



MACQUARIE
University

Annual report | 2016

VOLUME 1



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The report is also available on the University's website at mq.edu.au/about/about-the-university/governance/annual-reports



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In accordance with the *Annual Reports (Statutory Bodies) Act 1984* (NSW), Macquarie University presents to The Hon. Rob Stokes MP, Minister for Education, the following report of its proceedings for the period 1 January to 31 December 2016.

The Hon Michael Egan
CHANCELLOR

Professor S Bruce Downton
VICE-CHANCELLOR AND PRESIDENT



2016 financial summary

Consolidated

\$Million

Assets	\$3163
Income	\$1015
Australian Government financial assistance	\$475
Expenses	\$971
Employee costs	\$548



Message from the Vice-Chancellor

The past year has been one of much change and uncertainty, both in Australia and around the globe. Macquarie University has continued to grow, develop and explore the world in order to contribute to the continued prosperity of our country and communities.

Throughout 2016 we have remained focused on our core missions: the creation of new knowledge through research and enquiry, and the use of that knowledge to educate our students and society.

Last year, 538 students completed higher degrees by research, adding their unique insights to existing academic expertise and developing our understanding of science and engineering, society and the arts, health and medicine, and the economies that help to drive our world. Our funding to support these endeavours increased again this year, and I am grateful to the Australian Government, our funding bodies and the corporate partners who have helped to drive research at Macquarie University over the past 12 months.

Our research is for nothing if we do not pass on the discoveries we make to future generations and empower them to build upon it. Events such as our inaugural Macquarie Minds Showcase help us to share our work with the wider world, but it is through learning and teaching that we equip our students with the skills and abilities they will need to tackle the challenges they will face in the future.

We continued to implement the vision for learning and teaching we outlined in our strategic framework, *Learning for the Future: 2015-2020*, building capacity to deliver a futureproof student experience as we move towards the next decade. As the pace of change accelerates, we are working to ensure that all our students are able to excel, and that none are left behind. We have undertaken significant work to provide dedicated support for Indigenous students and staff, and to ensure that each student is able to fulfil their potential regardless of their cultural origins or socio-economic status.

In these pages, you will read more about our many successes, and the details of our financial stewardship over the past year. They tell the stories of individuals, teams, families, friends and colleagues, without whom none of this would have been possible. I am grateful to them for their continued faith and dedication, and to you for your interest in our University.

Professor S Bruce Dowton

VICE-CHANCELLOR AND PRESIDENT

At a glance

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 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 300 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.

Many of the best universities across the US, UK, Europe and Asia choose to partner with us, as do global organisations such as Google, Johnson & Johnson, Microsoft and Optus. Such partnerships are testament to our reputation as a university that produces research, and learning and teaching innovations, that are world class.

It is because of our reputation that we rank among the top two per cent of universities in the world and the reason why we hold a 5-star QS rating recognising that our graduates are among the most sought-after professionals in the world.

And, 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 30 of our researchers are ranked in the top one per cent in the world.

Our framework for the future – *World-leading research. 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.

INNOVATION THROUGH INGENUITY

Macquarie has a strong record of innovation. We helped develop the technology that underpins modern wifi systems. We lead the world in environmental science and the impacts of a changing climate on society and industry. We pioneered online treatments for mental health conditions, providing cost effective access to advice and support for residents of the most remote parts of our country.

Additionally, we are the only Australian university to be involved with several innovative international research projects with leading universities and organisations. These include Parkinson's disease research with The Michael J. Fox Foundation, construction of a fully synthesised yeast chromosome and the development of 5G wireless technologies. As we look to the future, we are constantly seeking new solutions to the challenges the world faces.

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; 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 2 PER CENT
of universities in the world



MORE THAN 40,000
students from more than
100 countries



MORE THAN 300
companies on campus or in the adjacent
high-tech precinct, providing access to
internship and job opportunities



MORE THAN 172,000
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 170
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



MORE THAN 17,000
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

2016 in review

January

MGSM OUTRANKS ALL OTHER AUSTRALIAN UNIVERSITIES

MGSM once again ranks Australia's top business school according to the *Financial Times*, and improves its global ranking by moving up 12 places to number 56 worldwide.

RESEARCH SHOWS ALARMS DON'T ALERT HUMPBACKS TO HAZARDS

An international team led by Macquarie researchers shows that humpback whales are not only unfazed by complex alarm sounds designed to alert them to hazards like fishing gear or shark nets, they have no response to these warning sounds at all.

AUSTRALIA DAY HONOURS

Dr Warren Marks, a Macquarie education alumnus, is awarded the Medal of the Order of Australia (OAM) in the Australia Day Honours list. He partners with Macquarie through the Leading Educators around the Planet program. He was among 13 alumni who were recognised with honours.

July

US CANCER MOONSHOT MOU

Macquarie signs a memorandum of understanding (MOU) with the prestigious US National Cancer Institute to help drive further momentum into critical cancer research. Macquarie will contribute its first-class proteomics research into melanoma and colorectal cancer.

HSC STUDY LAB HONOURED

Macquarie's HSC Study Lab is honoured at the New South Wales 2016 Australian Information Industry Association (AIIA) iAwards in the Community Services category.

\$10 MILLION FOR GREENER PUBLIC SPACES

Macquarie, in partnership with Western Sydney University, the New South Wales Government and Horticulture Innovation Australia, announces a \$10 million dollar consortium to research plant water efficiency, heat stress, and likely survival of urban plantings based on future climate predictions.

February

LEAD EXPOSURE AND IMPULSIVE BEHAVIOUR LINKED

Research by Professor Mark Taylor reveals that childhood exposure to environmental lead is linked to aggressive behaviours and death by assault.

PUBLISHING INDUSTRY STUDY

An Australian-first study of the country's book publishing industry reveals considerable innovation in response to digital disruption.

DEPARTMENT OF SECURITY STUDIES AND CRIMINOLOGY LAUNCHES

Former Prime Minister the Hon. John Howard OM, AC launches the Department of Security Studies and Criminology. It replaces the Centre for Policing, Intelligence and Counter Terrorism and reflects the Department's expanded offerings in applied security studies, particularly in cyber security and criminology.

August

MACQUARIE PARK INNOVATION DISTRICT (MPID) LAUNCHES

Macquarie partners with six other Macquarie Park based businesses – Optus, Johnson & Johnson, Abbott, Konica Minolta, NAB and AMP Capital – to launch the Macquarie Park Innovation District (MPID).

\$1 MILLION INNOVATION GRANT

The New South Wales Government awards Macquarie \$1 million to enable the development of the Macquarie University Business Innovation Centre, which will stimulate, drive and nurture innovation through process improvement and product development.

2016 ACADEMIC RANKING OF WORLD UNIVERSITIES

Macquarie is ranked as one of the world's leading institutions in the 2016 Academic Ranking of World Universities (ARWU), joined by other leading Asia-Pacific universities in the world's top 500.

March

HOBBIT ORIGINS PUSHED BACK

New research by Dr Kira Westaway from the Department of Environmental Sciences revises the date that Indonesian 'hobbit' people disappeared from Flores from 12,000 years to about 50,000 years ago.

FIRST ROBOTICS

Australia's biggest robotics competition helps boost science and technology skills in students, with more than 1000 students from around the world participating in the Australian Regional FIRST® Robotics Competition (FRC).

FULBRIGHT SCHOLARSHIP

Brian Entler from the Department of Biological Sciences is awarded a Fulbright Postgraduate Scholarship to research the honeybee brain at Macquarie. He will work with Dr Andrew Barron to examine mechanisms of choice and decision in the honeybee brain to enable the computer modelling of the insect brain.

September

YOUNG TALL POPPY SCIENCE AWARD

Anxiety and mood disorder expert Associate Professor Viviana Wuthrich is awarded for her work developing anxiety and mood treatment systems.

THE WORLD UNIVERSITY RANKINGS

Macquarie University moves into the 251–300 band in the 2016/17 UK *Times Higher Education* (THE) World University Rankings, up from the 301–350 band in 2015/16.

WIMBA SPONSORSHIP MILESTONE

Macquarie University's Graduate School of Management (MGSM)'s Women in MBA Program (WiMBA) reaches its 100 sponsorships target and raises nearly \$4 million in corporate sponsorship.

EUREKA PRIZE WIN

Professor Ewa Goldys and Dr Martin Gosnell win the 'Innovative Use of Technology' award for their colour-focused research, which is able to distinguish between healthy and diseased cells in neurodegeneration, cancer and diabetes.

April

INSIDIOUS DISEASE BREAKTHROUGH

Research by Dr Kelly Williams and Associate Professor Ian Blair from the Faculty of Medicine and Health Sciences links the cause of two seemingly unrelated diseases: motor neurone disease (MND) and frontotemporal dementia.

HONORARY DOCTORATES CONFERRED

Macquarie's April 2016 graduation series awards more than 4097 degrees, diplomas and certificates. Among the six honorary doctorates awarded, Margaret Pomeranz AM and David Stratton AM were recognised for their contributions to the film industry.

ASTRONOMER HELPS NASA SEARCH FOR NEW WORLDS

Dr Christian Schwab from the Department of Physics and Astronomy develops the optical design for NASA's NEID, a cutting-edge instrument used to find undiscovered planets outside our solar system.

October

AUSTRALIAN DIGITAL HEALTH AGENCY APPOINTMENT

Associate Professor Meredith Makeham is appointed Chief Medical Adviser to the Australian Digital Health Agency.

WOMEN IN RESEARCH CITATION AWARD

Dr Annie Lau is honoured with a Women in Research Citation Award for her research in health informatics.

PRIME MINISTER'S PRIZES FOR SCIENCE

Professor Michael Aitken from MGSM, and Gary Tilley, practicum supervisor of Macquarie's Opening Real Science program, receive Prime Minister's Prizes for Science.

INTERNATIONAL STUDENT RECOGNITION

Sumiya Sultan is awarded the 2016 NSW International Student of the Year Award in Higher Education.

THE SUBJECT RANKINGS

Macquarie ranks in the top 100 worldwide in arts and humanities, according to the 2016/17 UK *Times Higher Education* (THE) World University Rankings by subject.

May

NEXT PHASE OF CAMPUS MASTER PLAN LAUNCHED

The next phase of Macquarie's campus plan aims to connect community and business with two new commercial buildings planned for 8 and 10 University Avenue.

CYBER SECURITY HUB ESTABLISHED

Optus Business and Macquarie University join forces to establish the multi-disciplinary Cyber Security Hub, which will help businesses and government to recognise and protect themselves from increasing cyber threats.

AUSTRALIAN LAUREATE FELLOWSHIP

Professor David McAlpine, Macquarie University's Director of Hearing Research at the Australian Hearing Hub, is recognised as a 2016 Australian Laureate Fellow by the Australian Research Council (ARC). Professor McAlpine will receive \$2,468,738 towards research exploring how a sense of space is generated by the auditory brain.

November

ADDITIONAL \$1.8 MILLION FOR SCHOLARSHIPS

Macquarie announces scholarships valued at more than \$1.8 million for outstanding students in India.

ARC GRANTS AWARDED

Macquarie receives more than \$10.6 million in the latest Australian Research Council (ARC) major grants round.

ANTON HALES MEDAL

Geophysicist Associate Professor Juan Carlos Afonso wins the Anton Hales Medal from the Australian Academy of Science.

IGEM COMPETITION GOLD

A Macquarie team wins competition gold at the iGEM synthetic biology competition in Boston. Their project tackled the biological challenge of producing hydrogen gas using bacteria.

June

MACQUARIE JOINS SAGE GENDER EQUITY PILOT

Macquarie is welcomed into the Science in Australia Gender Equity (SAGE) pilot of the Athena SWAN charter of Australia.

WOMEN'S MENTORING PROGRAM

For the fourth year running, MAFC hosts its acclaimed Women's Mentoring Program in conjunction with National Australia Bank (NAB).

NSW HUMANITARIAN AWARD WINNER

Macquarie's LEAP – Macquarie Mentoring (Refugee Mentoring) Program is recognised with the NSW Humanitarian Award 2016 in Education.

QUEEN'S BIRTHDAY HONOUR

Distinguished Professor Sue O'Reilly from the Department of Earth and Planetary Sciences is admitted as a Member in to the Order of Australia in recognition for her significant service to the earth sciences.

December

INAUGURAL MACQUARIE MINDS SHOWCASE HELD

The Macquarie Minds Showcase brings together visionaries, researchers and experts to showcase the power of research to shape a positive future. The two-day event sees almost 700 attendees across the two days.

CSIRO ACCELERATOR SELECTION

Macquarie's LuciGem is one of only 10 research teams selected for CSIRO's ON Accelerate 3.

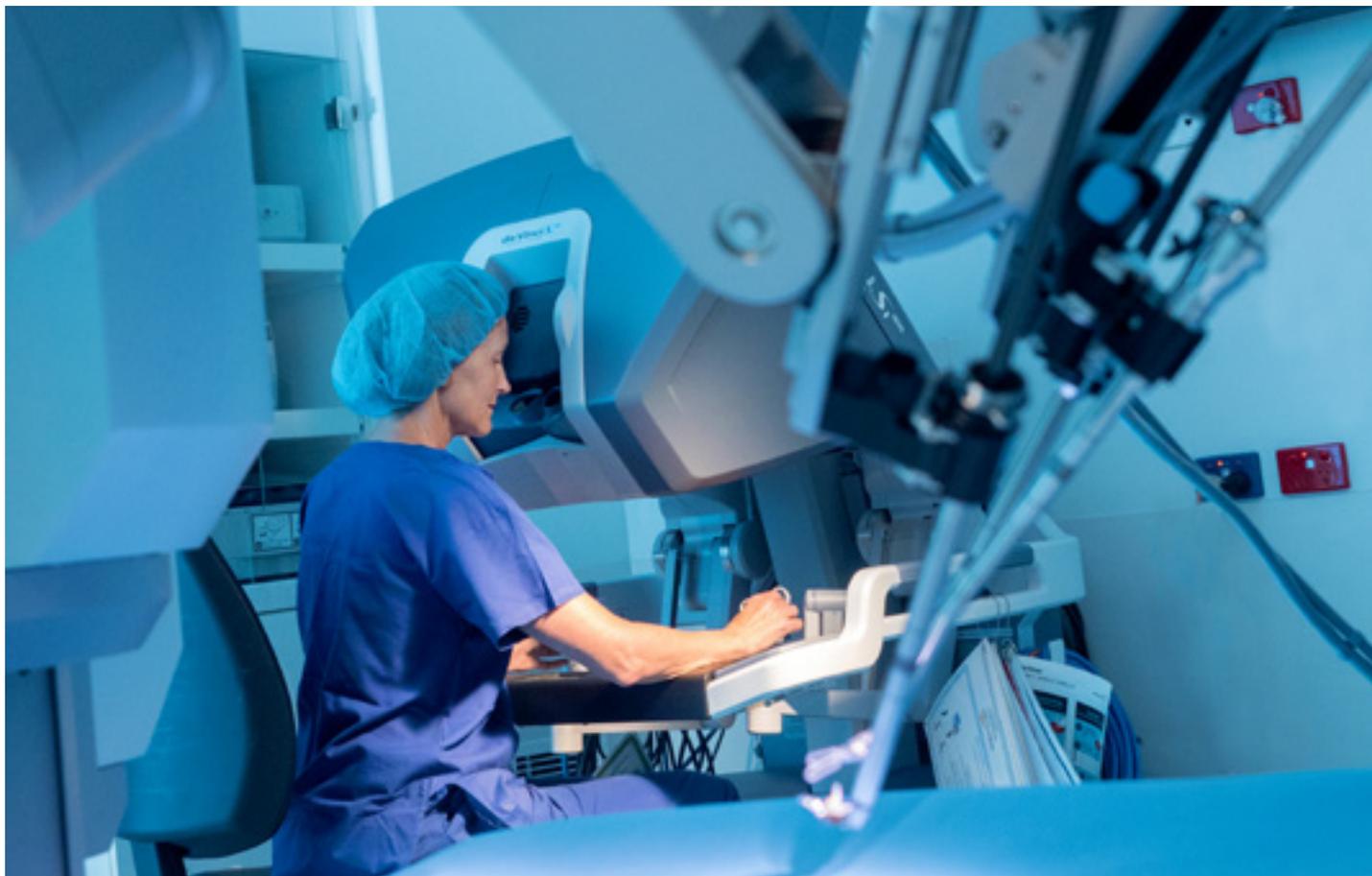
\$10.7 MILLION FOR HEALTH SYSTEMS RESEARCH

Professor Jeffrey Braithwaite and partners secure \$10.7 million in NHMRC funding to help create an adaptive and financially-effective health system.

INDUSTRY INFLUENCERS HELP OVERHAUL ACCOUNTING DEGREE

Macquarie collaborates with more than 50 industry influencers to determine how to meet the future expectations of employers.

MQ Health



Launched in September 2016, MQ Health is Australia's first university-led, integrated academic health campus. It brings together education, biomedical and translational research with state-of-the-art patient care in a single, accessible location.

Underpinned by its philosophy – Heal. Learn. Discover. – MQ Health integrates Macquarie University Hospital, the University's Faculty of Medicine and Health Sciences, Macquarie University Clinical Associates (MUCA) and clinical components of the Faculty of Human Sciences.

MQ Health draws on successful international experience showing that the best patient outcomes occur when they are at the heart of clinical care, learning and research.

HEAL

In 2016 we opened a number of MQ Health clinics, including General Practice, Cardiology, Plastic and Reconstructive Surgery, Urology, Men's Health and Lymphoedema.

These clinics are the frontline of our patient-centric care model. We coordinate our patients' needs throughout their treatment, from initial consultation through to imaging and allied health services, and inpatient hospital treatment if required. Throughout their healthcare journey, we work in partnership with patients and their families as we seek to create a better overall experience.

LEARN

Our innovative education programs provide transformative learning experiences that enrich and embolden healthcare's future leaders.

Students learn in an environment where outstanding clinical care and health and medical research is taking place, ensuring the best start to a career in healthcare or research.

We have designed innovative undergraduate and postgraduate programs that leverage our unique capabilities, including the Bachelor of Clinical Science, the Master of Public Health, higher degree research experiences and our new doctors in training program, which will provide internship positions in our private hospital.

DISCOVER

We are conducting world-leading, cross-disciplinary research in cancer, neuroscience, clinical sciences, cardiovascular, hearing, mental health, sustainable health systems, neuroscience, clinical sciences, cardiology, cognitive science and speech pathology.

We are just at the start of this journey and there is much work to be done, but the commitment and dedication of our world-leading researchers give us great hopes for the future.

Macquarie Park Innovation District



The Macquarie Park Innovation District (MPID) is Australia's premier innovation location. Home to more than 180 large international and 200 small businesses, Macquarie University, the Pop-Up Incubator and the Macquarie University Hospital, the vibrant technology park is set to revolutionise collaboration and innovation.

