefit obligation	<u>34,960</u>	<u>5,862</u>	<u>406,786</u>	<u>16,509</u>	<u>464,117</u>

42 Defined Benefits Plans (continued)

(d) Balance sheet amounts (continued)

	\$'000	\$'000	\$'000	\$'000	\$'000
	SASS	SANCS	SSS	PSF	Total
Present value of plan assets - 2013					
Opening fair value of plan assets	25,151	2,781	72,397	12,835	113,164
Interest expense/(income)	762	107	1,994	398	3,261
	<u>25,913</u>	<u>2,888</u>	<u>74,391</u>	<u>13,233</u>	<u>116,425</u>
Remeasurements					
Return on plan assets, excluding amounts included in interest expense	4,428	388	10,182	1,473	16,471
	<u>4,428</u>	<u>388</u>	<u>10,182</u>	<u>1,473</u>	<u>16,471</u>
Contributions					
Employers	1,035	308	402	1,195	2,940
Plan participants	467	-	636	-	1,103
	<u>1,502</u>	<u>308</u>	<u>1,038</u>	<u>1,195</u>	<u>4,043</u>
Payments from plan					
Benefits paid	(2,687)	(1,040)	(24,102)	(1,570)	(29,399)
Taxes, premiums and expenses paid	(204)	76	3,139	(413)	2,598
	<u>(2,891)</u>	<u>(964)</u>	<u>(20,963)</u>	<u>(1,983)</u>	<u>(26,801)</u>
Closing fair value of plans assets	<u>28,952</u>	<u>2,620</u>	<u>64,648</u>	<u>13,918</u>	<u>110,138</u>

	\$'000	\$'000	\$'000	\$'000	\$'000
	SASS	SANCS	SSS	PSF	Total
Reimbursement rights - 2013					
Opening value of reimbursement right	8,830	-	388,651	-	397,481
Expected return on reimbursement rights	(8,512)	-	(7,350)	-	(15,862)
Remeasurements	5,690	-	(39,163)	-	(33,473)
Closing value of reimbursement right	<u>6,008</u>	<u>-</u>	<u>342,138</u>	<u>-</u>	<u>348,146</u>

	\$'000	\$'000	\$'000	\$'000	\$'000
	SASS	SANCS	SSS	PSF	Total
Net liability - 2013					
Defined benefit obligation	34,960	5,862	406,786	16,509	464,117
Fair value of plan assets	(28,952)	(2,620)	(64,648)	(13,918)	(110,138)
Net liability	<u>6,008</u>	<u>3,242</u>	<u>342,138</u>	<u>2,591</u>	<u>353,979</u>

42 Defined Benefits Plans (continued)

(d) Balance sheet amounts (continued)

	\$'000	\$'000	\$'000	\$'000	\$'000
	SASS	SANCS	SSS	PSF	Total
Present value obligations - 2012					
Opening defined benefit obligation	35,160	7,178	436,638	18,585	497,561
Current service cost	1,117	278	605	769	2,769
Interest expense/(income)	1,209	241	15,714	371	17,535
	<u>37,486</u>	<u>7,697</u>	<u>452,957</u>	<u>19,725</u>	<u>517,865</u>
Remeasurements					
Actuarial losses/(gains) arising from changes in demographic assumptions	3	(34)	9,953	-	9,922
Actuarial losses/(gains) arising from changes in financial assumptions	496	150	20,692	573	21,911
Experience (gains)/losses	1,360	388	(2,130)	463	81
	<u>1,859</u>	<u>504</u>	<u>28,515</u>	<u>1,036</u>	<u>31,914</u>
Contributions					
Plan participants	490	-	727	-	1,217
	<u>490</u>	<u>-</u>	<u>727</u>	<u>-</u>	<u>1,217</u>
Payments from plan					
Benefits paid	(5,620)	(1,490)	(22,865)	(1,486)	(31,461)
Taxes, premiums and expenses paid	(234)	(62)	1,715	(765)	654
	<u>(5,854)</u>	<u>(1,552)</u>	<u>(21,150)</u>	<u>(2,251)</u>	<u>(30,807)</u>
Closing defined benefit obligation	<u>33,981</u>	<u>6,649</u>	<u>461,049</u>	<u>18,510</u>	<u>520,189</u>
	\$'000	\$'000	\$'000	\$'000	\$'000
	SASS	SANCS	SSS	PSF	Total
Present value of plan assets - 2012					
Opening fair value of plan assets	26,754	3,597	82,577	11,673	124,601
Interest expense/(income)	898	144	2,614	421	4,077
	<u>27,652</u>	<u>3,741</u>	<u>85,191</u>	<u>12,094</u>	<u>128,678</u>
Remeasurements					
Return on plan assets, excluding amounts included in interest expense	1,811	255	7,111	712	9,889
	<u>1,811</u>	<u>255</u>	<u>7,111</u>	<u>712</u>	<u>9,889</u>
Contributions					
Employers	1,053	337	518	2,280	4,188
Plan participants	490	-	727	-	1,217
	<u>1,543</u>	<u>337</u>	<u>1,245</u>	<u>2,280</u>	<u>5,405</u>
Payments from plan					
Benefits paid	(5,621)	(1,490)	(22,865)	(1,486)	(31,462)
Taxes, premiums and expenses paid	(234)	(62)	1,715	(765)	654
	<u>(5,855)</u>	<u>(1,552)</u>	<u>(21,150)</u>	<u>(2,251)</u>	<u>(30,808)</u>
Closing fair value of plans assets	<u>25,151</u>	<u>2,781</u>	<u>72,397</u>	<u>12,835</u>	<u>113,164</u>

