

# Annual report | 2015

## VOLUME 1

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# Contact us

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External costs incurred in the production of this report  
totalled \$1144 (exc GST)

ISSN 0728–9480

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The report is also available on the University's website at  
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This document has been prepared by Group Marketing,  
Macquarie University. The information in this document  
is correct as at the date of publication.

# Macquarie University Annual Report 2015

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In accordance with the *Annual Reports (Statutory Bodies) Act 1984* (NSW), Macquarie University presents to The Hon Adrian Piccoli MP, Minister for Education, the following report of its proceedings for the period 1 January to 31 December 2015.

The Hon Michael Egan  
Chancellor

Professor S Bruce Dowton  
Vice-Chancellor and President



## 2015 financial summary

	Consolidated
	2015 \$Million
Assets	\$2844
Income	\$930
Australian Government financial assistance	\$436
Expenses	\$909
Employee costs	\$520



## Message from the Vice-Chancellor

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The first year of its second half-century has seen an extraordinary step change in Macquarie University's performance on almost every level. In every quarter of its campus and far beyond, its students, staff, partners and alumni continue to move from strength to strength, setting new standards of achievement and propelling it to ever greater success.

This year, some of the turbulence that has recently characterised the higher education sector has abated, allowing a greater focus on the core missions of Australian universities: to educate, inform and equip future generations for the world of tomorrow; and to help shape that world through rigorous research and discovery.

The completion of the Learning and Teaching Strategic Framework: 2015–2020, *Learning for the future*, has clearly laid out the University's intentions in responding to the first of these core missions. Today's students have their eyes on tomorrow: modern universities must prepare them for their potential futures, delivering a broad education alongside specialised expertise in their chosen fields using engaging, thought-provoking and accessible delivery methods and styles.

*Learning for the future* outlines a connected learning community focused on experience, curriculum and people, that combines classical learning with cutting-edge technology and real-world experience. This year, the University committed to combining traditional and technological teaching styles to deliver a seamless learning experience, and provided more than 6000 work placements for undergraduate students through the PACE (Professional and Community Engagement) program. Its central learning and teaching support services have been restructured and, where possible, returned to faculties and departments to enable faster, more effective and more relevant developments in delivery in and out of the classroom.

The strength of the University's power to deliver on its plans is most evident in the success of its research activities. In the 12 months since the launch of the Strategic Research Framework: 2015–2024 *World-leading Research: World-changing Impact*, it has seen a dramatic change in the profile of its activities in this area. Last year, the University reported a 19 per cent increase in research income from external funding across the spectrum, making it the third consecutive year in which it has reported an increase. It achieved a record number of higher degree research completions, and was awarded five ARC Future Fellowships that support researchers at the mid point of their academic careers.

The results of the Excellence in Research for Australia (ERA) assessment were also outstanding. The Strategic Research Framework set a 10-year target to achieve 95 per cent of research at or above world standard; just one year later, ERA assessed 100 per cent of the University's research at the 2-digit level as being at or above world standard. I commend the staff and students for their remarkable success.

Recognition of Macquarie's excellence has come from many quarters this year. In October, the Macquarie Graduate School of Management (MGSM) was rated as Australia's best provider of the Master of Business Administration (MBA) by *The Economist* magazine. This achievement is not only a testament to the dedication and hard work of the staff at MGSM, but also reflects the distinctive advantage an MBA from Macquarie University provides to students in their chosen careers.

Philanthropic activity is another form of recognition, and a vote of confidence by donors in the University's mission and ability to excel. This year was the most successful to date, with four gifts in excess of AU\$1 million: more than the total gifts received at this level by Macquarie in its 50-year history. In total, the University received nearly \$10 million in new gifts and pledges from donors, partners and alumni. This is a resounding endorsement of its work and direction, and I am grateful to every donor and the many friends of Macquarie for their generosity and support.

As ever, the campus has seen much change throughout the year. The new campus master plan is coming to life, with road construction securing the heart of the campus as a vehicle-free precinct, and numerous building developments getting underway. New students have arrived, others have graduated, and colleagues have joined and departed along the way. I thank them all for their contributions to, and their continued advocacy and service for and in the name of, Macquarie University.

As we look to the future, innovation and discovery are the watchwords of the coming year. It is a privilege to lead a University with so much potential at such a time, and I look forward to its continued ascendance in 2016. Our best is yet to come.

Professor S Bruce Dowton  
Vice-Chancellor and President

# At a glance

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## A PLACE OF INSPIRATION

Uniquely located in the heart of Australia's largest high-tech precinct, Macquarie brings together more than 40,000 students and 3000 staff in one thriving hub of discovery. Our campus spans 126 hectares, with open green space that gives our community the freedom to think and grow.

More than AU\$1 billion has recently been invested in our facilities and infrastructure so our students and staff can thrive in an environment that is inspiring and switched on to the latest digital technologies.

With more than 100 leading companies located on or around the Macquarie campus, our students are able to tap into industry connections that give them an edge in their future careers, while our staff have access to outstanding research and innovation opportunities with some of the world's leading organisations.

## RENOWNED FOR EXCELLENCE

While only 50 years young, Macquarie has risen to be a progressive and influential institution both locally and internationally.

Ranked among the top two per cent of universities in the world and with a 5-star QS rating, Macquarie is considered one of the world's best universities, producing graduates that are among the most sought-after professionals in the world.

With a strong tradition of innovation and exploration, we continue to break new ground, ranking among the top 100 institutions in the world for accounting and finance; communication, cultural and media; Earth and marine sciences; education; English language and literature; geography; law; linguistics and psychology.

## A PROUD TRADITION OF DISCOVERY

Macquarie is bold and innovative. Unconstrained by tradition, we take a pioneering approach to research. Such an approach is largely responsible for our enviable reputation for research excellence – 100 per cent of our research is ranked at world standard or above and more than 100 of our researchers are ranked in the top one per cent of researchers in the world.

Our framework for the future – world-leading research with world-changing impact – is brought to life by renowned researchers whose audacious solutions to issues of global significance are benefiting the world we live in.

Looking to the future, we have developed five research priorities – healthy people, resilient societies, prosperous economies, secure planet and innovative technologies – that provide a focal point for the cross-disciplinary research approach that is at the heart of our ethos.

## BUILDING SUCCESSFUL GRADUATES

From our beginnings, we have defied the traditional boundaries of academia. Instead, we have pioneered – and continue to pioneer – learning and teaching approaches that challenge conventions and shift thinking.

Our pioneering approach is built around a connected learning community. Our students are considered partners and co-creators in their learning experience. Their face-to-face experience is paired with sophisticated and interactive digital resources. Their courses are linked to the latest research discoveries. They are connected with industry partners through internships and work placements.

We design many of our degrees in collaboration with industry and many are also accredited by peak professional bodies, giving our students a head start on their careers. Additionally, we offer our students a package of career accelerator initiatives that educate, enable and empower them to launch a career in whatever field ignites their passion.

# Snapshot



RANKED IN THE TOP 10  
in Australia and in the  
top 50 in Asia-Pacific  
Academic Ranking of  
World Universities, 2015



MORE THAN 40,000  
students from more than  
100 countries



MORE THAN 100  
companies on campus or in the  
adjacent high-tech precinct,  
providing access to internship  
and job opportunities



MORE THAN 164,000  
alumni in more than  
140 countries



100 PER CENT  
of research activity rated  
at world standard or above  
at the 2-digit level



MORE THAN 150  
partner universities for  
student exchange in more  
than 40 countries



ALMOST 10,000  
degrees awarded annually



\$1 BILLION  
invested in infrastructure  
and facilities in  
recent years



5 QS STARS  
in teaching, employability, research,  
internationalisation, facilities,  
innovation, access and  
specialist subjects



15,000  
students have benefited from  
work placements or community  
experiences through PACE (Professional  
and Community Engagement)



15 KILOMETRES  
from the Sydney CBD



MORE THAN 200  
undergraduate and  
postgraduate degrees

THE ONLY AUSTRALIAN UNIVERSITY WITH



its own train station



a private hospital on campus



126 hectares of parklands

# 2015 in review

## January

### EMPOWERING GLOBAL COMMUNITIES

Graduate David Everett receives a Medal of the Order of Australia. In 2008, he co-founded School for Life, a not-for-profit organisation that provides education to Ugandan children.

### LECTURER OF THE YEAR

Professor Michael Gillings places fourth in the annual Lecturer of the Year Awards.

### MGSM'S MBA NUMBER ONE

The *Financial Times* ranks the Macquarie Graduate School of Management (MGSM) Australia's leading MBA school.

### AUSTRALIA DAY HONOURS

Emeritus Professor Farhat Yusuf, and Professors Rosalind Croucher and John Croucher receive Order of Australia awards.

### KIDS' HEARING PARTNERSHIP

A partnership between the Australian Hearing Hub at Macquarie and the Sydney Children's Hospitals Network will help provide better hearing outcomes for children.

## February

### MOOTERS REACH JESSUP SEMI-FINALS

Macquarie Law School's mooting team reach the semi-finals of the Australian National rounds of the 2015 Jessup International Law Moot Court Competition – the largest mooting competition in the world. The team knocked out Australian National University, Monash University, University of Adelaide and University of Melbourne, to progress to the semi-finals.

### FULBRIGHT SCHOLARSHIP WINNERS

Dr Adam Lockyer and alumna Annette Stewart are awarded 2015 Fulbright Professional Scholarships.

## March

### \$14M MELANOMA RESEARCH PROGRAM

Macquarie is announced as lead administrator of a \$14 million research program to study the molecular determinants of risk, progression and treatment response in melanoma.

### €1M FOR INTERNATIONAL PARTNERSHIP

The German Academic Exchange Services awards €1 million to support the development of a trilateral strategic research partnership between the University of Hamburg, Macquarie University and Fudan University.

### AUSTRALIA REGIONAL FIRST® ROBOTICS

More than 1000 high school students from Australia, Singapore, Taiwan and China compete in the inaugural Australia Regional FIRST® Robotics Competition (FRC®). Macquarie is the Australian host of FIRST® until 2018.

### GRADUATE LEADS HENRY DAVIS YORK

Macquarie Law School alumnus Michael Greene is appointed managing partner of renowned Australian law firm Henry Davis York (HDY).

## July

### \$20.5 MILLION FOR FRUIT FLY RESEARCH

Associate Professor Phil Taylor will lead a \$20.5 million project with Horticulture Innovation Australia to research an effective sterile insect technique program to curb the prevalence of fruit flies in Australia.

### ARC FOOD INDUSTRY CENTRE

The ARC Training Centre for Molecular Technology in the Food Industry is launched. Partners include Grain Growers Australia, the NSW Department of Primary Industries Gratuk Technologies and Agritechnology.

### EUROPEAN THINK TANK APPOINTMENT

Acclaimed cultural economist Professor David Throsby is appointed as Chairman of the Scientific Board of the Forum d'Avignon, a French think tank dedicated to strengthening the link between culture and the economy.

### RARE RESEARCH COMMITTEE HONOUR

Professor Jeffrey Braithwaite, Australian Institute of Health Innovation, is appointed a member of the National Health and Medical Research Council's Research Committee for the triennium July 2015 – June 2018.

## August

### STRONG GLOBAL RANKING

Macquarie is once again ranked as one of the 10 best universities in Australia in the 2015 Academic Ranking of World Universities.

### \$100K FOR MND RESEARCH CENTRE

Dr Nick Cole from the Motor Neurone Disease Research Centre at Macquarie leads a team of kitesurfers completing an epic journey across the Great Barrier Reef to raise awareness and funds for the centre.

### EUREKA PRIZE WIN

Professor David Raftos wins the Rural Research and Development Corporations Eureka Prize for Rural Innovation for his work safeguarding Australia's oyster industry.

### \$6.37 MILLION DEMENTIA GRANT

A research team led by Associate Professor Ian Blair receives a \$6.37 million grant from the NHMRC for dementia research.

### SIR DAVID ATTENBOROUGH LIZARD

A research team led by Dr Martin Whiting discovers a new species of flat lizard, which they name *Platysaurus attenboroughi*.

## September

### QS GLOBAL RANKINGS

Macquarie moves up 25 places to 229th in the 2015/16 QS World University Rankings.

### NATIONAL HONOUR

Drs Trudy Ambler, Jayde Cahir and Marina Harvey receive Citations for Outstanding Contributions to Student Learning.

### PHYSIOTHERAPY STUDENTS GRADUATE

The first cohort of students graduate from the Doctor of Physiotherapy – the only three-year masters-level physiotherapy degree in New South Wales.

### AWARD FOR WORLD-FIRST RESEARCH

Associate Professor Farah Magrabi receives a Sax Institute Research Action Award for her development of a new e-health risks classification system, which has become the international standard.

### PRESTIGIOUS FELLOWSHIPS

Professor Katherine Demuth is elected a Fellow of the Academy of the Social Sciences in Australia and Associate Professor Andrew Georgiou is admitted as a Fellow of The Royal College of Pathologists of Australasia.

## April

### WORLD'S TOP 100 SUBJECTS

Macquarie is ranked among the world's elite institutions in 21 of the 36 subjects featured in 2015's QS World University Rankings by Subject. Nine subject areas – accounting and finance, communication and media studies, Earth and marine sciences, education, English language and literature, geography, linguistics, philosophy and psychology – rank in the world's top 100.

### AUSTRALIAN ALUMNI AWARDS

Former international students – Dr Moinul Khan from Bangladesh and Brigadier Arshad Khan from Pakistan – each receive Australian Alumni Excellence Awards.

### SNOWBOARDING SILVER MEDAL

Sport Scholar Josh Miller wins silver in snowboarding at the Canadian Nationals. He beats seven World Cup riders and the current X Games champion.

## October

### TIMES HIGHER EDUCATION RANKINGS

Macquarie is ranked in the 301–350 band out of 800 institutions worldwide in the *Times Higher Education* World University Rankings.

### MAJOR ARC RESEARCH FUNDING

Macquarie receives more than \$10 million in ARC funding for 19 Discovery Projects; five Discovery Early Career Researcher Awards; and two Linkage Infrastructure, Equipment and Facilities grants.

### MGSM MOVES TO 28 IN THE WORLD

The Macquarie Graduate School of Management is ranked third in Asia-Pacific and 28th in the world by *The Economist*.

### OPTUS CADETSHIP

Macquarie partners with Optus to offer a cadetship program to telecommunications engineering students. Cadets receive funding and gain work experience with Optus.

### TALL POPPY SCIENCE AWARD

Dr Rachael Gallagher receives a Young Tall Poppy Science Award for her work mapping and analysing patterns of plant function in the Australian landscape.

## May

### PRINCE HARRY VISITS HOSPITAL

HRH Prince Harry visits British soldier Lieutenant Alistair Spearing who is undergoing groundbreaking osseointegration surgery by leading orthopaedic surgeon Associate Professor Munjed Al Muderis.

### ASPIRE PRIZE

Dr Katharine Haynes from Risk Frontiers is named as Australia's nominee for the \$25,000 APEC Science Prize for Innovation, Research and Education for her work in improving disaster resilience in Asia-Pacific.

### CROWN PRINCESS MARY SCHOLARSHIP

HRH Crown Princess Mary awards student Morgan Foulsham the Crown Princess Mary Scholarship, for exchange students from the University of Copenhagen's Australian partner universities.

### ARTIST IN RESIDENCE

ARIA award-winning singer/songwriter Josh Pyke joins Macquarie to mentor music students about songwriting and independent artist development.

## November

### ARC COLLEGE OF EXPERTS

Professors Julie Fitness, Marie Herberstein, Jennifer Hudson and Denise Meyerson are accepted into the ARC College of Experts.

### ROYAL SOCIETY OF NSW FELLOWSHIP

Professor Naguib Kanawati is elected as a Fellow of the Royal Society of NSW.

### GENOMICS HEALTH ALLIANCE GRANT

Professors Jeffrey Braithwaite and Enrico Coiera are involved in a \$25 million NHMRC project investigating the integration of genomic medicine into healthcare.

### NANCY MILLIS MEDAL

Dr Elena Belousova, Department of Earth and Planetary Sciences, receives the 2016 Nancy Millis Medal for Women in Science.

### COUNTERING VIOLENT EXTREMISM

Dr Julian Droogan joins the New South Wales Government's Countering Violent Extremism Expert Council.

### NEW YORK TIMES BESTSELLER LIST

Graduate Liane Moriarty achieves the rare feat of having three books on the *New York Times* bestseller list at the same time.

## June

### LEADING SCIENTISTS HONOURED

Professors Bill Griffin and Sue O'Reilly from the ARC Centre of Excellence for Core to Crust Fluid Systems, and Professor Rick Kefford from the Melanoma Institute Australia, are honoured at the Thomson Reuters Australian Citation & Innovation Awards.

### AUSTRALIAN LAUREATE FELLOWSHIP

Professor Ron Rapee, Director of the Centre for Emotional Health, is awarded an Australian Laureate Fellowship to research emotional distress during adolescence.

### AUSTRALIAN ACADEMY OF SCIENCE

Three researchers win Australian Academy of Science awards. Dr Melanie Bishop – Thomas Davies Research Fund for Marine, Soil and Plant Biology; Dr Yingjie Yang – Anton Hales Medal; and Dr Ian Wright – Fenner Medal.

### QUEEN'S BIRTHDAY HONOURS

Macquarie Law School alumnus Stuart Clark, a partner at Clayton Utz, is awarded the Member of the Order of Australia.

## December

### EXCELLENCE IN RESEARCH

One hundred per cent of Macquarie's research at the 2-digit level is rated at world standard or above in the 2015 Excellence in Research for Australia (ERA) evaluation. The areas of physical sciences, environmental sciences, and agricultural and veterinary sciences receive the highest rating of 5.

### ARC FUTURE FELLOWSHIPS

Associate Professor Alexander Argyros and Drs Olivier Alard, Alfonso Garcia-Bennett, Richard McDermid and Katherine Selway are awarded \$3.5 million in ARC Future Fellowships.

### LEARNING AND TEACHING FRAMEWORK

The Learning and Teaching Strategic Framework: 2015–2020, focused on creating a connected learning community, is launched.

### RESEARCH AWARDS

Professors Amanda Barnier, Jennifer Hudson, Nicolle Packer, David Raftos, Wendy Rogers and Stefan Trueck; Associate Professors Kay Bussey and Brian Atwell; Drs Miriam Forbes, Lee Spitler and Alexandra Woolgar; and Diego Barneche Rosado receive Vice-Chancellor's Awards for Research Excellence.

# FIRST Robotics



Macquarie University believes that the world should be a place where science and technology are celebrated, and where young people dream of becoming science and technology leaders.

## SHARED VISION

In *FIRST*® (For Inspiration and Recognition of Science and Technology) we have found a partner that shares that vision, and 2015 saw us celebrate our ninth year running robotics competitions across Australia as part of its global network. We now have 500 schools and teams participating nationally and internationally. Interest continues to grow, and our ambition is to see every school in the country offering their pupils the chance to take part.

## INSPIRING YOUNG PEOPLE

The program provides a training ground for young people to explore their creativity, build their self-esteem and team skills, and celebrates their achievements in science and engineering. As well as gaining the technical know-how to build increasingly advanced robots, the participants also learn to develop business plans and how to secure sponsorship.

The competitions give young people the chance to network with their peers and also with big-name sponsors like Google and other potential employers. The companies get to inspire the next generation of potential scientists and engineers. Importantly, while there is a great deal of learning going on, participants and sponsors alike all have a lot of fun.

## WORLD CHAMPIONSHIP CONTENDERS

The inaugural *FIRST*® Robotics Competition Australia Regional was held in Sydney in March 2015. The event attracted 1000 high school student participants from around Australia, Singapore, Taiwan, China and the US, working in 33 teams. Following on from their success in the regional event, the Macquarie team went on to the world championships where they won their division, as well as a number of other awards.

## INDUSTRY HEAVYWEIGHT SPONSORSHIP

The growth of the program has been made possible thanks to the generosity of sponsors, which in 2015 included Google, Ford, Optus, LEGO Education, AARNet, National Instruments, Rockwell Automation, News Corp, BAE Systems, MacICT Centre, AndyMark, Autodesk, Manton Air-Sea, CSC and Salesforce.

## TO THE FUTURE

Our goals is to maintain the rapid expansion to other schools across Australia, create more online resources and training materials to help teachers directly link participation with the curriculum, and expand the competitions to include schools in underprivileged regions of India and China.

# Australian Hearing Hub



Through the Australian Hearing Hub, Macquarie is having a positive impact on the universal problem of hearing loss.

The Australian Hearing Hub is a revolutionary facility. Inspired by the interdisciplinary research environment at Macquarie, the state-of-the-art facility brings together some of the country's best researchers and service providers to advance research, education and innovation into hearing and language disorders.

## INSPIRATIONAL LEADERSHIP

In October 2015, Professor David McAlpine was announced as Director of Hearing Research at the Australian Hearing Hub. With an extensive background in auditory neuroscience, including a deep understanding of hearing science including cochlear implants, McAlpine's appointment is a significant step in the Australian Hearing Hub reaching its full potential.

## GLOBAL LEADER IN HEARING AND COMMUNICATION

As Director of Hearing Research, McAlpine has grand plans. They include equipping the next generation of research leaders; building collaborative partnerships in research, clinical endeavour and enterprise activities; advocating for greater access to hearing healthcare; and ultimately to ensure that the Australian Hearing Hub is recognised as the global leader in the science of hearing and communication, and in the treatment of their disorders.

## VISION AND OPPORTUNITY

McAlpine cites the Australian Hearing Hub's unique vision as the key to it making a profound and long-lasting impact, noting: "The Hub is evidence of a radical university; one suited to tackling the problems of the 21st century, not stuck in the 20th".

A strong advocate for collaboration, McAlpine highlights the importance of bringing together individuals such as scientists, engineers, clinicians and advocates in charities to address common problems in hearing and communication.

## TACKLING 21ST CENTURY PROBLEMS

Communication is a vital aspect of what it means to be human, and hearing is critical to communication. As such, deafness reduces an individual's ability to communicate effectively and to engage with society – impacting on education, employment and wellbeing.

McAlpine suggests that because of our increasing lifespans and continued risky listening behaviour, modern societies will face a tidal wave of hearing problems over the next 20 years.

Despite this seemingly gloomy prognosis, he is optimistic about the future, noting: "Cochlear implants are a transformative technology for hundreds of thousands of people worldwide, whilst new drug-based therapies for hearing problems currently undergoing clinical trials demonstrate that hearing loss is no longer the problem it once was."

# Leadership

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## Principal office bearers

### Visitor

His Excellency General The Hon David Hurley AC DSC (Retd)  
Governor of New South Wales

### Chancellor

The Hon Michael Rueben Egan AO, BA Syd, FAICD

### Deputy Chancellor

Elizabeth Crouch, BEc Macq, FAICD

### Vice-Chancellor and President

Professor S Bruce Dowton, MBBS Syd, MD Syd, FACMG FRACP

### Deputy Vice-Chancellor (Students and Registrar)

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

### Deputy Vice-Chancellor (Research)

Professor Sakkie Pretorius, BSc Free State, BSc (Hons) Free State,  
MSc Free State, PhD Free State

### Deputy Vice-Chancellor (Academic)

Professor John Simons, BA Abw, PhD Exon

### Chief Operating Officer

Dr Paul Schreier, MA Cantab, MEng Cantab, PhD Cantab

### 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

### Deputy Vice-Chancellor (International)

Professor Jim Lee, BS QU, MA Prin, PhD Prin (until 30 August)

### Chief Financial Officer

John Gorman, BBus Ku-ring-gai, MBA Rochester, FCPA, FTIA

### Director, Human Resources

Nicole Gower, BA/LLB (Hons) UTS

### Executive Dean, Faculty of Arts

Professor Martina Möllering, BA Essen, MA Appl Ling Macq,  
PhD Macq (from 1 March, Acting Executive Dean from 1 January  
to 28 February)

### Executive Dean, Faculty of Business and Economics

Professor Mark Gabbott, BA Essex, MSc ICL, DTS UK, PhD Stir

### Executive Dean, Faculty of Human Sciences

Professor Janet Greeley, BSc Nfld, MA Tor, PhD Tor (until 31 July,  
leave from 2 April to 31 July)  
Emeritus Professor Richard Henry AM (from 3 April to 1 November)  
Professor Simon Handley, BSc (Psych) Card, PhD Card (from 2 November)

### Executive Dean, Faculty of Medicine and Health Sciences

Professor Patrick McNeil, MB BS (Hons) UTas, PhD UNSW, FRACP

### Executive Dean, Faculty of Science and Engineering

Professor Barbara Messerle, BSc (Hons) Syd, PhD Syd (from 12 January)

## Macquarie University Council

### Chancellor

The Hon Michael Rueben Egan AO, BA Syd, FAICD

### Vice-Chancellor

Professor S Bruce Dowton, MBBS Syd, MD Syd, FACMG FRACP

### Chair of the Academic Senate

Professor Dominic Verity, BA Cantab, PhD Cantab

### Elected by and from the academic staff

Professor Julie Fitness, BA, MA (Hons), PhD Cant, MAPS, FAPS  
Professor Richie Howitt, BA (Hons), Dip Ed Ncle, PhD UNSW,  
PGCert Ed Lship Macq  
Professor Deb Kane, BSc (Hons) Otago, PhD St Andrews

### Elected by and from the non-academic staff

Leanne Denby, BA

### Elected by and from the students of the University

Kieren Ash

### Graduate members appointed by Council

Brendan Crotty, LS, DQIT (T&CP), Dip BusAdmin Macq,  
FAPI FAICD FRICS  
Chum Darvall, BA Macq, F Fin, FAICD  
John Wigglesworth, BEc Macq, CA  
Frank Zipfinger, LLB, LLM, BAcc, BEcon, MBA, AICD

### Appointed by Council

Elizabeth Crouch, BEc Macq, FAICD  
Gregory Mackenzie Jones, BA Macq, MA Macq  
The Hon Sandra Christine Nori, BEc Syd  
Jingmin Qian, BEc, MBA, CFA, FAICD

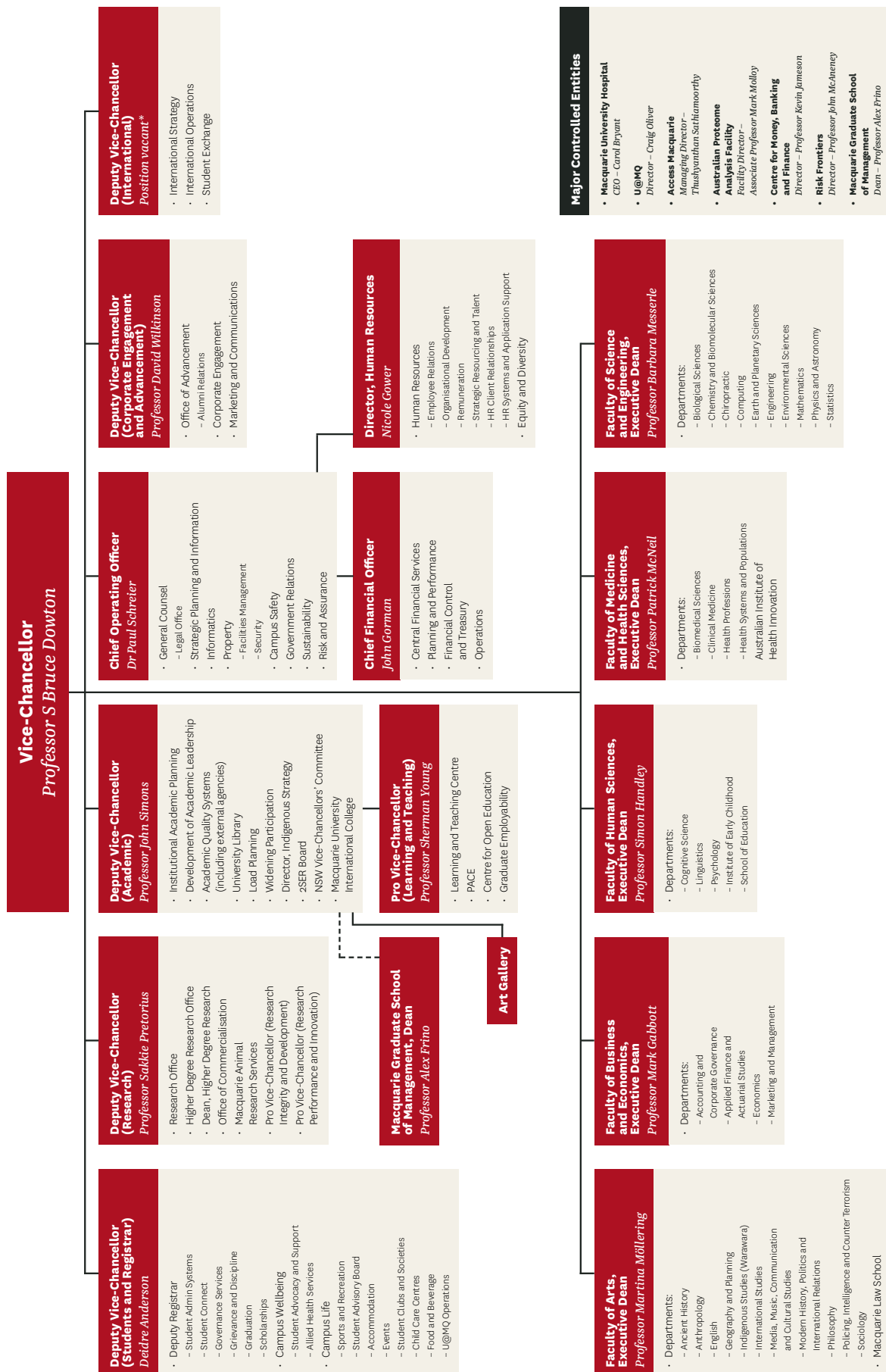
### Appointed by the Minister for Education and Training

The Hon Patricia Forsythe, BA DipEd Newcastle (NSW)

Council membership as at 31 December 2015



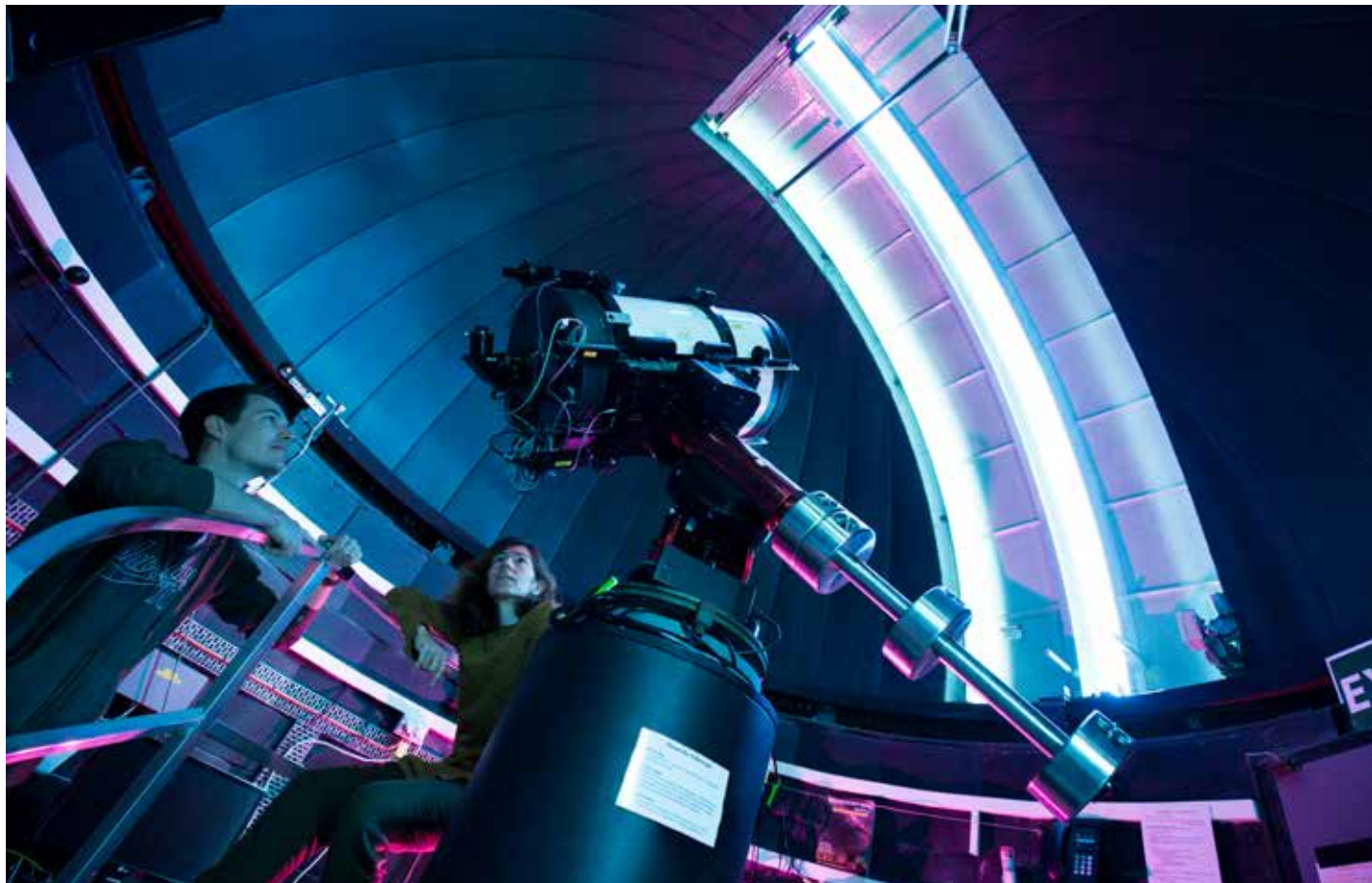
# Organisation chart



\*Under review

Organisation chart as at 31 December 2015

# Research



Macquarie continues on its trajectory to become one of Australia's leading research universities, bringing together the best minds to conduct cutting-edge research that crosses traditional disciplinary boundaries and addresses the big issues facing the world. Macquarie is committed to world-leading research with world-changing impact.