PARTNERING WITH INDUSTRY

MPID is an industry-led initiative, with founding members including AMP Capital, NAB, Optus, Abbott, Johnson & Johnson, Konica Minolta, the New South Wales Government, the City of Ryde and Macquarie University.

GROWTH OPPORTUNITIES

The number of employees in the MPID is set to more than triple in the next 10 years; Macquarie Centre – already the largest suburban shopping complex in New South Wales – is marked for further expansion; residential development will continue to increase; and the start-up ecosystem will intensify with the creation of new incubators, collision spaces and programs.

Through a tailored program of events, incubation programs, and activities that build links between businesses, entrepreneurs and researchers, MPID will be the catalyst that brings together diverse enterprises so they become greater than the sum of their parts.

INCUBATING INNOVATION

Set to be rolled out in three phases between 2016 and 2022, MPID was officially launched in August 2016.

As part of phase one, and supported by a \$1 million New South Wales Government grant, Macquarie's Pop-up incubator was completed in November 2016. Aimed at stimulating, driving and nurturing innovation through process improvement and product development, the incubator is home to eight start-ups.

The incubator has already hosted a range of events, including workshop sessions on financially structuring start-ups and the legal responsibilities of start-ups and their directors, as well as presentations by start-up founders sharing their journeys with workshop participants.

Other activities included a visit by Federal Minister for Industry, Innovation and Science Greg Hunt, visiting experts from Fudan presenting on Chinese business incubation, a 3D printing workshop, PACE entrepreneurship workshop and an employability workshop.

A more permanent 1500-square-metre Innovation Centre, located on the south-west of the University's campus, will be constructed and operational from mid-2017. This purpose-built facility will include flexible work spaces, an exhibition space and recreational space to promote and support engagement.

Leadership

Principal office bearers

Visitor

His Excellency General The Honourable 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
(until 4 December)

Professor Kevin Jameson, BSc (Hons) (Adel) SFFin
(from 5 December)

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

Chief Operating Officer

Dr Paul Schreier, MA Cantab, MEng Cantab, PhD Cantab
(until 29 March)

Chief Operating Officer and Deputy Vice-Chancellor

Tim Beresford, BEc (Hons) Syd, LLB Syd, MPhil Cantab, ASIA, FAICD
(from 29 February)

Chief Financial Officer

John Gorman, BBus Ku-ring-gai, MBA Rochester, FCPA, FTIA
Robin Payne, BA Cantab (from 5 December)

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

Executive Dean, Faculty of Business and Economics

Professor Mark Gabbott, BA Essex, MSc ICL, DTS UK, PhD Stir
(until 17 March)

Professor Kevin Jameson, BSc (Hons) (Adel) SFFin
(acting from 18 March)

Executive Dean, Faculty of Human Sciences

Professor Simon Handley, BSc (Psych) Card, PhD Card

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

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 Mariella Herberstein, BSc (Sydney Uni), Hons (UNSW),
Mag Rer Nat (University of Vienna), Dr Rer Nat (University of Vienna)
(from 1 May 2016)

Professor Dominic Verity, BA Cantab, PhD Cantab
(retired from University Council 30 April 2016)

Elected by and from the academic staff

Professor Catherine Dean, PhD, MA, BAppSc (Phy)

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

Deborah Hadwen, BA, MA, M CommLaw Macq, MAICD
(appointed 1 March)

Gregory Mackenzie Jones, BA Macq, MA Macq

The Hon. Sandra Christine Nori, BEc Syd

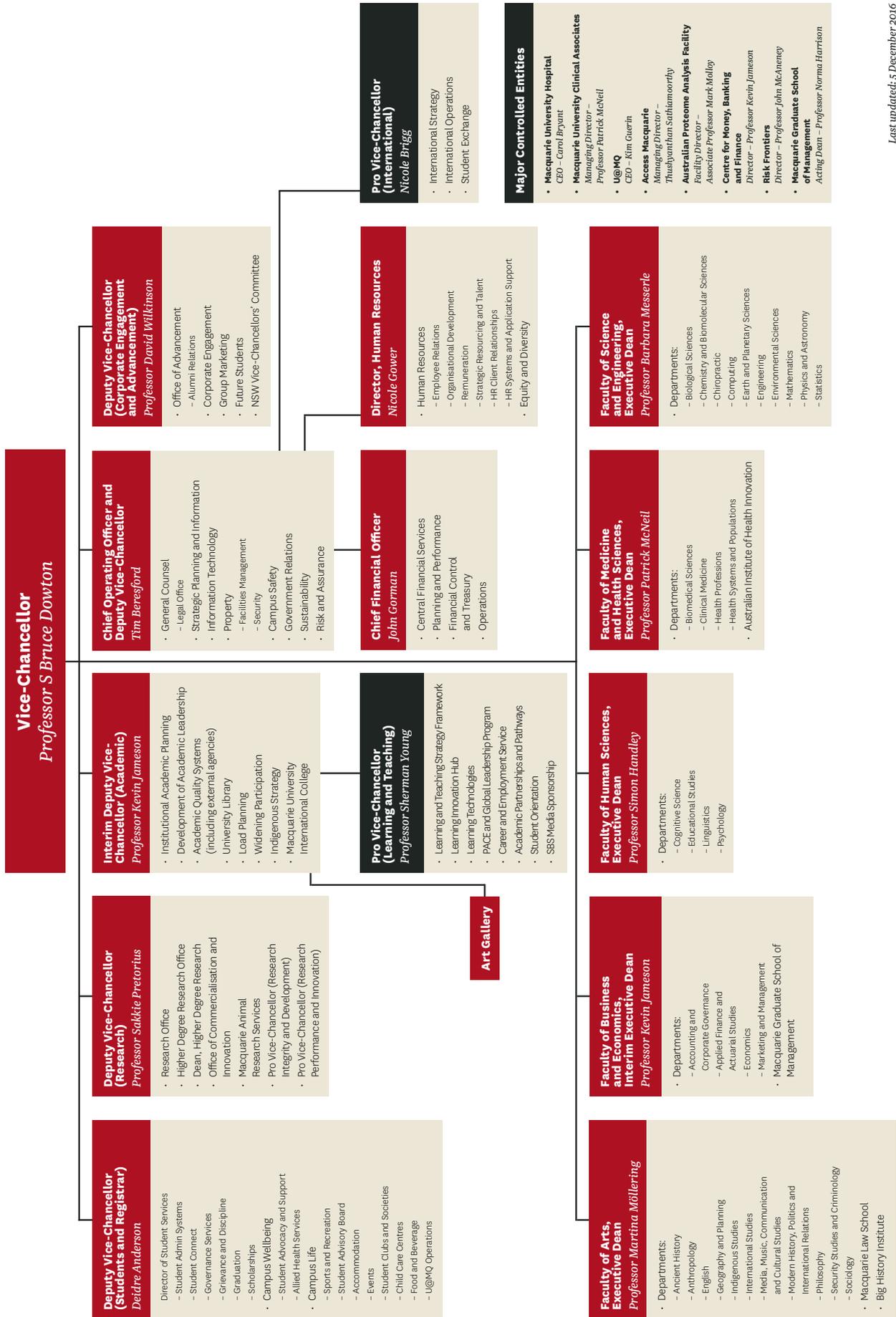
Jingmin Qian, BEc, MBA, CFA, FAICD

Appointed by the Minister for Education and Training

The Hon. Patricia Forsythe, BA, DipEd Newcastle (NSW), FAICD

Council membership as at 31 December 2016

Organisation chart



Last updated: 5 December 2016

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

In 2016, Macquarie profiled its research excellence with the inaugural Macquarie Minds Showcase. Almost 700 people attended the two-day event, which featured sessions on research, teaching and engagement.

The implementation of the *Strategic Research Framework: 2015 – 2024* was advanced further with the 2016 launch of two critical supporting frameworks – the International Research Training Partnership Framework and the Research Engagement, Impact and Commercialisation Framework. Both frameworks are fundamental to ensuring an ongoing positive trajectory for research excellence at Macquarie.

HIGHER DEGREE RESEARCH ENROLMENTS AND COMPLETIONS

In 2016, 538 higher degree research candidates completed their degrees at Macquarie, including 298 PhD/MPhil and 240 Master of Research candidates. These figures are on target and demonstrate the value of the University's commitment to the Master of Research.

FUNDING

In 2016, we reported \$67.3 million of competitive external funding earned during 2015, which is an increase of 16.22 per cent on income earned during 2014. In addition, we were awarded \$39.5 million in research block grant funding from the Australian Government in 2016, representing an increase of 10.2 per cent over 2015.

Macquarie University was also awarded more than \$12 million in grants from the National Health and Medical Research Council (NHMRC) including funding for a \$10.7 million Partnership Centre on health system sustainability, which was awarded to Professor Jeffrey Braithwaite, Director of the Australian Institute of Health Innovation, with Professor Enrico Coiera and Professor Johanna Westbrook.

RESEARCH OUTPUTS

- Publications by Macquarie researchers published in 2015 (reported in 2016) remained stable, with only a slight decrease of 0.9 per cent on 2014.
- The Faculty of Science and Engineering generated 43 per cent of research published in 2015.
- Macquarie's research published in peer-reviewed journals increased by 1 per cent in 2015, accounting for 79 per cent of all research outputs.
- Book-based research publications made up 12 per cent of research publications published in 2015.
- More than 30 researchers at Macquarie are in the top 1 per cent of scientific authors in the world (Thomson Reuters 2016).

100 PER CENT

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

5

future-shaping
research priorities

\$79.3 MILLION

in competitive
external funding

150+

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

FIRST

Australian university
to introduce the
Master of Research

137+

countries enjoying
research collaborations with
Macquarie since 2010

- More than 150 researchers at Macquarie across 17 subject areas have published research that is in the top 1 per cent of the World (Thomson Reuters 2016).
- More than 137 countries have enjoyed research collaborations with Macquarie since 2010.
- Macquarie ranks sixth in Australia for the percentage of research co-authored with other countries.

COLLABORATION AND PARTNERSHIPS

Macquarie Park-based businesses – Optus, Johnson & Johnson, Abbott, Konica Minolta, NAB and AMP Capital – along with Macquarie University and the New South Wales Government, have become founding partners in the Macquarie Park Innovation District (MPID). Building on the strengths of these founders, MPID will drive innovative solutions in health and pharmaceuticals, biotechnology and digital technology as well as business and commerce.

Macquarie University, along with Western Sydney University, the New South Wales Government and Horticulture Innovation Australia, are partnering in a \$10-million research consortium on a wide-ranging urban greening project that includes new research on plant water efficiency and heat stress, case-study demonstration sites and a website that makes it easier to select plant species across the country based on future climate predictions.

Macquarie University and Optus Business also joined forces to establish a \$10 million multidisciplinary cyber security hub to support businesses and government to recognise and protect themselves from increasing cyberthreats – refer to page 26 for more information.

MACQUARIE MINDS SHOWCASE

The inaugural Macquarie Minds Showcase brought together a diverse group of visionaries, researchers and experts to showcase the innovative power of university-led research that drives reinvention and stimulates positive change in our fast-paced world.

The two-day event demonstrated Macquarie's key strategic priorities and commitment to providing a culture of transformative learning in a research-enriched environment.

Almost 700 people attended the event, which also demonstrated how cross-disciplinary collaboration is leading to game-changing thinking in both research and learning and teaching.

The highlight of the first day of the conference was a panel discussion, *Taking discovery beyond research*. Moderated by comedian Mikey Robins, it featured experts from across the breadth of Macquarie's research strengths sharing their stories of discovery.

The second day of the conference featured stimulating presentations from researchers at the start of their career journeys. They profiled their research projects and gave audience members a unique insight into some of the inspiring research activities being undertaken at Macquarie.

Learning and teaching



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

LEARNING AND TEACHING STRATEGIC FRAMEWORK

Implementation of the *Learning and Teaching Strategic Framework: 2015–2020* is delivering 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. Key projects include the development of new approaches to employability and learning technologies, integrated student experiences, new policies and procedures (notably a new assessment policy) and making a significant contribution to the new academic promotions policy.

INDIGENOUS ACCESS, PARTICIPATION AND SUCCESS

Walanga Muru, the University's Indigenous Engagement and Strategy Office, was established to clearly distinguish between Indigenous recruitment and advancement, and academic offerings. The team is building strategic alliances and relationships that lead to improved higher education outcomes among Indigenous people. The Macquarie University Indigenous Strategy 2016 – 2025: *Baduwa (Aspire), Manawari (Discover), Djurali (Evolve)* – the University's first Indigenous strategy – was released in 2016, while our commitment to Indigenous education is highlighted through record numbers of Indigenous enrolments, graduates, and employment.

WIDENING PARTICIPATION

Towards an inclusive University, the Widening Participation (Access, Participation and Success) Strategic Framework

(2017 – 2022), was released in October 2016. Building on the University's successful LEAP (Learning, Education, Aspiration, Participation) programs, the Widening Participation Strategic Framework demonstrates Macquarie's commitment to supporting students from low socioeconomic status backgrounds to access and successfully participate in university life.

COTUTELLE PROGRAM

Our world-leading cotutelle and joint PhD program grew, with more than 50 new student and institutional agreements executed in 2016 and 136 candidates currently enrolled. To date, more than 286 doctoral students from more than 30 countries have benefited from the collaborative research opportunities the program offers. Macquarie has collaborated with over 110 institutional partners on international research training programs since 1999.

PACE (PROFESSIONAL AND COMMUNITY ENGAGEMENT)

During 2016, more than 6600 undergraduate students participated in experiential learning activities across 77 accredited PACE units. Of this total, 220 students were given the opportunity to participate in PACE international projects across the Community Development and Professional Engagement streams in Cambodia, Fiji, Germany, India, Indonesia, Japan, Malaysia, Peru, Philippines and Vietnam.

Overall, more than 2200 local, regional and international business, government and not-for-profit organisations have partnered with the University to deliver a diverse range of learning opportunities, providing reciprocal benefits both to our students and partners.

3400+students enrolled in the
Global Leadership Program**\$39.5M**

in scholarships awarded

698students awarded
international coursework
travel grants**42,747**domestic and
international students**6600+**students enrolled in
77 PACE units**9344**undergraduate and
postgraduate
degrees conferred

During the year, significant progress was made on extending the PACE initiative to include structured internships. In partnership with the Faculties of Business and Economics and Science and Engineering, the PACE team successfully applied for Strategic Initiative funding to develop a proposal for the staged introduction of undergraduate Co-op programs, beginning with Actuarial Studies (in 2018) and Engineering (in 2019).

GLOBAL LEADERSHIP PROGRAM

In 2016, the Macquarie Global Leadership Program (GLP) provided more than 3400 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. Study Abroad and Exchange students undertaking the Global Leadership Certificate increased by more than 50 per cent from 2015, with 361 students participating. The GLP currently brings together 2623 domestic, 829 international and 157 Study Abroad students.

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

In 2016 there was a significant increase in applications and conversions to offers, indicating that this entry program is gaining popularity and that we are attracting high-quality candidates.

Across the year the GLP team developed, organised and ran 13 keynote speaker events and off-campus tours. These events engaged approximately 1300 GLP and GLEP students both on and off campus. Two new workshops were developed and facilitated on STEM issues and five new workshops were introduced, on topical subjects such as global indigenous cultures.

MACQUARIE UNIVERSITY INTERNATIONAL COLLEGE

In its first full year of operation, Macquarie University International College enrolled just over 1000 students into both foundation and diploma programs, 23 per cent above expectation. The College has three intakes a year – in February, July and October – and successful students have now progressed into more than 30 different undergraduate programs at the University.

SCHOLARSHIPS

Five hundred and eighty-six equity scholarships were awarded to domestic students on the basis of financial need or other hardship. In 2016, 698 Macquarie students were awarded international coursework travel grants through Macquarie International. Additionally, 572 students received Vice-Chancellor's international scholarships.

Engagement and advancement



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

PHILANTHROPY

Philanthropic support for the University grew yet again in 2016, helped by our biggest gift ever: a \$2 million donation to enable students to gain international experience and participate in exchange programs. A record 8944 supporters made donations to the University. The proportion of alumni giving rose considerably, and more than a quarter of those called by current students chose to make a donation. We are also extremely grateful to the 466 New South Wales fire fighters who took on the challenge of climbing the 1504 stairs of the Sydney Tower Eye, raising more than \$500,000 to support MND research.

The Art Gallery collection grew significantly through dozens of donated works – enough to be able to completely fill the gallery for a dedicated exhibition.

A new senior volunteer program was launched in Hong Kong for some of our closest friends and most generous supporters. The Vice Chancellor and President's Circle Asia will be followed by similar groups in Australia, Europe and North America.

ALUMNI

Alumni outreach activities also grew in 2016. These included an increase in the range of benefits available to alumni; thought leadership and networking events in New York, London, Hong Kong, Beijing, Shanghai, Singapore, Brisbane, Canberra and Melbourne featuring Macquarie alumni as guest speakers; and a range of print and electronic

communications that individuals could select according to their 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 172,000 across 142 countries.

OFFICE OF CORPORATE ENGAGEMENT

The University continued to strengthen and expand relationships with corporate partners during 2016. Active engagements are now in place with more than 90 companies, increasing from 50 in 2015. These partnerships have resulted in placement opportunities for our students in organisations such as Accenture, Abbott, Astra Zeneca and Nestle.

Google's contributions during the year totalled over \$700,000 to support FIRST Robotics and the Robots in the Outback initiatives. Optus has invested \$5 million to create the Optus Macquarie University Cyber Security Hub, which takes a holistic approach to cyber security, offering education and workforce development services, research and thought leadership events.

AWARDS AND RECOGNITION

Once again Macquarie alumni have shone in the Australia Day Honours list, with 13 alumni recognised this year. Honorary doctorates were also awarded to:

- Richard Ackland AM, in recognition of his long-serving contribution to journalism and law
- Laklak Burarrwanga, an inspiring Yolŋu Elder from North East Arnhem Land with a distinguished record of contributing to research, higher education and the wider community

\$9,746,219

donated by our supporters

8944

donors

172,000alumni in more than
140 countries**4977**phone conversations
between alumni
and students**\$2 million**

largest ever gift

493tier one media stories
generated

- Tonia Godhard AM, for her inveterate, unwavering advocacy and support for young children and early childhood education
- Ray Jackson (posthumous Doctor of Letters), recognising his contributions to Indigenous social justice
- Emeritus Professor John Melville-Jones, recognising his contributions in ancient history
- Dr Ian Pollard, recognising an esteemed business career that has seen Dr Pollard direct 30 companies across a variety of sectors in 30 years
- Margaret Pomeranz AM, and David Stratton AM, recognising their contributions to the film industry
- Professor John Thompson AO, for selfless service and inspirational leadership to the Australian community and worldwide over many decades as a surgeon, clinical investigator, educator, researcher and mentor in the fields of melanoma, soft tissue sarcomas and transplantation medicine
- Emeritus Professor David Weisbrot AM, recognising his contributions to law reform in relation to health and medical research.