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42 Defined Benefits Plans (continued)

(d) Balance sheet amounts (continued)

		\$'000	\$'000	\$'000	\$'000	\$'000
		SASS	SANCS	SSS	PSF	Total
Reimbursement rights - 2012	Note					
Opening value of reimbursement right		8,406	-	354,061	-	362,467
Expected return on reimbursement rights		(3,247)	-	(1,035)	-	(4,282)
Remeasurements		3,671	-	35,626	-	39,297
Closing value of reimbursement right	18	8,830	-	388,652	-	397,482

		\$'000	\$'000	\$'000	\$'000	\$'000
		SASS	SANCS	SSS	PSF	Total
Net liability - 2012	Note					
Defined benefit obligation	27	33,981	6,649	461,049	18,510	520,189
Fair value of plan assets		(25,151)	(2,781)	(72,397)	(12,835)	(113,164)
Net liability		8,830	3,868	388,652	5,675	407,025

(e) Unisuper

The University also contributes to UniSuper Defined Benefit Plan ('UniSuper') (formerly Superannuation Scheme for Australian Universities) (SSAU) for academic staff appointed since 1 March 1988 and all other staff from 1 July 1991. The Unisuper is a post employment defined contribution plan into which the University pays fixed contributions.

The UniSuper Defined Benefit Division (DBD) is a defined benefit plan under Superannuation Law but, as a result of Clause 34 of the UniSuper Trust Deed, a defined contribution plan under Accounting Standard AASB 119. UniSuper is not considered to be controlled by the University and therefore the excess/shortfall of assets over accrued benefits has not been included in the University's accounts.

43 Acquittal of Australian Government Financial Assistance

(a) Education - CGS and other Education grants

Parent Entity (University) Only	Note	Commonwealth Grants Scheme#1		Indigenous Support Program		Partnership & Participation Program#2		Disability Support Program		Transitional Cost Program		Promo of Exc in Learning and Teaching		Reward Funding		Total	
		2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013		\$'000
Financial assistance received in cash during the reporting period (total cash received from Australian Government for the program)	2(g)	146,116	131,886	710	544	2,455	1,519	916	856	-	36	345	619	667	584	151,209	136,044
Net accrual adjustments		(4,102)	2,194	-	-	(21)	-	-	-	-	-	-	-	-	-	(4,123)	2,194
Revenue for the period	2(a)	142,014	134,080	710	544	2,434	1,519	916	856	-	36	345	619	667	584	147,086	138,238
Surplus/(deficit) from the previous year		-	-	-	-	20	776	-	-	-	-	474	-	-	-	494	776
Total revenue including accrued revenue		142,014	134,080	710	544	2,454	2,295	916	856	-	36	819	619	667	584	147,580	139,014
Less expenses including accrued expenses		(142,014)	(134,080)	(710)	(544)	(2,130)	(2,275)	(916)	(856)	-	(36)	(431)	(145)	(667)	(584)	(146,868)	(138,520)
Surplus/(deficit) for the reporting period		-	-	-	-	324	20	-	-	-	-	388	474	-	-	712	494

#1 Basic CGS grant amount, CGS – Regional Loading, CGS – Enabling Loading, Maths and Science Transition Loading and Full Fee Places Transition Loading.

#2 Includes Equity Support Program.