## RESEARCH EXCELLENCE

Macquarie's 2015 ERA results further cemented our position as a world-leading research-intensive university. From ERA 2012 to ERA 2015, Macquarie increased the proportion of its 4-digit Fields of Research (FoRs) rated at 3 (performance at world standard) or above from 85.7 per cent to 96 per cent. At the 2-digit level, 100 per cent of our research is rated as being at world standard or above.

## FUNDING

- Associate Professor Phil Taylor and his team received a landmark co-investment of \$20.5 million, agreed between Macquarie and Horticulture Innovation Australia, to focus on developing an effective program to curb the prevalence of fruit flies in Australia.
- Associate Professor Ian Blair, his research team and his collaborators received a \$6.37 million grant from the NHMRC to fund research into the common biological origins of familial and sporadic frontotemporal dementia and motor neurone disease.

- In 2015, we reported \$57.93 million of competitive external funding earned during 2014, which is an increase of 19 per cent on income earned during 2013. In addition, we were awarded \$35.2 million in research block grant funding from the Australian Government in 2015, representing an increase of 5.38 per cent over 2014.

## RESEARCH OUTPUTS

- Publications by Macquarie researchers published in 2014 (reported in 2015) increased by seven per cent over 2013.
- The Faculty of Science and Engineering generated 44 per cent of research published in 2014, which was an increase of nine per cent over the previous year.
- Macquarie's research published in peer-reviewed journals increased by 13 per cent in 2014, while conference-based research publications made up 12 per cent of research publications published in 2014.
- One hundred and thirty-five Macquarie researchers from more than 15 departments across all faculties published highly cited research in the top one per cent of the world for their research field.
- Forty-eight per cent of research articles involved international collaboration in 2014, while 44 per cent were co-authored with researchers from another Australian university or organisation.
- One in five research articles published in 2014 by Macquarie researchers involved collaboration with both Australian and overseas institutions. Macquarie ranks sixth in Australia for the percentage of research co-authored with other countries.

100  
PER CENT

of research activity  
rated at world standard  
or above at the 2-digit level

5

future-shaping  
research priorities

\$57.93  
MILLION

in competitive  
external funding

135

researchers have authored  
papers rated in the  
top one per cent of  
publications worldwide

FIRST

Australian university  
to introduce the  
Master of Research

5TH

in Australia for international  
collaboration in life and  
Earth science, mathematics  
and computer science, and  
physical sciences  
and engineering

#### COLLABORATION AND PARTNERSHIPS

- Through its Janssen pharmaceutical business, Johnson & Johnson is funding a \$120,000 research grant to evaluate statistical techniques of assessing new medicines, with particular reference to cancer medicines.
- A partnership between the Australian Hearing Hub at Macquarie and the Sydney Children's Hospitals Network will help provide better hearing outcomes for children. Hospital staff will have opportunities to be involved in Macquarie research projects, and their patients will have greater access to research trials.
- The German Academic Exchange Services (DAAD) awarded €1 million to support the development of a trilateral strategic research partnership between the University of Hamburg (Germany), Macquarie University and Fudan University (China).

#### NEW INITIATIVES

The ARC Training Centre for Molecular Technology in the Food Industry opened in July. The centre, which received \$2.1 million in funding from the ARC Industrial Transformation Research Program, investigates how high-end molecular analysis technologies can be used to improve food and food production. Industry partners include Grain Growers Australia, the NSW Department of Primary Industries, Gratak Technologies and AgriTechnology.

The Macquarie University Planetary Research Centre was launched in August. The centre brings together researchers in Earth sciences, astronomy and astrophysics, engineering and environmental sciences to study planetary formation and evolution, and the application of planetary and space research to remote planetary monitoring.

#### HIGHER DEGREE RESEARCH ENROLMENTS AND COMPLETIONS

In 2015, 594 higher degree research candidates completed their degrees at Macquarie, including 325 PhD/MPhil and 269 Master of Research candidates. This is a significant growth in completions and demonstrates the value of the University's commitment to the Master of Research.

#### RANKINGS

Our pioneering research discoveries and respected academic programs led us to be recognised in the top 10 in Australia by the 2015 Academic Ranking of World Universities.

In Macquarie's first year in the over 50 years category of the UK's *Times Higher Education* World University Rankings, the University placed in the 301–350 band out of 800 institutions worldwide.

Macquarie Graduate School of Management (MGSM) has moved to 28th in the world in rankings produced by *The Economist*, putting it in the top three business schools in the Asian time zone.

We moved up 25 places to 229th in the 2015–2016 QS World University Rankings. Nine subject areas are ranked in the world's top 100 in the 2015 QS World University Rankings by Subject. They are: accounting and finance, communication and media studies, Earth and marine sciences, education, English language and literature, geography, linguistics, philosophy and psychology.

# Learning and teaching



Our focus on practical experience combined with our global focus continues to give Macquarie graduates an edge in the market.

## **NEW LEARNING AND TEACHING STRATEGIC FRAMEWORK**

We launched a new Learning and Teaching Strategic Framework: 2015–2020, designed to create a culture of transformative learning that enables and empowers students to achieve their goals and sets out a strategic approach for the core business of learning and teaching at the University. As part of the implementation of the strategy, the Centre for Open Education was dispersed and replaced by the smaller Office for Academic Partnerships and Pathways.

## **NEW OFFICE OF INDIGENOUS STRATEGY**

The Office of Indigenous Strategy – Walanga Muru – was established to clearly distinguish between Indigenous recruitment and advancement, and academic offerings. Walanga Muru will build strategic alliances and relationships that lead to improved higher education outcomes among Indigenous people. A green paper outlining a consultation framework for Macquarie's first Indigenous Strategy was released in 2015, with an anticipated white paper to be released in 2016 followed by an institutional Reconciliation Action Plan.

## **COTUTELLE PROGRAM**

Our world-leading cotutelle and joint PhD program grew – 35 new student agreements were executed in 2015 and almost 100 candidates are currently enrolled. To date, more than 252 doctoral students from more than 30 countries have benefited from the collaborative research opportunities the program offers.

## **PACE (PROFESSIONAL AND COMMUNITY ENGAGEMENT)**

- PACE continues to grow as a signature transformative learning program that distinguishes Macquarie in learning and teaching, and has broadened its suite of offerings to include structured internship opportunities. For students commencing in 2016, PACE will be fully embedded in all undergraduate degrees.
- In 2015, more than 6000 students were enrolled in 70 PACE units offered across the faculties. Our students worked with more than 1900 partner organisations across the public, private and not-for-profit sectors.
- Two hundred and twenty-four students participated in PACE international projects across the Community Development and Professional Engagement streams in more than 20 locations including Borneo, Cambodia, Fiji, Germany, India, Indonesia, Japan, Peru, Philippines and Vietnam.

## **MACQUARIE ABROAD**

Five hundred and sixty-six students travelled overseas on exchange or short-term overseas study experiences in 2015, supported by Macquarie mobility scholarships. We also welcomed 484 inbound exchange and study abroad students.

There were approximately 8312 full-degree international students studying at Macquarie University North Ryde and city campuses in 2015, equivalent to 20.67 per cent of the student population and representing 116 countries. Of these, approximately 3781 students commenced their studies at Macquarie in 2015. Additionally, 308 students were enrolled in the University's offshore programs in China, Hong Kong, Korea and Singapore.

# 3000

students joined the  
Global Leadership Program

# \$2.5M

in scholarships awarded

# 566

students travelled  
overseas on exchange

# 40,209

domestic and  
international students

# 6000

students enrolled in  
70 PACE units

# 9281

undergraduate and  
postgraduate  
degrees conferred

## GLOBAL LEADERSHIP PROGRAM

In 2015, the Macquarie Global Leadership Program (GLP) provided more than 3000 students with a series of workshops, keynote speaker events and experiential activities to develop cross-cultural competency, an understanding of international issues, leadership capability, and a sense of community responsibility and global citizenship.

GLP also ran the Global Leadership Entry Program (GLEP) for Year 12 high school students for the second year in a row. Students with a community service ethic were offered a place in one of several undergraduate courses before completing their HSC. Two AU\$5000 scholarships were awarded to outstanding GLEP applicants who demonstrated extensive engagement or significant achievement of service to their local or wider community, resulting in the positive change or enhancement for the benefit of others.

## MACQUARIE UNIVERSITY INTERNATIONAL COLLEGE

In November, the Macquarie University International College – an on-campus fully integrated pathway college – was opened, replacing the former arrangements with the NAVITAS colleges SIBT and Macquarie City Campus. All foundation and undergraduate courses are now offered at the North Ryde campus; from 2016 a select group of postgraduate business courses will be offered in the city.

## MOOC

Our Big History program went global with its launch as a Massive Open Online Course (MOOC) on Coursera. *Big History: Connecting Knowledge* comprises six modules and features 20 Macquarie academics led by Big History founder Professor David Christian. It is accessible worldwide with learners from more than 100 countries already enrolled.

## SCHOLARSHIPS

Five hundred and forty-four equity scholarships were awarded to domestic students on the basis of financial need or other hardship. Three hundred and seventy-nine scholarships were offered to commencing international students, including seven full scholarships and 372 partial scholarships.

## ALTERNATIVE ENTRY PROGRAMS AND BONUS POINT SCHEMES

Several pathways and schemes were offered in 2015, including:

- Next Step program
- Macquarie University International College – diplomas and foundation programs
- Walanga Muru Alternative Entry Scheme – for Indigenous applicants
- Mature Age Entry Scheme
- Open Universities Australia
- Academic Advantage
- Educational Access Scheme
- Elite Athletes and Artistic Performers Scheme
- Rural Bonus Scheme

## NEW INITIATIVES

- Experiential learning and teaching spaces in the Student Connect facility have significantly improved face-to-face and online student support as well as student self-help.
- Launch of the Student Engagement for Success whole-of-University strategic initiative, and projects such as KickStart, Support Services referral improvements and student website content integration.
- Launch of The Garage, a student entrepreneurship project.

# Engagement and advancement

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The University is continuing to build relationships with the community and alumni, as well as increasing philanthropic support from donors and industry.

## PHILANTHROPY

Investment in an expanded Office of Advancement (formerly the Foundation Office) has delivered a doubling of both new funds raised and the number of donors compared to 2014. Four pledges of AU\$1 million were secured – more than in the University's previous 50 years combined.

The Museum of Ancient Cultures was gifted a collection of Roman Forum engravings and photographs spanning the era from the beginning of printing to the 20th century by alumna Lynette Jensen.

A painting by noted Australian artist Grace Cossington Smith, *The Yellow Chest of Drawers*, was left as a bequest to the University by Audrey Horn, wife of the late Dr Robert Horn, who worked at CSIRO and was based at Macquarie for many years.

## ALUMNI

Alumni outreach activities were also expanded in 2015. These included an increase in the range of benefits made available to alumni; events in New York, London, Hong Kong, Beijing, Shanghai and Singapore; and a range of print and electronic communications that individuals could select from according to their personal preferences. These connections helped to achieve a third consecutive year of 15 per cent increase in total alumni engagement. By year end, the University's alumni community had grown to more than 164,000 across 142 countries.

## OFFICE OF CORPORATE ENGAGEMENT

The University significantly strengthened its relationships with corporate partners during 2015. Active engagements are in place with more than 50 companies, increasing from 30 during 2014. A number of these partnerships have deepened, to now deliver tangible benefits to the University with regard to learning and teaching and research outcomes. Google has provided more than \$500,000 in support for robotics initiatives, while Johnson & Johnson is supporting a number of student engagement activities such as the Indigenous internship program and Women in MBA program (WiMBA) through MGSM. The Optus Engineering Cadetship program commenced in July 2015, with six first-year engineering students being supported by Optus throughout their engineering degrees.

## AWARDS AND RECOGNITION

Macquarie alumni Chenggang Zhou and Jun Zou took out two of the nine awards at the prestigious ACAA/IELTS Australia China Alumni Awards. Six prominent Macquarie alumni were finalists in the awards.

As well as four Macquarie University professors – including Adjunct Professor Jim Patrick AO of Cochlear Ltd – who received the Office of the Order of Australia Award in the 2015 Australia Day Honours, many other members of the Macquarie community received Australia Day honours. Undergraduate alumnus – and current postgraduate student – David Everett was also awarded the Medal of the Order of Australia (OAM) for his efforts as co-founder of the groundbreaking School for Life.

\$9,417,848

donated by our supporters

5084

donors

164,000

alumni in more than  
140 countries

3158

phone conversations  
between alumni  
and students

25

new corporate partners

95%

of corporate partners  
satisfied with their  
relationship with Macquarie

Several honorary doctorates were also awarded, including to:

- Rick Holliday-Smith, BA (Hons) FAICD, Chairman of the Australian Securities Exchange, in recognition of his distinguished career in the banking and financial services industry.
- John Whitehouse, Doctor of Laws (honoris causa) in recognition of his role as one of Australia's leading environment and planning lawyers acting in relation to major development, mining and environmental issues.
- Colin Lam, Doctor of Business (honoris causa), in recognition of his achievements in property development with an emphasis on sustainability and environmental protection.

#### SOCIAL AND DIGITAL MEDIA

The Macquarie Facebook page has more than 233,000 followers. A new Pioneering Minds podcast series was developed to showcase the work of some of Macquarie's most inspiring researchers and will be released in early 2016.

#### COMMUNITY OUTREACH

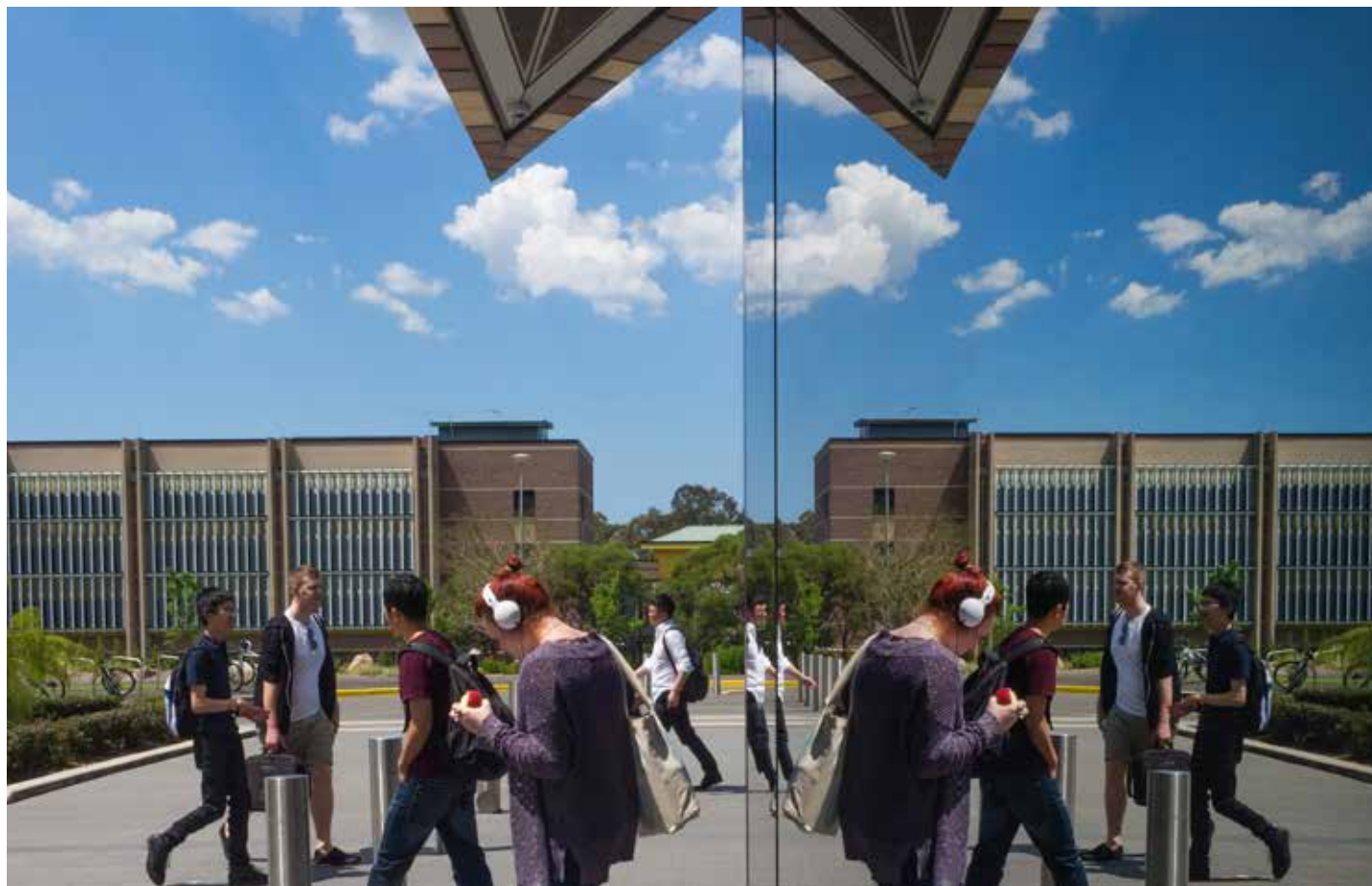
Macquarie hosts a range of activities to engage the broader community each year. Activities hosted in 2015 include:

- The Department of Psychology offered a parenting program free of charge to parents with children diagnosed with ADHD, as part of a research project to evaluate the program's effectiveness.
- The 27th annual Women, Management and Work Conference: *The power of inclusive leadership through collaboration* was held in November.

- The 2015 Soft Power Lecture – *Soft Power and the US–Australian Relationship* – was presented by Niels Marquardt, the former US Consul General in Sydney and now Chief Executive Officer of the American Chamber of Commerce.
- The *Reducing the Risk for Cognitive Decline and Dementia* lecture was held by the Centre for Emotional Health to raise awareness of steps that can be taken to reduce the effects of dementia.
- Our Open Day attracted thousands of visitors – from prospective students and their families to local community members.
- TEDxMacquarieUniversity is the longest university-run TEDx event, with *Empower Now* held in September.
- Emeritus Professor Gillian Triggs, President of the Australian Human Rights Commission, presented a public lecture titled *The Business of Human Rights* at the Macquarie University Research Centre for Agency, Values & Ethics (CAVE).
- Emeritus Professor Joan Grusec from the Department of Psychology at the University of Toronto presented a lecture titled *Childrearing experts: Who to believe?* for parents and carers.
- Geologist and Distinguished Professor Bill Griffin presented the 2015 Clarke Memorial Lecture.
- Public planetarium sessions were held on the first Thursday of every month, from March to November.

# Investing in our future

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We continue to invest in projects to ensure we are able to attract and retain the best students and staff, support world-class research, and form partnerships with like-minded companies that support and further the research aims of the University.

## TRANSFORMING THE CAMPUS

- The activation of the University's Master Plan commenced with the re-routeing of University Avenue. This is the first initiative to take traffic out of the core of the campus, pedestrianising Macquarie Drive and making the campus a safer place.
- Planning for the main entrance at Waterloo Road began, while a design competition calling for a new concept for the central courtyard and surrounding buildings was held.

## MUSE

- Since its establishment in 2014, MUSE (Macquarie University Spatial Experience) has been a resounding success, consistently being used to capacity. The new Student Connect facility, situated off the Wally's Walk entrance, has also proved to be an exemplar project.

## OTHER PROJECTS

- Upgrades to Building E7A, which was one of the first buildings on campus, commenced in 2015. The result, to be completed in 2016, will provide world-class working space for the Department of Earth and Planetary Sciences, and include the ARC Centre of Excellence for Core to Crust Fluid Systems; the Departments of Environmental Sciences, Mathematics and Statistics; as well as the Faculty of Science and Engineering Student Centre.

- Three new state-of-the-art, interconnected biological teaching laboratories in Building E8C were opened. The new labs, part of ongoing renovations within the Faculty of Science and Engineering, will enable undergraduate biology students access to modern, cutting-edge equipment, bringing them up to the world-class standard of our other digital learning environments.

## IT SYSTEMS

- In October, we launched our new website. The new site is fully optimised for mobile devices and provides a consistent experience for our audiences regardless of the technology they use to access it. The site also makes use of dramatic and engaging imagery to visually tell our story, and its navigation has been vastly improved, with an enhanced focus on the user experience. The site's search functionality has also been upgraded to further improve our audience's ability to find what they're looking for.
- In December, the University's mail and calendaring systems moved from Google to Office 365. Unlike Google, Office 365 is not restricted in some countries and offers services hosted locally in Australian data centres.

## WORKFORCE DIVERSITY

- We are one of only a handful of universities to be an accredited White Ribbon workplace – in recognition of our ongoing commitment to preventing and responding to violence against women – and this year implemented a new suite of support tools.
- Our Women in Science, Technology, Engineering and Mathematics (STEM) Working Parties made progress with initiatives to recruit, retain and advance STEM women at Macquarie.

12

outstanding staff receive  
awards for excellence in  
teaching and learning

3199

academic and  
professional staff

4TH

place attained in  
Lecturer of the Year Awards

1

of only a handful of  
universities to be an  
accredited White  
Ribbon workplace

3

state-of-the-art,  
interconnected  
biological teaching  
labs opened

100

professional staff  
award nominations

- 2015 saw the mid-term review of the Disability Action Plan 2012–2017 with a number of key items completed, including the development of online resources focused on creating inclusive workplaces and developing inclusive curriculum.
- The Accessible Environments Advisory Group focused on reviewing planning, refurbishment and signage proposals and maximising accessible parking.

#### STAFF RECRUITMENT AND STRATEGIC DEVELOPMENT

- Key staff recruited during 2015 included:
  - Dr Henry Cutler, Director of the Centre for the Health Economy
  - Professor Simon Handley, Executive Dean, Faculty of Human Sciences
  - Professor David McAlpine, Professor of Hearing, Language and the Brain, and Director of Hearing Research
- We recognised the impressive talent of our professional staff, awarding staff excellence awards in the areas of service, collaboration and connection, innovation and process improvement, and leadership. Improvements to the program saw an increase in award nominations from 40 in 2014 to 100 in 2015.
- Significant process and service enhancements were made in the way managers recruit and select staff. The improved recruitment process prioritises efficient administration, rigorous decision making and strong advisory support for hiring managers to ensure the best person for the job is selected.
- A 'greenfields site' enterprise bargaining agreement was negotiated for staff of the new Macquarie University International College.

- Negotiations for the professional staff enterprise agreement were completed in March. Wage increases of three per cent per year were agreed for professional staff covered by the agreement.

#### HEALTH AND SAFETY

- There was a total of 104 staff-related incidents reported in 2015, a 16 per cent reduction compared with 2014. We are continuing to educate and encourage the University community to report safety-related incidents regardless of the injury severity.
- The following three causes of injury contributed to 67 per cent of injuries in 2015:
  - Falls on the same level and at height (27 per cent and two per cent respectively) – 29 per cent in total
  - Contact with an object including falling and/or moving objects (25 per cent)
  - Soft tissue manual handling related injuries (13 per cent).
- No fatalities were reported for the year.
- A total of 26 claims for workers' compensation were lodged in 2015, compared to 33 claims in 2014. Our claim lodgement rate fell to 0.95 (per 100 FTE) compared with 1.30 in 2014.
- Our new risk and assurance department houses the health and safety team and includes the enterprise risk, insurance and compliance arms of the University.
- Six notifiable incidents occurred during the reporting period. These matters were notified to WorkCover NSW and investigated internally with remediation actions put in place. The matters have been closed.

# Our students

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Macquarie continued a significant program of work in 2015 to realise our objective of being the best university in Australia for student experience.

## **STUDENT GROUPS AND SPORTING CLUBS**

Created and run by students, Macquarie's almost 170 student groups and sporting clubs help students connect with people with similar passions and interests.

## **MACQUARIE UNIVERSITY LIBRARY**

Macquarie University library provides access to millions of print and electronic resources. It features group and quiet study areas; computers, printers and copiers; presentation practice pods; a café; and high-tech robotic cranes that deliver books in minutes.

## **MUSE**

MUSE (Macquarie University Spacial Experience) is a social learning space that combines the atmosphere of a group hangout and the quiet study ambience of the library.

## **DIVERSITY**

Home to students from more than 100 countries, Macquarie offers support services to students from culturally diverse backgrounds, students with disability, Indigenous Australians and GLBTIQ students.

## **HEALTH AND WELLBEING**

We offer a suite of health and wellbeing services – including counselling, disability, welfare, advocacy, medical and religious support – that students can use at any time during their studies.

## **MENTORS@MACQUARIE**

One of Australia's longest running peer support programs, the Macquarie University Mentors Program offers students advice on settling in, finding their way around campus and tips and tricks for adapting to university life.

## **LEARNING SKILLS**

Macquarie offers free workshops and online resources to help students with academic writing, referencing and exam strategies, as well as assistance with maths and statistics at the Numeracy Centre.

## **CAREER SERVICES**

The Career and Employment Service helps students prepare résumés, identify career options and connect students and graduates with employers and industry bodies.

## **ACCOMMODATION**

Students can choose from a range of safe, supportive accommodation options, including university housing, residential colleges, studios, apartments and private listings.

## **FITNESS**

Our sport facilities are some of the best university facilities in the country. We offer a state-of-the-art health club, swimming pools, sports fields and courts, a martial arts area and gymnastics hall. Students can also participate in a range of sports including AFL, cheerleading, cricket, fencing, hockey, quidditch, rowing, rugby union, scuba diving, skiing and snowboarding, soccer, squash, swimming, table tennis, ultimate frisbee and water polo.

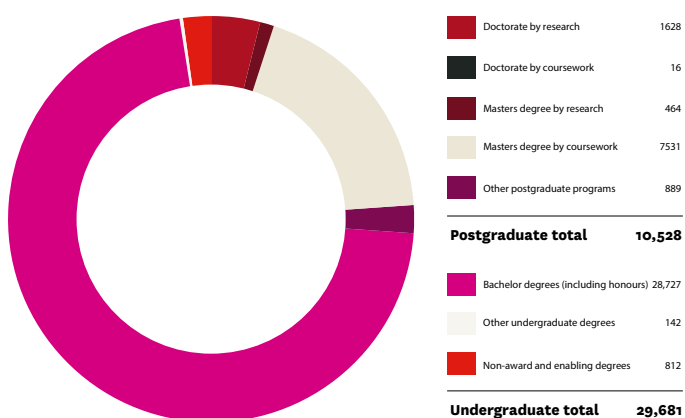
## STUDENT ENROLMENTS

In 2015, 40,209 students were enrolled at Macquarie University, an increase of 572 (1.4 per cent) students compared with 2014.

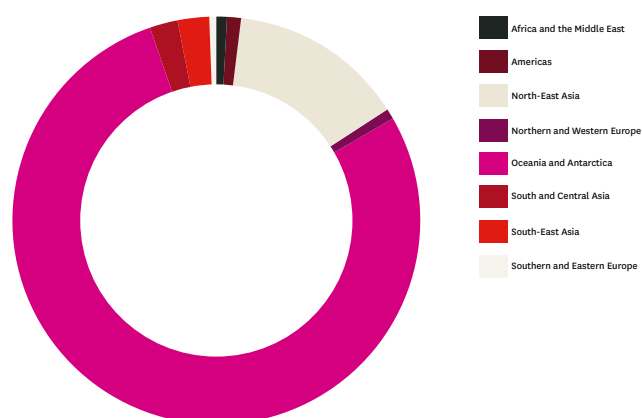
There was a decrease of 593 international students compared with 2014, while domestic student enrolments increased by 1165 over the same period.

The University's total equivalent full-time student load in 2015 was 28,657, an increase of 121 (0.4 per cent) over 2014. Of the total student load, 80 per cent was in undergraduate courses and 20 per cent in postgraduate courses.

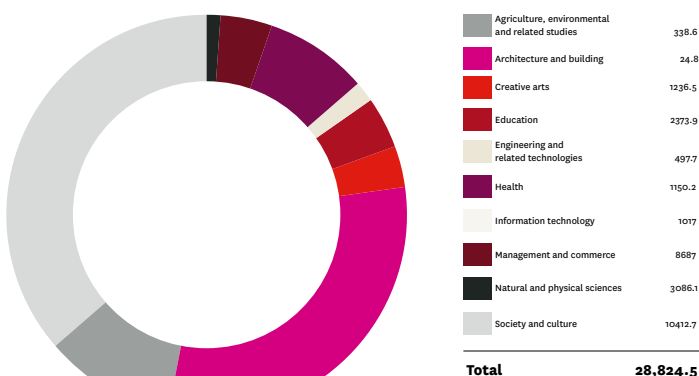
### Enrolments by program level 2015



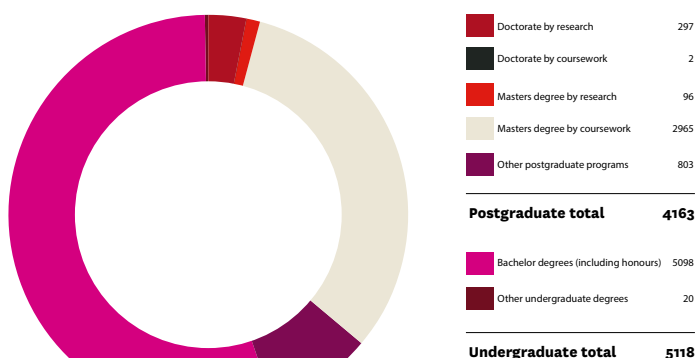
### Enrolments by home location 2015



### Student load by discipline 2015



### Student awards 2014



# Awards and honours

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Macquarie takes pride in celebrating the achievements of our research and teaching staff. Their contributions to the global research agenda, and to learning and teaching excellence, are recognised through prestigious internal and external awards.