SOCIAL AND DIGITAL MEDIA

In 2016, 493 tier one media stories were generated. Macquarie had the highest proportion of media release-generated coverage (31.5 per cent) of the top six universities and the highest amount of favourable coverage (81.5 per cent) compared with other universities. Macquarie was the fourth most prominent competitor by share of voice. During the year 1645 pieces of content were generated across all social media channels,

including 683 research posts. Macquarie's social media channels gained 395,153 new fans. The University's main Facebook page is estimated to have organically reached 10,958,109 people during the year, while our Twitter feed received 3,156,700 impressions.

COMMUNITY OUTREACH

Macquarie hosts a range of activities to engage the broader community each year. Activities hosted in 2016 include:

- the Backpack to Briefcase (B2B) Series, a bi-annual event to assist recent Macquarie graduates and final year students transition into a successful and efficient career path.
- a thought leadership networking lunch hosted by Phil Ruthven AM and Dr Robert Kay, which explored Australia's economic development and human capital.
- the Centre for Environmental Law's annual lecture series, delivered by the Hon. Rob Stokes, then NSW Minister of Planning.
- the 2016 Tony Blackshield Lecture and Alumni Reception, an annual lecture series honouring Emeritus Professor Tony Blackshield AO and his contributions to the Macquarie Law School community.
- the Global Alumni Impact Series (GAIS), featuring Professor David McAlpine, discussing the latest developments in hearing loss.
- the annual Centre for Agency, Values and Ethics (CAVE) public lecture, with guest speaker David Matas exploring the topic of organ transplantation abuse.

Investing in our future



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 companies that support and further the research aims of the University.

TRANSFORMING THE CAMPUS

As part of the continued rollout of the campus master plan, two new office buildings at 8 and 10 University Avenue are planned. Adjacent to the new library, Cochlear Headquarters and the Australian Hearing Hub, the proposed buildings will further the University's collaboration with commercial partners as part of a long-term vision to bring strategic stakeholders onto campus and establish an innovation nexus in one of Australia's largest business park precincts. The proposed developments will each have a net lettable area of 25,000 square metres.

The gateway precinct, which includes the Herring Road university entrance, is also being redeveloped, with changes to the Herring Road entry designed to improve pedestrian and vehicular access and movement within the site.

Plans progressed on the redevelopment of the Central Courtyard, with a new food, beverage, event and social precinct being established to temporarily replace the Hub and Central Courtyard once construction begins at the end of Session 1, 2017.

The renewal of E7A (12 Wally's Walk) to incorporate a rooftop space, a contemporary entry and atrium linking E7A and E7B continued. The atrium extension includes a café and student spaces and will contribute to the creation of a more vibrant and sustainable campus, while the rooftop development will also provide a multi-function seminar space.

Building on our vision to serve the world through innovation, Macquarie opened its first pop-up incubator on campus. Made possible by funding from the New South Wales Department of Industry, Skills and Regional Development through the Boosting Business Innovation Program, the pop-up incubator is a space for students, researchers and staff who are working on research or an idea that can be commercialised.

MACQUARIE UNIVERSITY CITY CAMPUS

Macquarie's new purpose-built teaching and meeting facility in the heart of the Sydney CBD was completed and will be used by Macquarie Applied Finance Centre (MAFC), the Faculty of Business and Economics (FBE) and Macquarie Graduate School of Management (MGSM) for their postgraduate courses.

IT SYSTEMS

As part of our commitment to deliver transformative teaching and learning experiences and to support excellence and innovation in research, we undertook an extensive review of IT across the University. The IT department has embarked on a multi-year strategic implementation plan based on review findings.

A new structure for IT was implemented to shift from a product focus to one that is service-oriented and client-focused. The new structure provides the necessary skills and capabilities to deliver IT services, systems and functions that will support the University's strategic direction and operational needs.

Macquarie's web transformation project continued, with the aim of significantly enhancing the user experience on the public website and staff and student portals. The project addresses not only

1

new gender equity strategy

15

outstanding staff receive awards for excellence in teaching and learning

1

New South Wales humanitarian award

1

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

3221

academic and professional staff

1

new Macquarie University City Campus opened

design, content and technology components, but also Macquarie's digital governance, culture and communications.

In early 2016, the University made the decision to procure a new research management system, which will be delivered in 2017. This new system will manage the research life cycle and also provide an outward-facing public portal. One of the system's main features is its ability to showcase a researcher's publications, discipline expertise, HDR supervision experience, grants, projects, citations and other metrics as well as important collaborations. The new system will also help the University to meet its statutory reporting obligations.

TRANSFORMING OUR WORKFORCE

The University formed the Gender Equity Strategy Committee under the leadership of the Deputy Vice-Chancellor (Research) and Director of Human Resources. The Committee launched the draft *Macquarie University Workplace Gender Equity Strategy* in December 2016, for consultation and feedback from the university community.

Macquarie University was selected as one of 40 Australian universities and research organisations to participate in the Science in Australia Gender Equity (SAGE) pilot of the Athena SWAN Charter, which aims to improve the promotion and retention of women and gender minorities in science, technology, engineering, mathematics and medicine.

In 2016 we continued to implement the *Disability Action Plan 2012-2017* (DAP) and a progress review was conducted to inform the drafting of a new DAP in 2017.

As an accredited White Ribbon Workplace, the University continued to develop and implement initiatives to prevent and respond to violence against women, and to support any staff who are affected by domestic and family violence. 'Domestic violence and the workplace' workshops were provided for managers and staff, and more than 250 people attended our White Ribbon Day event.

Employment equity goals for 2017 include:

- providing opportunities for managers and staff to develop awareness and understanding of workforce diversity and inclusion issues
- finalising the Workplace Gender Equity Strategy and implementing the 2017 action plan
- participating in the SAGE Pilot of the Athena SWAN program to progress gender equity in STEM disciplines
- identifying DAP priorities and goals for diversity and inclusion of people with disabilities in the workplace
- developing and implementing a mature-age workforce plan
- supporting the Australian Human Rights Commission's 'Racism. It stops with me campaign' and promoting workplace cultural diversity and inclusion.

Other workforce transformation initiatives may be found in the Human Resources section on page 34.

Our students



In 2016, Macquarie continued to work towards our objective of being the best university in Australia for student experience.

STUDENT GROUPS AND SPORTING CLUBS

Created and run by students, Macquarie's approximately 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 Spatial 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, we offer support services to students from culturally diverse backgrounds, those 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

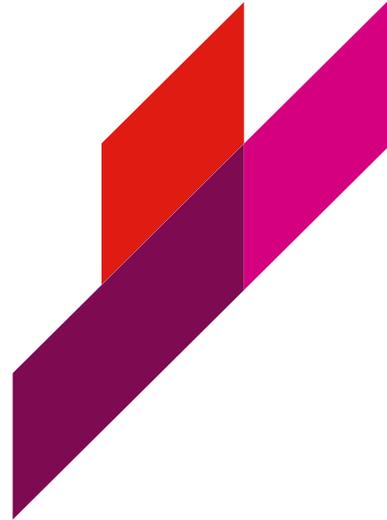
The Career and Employment Service helps students prepare résumés, identify career options and connect students and graduates with employers and industry bodies.

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 HEADCOUNT

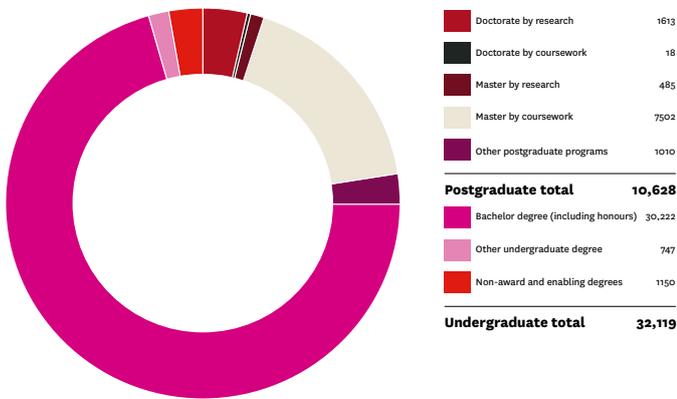
In 2016, 42,747 students were enrolled at Macquarie University, an increase of 2539 (6.31 per cent) students compared with 2015.

There was an increase of 1435 international students compared with 2015, while domestic student enrolments increased by 1104 over the same period.

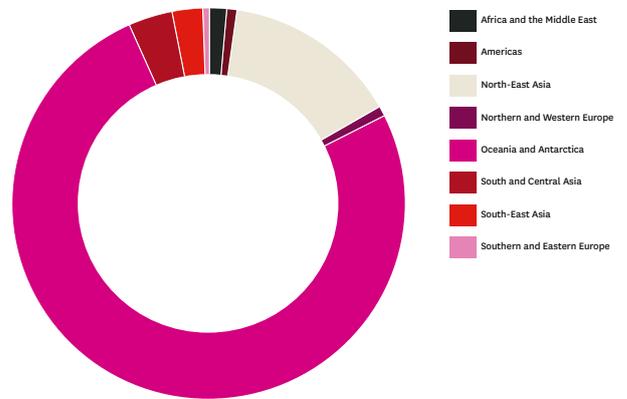
There were 10,083 international students from 116 countries, making up 23.6 per cent of students. Of these, 887 students were enrolled in the University's pathway college and 284 students in offshore programs in China, Hong Kong, Korea and Singapore.

The University's total equivalent full-time student load in 2016 was 31,319.6, an increase of 2492.9 (8.6 per cent) over 2015. Of the total student load, 80 per cent was in undergraduate courses and 20 per cent in postgraduate courses.

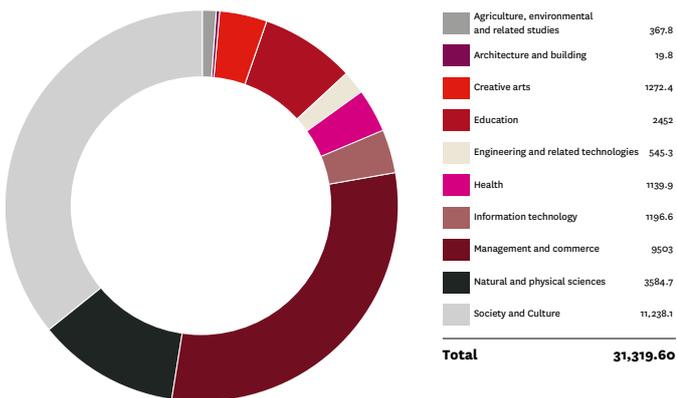
Enrolments by program level 2016



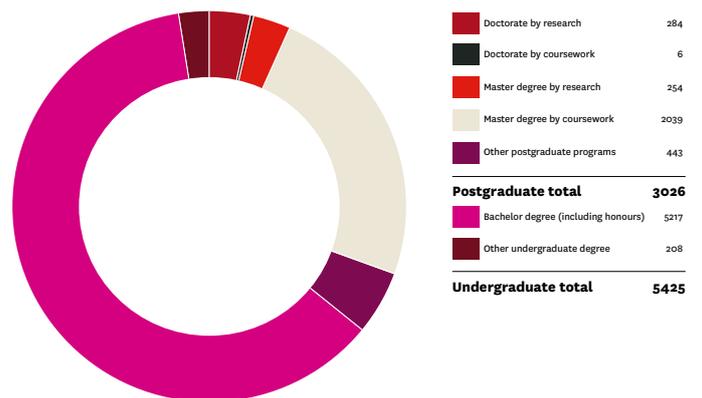
Enrolments by home location 2016



Student load by discipline 2016

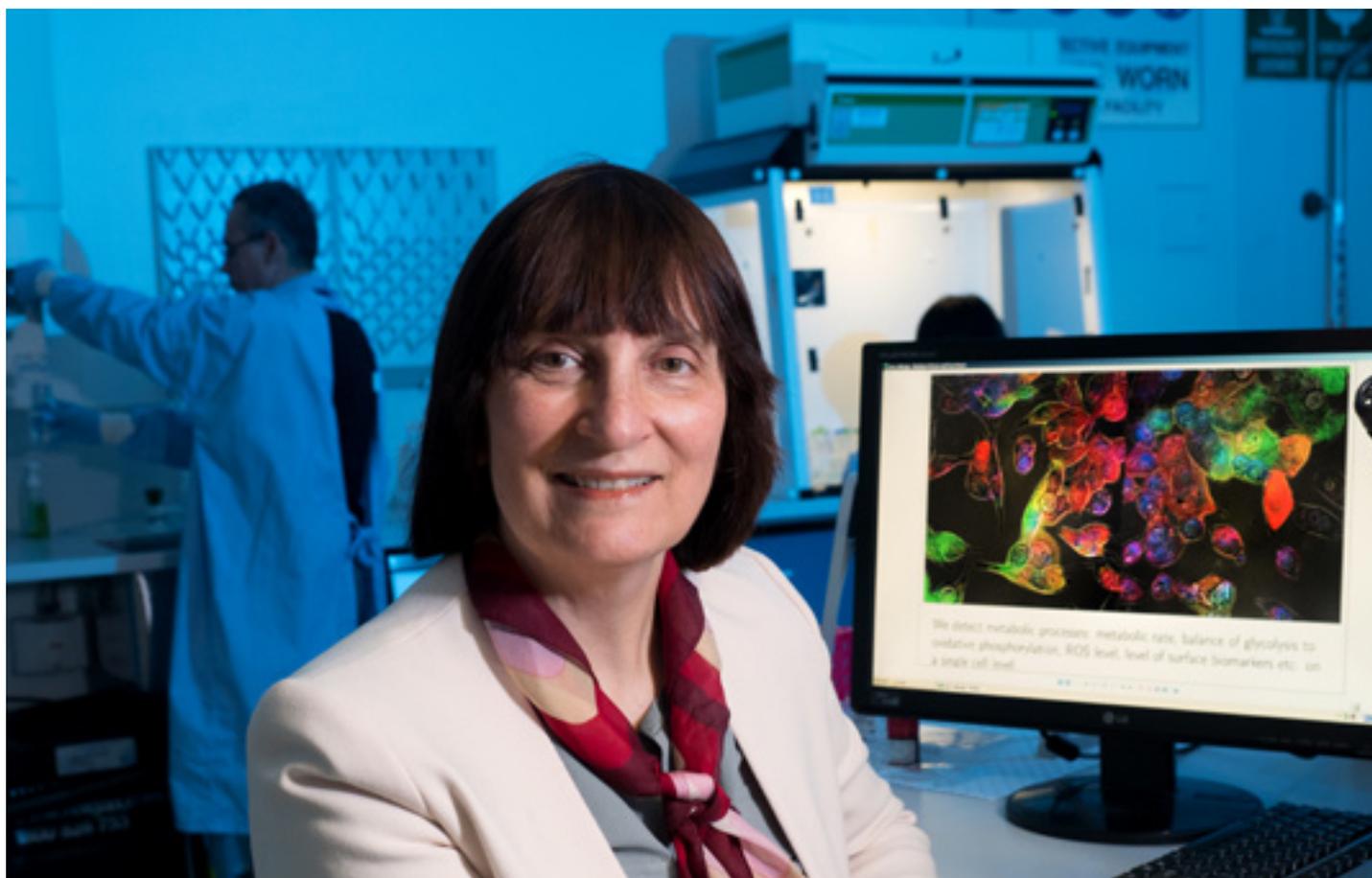


Student awards 2016



Note: The 2016 student awards figures are preliminary and subject to change.

Awards, honours and rankings



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 and international rankings.

VICE-CHANCELLOR'S LEARNING AND TEACHING AWARDS

VICE-CHANCELLOR'S AWARDS FOR PROGRAMS THAT ENHANCE LEARNING

Associate Professor Barbara Griffin, Dr Ben Searle, Dr Monique Crane, Linda Yeomans and Professor Mark Wiggins, Department of Psychology.

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

- Dr Stephen Collins, Department of Media, Music, Communication and Cultural Studies
- Dr Tanya Evans, Department of Modern History, Politics and International Relations
- Corrinne Franklin, Department of Indigenous Studies
- Dr Julie-Anne Long and Dr Jon Burt, Department of Media, Music, Communication and Cultural Studies
- Dr Meena Chavan, Department of Marketing and Management
- Dr Andrew Davidson and Mary Simons, Department of Clinical Medicine

VICE-CHANCELLOR'S AWARDS FOR TEACHING EXCELLENCE

- Jean Brick, Department of Linguistics
- Dr Taryn Jones, Department of Health Professions

VICE-CHANCELLOR'S EXCELLENCE AWARDS FOR PROFESSIONAL STAFF

COLLABORATION AND CONNECTION CATEGORY

- Leigh Staas, Department of Biological Sciences
- Human Sciences team (Lisa Yen, Colm Halbert, Linda Schofield, Shiree Heath, Robin Blumfield)

INNOVATION AND PROCESS IMPROVEMENT CATEGORY

Marcus Bingemann, Macquarie International

OUTSTANDING SERVICE CATEGORY

Wendy Southwell, Department of Earth and Planetary Sciences

EXTERNAL AWARDS AND HONOURS

ACODE AND PEARSON AWARD FOR INNOVATION IN TECHNOLOGY ENHANCED LEARNING

Dr Yvonne Breyer and team, for the KickStart project, an innovative online early engagement tool to support student success.

ANTON HALES MEDAL

Associate Professor Juan Carlos Afonso, Department of Earth and Planetary Sciences, for his research on the internal constitution of the Earth and plate tectonics.

AUSTRALIAN FINANCIAL REVIEW (AFR) HIGHER EDUCATION AWARDS FINALISTS

- The LEAP – Macquarie Mentoring (Refugee Mentoring) Program, in the Equity and Opportunity category.
- The Department of Chemistry and Biomolecular Sciences' National Indigenous Science Education Program (NISEP), in the Community Engagement category.

CANCER INSTITUTE NSW PREMIER'S AWARD FOR OUTSTANDING CANCER RESEARCH

Dr Natalie Taylor, for a Translational Cancer Research Network (TCRN) project aimed at improving referral and genetic testing rates of patients at risk of Lynch Syndrome.

EUREKA PRIZE

Professor Ewa Goldys, Deputy Director of the ARC Centre of Excellence for Nanoscale BioPhotonics (CNBP), together with CNBP research affiliate Dr Martin Gosnell, won the ANSTO 'Innovative Use of Technology' award.

NEW SOUTH WALES 2016 AUSTRALIAN INFORMATION INDUSTRY ASSOCIATION (AIIA) AWARDS

The HSC Study Lab, an online resource designed to help high school students in years 11 and 12, in the Community Services category.

NEW SOUTH WALES HUMANITARIAN AWARDS

The Learning, Education, Aspiration, Participation (LEAP) – Macquarie Mentoring (Refugee Mentoring) Program, in the education category.