43 (b) Acquittal of Australian Government Financial Assistance (continued)
Higher education loan programmes (excl OS-HELP)

	HECS-HELP (Aust. Government payments only)		FEE-HELP ^{#3}		SA-HELP		Total	
	2013	2012	2013	2012	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Parent Entity (University) Only								
Cash Payable/(Receivable) at the beginning of the year	(1,073)	(1,673)	(1,068)	(834)	(168)	-	(2,309)	(2,507)
Financial assistance received in cash during the reporting period	120,229	97,332	33,754	29,205	1,797	1,150	155,780	127,687
Cash available for the period	119,156	95,659	32,686	28,371	1,629	1,150	153,471	125,180
Revenue earned	(114,896)	(96,732)	(32,936)	(29,439)	(1,629)	(1,318)	(149,461)	(127,489)
Cash Payable/(Receivable) at the end of the year	4,260	(1,073)	(250)	(1,068)	-	(168)	4,010	(2,309)

^{#3} Program is in respect of FEE-HELP for Higher Education only and excludes funds received in respect of VET FEE-HELP

43 (c) **Acquittal of Australian Government Financial Assistance (continued)**

	Note	Australian Postgraduate Awards		International Postgraduate Research Scholarships		Commonwealth Education Cost Scholarships ^{#4}		Commonwealth Accommodation Scholarships ^{#4}		Indigenous Access Scholarship		Indigenous Staff Scholarships		Total	
		2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
Parent Entity (University) Only		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assistance received in cash during the reporting period (total cash received from Australian Government for the program)	2(g)	5,837	5,225	465	448	(103)	134	(58)	93	9	101	43	-	6,193	6,001
Net accrual adjustments		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Revenue for the period	2(c)	5,837	5,225	465	448	(103)	134	(58)	93	9	101	43	-	6,193	6,001
Surplus/(deficit) from the previous year		2,840	1,793	-	(240)	172	140	113	72	38	(5)	-	-	3,163	1,760
Total revenue including accrued revenue		8,677	7,018	465	208	69	274	55	165	47	96	43	-	9,356	7,761
Less expenses including accrued expenses		(4,772)	(4,178)	(465)	(208)	(57)	(102)	(45)	(52)	(47)	(58)	(30)	-	(5,416)	(4,598)
Surplus/(deficit) for reporting period		3,905	2,840	-	-	12	172	10	113	-	38	13	-	3,940	3,163

^{#4} Includes Grandfathered Scholarships, National Priority and National Accommodation Priority Scholarships respectively.

43 (d) **Acquittal of Australian Government Financial Assistance (continued)**
Education Research

Parent Entity (University) Only ^{#6}	Note	Joint Research Engagement ^{#5}		JRE Engineering Cadetships		Research Training Scheme		Infrastructure Block Grants		Commercialisation Training Scheme		Sustainable Research Excellence in Universities		Total
		2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assistance received in cash during the reporting period (total cash received from Australian Government for the program)	2(g)	5,812	5,816	49	25	13,772	12,813	3,146	2,650	-	-	2,252	2,002	25,031
Net accrual adjustments		-	-	-	-	-	-	-	-	(250)	-	-	-	(250)
Revenue for the period	2(d)	5,812	5,816	49	25	13,772	12,813	3,146	2,650	(250)	-	2,252	2,002	25,031
Surplus/ (deficit) from the previous year		-	-	25	-	-	-	-	-	250	-	-	-	25
Total revenue including accrued revenue		5,812	5,816	74	25	13,772	12,813	3,146	2,650	-	-	2,252	2,002	25,056
Less expenses including accrued expenses		(5,812)	(5,816)	-	-	(13,772)	(12,813)	(3,146)	(2,650)	-	-	(2,252)	(2,002)	(24,982)
Surplus/ (deficit) for reporting period		-	-	74	25	-	-	-	-	-	-	-	-	74
														25

^{#5} Includes Institutional Grants Scheme

^{#6} The reported surpluses for JRE Engineering Cadetships are expected to be rolled over for future use by the Department of Education.