## **VICE-CHANCELLOR'S AWARDS FOR RESEARCH EXCELLENCE**

EXCELLENCE IN HIGHER DEGREE RESEARCH: BUSINESS, HUMANITIES AND SOCIAL SCIENCES

Dr Miriam Forbes

EXCELLENCE IN HIGHER DEGREE RESEARCH: ENGINEERING, MEDICINE AND SCIENCE

Mr Diego Barneche Rosado

EXCELLENCE IN HIGHER DEGREE RESEARCH SUPERVISION

Associate Professor Kay Bussey

EARLY CAREER RESEARCHER OF THE YEAR: BUSINESS, HUMANITIES AND SOCIAL SCIENCES

Dr Alexandra Woolgar

EARLY CAREER RESEARCHER OF THE YEAR: ENGINEERING, MEDICINE AND SCIENCE

Dr Lee Spittler

EXCELLENCE IN RESEARCH: HEALTHY PEOPLE

Professor Jennifer Hudson

EXCELLENCE IN RESEARCH: INNOVATIVE TECHNOLOGIES

Professors Nicolle Packer and David Raftos

EXCELLENCE IN RESEARCH: PROSPEROUS ECONOMIES

Professor Stefan Trueck

EXCELLENCE IN RESEARCH: RESILIENT SOCIETIES

Professor Wendy Rogers

EXCELLENCE IN RESEARCH: SECURE PLANET

Associate Professor Brian Atwell

JIM PIPER AWARD FOR EXCELLENCE IN

RESEARCH LEADERSHIP

Professor Amanda Barnier

## **VICE-CHANCELLOR'S LEARNING AND TEACHING AWARDS**

VICE-CHANCELLOR'S AWARD FOR TEACHING EXCELLENCE

Dr Neil Harrison

VICE-CHANCELLOR'S AWARD FOR PROGRAMS THAT ENHANCE LEARNING

Dr Yvonne Breyer

VICE-CHANCELLOR'S CITATIONS FOR OUTSTANDING CONTRIBUTIONS TO STUDENT LEARNING

Professor Philomena Leung; Associate Professors Melanie Bishop and Kevin Brooks; Drs Erik Lundmark, Rahat Munir and Rowan Tulloch; and Nicholas McGuigan

## EXTERNAL AWARDS AND HONOURS

### AUSTRALIA DAY HONOURS

Emeritus Professor Farhat Yusuf, and Professors Rosalind Croucher and John Croucher received Order of Australia (AM) awards

### ANTON HALES MEDAL

Dr Yingjie Yang, early career researcher, Department of Earth and Planetary Sciences

### AUSTRALIAN AWARDS FOR UNIVERSITY TEACHING

Dr Trudy Ambler, Faculty of Arts Associate Dean (Quality and Standards); and Drs Jayde Cahir and Marina Harvey, Learning and Teaching Centre, received 2015 Citations for Outstanding Contributions to Student Learning

### AUSTRALIAN AND NEW ZEALAND SOCIETY OF CRIMINOLOGY (ANZSOC)'S NEW SCHOLAR PRIZE

Dr James Martin, Department of Policing, Intelligence and Counter Terrorism

### BEST AUSTRALIAN FEATURE DOCUMENTARY, ANTENNA DOCUMENTARY FILM FESTIVAL

Professor Kathryn Millard, for her film *Shock Room*, which shines a light on the dark side of human behaviour

### EUREKA PRIZES

Professor David Raftos, Department of Biological Sciences, was awarded the Rural Research and Development Corporations Eureka Prize for Rural Innovation, for his work safeguarding and improving Australia's oyster industry; and Adjunct Professor Dayong Jin, Department of Chemistry and Biomolecular Sciences, was awarded the Eureka Prize for Excellence in Interdisciplinary Scientific Research

### FENNER MEDAL

Dr Ian Wright, Department of Biological Sciences

### FULBRIGHT PROFESSIONAL SCHOLARSHIPS

Dr Adam Lockyer, Department of Policing, Intelligence and Counter Terrorism and Annette Stewart, alumna of the Macquarie Graduate School of Management

### NANCY MILLIS MEDAL FOR WOMEN IN SCIENCE

Dr Elena Belousova, Department of Earth and Planetary Sciences

### RESEARCH AUSTRALIA AWARDS

Professor Jeffrey Braithwaite, Australian Institute of Health Innovation, received the Health Services Research Award

### SAX INSTITUTE RESEARCH ACTION AWARD

Associate Professor Farah Magrabi, Centre of Health Informatics at the Australian Institute of Health Innovation

### STANNER AWARD

Dr Virginia Marshall, the first Indigenous woman to receive a PhD from Macquarie Law School, for her thesis on Aboriginal water rights

### THOMAS DAVIES RESEARCH FUND FOR MARINE, SOIL AND PLANT BIOLOGY

Dr Melanie Bishop, Department of Biological Sciences, for her work developing indicators of seagrass carbon storage

### THOMSON REUTERS AUSTRALIAN CITATION & INNOVATION AWARDS

Professors Bill Griffin and Sue O'Reilly, ARC Centre of Excellence for Core to Crust Fluid Systems; and Professor Rick Kefford, Melanoma Institute Australia, were honoured for their groundbreaking research

### YOUNG TALL POPPY SCIENCE AWARD

Dr Rachael Gallagher, Department of Biological Sciences

### OFFICE FOR LEARNING AND TEACHING GRANT

Dr Yvonne Breyer, Faculty of Business and Economics, to lead the category one research project *Aligning business education with industry expectations on employability and sustainability*

## OTHER HONOURS

- Professor Jeffrey Braithwaite, Centre for Healthcare Resilience and Implementation Science at the Australian Institute of Health Innovation, was invited to serve on the Board of the International Society for Quality in Health Care
- Distinguished Professor Katherine Demuth, Department of Linguistics, was elected a Fellow of the Academy of the Social Sciences in Australia
- Associate Professor Andrew Georgiou, Centre for Health Systems and Safety Research at the Australian Institute of Health Innovation, was admitted to the Fellowship of the Faculty of Science (Research) of The Royal College of Pathologists of Australasia
- Professor David Throsby, Department of Economics, was appointed as Chairman of the Scientific Board of the Forum d'Avignon, a renowned French think tank dedicated to strengthening the link between culture and the economy
- Dr Julian Droogan, Department of Policing, Intelligence and Counter Terrorism, was invited to be a member of the New South Wales Premier's Countering Violent Extremism Expert Council
- Distinguished Professor Naguib Kanawati, Department of Ancient History, was elected as a Fellow of the Royal Society of NSW
- Professors Julie Fitness, Department of Psychology; Mariella Herberstein, Department of Biological Sciences; Jennifer Hudson, Centre for Emotional Health; and Denise Meyerson, Macquarie Law School, were accepted into the Australian Research Council (ARC) College of Experts
- The Widening Participation program was a finalist at the 2015 *Australian Financial Review* Higher Education Awards in the category of Equity and Opportunity
- Associate Professor Anina Rich, Department of Cognitive Science, was selected to join the Global Young Academy

# Australian Institute of Health Innovation



The relocation of the Australian Institute of Health Innovation (AIHI) – Australia's foremost healthcare systems research institute – has opened up new opportunities for academic and industry collaboration across a wide range of multidisciplinary research projects.

With healthcare now close to 10 per cent of GDP in most advanced economies, the AIHI is pioneering innovative new models and approaches to help healthcare providers and governments simultaneously improve patient outcomes, prevent medical errors and reduce costs. The institute comprises the Centres for Healthcare Resilience and Implementation Science, Health Informatics, and Health Systems and Safety Research.

#### **CLOSING THE GAP BETWEEN RESEARCH AND CLINICAL PRACTICE**

New information technology is offering unprecedented opportunities to bridge the traditional gap between research and clinical practice by enabling real-time research in wards and clinics. AIHI's current research suggests that our future healthcare systems will be supported by learning systems that instantly mine vast banks of health data to help clinicians make high-quality care decisions as they work.

#### **FUTURE-PROOFING OUR HEALTHCARE SYSTEMS**

Research teams are harnessing the data stored in our health records to make predictions about everything from a patient's length of stay in hospital to his or her risk of infection or an adverse event and the likely effectiveness of a particular treatment. Data mining is also allowing much more accurate and useful information to be extracted from data banks: by entering multiple indicators, clinicians will be able to learn from the experiences of patients with similar combinations of risk factors.

#### **SAVING MONEY**

Working with two major Australian hospitals, research teams have demonstrated that shifting from paper-based systems to electronic prescribing systems in hospitals reduces errors by at least 50 per cent – especially those errors with the potential to cause harm. In one cardiac ward alone, that meant 80 serious medication-related incidents were avoided, saving the hospital \$63–68 per admission, or more than \$100,000 a year.

# Big History



Macquarie – the intellectual birthplace of Big History – is committed to bringing the benefits of this unique way of understanding our universe, our world and our humanity to a global audience.

Big History – a new cross-disciplinary way of looking at the place of humankind in the context of the evolution of the universe – was conceived by Professor David Christian. Big History provides an engaging new way to connect knowledge across the sciences and humanities, and provides new perspectives on the forces that have shaped societies through the ages. Christian's TED talk explaining Big History has been viewed nearly six million times on YouTube.

## **BIG HISTORY PROJECT**

The Big History Project is a philanthropic initiative co-founded by Bill Gates and Christian, and provides a rich and engaging resource for schools.

The free course, designed for high school students, has been embraced enthusiastically. From an initial six pilot schools in 2011–2012, more than 1000 schools now teach Big History in many countries including Australia, Canada, China, India, New Zealand, South Korea, the Netherlands, the United Kingdom and the United States.

## **BIG HISTORY INSTITUTE**

The Big History Institute is a hub for scholars, educators, students and partners from across the research, government, not-for-profit and business sectors. In late 2015, the institute hosted a donor-funded three-day Big History Anthropocene conference that brought together natural and social scientists to explore the most pressing issues of our time. The conference also saw the launch of 10 transdisciplinary scholarships for doctoral students, which will be linked to the institute and will explore themes arising from the event. Macquarie is also partnering with several international universities on a project exploring the economics of the Anthropocene. Big History is a cornerstone of the project, and will be used to help re-think the foundations of the disciplines of economics, finance, law, governance, philosophy and ethics.

## **MOOC**

The Big History MOOC was launched on the Coursera platform in 2015 and is introducing people from across the world to the complicated, complex and connected challenges that currently face the world. Undertaking an epic journey of 13.8 billion years starting at the Big Bang and travelling through time all the way to the future, students discover how the universe and our world has evolved from incredible simplicity to ever-increasing complexity.



# Statutory reporting

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# Macquarie University Council

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.

The Council comprises 17 members who contribute a blend of commercial, governance, legal, academic, administrative and public sector expertise to the business and operation of the Council. Members are elected or appointed in accordance with the provisions of the *Macquarie University Act 1989* and the *Macquarie University By-Law 2005*.

## MEMBERS OF COUNCIL

(Membership as at 31 December 2015)

### Chancellor

*Elected pursuant to section 8h of the Act*  
The Hon Michael Rueben Egan AO, BA Syd, FAICD  
Current term to 28 February 2017

### Vice-Chancellor

*Appointed pursuant to section 8h of the Act*  
Professor S Bruce Dowton, MBBS Syd, MD Syd, FACMG FRACP  
Appointed 3 September 2012, ex officio

### Chair of the Academic Senate

*Appointed pursuant to section 9(1)(a)(iii) of the Act*  
Professor Dominic Verity, BA Cantab, PhD Cantab

### Elected by and from the academic staff

*Pursuant to section 8d of the Act*  
Professor Julie Fitness, BA, MA (Hons), PhD Cant, MAPS, FAPS  
Current term to 31 December 2015  
Professor Richie Howitt, BA (Hons), Dip Ed Ncle; PhD UNSW, PGCert Ed Lship Macq  
Current term to 31 December 2015  
Professor Deb Kane, BSc (Hons) Otago, PhD St Andrews  
Current term to 31 December 2015

### Elected by and from the non-academic staff

*Pursuant to section 8d of the Act*  
Leanne Denby, BA  
Current term to 31 December 2016

### Elected by and from the students of the University

*Pursuant to section 8d of the Act*  
Kieren Ash  
Current term to 31 May 2017

### Graduate members appointed by Council

*Pursuant to section 8e of the Act*  
Brendan Crotty, LS, DQIT (T&CP), Dip BusAdmin Macq, FAPI FAICD FRIC  
Current term to 31 August 2017  
Chum Darvall, BA Macq, F Fin, FAICD  
Current term to 31 December 2016  
John Wigglesworth, BEc Macq, CA  
Current term to 28 February 2019  
Frank Zipfinger, LLB, LLM, BAcc, BEcon, MBA, AICD  
Current term to 28 February 2019

### Appointed by Council

*Pursuant to section 8f of the Act*  
Elizabeth 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  
Jingmin Qian, BEc, MBA, CFA, FAICD  
Current term to 28 February 2019

### 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

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	5	6
Kieren Ash	4	4
Brendan Crotty	4	6
Chum Darvall	5	6
Leanne Denby	1	2
Professor Julie Fitness	5	6
The Hon Patricia Forsythe	6	6
Professor Richie Howitt	5	6
Greg Jones	4	6
Professor Deb Kane	6	6
Hana Krskova	2	3
The Hon Sandra Nori	3	6
Jingmin Qian	5	5
Gemma Quinn	2	2
Dr Kerry Schott	1	2
Greg Ward	0	2
John Wigglesworth	5	6
Frank Zipfinger	4	5

A Number of meetings attended  
B Number of meetings eligible to attend

## Principal activities

Principal continuing activities of the consolidated entity during 2015 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

Activities of the Macquarie University Council during 2015 included:

- receipt of the Vice-Chancellor's report at 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 Macquarie University's strategic plan
- receipt of regular reports on health and safety across campus and a presentation on health and safety responsibilities
- review of key risks
- approval of key compliance reports including the *Macquarie University Annual Report 2014*
- approval of the 2016 Consolidated Budget and 2016 Capital Management Plan
- a review of Council performance
- approval of the conferral of various honorary awards
- receipt of presentations on international repositioning and learning and teaching plans
- receipt of seminars on the Academic Health Enterprise, the market for higher education and Commonwealth funding model, Innovation Districts and Campus Master Plan.

## Legal affairs

### CHANGES TO ACTS AND SUBORDINATE LEGISLATION

#### BIOSECURITY ACT 2015

The *Biosecurity Act 2015* (NSW) makes it an offence to import or cultivate certain pathogens without a licence or some other type of regulatory permission, each of which is specified in the Act.

#### BORDER FORCE ACT 2015

The *Border Force Act 2015* (Cth) introduces an offence punishable by two years' imprisonment to make a record of, or disclose protected information in relation to the delivery of services in immigration detention. The Act impacts on the ability of University personnel to conduct original research on certain aspects of immigration detention issues.

#### CHILD PROTECTION LEGISLATION AMENDMENT ACT 2015 (NSW)

Amendments which came into effect on 2 November 2015 require employers to verify a person's Working With Children (WWC) Check application or clearance online before engaging that person to work in child-related employment and to ensure that the WWC clearance status of existing child-related workers is verified online within three months of the law taking effect.

#### DATA SHARING (GOVERNMENT SECTOR) ACT 2015 (NSW)

This Act commenced on 24 November 2015, and governs the sharing of government sector data with a state data analytics centre, and between government sector agencies. Such sharing of data continues to be governed by existing privacy legislation.

#### DEFENCE TRADE CONTROLS AMENDMENTS ACT 2015 (CTH)

Changes to the *Defence Trade Controls Act 2012* (Cth) introduced new export controls for Australia in respect of electronic supply of controlled goods (for example, supply of controlled goods and technology by email), brokering and publications. From 2 April 2016, the Act will impose substantial criminal penalties on anyone who 'intangibly' supplies details of restricted technologies listed in the Defence and Strategic Goods List.

#### EDUCATION LEGISLATION AMENDMENT (OVERSEAS DEBT RECOVERY) ACT 2015

Introduced with the *Student Loans (Overseas Debtors Repayment Levy) Act 2015* to create an overseas payment obligation for Australians living overseas with a Higher Education Loan Program (HELP) or Trade Support Loan (TSL) debt, the bill amends the *Higher Education Support Act 2003* and the *Trade Support Loans Act 2014*.

#### EDUCATION SERVICES FOR OVERSEAS STUDENTS ACT 2000 (CTH)

The *Education Services for Overseas Students Act 2000* (ESOS Act) was amended by the *Education Services for Overseas Students Amendment (Streamlining Regulation) Act 2015*, which was assented to on 11 December 2015. Some of the amendments came into effect on 11 December 2015; the balance will come into effect on 1 July 2016.

#### ENVIRONMENTAL PLANNING AND ASSESSMENT ACT 1979 (NSW)

On 24 July 2015, the *Environmental Planning and Assessment Amendment (Public Authorities) Regulation 2014* came into force. This legislative change allows the University to carry out certain development work without consent and will enable the University to facilitate and deliver certain works on campus in a more time and cost efficient manner.

#### FAIR WORK AMENDMENT ACT 2015

This Act amends the *Fair Work Act 2009* in relation to a number of matters including unpaid parental leave, the administration of annual leave and requirements for flexibility terms in enterprise agreements.

#### HIGHER EDUCATION LEGISLATION AMENDMENT (MISCELLANEOUS MEASURES) ACT 2015

Amends the *Higher Education Support Act 2003* to, among other things, enable certain New Zealand citizens who are Special Category Visa holders to be eligible for HELP assistance from 1 January 2016.

#### INTELLECTUAL PROPERTY LAWS AMENDMENT ACT 2015

The Act amends the *Patents Act 1990*, *Trade Marks Act 1995*, *Designs Act 2003* and the *Plant Breeder's Rights Act 1994* in order to, among other things, allow for a single trans-Tasman patent application and examination process for Australia and New Zealand, as part of the broader Single Economic Market agenda.

#### MACQUARIE UNIVERSITY ACT 1989

The *Universities Legislation Amendment (Regulatory Reforms) Act 2014* resulted in a number of amendments to the *Macquarie University Act 1989*. These legislative amendments give greater autonomy and flexibility to the University when both dealing with its assets and managing its commercial activities.

#### PRIVACY AND PERSONAL INFORMATION PROTECTION ACT 1998

The *Privacy and Personal Information Protection Act 1998* (NSW) was amended in late 2015 to substantially amend the provisions regarding disclosure of personal information to recipients overseas, and to permit the use of personal information for investigative purposes. The changes will come into effect on or before 1 April 2016.

#### TELECOMMUNICATIONS (INTERCEPTION AND ACCESS) AMENDMENT (DATA RETENTION) ACT 2015 (CTH)

The *Telecommunications (Interception and Access) Amendment (Data Retention) Act 2015* passed the Parliament on 26 March 2015 and received Royal Assent on 13 April 2015. Under the Act, Australian telecommunications providers are required to collect and retain a defined set of telecommunications data (metadata) for two years. While the explanatory memorandum indicates that places such as university campuses are not intended to be captured by this regime, the provision of services to some third parties may require the University to apply for an exemption.

## ENVIRONMENTAL REGULATION

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

### LEGISLATION

- *Building Energy Efficiency Disclosure Act 2010*
- *Commercial Building Disclosure Act 2010*
- *Contaminated Land Management Act 1997* (NSW)
- *Energy Efficiency Opportunities Act 2006* (Cth) (until 29 June)
- *Environmental Planning and Assessment Act 1979* (NSW)
- *Environment Protection and Biodiversity Conservation Act 1999* (Cth)
- *Heritage Act 1997* (NSW)
- *Local Government Act 1993* (NSW)
- *National Greenhouse and Energy Reporting Act 2007* (Cth)
- *Pesticides Act 1999* (NSW)
- *Protection of the Environment Operations Act 1997* (NSW)
- *Threatened Species Conservation Act 1995* (NSW)
- *Water Management Act 2000* (NSW)

### REGULATIONS

- *Energy Efficiency Opportunities Regulations 2006* (Cth) (until 14 June)
- *National Greenhouse and Energy Reporting Regulations 2008* (Cth)
- *National Greenhouse and Energy Reporting (Measurement) Determination 2008* (Cth)
- *Native Vegetation Regulation 2013* (NSW)
- *Protection of the Environment Operations (Clean Air) Regulation 2010* (NSW)
- *Protection of the Environment Operations (Waste) Regulation 2014* (NSW)

## Human resources

The Human Resources Department seeks to service the University in two key ways: delivering excellent HR transactional and advisory services, and adding value to the University's strategic direction through genuine business partnerships.

In 2015, a revised HR Strategy and HR Service Charter was developed to support this goal. An enhanced service delivery model focusing on dedicated client support was implemented in both HR Client Services and Payroll teams. The service offering was extended to provide HR support and services to U@MQ in June 2015.

### PROCESS IMPROVEMENT

Significant process and service enhancements were made in the way managers recruit and select staff. This was achieved through a Rapid Improvement Event involving a diverse range of stakeholders from areas across the University.

The improved recruitment process prioritises efficient administration, rigorous decision making, and strong advisory support for hiring managers to ensure the best person for the job is selected.

## STAFF DEVELOPMENT

In November, Macquarie recognised the impressive talent of professional staff, awarding staff excellence awards in the areas of service, collaboration and connection, innovation and process improvement, and leadership. Improvements to the program saw an increase in award nominations from 40 in 2014 to 100 in 2015.

A new framework designed to support key academic leaders in the University was established and further work will continue in 2016.

### ENTERPRISE BARGAINING AND SALARY MOVEMENTS

Negotiations for the professional staff enterprise agreement were completed in March 2015. Wage increases of three per cent per year were agreed for professional staff covered by the agreement.

A 'greenfields site' enterprise bargaining agreement was negotiated for staff of the new Macquarie University International College.

The recommended increase for staff employed on individual contracts was two per cent. There were no other exceptional movements in wages, salaries or allowances.

STAFF NUMBERS (FTE) <sup>1</sup>				
Category	2012	2013	2014	2015
Academic	1356	1400	1493	1525
Professional	1399	1456	1558	1674
<b>Total</b>	<b>2755</b>	<b>2856</b>	<b>3051</b>	<b>3199</b>

<sup>1</sup> Includes continuing, fixed term and casual staff FTE

NUMBER OF SENIOR EXECUTIVE STAFF <sup>1</sup>				
	2014		2015	
	M	F	M	F
Band 3 (Vice-Chancellor)	1	0	1	0
Band 2 (Deputy Vice-Chancellor)	4	1	3	1
Band 1 (Executive Group)	4	4	5	3
<b>Sub-total</b>	<b>9</b>	<b>5</b>	<b>9</b>	<b>4</b>
<b>Total</b>	<b>14</b>		<b>13</b>	

<sup>1</sup> Numbers as at 31 December 2015

AVERAGE SENIOR EXECUTIVE SALARY			
Band	Range	2014	2015
Band 3 (Vice-Chancellor)	\$700,000–1,000,000	\$860,000	\$880,000
Band 2 (Deputy Vice-Chancellor)	\$400,000–\$699,999	\$480,000	\$470,000
Band 1 (Executive Group)	\$300,000–\$599,999	\$410,000	\$400,000

<sup>1</sup> 56 per cent of employee-related expenditure was related to senior executives in 2015, compared with 1.99 per cent in 2014

## WORKFORCE DIVERSITY

We are one of only a handful of universities to be an accredited White Ribbon workplace – in recognition of our ongoing commitment to preventing and responding to violence against women – and this year implemented a new suite of support tools.

The Women in Science, Technology, Engineering and Mathematics (STEM) Working Parties progressed initiatives to recruit, retain and advance STEM women at Macquarie.

2015 saw the mid-term review of the Disability Action Plan (DAP) 2012–2017 with a number of key items completed including the development of online resources focused on creating inclusive workplaces and developing inclusive curriculum.

The Accessible Environments Advisory Group focused on reviewing planning, refurbishment and signage proposals and maximising accessible parking. Progress was also made in developing the Reasonable Adjustments Policy and Procedure for PACE placements, and a new Disability Support Policy.

Employment equity goals for 2016 include:

- provide tailored professional development for supervisory staff on workforce equity and diversity matters focusing on inclusive leadership and respectful workplace behaviour
- establish a gender equity strategy committee with representation from men and women in key roles across the University including executive leadership
- progress the Gender Equity Strategy under the direction of the Committee with two key streams: Women in Research and Women in STEM
- reassess goals for the Disability Action Plan 2012–2017 following the mid-term review
- investigate opportunities for the employment of Macquarie students with disability at Macquarie both prior to and after graduation
- promote the ‘Racism: It Stops with Me’ campaign and increase staff intercultural engagement.

### TRENDS IN THE REPRESENTATION OF EEO GROUPS<sup>1</sup>

	Benchmark or target	2012	2013	2014	2015
<b>Professional staff</b>					
Women	50	64.4	65.1	65.3	66.2
Aboriginal people and Torres Strait Islanders <sup>2</sup>	2.6	1.0	1.1	0.7	0.7
People whose first language was not English	19	35.8	34.4	34.8	35.0
People with a disability	N/A	4.9	4.1	4.2	4.5
People with a disability requiring work-related adjustment	1.5	1.2	1.3	0.9	0.9
<b>Academic staff</b>					
Women	50	42.2	41.8	42.0	43.0
Aboriginal people and Torres Strait Islanders <sup>2</sup>	2.6	0.7	0.8	0.8	0.4
People whose first language was not English	19	28.8	30.1	30.8	31.3
People with a disability	N/A	4.8	4.3	3.9	3.4
People with a disability requiring work-related adjustment	1.5	1.4	1.4	0.9	1.0

<sup>1</sup> Headcount of all permanent and fixed-term contract, full-time and part-time staff as at 31 March

<sup>2</sup> Based on the responses to a voluntary self-service staff equity survey

NOTE: Figures are percentages

### TRENDS IN THE DISTRIBUTION OF EEO GROUPS<sup>1</sup>

	Benchmark or target	2012	2013	2014	2015
<b>Professional staff</b>					
Women	100	92	89	91	92
Aboriginal people and Torres Strait Islanders <sup>2</sup>	100	N/A	N/A	N/A	N/A
People whose first language was not English	100	92	97	86	88
People with a disability	100	101	107	117	118
People with a disability requiring work-related adjustment	100	N/A	N/A	N/A	N/A
<b>Academic staff</b>					
Women	100	78	83	81	82
Aboriginal people and Torres Strait Islanders <sup>2</sup>	100	N/A	N/A	N/A	N/A
People whose first language was not English	100	93	85	83	85
People with a disability	100	90	99	107	98
People with a disability requiring work-related adjustment	100	N/A	N/A	N/A	N/A

<sup>1</sup> A distribution index of 100 indicates that the centre of 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. An index more than 100 indicates that the EEO group is less concentrated at the lower salary levels. N/A denotes where numbers are too small for the distribution index figure to be reliable.

<sup>2</sup> Based on the responses to a voluntary self-service staff equity survey

## Equity, diversity and inclusion

### ACCESS AND INCLUSION INITIATIVES

#### ALTERNATIVE ENTRY PROGRAMS

The following alternative pathways (which considered academic and non-academic factors) were offered in 2015:

- Next Step program
- Macquarie University International College – diplomas and foundation programs
- Walanga Muru Alternative Entry Scheme – for Indigenous applicants
- Mature Age Entry Scheme
- Open Universities Australia
- Internal transfer

#### BONUS POINTS

The following bonus point schemes were offered in 2015:

- Academic Advantage
- Educational Access Scheme
- Elite Athletes and Artistic Performers Scheme
- Rural Bonus Scheme

#### SCHOLARSHIPS

Macquarie offers a range of generous equity scholarships, awarded on the basis of financial need or other hardship. Since their introduction in 2008, more than 2000 students have received funding.

### INDIGENOUS AUSTRALIANS

In 2015, the University continued the implementation of Patyegarang Aboriginal and Torres Strait Islander 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 well below the government benchmark of 2.6 per cent. For academic staff, Indigenous Australian representation was 0.4 per cent in 2015 (three staff at levels B, C and E). Indigenous professional staff representation in 2015 was 0.7 per cent including six professional staff. Four Indigenous Australians were employed in casual academic and professional roles.

Walanga Muru 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. In 2014, an Indigenous library space was also opened, with computer access and group study areas.

The Indigenous Tutorial Assistance Scheme (ITAS) provided supplementary individual and small group tutoring to Indigenous students. A total of 136 Indigenous students accessed the program.

The Macquarie Indigenous Cadetship program continued in 2015. There are 26 cadets employed across all divisions of the University in professional and academic environments. In the corporate sector, cadets complete 60 days per year in an area related to their study and interests to gain professional experience and build 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.

#### EQUITY-RELATED SCHOLARSHIP RECIPIENTS 2011–2015

Scheme	2011	2012	2013	2014	2015
Macquarie Accommodation Scholarships	55	55	58	53	63
Macquarie Education Costs Scholarships	143	150	127	168	181
Indigenous Access Scholarships	8	8	11	12	9
Indigenous Commonwealth Accommodation Scholarships	4	5	9	11	12
Indigenous Commonwealth Education Costs Scholarships	6	7	22	26	40
Macquarie Higher Study Scholarships	41	25	22	34	51
Macquarie University Indigenous Grant Program	60	100	111	153	100
Merit Scholarships	35	45	39	37	39
Non-current School Leaver Scholarships	14	18	16	10	9
Refugee Scholarships	1	3	2	4	6
Macquarie University Dunmore Lang College Indigenous Incentive Scholarship	2	12	20	16	19
Macquarie University Dunmore Lang College Regional and Rural Scholarship	2	4	6	10	15
<b>Total</b>	<b>371</b>	<b>432</b>	<b>443</b>	<b>534</b>	<b>544</b>

## MULTICULTURAL POLICIES AND SERVICES

We are committed to ensuring that staff and students from culturally and linguistically diverse backgrounds (CALD) have equal opportunity. More than one-third of our staff identify as coming from CALD backgrounds. Our domestic and international students also represent a wide array of cultures and languages. We collect and analyse comprehensive data to ensure that initiatives are supported by evidence, and specific needs are identified.

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

### ASPIRATION AND CAPACITY BUILDING ACROSS DIVERSE COMMUNITIES

Macquarie University engages with students, teachers, parents and communities through the LEAP (Learning, Education, Aspiration, Participation) programs delivered by the Widening Participation Unit. LEAP aims to raise aspirations, create possibilities and actively support students from equity backgrounds, including those from migrant and refugee backgrounds, to successfully participate in higher education.

The Widening Participation Unit reached more than 4167 primary and high school students at 65 schools across New South Wales in 2015. Evaluation of the program has revealed a positive impact in the following areas: educational engagement and motivation to study, student confidence, student awareness of and motivation towards university, and preparation for university.

### SUPPORTING DIVERSITY OF STUDENTS AND STAFF

The Learning Skills Group expanded its range of academic literacy resources to assist coursework students to develop their academic reading and writing skills. More than 200 academic literacy workshops were run for more than 3000 students, in addition to 945 face-to-face or online individual consultations.

The StudyWISE iLearn unit continues to grow as a repository of relevant resources and activities that introduce students to the expectations of academic culture and help them become self-directed and lifelong learners. This popular resource reached 27,476 students. The Academic Integrity Student Module reached 21,324 students in 2015.

Macquarie provides a range of student support and wellbeing services. The Career Service was transferred to Learning and Teaching to embed employment concepts within academic practices. The demand for such services increased by 18 per cent from 2014, with 5030 individual students registering for services in 2015.

The University continued being an official supporter for the national 'Racism. It Stops With Me' (RISWM) campaign. Activities in 2015 included workshops exploring issues of race and racism and its impact on individuals and communities, Indigenous Learning Circles for staff and students with Elder in Residence Uncle Lex Dadd, Multicultural Advisory Group and the development of the Student Ambassador Program for the RISWM campaign.

Macquarie continued to provide facilities, services and amenities such as a multi-faith prayer room, access to housing, on-campus childcare, a dedicated Women's Room, QueerSpace and social spaces. With 48 cultural and faith-based student groups, activities were many and varied. Numerous events on campus brought more than 30,000 international and domestic students together throughout the year.

The Mentors@Macquarie program continued to support a smooth transition to university for new students through peer mentoring, with more than 150 mentors and team leaders and more than 5000 students involved in the program in 2015.

Macquarie's Buddy Program, which offers peer support for international students, involved 53 volunteers, and more than 6650 students participated in welcomes, social events and day trips in 2015.

The SBS Media Mentorship Program is a three-year networking and work experience program for media students from CALD backgrounds. In its fourth year, the program recruited nine new students from migrant and refugee backgrounds in 2015. Running in conjunction with the SBS NITV Indigenous Media Mentorship Program, it promotes diversity within the Australian media industry.

Macquarie also supports staff from CALD backgrounds by offering paid education leave to undertake approved English language courses, cultural leave, a suite of professional development workshops, postgraduate study scholarships and the postgraduate MGSM Scholarship Scheme. The Equity and Diversity Unit continued to offer free Auslan classes to staff and students to raise awareness of deaf culture and language.

### CALD ENGAGEMENT ACTIVITIES

As part of the PACE program, Macquarie University partnered with the Salvation Army, the City of Ryde and the Macquarie-Ryde Futures Partnership to conduct a multidisciplinary project 'Unified Ryde'. The project included short films that address interpersonal racism in the City of Ryde and encourage development of a supportive and inclusive community.

The 'Racism. It Stops With Me' World Café forum brought together 100 Macquarie students, staff and precinct partners to actively discuss and identify ways to foster an inclusive multicultural and diversity-affirming community in Macquarie Park and the City of Ryde.

A Harmony Day event, co-hosted by Campus Engagement, and Equity and Diversity, engaged more than 830 students and staff, with more than 10 cultural groups participating and showcasing their cultures.

Other culturally affiliated student group activities in 2015 included a Chinese food festival, Latin night, Global Fair and Islamic Awareness week.

Macquarie continued its involvement with UN Women in 2015, ensuring representation and participation in a range of events including the International Women's Day UN Women's Breakfast.

### MULTICULTURAL POLICIES AND SERVICES PROGRAM GOALS FOR 2016

- Finalise the University's policy position and priorities on cultural diversity and intercultural engagement
- Strengthen staff and student cultural awareness and competency through facilitated activities with affiliated student cultural groups
- Continue outreach programs for students from disadvantaged backgrounds through Widening Participation and LEAP initiatives
- Continue the provision of language and literacy programs for CALD students and staff
- Encourage collaborations with external partners such as the Australian Human Rights Commission, Multicultural NSW, SBS Broadcasting, UN Women, Indigo Foundation and White Ribbon Australia
- Support career advancement, professional opportunities and visibility of CALD staff
- Monitor publications to ensure balanced representation for CALD students and staff in content and images.

## Work Health and Safety

Macquarie University operates in a wide range of work and risk environments, creating a complex risk profile. The following section outlines the University's health and safety performance in 2015.

### INCIDENT PROFILE

A total of 104 staff-related incidents were reported in 2015. This is a 16 per cent reduction in the frequency of incidents compared to the 2014 year (121 incidents). An improved health and safety incident reporting system was implemented in October 2014, and 2015 has been the first year of recordable data with the new system.

The new incident reporting system continues to experience strong use across the entire campus population and despite a 16 per cent reduction in the number of incidents, Macquarie continues to educate and encourage all University members to report safety-related incidents regardless of the injury severity.

The following top three causes of injury were calculated in 2015:

- falls on the same level and at height (27 per cent and two per cent respectively) – 29 per cent in total
- contact with an object including falling and/or moving objects (25 per cent)
- soft tissue manual handling related injuries (13 per cent).

These contributed to 67 per cent of the total number of injuries for 2015.

The results reflect similar causes of injury to 2014, which were:

- manual handling (18 per cent)
- hitting objects (17 per cent)
- falls (19 per cent).

Since 2012, there has been a steady decrease in the number of staff-related incidents. There was also a decrease in the number of workers' compensation claims as a percentage of the total number of incidents in the reporting period.