NEW SOUTH WALES INTERNATIONAL STUDENT OF THE YEAR AWARD IN HIGHER EDUCATION

Sumiya Sultan, who graduated from Macquarie with Bachelor of Engineering with Honours in Electronics.

OFFICE OF LEARNING AND TEACHING NEW SOUTH WALES AWARD: CITATION FOR OUTSTANDING CONTRIBUTIONS TO STUDENT AND LEARNING

Dr Rowan Tulloch, Department of Media, Music, Communication and Cultural Studies, for his innovative teaching using video game logic and mechanics.

OPTUS FUTURE MAKERS AWARD

Dr Rowan Tulloch, Department of Media, Music, Communication and Cultural Studies, for his 'Game Change' software.

PRIME MINISTER'S PRIZES FOR SCIENCE

- Professor Michael Aitken, Macquarie Graduate School of Management, was awarded the 2016 Prime Minister's Prize for Innovation for his work creating and commercialising tools that are making global markets fair and efficient.
- Gary Tilley, Seaforth Primary School teacher and practicum supervisor of Macquarie's Opening Real Science program, received the Prize for Excellence in Science Teaching in Primary Schools.

WOMEN IN RESEARCH CITATION AWARD

Dr Annie Lau, Australian Institute of Health Innovation (AIHI), for her research in health informatics.

YOUNG TALL POPPY SCIENCE AWARD

Associate Professor Viviana Wuthrich, Department of Psychology, for her work on developing anxiety and mood treatment systems.

OTHER HONOURS

Associate Professor Meredith Makeham, Centre for Health Systems and Safety Research at AIHI, was appointed Chief Medical Adviser to the Australian Digital Health Agency.

AUSTRALIA DAY HONOURS

Recipients included Macquarie alumni Richard Ackland AM, Dr Stephen Giugni OAM, Mark Greenhill OAM, Dr Ronald Holt OAM, Kim Jacobs AM, David Liddy AM, Dr Warren Marks OAM, Rosemary Milkins PSM, Philip Moss AM, Dr Mary O'Kane AC, Monica Saville OAM, Peter Ward OAM, and Dr Paul Whiting OAM.

AUSTRALIAN LAUREATE FELLOWSHIP

Professor David McAlpine, Director of Hearing Research at the Australian Hearing Hub, was announced as a 2016 Australian Laureate Fellow by the ARC.

FULBRIGHT SCHOLARSHIP

Brian Entler, Department of Biological Sciences, awarded a Fulbright Postgraduate Scholarship to research mechanisms of choice and decision in the honeybee brain.

JEAN ARNOT MEMORIAL FELLOWSHIP

Emma Lawler, Macquarie University Library, for her paper discussing ways of supporting staff to build their skills in new media literacy.

QUEEN'S BIRTHDAY HONOURS

Distinguished Professor Sue O'Reilly AM, Department of Earth and Planetary Sciences, admitted as a Member of the Order of Australia.

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: accounting and finance, communication and media studies, earth and marine sciences, education, English language and literature, geography, linguistics, philosophy and psychology.

Optus Macquarie University Cyber Security Hub



Macquarie University and Optus have joined forces to establish a multidisciplinary cyber security hub to help businesses and government to recognise and protect themselves from increasing cyber threats.

Launched in mid 2016, the Optus Macquarie University Cyber Security Hub represents a \$10 million joint investment and promotes cross-disciplinary and multi-partner collaborations that build more secure cyber infrastructure, a skilled workforce, better intelligence and improved policy and business practices.

It offers a platform for exchange between academics and practitioners from business and government, and aims to meet the growing market and demand for cyber security expertise among new graduates as well as existing employees.

THOUGHT LEADERSHIP

Our mission is to become recognised as a global thought leader in cyber security by building on our research excellence and impact in the field. Bringing together leaders from government, regulatory bodies, corporates, start-ups, SMEs, educators and researchers, we will identify and confront grand challenges, brainstorm new approaches and co-create knowledge.

The Cyber Security Hub's thought leadership program includes the publication of white papers and reports, and hosting and participating in a wide range of events including seminars and workshops, as well as our high-profile international annual forum in cyber security.

RESEARCH AND INNOVATION

The Cyber Security Hub draws on the expertise of 30 researchers in the fields of computing, business, criminology, law and psychology. It also draws on links with other leading research and innovation centres locally and internationally, including Data61, Macquarie Park Innovation District, University of New South Wales, La Trobe University, Nanyang Technological University in Singapore, and Be'er Sheva Advanced Technologies Park in Israel.

SKILLS AND EDUCATION

One of the most effective ways for businesses and government agencies to improve cyber security is to increase the awareness and skills of leaders, managers and employees. The Optus Macquarie University Cyber Security Hub offers a program of tailored professional short courses, while the University offers several undergraduate, postgraduate and research degrees in cyber security.

HUB MEMBERSHIP

Membership of the Cyber Security Hub is available to organisations from the private and public sectors within Australia and globally. Through membership of the Advisory Group, partner organisations help shape the strategic directions of the hub and help us to ensure our programs in thought leadership, skills and education, research and innovation, and cross-sector collaboration are rooted in real-world issues.

Macquarie University Seawater Facility



Macquarie is home to the largest animal behaviour research group in the Southern Hemisphere, including 12 academics, 44 PhD and nine Master of Research students. Our researchers are becoming increasingly well known for their marine behavioural research.

RESEARCH BREAKTHROUGHS

In the past year, Macquarie researchers have studied whether fish risk-taking behaviour and social interactions change in the presence of microplastic pollutants; Port Jackson sharks' surprisingly long breeding migrations, their personality differences and responses when exposed to unfamiliar environments and stressful situations; the social lives of spotted wobbegong sharks; migratory habits of great white sharks; shark deterrents; and the spread and impact of coral bleaching.

Other noteworthy research included using elephant seals to help scientists show that fresh water from Antarctic's melting ice shelves slows the processes responsible for the formation of deep-water ocean currents that regulate global temperatures; cuttlefish fighting strategies; goby behaviour; and humpback whales' lack of response to complex alarm sounds designed to alert them to hazards like fishing gear.

There is a considerable media appetite for marine research news from Macquarie, with stories widely reported and Macquarie researchers regarded as accessible experts across conservation, fisheries, climate change, coral reefs, marine mammals, animal behaviour, and marine biology.

INNOVATIVE FACILITY

The recently opened seawater facility supports both academic research and undergraduate teaching in environmental and life sciences. The facility is used by Macquarie's marine scientists and their research partners to conduct controlled experiments and to temporarily house marine specimens.

Undergraduate students learning about the biology, chemistry, and ecology of marine organisms are given the opportunity to get a closer look at live examples of marine plants and invertebrate animals that are commonly seen, and those that are often overlooked, in the Sydney Harbour region.

Seawater is collected from Sydney Harbour and then filtered to remove impurities before being added to the storage facility. Animals can be kept in a variety of conditions with temperatures ranging from 12 to 35°C, pH levels from 7.4 to 8.1 and salinity levels from 0 to 35 parts per thousand, and will be used to assess particular species' responses to climate change and ocean acidification.

Plans to increase the size of the facility to allow researchers to work on larger animals such as adult sharks are in negotiation.



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 18 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 2016)

Chancellor

Elected pursuant to section 8h of the Act

The Hon. Michael Rueben Egan AO, BA Syd, FAICD
Current term to 28 February 2020

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 Mariella Herberstein, BSc (Sydney Uni), Hons (UNSW),
Mag Rer Nat (University of Vienna), Dr Rer Nat (University of Vienna)
(appointed 1 May 2016)

Professor Dominic Verity, BA Cantab, PhD Cantab
(retired from University Council 30 April 2016)

Elected by and from the academic staff

Pursuant to section 8d of the Act

Professor Catherine Dean, PhD, MA, BAppSc (Phy)
Current term to 31 December 2017

Professor Richie Howitt, BA (Hons), Dip Ed Ncle, PhD UNSW, PGCert
Ed Lship Macq
Current term to 31 December 2017

Professor Deb Kane, BSc (Hons) Otago, PhD St Andrews
Current term to 31 December 2017

Elected by and from the non-academic staff

Pursuant to section 8d of the Act

Leanne Denby, BA
Current term to 31 December 2018

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 FRICS
Current term to 31 August 2017

Chum Darvall, BA Macq, F Fin, FAICD
Current term to 31 December 2020

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 30 June 2018

Deborah Hadwen, BA, MA, M CommLaw Macq, MAICD
(appointed 1 March 2016)
Current term to 29 February 2020

Gregory Mackenzie Jones, BA Macq, MA Macq
Current term to 30 June 2018

The Hon. Sandra Christine Nori, BEc Syd
Current term to 30 June 2018

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), FAICD
Current term to 31 December 2020

MEMBERS' ATTENDANCE AT MEETINGS

Council	A	B
The Hon. Michael Egan	6	5
Ms Elizabeth Crouch	6	6
Professor S Bruce Dowton	6	6
Professor Mariella Herberstein	4	3
Mr Kieren Ash	6	2
Mr Brendan Crotty	6	4
Mr Chum Darvall	6	4
Professor Catherine Dean	6	6
Ms Leanne Denby	6	5
The Hon. Patricia Forsythe	6	5
Ms Deborah Hadwen	5	5
Professor Richie Howitt	6	6
Mr Gregory Jones	6	6
Professor Deborah Kane	6	6
The Hon. Sandra Nori	6	5
Ms Jingmin Qian	6	6
Professor Dominic Verity	2	2
Mr John Wigglesworth	6	5
Mr Frank Zipfinger	6	4

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

Principal activities

Principal continuing activities of the consolidated entity during 2016 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 2016 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
- regular review of key risks
- approval of key compliance reports including the *Macquarie University Annual Report 2015*
- approval of the 2017 Consolidated Budget and 2017 Capital Management Plan
- approval of the conferral of various honorary awards
- approval of updated Delegations of Authority
- receipt of presentations on the Faculty of Science and Engineering, the University's marketing and advancement strategies, research framework, information technology strategy, campus development strategy and the 2017 University budget and capital plan, and
- receipt of seminars on international rankings, innovation and Macquarie International.

Compliance with the Voluntary Code of Best Practice for the Governance of Australian Universities

In accordance with Clause 14 of the Voluntary Code of Best Practice for the Governance of Australian Universities (the Code), Macquarie University advises that it is in full compliance with the Code.

Legal affairs

CHANGES TO ACTS AND SUBORDINATE LEGISLATION

AUSTRALIAN CHARITIES AND NOT-FOR-PROFITS COMMISSION (CONSEQUENTIAL AND TRANSITIONAL) REGULATION 2016 (CTH)

Previous amendments to the *Australian Charities and Not-for-profits (Consequential and Transitional) Act 2012* (Cth) provided that a statement, report or other document provided to an Australian government agency (such as ASIC) by a registered charity may also satisfy certain reporting obligations under the ACNC Act. These regulations extend the application of those amendments to the 2015 – 2016 and 2016 – 2017 financial years.

CHILD PROTECTION (WORKING WITH CHILDREN) AND OTHER CHILD PROTECTION LEGISLATION AMENDMENT ACT 2016 (NSW)

This Act amends New South Wales Acts relating to children in out-of-home care and in non-government organisations and the *Child Protection (Working with Children) Act 2012* NSW. An employee may be suspended from duty (instead of dismissed) if they are working in circumstances where their working with children check (WWCC) has been cancelled because of a pending charge for a serious offence under the *Child Protection (Working with Children) Act 2012* NSW. An employer may be audited by the Office of the Children's Guardian as part of their compliance program to ensure they are meeting the requirements of the Act. It is now an offence to make a false or misleading statement on a WWCC and offenders can be fined.

HEALTH PRACTITIONER REGULATION NATIONAL LAW (NSW) AMENDMENT (REVIEW) ACT 2016

This Act amends the *Health Practitioner Regulation National Law* (NSW) in so far as it relates to the registration, accreditation and complaints handling processes of registered health practitioners in NSW. The changes relate to the investigation of complaints against health practitioners, powers of NSW Civil and Administrative Tribunal (NCAT) to issue interim suspension orders and the requirement for written reasons for any orders they make with the aim of making the complaints processes more transparent and effective.

HIGHER EDUCATION STANDARDS FRAMEWORK (THRESHOLD STANDARDS) 2015 (CTH)

The Act, created under the *Tertiary Education Quality and Standards Agency Act 2011* (Cth) (TEQSA Act) commences on 1 January 2017. The changes provide new minimum standards for higher education providers registered under the TEQSA relating to the delivery of tertiary courses, a student's progressions through university, award programs and other framework requirements. The changes are being administered through TEQSA, which has issued guidance notes and information in relation to the major changes.

HIGHER EDUCATION SUPPORT LEGISLATION AMENDMENT (2016 MEASURES NO. 1) ACT 2016 (CTH)

This Act amends five other Acts to provide for grants to universities to assist Indigenous students to progress through university. The Minister will issue guidelines to ensure that universities continue to offer scholarships, tutorial support and safe cultural spaces with the aim of ensuring Indigenous people progress through to completing their degrees. The Act also allows the Department of Education and Training to collect tax file numbers to improve the administration of the VET FEE-HELP scheme.

VET STUDENT LOANS (CHARGES) ACT 2016 (CTH) AND VET STUDENT LOANS (CONSEQUENTIAL AMENDMENTS AND TRANSITIONAL PROVISIONS) ACT 2016 (CTH)

These two Acts work together for the implementation of a new Vocational Education and Training (VET) student loan program. The program begins on 1 January 2017, replacing the old VET FEE-HELP scheme. Universities previously approved as VET FEE-HELP providers are automatically approved for the new VET loans program. The government has capped loan amounts at \$5,000, \$10,000 or \$15,000 (depending on the course). Approved providers are subject to tighter compliance and ongoing reporting requirements, there are new limitations on the use of third-party training providers and the program limits courses eligible for a loan. The Act imposes a charge on approved course providers.

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)
- *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

Macquarie is a destination of choice for staff who share our values. We imbue our people with a culture of transformative learning, expand their horizons and nurture their capabilities.

HR STRATEGY AND SERVICE

In 2016, Human Resources established new business partnerships with MGSM, Access Macquarie, Macquarie University Hospital and Macquarie University Clinical Associates (MUCA), and now provides dedicated support for all transactional, advisory and strategic people services.

Two Rapid Improvement Events (RIEs) were run to improve the recruitment and on-boarding of casual academic staff. These RIEs focused on increasing the quality of hires via a more rigorous applicant selection process, and preparing new staff to deliver high-quality teaching via a comprehensive induction program.

DEVELOPMENT

A Head of Department Leadership and Management Framework was developed to provide practical and relevant support for new and current Heads, including on-boarding, leadership coaching, participation in cross-faculty networking forums and leadership development sessions. In 2016, the first networking forum was held and a number of skill-based leadership sessions were also offered.

A new, highly innovative academic promotions process and criteria were developed based on Boyer's four areas of scholarship (discovery, teaching, application and integration). With this approach, the University recognises the diversity of scholarship and the value of each type of scholarship. It creates flexible career pathways, allowing individual academics to work to their strengths. Following extensive consultation and collaboration with the academic community, the new model will be implemented in 2017.

STAFF NUMBERS (FTE) ¹				
Category	2013	2014	2015	2016
Academic	1400	1493	1525	1553
Professional	1456	1558	1674	1668
Total	2856	3051	3199	3221

¹ Includes continuing, fixed term and casual staff FTE

NUMBER OF SENIOR EXECUTIVE STAFF ²						
	2014		2015		2016	
	M	F	M	F	M	F
Band 3 (Vice-Chancellor)	1	0	1	0	1	0
Band 2 (Deputy Vice-Chancellor)	4	1	3	1	4	1
Band 1 (Executive Group)	4	4	5	3	4	3
Sub-total	9	5	9	4	9	4
Total	14		13		13	

² Numbers as at 31 December 2016

AVERAGE SENIOR EXECUTIVE SALARY				
Band	Range	2014	2015	2016
Band 3 (Vice-Chancellor)	\$700,000–1,000,000	\$860,000	\$880,000	\$890,000
Band 2 (Deputy Vice-Chancellor)	\$400,000–\$699,999	\$480,000	\$470,000	\$470,000
Band 1 (Executive Group)	\$300,000–\$599,999	\$410,000	\$400,000	\$400,000

1.60 per cent of employee-related expenditure was related to senior executives in 2016, compared with 1.56 per cent in 2015

Professional and academic staff covered by an enterprise agreement received a wage increase of three per cent. 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 ENGAGEMENT AND CULTURE

The University conducted a 'Your Say' staff survey in August 2016. Staff responses to the survey provide a snapshot of the University's performance, staff engagement practices including leadership, wellbeing, job satisfaction and recognition, as well as work systems and processes.

Eighty-five per cent of staff provided feedback (which is the highest response rate since the inception of the survey in 2006), and the results showed an improvement in the overall staff engagement and satisfaction since the last survey in 2013. Following a series of sessions to debrief staff on the results, working groups have been formed to develop a number of initiatives on the back of the survey results to further enhance the University as a preferred employer and place of work.

From 8 to 16 September 2016, Human Resources partnered with Campus Life, Davidson Trahaire Corpsych (EAP), MQ Health, the Department of Psychology, Centre for Emotional Health, MindSpot, Medibank and UniSuper to pilot 'Wellbeing Week'. Aimed at connecting staff in a conversation about health and wellbeing, the week included wellbeing seminars and presentations from Macquarie academics, the launch of MQ Health to staff, gym sessions, art classes and raw food cooking demonstrations plus many more.

All sessions were well attended with a total of 945 registrations from every office, faculty and entity of the University. Ninety-six per cent of survey respondents thought Wellbeing Week was helpful in providing information that would help them to manage or improve their wellbeing.

TRENDS IN THE REPRESENTATION OF EEO GROUPS¹

	Benchmark or target	2013	2014	2015	2016
Professional staff					
Women	50	65.1	65.3	66.2	67.4
Aboriginal and Torres Strait Islander peoples ²	2.6	1.1	0.7	0.7	0.9
People whose first language was not English	19	34.4	34.8	35.0	32.2
People with a disability	N/A	4.1	4.2	4.5	5.3
People with a disability requiring work-related adjustment	1.5	1.3	0.9	0.9	0.7
Academic staff					
Women	50	41.8	42.0	43.0	44.7
Aboriginal people and Torres Strait Islanders ²	2.6	0.8	0.8	0.4	0.7
People whose first language was not English	19	30.1	30.8	31.3	30.6
People with a disability	N/A	4.3	3.9	3.4	3.7
People with a disability requiring work-related adjustment	1.5	1.4	0.9	1.0	1.0

TRENDS IN THE DISTRIBUTION OF EEO GROUPS³

	Benchmark or target	2013	2014	2015	2016
Professional staff					
Women	100	89	91	92	93
Aboriginal people and Torres Strait Islanders ²	100	N/A	N/A	N/A	N/A
People whose first language was not English	100	97	86	88	84
People with a disability	100	107	117	118	120
People with a disability requiring work-related adjustment	100	N/A	N/A	N/A	N/A
Academic staff					
Women	100	83	81	82	78
Aboriginal people and Torres Strait Islanders ²	100	N/A	N/A	N/A	N/A
People whose first language was not English	100	85	83	85	77
People with a disability	100	99	107	98	104
People with a disability requiring work-related adjustment	100	N/A	N/A	N/A	N/A

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

² Based on the responses to a voluntary self-service staff equity survey

³ 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.