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43 (e) Acquittal of Australian Government Financial Assistance (continued)
Other Capital Funding

	Teaching and Learning Capital Fund		Education Investment Fund		Total
	2013	2012	2013	2012	
	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assistance received in cash during the reporting period (total cash received from Australian Government for the program)	-	-	-	-	-
Net accrual adjustments	-	-	-	-	-
Revenue for the period	-	-	-	-	-
Surplus/(deficit) from the previous year	-	-	-	-	-
Total revenue including accrued revenue	-	1,215	-	12,909	14,124
Less expenses including accrued expenses	-	(1,215)	-	(12,909)	(14,124)
Surplus/(deficit) for the reporting period	-	-	-	-	-

43 (f) Acquittal of Australian Government Financial Assistance (continued)
Australian Research Council Grants

(i) Discovery

Parent Entity (University) Only

Financial assistance received in cash during the reporting period (total cash received from Australian Government for the program)
 Net accrual adjustments
 Revenue for the period

Surplus/ (deficit) from the previous year
 Total revenue including accrued revenue
 Less expenses including accrued expenses
 Surplus/ (deficit) for reporting period

	2013	Projects		Fellowships		Indigenous Researchers Development		Total
		2012	2013	2012	2013	2012	2013	
Note	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2(g)	9,372	9,242	7,207	6,767	43	73	16,622	16,082
	(56)	89	286	(285)	-	-	230	(196)
2(e)(i)	9,316	9,331	7,493	6,482	43	73	16,852	15,886
	3,995	3,809	3,956	1,686	57	-	8,008	5,495
	13,311	13,140	11,449	8,168	100	73	24,860	21,381
	(9,906)	(9,145)	(6,367)	(4,212)	(57)	(16)	(16,330)	(13,373)
	3,405	3,995	5,082	3,956	43	57	8,530	8,008

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43 Acquitment of Australian Government Financial Assistance (continued)
(f) Australian Research Council Grants (continued)

(ii) Linkages

Parent Entity (University) Only

Financial assistance received in cash during the reporting period (total cash received from Australian Government for the program)
 Net accrual adjustments
 Revenue for the period

Surplus/ (deficit) from the previous year
 Total revenue including accrued revenue
 Less expenses including accrued expenses
 Surplus/ (deficit) for reporting period

Note	Infrastructure		International		Projects		Total
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000	
2(g)	390	809	-	(7)	2,389	2,004	2,779
	-	-	-	-	42	14	42
2(e)(ii)	390	809	-	(7)	2,431	2,018	2,821
	(26)	54	-	7	487	479	461
	364	863	-	-	2,918	2,497	3,282
	(141)	(889)	-	-	(1,673)	(2,010)	(1,814)
	223	(26)	-	-	1,245	487	1,468
							461
							2,820
							2,806
							14

43 Acquittal of Australian Government Financial Assistance (continued)

(f) Australian Research Council Grants (continued)

(iii) Networks and Centres

Parent Entity (University) Only

Financial assistance received in cash during the reporting period (total cash received from Australian Government for the program)

Net accrual adjustments

Revenue for the period

Surplus/(deficit) from the previous year

Total revenue including accrued revenue

Less expenses including accrued expenses

Surplus/(deficit) for the reporting period

	Research Networks			Centres			Total
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000	
Note							
2(g)	-	-	5,258	5,169	5,258	5,169	5,169
2(e)(iii)	-	-	5,258	5,169	5,258	5,169	5,169
	-	-	2,122	2,077	2,122	2,077	2,077
	-	-	7,380	7,246	7,380	7,246	7,246
	-	-	(4,666)	(5,124)	(4,666)	(5,124)	(5,124)
	-	-	2,714	2,122	2,714	2,122	2,122

43 Acquittal of Australian Government Financial Assistance (continued)
(g) OS-HELP

	Note	2013	2012
Parent Entity (University) Only		\$'000	\$'000
Cash received during the reporting period		1,378	1,064
Cash spent during the reporting period		(1,562)	(1,310)
Net cash received	2(g)	(184)	(246)
Cash surplus/ (deficit) from the previous period		(112)	134
Cash surplus/ (deficit) for the reporting period		(296)	(112)

(h) Student Services and Amenities Fee

	Note	2013	2012
Parent Entity (University) Only		\$'000	\$'000
Unspent/ (overspent) revenue from previous period		-	-
SA-HELP revenue earned	2(b)	1,629	1,318
Student services fees direct from students	4	2,997	2,875
Total revenue expendable in period		4,626	4,193
Student services expenses during period		(4,626)	(4,193)
Unspent/ (overspent) student services revenue		-	-

44 Disaggregated information

Geographical - Consolidated entity

	Revenue		Results		Assets	
	2013	2012	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Australia	867,453	812,789	62,076	69,096	2,424,103	2,432,667
Asia	2,176	1,782	265	207	-	-
Other	-	-	-	-	-	-
Total	869,629	814,571	62,341	69,303	2,424,103	2,432,667

END OF AUDITED FINANCIAL STATEMENTS

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