WORK HEALTH AND SAFETY					
Performance measure	2011	2012	2013	2014	2015
Incidents reported (staff only)	166	139	121	121	104
FTE employees	2595	2400	2425	2532 <sup>1</sup>	2749 <sup>1</sup>
Incidence rate (per 100 employees)	6.32	5.88	4.99	4.78	3.78
Frequency rate (per million hours worked)	35.51	41.82	30.00	23.00	20.79
Incidents to claims lodged rate	32%	43%	41%	27%	25%

<sup>1</sup> Employee FTE is calculated using a March census date

WORK HEALTH AND SAFETY					
Incidents	2011	2012	2013	2014	2015
Manual handling	2	0	10	19	3
Maintenance	0	0	5	4	10
Undertaking experiments	1	3	11	14	13
Moving equipment	4	5	5	8	6
Administration	58	52	25	25	14
Commuting on campus	42	42	35	17	25
Other	1	8	10	23	25
<b>Total at-work incidents</b>	<b>108</b>	<b>110</b>	<b>101</b>	<b>110</b>	<b>96</b>
Attending approved break or sporting/leisure events	20	5	5	3	6
Travelling to and from work (journey claims)	36	20	9	6	2
Field trips	0	4	6	2	0
<b>Total incidents</b>	<b>164</b>	<b>139</b>	<b>121</b>	<b>121</b>	<b>104</b>

## WORKERS' COMPENSATION

A total of 26 claims for workers' compensation were lodged in 2015, compared with 33 claims in 2014. This represents a 27 per cent reduction in reported claims between 2014 and 2015. The University's claim lodgement rate fell to 0.95 (per 100 FTE) compared with 1.30 in 2014. The University's performance in managing risk and claims continues to demonstrate significant improvement, with ongoing reductions in the number of claims lodged, in the number of claims with lost time and in the average cost per claim. There were no employee fatalities reported in 2015.

## RISK MANAGEMENT AND ASSURANCE

The creation of a new department titled 'Risk and Assurance' in 2015 now houses the health and safety team and includes the Enterprise Risk, Insurance and Compliance arms of the University. This strategic vision aligns the core functions of risk management and delivers a greater level of service to the University community.

The following significant health and safety projects were undertaken in 2015:

- review of the current incident reporting process, to identify efficiencies and easier front-end reporting for staff
- training needs analysis, which reviewed the range of training programs available and the needs of each faculty, administration unit and controlled entities

- enhancement of the online training system, to offer a wider range of health and safety training and to enable greater access
- preparation of a safety culture survey. This survey is ready for implementation in 2016.

## NOTIFIABLE INCIDENTS

Six notifiable incidents occurred in the reporting period. These matters were notified to WorkCover NSW and investigated internally. Remediation actions were put into place and the matters have been closed.

## RETRO-PAID LOSS PREMIUM MODEL (WORKERS' COMPENSATION)

In 2011, the Macquarie University Group (Macquarie University and all of its controlled entities) became a participant in the Retro-Paid Loss Premium model in respect of its workers' compensation insurance. 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.

Continued strong claims and injury management practices have realised ongoing savings to the group premium. The group's 2015 minimum premium was calculated at \$1,299,260. This represents a saving of \$1,864,709 when compared with what would have been paid under the conventional premium model calculation.

WORKERS' COMPENSATION RESULTS 2011-2015					
Performance	2011	2012	2013	2014	2015
Claim numbers	52	61	50	33	26
Claims (per 100 FTE)	2.00	2.53	2.06	1.30	0.95
Total claims costs	\$284,931	\$220,947	\$126,918	\$143,368	\$165,132
Average cost of claim	\$3372	\$4552	\$3340	\$5514	\$12,786

CLAIMS BY ACCIDENT TYPE 2011-2015					
Claims by accident type	2011	2012	2013	2014	2015
Burns and scalds	0	1	1	2	0
Caused by another person	0	2	1	0	0
Exposure to electrical current	0	0	0	0	0
Exposure to extreme temperature	0	1	1	0	0
Exposure to radiation	0	0	0	0	0
Fall of a person	16	20	15	6	6
Falling object	0	0	0	2	0
Stress/anxiety/harassment	2	1	1	3	2
Hit object with body	10	4	3	4	2
Journey/recess	11	10	5	1	0
Manual handling	9	15	10	11	7
Struck by an animal	0	3	1	0	0
Vehicle accident	0	0	0	0	2
Other	4	4	12	4	7

## Student enrolments

In 2015, 40,209 students were enrolled at Macquarie University, an increase of 572 (1.4 per cent) students compared with 2014.

Student enrolments 2015 <sup>1</sup>	
Type of attendance	
Full-time	27,795
Part-time	12,414
Gender	
Female	21,543
Male	18,666
Domestic/International <sup>2</sup>	
Domestic	31,568
International	8641
<b>Total</b>	<b>40,209</b>

<sup>1</sup> Source: preliminary calendar year data as at 23 December 2015 with post-census Session 3 data. NOTE: Enrolments do not include cross-institutional students.

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 Australian Government

<sup>2</sup> The domestic total represents students with Australian citizenship, those with a Humanitarian Visa, New Zealand citizens, or students with permanent residency. International students are those with a temporary permit or who reside outside Australia

## Higher degree research students

One of the key goals of the Strategic Research Framework: 2015–2024 is to produce world-ready higher degree research candidates. By consolidating research training into a two-phase Master of Research

(MRes)/PhD structure, Macquarie aims to provide a highly supportive introduction to candidates' research careers. The University is now seeing the flow-on of MRes graduates into the PhD, and they are reported to be better equipped for undertaking a major research project than previously.

HIGHER DEGREE RESEARCH STUDENT ENROLMENTS 2011–2015 <sup>1,2</sup>											
	2011	2012	2013			2014			2015		
Faculty	PhD/ MPhil	PhD/ MPhil	PhD/ MPhil	MRes	BPhil	PhD/ MPhil	MRes	BPhil	PhD/ MPhil	MRes	BPhil
Arts	556	512	516	5	99	455	122	67	453	130	79
Business and Economics	167	165	189	9	20	171	39	25	152	56	29
Human Sciences	490	486	501	2	22	477	52	21	401	81	24
Medicine and Health Sciences	77	93	106			120			117	15	
Science and Engineering*	580	540	567		64	626		63	628		40
MGSM	117	107	98			72	5		53	6	
<b>Total</b>	<b>1987</b>	<b>1903</b>	<b>1977</b>	<b>16</b>	<b>205</b>	<b>1921</b>	<b>218</b>	<b>176</b>	<b>1804</b>	<b>288</b>	<b>172</b>
<b>Grand total</b>	<b>1987</b>	<b>1903</b>	<b>2198</b>			<b>2315</b>			<b>2264</b>		

<sup>1</sup> Minor variation in the figures listed for 2013 and 2014 from previous listings in the *Annual Report* to align these figures with those reported by Macquarie Analytics

<sup>2</sup> The 2015 enrolment figures are preliminary. Final figures to be confirmed in April 2016 in line with Australian Government reporting requirements

\* Known as the Faculty of Science prior to 2015

HIGHER DEGREE RESEARCH COMPLETIONS 2011–2015							
	2011	2012	2013	2014		2015	
Faculty	PhD/MPhil	PhD/MPhil	PhD/MPhil	PhD/MPhil	MRes	PhD/MPhil	MRes
Arts	62	70	67	71	43	68	101
Business and Economics	20	20	23	30	9	34	28
Human Sciences	47	75	90	90	14	94	41
Medicine and Health Sciences	NA	NA	NA	NA	NA	15	2
Science and Engineering*	103	94	103	102	18	98	95
MGSM	12	11	14	15	1	16	2
<b>Total</b>	<b>244</b>	<b>270</b>	<b>297</b>	<b>393</b>		<b>594</b>	

\* Known as the Faculty of Science prior to 2015

## Student feedback and consumer response

The University continued a significant program of work in 2015 to realise its objective of being the number one university in Australia for student experience. Experiential learning and teaching spaces in the Student Connect facility continued to be well utilised. Student Connect has significantly improved face-to-face and online student support as well as student self-help. The Deputy Vice-Chancellor (Students and Registrar) delivers a broad range of para-academic and governance services to engage with, assist and support students.

### STUDENT REPRESENTATION AND ENGAGEMENT IN INSTITUTIONAL GOVERNANCE AND MANAGEMENT

Macquarie's unique, democratically elected student advisory board is in its third year and continues to add value to student life. A strong focus on continuing to improve the student experience was enacted via the Student Experience Sub-Committee. Reporting to the University Council, its membership includes members of the University Council, executive group, academic and professional staff, and students from the advisory board.

### ACADEMIC APPEALS

The Academic Appeals Committee hears appeals from students against exclusion from enrolment. The number of academic appeals received is not commensurate with increasing student enrolments.

## GRIEVANCES

In 2014, a consulting firm was engaged to develop proposals for complaint management at the University. This resulted in a gap analysis of complaint management processes, broad consultation across the University and a foundation for the development of the Complaint Management Procedure for Students and Members of the Public, introduced at the beginning of Session 2, 2015. In 2015, 39 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 519 student misconduct matters progressed to University disciplinary committees for determination in 2015. Of this total, 15 determinations were subsequently appealed by students to the University's discipline appeal bodies.

### ESCALATION AND THE STUDENT OMBUDSMAN

The Student Ombudsman provides an independent and impartial service to students who are dissatisfied with a University decision or process. During 2015, the Student Ombudsman received and managed 39 case referrals.

#### ACADEMIC APPEALS COMMITTEE DETERMINATIONS 2011-2015

Appeals	2011	2012	2013	2014	2015
Considered	231	158	117	164	10
Successful	52	28	11	15*	4*

\* Data only includes Session 1, 2015 academic appeals. It does not include Session 2 or Session 3, 2015 data as reported for previous years

#### STUDENT OMBUDSMAN REFERRALS 2015

Type of referral	2013	2014	2015
Academic advice	1	5	9
Academic supervision grade	1	2	5
Exclusion	31	13	17
Grade review	12	9	4
Grievance	14	11	4
Other	3	6	0
<b>Total</b>	<b>62</b>	<b>46</b>	<b>39</b>

## 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.

## Statement on digital information security

Macquarie University's Information Security Policy provides controls to mitigate identified risks to our information and digital information systems. The robustness of our controls is constantly under review and appropriate futureproofing strategies are implemented in response to rapid, changing technological developments.

## Privacy

The role of Privacy Officer is assigned to the Chief Operating Officer and administered by the Compliance Manager. The role of Right to Information Officer is assigned to the Manager, Records and Archives. The University undertakes a range of actions and activities to promote privacy. In 2015, the University reviewed its privacy management plan and policy. The plan and policy review ensured alignment with the *Privacy and Personal Information Protection Act 1998* (NSW) and the *Health Records Information Privacy Act 2002* (NSW), and with the University's Compliance Management Framework. This reviewed and updated the provision of accurate and timely advice and training; the content and structure of privacy notices and consent forms; the integration of privacy principles into relevant policies, procedures and guidelines; and reporting of privacy-related activities to the University's Audit and Risk Committee.

No reviews were conducted under Part 5 of the *Privacy and Personal Information Protection Act NSW (1998)* during the 2015 reporting period. No privacy matters were decided by the Administrative Decisions Tribunal or investigated by the NSW Privacy Commissioner.

## Public interest disclosures

The University's *Reporting Wrongdoing – Public Interest Disclosures Policy 2013* ('the PID') includes procedures for receiving, assessing and dealing with reports of wrongdoing. The University is required to report annually to Parliament on its obligations under section 31 of the PID.

In 2014, a series of educational seminars was held for the University's Executive Group and Management. These sessions were facilitated by the NSW Ombudsman office, and the University's Legal, and Risk and Compliance offices. During 2015, a further series of sessions was held for staff regarding fraud awareness and the requirements of the PID.

REPORT TO NSW OMBUDSMAN (UNDER SECTION 6CA PUBLIC INTEREST DISCLOSURES ACT)				
	2012	2013	2014	2015
Number of public officials who made public interest disclosures to the University's public authority	2	3	1	1
Number of public interest disclosures received by the University's public authority	2	3	1	1

PRIMARY SUBJECT OF PUBLIC INTEREST DISCLOSURES RECEIVED				
	2012	2013	2014	2015
Corrupt conduct	0	2	0	1
Maladministration	2	1	1	0
Serious and substantial waste	0	0	0	0
Government information contravention	0	0	0	0
Local government pecuniary interest contravention	0	0	0	0
<b>Total</b>	<b>2</b>	<b>3</b>	<b>1</b>	<b>1</b>
Number of public interest disclosures (received since 1 January 2012) that have been finalised in this reporting period	0	5	1	1

## Credit card certification

During the 2015 financial year, credit card use was in accordance with the University's credit card and purchasing policies. These policies are based on the requirements of the New South Wales Treasury.

Credit card use within the University is 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 in accordance with a predetermined line of authority.

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.

## Promotion and travel

The University spent \$19.4 million on travel and related staff development and training in 2015 (\$19.1 million in 2014). 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.

## Payment of accounts

The University's terms of credit in respect to its creditors are 30 days. In 2015, 91 per cent of invoices were paid in accordance with these terms. During 2015, 99.7 per cent of Australian Dollar transactions were made by electronic funds transfer with the balance being made by cheque.

### AGED ANALYSIS AT THE END OF EACH QUARTER

Quarter	Current (within due date) \$'000	Less than 30 days overdue \$'000	30-60 days overdue \$'000	61-90 days overdue \$'000	More than 90 days overdue \$'000
March	9849	5299	858	85	0
June	9929	5444	637	262	35
September	12,336	5407	1031	83	28
December	16,485	5157	629	0	71

### INVOICES DUE OR PAID WITHIN EACH QUARTER

Measure	March	June	September	December
Number of invoices due for payment	27,008	32,039	32,660	29,109
Number of invoices paid on time	24,601	28,291	28,837	27,195
% of invoices paid on time <i>(based on number)</i>	91%	88%	88%	93%
Dollar amount of invoices due for payment	\$90,250,215	\$114,915,351	\$99,634,362	\$110,128,175
Dollar amount of invoices paid on time	\$78,298,441	\$99,797,196	\$89,109,199	\$102,366,368
% of accounts paid on time <i>(based on value)</i>	87%	87%	90%	93%

## Risk management and insurance activities

### INSURANCE

A cost-effective insurance program that sufficiently protects the University's investment in assets and protects it against liabilities arising from the conduct of its business activities is in place at all times. In October 2015, the insurance program was taken to market by our two brokers, which resulted in the University securing the best available terms and conditions tailored to our unique activities.

Strathearn Pty Ltd (Strathearn) provides broking services for all of the University's medical and allied health insurance risks, including University-run clinics and the Macquarie University Hospital. All other classes of insurance are brokered through Aon Risk Services Australia Ltd (Aon).

The University Group continues to be a participant in the New South Wales WorkCover, Retro-Paid Loss Premium scheme, and 2015 will be the fifth year of its participation. The scheme 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.

### INTERNAL AUDIT AND RISK MANAGEMENT

The University's Audit and Risk Committee oversees the risk management and internal audit functions. In 2015, the risk and assurance function was established to administer and monitor the University's performance in the management of risk, health and safety, compliance and internal audit. Internal audit services are contracted to PwC.

### RISK MANAGEMENT

The University's risk management framework focuses on enhancing an integrated and tailored approach to identifying, evaluating and managing risk and compliance issues and refining the risk appetite. A key element of the framework is understanding and analysing uncertainty in achieving the objectives and requirements of legislation, regulations, standards and internal policies, as well as identifying practical mitigation strategies and leveraging emerging opportunities.

In June 2015, the Audit and Risk Committee endorsed the integration of the enterprise risk profile and dashboard indicators. This has enabled the University to monitor its strategic and operational risk performance, with related indicators monitoring changes to triggers and emerging risks.

Due to the University's program of major capital developments, funded by a mix of cash reserves, debt and government contributions, progress and risks related to the delivery of capital works are reflected in the property risk profile but also reported to the Finance and Facilities Committee and included in the enterprise risk profile tabled at the Audit and Risk Committee.

### INTERNAL AUDIT

The internal audit function is primarily concerned with evaluating the effectiveness of internal controls and draws on the enterprise risk profile to target key controls that support the mitigation of threats.

In 2015, PwC was appointed as the Internal Auditors. A rolling three-year internal audit plan was endorsed by the Audit and Risk Committee after a review of the University's risk profile, review of the University's Assurance Map, and wide consultation with key stakeholders.

The internal audit plan for 2015 focused on providing assurance that the University has the capability to deliver on key strategic projects and on the enhancements in building efficiency agility in key decision-making processes.

Following discussion and agreement with management, internal audit reports are submitted to key stakeholders and reported to the Audit and Risk Committee. The closure of audit recommendations is monitored by the Audit and Risk Committee and operationally supported by the Risk and Assurance Function.

## Internal audit and risk management attestation statement for the 2014–2015 financial year

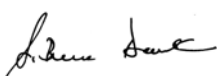
I, Professor S Bruce Dowton, Vice-Chancellor, am of the opinion that Macquarie University has internal audit and risk management processes in operation that are, excluding the exceptions or transitional arrangements described below, compliant with the eight (8) core requirements set out in the Internal Audit and Risk Management Policy for the NSW Public Sector, specifically:

CORE REQUIREMENTS		
<b>Risk Management Framework</b>		
1.1	The Vice-Chancellor is ultimately responsible and accountable for risk management at Macquarie University	Compliant
1.2	A risk management framework that is appropriate to Macquarie University has been established and maintained and the framework is consistent with AS/NZS	Compliant
<b>Internal Audit Function</b>		
2.1	An internal audit function has been established and maintained	Compliant
2.2	The operation of the internal audit function is consistent with the International Standards for the Professional Practice of Internal Auditing	Compliant
2.3	The agency has an Internal Audit Charter that is consistent with the content of the 'model charter'	Compliant
<b>Audit and Risk Committee</b>		
3.1	An independent Audit and Risk Committee with appropriate expertise has been established	Compliant
3.2	The Audit and Risk Committee is an advisory committee providing assistance to the Vice-Chancellor on the agency's governance processes, risk management and control frameworks, and its external accountability obligations	Compliant
3.3	The Audit and Risk Committee has a Charter that is consistent with the content of the 'model charter'	Compliant

### MEMBERSHIP

The chair and members of the Audit and Risk Committee are:

- John Wigglesworth, Chair, appointed 25 February 2009, appointed Chair 1 January 2011
- Elizabeth Crouch, Deputy Chancellor, ex-officio, appointed 23 April 2009
- The Hon Patricia Forsythe, Council member, appointed 20 February 2008
- Jingmin Qian, Council member, appointed 2 July 2015 to 30 June 2017
- David McKean, external member, appointed 2 July 2015 to 30 June 2017
- Wendy Haigh, external member, appointed 22 June 2011 for a period of 2 years, reappointed to 30 June 2015 and reappointed again to 30 June 2017
- Binu Katari (retired 26 March 2015)



Professor S Bruce Dowton  
Vice-Chancellor



Trudy de Vries  
Director of Risk and Assurance

14 March 2016

## Freedom of information

Macquarie University actively makes information available on its website and through media releases, and seeks at all times to provide information in a manner that 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. Macquarie 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 whether a formal access application is required.

The fee for a formal GIPA Act application in 2015 was \$30.

During the period 1 January 2015 to 31 December 2015, Macquarie University received nine formal access applications for information. In four applications, access to information was granted in full. In one application, access to information was granted in part. In two applications, it was found that the information sought was not held by the University. No formal applications for third-party consultation under the GIPA Act were received.

The eighth application in 2015 was received on 18 November 2015 and will be determined in 2016. The ninth application in 2015 was received on 11 December 2015 and will be determined in 2016. The details of these two determinations will be included in the *Annual Report* for the period 1 January 2016 to 31 December 2016.

Five applications were determined within statutory timeframes, and two were modified by the applicant after a period of negotiation with the University.

The University is obliged to report on GIPA Act applications received that are then transferred to another agency, either at the University's or the applicant's initiation. During the period 1 January 2015 to 31 December 2015, no GIPA Act applications received by the University were subject to transfer to another agency.

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 OUTCOME<sup>1</sup>**

	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	2	1	0	1	0	0	0	0
Members of Parliament	0	0	0	0	0	0	0	0
Private sector business	0	0	0	0	0	0	0	0
Not-for-profit organisations or community groups	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)	4	0	0	0	1	0	0	0

<sup>1</sup> 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

**TABLE B: NUMBER OF APPLICATIONS BY TYPE OF APPLICANT AND OUTCOME<sup>1</sup>**

	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 <sup>2</sup>	3	0	0	0	1	0	0	0
Access applications (other than personal information applications)	4	0	0	2	0	0	0	0
Access applications (partly personal and partly other information applications)	0	0	0	0	0	0	0	0

<sup>1</sup> 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

<sup>2</sup> 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)	0
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	0
Invalid applications that subsequently became valid applications	0

**TABLE D: CONCLUSIVE PRESUMPTION OF OVERRIDING PUBLIC INTEREST AGAINST DISCLOSURE: MATTERS LISTED IN SCHEDULE 1 OF ACT**

	Number of times consideration used <sup>1</sup>
Overriding secrecy laws	0
Cabinet information	0
Executive Council information	0
Contempt	0
Legal professional privilege	0
Excluded information	1
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

<sup>1</sup> 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	0

**TABLE F: TIMELINESS**

	Number of applications
Decided within the statutory timeframe (20 days plus any extensions)	6
Decided after 35 days (by agreement with applicant)	1
Not decided within time (deemed refusal)	0
<b>Total</b>	<b>7</b>

**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

\* 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

## Financial performance

STATEMENTS IN THIS CHAPTER ARE UNAUDITED.

The operating result for the year for Macquarie University and its subsidiaries was a surplus of \$20.8 million. The surplus for the consolidated University represented 2.2 per cent of income.

### STATE SUPERANNUATION SCHEMES

The University's liability under the State Superannuation Scheme (SSS), State Authorities Superannuation Scheme (SASS) and State Authorities Non-contributory Superannuation Scheme (SANCS) was \$545.0 million as at 31 December 2015 (\$515.4 million in 2014). This is matched by an asset based on future funding expected from the Australian and New South Wales governments.

### CONSOLIDATED INCOME ANALYSIS

Income totalled \$929.6 million, an increase of 3.4 per cent. This increase has been driven by a number of factors:

- Income from Australian Government grants increased by \$9.4 million and government Higher Education Loan Programs by \$10.7 million owing to increased student load in Commonwealth Supported Places, which was partially offset by a decline of \$10.1 million in fee-paying overseas students due to a slight reduction in enrolments.
- Macquarie University Hospital services revenue increased by \$2.3 million, reflecting continued growth in operations.

### CONSOLIDATED EXPENSE ANALYSIS

Expenses totalled \$908.8 million, an increase of \$45.1 million (5.2 per cent). This increase has occurred over several expense categories:

- Employee-related expenses increased by \$34.4 million (7.1 per cent) due to salary increases and the appointment of additional staff.
- Other expenses have increased by \$11.2 million (3.0 per cent), driven by increases in depreciation and repairs and maintenance.

### CONSOLIDATED BALANCE SHEET ANALYSIS

Net assets increased by \$132.6 million from 2014 to 2015 with total assets increasing by \$187.3 million and total liabilities increasing by \$54.6 million. This included a \$29.6 million increase in the provisions for deferred government benefits for superannuation.

### RISK ANALYSIS

The following ratios are provided in respect of the financial risk assessment of the University at 31 December 2015.

RISK ANALYSIS		
Indicator	Result	Risk
Income growth	3.38%	Medium
Proportion of revenue from Australian Government grants	27.01%	Low
Growth in Australian Government funding	4.0%	High
Proportion of revenue from overseas student fees	20.0%	Medium
Consecutive deficits recorded	0	Low
Number of weeks income cash and investments is equivalent to	15.18	Low
Current ratio	1.50	Low
Adjusted current ratio <sup>1</sup>	1.66	Low
Gearing ratio <sup>2</sup>	4.62%	Low

<sup>1</sup> The current liability of long service leave entitlements is determined as all leave that was unconditional as at 31 December 2015.

The University expects that \$22.4 million of this current liability will be settled after 12 months and the current ratio has been adjusted to reflect this

<sup>2</sup> Gearing 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 2014	Benchmark 2014	Actual returns 2015	Benchmark 2015
Cash and cash equivalent	2.57%	2.69%	2.09%	2.33%

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 Debt Securities: UBSWA Composite Bond Index (all maturity)

## BUDGETS

The following is a summary of financial performance against budget for 2015.

INCOME STATEMENT		
Indicator	Budget 2015 \$'000	Actual 2015 \$'000
Income from continuing operations	957,779	929,639
Expenses from continuing operations	933,877	908,834
Operating result from continuing operations	23,902	20,805

BALANCE SHEET		
Indicator	Budget 2015 \$'000	Actual 2015 \$'000
Current assets	247,148	417,626
Non-current assets	2,180,914	2,426,151
Total assets	2,428,062	2,843,777
Current liabilities	153,334	225,214
Non-current liabilities	728,764	889,031
Total liabilities	882,098	1,114,245
Net assets	1,545,964	1,729,532

CASH FLOW STATEMENT		
Indicator	Budget 2015 \$'000	Actual 2015 \$'000
Net cash provided by operating activities	83,319	115,505
Net cash (used in) investing activities	(80,601)	(128,541)
Net cash (used in) financing activities	-	(1446)
Net increase (decrease) in cash and cash equivalents	2718	(14,482)

## CONTROLLED ENTITIES

Macquarie University has consolidated the following 16 controlled entities:

- Access Macquarie Ltd (AccessMQ)
- Australian Proteome Analysis Facility Ltd (APAF)
- CMBF Ltd
- COH Property Trust
- Macquarie University Property Investment Company Pty Ltd
- Macquarie University Property Investment Company No 3 Pty Ltd
- Macquarie University Property Investment Trust (MUPIT)
- Macquarie University Clinical Associates Ltd (MUCA)
- MGSM 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

Macquarie Education South Africa NPC was de-registered in 2015.

Macquarie University Clinical Associates Ltd was incorporated in 2015.

The following eight controlled entities were trading in 2015.

### 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 more than 40 countries and IELTS testing for more than 15,000 candidates in 2015. Its quality teaching resulted in students achieving 15 per cent higher grades in their first year at the University. Its continued management of research and consulting projects serves as a vital link between academics and researchers from the University and industry. In 2015, the AccessMQ research and consulting practice attracted approximately \$14 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 more than 20 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 688 students enrolled and is internationally recognised in the global banking and finance industry.

### MACQUARIE UNIVERSITY CLINICAL ASSOCIATES LTD

Macquarie University Clinical Associates Ltd is a not-for-profit public company limited by guarantee and wholly owned by Macquarie University. Its purpose is the integration of clinical services, teaching and research. Its function is to provide clinical services to Macquarie University Hospital and Clinic and engage clinicians in the tripartite scholarship of clinical practice, aligned with teaching, learning and research within the Macquarie University Health Sciences Centre incorporating Macquarie University Hospital, the Clinic and the Macquarie University Faculty of Medicine and Health Sciences.

### 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 North Ryde campus. MGSM's MBA is ranked number one in Australia and number 56 in the world by the *Financial Times*.

### MUH OPERATIONS NO 2 PTY LTD

MUH Operations No 2 Pty Ltd is a not-for-profit, public company limited by shares and wholly owned by Macquarie University. Macquarie University Hospital's objectives are to provide evidence-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, childcare 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.



# Financial statements

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# Statement of appointed officers

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Macquarie University  
Statement of Appointed Officers  
For the Year Ended 31 December 2015

## Statement of Appointed Officers

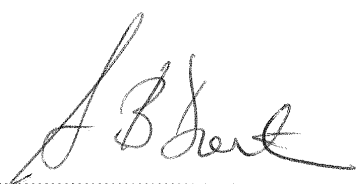
In accordance with a resolution of the Council of Macquarie University, pursuant to Section 41C (1B) and (1C) of the *Public Finance and Audit Act 1983*, we state that to the best of our knowledge and belief:

1. The financial statements present a true and fair view of the financial position of the University at 31 December 2015 and the results of its operations and transactions of the University and Consolidated Entity 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 2015* and the Financial Statement Guidelines for Australian Higher Education Providers for the 2015 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.
4. The financial statements have been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including complying with Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

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

To the best of our knowledge and belief, 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  
7 April 2016

# Income statement

## Macquarie University Income Statement For the Year Ended 31 December 2015

	Note	Consolidated		Parent	
		2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
<b>Income from continuing operations</b>					
Australian Government financial assistance					
Australian Government grants	2	257,091	241,721	249,348	235,018
HELP - Australian Government Payment	2(b)	179,201	168,482	179,201	168,482
State and local Government financial assistance	3	3,326	2,255	3,326	2,255
HECS-HELP - Student Payments		19,096	19,809	19,096	19,809
Fees and charges	4	254,608	264,058	247,691	253,751
Investment revenue	5	9,019	8,213	11,092	9,549
Royalties, Trademarks and Licences	6	625	618	530	397
Consultancy and contracts	7	27,854	22,952	21,840	16,539
Other revenue	8	178,773	171,072	62,298	58,826
<b>Total revenue from continuing operations</b>		<b>929,593</b>	<b>899,180</b>	<b>794,422</b>	<b>764,626</b>
Gains on disposal of assets	9	46	44	46	44
<b>Total income from continuing operations</b>		<b>929,639</b>	<b>899,224</b>	<b>794,468</b>	<b>764,670</b>
<b>Expenses from continuing operations</b>					
Employee related expenses	10	520,194	485,838	424,260	392,742
Depreciation and amortisation	11	63,509	59,919	62,167	58,543
Repairs and maintenance	12	14,221	11,647	9,505	7,593
Borrowing Costs	13	19,393	19,552	19,869	19,552
Impairment of assets	14	1,475	957	15,623	9,446
Losses on disposal of assets	15	351	1,666	322	1,597
Deferred superannuation (gain)/ expense	10/43	707	(2,732)	707	(2,732)
Consultants and contractors		35,151	35,307	59,522	62,114
Scholarships and grants		49,432	47,291	48,621	46,635
Other expenses	16	204,401	204,294	126,927	124,446
<b>Total expenses from continuing operations</b>		<b>908,834</b>	<b>863,739</b>	<b>767,523</b>	<b>719,936</b>
<b>Net result before income tax</b>		<b>20,805</b>	<b>35,485</b>	<b>26,945</b>	<b>44,734</b>
Income tax expense		-	-	-	-
<b>Net result from continuing operations</b>		<b>20,805</b>	<b>35,485</b>	<b>26,945</b>	<b>44,734</b>
<b>Net result after income tax for the period</b>		<b>20,805</b>	<b>35,485</b>	<b>26,945</b>	<b>44,734</b>
<b>Net result attributable to members of Macquarie University</b>	30	<b>20,805</b>	<b>35,485</b>	<b>26,945</b>	<b>44,734</b>

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 2015

	Note	Consolidated		Parent	
		2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
<b>Net result after income tax for the period</b>		<b>20,805</b>	35,485	<b>26,945</b>	44,734
<b>Items that have been reclassified to profit or loss</b>					
Realised gains on available-for-sale financial assets	30(a)	-	-	-	(71)
<b>Total items that have been reclassified to profit or loss</b>		-	-	-	(71)
<b>Items that may be reclassified to profit or loss</b>					
Unrealised gain on value of available-for-sale financial assets	30(a)	<b>8,303</b>	778	<b>8,303</b>	778
<b>Total items that may be reclassified to profit or loss</b>		<b>8,303</b>	778	<b>8,303</b>	778
<b>Items that will not be reclassified to profit or loss</b>					
Unrealised gain on revaluation of property, plant and equipment	24/ 30(a)	<b>34,341</b>	31,500	<b>34,341</b>	31,500
Unrealised gain on revaluation of property, plant and equipment reclassified as held for sale		<b>67,502</b>	-	<b>67,502</b>	-
Net Actuarial (losses)/ gains recognised in respect of Defined Benefits Plans	30(b)	<b>1,688</b>	(1,981)	<b>1,688</b>	(1,981)
Disposal of net assets of subsidiary	30(b)	-	(433)	-	-
<b>Total items that will not be reclassified to income statement</b>		<b>103,531</b>	29,086	<b>103,531</b>	29,519
<b>Total other comprehensive income</b>		<b>111,834</b>	29,864	<b>111,834</b>	30,226
<b>Total comprehensive income attributable to members of Macquarie University</b>		<b>132,639</b>	65,349	<b>138,779</b>	74,960

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 2015

		Consolidated		Parent	
		2015	2014	2015	2014
	Note	\$'000	\$'000	\$'000	\$'000
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and cash equivalents	17	208,063	222,545	194,581	193,466
Receivables	18	63,949	32,650	48,225	20,982
Inventories	19	5,386	5,023	344	167
Other financial assets	20	45,187	28,705	45,187	4,673
Non-current assets held for sale	21	80,600	-	80,600	-
Other non-financial assets	22	14,441	12,858	13,187	11,228
<b>Total current assets</b>		<b>417,626</b>	<b>301,781</b>	<b>382,124</b>	<b>230,516</b>
<b>Non-current assets</b>					
Receivables	18	543,763	545,388	543,622	544,878
Other financial assets	20	18,057	9,322	73,495	57,292
Other non-financial assets	22	22,106	24,256	23,747	25,951
Investments in subsidiaries	23	-	-	23,299	21,289
Property, plant and equipment	24	1,840,742	1,774,544	1,833,574	1,770,406
Intangible assets	25	1,483	1,207	1,483	1,207
<b>Total non-current assets</b>		<b>2,426,151</b>	<b>2,354,717</b>	<b>2,499,220</b>	<b>2,421,023</b>
<b>Total assets</b>		<b>2,843,777</b>	<b>2,656,498</b>	<b>2,881,344</b>	<b>2,651,539</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Trade and other payables	26	72,353	63,897	52,723	46,832
Borrowings	27	1,284	1,200	40,284	1,200
Provisions	28	100,768	67,747	93,351	59,402
Other liabilities	29	50,809	38,725	48,617	37,464
<b>Total current liabilities</b>		<b>225,214</b>	<b>171,569</b>	<b>234,975</b>	<b>144,898</b>
<b>Non-current liabilities</b>					
Borrowings	27	353,772	354,968	353,772	354,797
Provisions	28	534,023	532,072	531,918	530,184
Other liabilities	29	1,236	996	1,236	996
<b>Total non-current liabilities</b>		<b>889,031</b>	<b>888,036</b>	<b>886,926</b>	<b>885,977</b>
<b>Total liabilities</b>		<b>1,114,245</b>	<b>1,059,605</b>	<b>1,121,901</b>	<b>1,030,875</b>
<b>Net assets</b>		<b>1,729,532</b>	<b>1,596,893</b>	<b>1,759,443</b>	<b>1,620,664</b>
<b>EQUITY</b>					
Parent entity interest					
Reserves	30(a)	618,180	508,034	617,920	507,774
Retained earnings	30(b)	1,111,352	1,088,859	1,141,523	1,112,890
Parent interest		1,729,532	1,596,893	1,759,443	1,620,664
<b>Total equity</b>		<b>1,729,532</b>	<b>1,596,893</b>	<b>1,759,443</b>	<b>1,620,664</b>

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

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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 2015**

		<b>Consolidated</b>		<b>Parent</b>	
		<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>Note</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Cash flows from operating activities</b>					
Australian Government Grants	2(g)	438,973	406,723	431,230	400,020
OS-HELP received / (reimbursed) (net)	2(g)	(520)	1,275	(520)	1,275
State Government Grants		3,297	2,255	3,297	2,255
Local Government Grants received		29	-	29	-
HECS-HELP - Student payments		19,096	19,809	19,096	19,809
Receipts from student fees and other customers		475,103	465,688	333,955	310,257
Dividends received		1,804	1,799	1,804	1,799
Interest received		7,177	6,504	5,814	4,615
Payments to suppliers and employees (inclusive of GST)		(820,527)	(816,720)	(666,714)	(643,149)
Interest and other cost of finance		(22,854)	(22,693)	(23,033)	(22,670)
GST recovered		13,927	23,542	11,954	12,075
<b>Net cash provided by operating activities</b>	39	<b>115,505</b>	<b>88,182</b>	<b>116,912</b>	<b>86,286</b>
<b>Cash flows from investing activities</b>					
Proceeds from sale of property, plant and equipment		115	140	68	136
Payments for property, plant and equipment		(111,838)	(66,386)	(107,340)	(64,842)
Proceeds from sale of financial assets		59,532	42,375	21,200	-
Payments for financial assets		(76,350)	(43,240)	(62,050)	(65)
Loans to related parties	35(e)	-	-	(8,400)	(1,500)
Repayments of loan by related parties	35(e)	-	-	3,000	-
<b>Net cash (used in) investing activities</b>		<b>(128,541)</b>	<b>(67,111)</b>	<b>(153,522)</b>	<b>(66,271)</b>
<b>Cash flows from financing activities</b>					
Proceeds from borrowings		100,000	100,000	100,000	100,000
Proceeds from borrowings from controlled entities		-	-	48,200	-
Repayment of borrowings		(101,275)	(101,110)	(101,275)	(101,110)
Repayment of finance leases		(171)	(213)	-	-
Repayment of borrowings from controlled entities		-	-	(9,200)	-
<b>Net cash (used in) financing activities</b>		<b>(1,446)</b>	<b>(1,323)</b>	<b>37,725</b>	<b>(1,110)</b>
<b>Net increase/ (decrease) in cash and cash equivalents held</b>					
		<b>(14,482)</b>	<b>19,748</b>	<b>1,115</b>	<b>18,905</b>
Cash and cash equivalents at beginning of the financial year		<b>222,545</b>	<b>202,797</b>	<b>193,466</b>	<b>174,561</b>
<b>Cash and cash equivalents at end of financial year</b>	17(a)	<b>208,063</b>	<b>222,545</b>	<b>194,581</b>	<b>193,466</b>
Financing arrangements	27				

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 2015

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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 2015*, the *Higher Education Support Act 2003*, Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013* 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 2015 have been authorised for issue by the Macquarie University Council on 7 April 2016.