NOTE: Figures are percentages

Access and inclusion initiatives

MACQUARIE ENTRY

The standard UAC preference and offer process is not the only way into studying at Macquarie. With Macquarie Entry, we recognise students' strengths, interests and personal circumstances. Through a range of tailored entry criteria, we ensure that they enter university with the appropriate support for success both in their studies and beyond to their career.

Our Macquarie Entry programs treat students as individuals and recognise all of the things that make them unique, ranging from academic results in relevant HSC subjects to local community engagement activities, previous study or work experience.

Several pathways and schemes were offered in 2016:

- Global Leadership Entry Program
- Academic Entry Program
- Schools Recommendation Scheme
- Gifted and Talented Entry Program
- Educational Access Scheme
- Elite Athletes and Artistic Performers Scheme
- Rural Bonus Scheme
- Next Step program
- Macquarie University International College – diplomas and foundation programs
- Walanga Muru Alternative Entry Scheme – for Indigenous applicants
- Open Universities Australia (OUA)
- TAFE graduates (via articulation agreements)
- Non-award study (OUA and other tertiary institutions).

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 2250 students have received funding.

WALANGA MURU

In 2016 the University recorded its highest number of Indigenous student enrolments, graduates, and staff. This significant achievement highlights the University's commitment to Indigenous outreach, engagement and employment. Macquarie's first Indigenous strategy was released in 2016 to support and promote Indigenous access, participation and success. The strategy centres on a whole-of-University approach as the way forward for Indigenous education at our University.

Walanga Muru, the University's Indigenous Engagement and Strategy Office, was established in 2016 to clearly distinguish between Indigenous recruitment and advancement, and academic offerings. Walanga Muru is building strategic alliances and relationships that lead to improved higher education outcomes among Indigenous people. In 2016 we established and developed models, systems and pathways for Indigenous access and participation, which will set the foundation for our future development and success.

Our commitment to Aboriginal Communities has been strengthened this year by the establishment of the Macquarie University Aboriginal Advisory Committee. Co-chaired by the Aboriginal Cultural Adviser for the University and an Aboriginal Community member, the Committee is already showing promise by contributing to the Indigenous Strategy 2016–2025, a cultural protocols resource, and the development of a pool of Elders for Welcome to Country.

EQUITY-RELATED SCHOLARSHIP RECIPIENTS 2013–2016

Scheme	2013	2014	2015	2016
Macquarie Accommodation Scholarships	58	53	63	70
Macquarie Education Costs Scholarships	127	168	181	202
Indigenous Access Scholarships	11	12	9	12
Indigenous Commonwealth Accommodation Scholarships	9	11	12	14
Indigenous Commonwealth Education Costs Scholarships	22	26	40	41
Macquarie Higher Study Scholarships	22	34	51	55
Macquarie University Indigenous Grant Program	111	153	100	106
Merit Scholarships	39	37	39	40
Non-current School Leaver Scholarships	16	10	9	6
Refugee Scholarships	2	4	6	6
Macquarie University Dunmore Lang College Indigenous Incentive Scholarship	20	16	19	21
Macquarie University Dunmore Lang College Regional and Rural Scholarship	6	10	15	13
Total	443	534	544	586

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 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.

Macquarie's commitment to inclusive education opportunities for students from regional/remote and low socioeconomic backgrounds saw a growth in the delivery of Widening Participation LEAP programs, in partnership with schools and students. During 2016, these programs engaged a total of 124 primary and secondary schools across New South Wales, and reached more than 5300 students.

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

In 2016 the Learning Skills Unit expanded its academic literacy and language services and resources to assist coursework students develop their academic reading and writing skills. More than 1700 students attended 20 workshops during the orientation period, while 154 academic literacy workshops were conducted for 1517 undergraduate and postgraduate coursework students.

In addition, learning advisers provided 852 face-to-face or online, individual consultations. The StudyWISE iLearn unit continues to grow as a repository for academic skills resources and activities. This year there were 55,289 views of StudyWISE for 7424 active individual students. Similarly, student engagement with the Academic Integrity Module for Students continues to remain high with 105,093 views for 5507 active individual students.

The University continued being an official supporter for the national 'Racism. It Stops With Me' (RISWM) campaign. Activities in 2016 included awareness raising at Harmony Day and workshops exploring issues of race and racism and its impact on individuals and communities. 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. Events on campus brought thousands of international and domestic students together throughout the year.

The Macquarie University Mentors program continued to support a smooth transition to university for new students through peer mentoring, with more than 160 mentors and team leaders and more than 2500 students involved in the program in 2016.

Macquarie's Buddy Program, which offers peer support for international students, involved 22 volunteer team leaders, 127 Buddies and more than 2088 students participating in more than 44 orientation week events.

The SBS Media Mentorship Program is a three-year networking and work experience program for media students from Indigenous, CALD or low SES backgrounds. In its fifth year, the program recruited 17 new students; three Indigenous, two low SES and 12 CALD students. Running in parallel with the students' media degrees, the SBS NITV Indigenous Media Mentorship Program is helping to create greater 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.

CALD ENGAGEMENT ACTIVITIES

A Harmony Day event, co-hosted by Campus Engagement and Equity and Diversity, engaged more than 800 students and staff, with several cultural groups participating and showcasing their cultures.

Macquarie continued its involvement with UN Women in 2016, 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 2017

- Refine the University's policy position and priorities on cultural diversity and intercultural engagement.
- Strengthen staff and student cultural awareness and competency through targeted initiatives 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 and UN Women.
- 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 2016.

NOTIFIABLE INCIDENTS

No staff fatalities occurred in 2016 arising from the University or controlled entity operations.

Nine notifiable incidents occurred in 2016. These were reported to SafeWork NSW, and investigated internally. Remediation actions were implemented to prevent the recurrence of similar incidents.

No fines, enforceable undertakings or penalties were issued by SafeWork NSW in 2016.

The University received one improvement notice in 2016 issued by SafeWork NSW, which was lifted within the three-month notice period due to the University's proactive and engaged response.

INCIDENT PROFILE

A total of 123 University staff-related injuries or illnesses were reported in 2016.

The following three causes represent the majority of reported University staff injury and illness in 2016:

- falls from the same level
- hit by falling, moving, or stationary objects
- muscular stress from lifting and moving objects.

In 2016 there was an 18 per cent increase (19 in total) in the number of reported University staff injuries and illnesses compared with 2015 (104 incidents), excluding controlled entities. While the number of incidents increased between 2015 and 2016, there has been a steady decline in the number of incidents per 100 employees during the past five years, from 3.36 in 2012 to 2.62 in 2016 (refer to the table below).

Greater staff awareness and the implementation of the new online reporting system (ROAR: Risk Active Online Reporting) has encouraged staff to report incidents, including those that don't involve injury, as well as prompted an increase in requests for support, training and information. This has resulted in a small increase in the incidence rate between 2015 and 2016.

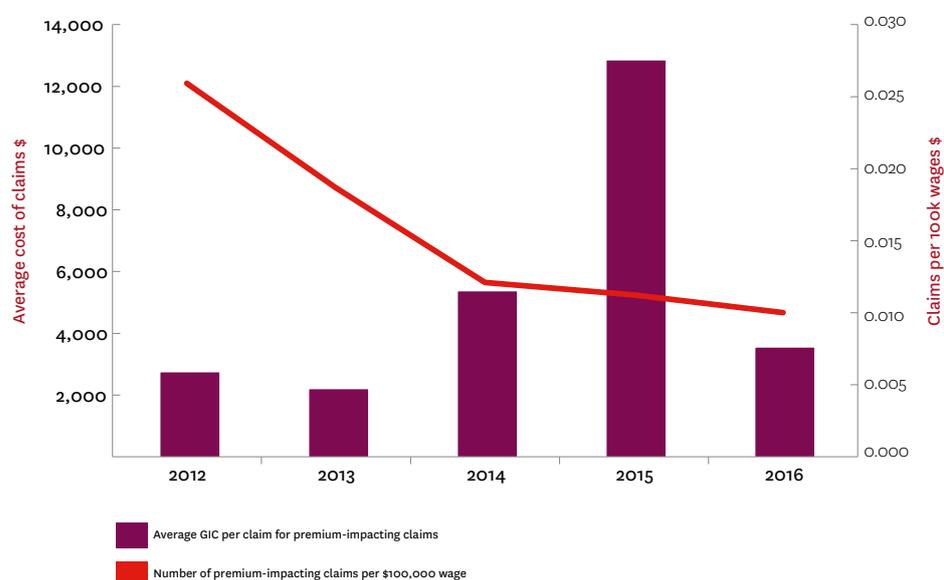
For Macquarie University (excluding controlled entities), the number of compensable workers compensation claims as a percentage of the total reported staff injury and illness has fallen to between 20 and 25 per cent for the past three years. This indicates that injury severity has remained stable as the majority of reported workers compensation claims do not result in compensation.

WORK HEALTH AND SAFETY 2012–2016

Performance measure	2012	2013	2014	2015	2016
Incidents reported (staff)	139	121	121	104	123
Number of casual, fixed term and contract staff ¹	4143	4517	4456	4652	4702
Incidence rate (per 100 employees)	3.36	2.68	2.72	2.24	2.62
Number of workers compensation claims exceeding \$0	50	38	27	23	28
Incidents to claims lodged rate	36%	31%	22%	22%	23%

¹ University staff only. Controlled entity staff are not used in this calculation.

Average cost and frequency of claims (Premium impacting only)



WORKERS COMPENSATION

In 2016, a total of 52 claims for workers’ compensation were lodged, compared with 63 claims in 2015, and, despite a spike in the average cost of claims in 2015, a decline in the number of premium-impacting claims per \$100,000 of staff wages across the last five-year period has been retained (refer to figure *Average cost and frequency of claims*, below left). The decrease in the number of claims resulting in compensation reflects our proactive injury and early case management approach, increased safety profile and the decline in high injury severity events.

The workers compensation data draws on both the University and Controlled Entity workers compensation data.

Central to the early case management approach is the time between event and reporting of the event. Through the re-education of staff and launch of the online reporting system, a 22 per cent increase in the number of incidents reported within five days has been achieved (refer to figure *Claim reporting time lag (days)* below). This equates to 65 per cent of workers compensation claims being actively managed and staff supported within five days, compared with 43 per cent in 2015.

RISK MANAGEMENT AND ASSURANCE

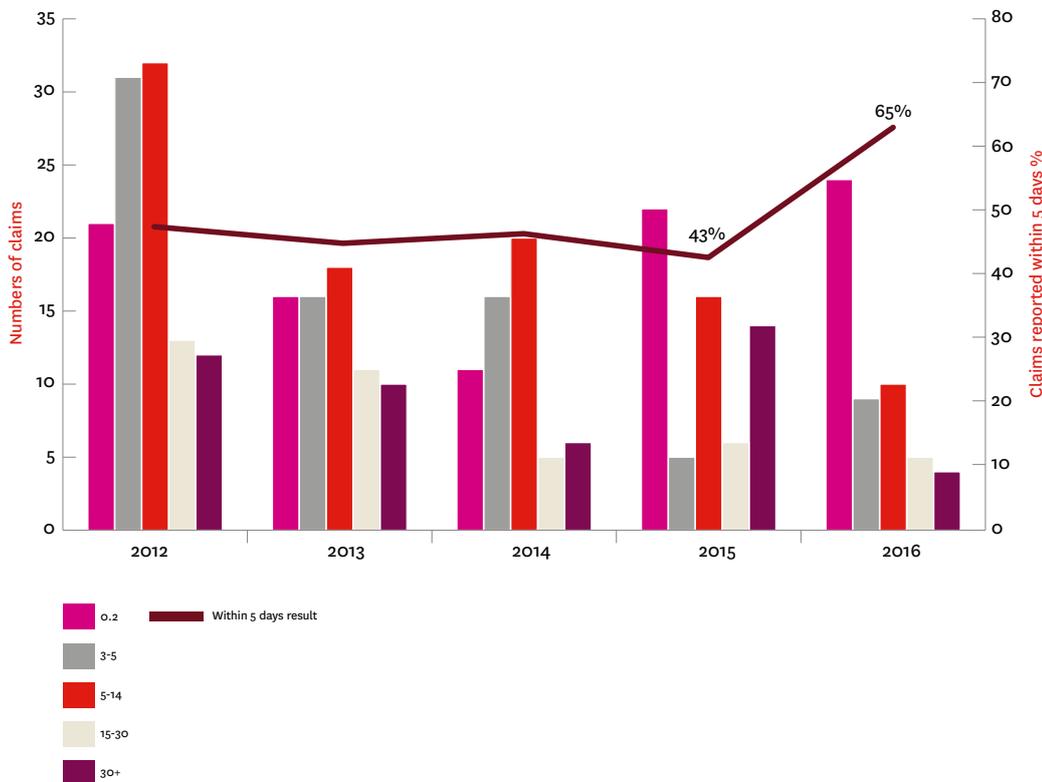
In 2015, the Risk and Assurance department was formed to better service the University community with regard to enterprise risk, insurance, compliance, return to work, health and safety and internal audit. 2016 was the first full year of service and activity and the department has aligned services to meet the University’s strategic vision.

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 workers compensation insurance retro-paid loss premium model (now known as loss prevention recovery). 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 2016 minimum premium was calculated at \$1,190,998.39, and represents an estimated saving of \$1,397,827.59.

Claim reporting time lag (days)



Student enrolments

In 2016, 42,747 students were enrolled at Macquarie University, an increase of 2538 (6.4 per cent) students compared with 2015.

Student enrolments 2016 ¹	
Type of attendance	
Full-time	30,585
Part-time	12,162
Gender	
Female	22,425
Male	20,322
Domestic/International ²	
Domestic	32,664
International	10,083
Total	42,747

¹ Source: preliminary calendar year data as at 23 December 2016 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

² 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 our strategic research framework 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 2012-2016 ^{1,2}													
Faculty	2012	2013			2014			2015			2016		
	PhD/MPHil	PhD/MPHil	MRes	BPhil	PhD/MPHil	MRes	BPhil	PhD/MPHil	MRes	BPhil	PhD/MPHil	MRes	BPhil
Arts	512	516	5	99	455	122	67	454	129	79	444	139	89
Business and Economics	165	189	9	20	171	39	25	151	57	29	141	65	24
Human Sciences	486	501	2	22	477	52	21	406	81	24	379	106	21
Medicine and Health Sciences	93	106	-	-	120	-	-	118	15	-	109	19	3
Science and Engineering	540	555	12	64	523	103	63	514	116	40	521	112	67
MGSM	107	98	-	-	72	5	-	53	6	-	57	6	-
Total	1903	1965	28	205	1818	321	176	1696	404	172	1651	447	204
Grand total	1903	2198			2315			2272			2302		

¹ 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

² The 2016 enrolment figures are preliminary. Final figures to be confirmed in line with Australian Government reporting requirements

* Known as the Faculty of Science prior to 2015

HIGHER DEGREE RESEARCH COMPLETIONS 2012-2016									
Faculty	2012	2013	2014		2015		2016		
	PhD/MPHil	PhD/MPHil	PhD/MPHil	MRes	PhD/MPHil	MRes	PhD/MPHil	MRes	
Arts	70	67	71	43	68	101	68	78	
Business and Economics	20	23	30	9	34	28	26	32	
Human Sciences	75	90	90	14	94	41	73	48	
Medicine and Health Sciences	NA	NA	NA	NA	15	2	24	15	
Science and Engineering*	94	103	102	18	98	95	97	64	
MGSM	11	14	15	1	16	2	10	3	
Total	270	297	393		594		538		

* Known as the Faculty of Science prior to 2015

Student feedback and consumer response

The University continued a significant program of work in 2016 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 Representative Committee is in its fourth 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 Committee. Reporting to the University Council, its membership includes members of the University Council, executive group, academic and professional staff, and students from the Student Representative Committee.

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.

COMPLAINTS

The Complaint Management Procedure for Students and Members of the Public, introduced at the beginning of Session 2, 2015, manages University-related concerns or areas of dissatisfaction that are not otherwise covered by the University's existing review/appeal options or reporting procedures. In 2016, 10 matters were managed as formal complaints in accordance with the established procedure.

DISCIPLINE

Academic and non-academic misconduct by students is managed under the Student Discipline Rules and Procedure, introduced at the beginning of Session 1, 2016. A total of 649 student misconduct matters progressed to University Hearing committees for determination in 2016. Of this total, five determinations were subsequently appealed to the University's disciplinary 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. In 2016, the Student Ombudsman received and managed 54 case referrals.

ACADEMIC APPEALS COMMITTEE DETERMINATIONS 2012–2016

Appeals	2012	2013	2014	2015	2016
Considered	158	117	164	10	7*
Successful	28	11	15	4	5

* Data only includes Session 1, 2016 academic appeals. It does not include Session 2 or Session 3, 2016/17 data as reported for previous years

STUDENT OMBUDSMAN REFERRALS 2013–2016

Type of referral	2013	2014	2015	2016
Academic advice	1	5	9	0
Academic supervision	1	2	5	1
Exclusion	31	13	17	17
Grade review	12	9	4	8
Grievance	14	11	4	19
Other	3	6	0	9
Total	62	46	39	54

Statement of attitude to fraud and corruption

The University requires all staff to act honestly and with integrity at all times, 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. 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. Our Information Security Policy was reviewed within the context of the 2015 NSW Government Digital Information Security Policy and updated in June 2016 to align with that policy.

Macquarie University has also developed a Cyber Security Strategy and Roadmap. As part of this strategy we regularly review the robustness of our controls and implement appropriate initiatives in response to rapidly changing technological developments.

Privacy

The role of the Privacy Officer is assigned to the Chief Operating Officer and administered by the Compliance Manager. The University undertakes a range of actions and activities to promote privacy. In 2015, the University reviewed its privacy management plan and policy. In 2016, the plan was reviewed by the NSW Information and Privacy Commissioner (IPC). The updated plan 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. Throughout 2016, implementation of the revised tools and training was completed. Initiatives include a refined process to ensure accurate and timely privacy advice, including a privacy induction module and a University-wide audit of consent forms and collection notices.

In 2016, one request for an internal privacy review relating to the collection of Council election information was conducted under Part 5 of the *Privacy and Personal Information Protection Act 1998* (NSW). The finding of the review, reported to the IPC and concerned party, was that there was no privacy breach, however, management acted on recommendations to clarify privacy provisions.

Public interest disclosures

The Public Interest Disclosures Policy 2013 (PID) contains the University's procedures for receiving, assessing and dealing with reports of fraud, corruption and other serious wrongdoing. The University is required to report annually to Parliament on its obligations under section 31 of the PID. In 2016, no wrongdoing was reported to Parliament.

During 2016, a series of sessions was held for staff regarding fraud awareness and the requirements of the PID. Collaboration with Human Resources saw PID encompassed into the staff complaint procedure.

REPORT TO NSW OMBUDSMAN (UNDER SECTION 6CA PUBLIC INTEREST DISCLOSURES ACT)

	2013	2014	2015	2016
Number of public officials who made public interest disclosures to the University's public authority	3	1	1	0
Number of public interest disclosures received by the University's public authority	3	1	1	0

PRIMARY SUBJECT OF PUBLIC INTEREST DISCLOSURES RECEIVED

	2013	2014	2015	2016
Corrupt conduct	2	0	1	0
Maladministration	1	1	0	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
Total	3	1	1	0
Number of public interest disclosures (received since 1 January 2012) that have been finalised in this reporting period	5	1	1	0

Credit card certification

During the 2016 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 an 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 \$19.2 million on travel and related staff development and training in 2016 (\$19.4 million in 2015). 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 2016, 89 per cent of invoices were paid in accordance with these terms. During 2016, 99.6 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	8818	1485	889	1534	124
June	10,951	3667	2356	1460	147
September	12,039	3792	1700	283	114
December	18,664	5805	2959	1017	133

INVOICES DUE OR PAID WITHIN EACH QUARTER

Measure	March	June	September	December
Number of invoices due for payment	24,904	27,776	27,981	29,759
Number of invoices paid on time	22,197	24,369	25,363	26,428
% of invoices paid on time (based on number)	89%	88%	91%	89%
Dollar amount of invoices due for payment	\$107,440,111.33	\$111,060,564.52	\$120,288,845.92	\$136,989,480.19
Dollar amount of invoices paid on time	\$90,025,131.54	\$92,713,847.55	\$109,835,386.26	\$116,067,255.93
% of accounts paid on time (based on value)	84%	83%	91%	85%

Risk management and insurance activities

INSURANCE

A cost-effective insurance program that sufficiently protects the University's investments and liability arising from the conduct of its business, was in place at all times throughout 2016. The insurance program was taken to market in October 2015. Drawing on our broker, AON Australia Pty Ltd, submissions were received from a range of insurers and reviewed against our current claims experience, the University's strategic plan and operational activities.

The 2016 insurance program draws upon commercial general insurers Unimutual and GIO for the retro-paid loss scheme (RPL).

The University Group continues to be a participant in the New South Wales WorkCover RPL Premium scheme, and 2016 was the sixth year of its participation. The scheme is driven largely by claims costs and provides incentives for employers with strong performance in work health and safety, injury management and return to work.

Macquarie University has also partnered with International SOS, a leading medical assistance, international healthcare and security assistance company, to provide round-the-clock resources for those on university-related international travel.

INTERNAL AUDIT AND RISK MANAGEMENT

The relationship between risk management and internal audit is one that the University has built to be close and interactive. The internal audit three-year rolling plan draws on the enterprise risk profile to ensure audits provide assurance to the Audit and Risk Committee that critical controls and initiatives are effective in their management of risk. Similarly, the risk profile draws on the findings of the internal audits to verify the effectiveness of tested controls and ensures it has captured the true nature of risk informed by the audit process.

RISK MANAGEMENT

The University's risk management framework focuses on enhancing an integrated and tailored approach to identifying, evaluating and managing strategic and operational risk and opportunities. 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 2016, the integration of risk-based decision making was refined through the development of the strategic risk horizon and risk appetite statement. Extensive consultation with the Executive occurred and application to strategic initiatives and faculty and office business plans commenced. Both documents are to be presented to the joint committee risk workshop scheduled in February 2017.

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 November 2015, the University's Audit and Risk Committee endorsed a rolling three-year audit plan for the University and controlled entities. This resulted in the internal audit provider, PwC, conducting five audits and one 'overdue actions update' review. Of the five audits, three were insight-based audits and two were compliance-related.

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 department.

In November 2016, the University's Audit and Risk Committee endorsed the focus of audits for 2017.

Internal audit and risk management attestation statement for the 2016 financial year

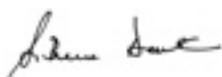
I, Professor S Bruce Dowton, Vice-Chancellor, am of the opinion that Macquarie University has internal audit and risk management processes in operation that are, excluding the exceptions or transitional arrangements described below, compliant with the eight (8) core requirements set out in the Internal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

CORE REQUIREMENTS		
Risk Management Framework		
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
Internal Audit Function		
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
Audit and Risk Committee		
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 two years, reappointed to 30 June 2015 and reappointed again to 30 June 2017
- Roger Millar, external member, appointed 1 March 2016 to 28 February 2018.



Professor S Bruce Dowton
Vice-Chancellor



Trudy de Vries
Director of Risk and Assurance

24 March 2017

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 2016 was \$30.

The eighth application in 2015 was received on 18 November 2015 and was determined on 8 January 2016. The ninth application in 2015 was received on 11 December 2015 and was determined on 8 January 2016. In one application access to information was granted in part. In one application access to information was granted in full. Neither application was determined within the statutory timeframe. Both of these applications were extended in accordance with section 57 of the GIPA Act.

During the period 1 January 2016 to 31 December 2016, Macquarie University received four formal access applications for information (refer to Table B). In three applications, access to information was granted in part. One application was not determined within statutory timeframes. The timeframe for two applications was modified via agreement with the applicant. One formal application for third-party consultation under the GIPA Act was received from the New South Wales Police Force.

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 2016 to 31 December 2016, 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 E11A, 19 Eastern Road
Macquarie University NSW 2109
T: +61 (2) 9850 7218
E: gipa@mq.edu.au

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

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

	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/deny whether information is held	Application withdrawn
Media	0	0	0	0	0	0	0	0
Members of Parliament	0	0	0	0	0	0	0	0
Private sector business	0	1	0	0	0	0	0	0
Not-for-profit organisations or community groups	0	3	0	0	0	0	0	0
Members of the public (application by legal representative)	0	1	0	0	0	0	0	0
Members of the public (other)	1	0	0	0	1	0	0	0

¹ More than one decision can be made in respect of a particular access application. If so, a recording must be made in relation to each such decision

TABLE B: NUMBER OF APPLICATIONS BY TYPE OF APPLICATION AND OUTCOME¹

	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/deny whether information is held	Application withdrawn
Personal information applications ²	1	3	0	0	0	0	0	0
Access applications (other than personal information applications)	0	1	0	0	0	0	0	0
Access applications (partly personal and partly other information applications)	0	0	1	0	0	0	0	0

¹ More than one decision can be made in respect of a particular access application. If so, a recording must be made in relation to each such decision

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

TABLE C: INVALID APPLICATIONS

Reason for invalidity	Number of applications
Application does not comply with formal requirements (Section 41 of the Act)	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 ¹
Overriding secrecy laws	0
Cabinet information	0
Executive Council information	0
Contempt	0
Legal professional privilege	0
Excluded information	0
Documents affecting law enforcement and public safety	0
Transport safety	0
Adoption	0
Care and protection of children	0
Ministerial code of conduct	0
Aboriginal and environmental heritage	0

¹ 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)	5
Decided after 35 days (by agreement with applicant)	1
Not decided within time (deemed refusal)	0
Total	6

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 \$44.3 million. The surplus for the consolidated University represented 4.4 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 \$520.5 million as at 31 December 2016 (\$545.0 million in 2015). This is matched by an asset based on future funding expected from the Australian and New South Wales governments.

CONSOLIDATED INCOME ANALYSIS

Income totalled \$1015.0 million, an increase of 9.2 per cent. This increase has been driven by a number of factors:

- Income from Australian Government grants increased by \$25.9 million and government Higher Education Loan Programs by \$13.0 million, owing to increased student load in Commonwealth Supported Places, and an increase of \$51.8 million in fee-paying overseas students driven by an increase in enrolments.
- Macquarie University Hospital services revenue increased by \$11.8 million, reflecting continued growth in operations.

CONSOLIDATED EXPENSE ANALYSIS

Expenses totalled \$970.8 million, an increase of \$62.0 million (6.8 per cent). This increase has occurred over several expense categories:

- Employee-related expenses increased by \$27.1 million (5.2 per cent) due to salary increases and the appointment of additional staff.
- Other costs have increased by \$34.9 million (9.0 per cent), driven by increases in depreciation, consultants and contractors and medical consumables.

CONSOLIDATED BALANCE SHEET ANALYSIS

Net assets increased by \$315.6 million from 2015 to 2016 with total assets increasing by \$319.2 million and total liabilities increasing by \$3.5 million. Property, plant and equipment increased by \$328.5 million driven by asset revaluations and capital additions.

RISK ANALYSIS

The following ratios are provided in respect of the financial risk assessment of the University at 31 December 2016.

RISK ANALYSIS	
Indicator	Result
Income growth	9.2%
Proportion of revenue from Australian Government grants	27.9%
Growth in Australian Government funding	10.0%
Proportion of revenue from overseas student fees	24.0%
Consecutive deficits recorded	0
Number of weeks income cash and investments is equivalent to	18.6
Current ratio	1.7
Adjusted current ratio ¹	1.9
Gearing ratio ²	0.9%

¹ The current liability of long service leave entitlements is determined as all leave that was unconditional as at 31 December 2016.

The University expects that \$23.7 million of this current liability will be settled after 12 months and the current ratio has been adjusted to reflect this

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

RETURNS ON UNIVERSITY INVESTMENTS

Indicator	Actual returns 2015	Benchmark 2015	Actual returns 2016	Benchmark 2016
Cash and cash equivalent	2.09%	2.33%	2.47%	2.07%

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

Note 2 benchmarks: Cash and cash equivalent: Bloomberg AusBond Bank Bill Index

BUDGETS

The following is a summary of financial performance against budget for 2016.

INCOME STATEMENT		
Indicator	Budget 2016 \$'000	Actual 2016 \$'000
Income from continuing operations	951,364	1,015,047
Expenses from continuing operations	937,738	970,790
Operating result from continuing operations	13,626	44,257

BALANCE SHEET		
Indicator	Budget 2016 \$'000	Actual 2016 \$'000
Current assets	277,337	431,235
Non-current assets	2,419,949	2,731,749
Total assets	2,697,286	3,162,984
Current liabilities	183,904	247,335
Non-current liabilities	888,773	870,420
Total liabilities	1,072,677	1,117,755
Net assets	1,624,609	2,045,229

CASH FLOW STATEMENT		
Indicator	Budget 2016 \$'000	Actual 2016 \$'000
Net cash provided by operating activities	83,524	131,012
Net cash (used in) investing activities	(88,251)	(42,801)
Net cash (used in) financing activities	-	(1410)
Net increase (decrease) in cash and cash equivalents	(4727)	86,801

AUDIT FINDINGS

The Auditor General noted in the Statutory Audit Report for year ended 31 December 2016 that it had accepted the valuation of the University's investment in MUH Operations No. 2 Pty Ltd, a controlled entity, and the valuation of the campus land held by the University. Refer to Note 17 on page 73 and Note 20 a) iii) on page 80 for details of these valuations.

CONTROLLED ENTITIES

Macquarie University has consolidated the following 17 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)
- Macquarie University Hong Kong Foundation Limited
- 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 University Hong Kong Foundation Limited was incorporated in 2016.

The following eight controlled entities were trading in 2016.

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 10,000 candidates in 2016. 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 2016, the AccessMQ research and consulting practice attracted approximately \$14.5 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 research collaborations, and combined with leading-edge infrastructure and technical 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 700 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 company limited by guarantee and wholly owned by Macquarie University. Its purpose is the integration of clinical services, teaching and research at the Macquarie University Health Sciences Centre (MQ Health). Its function is to provide clinical services to Macquarie University Hospital and Clinics and engage clinicians in the tripartite scholarship of clinical practice, aligned with teaching, learning and research within MQ Health, incorporating Macquarie University Hospital, the Clinics and the 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 has, for the third consecutive year, been ranked by the *Financial Times* Global MBA Ranking 2017 as the number-one business school in Australia and 49th globally.

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 spaces 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

Macquarie University
Statement of Appointed Officers
For the Year Ended 31 December 2016

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 2016 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 2016 Reporting Period issued by the Australian Government (Department of Education).
3. The financial statements have been prepared in accordance with Australian Accounting Standards, which include Australian Accounting Interpretations.

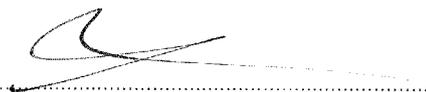
We are not aware of any circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.

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 Dowton
Vice-Chancellor



J Wigglesworth
Chair Audit and Risk Committee



E A Crouch
Chair Finance and Facilities Committee

Sydney

6 April 2017

Income statement

Macquarie University Income Statement For the Year Ended 31 December 2016

	Note	Consolidated		Parent	
		2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Income from continuing operations					
Australian Government financial assistance					
Australian Government grants	2(a)	283,029	257,091	275,006	249,348
Higher Education Loan Programs	2(a)	192,244	179,201	192,244	179,201
State and local Government financial assistance	3	5,127	3,326	5,127	3,326
HECS-HELP - Student Payments		18,845	19,096	18,845	19,096
Fees and charges	4	295,898	254,608	289,967	247,691
Investment revenue	5	8,682	9,019	12,346	11,092
Consultancy and contracts	6	21,853	27,854	17,812	21,840
Other revenue	7	189,369	179,398	60,516	62,828
Total income from continuing operations		1,015,047	929,593	871,863	794,422
Expenses from continuing operations					
Employee related expenses	8	548,025	520,901	449,767	424,967
Depreciation and amortisation	9	73,008	63,509	68,634	62,167
Repairs and maintenance		14,875	14,221	10,839	9,505
Borrowing costs	10	19,046	19,393	20,158	19,869
Impairment of assets	11	534	1,475	468	15,623
Losses on disposal of assets		297	305	357	276
Consultants and contractors		41,832	35,151	69,710	52,463
Scholarships and grants		54,175	49,432	52,995	48,621
Other expenses	12	218,998	204,401	155,758	133,986
Total expenses from continuing operations		970,790	908,788	828,686	767,477
Net result for the period		44,257	20,805	43,177	26,945
Net result attributable to members of Macquarie University		44,257	20,805	43,177	26,945

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 2016

	Note	Consolidated		Parent	
		2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Net result for the period		44,257	20,805	43,177	26,945
Items that may be reclassified to profit or loss					
Unrealised gain on value of available-for-sale financial assets		7,536	8,303	7,536	8,303
Total items that may be reclassified to profit or loss		7,536	8,303	7,536	8,303
Items that will not be reclassified to profit or loss					
Unrealised gain on revaluation of property, plant and equipment	20	263,570	34,341	263,570	34,341
Unrealised gain on revaluation of property, plant and equipment reclassified as held for sale	20	-	67,502	-	67,502
Net Actuarial gains recognised in respect of Defined Benefits Plans	34(g)	334	1,688	334	1,688
Total items that will not be reclassified to income statement		263,904	103,531	263,904	103,531
Total other comprehensive income		271,440	111,834	271,440	111,834
Total comprehensive income attributable to members of Macquarie University		315,697	132,639	314,617	138,779

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 2016

	Note	Consolidated		Parent	
		2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
ASSETS					
Current assets					
Cash and cash equivalents	13	294,864	208,063	282,237	194,581
Receivables	14	69,633	63,949	54,355	48,225
Inventories	15	5,560	5,385	281	344
Other financial assets	16	42,303	45,187	40,099	45,187
Non-current assets held for sale	18	-	80,600	-	80,600
Other non-financial assets	19	18,875	14,441	17,389	13,187
Total current assets		431,235	417,625	394,361	382,124
Non-current assets					
Receivables	14	516,870	543,763	516,763	543,622
Other financial assets	16	25,592	18,057	82,961	73,495
Other non-financial assets	19	19,898	22,106	21,506	23,747
Investments in subsidiaries	17	-	-	23,299	23,299
Property, plant and equipment	20	2,135,250	1,806,766	2,131,439	1,803,307
Intangible assets	21	34,139	35,460	32,967	31,750
Total non-current assets		2,731,749	2,426,152	2,808,935	2,499,220
Total assets		3,162,984	2,843,777	3,203,296	2,881,344
LIABILITIES					
Current liabilities					
Trade and other payables	22	86,169	72,353	65,793	52,723
Borrowings	23	1,514	1,284	46,279	40,284
Provisions	24	98,704	100,768	90,683	93,351
Other liabilities	25	60,948	50,809	59,411	48,617
Total current liabilities		247,335	225,214	262,166	234,975
Non-current liabilities					
Borrowings	23	353,038	353,772	352,653	353,772
Provisions	24	514,589	534,023	511,624	531,918
Other liabilities	25	2,793	1,236	2,793	1,236
Total non-current liabilities		870,420	889,031	867,070	886,926
Total liabilities		1,117,755	1,114,245	1,129,236	1,121,901
Net assets		2,045,229	1,729,532	2,074,060	1,759,443
EQUITY					
Parent entity interest					
Asset revaluation reserve		799,331	604,606	799,071	604,346
Available-for-sale investment reserve		21,110	13,574	21,110	13,574
Retained earnings		1,224,788	1,111,352	1,253,879	1,141,523
Parent interest		2,045,229	1,729,532	2,074,060	1,759,443
Total equity		2,045,229	1,729,532	2,074,060	1,759,443

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

Statement of changes in equity

Macquarie University Statement of Changes in Equity For the Year Ended 31 December 2016

	Consolidated				Parent			
	Asset revaluation reserve	Available-for-sale investment reserve	Retained earnings	Total	Asset revaluation reserve	Available-for-sale investment reserve	Retained earnings	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance as at 1 January 2015	502,763	5,271	1,088,859	1,596,893	502,503	5,271	1,112,890	1,620,664
Net result for the period	-	-	20,805	20,805	-	-	26,945	26,945
Unrealised gain on revaluation of property, plant and equipment	34,341	-	-	34,341	34,341	-	-	34,341
Unrealised gain on revaluation of property, plant and equipment reclassified as held for sale	67,502	-	-	67,502	67,502	-	-	67,502
Unrealised gain on available-for-sale financial assets	-	8,303	-	8,303	-	8,303	-	8,303
Net actuarial gains on defined benefit plans	-	-	1,688	1,688	-	-	1,688	1,688
Total comprehensive income	101,843	8,303	22,493	132,639	101,843	8,303	28,633	138,779
Balance at 31 December 2015	604,606	13,574	1,111,352	1,729,532	604,346	13,574	1,141,523	1,759,443
Balance at 1 January 2016	604,606	13,574	1,111,352	1,729,532	604,346	13,574	1,141,523	1,759,443
Net result for the period	-	-	44,257	44,257	-	-	43,177	43,177
Unrealised gain on revaluation of property, plant and equipment	263,570	-	-	263,570	263,570	-	-	263,570
Realised gain on asset sale of property, plant and equipment	(68,845)	-	68,845	-	(68,845)	-	68,845	-
Unrealised gain on available-for-sale financial assets	-	7,536	-	7,536	-	7,536	-	7,536
Net actuarial gains on defined benefit plans	-	-	334	334	-	-	334	334
Total comprehensive income	194,725	7,536	113,436	315,697	194,725	7,536	112,356	314,617
Balance at 31 December 2016	799,331	21,110	1,224,788	2,045,229	799,071	21,110	1,253,879	2,074,060