#### *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 2015 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 appears in note 36.

#### *(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.

Non-cash distributions involving entities under common control are treated as contributions by owners/ distributions to

## **1 Summary of Significant Accounting Policies (continued)**

### **(b) Basis of consolidation (continued)**

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 37.

### **(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 is reclassified to enhance comparability in respect of changes in presentation adopted in the current year. There are no material reclassifications in 2015.

### **(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*

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.

#### *(iv) Royalties, trademarks and licences*

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

#### *(v) Consultancy and Contracts / Fee for Service*

## **1 Summary of Significant Accounting Policies (continued)**

### **(e) Revenue Recognition (continued)**

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 Risk Frontiers Flood (Australia) Pty Ltd and Macquarie University Property Investment Company. Macquarie University Property Investment Company has no income tax liability as at 31 December 2015.

### **(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 34(c)). 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.

### **(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.

## **1 Summary of Significant Accounting Policies (continued)**

### **(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 2015. 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 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.

Since the passing of the *Universities Legislation Amendment Bill 2014* in August 2014 the University has the authority to invest (or borrow) funds from entities without having to seek approval from NSW Treasury.

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 30)

#### **(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, available-for-sale financial assets and investment in subsidiary. 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 2015 and 2014.

#### **(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.

#### **(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**

## **1 Summary of Significant Accounting Policies (continued)**

### **(l) Investments and other financial assets (continued)**

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.

#### *(vi) Investment in subsidiary*

The University holds an equity investment and a loan receivable to a wholly owned subsidiary, MUH Operations No. 2 Pty Ltd. This investment and loan receivable is valued at fair value and assessed for impairment on an annual basis. Refer to note 20 and note 22 for further details.

Investments in all other wholly owned subsidiaries are held at cost.

### **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.

### **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 attributable to the

## **1 Summary of Significant Accounting Policies (continued)**

### **(m) Derivatives (continued)**

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 shall be 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 must be 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 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 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.

### **(o) Property, Plant and Equipment**

Acquisitions and additions of non-current assets are capitalised if the value is more than \$5,000 for the University, U@MQ Ltd and MGSM Ltd, and \$1,000 for all other subsidiaries.

## **1 Summary of Significant Accounting Policies (continued)**

### **(o) Property, Plant and Equipment (continued)**

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, buildings and infrastructure assets are measured at fair value. Fair value is determined using independent valuations prepared by external experts 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.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the carrying amount is adjusted to the revalued amount of the asset. All other property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

Increases in the carrying amounts arising on revaluation of land and buildings are recognised in other comprehensive income and accumulated in equity under the heading of 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 disclosed separately in the income statement, in accordance with the Department of Education requirements.

Land, Building and Infrastructure is revalued annually, with dates of inspection between 31 July 2015 to 30 November 2015 and valuation date as at 1 December 2015. 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 Cultural Gifts Program.

## 1 Summary of Significant Accounting Policies (continued)

### (o) Property, Plant and Equipment (continued)

– 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, net of their residual value, over its expected useful life. Land is not depreciated. Standard applicable rates by asset type are:

	2015	2014
<b>Asset</b>		
Land	<b>Nil</b>	Nil
Buildings	<b>40 years</b>	40 years
Infrastructure	<b>21 years</b>	21 years
Assets under construction	<b>Nil</b>	Nil
Plant and equipment		
- Computer equipment	<b>3.33 years</b>	3.33 years
- Other equipment	<b>10 years</b>	10 years
- Science equipment	<b>5 years</b>	5 years
- Motor vehicles	<b>6.7 years</b>	6.7 years
- Medical equipment	<b>5-10 years</b>	5-10 years
- IT capital projects	<b>3-10 years</b>	3-10 years
Leasehold improvements	<b>Term of lease</b>	Term of lease
Library Collections: General	<b>5 years</b>	5 years
Library Collections: Special	<b>Nil</b>	Nil
Works of Art	<b>Nil</b>	Nil
Patents	<b>20 years</b>	20 years

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, Associate of the Institute of Chartered Accountants Australia and New Zealand, Member of CPA Australia and Fellow of the Taxation Institute of Australia.

### (q) Unfunded Superannuation

Refer to notes 42 and 43 for details of amounts owing by Commonwealth / State Governments for unfunded deferred liabilities for superannuation schemes.

## **1 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 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 of 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 twelve 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.

## **1 Summary of Significant Accounting Policies (continued)**

### **(v) Employee benefits (continued)**

#### *(iii) Retirement benefit obligations*

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

### **(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.

**1 Summary of Significant Accounting Policies (continued)**  
**(y) New Accounting Standards and Interpretations**

Certain new Accounting Standards and Interpretations became mandatory for 31 December 2015 reporting period. These new requirements have not had a material impact on either the results or disclosure of the University.

Certain new Accounting Standards and Interpretations have been published that are not mandatory for 31 December 2015 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 2015.

Macquarie University's assessment of the impact of these new Standards and Interpretations is set out below:

<b>Standard</b>	<b>Application date</b>
AASB 15 Revenue from Contracts with Customers <sup>1</sup>	1 Jan 2018
AASB 16 Leases <sup>2</sup>	1 Jan 2019
AASB 9 Financial Instruments <sup>2</sup>	1 Jan 2018
2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) <sup>2</sup>	1 Jan 2018
2014-4 Amendments to Australian Accounting Standards - Clarification of Acceptable Methods of Depreciation and Amortisation <sup>2</sup>	1 Jan 2016 (early adoption permitted)
2014-5 Amendments to Australian Accounting Standards arising from AASB 15 <sup>1</sup>	1 Jan 2017
2014-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2014) <sup>2</sup>	1 Jan 2018 (early adoption permitted)
2015-1 Amendments to Australian Accounting Standards - Annual Improvements to Australian Accounting Standards 2012-2014 Cycle <sup>2</sup>	1 Jan 2016 (early adoption permitted)
2015-2 Amendments to Australian Accounting Standards - Disclosure Initiative: Amendments to AASB 101 <sup>2</sup>	1 Jan 2016 (early adoption permitted)
2015-6 Amendments to Australian Accounting Standards - Extending Related Party Disclosures to Not-for-Profit Public Sector Entities <sup>2</sup>	1 Jul 2016 (early adoption permitted)
2015-7 Amendments to Australian Accounting Standards - Fair Value Disclosures of Not-for-Profit Public Sector Entities <sup>2</sup>	1 Jul 2016 (early adoption permitted)
2015-8 Amendments to Australian Accounting Standards - Effective Date of AASB 15 <sup>2</sup>	1 Jan 2017

<sup>1</sup> Application of AASB 15 may result in material changes to the Group's future financial reports, however, the quantitative effect of the Group adopting this standard has not yet been determined.

<sup>2</sup> It is estimated that the impact of adopting these pronouncements when effective will have no material financial impact on future reporting periods.

**2 Australian Government financial assistance including HECS-HELP and other Australian Government loans**

**(a) Commonwealth Grants Scheme and Other Grants**

	Consolidated		Parent	
	2015	2014	2015	2014
Note	\$'000	\$'000	\$'000	\$'000
Commonwealth Grants Scheme <sup>#1</sup>	158,023	149,860	158,023	149,860
Indigenous Support Program	638	614	638	614
Partnership & Participation Program <sup>#2</sup>	2,554	2,394	2,554	2,394
Disability Support Program	851	758	851	758
Promotion of Excellence in Learning and Teaching	199	453	199	453
Improving the Quality of Maths & Science Teaching Programs	850	450	850	450
<b>Total Commonwealth Grants Scheme and Other Grants</b>	<b>163,115</b>	<b>154,529</b>	<b>163,115</b>	<b>154,529</b>

44(a)

**(b) Higher Education Loan Programs**

HECS-HELP	140,644	128,920	140,644	128,920
FEE-HELP <sup>#3</sup>	36,719	37,847	36,719	37,847
SA-HELP	1,838	1,715	1,838	1,715
<b>Total Higher Education Loan Programs</b>	<b>179,201</b>	<b>168,482</b>	<b>179,201</b>	<b>168,482</b>

44(b)

**(c) Scholarships**

Australian Postgraduate Awards	6,799	6,387	6,799	6,387
International Postgraduate Research Scholarships	510	489	510	489
Commonwealth Education Costs Scholarship <sup>#4</sup>	99	57	99	57
Commonwealth Accommodation Scholarships <sup>#4</sup>	66	47	66	47
Indigenous Access Scholarships	72	49	72	49
<b>Total Scholarships</b>	<b>7,546</b>	<b>7,029</b>	<b>7,546</b>	<b>7,029</b>

44(c)

**(d) Education Research**

Joint Research Engagement Program	5,759	5,815	5,759	5,815
JRE Engineering Cadetships	93	71	93	71
Research Training Scheme	15,451	14,648	15,451	14,648
Research Infrastructure Block Grants	4,274	3,967	4,274	3,967
Sustainable Research Excellence in Universities	2,993	2,656	2,993	2,656
<b>Total Education Research</b>	<b>28,570</b>	<b>27,157</b>	<b>28,570</b>	<b>27,157</b>

44(d)

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

**(e) Australian Research Council**

	<b>Consolidated</b>		<b>Parent</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
<b>Note</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>(i) Discovery</b>				
Projects	7,466	8,169	7,466	8,169
Fellowships <sup>#5</sup>	9,294	11,006	9,294	11,006
Indigenous Researchers Development	(53)	229	(53)	229
<b>Total Discovery</b>	<b>16,707</b>	<b>19,404</b>	<b>16,707</b>	<b>19,404</b>
44(e)(i)				
<b>(ii) Linkages</b>				
Infrastructure	484	-	484	-
Projects	4,622	2,702	4,622	2,702
<b>Total Linkages</b>	<b>5,106</b>	<b>2,702</b>	<b>5,106</b>	<b>2,702</b>
44(e)(ii)				
<b>(iii) Networks and Centres</b>				
Centres	5,399	5,417	5,399	5,417
<b>Total Networks and Centres</b>	<b>5,399</b>	<b>5,417</b>	<b>5,399</b>	<b>5,417</b>
44(e)(iii)				
<b>Total ARC</b>	<b>27,212</b>	<b>27,523</b>	<b>27,212</b>	<b>27,523</b>
44(e)				

#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 Early Career Researcher Award.

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

Agriculture, Fisheries and Forestry	5,330	67	5,330	67
Attorney-General	50	100	50	100
Education, Employment and Workplace Relations	2,672	2,764	1,020	1,112
Foreign Affairs and Trade	4,125	3,933	4,125	3,933
Health and Ageing	13,006	9,289	6,915	4,239
Innovation, Industry, Science and Research	1,322	4,271	1,322	4,271
Other	4,098	3,780	4,098	3,779
<b>Total: non-capital</b>	<b>30,603</b>	<b>24,204</b>	<b>22,860</b>	<b>17,501</b>
<b>Capital</b>				
Health and Ageing	45	29	45	29
Innovation, Industry, Science and Research	-	1,250	-	1,250
<b>Total: capital</b>	<b>45</b>	<b>1,279</b>	<b>45</b>	<b>1,279</b>
<b>Total Other Australian Government financial assistance</b>	<b>30,648</b>	<b>25,483</b>	<b>22,905</b>	<b>18,780</b>
<b>Total Australian Government financial assistance</b>	<b>436,292</b>	<b>410,203</b>	<b>428,549</b>	<b>403,500</b>

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

**Reconciliation**

	Consolidated		Parent	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Australian Government Grants, 2(a),(c),(d),(e),(f)	257,091	241,721	249,348	235,018
HECS-HELP payments Note(2b)	140,644	128,920	140,644	128,920
FEE-HELP payments (2b)	36,719	37,847	36,719	37,847
SA-HELP payments Note (2b)	1,838	1,715	1,838	1,715
<b>Total Australian Government financial assistance</b>	<b>436,292</b>	<b>410,203</b>	<b>428,549</b>	<b>403,500</b>

**(g) Australian Government Grants received - cash basis**

		Consolidated		Parent	
		2015	2014	2015	2014
	Note	\$'000	\$'000	\$'000	\$'000
CGS and Other EDUCATION Grants	44(a)	166,382	152,525	166,382	152,525
Higher Education Loan Programs	44(b)	178,696	167,032	178,696	167,032
Scholarships	44(c)	7,546	7,059	7,546	7,059
EDUCATION Research	44(d)	28,570	27,157	28,570	27,157
ARC grants - Discovery	44(e)(i)	16,570	19,348	16,570	19,348
ARC grants - Linkages	44(e)(ii)	5,162	2,702	5,162	2,702
ARC grants - Networks and Centres	44(e)(iii)	5,399	5,417	5,399	5,417
Other Australian Government Grants	2(f)	30,648	25,483	22,905	18,780
<b>Total Australian Government Grants received - cash basis</b>		<b>438,973</b>	<b>406,723</b>	<b>431,230</b>	<b>400,020</b>
OS-HELP net cash received (repaid)	44(f)	(520)	1,275	(520)	1,275
<b>Total Australian Government funding received - cash basis</b>		<b>438,453</b>	<b>407,998</b>	<b>430,710</b>	<b>401,295</b>

**3 State and local government financial assistance**

	Consolidated		Parent	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
<b>Non-capital</b>				
State and Local Government Research	2,387	1,657	2,387	1,657
Other State and Local Government financial assistance	471	598	471	598
<b>Total Non-capital</b>	<b>2,858</b>	<b>2,255</b>	<b>2,858</b>	<b>2,255</b>
<b>Capital</b>				
State and Local Government Research	468	-	468	-
<b>Total capital</b>	<b>468</b>	<b>-</b>	<b>468</b>	<b>-</b>
<b>Total State and Local Government Financial Assistance</b>	<b>3,326</b>	<b>2,255</b>	<b>3,326</b>	<b>2,255</b>

**Macquarie University**  
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**4 Fees and charges**

		Consolidated		Parent	
		2015	2014	2015	2014
	Note	\$'000	\$'000	\$'000	\$'000
<b>Course Fees and Charges</b>					
Fee-paying onshore overseas students		186,293	195,906	182,810	189,799
Fee-paying offshore overseas students		2,205	2,705	1,049	1,564
Continuing education		1,171	943	1,171	943
Fee-paying domestic postgraduate students		16,162	12,944	12,991	13,320
Fee-paying domestic undergraduate students		4,523	5,244	4,523	5,244
Fee-paying domestic non-award students		1,738	5,006	1,738	1,643
English language programs		4,873	3,974	4,873	3,974
Income from Sydney Institute of Business and Technology (SIBT)		18,300	18,861	18,060	18,584
<b>Total Course Fees and Charges</b>		<b>235,265</b>	<b>245,583</b>	<b>227,215</b>	<b>235,071</b>
<b>Other Non-Course Fees and Charges</b>					
Other service fees		6,682	6,410	7,802	6,615
Parking fees		6,108	6,016	6,121	6,016
Student accommodation		1,950	1,605	1,950	1,605
Student Services and Amenities Fees from students		3,774	3,379	3,774	3,379
Miscellaneous non-course fees and charges		829	1,065	829	1,065
<b>Total Other Fees and Charges</b>		<b>19,343</b>	<b>18,475</b>	<b>20,476</b>	<b>18,680</b>
<b>Total Fees and Charges</b>		<b>254,608</b>	<b>264,058</b>	<b>247,691</b>	<b>253,751</b>

**5 Investment revenue**

	Consolidated		Parent	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Interest income				
Bank deposits	4,674	3,973	3,568	3,750
Interest on loans to controlled entities	-	-	3,179	3,136
Finance lease interest	1,816	592	1,816	592
Held to maturity investments - term deposits	633	1,749	633	172
Available-for-sale: listed investments	64	73	64	73
Other loans and receivables	28	28	28	28
Total interest income	7,215	6,415	9,288	7,751
Dividends	1,804	1,798	1,804	1,798
Total investment revenue	9,019	8,213	11,092	9,549

**6 Royalties, trademarks and licences**

		Consolidated		Parent	
		2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Royalties		625	618	530	397
<b>Total royalties, trademarks and licences</b>		<b>625</b>	<b>618</b>	<b>530</b>	<b>397</b>

**Macquarie University**  
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**7 Consultancy and contracts**

	<b>Consolidated</b>		<b>Parent</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Consultancy	<b>8,358</b>	7,978	<b>2,313</b>	1,565
Contract research	<b>19,496</b>	14,974	<b>19,527</b>	14,974
<b>Total consultancy and contracts</b>	<b>27,854</b>	22,952	<b>21,840</b>	16,539

**8 Other revenue and income**

	<b>Consolidated</b>		<b>Parent</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Donations and bequests	<b>4,863</b>	3,136	<b>4,863</b>	3,136
Scholarships and prizes	<b>993</b>	748	<b>993</b>	748
Publication sales	<b>335</b>	574	<b>335</b>	574
Recoveries	<b>5,035</b>	4,199	<b>16,930</b>	16,661
Rental charges	<b>26,242</b>	25,309	<b>33,145</b>	32,474
Child care fees	<b>4,511</b>	4,269	-	-
Food sales, hotel and retail	<b>12,236</b>	11,992	-	-
Hospital services revenue	<b>101,610</b>	99,306	-	-
Management fees	<b>754</b>	873	-	-
Members' fees	<b>7,925</b>	7,758	-	-
Project research	<b>1,037</b>	997	-	-
Room, academic dress hire	<b>975</b>	829	-	-
Sports and recreation income	<b>615</b>	515	-	-
Other revenue and income	<b>11,642</b>	10,567	<b>6,032</b>	5,233
<b>Total other revenue</b>	<b>178,773</b>	171,072	<b>62,298</b>	58,826

**9 Gains on disposal of assets**

	<b>Consolidated</b>		<b>Parent</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Disposal of property, plant and equipment</b>				
Gains on disposal of assets	<b>46</b>	44	<b>46</b>	44
<b>Total net gain on disposal of assets</b>	<b>46</b>	44	<b>46</b>	44

**10 Employee related expenses**

	<b>Consolidated</b>		<b>Parent</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Academic</b>				
Salaries	<b>189,654</b>	177,351	<b>183,236</b>	171,449
Contributions to superannuation and pension schemes				
Contribution to unfunded schemes <sup>1</sup>	<b>755</b>	844	<b>755</b>	844
Contribution to funded schemes <sup>2</sup>	<b>26,290</b>	23,536	<b>25,507</b>	22,891
Payroll tax	<b>11,942</b>	11,964	<b>11,503</b>	11,558
Worker's compensation	<b>366</b>	337	<b>366</b>	337
Long service leave expense	<b>3,634</b>	4,763	<b>3,626</b>	4,751
Annual leave	<b>717</b>	1,204	<b>715</b>	1,212
<b>Total academic</b>	<b>233,358</b>	219,999	<b>225,708</b>	213,042
<b>Non-academic</b>				
Salaries	<b>234,794</b>	216,526	<b>161,774</b>	144,845
Contributions to superannuation and pension schemes				
Contribution to unfunded schemes <sup>1</sup>	<b>726</b>	812	<b>726</b>	812
Contribution to funded schemes <sup>2</sup>	<b>30,267</b>	27,916	<b>22,399</b>	20,566
Payroll tax	<b>11,700</b>	10,323	<b>10,004</b>	8,675
Worker's compensation	<b>1,222</b>	892	<b>326</b>	130
Long service leave expense	<b>2,765</b>	3,346	<b>2,409</b>	3,147
Annual leave	<b>5,362</b>	6,024	<b>914</b>	1,525
<b>Total non-academic</b>	<b>286,836</b>	265,839	<b>198,552</b>	179,700
<b>Total employee related expenses</b>	<b>520,194</b>	485,838	<b>424,260</b>	392,742
Deferred superannuation (gain)/ expense <sup>3</sup>	<b>707</b>	(2,732)	<b>707</b>	(2,732)
<b>Total employee related expenses, including deferred Government Employee Benefits for Superannuation</b>	<b>520,901</b>	483,106	<b>424,967</b>	390,010

<sup>1</sup> Unfunded schemes include SASS, SSS and SANCS.

<sup>2</sup> Funded schemes include UniSuper and Self-Managed Super Funds.

<sup>3</sup> Comprises a charge of \$34k (2014: \$510k) for Professorial Superannuation Scheme (PSF) a charge of nil (2014: credit of \$3,242k) for State Authorities Non-Contributory Scheme (SANCS), a charge of \$154k (2014: nil) for State Authorities Superannuation Scheme (SASS) and a charge of \$519K (2014: nil) for State Superannuation Scheme (SSS). See notes 42 and 43 for further details

**11 Depreciation and amortisation**

	Consolidated		Parent	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
<b>Depreciation</b>				
Buildings	30,203	28,896	30,203	28,896
Plant and equipment <sup>1</sup>	19,948	18,413	18,606	17,037
Infrastructure	4,860	4,472	4,860	4,472
Library Collection - General	7,911	7,654	7,911	7,654
Leasehold improvements	552	456	552	456
<b>Total depreciation</b>	<b>63,474</b>	<b>59,891</b>	<b>62,132</b>	<b>58,515</b>
<b>Amortisation</b>				
Patents and trademarks	35	28	35	28
<b>Total amortisation</b>	<b>35</b>	<b>28</b>	<b>35</b>	<b>28</b>
<b>Total depreciation and amortisation</b>	<b>63,509</b>	<b>59,919</b>	<b>62,167</b>	<b>58,543</b>

<sup>1</sup> Includes motor vehicles.

**12 Repairs and maintenance**

	Consolidated		Parent	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Buildings and infrastructure	14,221	11,647	9,505	7,593
<b>Total repairs and maintenance</b>	<b>14,221</b>	<b>11,647</b>	<b>9,505</b>	<b>7,593</b>

**13 Borrowing costs**

	Consolidated		Parent	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Bank loans	2,086	1,884	2,086	1,884
Bond interest	17,125	17,125	17,125	17,125
Interest rate swap and financing costs	182	543	182	543
Controlled entities loans	-	-	476	-
<b>Total borrowing costs expensed</b>	<b>19,393</b>	<b>19,552</b>	<b>19,869</b>	<b>19,552</b>

The student housing loan and bond issuance are carried at a fixed interest rate of 7.035% and 6.75% respectively until 2020.

No interest relating to qualifying assets was capitalised during 2015 (2014: nil).

**14 Impairment of assets**

	<b>Consolidated</b>		<b>Parent</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Third party receivables	<b>515</b>	352	<b>326</b>	187
Available-for-sale financial assets	<b>337</b>	5	<b>337</b>	5
Controlled entity loan investment	-	-	<b>16,970</b>	10,270
Controlled entity equity investment	-	-	<b>(2,010)</b>	(1,038)
Associate receivables	<b>1,041</b>	578	-	-
Associate investment	<b>(418)</b>	-	-	-
Intangible assets	-	22	-	22
<b>Total impairment of assets</b>	<b>1,475</b>	957	<b>15,623</b>	9,446

Refer to notes 20 and 23 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 2015 the Group made an impairment provision of \$623k (2014: \$578k) against the investment and receivables of an associate, Macquarie Medical Imaging Pty Ltd. Refer to note 20 for further details.

**15 Losses on disposal of assets**

	<b>Consolidated</b>		<b>Parent</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Disposal of property, plant and equipment</b>				
Losses on disposal of assets	<b>351</b>	1,407	<b>322</b>	1,338
Loss on disposal of controlled entity interest	-	259	-	259
<b>Total net loss on disposal of assets</b>	<b>351</b>	1,666	<b>322</b>	1,597

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**16 Other expenses**

	<b>Consolidated</b>		<b>Parent</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Advertising, marketing and promotions	<b>10,580</b>	8,810	<b>6,933</b>	5,637
Agents commission	<b>13,566</b>	12,008	<b>10,066</b>	7,252
Audit fees, bank charges, legal costs and insurance	<b>11,177</b>	9,761	<b>9,131</b>	7,892
Cleaning	<b>5,140</b>	4,750	<b>5,143</b>	4,750
Copyright charges	<b>1,236</b>	1,326	<b>1,236</b>	1,326
General consumables and materials	<b>73,999</b>	74,951	<b>17,496</b>	17,629
Maintenance contracts	<b>10,765</b>	10,668	<b>10,763</b>	10,660
Non-capitalised equipment	<b>8,089</b>	8,270	<b>6,382</b>	6,905
Printing, postage and stationery	<b>2,277</b>	2,468	<b>1,372</b>	1,486
Rental, hire and other leasing fees	<b>9,354</b>	10,531	<b>8,796</b>	9,738
Security	<b>4,322</b>	4,239	<b>3,830</b>	3,678
Subscriptions	<b>3,575</b>	2,529	<b>3,316</b>	2,302
Telecommunications	<b>1,328</b>	1,693	<b>1,048</b>	1,355
Travel and related staff development and training	<b>19,362</b>	19,136	<b>19,165</b>	18,419
Tuition services	<b>12,733</b>	14,996	<b>12,817</b>	14,996
Utilities	<b>8,416</b>	9,632	<b>7,001</b>	7,619
Miscellaneous expenses	<b>8,482</b>	8,526	<b>2,432</b>	2,802
<b>Total other expenses</b>	<b>204,401</b>	204,294	<b>126,927</b>	124,446

**17 Cash and cash equivalents**

	<b>Consolidated</b>		<b>Parent</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Cash at bank and on hand	<b>29,177</b>	21,962	<b>17,896</b>	14,832
Deposits at call	<b>2,201</b>	21,949	-	-
NSW TCorp Hour Glass Investment Facility	<b>176,685</b>	178,634	<b>176,685</b>	178,634
<b>Total cash and cash equivalent</b>	<b>208,063</b>	222,545	<b>194,581</b>	193,466

**(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:

	<b>Consolidated</b>		<b>Parent</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Balances as above	<b>208,063</b>	222,545	<b>194,581</b>	193,466
Balance as per cash flow statement	<b>208,063</b>	222,545	<b>194,581</b>	193,466

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

Group cash at bank and on hand comprises \$16.6m in AUD with an average rate at 31 December 2015 of 1.7% (2014: \$11.9m at 2.2%).

Group cash at bank and on hand comprises \$12.5m of foreign currency with an average rate at 31 December 2015 of 0% (2014: \$11.7m at 0%).

NSW TCorp Hour Glass Investment Facility had a rate at 31 December 2015 of 2.26 % (2014: 2.75%).

**(c) Deposits at call**

Group deposits at call have a term of 90 days or less and bear interest with a weighted average of 3.06% (2014: 3.40%).

**(d) Restricted Funds**

Included in the cash at bank and on hand is an amount of \$122k as at 31 December 2015 (2014: \$135k) 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 \$123k as at 31 December 2015 (2014: \$121k) for the purpose of meeting the objectives of the Nippon Fellowship Fund.

Refer to note 40 for details regarding credit risk, liquidity risk and market risk arising from financial instruments.

**18 Receivables**

		<b>Consolidated</b>		<b>Parent</b>	
	<b>Note</b>	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
		<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>					
Related parties		-	-	5,258	5,208
Other debtors		22,495	17,878	8,440	7,552
Student debtors		3,331	5,315	3,331	5,315
Less: Provision for impaired receivables		(1,289)	(982)	(934)	(760)
<b>Total net receivables</b>		<b>24,537</b>	<b>22,211</b>	<b>16,095</b>	<b>17,315</b>
Accrued income		10,713	9,982	3,431	3,210
Finance lease receivables		486	457	486	457
Deferred government contribution for superannuation <sup>1</sup>	42/43	28,213	-	28,213	-
<b>Total current receivables</b>		<b>63,949</b>	<b>32,650</b>	<b>48,225</b>	<b>20,982</b>
<b>Non-current</b>					
Finance lease receivables		25,984	28,652	25,984	28,652
Deferred government contribution for superannuation <sup>1</sup>	42/43	516,756	515,351	516,756	515,351
Other receivables		882	875	882	875
Associates		3,972	3,300	-	-
Less: Provision for impaired receivables - associates		(3,831)	(2,790)	-	-
<b>Total non-current receivables</b>		<b>543,763</b>	<b>545,388</b>	<b>543,622</b>	<b>544,878</b>
<b>Total receivables</b>		<b>607,712</b>	<b>578,038</b>	<b>591,847</b>	<b>565,860</b>

<sup>1</sup> State Authorities Superannuation Scheme (SASS) and State Superannuation Scheme (SSS) and State Authorities Non-contributory Superannuation Scheme (SANCS).

Refer to note 40 for details regarding credit risk, liquidity risk and market risk arising from financial instruments.

**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 2015 receivables of the University with a nominal value of \$0.9 million (2014: \$0.8 million) were impaired. Consolidated receivables of \$5.1 million (2014: \$3.8 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:

	<b>Consolidated</b>		<b>Parent</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
< 3 months	<b>209</b>	53	<b>7</b>	-
3 to 6 months	<b>326</b>	253	<b>68</b>	36
Over 6 months	<b>4,585</b>	3,466	<b>859</b>	724
<b>Total current impaired receivables</b>	<b>5,120</b>	3,772	<b>934</b>	760

As at 31 December 2015, University receivables of \$5.3 million (2014: \$6.2 million) were past due but not impaired. Consolidated receivables of \$8.6 million (2014: \$8.8 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 these receivables past due but not impaired is as follows:

	<b>Consolidated</b>		<b>Parent</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
< 3 months	<b>4,520</b>	3,624	<b>2,992</b>	1,914
3 to 6 months	<b>2,544</b>	4,070	<b>1,706</b>	3,148
Over 6 months	<b>1,543</b>	1,096	<b>575</b>	1,096
<b>Total past due but not impaired receivables</b>	<b>8,607</b>	8,790	<b>5,273</b>	6,158

Movements in the provision for impaired receivables are as follows:

	<b>Consolidated</b>		<b>Parent</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
At 1 January	<b>3,772</b>	3,203	<b>760</b>	777
Provision for impairment recognised during the year	<b>1,556</b>	948	<b>326</b>	187
Receivables written off during the year as uncollectible	<b>(208)</b>	(356)	<b>(152)</b>	(209)
Unused amount reversed	<b>-</b>	(23)	<b>-</b>	5
<b>At 31 December</b>	<b>5,120</b>	3,772	<b>934</b>	760

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.

**19 Inventories**

	Consolidated		Parent	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
<b>Current</b>				
<i>At cost:</i>				
Medical supplies	3,215	3,215	-	-
Other inventories	1,160	938	327	105
Services store	378	223	-	-
Printery	41	93	17	62
Food and beverages	67	67	-	-
<b>Total inventories at cost</b>	<b>4,861</b>	<b>4,536</b>	<b>344</b>	<b>167</b>
<i>At net realisable value:</i>				
Services store	525	487	-	-
<b>Total inventories at net realisable value</b>	<b>525</b>	<b>487</b>	<b>-</b>	<b>-</b>
<b>Total current inventories</b>	<b>5,386</b>	<b>5,023</b>	<b>344</b>	<b>167</b>

**20 Other financial assets**

	Consolidated		Parent	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
<b>Current</b>				
Held to maturity - term deposits	40,500	24,032	40,500	-
Restricted assets - Held to maturity - term deposits	4,687	4,673	4,687	4,673
<b>Total current other financial assets</b>	<b>45,187</b>	<b>28,705</b>	<b>45,187</b>	<b>4,673</b>
<b>Non-current</b>				
<i>Available-for-sale: listed investments</i>				
- investment	9,306	9,495	9,306	9,495
- impairment	(6,142)	(6,142)	(6,142)	(6,142)
	3,164	3,353	3,164	3,353
<i>Available-for-sale: unlisted investments</i>				
- investment	15,532	6,690	15,532	6,690
- impairment	(1,432)	(1,096)	(1,432)	(1,096)
	14,100	5,594	14,100	5,594
<i>Investment in associate</i>				
- investment	1,000	1,000	-	-
- impairment	(582)	(1,000)	-	-
	418	-	-	-
<i>Investment in controlled entities</i>				
- loan	-	-	97,820	72,964
- impairment	-	-	(41,589)	(24,619)
	-	-	56,231	48,345
Held to maturity - term deposits	375	375	-	-
<b>Total non-current other financial assets</b>	<b>18,057</b>	<b>9,322</b>	<b>73,495</b>	<b>57,292</b>
<b>Total other financial assets</b>	<b>63,244</b>	<b>38,027</b>	<b>118,682</b>	<b>61,965</b>

**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 23.

At 31 December 2015 the loan balance was \$97.8m. At 31 December 2015 the 10 year evergreen facility was \$120m, with \$22.2m undrawn. On 3 December 2015, 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 2015 management identified indicators that the loan may be impaired. The loan investment of \$97.8m was therefore assessed for impairment in accordance with AASB 139 *Financial Instruments: Recognition and Measurement*.

The impairment test modelled the discounted cash flows expected to be received from MUH Operations No. 2 Pty Ltd relating to the loan balance at 31 December 2015, over the expected remaining life of the loan. Inputs into the modelling included a 10 year plan reviewed by the Board of MUH Operations No. 2 Pty Ltd in December 2015, 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 2015, of 4.23% (2014: 4.74%), was used to discount the cash flows.

An impairment of \$41.6m was determined as at 31 December 2015 (2014: \$24.6m). The movement in the provision 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).

At 31 December 2015 management identified indicators that the investment may be impaired, and it was therefore assessed for impairment in accordance with AASB 139 *Financial Instruments: Recognition and Measurement*. The impairment test modelled the discounted cash flows expected to be received from MMI, after payment by MMI of all other current and anticipated loans, which rank higher than the Preference Shares in priority of payments. Inputs into the modelling included a 10 year plan provided by MMI management in December 2015, to which management applied a number of judgements based on actual history of performance against plan by MMI. A discount rate of 9.9% was used to discount the cash flows. An impairment of \$0.6m was determined as at 31 December 2015 (2014: \$1.0m). The movement in the provision is reflected in the income statement in note 14.

**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 (2014: \$2.7 million) held by the University solely for the purposes of meeting the objectives of the Nippon Foundation and \$2.0 million (2014: \$2.0 million) for the Numismatic Fund.

**21 Non-current assets classified as held for sale**

	<b>Consolidated</b>		<b>Parent</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>				
Property, plant and equipment	<b>80,600</b>	-	<b>80,600</b>	-
<b>Total non-current assets classified as held for sale</b>	<b>80,600</b>	-	<b>80,600</b>	-

During 2015 the University sought expressions of interest for the sale of a parcel of off-campus land and buildings that was no longer critical to delivery of the core aims of the University. The asset was revalued under AASB 116 *Property, Plant and Equipment* and reclassified as a Non-current Asset Held for Sale, under the terms of AASB 5 *Non-Current Assets Held for Sale and Discontinued Operations*. A contract for sale was exchanged in December 2015, with completion expected in 2016. The asset is held at fair value at 31 December 2015, with the contracted sale price considered the best indicator of fair value, under AASB 13 *Fair Value Measurement*.

**22 Other non-financial assets**

	<b>Consolidated</b>		<b>Parent</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>				
Prepayments - Library subscriptions	<b>5,402</b>	3,001	<b>5,402</b>	3,001
Prepayments - Other	<b>7,076</b>	8,299	<b>5,778</b>	6,571
Lease Asset	<b>1,963</b>	1,558	<b>2,007</b>	1,656
<b>Total current other non-financial assets</b>	<b>14,441</b>	12,858	<b>13,187</b>	11,228
<b>Non-current</b>				
Lease Asset	<b>22,106</b>	24,256	<b>23,747</b>	25,951
<b>Total non-current other non-financial assets</b>	<b>22,106</b>	24,256	<b>23,747</b>	25,951
<b>Total other non-financial assets</b>	<b>36,547</b>	37,114	<b>36,934</b>	37,179

**23 Investments in subsidiaries**

	<b>Consolidated</b>		<b>Parent</b>	
	<b>2015</b>	2014	<b>2015</b>	2014
	<b>\$'000</b>	\$'000	<b>\$'000</b>	\$'000
<i>Investment in MUH Operations No. 2 Pty Ltd</i>				
- investment: Class B Funding Shares	-	-	<b>70,000</b>	70,000
- impairment	-	-	<b>(46,701)</b>	(48,711)
	-	-	<b>23,299</b>	21,289
<b>Total non-current investment in subsidiaries</b>	-	-	<b>23,299</b>	21,289

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 2015 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 cash flows 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 reviewed by the Board of MUH Operations No. 2 Pty Ltd in December 2015, 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.

The model indicated that the equity was impaired by \$46.7m (2014: \$48.7m). The movement in the provision is reflected in the income statement in note 14.

**Macquarie University**  
**Notes to the Financial Statements**  
**For the Year Ended 31 December 2015**

**24 Property, plant and equipment**

Parent	Construction in progress¹	Land	Buildings	Plant and equipment²	Leasehold improvements	Library General	Library Special	Works of Arts	Infrastructure	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>At 1 January 2014</b>										
- 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)
<b>Net book amount</b>	<b>17,445</b>	<b>474,600</b>	<b>1,019,580</b>	<b>90,441</b>	<b>1,347</b>	<b>18,677</b>	<b>6,038</b>	<b>20,245</b>	<b>81,679</b>	<b>1,730,052</b>
<b>Year ended 31 December 2014</b>										
Opening 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
Additions	24,173	-	18,620	13,718	483	9,225	41	820	1,719	68,799
Revaluation increase / (decrease)	-	22,795	8,514	-	-	-	193	-	(2)	31,500
Assets classified as held for sale and other disposals	(764)	-	-	(401)	-	(265)	-	-	-	(1,430)
Depreciation charge	-	-	(28,896)	(17,037)	(456)	(7,654)	-	-	(4,472)	(58,515)
Transfer between asset classes	(12,253)	-	4,827	5,317	-	-	-	36	2,073	-
<b>Closing net book amount</b>	<b>28,601</b>	<b>497,395</b>	<b>1,022,645</b>	<b>92,038</b>	<b>1,374</b>	<b>19,983</b>	<b>6,272</b>	<b>21,101</b>	<b>80,997</b>	<b>1,770,406</b>
<b>At 31 December 2014</b>										
- Cost	28,601	-	17,205	191,948	2,673	38,734	-	-	608	279,769
- Valuation	-	497,395	1,010,963	-	-	-	6,272	21,101	80,766	1,616,497
Accumulated depreciation	-	-	(5,523)	(99,910)	(1,299)	(18,751)	-	-	(377)	(125,860)
<b>Net book amount</b>	<b>28,601</b>	<b>497,395</b>	<b>1,022,645</b>	<b>92,038</b>	<b>1,374</b>	<b>19,983</b>	<b>6,272</b>	<b>21,101</b>	<b>80,997</b>	<b>1,770,406</b>

**Macquarie University**  
**Notes to the Financial Statements**  
**For the Year Ended 31 December 2015**

**24 Property, plant and equipment (continued)**

	Construction in progress <sup>1</sup>	Land	Buildings	Plant and equipment <sup>2</sup>	Leasehold improvements	Library General	Library Special	Works of Arts	Infrastructure	Total
Parent	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Year ended 31 December 2015</b>										
Opening net book amount	28,601	497,395	1,022,645	92,038	1,374	19,983	6,272	21,101	80,997	1,770,406
Additions	31,475	2,184	40,397	13,652	77	10,629	-	4	5,845	104,263
Revaluation surplus on ongoing property, plant and equipment	-	3,901	29,242	-	-	-	-	-	1,197	34,340
Revaluation surplus on assets classified as held for sale	-	67,400	102	-	-	-	-	-	-	67,502
Assets classified as held for sale disposals	-	(75,800)	(4,800)	-	-	-	-	-	-	(80,600)
Depreciation charge	-	-	(30,203)	(18,606)	(552)	(7,911)	-	-	(4,860)	(62,132)
Transfer between asset classes	(25,078)	-	10,619	8,536	199	-	-	-	5,724	-
<b>Closing net book amount</b>	<b>34,998</b>	<b>495,080</b>	<b>1,068,002</b>	<b>95,415</b>	<b>1,098</b>	<b>22,701</b>	<b>6,272</b>	<b>21,105</b>	<b>88,903</b>	<b>1,833,574</b>
<b>At 31 December 2015</b>										
- Cost	34,998	-	9,462	212,234	2,949	44,815	6,272	21,105	51	331,886
- Valuation	-	495,080	1,067,247	-	-	-	-	-	89,242	1,651,569
Accumulated depreciation	-	-	(8,707)	(116,819)	(1,851)	(22,114)	-	-	(390)	(149,881)
<b>Net book amount</b>	<b>34,998</b>	<b>495,080</b>	<b>1,068,002</b>	<b>95,415</b>	<b>1,098</b>	<b>22,701</b>	<b>6,272</b>	<b>21,105</b>	<b>88,903</b>	<b>1,833,574</b>

<sup>1</sup> Construction in progress includes expenses for property, plant and equipment.

<sup>2</sup> Plant and equipment include motor vehicles.

**Macquarie University**  
**Notes to the Financial Statements**  
**For the Year Ended 31 December 2015**

**24 Property, plant and equipment (continued)**

	Construction in progress <sup>1</sup>	Land	Buildings	Plant and equipment <sup>2</sup>	Leasehold improvements	Library General	Library Special	Works of Arts	Infrastructure	Total
Consolidated	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>At 1 January 2014</b>										
- 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)
<b>Net book amount</b>	<b>17,527</b>	<b>474,600</b>	<b>1,019,580</b>	<b>94,403</b>	<b>1,347</b>	<b>18,677</b>	<b>6,038</b>	<b>20,245</b>	<b>81,679</b>	<b>1,734,096</b>
<b>Year ended 31 December 2014</b>										
Opening 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
Additions	24,723	-	18,620	14,704	483	9,225	41	820	1,719	70,335
Revaluation increase / (decrease)	-	22,795	8,514	-	-	-	193	-	(2)	31,500
Assets classified as held for sale and other disposals	(764)	-	-	(467)	-	(265)	-	-	-	(1,496)
Depreciation charge	-	-	(28,896)	(18,413)	(456)	(7,654)	-	-	(4,472)	(59,891)
Transfer between asset classes	(12,762)	-	4,827	5,826	-	-	-	36	2,073	-
<b>Closing net book amount</b>	<b>28,724</b>	<b>497,395</b>	<b>1,022,645</b>	<b>96,053</b>	<b>1,374</b>	<b>19,983</b>	<b>6,272</b>	<b>21,101</b>	<b>80,997</b>	<b>1,774,544</b>
<b>At 31 December 2014</b>										
- Cost	28,724	-	17,205	198,941	2,673	38,734	-	-	608	286,885
- Valuation	-	497,395	1,010,963	1,893	-	-	6,272	21,101	80,766	1,618,390
Accumulated depreciation	-	-	(5,523)	(104,781)	(1,299)	(18,751)	-	-	(377)	(130,731)
<b>Net book amount</b>	<b>28,724</b>	<b>497,395</b>	<b>1,022,645</b>	<b>96,053</b>	<b>1,374</b>	<b>19,983</b>	<b>6,272</b>	<b>21,101</b>	<b>80,997</b>	<b>1,774,544</b>

**Macquarie University**  
**Notes to the Financial Statements**  
**For the Year Ended 31 December 2015**

**24 Property, plant and equipment (continued)**

	Construction in progress <sup>1</sup>	Land	Buildings	Plant and equipment <sup>2</sup>	Leasehold improvements	Library General	Library Special	Works of Arts	Infrastructure	Total
Consolidated	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Year ended 31 December 2015</b>										
Opening net book amount	28,724	497,395	1,022,645	96,053	1,374	19,983	6,272	21,101	80,997	1,774,544
Additions	32,340	2,184	40,397	17,238	77	10,629	-	4	5,845	108,714
Revaluation surplus on ongoing property, plant and equipment	-	3,901	29,242	-	-	-	-	-	1,197	34,340
Revaluation surplus on assets classified as held for sale	-	67,400	102	-	-	-	-	-	-	67,502
Assets classified as held for sale and other disposals	-	(75,800)	(4,800)	(284)	-	-	-	-	-	(80,884)
Depreciation charge	-	-	(30,203)	(19,948)	(552)	(7,911)	-	-	(4,860)	(63,474)
Transfer between asset classes	(25,442)	-	10,619	8,900	199	-	-	-	5,724	-
<b>Closing net book amount</b>	<b>35,622</b>	<b>495,080</b>	<b>1,068,002</b>	<b>101,959</b>	<b>1,098</b>	<b>22,701</b>	<b>6,272</b>	<b>21,105</b>	<b>88,903</b>	<b>1,840,742</b>
<b>At 31 December 2015</b>										
- Cost	35,622	-	9,462	219,761	2,949	44,815	6,272	21,105	51	340,037
- Valuation	-	495,080	1,067,247	4,626	-	-	-	-	89,242	1,656,195
Accumulated depreciation	-	-	(8,707)	(122,428)	(1,851)	(22,114)	-	-	(390)	(155,490)
<b>Net book amount</b>	<b>35,622</b>	<b>495,080</b>	<b>1,068,002</b>	<b>101,959</b>	<b>1,098</b>	<b>22,701</b>	<b>6,272</b>	<b>21,105</b>	<b>88,903</b>	<b>1,840,742</b>

<sup>1</sup> Construction in progress includes expenses for property, plant and equipment.

<sup>2</sup> Plant and equipment include motor vehicles.

**24 Property, plant and equipment (continued)**

**(a) Land and buildings**

As at 31 December 2015, 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.

**25 Intangible Assets**

	<b>Patents, trademarks and other rights \$'000</b>	<b>Total \$'000</b>
<b>Consolidated and Parent</b>		
<b>At 1 January 2014</b>		
- Cost	955	955
- Accumulated amortisation and impairment	(76)	(76)
<b>Net book amount</b>	<u>879</u>	<u>879</u>
<b>Year ended 31 December 2014</b>		
Opening net book value	879	879
Additions - Internal development	378	378
Impairment losses	(22)	(22)
Amortisation charge	(28)	(28)
<b>Closing net book amount</b>	<u>1,207</u>	<u>1,207</u>
<b>At 31 December 2014</b>		
- Cost	1,310	1,310
- Accumulated amortisation and impairment	(103)	(103)
<b>Net book amount</b>	<u>1,207</u>	<u>1,207</u>
<b>Year ended 31 December 2015</b>		
Opening net book amount	1,207	1,207
Additions - Internal development	311	311
Amortisation charge	(35)	(35)
<b>Closing net book amount</b>	<u>1,483</u>	<u>1,483</u>
<b>At 31 December 2015</b>		
- Cost	1,621	1,621
- Accumulated amortisation and impairment	(138)	(138)
<b>Net book amount</b>	<u>1,483</u>	<u>1,483</u>

**26 Trade and other payables**

	<b>Consolidated</b>		<b>Parent</b>	
	<b>2015</b>	2014	<b>2015</b>	2014
	<b>\$'000</b>	\$'000	<b>\$'000</b>	\$'000
<b>Current</b>				
Related parties	-	-	<b>1,673</b>	1,389
Third parties	<b>33,242</b>	24,344	<b>19,301</b>	13,176
Accrued expenses	<b>38,398</b>	38,320	<b>31,036</b>	31,034
OS-HELP Liability to Australian Government	<b>713</b>	1,233	<b>713</b>	1,233
<b>Total current trade and other payables</b>	<b>72,353</b>	63,897	<b>52,723</b>	46,832
<b>Total trade and other payables</b>	<b>72,353</b>	63,897	<b>52,723</b>	46,832

Refer to note 40 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:

	<b>Consolidated</b>		<b>Parent</b>	
	<b>2015</b>	2014	<b>2015</b>	2014
	<b>\$'000</b>	\$'000	<b>\$'000</b>	\$'000
Australian Dollar (AUD)	<b>69,733</b>	63,348	<b>50,103</b>	46,283
US Dollar (USD)	<b>2,402</b>	352	<b>2,402</b>	352
Euro (EUR)	<b>105</b>	140	<b>105</b>	140
UK Pound (GBP)	<b>57</b>	22	<b>57</b>	22
Other currencies <sup>1</sup>	<b>56</b>	35	<b>56</b>	35
	<b>72,353</b>	63,897	<b>52,723</b>	46,832

For an analysis of the sensitivity of trade and other payables to foreign currency risk refer to note 40.

<sup>1</sup> Other currencies refers to currencies other than those individually listed above which each total less than \$30k.

**27 Borrowings**

	<b>Consolidated</b>		<b>Parent</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>				
Unsecured bank loans	<b>1,284</b>	1,200	<b>1,284</b>	1,200
Unsecured controlled entity loans	-	-	<b>39,000</b>	-
<b>Total current borrowings</b>	<b>1,284</b>	<b>1,200</b>	<b>40,284</b>	<b>1,200</b>
<b>Non-current</b>				
Secured lease liabilities	-	171	-	-
Unsecured bank loans (student accommodation)	<b>4,944</b>	6,219	<b>4,944</b>	6,219
Unsecured bonds	<b>248,828</b>	248,578	<b>248,828</b>	248,578
Unsecured bank loans (ANZ / CBA)	<b>100,000</b>	100,000	<b>100,000</b>	100,000
<b>Total non-current borrowings</b>	<b>353,772</b>	<b>354,968</b>	<b>353,772</b>	<b>354,797</b>
<b>Total borrowings</b>	<b>355,056</b>	<b>356,168</b>	<b>394,056</b>	<b>355,997</b>

The interest bearing borrowings include bonds, bank loans and controlled entity loans. Refer to note 13 for costs on interest bearing borrowings.

During 2015 several controlled entities with surplus cash balances entered into an unsecured loan agreement with the parent entity. Loan tranches are up to one year in duration, depending on the working capital needs of the controlled entity. Loan tranches are invested by the parent and returns on these investments are paid to the lending controlled entity and shown above as unsecured controlled entity loans. Refer to note 13 for costs on controlled entity loans. Refer to note 35 for details of loan balances for each controlled entity.

**(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 \$17.8 million. The loan is unsecured and is denominated in AUD.

The balance of the loan outstanding as at 31 December 2015 was \$6.2 million (2014: \$7.4 million).

Refer to note 40 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 2015 and 2014.

**(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 2015 \$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.

**27 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 40.

**28 Provisions**

	Consolidated		Parent	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
<b>Current provisions expected to be settled wholly within 12 months</b>				
Employee benefits				
Annual leave	30,415	29,021	25,237	24,152
Long service leave	10,966	10,227	10,452	9,670
Other employee related costs	5,736	736	5,473	474
Deferred government benefits for superannuation <sup>2</sup>	28,213	-	28,213	-
Other provisions	168	1,312	-	-
Subtotal	75,498	41,296	69,375	34,296
<b>Current provisions expected to be settled wholly after more than 12 months</b>				
Employee benefits				
Annual leave	2,846	2,309	2,520	1,976
Long service leave	22,424	24,142	21,456	23,130
Subtotal	25,270	26,451	23,976	25,106
<b>Total current provisions</b>	100,768	67,747	93,351	59,402
<b>Non-current provisions</b>				
Employee benefits				
Long service leave	14,885	12,385	12,780	10,758
Deferred non-government benefits for superannuation <sup>1</sup>	2,187	3,841	2,187	3,841
Deferred government benefits for superannuation <sup>2</sup>	516,756	515,351	516,756	515,351
Make Good	195	495	195	234
<b>Total non-current provisions</b>	534,023	532,072	531,918	530,184
<b>Total provisions</b>	634,791	599,819	625,269	589,586

<sup>1</sup> Professorial Superannuation Fund

<sup>2</sup> Comprises State Authorities Superannuation Scheme (SASS), State Authorities Non-contributory Superannuation Scheme (SANCS) and State Superannuation Scheme (SSS) for \$545m.

See note 42 for an explanation of the deferred government benefits for superannuation. Note 43 provides details of the deferred government benefits by plan.

**29 Other liabilities**

	Consolidated		Parent	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
<b>Current</b>				
Advances - other	436	512	303	350
Prepaid Income - student fees	39,503	28,785	39,503	28,785
Prepaid Income - other	10,363	5,530	8,304	4,431
Interest rate swap liability	-	3,461	-	3,461
Lease incentive	507	437	507	437
<b>Total current other liabilities</b>	<b>50,809</b>	<b>38,725</b>	<b>48,617</b>	<b>37,464</b>
<b>Non-current</b>				
Lease incentive	1,236	996	1,236	996
<b>Total other liabilities</b>	<b>52,045</b>	<b>39,721</b>	<b>49,853</b>	<b>38,460</b>

Refer to note 40 for details of the interest rate swap liability.

**30 Reserves and retained earnings**

**(a) Reserves**

	Consolidated		Parent	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Property, plant and equipment revaluation surplus	604,606	502,763	604,346	502,503
Available-for-sale investments revaluation surplus	13,574	5,271	13,574	5,271
<b>Total Reserves</b>	<b>618,180</b>	<b>508,034</b>	<b>617,920</b>	<b>507,774</b>

**Movements**

	Consolidated		Parent	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
<i>Property, plant and equipment revaluation surplus</i>				
Balance 1 January	502,763	471,263	502,503	471,003
Revaluation of Property Plant and Equipment - gross	34,341	31,500	34,341	31,500
Revaluation of Property Plant and Equipment reclassified as held for sale - gross	67,502	-	67,502	-
Balance 31 December	604,606	502,763	604,346	502,503
<i>Available-for-sale investments revaluation surplus</i>				
Balance 1 January	5,271	4,493	5,271	4,564
Realised (gains) transferred from reserves to income statement	-	-	-	(71)
Unrealised gains on revaluation	8,303	778	8,303	778
Balance 31 December	13,574	5,271	13,574	5,271

**30 Reserves and retained earnings (continued)**

**(b) Movements in retained earnings**

	<b>Consolidated</b>		<b>Parent</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Retained earnings at 1 January	<b>1,088,859</b>	1,055,788	<b>1,112,890</b>	1,070,137
Net result for the period	<b>20,805</b>	35,485	<b>26,945</b>	44,734
Disposal of net assets of subsidiary	-	(433)	-	-
Actuarial gain / (loss) on defined benefit plans recognised directly in retained earnings	<b>1,688</b>	(1,981)	<b>1,688</b>	(1,981)
<b>Retained earnings at 31 December</b>	<b>1,111,352</b>	1,088,859	<b>1,141,523</b>	1,112,890

**(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).

Refer to Note 21 for details of the revaluation of land and buildings reclassified as held for sale.

*(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 listed investments.

The fair value of significant unlisted investments is determined annually, using external valuation specialists.

**31 Key Management Personnel Disclosures**

**(a) Other key management personnel transactions**

For details of other transactions with key management personnel, refer to note 35: Related Party Transactions.

**(b) 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**

Ms Deidre Anderson  
Professor S Bruce Dowton  
Professor Mark Gabbott  
Mr Patrick John Gorman  
Ms Nicole Gower  
Professor Janet Greeley (until March 2015)  
Professor Simon Handley (from November 2015)  
Professor Richard Henry (from April 2015 to October 2015)  
Professor Jim Lee (until August 2015)  
Professor Patrick McNeil  
Professor Barbara Messerle (from January 2015)  
Professor Martina Mollering  
Professor Sakkie Pretorius  
Dr Paul Schreier  
Professor John Simons  
Professor David Wilkinson

**(ii) University Council Members**

The Hon Michael Egan AO – Chancellor  
Ms Elizabeth Crouch – Deputy Chancellor  
Professor S Bruce Dowton – Vice-Chancellor and President  
Professor Dominic Verity – Chair of Academic Senate  
Mr Kieren Ash (appointed June 2015)  
Mr Brendan Crotty  
Mr Chum Darvall  
Ms Leanne Denby (appointed September 2015)  
Professor Julie Fitness (appointed term concluded 31 December 2015)  
The Hon Patricia Forsythe  
Professor Richard Howitt (appointed term concluded 31 December 2015)  
Mr Gregory Jones  
Professor Deborah Kane  
Ms Hana Krskova (appointed 1 January 2015, resigned July 2015)  
The Hon Sandra Nori  
Ms Jingmin Qian (appointed March 2015)  
Ms Gemma Quinn (resigned April 2015)  
Dr Kerry Schott (resigned June 2015)  
Mr Gregory Ward (resigned June 2015)  
Mr John Wigglesworth  
Mr Frank Zipfinger (appointed March 2015)

**(c) Remuneration of Council Members and Executives**

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

**31 Key Management Personnel Disclosures (continued)**

**(c) Remuneration of Council Members and Executives (continued)**

	<b>Parent</b>	
	<b>2015</b>	<b>2014</b>
<b>Remuneration of executive officers</b>		
\$50,000 to \$59,999	1	-
\$70,000 to \$79,999	-	2
\$110,000 to \$119,999	-	1
\$120,000 to \$129,999	1	-
\$150,000 to \$159,999	1	-
\$260,000 to \$269,999	-	1
\$320,000 to \$329,999	-	1
\$370,000 to \$379,999	1	-
\$380,000 to \$389,999	2	-
\$420,000 to \$429,999	1	-
\$430,000 to \$439,999	-	2
\$440,000 to \$449,999	1	1
\$460,000 to \$469,999	-	1
\$470,000 to \$479,999	-	1
\$480,000 to \$489,999	2	2
\$490,000 to \$499,999	2	2
\$500,000 to \$509,999	2	-
\$840,000 to \$849,999 <sup>2</sup>	1	-
\$860,000 to \$869,999	-	1
\$920,000 to \$929,999	1	-
\$940,000 to \$949,999 <sup>1</sup>	-	1
\$970,000 to \$979,999 <sup>1</sup>	-	1
	<b>16</b>	<b>17</b>

<sup>1</sup> Includes termination payments in 2014.

<sup>2</sup> Includes termination payments in 2015.

The University has performed a review of transactions with entities in which the Council members of the University and members of the University Executive have declared their interest via the University Register of Interests.

Management has determined that these transactions are immaterial and 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.

**(d) Key management personnel compensation**

	<b>Parent</b>	
	<b>2015</b>	<b>2014</b>
	<b>\$'000</b>	<b>\$'000</b>
Short-term employee benefits	6,542	6,074
Other long-term benefits	-	119
Termination benefits	553	1,680
	<b>7,095</b>	<b>7,873</b>

Short-term employee benefits include salary and superannuation no short term bonus payments were paid to key management personnel.

**(e) Loans to key management personnel**

During 2013 a Loan Agreement was signed between Macquarie University and Professor S B Downton for the purpose of acquiring a residence in Sydney. The loan has a facility limit of \$875,000 and was drawn down in full in 2014.

Interest of \$28k was payable for the year ended 31 December 2015 (2014: \$28k). No write downs or allowances for

**31 Key Management Personnel Disclosures (continued)**

**(e) Loans to key management personnel (continued)**

doubtful receivables have been recognised in relation to this loan in 2015 (2014: nil).

Pursuant to the Loan Agreement, the University uses this property for a fee assessed at a fair value using comparable market rental for similar properties. The expense on the use of this property by the University for the year ended 31 December 2015 was \$45k (31 December 2014: \$40k).

There are no other loans to key management personnel.

**(f) Key management personnel of controlled entities**

The following persons are key management personnel of the main trading controlled entities within the Group.

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

**Access Macquarie Limited**

Mr Thushyanthan Sathiamoorthy  
 Professor Mark Gabbott  
 Professor Sakkie Pretorius  
 Mr Patrick John Gorman  
 Professor Jim Lee (until August 2015)  
 Professor Janet Greeley (until March 2015)  
 Dr Paul Schreier (appointed 28 February 2015)  
 Professor John Simons (appointed 28 July 2015)

**CMBF Limited**

Professor Kevin M Jameson  
 Associate Professor A.M. Cooper  
 Professor Mark Gabbott  
 Mr Patrick John Gorman  
 Dr Peter R Dodd  
 Professor S Bruce Dowton

**U@MQ Limited**

Ms Deidre Anderson  
 Ms Denise Osmand (resigned 6 May 2015)  
 Mr Tim Sprague (resigned 8 May 2015)  
 Ms Gemma Quinn (resigned 4 May 2015)  
 Mr Josh Stinton  
 Mr Michael Graham Wall  
 Mr Patrick John Gorman (appointed 1 June 2015)  
 Dr Paul Schreier (appointed 2 June 2015)  
 Ms Nicole Gower (appointed 3 June 2015)  
 Mr Kieren Ash (appointed 3 June 2015)  
 Mr Craig Oliver (resigned 16 October 2015)  
 Ms Kim Guerin (appointed 6 October 2015)  
 Ms Cindy Hoad  
 Mr Neils Pantenburg  
 Mr Richard Luxford  
 Ms Maria Bennett

**Australian Proteome Analysis Facility Ltd**

Dr John Ballard  
 Professor Sakkie Pretorius (resigned 11 May 2015)  
 Professor Barbara Messerle (appointed 11 May 2015)  
 Associate Professor Mark Molloy  
 Mr Thushyanthan Sathiamoorthy

**MGSM Limited**

Dr Malcolm Irving (resigned 13 May 2015)  
 Professor John Simons  
 Professor Alex Frino  
 Dr Peter R Dodd (resigned 13 May 2015)  
 Mr Patrick John Gorman (previously alternate, appointed 17 September 2015)  
 Professor Mark Gabbott (appointed 17 September 2015)  
 Dr Paul Schreier (appointed 17 September 2015)  
 Professor Charles Areni  
 Professor Richard Petty  
 Professor Masud Behnia  
 Ms Michelle Kershaw  
 Ms Annette Hely  
 Mr Peter Stewart  
 Mr Ross Hosmann

**MUH Operations No.2 Pty Limited**

Emeritus Professor B H Barraclough  
 Ms Carol A Bryant  
 Adjunct Professor M R Compton  
 Ms Elizabeth Crouch  
 Dr Peter R Dodd  
 Professor D Gillatt  
 Mr Patrick John Gorman  
 Dr Malcolm Irving  
 Mr Parth Jasani  
 Ms Elizabeth M Johnstone  
 Mr Greg M Jones  
 Ms Carmel Kennedy  
 Professor Patrick McNeil

### 32 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:

	<b>Consolidated</b>		<b>Parent</b>	
	<b>2015</b>	2014	<b>2015</b>	2014
	<b>\$'000</b>	\$'000	<b>\$'000</b>	\$'000
<b>Audit and review of the Financial Statements</b>				
Fees paid to Audit Office of NSW				
Audit fees for parent entity/ group entity	<b>661</b>	595	<b>370</b>	317
Audit fees for Restricted Funds	<b>4</b>	3	<b>4</b>	3
<b>Total paid for audit and review</b>	<b>665</b>	598	<b>374</b>	320
<b>Other audit and assurance services</b>				
Fees paid to Audit Office of NSW				
Audit of regulatory returns	<b>13</b>	13	<b>13</b>	13
<b>Total paid for audit and assurance</b>	<b>13</b>	13	<b>13</b>	13
<b>Total remuneration for audit and assurance related services</b>	<b>678</b>	611	<b>387</b>	333

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.