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 2016

	Note	Consolidated		Parent	
		2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Cash flows from operating activities					
Australian Government Grants	2(b)	472,366	438,973	465,710	431,230
OS-HELP (net)	2(b)	917	(520)	917	(520)
State and local Government Grants		5,127	3,326	5,127	3,326
HECS-HELP - Student payments		18,845	19,096	18,845	19,096
Receipts from student fees and other customers (inclusive of GST)		500,437	481,099	360,092	346,734
Dividends received		12	1,804	12	1,804
Interest received		10,184	7,177	8,857	5,814
Payments to suppliers and employees (inclusive of GST)		(876,038)	(826,523)	(734,221)	(680,429)
Interest and other cost of finance		(20,172)	(22,854)	(20,158)	(23,033)
GST recovered		19,334	13,927	16,511	11,954
Net cash provided by operating activities	31	131,012	115,505	121,692	115,976
Cash flows from investing activities					
Proceeds from sale of property, plant and equipment		81,001	115	80,898	68
Payments for property, plant and equipment		(116,292)	(95,209)	(114,832)	(93,433)
Payments for intangible assets		(11,817)	(16,629)	(11,045)	(13,907)
Proceeds from sale of financial assets		90,412	59,532	90,412	600
Payments for financial assets		(86,105)	(76,350)	(86,000)	(40,514)
Net loans (made to)/ repaid from related parties	27(d)	-	-	2,000	(5,400)
Net cash (used in) investing activities		(42,801)	(128,541)	(38,567)	(152,586)
Cash flows from financing activities					
Proceeds from borrowings		100,000	100,000	114,400	148,200
Repayment of borrowings		(101,369)	(101,275)	(109,869)	(110,475)
Repayment of finance leases		(41)	(171)	-	-
Net cash from/ (used in) financing activities		(1,410)	(1,446)	4,531	37,725
Net increase/ (decrease) in cash and cash equivalents held					
Cash and cash equivalents at beginning of the financial year		86,801	(14,482)	87,656	1,115
		208,063	222,545	194,581	193,466
Cash and cash equivalents at end of financial year	13	294,864	208,063	282,237	194,581
Financing arrangements	23(d)/23(e)				

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
For the Year Ended 31 December 2016

1 Summary of Significant Accounting Policies

The principal accounting policies adopted in the preparation of the financial statements are set out below and where applicable, throughout the notes to the accounts (these can be identified as italicised text). 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 (the 'Group').

The financial statements for the year ended 31 December 2016 were authorised for issue by the Macquarie University Council on 6 April 2017.

(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 and Interpretations, the *Public Finance and Audit Act 1983*, the *Public Finance and Audit Regulations 2015*, the *Higher Education Support Act 2003* and the Financial Statement Guidelines for Australian Higher Education Providers, as issued by the Australian Government (Department of Education and Training).

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.

The financial statements are presented in Australian dollars and all values are rounded to the nearest thousand dollars (\$'000).

(i) Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain financial assets and liabilities and certain classes of property, plant and equipment.

(ii) Critical accounting estimates

The preparation of these financial statements 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. All significant estimates or assumptions made in the preparation of the financial statements are described in the accounting policy notes.

(iii) Comparative amounts

Where necessary, comparative information is reclassified to enhance comparability in respect of changes in presentation adopted in the current year.

(iv) Foreign currency transactions and balances

Foreign currency transactions are translated into Australian currency at rates of exchange ruling at the dates of the transactions. Amounts receivable and payable in foreign currency at the reporting date are translated at the rates of exchange ruling on that date. Exchange differences relating to amounts payable and receivable in foreign currencies are brought to account as exchange gains or losses in the income statement.

(b) Basis of consolidation

The consolidated financial statements represent the financial statements of the parent entity, being Macquarie University and the assets, liabilities and results of all entities it controlled in accordance with *AASB 10 Consolidated Financial Statements* at the end of or during the financial year. Control is established when the parent is exposed to or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity.

Transactions, balances and unrealised gains on transactions between Group entities are eliminated. Where necessary, accounting policies of subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

A list of controlled entities is contained in note 27(b) to the financial statements.

(c) 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. Neither of these controlled entities had an income tax charge or payments in 2016 (2015: Nil).

Macquarie University
Notes to the Financial Statements
For the Year Ended 31 December 2016

1 Summary of Significant Accounting Policies (continued)

(d) 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.

(e) New Accounting Standards and Interpretations

Effective for the first time

Certain new Accounting Standards and Interpretations became mandatory for the 31 December 2016 reporting period. These new requirements have not had a material impact on either the results or disclosure of the University. The University has applied 2015-2 *Amendments to Australian Accounting Standards - Disclosure Initiative: Amendments to AASB 101* which has significantly streamlined the financial statements for the current reporting period.

Issued but not yet effective

Certain new Accounting Standards and Interpretations have been published that are not mandatory for 31 December 2016 reporting period.

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

Standard	Application date of Standard
AASB 15 Revenue from Contracts with Customers ¹	1 Jan 2019
AASB 16 Leases ²	1 Jan 2019
AASB 9 Financial Instruments ²	1 Jan 2018
AASB 1058 Income of Not-for-Profit Entities ¹	1 Jan 2019
AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) ²	1 Jan 2018
AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15 ¹	1 Jan 2018
AASB 2014-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2014) ²	1 Jan 2018 (early adoption permitted)
AASB 2015-8 Amendments to Australian Accounting Standards - Effective Date of AASB 15 ¹	1 Jan 2017
AASB 2016-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 1072 ²	1 Jan 2017
AASB 2016-3 Amendments to Australian Accounting Standards – Clarifications to AASB 152 ²	1 Jan 2018
AASB 2016-4 Amendments to Australian Accounting Standards – Recoverable Amount of Non-Cash-Generating Specialised Assets of Not-for-Profit Entities ²	1 Jan 2017
AASB 2016-7 Amendments to Australian Accounting Standards – Deferral of AASB 15 for Not-for-Profit Entities ¹	1 Jan 2017
AASB 2016-8 Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities ²	1 Jan 2019

¹ Application of AASB 15 and AASB 1058 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.

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

Macquarie University
Notes to the Financial Statements
For the Year Ended 31 December 2016

2 Australian Government financial assistance

(a) Australian Government financial assistance

	Note	Consolidated		Parent	
		2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Commonwealth Grants Scheme (CGS) and Other Grants	35(a)	181,322	163,115	181,322	163,115
Scholarships	35(c)	8,133	7,546	8,133	7,546
EDUCATION Research	35(d)	31,691	28,570	31,691	28,570
Australian Research Council	35(e)	24,184	27,212	24,184	27,212
Total CGS, Scholarship and Research Grants		245,330	226,443	245,330	226,443
Agriculture, Fisheries and Forestry		5,781	5,330	5,781	5,330
Education, Employment and Workplace Relations		2,121	2,672	469	1,020
Foreign Affairs and Trade		2,628	4,125	2,628	4,125
Health and Ageing		18,060	13,051	11,689	6,960
Innovation, Industry, Science and Research		3,035	1,322	3,035	1,322
Other		6,074	4,148	6,074	4,148
Total Other Australian Government financial assistance		37,699	30,648	29,676	22,905
Total Australian Government Grants		283,029	257,091	275,006	249,348
Higher Education Loan Programs	35(b)	192,244	179,201	192,244	179,201
Total Australian Government financial assistance		475,273	436,292	467,250	428,549

Accounting Policy

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. This applies to major revenue items disclosed in notes 2 - 7.

The Group recognises contributions and grants received from State and Commonwealth governments as revenue when the Group obtains control of the right to receive the grant contribution, it is probable that economic benefits will flow to the Group and it can be reliably measured.

Macquarie University
Notes to the Financial Statements
For the Year Ended 31 December 2016

2 Australian Government financial assistance (continued)

(b) Australian Government Grants received - cash basis

	Note	Consolidated		Parent	
		2016	2015	2016	2015
		\$'000	\$'000	\$'000	\$'000
CGS and Other EDUCATION Grants	35(a)	180,342	166,382	180,342	166,382
Higher Education Loan Programs	35(b)	192,964	178,696	192,964	178,696
Scholarships	35(c)	8,133	7,546	8,133	7,546
EDUCATION Research	35(d)	31,691	28,570	31,691	28,570
ARC grants - Discovery	35(e)(i)	14,475	16,570	14,475	16,570
ARC grants - Linkages	35(e)(ii)	4,132	5,162	4,132	5,162
ARC grants - Networks and Centres	35(e)(iii)	5,491	5,399	5,491	5,399
Other Australian Government Grants		35,138	30,648	28,482	22,905
Total Australian Government financial assistance received - cash basis		472,366	438,973	465,710	431,230
OS-HELP net cash received (repaid)	35(f)	917	(520)	917	(520)
Total Australian Government funding received - cash basis		473,283	438,453	466,627	430,710

3 State and local government financial assistance

	Consolidated		Parent	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
Non-capital state and local government assistance	5,127	2,858	5,127	2,858
Capital state and local government assistance	-	468	-	468
Total State and Local Government financial assistance	5,127	3,326	5,127	3,326

Macquarie University
Notes to the Financial Statements
For the Year Ended 31 December 2016

4 Fees and charges

	Consolidated		Parent	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Course Fees and Charges				
Fee-paying overseas students	240,299	188,498	237,191	183,859
Fee-paying domestic students	23,499	22,423	19,713	19,252
Other course fees and charges	10,871	6,044	10,871	6,044
Income from third party course providers	1,213	18,300	1,213	18,060
Total Course Fees and Charges	275,882	235,265	268,988	227,215
Other Non-Course Fees and Charges				
Parking fees	6,619	6,108	6,627	6,121
Student accommodation	1,180	1,950	1,180	1,950
Student Services and Amenities Fees from students	4,066	3,774	4,066	3,774
Service fees and other charges	8,151	7,511	9,106	8,631
Total Other Fees and Charges	20,016	19,343	20,979	20,476
Total Fees and Charges	295,898	254,608	289,967	247,691

Accounting Policy

Fees, charges and student HELP payments are recognised as revenue in the year to which the prescribed course or service relates.

5 Investment revenue

	Consolidated		Parent	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Interest income				
Bank deposits	4,821	4,674	4,554	3,568
Interest on loans to controlled entities	-	-	3,931	3,179
Other interest income	3,849	2,541	3,849	2,541
Total interest income	8,670	7,215	12,334	9,288
Dividends	12	1,804	12	1,804
Total investment revenue	8,682	9,019	12,346	11,092

Accounting Policy

Interest revenue is recognised as it is earned. Dividend revenue is recognised as received.

Finance lease income which is included in other interest income above, 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.

Macquarie University
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6 Consultancy and contracts

	Consolidated		Parent	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Consultancy	6,575	8,358	2,534	2,313
Contract research	15,278	19,496	15,278	19,527
Total consultancy and contracts	21,853	27,854	17,812	21,840

Accounting Policy

Contract research 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.

7 Other revenue

	Consolidated		Parent	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Donations and bequests	7,554	4,863	7,554	4,863
Scholarships and prizes	555	993	555	993
Publication sales	135	335	135	335
Recoveries	1,030	5,035	12,328	16,930
Rental charges	25,099	26,242	33,980	33,145
Royalties, trademarks and licences	524	625	508	530
Child care fees	4,763	4,511	-	-
Food sales, hotel and retail	11,982	12,236	-	-
Hospital services revenue	113,412	101,610	-	-
Sports fees	8,153	7,925	-	-
Other revenue and income	16,162	15,023	5,456	6,032
Total other revenue	189,369	179,398	60,516	62,828

Accounting Policy*(i) Other revenue and income*

Other revenue and income includes donations, bequests, hospital services revenue and income from on-campus non-academic services including food, childcare, retail, hotel and sports facilities. Such income is recognised when the Group becomes entitled to receive the revenue and the revenue can be reliably measured.

(ii) Rental income

Income from operating leases is recognised in the income statement on a straight-line basis over the lease term, taking into account any lease incentives provided to the lessee and minimum known rental increases over the term of the lease. Lessor lease assets and liabilities (notes 19 and 25) reflect the timing differential between cash receipts and rental income recognition over the life of the lease.

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8 Employee related expenses

	Consolidated		Parent	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Academic				
Salaries	193,272	189,654	193,826	183,236
Contributions to superannuation and pension schemes ¹	28,327	27,045	27,582	26,262
Payroll tax	12,305	11,942	11,863	11,503
Workers' compensation	478	366	365	366
Long service leave expense	6,485	3,634	6,479	3,626
Annual leave expense	630	717	634	715
Total academic	241,497	233,358	240,749	225,708
Non-academic				
Salaries	250,329	234,794	168,841	161,774
Contributions to superannuation and pension schemes ¹	31,421	30,993	23,678	23,125
Payroll tax	11,948	11,700	10,275	10,004
Workers' compensation	850	1,222	321	326
Long service leave expense	4,849	2,765	4,101	2,409
Annual leave expense	6,195	5,362	866	914
Total non-academic	305,592	286,836	208,082	198,552
Total employee related expenses	547,089	520,194	448,831	424,260
Deferred superannuation expense	936	707	936	707
Total employee related expenses, including deferred Employee Benefits for Superannuation	548,025	520,901	449,767	424,967

Refer to note 24 for policies on employee benefits.

¹ Unfunded schemes include the State Authorities Superannuation Scheme (SASS), State Authorities Non-contributory Superannuation Scheme (SANCS) and State Superannuation Scheme (SSS). Funded schemes include UniSuper and Self-Managed Super Funds.

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9 Depreciation and amortisation

	Consolidated		Parent	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Depreciation				
Buildings	30,797	30,203	30,797	30,203
Plant and equipment ¹	20,945	17,898	19,918	16,630
Infrastructure	4,869	4,860	4,869	4,860
Library Collection - General	963	1,075	963	1,075
Leasehold improvements	576	552	576	552
Total depreciation	58,150	54,588	57,123	53,320
Amortisation				
Patents and trademarks	35	35	35	35
IT software ²	6,926	2,050	3,579	1,976
Digital library collections	7,897	6,836	7,897	6,836
Total amortisation	14,858	8,921	11,511	8,847
Total depreciation and amortisation	73,008	63,509	68,634	62,167

Refer to note 20 for policies on depreciation and note 21 for policies on amortisation.

¹ Includes motor vehicles.

² Includes impairment losses

10 Borrowing costs

	Consolidated		Parent	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Interest on University-issued bonds	17,125	17,125	17,125	17,125
Other interest	1,921	2,268	3,033	2,744
Total borrowing costs expensed	19,046	19,393	20,158	19,869

Accounting Policy

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, in which case the borrowing cost is capitalised). No interest relating to qualifying assets was capitalised during 2016 (2015: nil).

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11 Impairment of assets

	Consolidated		Parent	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Third party receivables	534	515	468	326
Available-for-sale financial assets	-	337	-	337
Controlled entity loan investment	-	-	-	16,970
Controlled entity equity investment	-	-	-	(2,010)
Associate receivables	-	1,041	-	-
Associate investment	-	(418)	-	-
Total impairment of assets	534	1,475	468	15,623

Refer to note 17 for details of the impairment charges and reversals for the debt and equity investments in MUH Operations No. 2 Pty Ltd, a controlled entity.

12 Other expenses

	Consolidated		Parent	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Advertising, marketing and promotions	13,704	10,580	11,350	6,933
Agents commission	18,885	13,566	15,110	10,066
Audit fees, bank charges, legal costs and insurance	8,790	11,177	6,358	9,131
Contributions to controlled entities	-	-	21,960	7,059
General consumables and materials	27,711	27,017	18,014	17,496
Maintenance contracts	9,912	10,765	9,912	10,763
Medical consumables	52,506	46,982	-	-
Non-capitalised equipment	8,034	8,089	5,473	6,382
Rental, hire and other leasing fees	10,089	9,354	9,022	8,796
Security	4,373	4,322	3,880	3,830
Subscriptions	4,336	3,575	4,084	3,316
Travel and related staff development and training	19,112	19,362	19,249	19,165
Tuition services	3,152	12,733	3,180	12,817
Utilities and cleaning	15,073	13,556	13,321	12,144
Miscellaneous expenses	23,321	13,323	14,845	6,088
Total other expenses	218,998	204,401	155,758	133,986

Accounting Policy*(i) Operating leases and rental expenses*

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the income statement on a straight-line basis, over the period of the lease, taking into account any lease incentives received from the lessor and known minimum rental increases over the term of the lease. Lessee lease assets and liabilities (notes 19 and 25) reflect the timing differential between cash payments and rental expense recognition over the life of the lease.

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13 Cash and cash equivalents

	Consolidated		Parent	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Cash at bank and on hand	52,711	205,862	40,084	194,581
Short term deposits	242,153	2,201	242,153	-
Total cash and cash equivalent in the statement of financial position and statement of cash flows	294,864	208,063	282,237	194,581

Accounting Policy

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term and highly liquid investments with original maturities of 90 days or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Consolidated cash and cash equivalents have a weighted average interest of 2.42% at 31 December 2016 (2015: 2.26%).

(a) Restricted Funds

Included in the cash at bank and on hand is an amount of \$122k as at 31 December 2016 (2015: \$122k) 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 \$121k as at 31 December 2016 (2015: \$123k) for the purpose of meeting the objectives of the Nippon Foundation Fund.

14 Receivables

	Note	Consolidated		Parent	
		2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Current					
Related parties		-	-	5,028	5,258
Other debtors		30,401	22,495	16,617	8,440
Student debtors		5,090	3,331	5,090	3,331
Less: Allowance for impaired receivables	14(b)	(1,381)	(1,289)	(711)	(934)
Total net receivables		34,110	24,537	26,024	16,095
Accrued income		8,502	10,713	1,310	3,431
Finance lease receivables	14(c)	516	486	516	486
Deferred contribution for superannuation	34(f)	26,505	28,213	26,505	28,213
Total current receivables		69,633	63,949	54,355	48,225
Non-current					
Finance lease receivables	14(c)	21,887	25,984	21,887	25,984
Deferred contribution for superannuation	34(f)	494,001	516,756	494,001	516,756
Other receivables		4,813	4,854	875	882
Less: Allowance for impaired receivables	14(b)	(3,831)	(3,831)	-	-
Total non-current receivables		516,870	543,763	516,763	543,622
Total receivables		586,503	607,712	571,118	591,847

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14 Receivables (continued)Accounting Policy

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 uncollectable 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.