### 33 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 as at December 2015:

	<b>2015</b>	2014
	<b>\$'000</b>	\$'000
<b>Insurance Period - commencement date</b>		
2011	<b>5,977</b>	5,977
2012	<b>6,153</b>	6,153
2013	<b>7,087</b>	7,087
2014	<b>196</b>	196
2015	<b>6,412</b>	-
<b>Total</b>	<b>25,825</b>	19,413

Other bank guarantees of \$0.62 million (2014: \$0.69 million) have also been issued.

As at 31 December 2015 there is nil unused bank guarantee facility (2014: \$4.9m).

#### Excess salaries under closed State superannuation schemes

In February 2015, the Department of Education issued an annexure to *Approval of a Grant to an Eligible Higher Education Provider under section 41-20; Determination of the Amount of a Grant Under paragraph 41-30(b); and Determination under subparagraph 41-25(b)(i) of the Conditions on which a Grant is Made under the Higher Education Superannuation Programme*. As a result, the University has an emerging contingent liability to the State Trustee of the State Superannuation Scheme (SSS) and State Authorities Superannuation Scheme (SASS) when members of these schemes retire with a pensionable salary at exit that is higher than the notional salary, as defined under the above legislation.

In 2016 the University expects to pay \$0.7m to the State Trustee, in relation to this legislation, for employees that retired in the year to June 2015.

The potential future liability of staff in these schemes that are yet to retire cannot be accurately quantified at the reporting date as it will be impacted by future events, including future retirement dates of working members and future pay-rises granted to working members of these schemes. This potential liability relates only to those scheme

### 33 Contingencies (continued)

#### Excess salaries under closed State superannuation schemes (continued)

members that have not retired. At the reporting date there were 54 non-retired members of the SASS scheme and 15 non-retired members of the SSS scheme.

#### Contingent liabilities

At reporting date, the University had a number of claims outstanding which it is currently evaluating. Management has assessed that none of these claims would result in material financial exposure for the University or require specific disclosure in the financial statements.

The Group does not have any other contingent liabilities (2014: nil)

### 34 Commitments

Commitments are shown with GST included.

#### (a) Capital commitments

Capital expenditure contracted for various building capital projects at the reporting date but not recognised as liabilities as at 31 December 2015 are as follows:

	Consolidated		Parent	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Property, plant and equipment				
Within one year	48,391	47,012	48,315	46,832
Between one year and five years	-	-	-	-
<b>Total PPE commitments</b>	<b>48,391</b>	<b>47,012</b>	<b>48,315</b>	<b>46,832</b>

#### (b) Lease commitments

##### (i) Operating Leases - as lessee

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

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

	Consolidated		Parent	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Within one year	7,448	7,582	4,874	6,320
Between one year and five years	12,322	13,082	9,715	9,909
Later than five years	9,463	4,780	-	915
<b>Total future minimum lease payments</b>	<b>29,233</b>	<b>25,444</b>	<b>14,589</b>	<b>17,144</b>

**34 Commitments (continued)**

**(b) Lease commitments (continued)**

*(ii) Finance Leases - as lessee*

Finance lease liabilities as lessee, are detailed in Note 27. There were no such leases in 2015.

Commitments in relation to finance leases are payable as follows:

	Consolidated		Parent	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Within one year	-	177	-	-
Total future minimum lease payments	-	177	-	-
Future finance charges	-	(6)	-	-
Finance lease liabilities	-	171	-	-
Lease incentives on non-cancellable operating leases included in lease liabilities	-	-	-	-
Total lease liabilities	-	-	-	-
Representing lease liabilities				
Current	-	171	-	-
<b>Total finance lease liabilities</b>	-	171	-	-

The weighted average interest rate implicit in the finance leases is nil (2014: 8.03%).

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

*(i) Operating leases - as lessor*

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

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

	Consolidated		Parent	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Within one year	27,429	28,975	40,709	39,794
Between one year and five years	88,895	96,395	112,599	121,655
Later than five years	76,059	95,919	143,965	162,012
	<b>192,383</b>	<b>221,289</b>	<b>297,273</b>	<b>323,461</b>

Rental income is shown undiscounted, and inclusive of 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.

**34 Commitments (continued)**

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

*(ii) Finance leases - as lessor*

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

	<b>Consolidated</b>		<b>Parent</b>	
	<b>2015</b>	2014	<b>2015</b>	2014
	<b>\$'000</b>	\$'000	<b>\$'000</b>	\$'000
Within one year	<b>2,182</b>	2,401	<b>2,182</b>	2,401
Between one year and five years	<b>8,729</b>	9,602	<b>8,729</b>	9,602
Later than five years	<b>62,545</b>	71,200	<b>62,545</b>	71,200
Less: Future finance charge	<b>(46,986)</b>	(53,585)	<b>(46,986)</b>	(53,585)
	<b>26,470</b>	29,618	<b>26,470</b>	29,618

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 24(b) for further details.

**(d) Other commitments**

Other operational expenditure contracted at the reporting date but not recognised as liabilities as at 31 December 2015 is as follows:

	<b>Consolidated</b>		<b>Parent</b>	
	<b>2015</b>	2014	<b>2015</b>	2014
	<b>\$'000</b>	\$'000	<b>\$'000</b>	\$'000
Within one year	<b>20,968</b>	22,033	<b>20,968</b>	21,698
Between one and five years	-	-	-	-
Later than five years	-	-	-	-
<b>Total future minimum lease payments</b>	<b>20,968</b>	22,033	<b>20,968</b>	21,698

**35 Related Parties**

**(a) Parent entities**

The ultimate parent entity within the Group is Macquarie University, an entity established under NSW state legislation.

**(b) Subsidiaries**

Interests in subsidiaries are set out in note 36.

**(c) Key management personnel**

Disclosures relating to responsible persons and executive officers of the University are disclosed in note 31.

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 2015:

	Revenue \$'000	Expenses \$'000	Receivables/ Investments \$'000	Payables/ Loans \$'000
Access Macquarie Ltd	2,447	5,958	2,001	9,668
APAF Ltd	823	82	224	370
CMBF Ltd	27	3,253	3	1
MGSM Ltd	9,260	19,196	1,964	22,879
MUH Operations No.2 Pty Ltd	20,339	1,611	170,585	377
U@MQ Ltd	1,703	5,429	693	7,378
Macquarie University Clinical Associates Pty Ltd	-	-	124	-
	<b>34,599</b>	<b>35,529</b>	<b>175,594</b>	<b>40,673</b>

The receivables / investment value of \$170.6m with MUH Operations No. 2 Pty Ltd includes equity with a face value of \$70m (see note 23) and a loan with a face value of \$97.8m (see note 20). Both of these investments are partially impaired. Refer to notes 20 and 23.

The following material transactions occurred with related parties in 2014:

	Revenue \$'000	Expenses \$'000	Receivables/ Investments \$'000	Payables \$'000
Access Macquarie Ltd	3,122	6,426	2,882	460
APAF Ltd	900	156	184	-
CMBF Ltd	19	2,894	-	-
MGSM Ltd	8,716	19,054	1,420	377
MUH Operations No.2 Pty Ltd	19,665	1,354	146,153	59
U@MQ Ltd	1,452	6,715	264	493
	<b>33,874</b>	<b>36,599</b>	<b>150,903</b>	<b>1,389</b>

### 35 Related Parties (continued)

#### (e) Loans to related parties

	Note	2015 \$'000	2014 \$'000
<b>Loan to MUH Operations No. 2 Pty Ltd</b>			
Beginning of the year	20	72,964	52,637
Capitalisation of rental charges		16,277	15,691
Loans advanced		8,400	1,500
Loans repaid		(3,000)	-
Interest charged	5	3,179	3,136
End of year	20	<u>97,820</u>	<u>72,964</u>

An impairment provision of \$41.6m (2014: \$24.6m) has been raised against the loan to MUH Operations No. 2 Pty Ltd. See note 20 for further details.

### 36 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	
			2015 %	2014 %
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
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
Macquarie University Clinical Associates Ltd	Australia	Limited by Guarantee	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

Macquarie Education South Africa NPC was de-registered during 2015.

Macquarie University Clinical Associates Ltd was incorporated during 2015.

**Macquarie University**  
**Notes to the Financial Statements**  
**For the Year Ended 31 December 2015**

**36 Subsidiaries (continued)**

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

	Access Macquarie Ltd	Australian Proteome Analysis Facility Ltd	CMBF Ltd	MUCA 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
<b>For the year ended 31 December 2014</b>										
Operating income	33,571	1,129	3,180	-	26,891	105,976	997	31,665	203,409	
Operating expense	(34,268)	(1,139)	(3,024)	-	(25,313)	(125,520)	(970)	(31,752)	(221,986)	
<b>Operating result</b>	<b>(697)</b>	<b>(10)</b>	<b>156</b>	<b>-</b>	<b>1,578</b>	<b>(19,544)</b>	<b>27</b>	<b>(87)</b>	<b>(18,577)</b>	

	Access Macquarie Ltd	Australian Proteome Analysis Facility Ltd	CMBF Ltd	MUCA 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
<b>For the year ended 31 December 2015</b>										
Operating income	30,309	1,005	3,524	-	27,283	108,263	1,038	30,508	201,930	
Operating expense	(30,214)	(1,024)	(3,477)	(143)	(26,830)	(129,582)	(1,025)	(31,205)	(223,500)	
<b>Operating result</b>	<b>95</b>	<b>(19)</b>	<b>47</b>	<b>(143)</b>	<b>453</b>	<b>(21,319)</b>	<b>13</b>	<b>(697)</b>	<b>(21,570)</b>	

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

**Macquarie University**  
**Notes to the Financial Statements**  
**For the Year Ended 31 December 2015**

**36 Subsidiaries (continued)**

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

	Access Macquarie Ltd	Australian Proteome Analysis Facility Ltd	CMBF 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
As at 31 December 2014									
Current assets	15,320	797	2,896	26,994	21,919	194	9,978	78,098	
Non-current assets	1,324	-	29	888	1,331	1	2,271	5,844	
Total assets	16,644	797	2,925	27,882	23,250	195	12,249	83,942	
Current liabilities	(10,217)	(531)	(353)	(4,237)	(14,943)	(37)	(3,195)	(33,513)	
Non-current liabilities	(577)	-	-	(484)	(76,025)	-	(452)	(77,538)	
Total liabilities	(10,794)	(531)	(353)	(4,721)	(90,968)	(37)	(3,647)	(111,051)	
Net assets / liabilities	5,850	266	2,572	23,161	(67,718)	158	8,602	(27,109)	
Represented by:									
Reserves	-	-	-	-	-	-	260	260	
Share Capital	-	-	-	-	70,000	-	-	-	
Retained profit/ (losses)	5,850	266	2,572	23,161	(137,718)	158	8,342	(97,369)	
Net equity	5,850	266	2,572	23,161	(67,718)	158	8,602	(27,109)	

**Macquarie University**  
**Notes to the Financial Statements**  
**For the Year Ended 31 December 2015**

**36 Subsidiaries (continued)**

	Access Macquarie Ltd	Australian Proteome Analysis Facility Ltd	CMBF Ltd	MUCA Ltd	MGSM Ltd	Operations No.2 Pty Ltd	MUH Pty Ltd	Risk Frontiers Flood (Australia) Pty Ltd	U@MQ Ltd	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>As at 31 December 2015</b>										
Current assets	11,963	872	2,983	-	27,819	27,262	265	10,804	81,968	
Non-current assets	4,067	-	37	-	1,146	1,272	-	2,292	8,814	
<b>Total assets</b>	<b>16,030</b>	<b>872</b>	<b>3,020</b>	<b>-</b>	<b>28,965</b>	<b>28,534</b>	<b>265</b>	<b>13,096</b>	<b>90,782</b>	
Current liabilities	(9,386)	(625)	(400)	(143)	(5,105)	(16,596)	(95)	(4,788)	(37,138)	
Non-current liabilities	(699)	-	-	-	(245)	(100,975)	-	(360)	(102,279)	
<b>Total liabilities</b>	<b>(10,085)</b>	<b>(625)</b>	<b>(400)</b>	<b>(143)</b>	<b>(5,350)</b>	<b>(117,571)</b>	<b>(95)</b>	<b>(5,148)</b>	<b>(139,417)</b>	
<b>Net assets / liabilities</b>	<b>5,945</b>	<b>247</b>	<b>2,620</b>	<b>(143)</b>	<b>23,615</b>	<b>(89,037)</b>	<b>170</b>	<b>7,948</b>	<b>(48,635)</b>	
<b>Represented by:</b>										
Reserves	-	-	-	-	-	-	-	-	260	260
Share Capital	-	-	-	-	-	70,000	-	-	-	70,000
Retained profit/ (losses)	5,945	247	2,620	(143)	23,615	(159,037)	170	7,688	(18,895)	
<b>Net equity</b>	<b>5,945</b>	<b>247</b>	<b>2,620</b>	<b>(143)</b>	<b>23,615</b>	<b>(89,037)</b>	<b>170</b>	<b>7,948</b>	<b>(48,635)</b>	

**37 Joint ventures, associates and minority interests**

Other entities that are operational in which the University has percentage holdings of more than 20% are:

**(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 2015 was \$0.28 million (2014: \$0.33 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). The company's research facility is based on Sydney Harbour's North Shore at Chowder Bay. It brings 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 and this is classified as an associate.

**(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 partially impaired; refer to note 20.

**38 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.

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

	<b>Consolidated</b>		<b>Parent</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Net result for the period	<b>20,805</b>	35,485	<b>26,945</b>	44,734
Depreciation and amortisation	<b>63,509</b>	59,920	<b>62,167</b>	58,544
Net (gain) / loss on sale of non-current assets	<b>305</b>	1,622	<b>276</b>	1,553
Net loss on impairment of non-current assets	<b>1,378</b>	605	<b>14,960</b>	9,259
Macquarie University Hospital rent and interest	-	-	<b>(19,456)</b>	(18,827)
Change in operating assets and liabilities:				
(Increase) / decrease in trade debtors	<b>(3,090)</b>	(1,112)	<b>965</b>	(2,283)
(Increase) / decrease in inventories	<b>(363)</b>	14	<b>(177)</b>	13
(Increase) in other operating assets	<b>3,229</b>	(1,810)	<b>(37,593)</b>	(1,463)
Increase / (decrease) in trade creditors	<b>8,010</b>	(3,333)	<b>10,104</b>	(1,261)
Increase / (decrease) in other operating liabilities	<b>12,076</b>	(5,272)	<b>49,445</b>	(5,308)
Increase / (decrease) in provision for employee entitlements	<b>8,202</b>	2,064	<b>9,276</b>	1,325
Increase / (decrease) in other provisions	<b>1,444</b>	(1)	-	-
<b>Net cash provided by operating activities</b>	<b>115,505</b>	88,182	<b>116,912</b>	86,286

#### 40 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 2015

	Carrying amount	Result	Interest rate risk		Result	Foreign exchange risk		Result	Other price risk		Result	Equity
			-1%	+1%		-10%	+10%		-10%	+10%		
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Financial assets</b>												
Cash and cash equivalents	208,063	(2,081)	-	2,081	-	(1,253)	-	1,253	-	-	-	-
Term deposits	45,562	(456)	-	456	-	-	-	-	-	-	-	-
Receivables	60,730	-	-	-	-	-	-	-	-	-	-	-
Finance lease receivables	26,470	-	-	-	-	-	-	-	-	-	-	-
Listed investments	3,164	-	-	-	-	-	-	-	-	(316)	-	316
Unquoted investments	14,100	-	-	-	-	-	-	-	-	(1,410)	-	1,410
<b>Financial liabilities</b>												
Trade and other payables	(72,353)	-	-	-	-	256	-	(256)	-	-	-	-
Bonds	(248,828)	2,488	-	(2,488)	-	-	-	-	-	-	-	-
Bank borrowings	(106,228)	1,062	-	(1,062)	-	-	-	-	-	-	-	-
Total increase/(decrease)		1,013	-	(1,013)	-	(997)	-	997	-	-	(1,726)	-

## 40 Financial Risk Management (continued)

### (a) Market risk (continued)

Consolidated

31 December 2014

	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
<b>Financial assets</b>													
Cash and cash equivalents	222,545	(2,225)	-	2,225	-	(1,175)	-	1,175	-	-	-	-	-
Term deposits	29,080	(290)	-	290	-	-	-	-	-	-	-	-	-
Receivables	30,207	-	-	-	-	-	-	-	-	-	-	-	-
Finance lease receivables	29,109	-	-	-	-	-	-	-	-	-	-	-	-
Listed investments	3,353	-	-	-	-	-	-	-	-	-	(335)	-	335
Unquoted investments	5,594	-	-	-	-	-	-	-	-	-	(559)	-	559
<b>Financial liabilities</b>													
Trade and other payables	(63,897)	-	-	-	-	55	-	(55)	-	-	-	-	-
Bonds	(248,578)	2,486	-	(2,486)	-	-	-	-	-	-	-	-	-
Bank borrowings	(107,419)	1,074	-	(1,074)	-	-	-	-	-	-	-	-	-
Interest rate swap	(3,461)	35	-	(35)	-	-	-	-	-	-	-	-	-
Lease liabilities	(171)	-	-	-	-	-	-	-	-	-	-	-	-
Total increase/(decrease)		1,080	-	(1,080)	-	(1,120)	-	1,120	-	-	(894)	-	894

Parent

31 December 2015

	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
<b>Financial assets</b>													
Cash and cash equivalents	194,581	(1,946)	-	1,946	-	(1,253)	-	1,253	-	-	-	-	-
Term deposits	45,187	(452)	-	452	-	-	-	-	-	-	-	-	-
Receivables	45,762	-	-	-	-	-	-	-	-	-	-	-	-
Finance lease receivables	26,470	-	-	-	-	-	-	-	-	-	-	-	-
Investments in associates and controlled entities	56,231	-	(562)	-	562	-	-	-	-	-	-	-	-
Listed investments	3,164	-	-	-	-	-	-	-	-	-	(316)	-	316
Unquoted investments	14,100	-	-	-	-	-	-	-	-	-	(1,410)	-	1,410
<b>Financial liabilities</b>													
Trade and other payables	(52,723)	-	-	-	-	256	-	(256)	-	-	-	-	-
Bonds	(248,828)	2,488	-	(2,488)	-	-	-	-	-	-	-	-	-
Bank borrowings	(106,228)	1,062	-	(1,062)	-	-	-	-	-	-	-	-	-
Total increase/(decrease)		1,152	(562)	(1,152)	562	(997)	-	997	-	-	(1,726)	-	1,726

Parent

31 December 2014

	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
<b>Financial assets</b>													
Cash and cash equivalents	193,466	(1,935)	-	1,935	-	(1,175)	-	1,175	-	-	-	-	-
Term deposits	4,673	(47)	-	47	-	-	-	-	-	-	-	-	-
Receivables	18,587	-	-	-	-	-	-	-	-	-	-	-	-
Finance lease receivables	29,109	-	-	-	-	-	-	-	-	-	-	-	-
Investments in associates and controlled entities	48,345	-	(483)	-	483	-	-	-	-	-	-	-	-
Listed investments	3,353	-	-	-	-	-	-	-	-	-	(335)	-	335
Unquoted investments	5,594	-	-	-	-	-	-	-	-	-	(559)	-	559
<b>Financial liabilities</b>													
Trade and other payables	(46,832)	-	-	-	-	55	-	(55)	-	-	-	-	-
Bonds	(248,578)	2,486	-	(2,486)	-	-	-	-	-	-	-	-	-
Bank borrowings	(107,419)	1,074	-	(1,074)	-	-	-	-	-	-	-	-	-
Interest rate swap	(3,461)	35	-	(35)	-	-	-	-	-	-	-	-	-
Total increase/(decrease)		1,613	(483)	(1,613)	483	(1,120)	-	1,120	-	-	(894)	-	894

#### 40 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 2015. There were unused credit card facilities with ANZ with total of \$5.31 million (2014: \$5.34 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 was 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 2015 was \$6.2 million (2014: \$7.4 million). Refer to Note 27.

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 2015 \$100 million was drawn down and \$100 million remained available to be drawn. The loans are denominated in AUD. Refer to note 27.

The carrying amount of financial assets (as contained in the table in sub note 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 31 December 2015**

	Average Interest rate	Variable interest rate	Less than 1 year	1 - 5 years	5+ years	Non-Interest	Total
	2015 %	2015 \$'000	2015 \$'000	2015 \$'000	2015 \$'000	2015 \$'000	2015 \$'000
<b>Financial Assets:</b>							
Cash and cash equivalents	2.10	206,176	-	-	-	1,887	208,063
Term deposits	3.00	-	45,187	375	-	-	45,562
Receivables	-	-	-	-	-	60,730	60,730
Finance lease receivable	-	-	486	2,962	23,022	-	26,470
Listed investments	-	-	-	-	-	3,164	3,164
Unquoted investments	-	-	-	-	-	14,100	14,100
<b>Total Financial Assets</b>		<b>206,176</b>	<b>45,673</b>	<b>3,337</b>	<b>23,022</b>	<b>79,881</b>	<b>358,089</b>
<b>Financial Liabilities:</b>							
Trade and other payables	-	-	-	-	-	72,353	72,353
Bonds	6.75	-	-	-	248,828	-	248,828
Bank borrowings*	-	-	-	-	106,228	-	106,228
<b>Total Financial Liabilities</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>355,056</b>	<b>72,353</b>	<b>427,409</b>

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

#### 40 Financial Risk Management (continued)

##### (c) Liquidity risk (continued)

Consolidated 31 December 2014

	Average Interest rate	Variable interest rate	Less than 1 year	1 - 5 years	5+ years	Non-Interest	Total
	2014 %	2014 \$'000	2014 \$'000	2014 \$'000	2014 \$'000	2014 \$'000	2014 \$'000
<b>Financial Assets:</b>							
Cash and cash equivalents	2.60	220,685	-	-	-	1,860	222,545
Term deposits	3.50	-	28,705	375	-	-	29,080
Receivables	-	-	-	-	-	30,207	30,207
Finance lease receivables	-	-	457	2,786	25,866	-	29,109
Listed investments	-	-	-	-	-	3,353	3,353
Unquoted investments	-	-	-	-	-	5,594	5,594
<b>Total Financial Assets</b>		<b>220,685</b>	<b>29,162</b>	<b>3,161</b>	<b>25,866</b>	<b>41,014</b>	<b>319,888</b>
<b>Financial Liabilities:</b>							
Trade and other payables	-	-	-	-	-	(63,897)	(63,897)
Bonds	6.75	-	-	-	(248,578)	-	(248,578)
Bank borrowings*	-	-	(1,200)	(5,735)	(100,484)	-	(107,419)
Interest rate swap	6.60	-	(3,461)	-	-	-	(3,461)
Finance lease	-	-	(171)	-	-	-	(171)
<b>Total Financial Liabilities</b>		<b>-</b>	<b>(4,832)</b>	<b>(5,735)</b>	<b>(349,062)</b>	<b>(63,897)</b>	<b>(423,526)</b>

Parent 31 December 2015

	Average Interest rate	Variable interest rate	Less than 1 year	1 - 5 years	5+ years	Non-Interest	Total
	2015 %	2015 \$'000	2015 \$'000	2015 \$'000	2015 \$'000	2015 \$'000	2015 \$'000
<b>Financial Assets:</b>							
Cash and cash equivalents	2.10	192,987	-	-	-	1,594	194,581
Term deposits	3.00	-	45,187	-	-	-	45,187
Receivables	-	-	-	-	-	45,762	45,762
Finance lease receivables	-	-	486	2,963	23,021	-	26,470
Investments in associates and controlled entities	-	-	-	-	56,231	-	56,231
Listed investments	-	-	-	-	-	3,164	3,164
Unquoted investments	-	-	-	-	-	14,100	14,100
<b>Total Financial Assets</b>		<b>192,987</b>	<b>45,673</b>	<b>2,963</b>	<b>79,252</b>	<b>64,620</b>	<b>385,495</b>
<b>Financial Liabilities:</b>							
Trade and other payables	-	-	-	-	-	(52,723)	(52,723)
Bonds	6.75	-	-	-	(248,828)	-	(248,828)
Bank borrowings*	-	-	(1,284)	(4,944)	(100,000)	-	(106,228)
Interest rate swap	6.60	-	-	-	-	-	-
<b>Total Financial Liabilities</b>		<b>-</b>	<b>(1,284)</b>	<b>(4,944)</b>	<b>(348,828)</b>	<b>(52,723)</b>	<b>(407,779)</b>

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

#### 40 Financial Risk Management (continued)

##### (c) Liquidity risk (continued)

Parent 31 December 2014

	Average Interest rate	Variable interest rate	Less than 1 year	1 - 5 years	5+ years	Non-Interest	Total
	2014 %	2014 \$'000	2014 \$'000	2014 \$'000	2014 \$'000	2014 \$'000	2014 \$'000
<b>Financial Assets:</b>							
Cash and cash equivalents	2.60	191,940	-	-	-	1,526	193,466
Term deposits	3.90	-	4,673	-	-	-	4,673
Receivables	-	-	-	-	-	18,587	18,587
Finance lease receivables	-	-	457	2,786	25,866	-	29,109
Investments in associates and controlled entities	-	-	-	-	48,345	-	48,345
Listed investments	-	-	-	-	-	3,353	3,353
Unquoted investments	-	-	-	-	-	5,594	5,594
<b>Total Financial Assets</b>		<b>191,940</b>	<b>5,130</b>	<b>2,786</b>	<b>74,211</b>	<b>29,060</b>	<b>303,127</b>
<b>Financial Liabilities:</b>							
Trade and other payables	-	-	-	-	-	(46,832)	(46,832)
Bonds	6.75	-	-	-	(248,578)	-	(248,578)
Bank borrowings*	-	-	(1,200)	(5,735)	(100,484)	-	(107,419)
Interest rate swap	6.60	-	(3,461)	-	-	-	(3,461)
<b>Total Financial Liabilities</b>		<b>-</b>	<b>(4,661)</b>	<b>(5,735)</b>	<b>(349,062)</b>	<b>(46,832)</b>	<b>(406,290)</b>

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

##### **Interest rate swap contracts - cash flow hedges**

The Group entered into an interest rate swap starting on 20 October 2010, for a term of five years. This amounted to \$98.25 million at an average interest rate of 6.6%. The contracts required settlement of net interest receivable or payable each 30 days. The swap expired in October 2015 and was not renewed. The 2014 liability had a market value of \$3.46m, see Note 29.

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 was not effective for hedge accounting, and remeasurements to fair value were therefore recognised in the income statement (note 13).

## 41 Fair Value Measurement

### (a) Fair value measurements

The fair value 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 receivable their carrying value approximates their fair value and based on credit history it is expected that the receivable that are neither past due nor impaired will be received when due.

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

	Note	Carrying Amount		Fair Value	
		2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
<b>Consolidated</b>					
<b>Financial assets</b>					
Cash and cash equivalents	17	208,063	222,545	208,063	223,719
Receivables		36,273	33,571	36,273	33,571
Term deposits - held-to-maturity	20	45,562	29,080	45,562	29,080
Listed investments	20	3,164	3,353	3,164	3,353
Unquoted investments - fair value	20	14,100	5,490	14,100	5,490
Unquoted investments - historical cost	20	-	104	-	104
Investment in associate	20	418	-	-	-
<b>Total financial assets</b>		<b>307,580</b>	<b>294,143</b>	<b>307,162</b>	<b>295,317</b>
<b>Non-financial assets</b>					
PPE					
Construction in progress	24	35,622	28,724	35,622	28,724
Land	24	495,080	497,395	495,080	497,395
Buildings	24	1,068,002	1,022,645	1,068,002	1,022,645
Plant and equipment	24	101,959	96,053	101,959	96,053
Leasehold improvements	24	1,098	1,374	1,098	1,374
Library general collections	24	22,701	19,983	22,701	19,983
Library special collections	24	6,272	6,272	6,272	6,272
Works of art	24	21,105	21,101	21,105	21,101
Infrastructure	24	88,903	80,997	88,903	80,997
Intangible assets	25	1,483	1,207	1,483	1,207
Assets held for sale	21	80,600	-	80,600	-
<b>Total non-financial assets</b>		<b>1,922,825</b>	<b>1,775,751</b>	<b>1,922,825</b>	<b>1,775,751</b>
<b>Financial Liabilities</b>					
Payables	26	(72,353)	(63,897)	(72,353)	(63,897)
Borrowings	27	(355,056)	(356,168)	(355,056)	(356,168)
Interest rate swap	29	-	(3,461)	-	(3,461)
<b>Total financial liabilities</b>		<b>(427,409)</b>	<b>(423,526)</b>	<b>(427,409)</b>	<b>(423,526)</b>

**41 Fair Value Measurement (continued)**

**(a) Fair value measurements (continued)**

		Carrying Amount		Fair Value	
		2015	2014	2015	2014
	Note	\$'000	\$'000	\$'000	\$'000
<b>Parent</b>					
<b>Financial assets</b>					
Cash and cash equivalents	17	<b>194,581</b>	193,466	<b>194,581</b>	193,466
Receivables		<b>20,408</b>	21,400	<b>20,408</b>	21,400
Term deposits - held-to-maturity	20	<b>45,187</b>	4,673	<b>45,187</b>	4,673
Investment in subsidiary - equity	23	<b>23,299</b>	21,289	<b>23,299</b>	21,289
Investment in subsidiary - loan	20	<b>56,231</b>	48,345	<b>56,231</b>	48,345
Listed investments	20	<b>3,164</b>	3,353	<b>3,164</b>	3,353
Unquoted investments - fair value	20	<b>14,100</b>	5,490	<b>14,100</b>	5,490
Unquoted investments - historical cost	20	-	104	-	104
<b>Total financial assets</b>		<b>356,970</b>	298,120	<b>356,970</b>	298,120
<b>Non-financial assets</b>					
<b>PPE</b>					
Construction in progress	24	<b>34,998</b>	28,601	<b>34,998</b>	28,601
Land	24	<b>495,080</b>	497,395	<b>495,080</b>	497,395
Buildings	24	<b>1,068,002</b>	1,022,645	<b>1,068,002</b>	1,022,645
Plant and equipment	24	<b>95,415</b>	92,038	<b>95,415</b>	92,038
Leasehold improvements	24	<b>1,098</b>	1,374	<b>1,098</b>	1,374
Library general collections	24	<b>22,701</b>	19,983	<b>22,701</b>	19,983
Library special collections	24	<b>6,272</b>	6,272	<b>6,272</b>	6,272
Works of art	24	<b>21,105</b>	21,101	<b>21,105</b>	21,101
Infrastructure	24	<b>88,903</b>	80,997	<b>88,903</b>	80,997
Intangible assets	25	<b>1,483</b>	1,207	<b>1,483</b>	1,207
Assets held for sale	21	<b>80,600</b>	-	<b>80,600</b>	-
<b>Total non-financial assets</b>		<b>1,915,657</b>	1,771,613	<b>1,915,657</b>	1,771,613
<b>Financial Liabilities</b>					
Payables	26	<b>(52,723)</b>	(46,832)	<b>(52,723)</b>	(46,832)
Borrowings	27	<b>(394,056)</b>	(355,997)	<b>(394,056)</b>	(355,997)
Interest rate swap	29	-	(3,461)	-	(3,461)
<b>Total financial liabilities</b>		<b>(446,779)</b>	(406,290)	<b>(446,779)</b>	(406,290)

The Group measures and recognises the above assets and liabilities at fair value on a recurring basis.

The Group has also measured assets in 2015 and liabilities at fair value on non-recurring basis as a result of the reclassification of assets as held for sale.

#### 41 Fair Value Measurement (continued)

##### (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.

	Description
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 2015.

#### Fair value measurements at 31 December 2015

Consolidated	Note	2015 \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
<b>Recurring fair value measurements</b>					
<b>Financial assets</b>					
Term deposits - held-to-maturity	20	45,562	45,562	-	-
Listed investments	20	3,164	3,164	-	-
Unquoted investments - fair value	20	14,100	-	14,100	-
<b>Total financial assets</b>		<b>62,826</b>	<b>48,726</b>	<b>14,100</b>	<b>-</b>
<b>Non-financial assets</b>					
<b>PPE</b>					
Construction in progress	24	35,622	-	-	35,622
Land	24	495,080	-	-	495,080
Building	24	1,068,002	-	109,764	958,238
Plant and equipment	24	101,959	-	-	101,959
Leasehold improvements	24	1,098	-	-	1,098
Library general collections	24	22,701	-	-	22,701
Library special collections	24	6,272	-	-	6,272
Works of Art	24	21,105	-	-	21,105
Infrastructure	24	88,903	-	-	88,903
Intangible assets	25	1,483	-	-	1,483
Assets held for sale	21	80,600	-	80,600	-
<b>Total non-financial assets</b>		<b>1,922,825</b>	<b>-</b>	<b>190,364</b>	<b>1,732,461</b>

**41 Fair Value Measurement (continued)**

**(b) Fair value hierarchy (continued)**

Parent	Note	2015 \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
<b>Recurring fair value measurements</b>					
<b>Financial assets</b>					
Term deposits - held-to-maturity	20	45,187	45,187	-	-
Listed investments	20	3,164	3,164	-	-
Unquoted investments - fair value	20	14,100	-	14,100	-
Investment in subsidiary - equity	23	23,299	-	23,299	-
Investment in subsidiary - loan	20	56,231	-	56,231	-
<b>Total financial assets</b>		<b>141,981</b>	<b>48,351</b>	<b>93,630</b>	<b>-</b>
<b>Non-financial assets</b>					
<b>PPE</b>					
Construction in progress	24	34,998	-	-	34,998
Land	24	495,080	-	-	495,080
Building	24	1,068,002	-	109,764	958,238
Plant and equipment	24	95,415	-	-	95,415
Leasehold improvements	24	1,098	-	-	1,098
Library general collections	24	22,701	-	-	22,701
Library special collections	24	6,272	-	-	6,272
Works of Art	24	21,105	-	-	21,105
Infrastructure	24	88,903	-	-	88,903
Intangible assets	25	1,483	-	-	1,483
Assets held for sale	21	80,600	-	80,600	-
<b>Total non-financial assets</b>		<b>1,915,657</b>	<b>-</b>	<b>190,364</b>	<b>1,725,293</b>

41 Fair Value Measurement (continued)

(b) Fair value hierarchy (continued)

Fair value measurements at 31 December 2014

Consolidated	Note	2014 \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
<b>Recurring fair value measurements</b>					
<b>Financial assets</b>					
Term deposits - held-to-maturity	20	29,080	29,080	-	-
Listed investments	20	3,353	3,353	-	-
Unquoted investments - fair value	20	5,490	-	5,490	-
Unquoted investments - historical cost	20	104	-	-	104
<b>Total financial assets</b>		<b>38,027</b>	<b>32,433</b>	<b>5,490</b>	<b>104</b>
<b>Non-financial assets</b>					
<b>PPE</b>					
Construction in progress	24	28,724	-	-	28,724
Land	24	497,395	-	-	497,395
Buildings	24	1,022,645	-	84,971	937,674
Plant and equipment	24	96,053	-	-	96,053
Leasehold improvements	24	1,374	-	-	1,374
Library general collections	24	19,983	-	-	19,983
Library special collections	24	6,272	-	-	6,272
Works of art	24	21,101	-	-	21,101
Infrastructure	24	80,997	-	-	80,997
Intangible assets	25	1,207	-	-	1,207
<b>Total non-financial assets</b>		<b>1,775,751</b>	<b>-</b>	<b>84,971</b>	<b>1,690,780</b>
<b>Financial liabilities</b>					
Interest rate swap	29	(3,461)	-	(3,461)	-
<b>Total liabilities</b>		<b>(3,461)</b>	<b>-</b>	<b>(3,461)</b>	<b>-</b>

**41 Fair Value Measurement (continued)**

**(b) Fair value hierarchy (continued)**

Parent	Note	2014 \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
<b>Recurring fair value measurements</b>					
<b>Financial assets</b>					
Term deposits - held-to-maturity	20	4,673	4,673	-	-
Listed investments	20	3,353	3,353	-	-
Unquoted investments - fair value	20	5,490	-	5,490	-
Unquoted investments - historical cost	20	104	-	-	104
Investment in subsidiary - equity	23	21,289	-	21,289	-
Investment in subsidiary - loan	20	48,345	-	48,345	-
<b>Total financial assets</b>		<b>83,254</b>	<b>8,026</b>	<b>75,124</b>	<b>104</b>
<b>Non-financial assets</b>					
<b>PPE</b>					
Construction in progress	24	28,601	-	-	28,601
Land	24	497,395	-	-	497,395
Buildings	24	1,022,645	-	84,971	937,674
Plant and equipment	24	92,038	-	-	92,038
Leasehold improvements	24	1,374	-	-	1,374
Library general collections	24	19,983	-	-	19,983
Library special collections	24	6,272	-	-	6,272
Works of art	24	21,101	-	-	21,101
Infrastructure	24	80,997	-	-	80,997
Intangible assets	25	1,207	-	-	1,207
<b>Total non-financial assets</b>		<b>1,771,613</b>	<b>-</b>	<b>84,971</b>	<b>1,686,642</b>
<b>Financial liabilities</b>					
Interest rate swap	29	(3,461)	-	(3,461)	-
<b>Total liabilities</b>		<b>(3,461)</b>	<b>-</b>	<b>(3,461)</b>	<b>-</b>

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.

**41 Fair Value Measurement (continued)**

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

**(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. Not reported in 41(b).

**(iv) Borrowings**

The 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 stated at fair value by comparing the contracted rate to the current market rate for a contract with the same remaining period to maturity. No such derivatives were held in 2015 or 2014.

**(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.

**41 Fair Value Measurement (continued)**

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

The following table is a reconciliation of level 3 items for the periods ended 31 December 2015 and 2014.

**Consolidated**

Level 3 Fair Value Measurement 2015	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	28,724	497,395	937,674	96,053	1,374	19,983	6,272	21,101	80,997	1,207	1,690,884
Acquisitions	-	32,339	2,184	12,361	17,237	77	10,629	-	4	5,847	311	80,989
Transfers	(104)	(25,442)	-	10,619	8,900	199	-	-	-	5,724	-	(104)
Asset Classified as Held for Sale	-	-	(75,800)	-	-	-	-	-	-	-	-	(75,800)
Sales	-	-	-	-	(284)	-	-	-	-	-	-	(284)
Recognised in profit or loss	-	-	-	(27,241)	(19,947)	(552)	(7,911)	-	-	(4,861)	(35)	(60,547)
Recognised in other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-
Closing balance	-	35,621	495,080	958,238	101,959	1,098	22,701	6,272	21,105	88,904	1,483	1,732,461

**Level 3 Fair Value Measurement 2014**

Opening balance	104	17,527	474,600	932,000	94,403	1,347	18,677	6,038	20,245	81,679	879	1,647,499
Acquisitions	-	24,723	-	13,492	14,704	483	9,225	41	820	1,719	378	65,585
Transfers	-	(12,762)	-	4,827	5,826	-	-	-	36	2,073	-	-
Sales	-	(764)	-	-	(467)	-	(265)	-	-	-	-	(1,496)
Recognised in profit or loss	-	-	-	(26,486)	(18,413)	(456)	(7,654)	-	-	(4,472)	(50)	(57,531)
Recognised in other comprehensive income	-	-	22,795	13,841	-	-	-	193	-	(2)	-	36,827
Closing balance	104	28,724	497,395	937,674	96,053	1,374	19,983	6,272	21,101	80,997	1,207	1,690,884

**41 Fair Value Measurement (continued)**

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

**Parent**

Level 3 Fair Value Measurement 2015	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	28,601	497,395	937,674	92,038	1,374	19,983	6,272	21,101	80,997	1,207	1,686,746
Acquisitions	-	31,475	2,184	12,361	13,652	77	10,629	-	4	5,846	311	76,539
Transfers	(104)	(25,078)	-	10,619	8,536	199	-	-	-	5,724	-	(104)
Asset Classified as Held for Sale	-	-	(75,800)	-	-	-	-	-	-	-	-	(75,800)
Sales	-	-	-	-	(205)	-	-	-	-	-	-	(205)
Recognised in profit or loss	-	-	-	(27,241)	(18,606)	(552)	(7,911)	-	-	(4,860)	(35)	(59,205)
Recognised in other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-
Closing balance	-	34,998	495,080	958,238	95,415	1,098	22,701	6,272	21,105	88,904	1,483	1,725,294

**Level 3 Fair Value Measurement 2014**

Opening balance	104	17,445	474,600	932,000	90,441	1,347	18,677	6,038	20,245	81,679	879	1,643,455
Acquisitions	-	24,173	-	13,492	13,718	483	9,225	41	820	1,719	378	64,049
Transfers	-	(12,253)	-	4,827	5,317	-	-	-	36	2,073	-	-
Sales	-	(764)	-	-	(401)	-	(265)	-	-	-	-	(1,430)
Recognised in profit or loss	-	-	-	(26,486)	(17,037)	(456)	(7,654)	-	-	(4,472)	(50)	(56,155)
Recognised in other comprehensive income	-	-	22,795	13,841	-	-	-	193	-	(2)	-	36,827
Closing balance	104	28,601	497,395	937,674	92,038	1,374	19,983	6,272	21,101	80,997	1,207	1,686,746

#### 41 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

The University has transferred unquoted investments from Level 3 to Level 2 due to change in the valuation methodology from cost to fair value methodology.

(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 2015 \$'000	Unobservable inputs*	Range of inputs (probability weighted average)	Relationship of unobservable inputs to fair value
PPE- Building	958,238	Remaining useful life of assets	+/- 5%	Increase term of useful life by 5% would increase fair value by \$47.4m  Decrease term of useful life by 5% would decrease fair value by \$47.4m
Land	495,080	\$ per square metre for campus land	+/- 5%	increased in \$ per square metre by 5% would increase fair value by \$24.8m  Decrease in \$ per square metre by 5% would decrease fair value by \$24.8m

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

(iii) Valuation processes

Valuation methodology has been disclosed as part of (c) in this note.

#### 42 Employee Benefits - Unfunded Defined Benefit Superannuation Liabilities

The University contributes to three closed state pension schemes, namely the State Authorities Superannuation Scheme (SASS), the State Superannuation Scheme (SSS) and the State Authorities Non-contributory Superannuation Scheme (SANCS), which are subject to reimbursement arrangements under the Higher Education Support Act 2003.

In 2014 the Commonwealth and New South Wales Governments signed a memorandum of understanding to establish cost sharing arrangements for the State Schemes in the proportion of 78:22 between the Commonwealth and the State Government respectively.

In order to facilitate payments in accordance with this arrangement, Amendment No. 3 to the Other Grants Guidelines (Education) 2012 under the Higher Education Support Act 2003 was registered on the Federal Register of Legislative Instruments on 4 December 2014. As a consequence of this change of law, a reimbursement right was re-established for the State Authorities Non-contributory Superannuation Scheme (SANCS).

The unfunded defined benefit superannuation liabilities for the SASS, SSS and SANCS plans, as determined by the actuary as 31 December 2015 was \$545.0m (2014: \$515.4m). This amount has been reflected as a debtor in note 18 and as a liability in note 28. Refer to Note 43 for details by pension plan.

The recognition of both the asset and liability does not affect the year-end net position of the University and its controlled entities.

#### 43 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 2016 (2015: nil) aside from normal payments made under the Superannuation Guarantee Levy for those employees who are members of these funds, and a sum of \$0.7m (2015:nil) for recently retired pensioners with pensionable salary at exit that is higher than the expected notional salary. Refer to Note 33 for further details. The University does not expect to make a contribution in 2016 (2015: nil) to the Professorial Superannuation Scheme.

##### ***Pooled Funds - maturity analysis***

The expected maturity analysis of undiscounted benefit payments is as follows:

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Defined benefit obligations - 31 December 2015	32,172	32,429	96,481	536,408	697,490
Defined benefit obligations - 31 December 2014	31,828	32,172	97,123	573,769	734,892

##### ***Professorial Superannuation Fund - maturity analysis***

The expected maturity analysis of undiscounted benefit payments is as follows:

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Defined benefit obligations - 31 December 2015	1,454	1,396	3,828	8,543	15,221
Defined benefit obligations - 31 December 2014	1,517	1,472	4,118	10,745	17,852

**43 Defined Benefits Plans (continued)**

**(b) Categories of plan assets**

***Pooled Funds - key assumptions***

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

	2015 (%)		2014 (%)	
	Active Market	No Active Market	Active Market	No Active Market
Cash and Cash Equivalents	7.00	-	-	7.00
Equity instruments	46.00	9.00	49.00	8.00
Debt instruments	-	9.00	-	9.00
Property	3.00	6.00	3.00	6.00
Other	2.00	18.00	2.00	16.00
<b>Total</b>	<b>58.00</b>	<b>42.00</b>	<b>54.00</b>	<b>46.00</b>

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

	2015 %	2014 %
Discount rate(s)	2.90	2.83
Expected return on plan assets	7.80	8.30
Expected rate(s) of salary increase	2.50 - 3.50	2.25 - 3.50
Expected rate of CPI increase	2.25 - 2.75	2.50

***Professorial Superannuation Fund - key assumptions***

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

	2015 (%)		2014 (%)	
	Active Market	No Active Market	Active Market	No Active Market
Cash and Cash Equivalents	-	13.90	-	16.20
Equity instruments	54.20	-	51.70	-
Debt instruments	-	22.30	-	22.40
Other	-	9.60	-	9.70
<b>Total</b>	<b>54.20</b>	<b>45.80</b>	<b>51.70</b>	<b>48.30</b>

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

	2015 %	2014 %
Discount rate(s)	2.70	2.60
Expected rate(s) of salary increase	3.00	4.00
Pension growth rate	3.00	4.00

**43 Defined Benefits Plans (continued)**

**(c) Actuarial assumptions and sensitivity**

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

	Change in assumption	Impact on defined obligation	
		Increase in assumption	Decrease in assumption
Discount rate	1.00 %	Decrease by 9.87%	Increase by 11.81%
Rate of CPI increase	0.50 %	Increase by 5.31%	Decrease by 4.90%
Rate of salary increase	0.50 %	Increase by 0.22%	Decrease by 0.21%
Rate of pensioner mortality	0.50 %	Decrease by 0.99%	Increase by 1.00%

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

	Change in assumption	Impact on defined obligation	
		Increase in assumption	Decrease in assumption
Discount rate	0.50 %	Decrease by 4.2%	Increase by 4.5%
Salary/ pension growth rate	0.50 %	Increase by 4.5%	Decrease by 4.2%

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) Statement of financial position amounts**

		\$'000 SASS	\$'000 SANCS	\$'000 SSS	\$'000 PSF	\$'000 Total
<b>Net liability reconciliation - 2015</b>	<b>Note</b>					
Defined benefit obligation		39,571	6,333	554,710	15,221	615,835
Fair value of plan assets		(26,169)	(1,425)	(28,052)	(13,034)	(68,680)
<b>Net liability</b>	<b>28</b>	<b>13,402</b>	<b>4,908</b>	<b>526,658</b>	<b>2,187</b>	<b>547,155</b>
 <b>Reimbursement rights - 2015</b>						
Opening value of reimbursement right		9,438	4,780	501,133	-	515,351
Expected return on reimbursement rights		(520)	104	12,980	-	12,564
Remeasurements		4,484	24	12,545	-	17,053
<b>Closing value of reimbursement right</b>	<b>18</b>	<b>13,402</b>	<b>4,908</b>	<b>526,658</b>	<b>-</b>	<b>544,968</b>

**43 Defined Benefits Plans (continued)**

**(d) Statement of financial position amounts (continued)**

		\$'000 SASS	\$'000 SANCS	\$'000 SSS	\$'000 PSF	\$'000 Total
<b>Present value obligations - 2015</b>	<b>Note</b>					
Opening defined benefit obligation		39,906	7,142	550,596	17,852	615,496
Current service cost		1,234	268	364	(56)	1,810
Interest expense		1,058	191	15,216	436	16,901
		<u>42,198</u>	<u>7,601</u>	<u>566,176</u>	<u>18,232</u>	<u>634,207</u>
<b>Remeasurements</b>						
Actuarial losses/(gains) arising from changes in demographic assumptions		802	(63)	17,682	-	18,421
Actuarial gains arising from changes in financial assumptions		(7)	-	(4,516)	(1,342)	(5,865)
Experience losses/(gains)		3,169	71	(1,268)	(316)	1,656
		<u>3,964</u>	<u>8</u>	<u>11,898</u>	<u>(1,658)</u>	<u>14,212</u>
<b>Contributions</b>						
Plan participants		432	-	372	-	804
		<u>432</u>	<u>-</u>	<u>372</u>	<u>-</u>	<u>804</u>
<b>Payments from plan</b>						
Benefits (paid)		(6,907)	(1,412)	(25,923)	(1,409)	(35,651)
Taxes, premiums and expenses (paid)/received		(116)	136	2,187	56	2,263
		<u>(7,023)</u>	<u>(1,276)</u>	<u>(23,736)</u>	<u>(1,353)</u>	<u>(33,388)</u>
<b>Closing defined benefit obligation</b>		<u>39,571</u>	<u>6,333</u>	<u>554,710</u>	<u>15,221</u>	<u>615,835</u>
<b>Present value of plan assets - 2015</b>						
Opening fair value of plan assets		30,468	2,362	49,463	14,011	96,304
Interest income		804	59	1,038	346	2,247
		<u>31,272</u>	<u>2,421</u>	<u>50,501</u>	<u>14,357</u>	<u>98,551</u>
<b>Remeasurements</b>						
Return on plan assets, excluding amounts included in net interest expense		520	16	647	30	1,213
		<u>520</u>	<u>16</u>	<u>647</u>	<u>30</u>	<u>1,213</u>
<b>Contributions</b>						
Employers		966	265	268	-	1,499
Plan participants		432	-	372	-	804
		<u>1,398</u>	<u>265</u>	<u>640</u>	<u>-</u>	<u>2,303</u>
<b>Payments from plan</b>						
Benefits (paid)		(6,907)	(1,412)	(25,923)	(1,409)	(35,651)
Taxes, premiums and expenses (paid)/received		(115)	136	2,187	56	2,264
		<u>(7,022)</u>	<u>(1,276)</u>	<u>(23,736)</u>	<u>(1,353)</u>	<u>(33,387)</u>
<b>Closing fair value of plans assets</b>		<u>26,168</u>	<u>1,426</u>	<u>28,052</u>	<u>13,034</u>	<u>68,680</u>
<b>Net liability reconciliation - 2014</b>						
Defined benefit obligation		39,906	7,142	550,596	17,852	615,496
Fair value of plan assets		(30,468)	(2,362)	(49,463)	(14,011)	(96,304)
<b>Net liability</b>	28	<u>9,438</u>	<u>4,780</u>	<u>501,133</u>	<u>3,841</u>	<u>519,192</u>

**43 Defined Benefits Plans (continued)**

**(d) Statement of financial position amounts (continued)**

		\$'000 SASS	\$'000 SANCS	\$'000 SSS	\$'000 PSF	\$'000 Total
<b>Reimbursement rights - 2014</b>	<b>Note</b>					
Opening value of reimbursement right		6,008	3,243	342,138	-	351,389
Adjustment due to contribution tax assumption change		931	536	59,613	-	61,080
Expected return on reimbursement rights		(3,925)	(92)	9,017	-	5,000
Remeasurements		6,424	1,093	90,365	-	97,882
<b>Closing value of reimbursement right</b>	<b>18</b>	<b>9,438</b>	<b>4,780</b>	<b>501,133</b>	<b>-</b>	<b>515,351</b>
 <b>Present value obligations - 2014</b>						
Opening defined benefit obligation		34,960	5,862	406,786	16,509	464,117
Adjustment due to contribution tax assumption change		931	537	59,613	-	61,081
Current service cost		1,231	256	305	545	2,337
Interest expense		1,430	256	19,380	506	21,572
		<b>38,552</b>	<b>6,911</b>	<b>486,084</b>	<b>17,560</b>	<b>549,107</b>
<b>Remeasurements</b>						
Actuarial losses/(gains) arising from changes in demographic assumptions		2,045	574	80,640	1,830	85,089
Experience losses		2,166	414	5,687	478	8,745
		<b>4,211</b>	<b>988</b>	<b>86,327</b>	<b>2,308</b>	<b>93,834</b>
<b>Contributions</b>						
Plan participants		431	-	383	-	814
		<b>431</b>	<b>-</b>	<b>383</b>	<b>-</b>	<b>814</b>
<b>Payments from plan</b>						
Benefits (paid)		(3,161)	(527)	(23,514)	(1,471)	(28,673)
Taxes, premiums and expenses (paid)/received		(127)	(230)	1,316	(545)	414
		<b>(3,288)</b>	<b>(757)</b>	<b>(22,198)</b>	<b>(2,016)</b>	<b>(28,259)</b>
<b>Closing defined benefit obligation</b>		<b>39,906</b>	<b>7,142</b>	<b>550,596</b>	<b>17,852</b>	<b>615,496</b>
 <b>Present value of plan assets - 2014</b>						
Opening fair value of plan assets		28,952	2,620	64,648	13,918	110,138
Interest income		1,155	101	2,233	541	4,030
		<b>30,107</b>	<b>2,721</b>	<b>66,881</b>	<b>14,459</b>	<b>114,168</b>
<b>Remeasurements</b>						
Return on plan assets, excluding amounts included in net interest expense		2,213	105	4,038	327	6,683
		<b>2,213</b>	<b>105</b>	<b>4,038</b>	<b>327</b>	<b>6,683</b>
<b>Contributions</b>						
Employers		1,005	292	359	1,241	2,897
Plan participants		431	-	383	-	814
		<b>1,436</b>	<b>292</b>	<b>742</b>	<b>1,241</b>	<b>3,711</b>
<b>Payments from plan</b>						
Benefits (paid)		(3,161)	(527)	(23,514)	(1,471)	(28,673)
Taxes, premiums and expenses (paid)/received		(127)	(229)	1,316	(545)	415
		<b>(3,288)</b>	<b>(756)</b>	<b>(22,198)</b>	<b>(2,016)</b>	<b>(28,258)</b>
<b>Closing fair value of plans assets</b>		<b>30,468</b>	<b>2,362</b>	<b>49,463</b>	<b>14,011</b>	<b>96,304</b>

**43 Defined Benefits Plans (continued)**

**(e) Amounts recognised in other statements**

**Amounts recognised in other comprehensive income - 2015**

From 2015, the amounts recognised in the statement of comprehensive income are restricted to the Professorial Superannuation Scheme in accordance with notes 1(v) and 42. The amounts are included in retained earnings (note 30(b)).

	\$'000	\$'000	\$'000
	SANCS	PSF	Total
<b>Remeasurements</b>			
Actuarial gains arising from changes in financial assumptions	-	1,342	1,342
Actuarial gains arising from experience adjustments	-	316	316
Actual return on plan assets less interest income	-	30	30
<b>Total remeasurements in Other Comprehensive Income</b>	<b>-</b>	<b>1,688</b>	<b>1,688</b>
<b>Total amounts recognised in the Statement of Comprehensive Income</b>	<b>-</b>	<b>1,688</b>	<b>1,688</b>

**Amounts recognised in other comprehensive income - 2014**

In 2014, the amounts recognised in the statement of comprehensive income were restricted to the Professorial Superannuation Scheme and the State Authorities Non-contributory Superannuation Scheme (SANCS) in accordance with notes 1(v) and 42. The amounts are included in retained earnings (note 30(b)).

	\$'000	\$'000	\$'000
	SANCS	PSF	Total
<b>Remeasurements</b>			
Actuarial (losses) arising from changes in financial assumptions	-	(1,830)	(1,830)
Actuarial (losses) arising from experience adjustments	-	(478)	(478)
Actual return on plan assets less interest income	-	327	327
<b>Total remeasurements in Other Comprehensive Income</b>	<b>-</b>	<b>(1,981)</b>	<b>(1,981)</b>
<b>Total amounts recognised in the Statement of Comprehensive Income</b>	<b>-</b>	<b>(1,981)</b>	<b>(1,981)</b>

**(f) 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.

**Macquarie University**  
**Notes to the Financial Statements**  
**For the Year Ended 31 December 2015**

**44 Acquittal of Australian Government Financial Assistance**

**(a) Education - CGS and other Education grants**

	Commonwealth Grants Scheme <sup>#1</sup>		Indigenous Support Program		Partnership & Participation Program <sup>#2</sup>		Disability Support Program		Promo of Exc in Learning and Teaching		Improving the Quality of Maths & Science Teaching Program		Total
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Parent Entity (University) Only</b>	<b>Note</b>												
Financial assistance received in CASH during the reporting period (total cash received from Australian Government for the program)	2(g)	161,290	147,877	638	614	2,554	2,373	851	758	199	453	850	166,382
Net accrual adjustments		(3,267)	1,983	-	-	-	21	-	-	-	-	-	(3,267)
Revenue for the period	2(a)	158,023	149,860	638	614	2,554	2,394	851	758	199	453	850	163,115
Surplus from the previous year		-	-	-	-	482	324	-	-	-	388	-	482
Total revenue including accrued revenue		158,023	149,860	638	614	3,036	2,718	851	758	199	841	850	163,597
Less expenses including accrued expenses		(158,023)	(149,860)	(638)	(614)	(2,829)	(2,236)	(851)	(758)	(199)	(841)	(850)	(163,390)
Surplus for the reporting period		-	-	-	-	207	482	-	-	-	-	-	207

<sup>#1</sup> Basic CGS grant amount, CGS – Regional Loading, CGS – Enabling Loading, Maths and Science Transition Loading and Full Fee Places Transition Loading.

<sup>#2</sup> Includes Equity Support Program.

**Macquarie University**  
**Notes to the Financial Statements**  
**For the Year Ended 31 December 2015**

**44 Acquitment of Australian Government Financial Assistance (continued)**

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

	Note	HECS-HELP (Aust. Government payments only)		FEE-HELP <sup>#3</sup>		SA-HELP		Total	
		2015	2014	2015	2014	2015	2014	2015	2014
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Parent Entity (University) Only</b>									
Cash Payable/(Receivable) at the beginning of the year		1,277	4,260	1,219	(250)	64	-	2,560	4,010
Financial assistance received in cash during the reporting period	2(g)	140,979	125,937	35,952	39,316	1,765	1,779	178,696	167,032
Cash available for the period		142,256	130,197	37,171	39,066	1,829	1,779	181,256	171,042
Revenue earned	2(b)	(140,644)	(128,920)	(36,719)	(37,847)	(1,838)	(1,715)	(179,201)	(168,482)
Cash Payable/(Receivable) at the end of the year		1,612	1,277	452	1,219	(9)	64	2,055	2,560

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

**Macquarie University**  
**Notes to the Financial Statements**  
**For the Year Ended 31 December 2015**

**44 Acquitment of Australian Government Financial Assistance (continued)**

**(c) Scholarships**

		Australian Postgraduate Awards		International Postgraduate Research Scholarships		Commonwealth Education Cost Scholarships <sup>#4</sup>		Commonwealth Accommodation Scholarships <sup>#4</sup>		Indigenous Access Scholarship		Indigenous Staff Scholarships		Total	
		2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Parent Entity (University) Only</b>		<b>Note</b>													
Financial assistance received in CASH during the reporting period (total cash received from Australian Government for the program)		2(g)	6,799	6,387	510	489	99	72	66	50	72	61	-	7,546	7,059
Net accrual adjustments			-	-	-	-	-	(15)	-	(3)	-	(12)	-	-	(30)
Revenue for the period		2(c)	6,799	6,387	510	489	99	57	66	47	72	49	-	7,546	7,029
Surplus from the previous year			5,379	3,905	-	-	-	12	-	10	-	-	13	5,392	3,940
Total revenue including accrued revenue			12,178	10,292	510	489	99	69	66	57	72	49	13	12,938	10,969
Less expenses including accrued expenses			(5,320)	(4,913)	(510)	(489)	(99)	(69)	(66)	(57)	(72)	(49)	-	(6,067)	(5,577)
Surplus for the reporting period			6,858	5,379	-	-	-	-	-	-	-	-	13	6,871	5,392

<sup>#4</sup> Includes Grandfathered Scholarships, National Priority and National Accommodation Priority Scholarships respectively.

Macquarie University  
Notes to the Financial Statements  
For the Year Ended 31 December 2015

44 Acquittal of Australian Government Financial Assistance (continued)

(d) Education Research

		Joint Research Engagement		JRE Engineering Cadetships		Research Training Scheme		Research Infrastructure Block Grants		Sustainable Research Excellence in Universities		Total
		2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Parent Entity (University) Only</b>		<b>Note</b>										
Financial assistance received in CASH during the reporting period (total cash received from Australian Government for the program)	2(g)	5,759	5,815	93	71	15,451	14,648	4,274	3,967	2,993	2,656	28,570
Net accrual adjustments		-	-	-	-	-	-	-	-	-	-	-
Revenue for the period	2(d)	5,759	5,815	93	71	15,451	14,648	4,274	3,967	2,993	2,656	28,570
Surplus from the previous year		-	-	145	74	-	-	-	-	-	-	145
Total revenue including accrued revenue		5,759	5,815	238	145	15,451	14,648	4,274	3,967	2,993	2,656	28,715
Less expenses including accrued expenses		(5,759)	(5,815)	(238)	-	(15,451)	(14,648)	(4,274)	(3,967)	(2,993)	(2,656)	(28,715)
Surplus for the reporting period		-	-	-	145	-	-	-	-	-	-	145



**Macquarie University**  
**Notes to the Financial Statements**  
**For the Year Ended 31 December 2015**

**44 Acquittal of Australian Government Financial Assistance (continued)**

**(e) Australian Research Council Grants (continued)**

		Infrastructure		Projects		Total	
		2015	2014	2015	2014	2015	2014
	Note	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	2(g)	484	-	4,678	2,702	5,162	2,702
	2(e)(ii)	-	-	(56)	-	(56)	-
		484	-	4,622	2,702	5,106	2,702
		176	223	2,870	1,245	3,046	1,468
		660	223	7,492	3,947	8,152	4,170
		(616)	(47)	(3,594)	(1,077)	(4,210)	(1,124)
		44	176	3,898	2,870	3,942	3,046

**(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 for the reporting period

**Macquarie University**  
**Notes to the Financial Statements**  
**For the Year Ended 31 December 2015**

**44 Acquittal of Australian Government Financial Assistance (continued)**

**(e) Australian Research Council Grants (continued)**

**(iii) Networks and Centres and Special Research Initiatives**

**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 from the previous year

Total revenue including accrued revenue

Less expenses including accrued expenses

Surplus for the reporting period

	Note	Centres		Total Networks and Centres	
		2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
2(g)		5,399	5,417	5,399	5,417
2(e)(iii)		-	-	-	-
		<b>5,399</b>	<b>5,417</b>	<b>5,399</b>	<b>5,417</b>
		<b>3,565</b>	<b>2,714</b>	<b>3,565</b>	<b>2,714</b>
		<b>8,964</b>	<b>8,131</b>	<b>8,964</b>	<b>8,131</b>
		<b>(6,034)</b>	<b>(4,566)</b>	<b>(6,034)</b>	<b>(4,566)</b>
		<b>2,930</b>	<b>3,565</b>	<b>2,930</b>	<b>3,565</b>

**44 Acquittal of Australian Government Financial Assistance (continued)**

**(f) OS-HELP**

		<b>2015</b>	2014
		<b>\$'000</b>	\$'000
<b>Parent Entity (University) Only</b>	<b>Note</b>		
Cash received during the reporting period		<b>1,357</b>	3,017
Cash spent during the reporting period		<b>(1,877)</b>	(1,742)
Net cash received/(reimbursed)	2(g)	<b>(520)</b>	1,275
Cash surplus/(deficit) from the previous period		<b>1,233</b>	(42)
Cash surplus/(deficit) for the reporting period	26	<b>713</b>	1,233

**(g) Student Services and Amenities Fee**

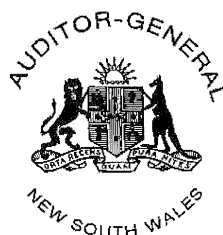
		<b>2015</b>	2014
		<b>\$'000</b>	\$'000
<b>Parent Entity (University) Only</b>	<b>Note</b>		
Unspent/(overspent) revenue from previous period		-	-
SA-HELP revenue earned	2(b)	<b>1,838</b>	1,715
Student Services and Amenities Fees from students	4	<b>3,774</b>	3,379
Total revenue expendable in period		<b>5,612</b>	5,094
Student services expenses during period		<b>(5,612)</b>	(5,094)
Unspent/(overspent) student services revenue		-	-

**45 Disaggregated information**

**(a) Geographical - Consolidated entity**

	<b>Revenue</b>		<b>Results</b>		<b>Assets</b>	
	<b>2015</b>	2014	<b>2015</b>	2014	<b>2015</b>	2014
	<b>\$'000</b>	\$'000	<b>\$'000</b>	\$'000	<b>\$'000</b>	\$'000
Australia	<b>927,434</b>	896,519	<b>20,737</b>	34,773	<b>2,843,777</b>	2,656,498
Asia	<b>2,205</b>	2,705	<b>68</b>	712	-	-
Other	-	-	-	-	-	-
<b>Total</b>	<b>929,639</b>	899,224	<b>20,805</b>	35,485	<b>2,843,777</b>	2,656,498

END OF AUDITED FINANCIAL STATEMENTS



## 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 2015, the income statement, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the statement of appointed officers 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 2015, and of their financial performance and cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (PF&A Act) and the Public Finance and Audit Regulation 2015
- comply with the 'Financial Statement Guidelines for Australian Higher Education Providers for the 2015 Reporting Period' (the Guidelines), issued by the Australian Government Department of Education and Training, pursuant to the *Higher Education Support Act 2003*, the *Higher Education Funding Act 1988* and the *Australian Research Council Act 2001*
- have been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) including complying with Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013.

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

### University Council's Responsibility for the Financial Statements

The University Council is responsible for preparing financial statements that give a true and fair view in accordance with Australian Accounting Standards, the PF&A Act, the Guidelines, the ACNC Act and for such internal control as the Council determines is necessary to enable the preparation of financial statements that give a true and fair view and 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 an 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 management, as well as evaluating the overall presentation of the financial statements.

I believe 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 carried out their activities effectively, efficiently and economically
- about the effectiveness of the 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 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.



Margaret Crawford  
Auditor-General of NSW

8 April 2016  
SYDNEY

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*Macquarie University is a vibrant hub of intellectual thinkers, all working towards a brighter future for our communities and our planet.*