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

(a) Receivables past due but not impaired

The ageing analysis of receivables past due but not impaired is shown below. These receivables relate to a number of independent customers including current students for whom there is no recent history of default.

	Consolidated		Parent	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
< 3 months	5,760	4,520	3,055	2,992
3 to 6 months	3,366	2,544	2,517	1,706
Over 6 months	2,059	1,543	2,047	575
Total past due but not impaired receivables	11,185	8,607	7,619	5,273

(b) Impaired receivables

Movements in the provision for impaired receivables are as follows:

	Consolidated		Parent	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
At 1 January	5,120	3,772	934	760
Allowance for impairment recognised during the year/ (utilised)	92	1,348	(223)	174
At 31 December	5,212	5,120	711	934

The Group impairment total value as at 31 December 2016 comprises both current \$1.4m and non-current \$3.8m (2015: current \$1.3m and non-current \$3.8m).

(c) Finance Lease Receivables*(i) Finance leases*Accounting Policy

The University is lessor to a small number of long term leases of land to external organisations. These leases have been classified as finance leases as substantially all the risks and rewards of use of the land have been transferred to the lessee at inception of the lease.

Finance leases are recognised at the lease's inception at the lower of fair value of the leased asset and the present value of future minimum lease payments. The corresponding rent receivables, net of finance income, are included in receivables. Each lease receipt is allocated between the receivable and finance lease income.

(ii) Macquarie University Village

The University 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 was written down to nil at 1 January 2007 on the basis that there is no future economic benefit to the University from the student

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14 Receivables (continued)**(c) Finance Lease Receivables (continued)**
accommodation.

The University 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.

(iii) Macquarie University Research Park

The University has issued several finance leases to third party organisations over land in the Macquarie University Research Park. At the end of these lease periods, buildings constructed by the lessees will revert to University ownership without consideration to the lessee.

(iv) Future minimum lease payments to the University under all non-cancellable finance leases.

	Consolidated		Parent	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Within one year	1,996	2,182	1,996	2,182
Between one year and five years	7,978	8,729	7,978	8,729
Later than five years	46,254	62,545	46,254	62,545
Minimum lease payments	56,228	73,456	56,228	73,456
Less: Future finance charge	(33,825)	(46,986)	(33,825)	(46,986)
Total future minimum lease payments	22,403	26,470	22,403	26,470

15 Inventories

	Consolidated		Parent	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Current				
Medical supplies	3,863	3,593	-	-
Other inventories	1,697	1,792	281	344
Total current inventories	5,560	5,385	281	344

Accounting Policy

Inventories are valued at the lower of cost and net realisable value.

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16 Other financial assets

	Note	Consolidated		Parent	
		2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Current					
Held to maturity - term deposits		37,604	40,500	35,400	40,500
Restricted assets - Held to maturity - term deposits		4,699	4,687	4,699	4,687
Total current other financial assets		42,303	45,187	40,099	45,187
Non-current					
Available-for-sale investments		24,799	17,264	24,799	17,264
Investment in associate		418	418	-	-
Investment in controlled entities					
- loan		-	-	99,751	97,820
- impairment		-	-	(41,589)	(41,589)
	17	-	-	58,162	56,231
Held to maturity - term deposits		375	375	-	-
Total non-current other financial assets		25,592	18,057	82,961	73,495
Total other financial assets		67,895	63,244	123,060	118,682

Funds are invested in accordance with the Macquarie University Act.

Accounting Policy**Classification**

The Group classifies its investments in the following categories: financial assets at fair value through the income statement (none held in 2016 and 2015), loans and receivables, held-to-maturity investments and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluates this designation at each reporting date.

(i) 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.

(ii) 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.

(iii) Available-for-sale financial assets

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

Recognition and de-recognition

Financial assets are initially recognised at fair value plus transactions costs. 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.

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16 Other financial assets (continued)

Subsequent measurement

Loans and receivables and held-to-maturity investments are carried at historical cost, which approximates to fair value calculated using the effective interest method. 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.

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 investment reserve. This reserve reflects the difference between the carrying cost and market value of available-for-sale investments.

Fair value

Fair value valuation techniques and policies are discussed in note 33.

Impairment

The Group assesses at each balance date whether there is objective evidence that a financial asset 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.

Refer to note 17 for details of the impairment assessment on the loan investment in a controlled entity, MUH Operations No. 2 Pty Ltd.

Restricted assets

When the University is granted statutory funds, these funds will be used for specific purposes. 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 \$2.7m (2015: \$2.7m) held by the University solely for the purposes of meeting the objectives of the Nippon Foundation and \$2.0m (2015: \$2.0m) for the Numismatic Fund.

The only change in these balances during the year was the capitalisation of a portion of interest earned by the Nippon Foundation Fund.

17 Investments in subsidiaries

	Consolidated		Parent	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
Non-current				
<i>Investment in MUH Operations No. 2 Pty Ltd</i>				
- investment: Class B Funding Shares	-	-	70,000	70,000
- impairment	-	-	(46,701)	(46,701)
Total non-current investment in subsidiaries	-	-	23,299	23,299

Accounting Policy

Investments in all wholly owned subsidiaries are initially recorded at cost. The University assesses at each reporting date whether there is objective evidence that the investment is impaired.

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17 Investments in subsidiaries (continued)

(a) Equity and loan investment in MUH Operations No. 2 Pty Ltd

The parent entity has a loan and equity investment in MUH Operations No. 2 Pty Ltd, reflected in notes 16 and 17 of these accounts.

(i) Background

Since the inception of MUH Operations No. 2 Pty Ltd (the 'Hospital'), a controlled entity, in 2010, the University has offered an evergreen loan facility to the Hospital for the purposes of providing capital and working capital start-up funds to support both the Hospital's goal to provide the highest quality of patient care and also to provide world class facilities and research environments for the University to meet its medical research and teaching agenda. The loan facility limit is \$120m.

During 2013, \$70m of debt issued by the University to the Hospital was converted to an equity investment in the Hospital by issue of \$70m of Class B Funding shares in consideration for \$70m of debt.

(ii) Rental arrangements with the Hospital

The Hospital leases two buildings from the University. To date, these rental charges have been capitalised into the loan balance, driving the increase in the loan balance. Recognising this, during 2016 University management varied the lease contracts, granting a three-year rent-free period from 1 January 2016 to 31 December 2018. This decision was taken to support the Hospital to transition to a sustainable financial position, by relieving it temporarily of the burden of rental charges. It is expected that by the end of the rent-free period the Hospital will be approaching optimal operations, and will thus have the cashflow to pay rent and interest charges as they fall due.

This support from the parent is valued at \$16.7m in 2016. Notional rent for this amount is included within Other Revenue, with a contra-amount included in Other Expenses. Because of this change in rental arrangements, the loan balance increased only slightly in 2016 to \$99.8m at 31 December 2016 (31 December 2015: \$97.8m).

(iii) Impairment assessment

At 31 December 2016 management identified indicators that the loan and equity investments in the Hospital may be impaired.

The loan investment of \$99.8m was 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 the Hospital relating to the loan balance at 31 December 2016, over the expected remaining life of the loan. Inputs into the modelling included a 10-year plan reviewed by the Board of the Hospital in December 2016, to which management applied a number of judgements based on actual history of performance against plan by the Hospital. These judgements included modelling the impact on the 10-year plan of varying the key financial drivers of the Hospital (being occupancy, revenue growth per patient day and nursing hours per patient day). Management has adopted a conservative approach to these judgements. The discount rate applicable to the loan as at 31 December 2016 of 3.76% (2015: 4.23%) was used to discount the cash flows.

The equity investment of \$70m was assessed for impairment in accordance with AASB 136 *Impairment of Assets*. The assessment used the same 10-year plan and management judgements noted above and modelled the discounted cash flows expected to be available to equity holders from the operations of the Hospital, and included a terminal value. A discount rate was selected based on the weighted average cost of capital of comparable organisations within the Australian private health-care sector.

The models indicated that the level of equity and loan impairment allowance remained appropriate, and no changes were required in 2016.

The fair value of the equity and loan (being the historic cost less impairment allowance) is shown in notes 16 and 17.

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18 Non-current assets classified as held for sale

	Consolidated		Parent	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
Current				
Property, plant and equipment	-	80,600	-	80,600
Total non-current assets classified as held for sale	-	80,600	-	80,600

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 as at 31 December 2015, under the terms of AASB 5 *Non-Current Assets Held for Sale and Discontinued Operations*. A contract for sale was exchanged in December 2015 and completed in 2016.

19 Other non-financial assets

	Consolidated		Parent	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
Current				
Prepayments	16,050	12,478	14,520	11,180
Lease asset - lessee	613	-	613	-
Lease asset - lessor	2,212	1,963	2,256	2,007
Total current other non-financial assets	18,875	14,441	17,389	13,187
Non-current				
Lease asset - lessor	19,898	22,106	21,506	23,747
Total non-current other non-financial assets	19,898	22,106	21,506	23,747
Total other non-financial assets	38,773	36,547	38,895	36,934

Refer to note 7(ii) for policies on operating lease income and note 12 for policies on operating lease costs.

(a) Operating lease commitments: where the University is the lessor

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

	Consolidated		Parent	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
Within one year	36,339	27,429	35,910	40,709
Between one year and five years	81,538	88,895	110,510	112,599
Later than five years	30,495	76,059	110,171	143,965
	148,372	192,383	256,591	297,273

Accounting Policy

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.

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20 Property, plant and equipment

Parent	Construction in progress ¹	Land	Buildings	Plant and equipment ²	Leasehold improvements	Library General	Library Special	Works of Art	Infrastructure	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 January 2015										
- Cost	28,601	-	17,205	181,443	2,673	5,871	-	-	608	236,401
- Valuation	-	497,395	1,010,963	-	-	-	6,272	21,101	80,766	1,616,497
Accumulated depreciation	-	-	(5,523)	(97,325)	(1,299)	(3,538)	-	-	(377)	(108,062)
Net book amount	28,601	497,395	1,022,645	84,118	1,374	2,333	6,272	21,101	80,997	1,744,836
Year ended 31 December 2015										
Opening net book amount	28,601	497,395	1,022,645	84,118	1,374	2,333	6,272	21,101	80,997	1,744,836
Additions	31,475	2,184	40,397	9,792	77	980	-	4	5,845	90,754
Recognised in Other Comprehensive income	-	3,901	29,242	-	-	-	-	-	1,197	34,340
- Revaluation surplus on ongoing property, plant and equipment	-	67,400	102	-	-	-	-	-	-	67,502
- Revaluation surplus on assets classified as held for sale	-	(75,800)	(4,800)	(205)	-	-	-	-	-	(80,600)
Disposals	-	-	-	-	-	-	-	-	-	(205)
Recognised in the income statement - Depreciation charge	(25,078)	-	(30,203)	(16,630)	(552)	(1,075)	-	-	(4,860)	(53,320)
Transfer between asset classes	-	-	10,619	8,536	199	-	-	-	5,724	-
Closing net book amount	34,998	495,080	1,068,002	85,611	1,098	2,238	6,272	21,105	88,903	1,803,307
At 31 December 2015										
- Cost	34,998	-	9,462	197,868	2,949	5,890	-	-	51	251,218
- Valuation	-	495,080	1,067,247	-	-	-	6,272	21,105	89,242	1,678,946
Accumulated depreciation	-	-	(8,707)	(112,257)	(1,851)	(3,652)	-	-	(390)	(126,857)
Net book amount	34,998	495,080	1,068,002	85,611	1,098	2,238	6,272	21,105	88,903	1,803,307

Macquarie University
Notes to the Financial Statements
For the Year Ended 31 December 2016

20 Property, plant and equipment (continued)

	Construction in progress ¹	Land	Buildings	Plant and equipment ²	Leasehold improvements	Library General	Library Special	Works of Art	Infrastructure	Total
Parent	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Year ended 31 December 2016										
Opening net book amount	34,998	495,080	1,068,002	85,611	1,098	2,238	6,272	21,105	88,903	1,803,307
Additions	56,199	3,582	47,971	6,692	377	396	-	2,289	4,693	122,199
Recognised in Other Comprehensive income	-	-	-	-	-	-	-	-	-	-
- Revaluation surplus on property, plant and equipment	-	243,638	18,676	-	-	-	438	1,962	(1,144)	263,570
Disposals	-	-	-	(447)	(67)	-	-	-	-	(514)
Recognised in the income statement - Depreciation charge	-	-	(30,797)	(19,918)	(576)	(963)	-	-	(4,869)	(57,123)
Transfer between asset classes	(20,022)	-	6,271	10,142	-	-	-	-	3,609	-
Closing net book amount	71,175	742,300	1,110,123	82,080	832	1,671	6,710	25,356	91,192	2,131,439
At 31 December 2016										
- Cost	71,175	-	-	203,620	3,095	6,286	-	-	-	284,176
- Valuation	-	742,300	1,122,004	-	-	-	6,710	25,356	91,570	1,987,940
Accumulated depreciation	-	-	(11,881)	(121,540)	(2,263)	(4,615)	-	-	(378)	(140,677)
Net book amount	71,175	742,300	1,110,123	82,080	832	1,671	6,710	25,356	91,192	2,131,439

¹ Construction in progress includes expenses for property, plant and equipment.

² Plant and equipment include motor vehicles.

Macquarie University
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20 Property, plant and equipment (continued)

	Construction in progress ¹	Land	Buildings	Plant and equipment ²	Leasehold improvements	Library General	Library Special	Works of Art	Infrastructure	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Consolidated										
At 1 January 2015										
- Cost	28,724	-	17,205	187,357	2,673	5,871	-	-	608	242,438
- Valuation	-	497,395	1,010,963	1,893	-	-	6,272	21,101	80,766	1,618,390
Accumulated depreciation	-	-	(5,523)	(102,130)	(1,299)	(3,538)	-	-	(377)	(112,867)
Net book amount	28,724	497,395	1,022,645	87,120	1,374	2,333	6,272	21,101	80,997	1,747,961
Year ended 31 December 2015										
Opening net book amount	28,724	497,395	1,022,645	87,120	1,374	2,333	6,272	21,101	80,997	1,747,961
Additions	32,340	2,184	40,397	10,607	77	981	-	4	5,845	92,435
Recognised in other comprehensive income	-	3,901	29,242	-	-	-	-	-	1,197	34,340
- Revaluation surplus on ongoing property, plant and equipment	-	67,400	102	-	-	-	-	-	-	67,502
- Revaluation surplus on assets classified as held for sale	-	(75,800)	(4,800)	(284)	-	-	-	-	-	(80,884)
Assets classified as held for sale and other disposals	-	-	-	-	-	-	-	-	-	-
Recognised in the income statement - Depreciation charge	(25,442)	-	(30,203)	(17,898)	(552)	(1,075)	-	-	(4,860)	(54,588)
Transfer between asset classes	35,622	495,080	1,068,002	88,445	1,098	2,239	6,272	21,105	5,724	1,806,766
Closing net book amount	35,622	495,080	1,068,002	88,445	1,098	2,239	6,272	21,105	88,903	1,806,766
At 31 December 2015										
- Cost	35,622	-	9,462	201,546	2,949	5,890	-	-	51	255,520
- Valuation	-	495,080	1,067,247	4,626	-	-	6,272	21,105	89,242	1,683,572
Accumulated depreciation	-	-	(8,707)	(117,727)	(1,851)	(3,651)	-	-	(390)	(132,326)
Net book amount	35,622	495,080	1,068,002	88,445	1,098	2,239	6,272	21,105	88,903	1,806,766

Macquarie University
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For the Year Ended 31 December 2016

	Property, plant and equipment (continued)											
	Construction in progress ¹	Land	Buildings	Plant and equipment ²	Leasehold improvements	Library General	Library Special	Works of Art	Infrastructure	Total		
Consolidated	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Year ended 31 December 2016												
Opening net book amount	35,622	495,080	1,068,002	88,445	1,098	2,239	6,272	21,105	88,903	1,806,766		
Additions	57,309	3,582	47,971	8,526	377	396	-	2,289	4,693	125,143		
Recognised in other comprehensive income												
- Revaluation surplus on property, plant and equipment	-	243,638	18,676	-	-	-	438	1,962	(1,144)	263,570		
Disposals	-	-	-	(486)	(67)	-	-	-	-	(553)		
Recognised in the income statement -												
Depreciation charge	-	-	(30,797)	(20,945)	(576)	(963)	-	-	(4,869)	(58,150)		
Transfer between asset classes	(21,548)	-	6,271	10,142	-	-	-	-	3,609	(1,526)		
Closing net book amount	71,383	742,300	1,110,123	85,682	832	1,672	6,710	25,356	91,192	2,135,250		
At 31 December 2016												
- Cost	71,383	-	-	212,484	3,095	6,286	-	-	-	293,248		
- Valuation	-	742,300	1,122,004	-	-	-	6,710	25,356	91,570	1,987,940		
Accumulated depreciation	-	-	(11,881)	(126,802)	(2,263)	(4,614)	-	-	(378)	(145,938)		
Net book amount	71,383	742,300	1,110,123	85,682	832	1,672	6,710	25,356	91,192	2,135,250		

¹ Construction in progress includes expenses for property, plant and equipment.

² Plant and equipment include motor vehicles.

Macquarie University
Notes to the Financial Statements
For the Year Ended 31 December 2016

20 Property, plant and equipment (continued)**(a) Capital commitments**

Capital expenditure contracted for various building capital projects at the reporting date but not recognised as liabilities as at 31 December 2016 are as follows:

	Consolidated		Parent	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Within one year	34,024	48,391	33,942	48,315
Total capital commitments	34,024	48,391	33,942	48,315

Accounting Policy

Capital commitments are shown undiscounted, and inclusive of GST liability.

Property, plant and equipment policies*(i) Capitalisation thresholds*

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.

Where individual items are less than these amounts but the purchase 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.

(ii) Measurements by asset class

- 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, utilising the state government approved Campus Concept Plan and other observable market inputs. Land, Building and Infrastructure are revalued annually, by an independent valuer. Additionally, revaluation adjustments may be made during the year, in accordance with paragraph (iii) below if there are significant changes in either expected use or duration of use for assets in these classes.
- The Library General Collection is recorded at fair value, on the basis of depreciated replacement value.
- The Works of Art, Library Special Collection are measured at fair value and are revalued every three years. They were all last revalued between November and December 2016.
- The carrying value of plant and equipment and leasehold improvements is measured at depreciated historic cost. There is no substantive difference between the fair value and the carrying value of these assets.
- 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.

(iii) Fair value and revaluation adjustments

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.

Macquarie University
Notes to the Financial Statements
For the Year Ended 31 December 2016

20 Property, plant and equipment (continued)

Property, plant and equipment policies (continued)

Increases in the carrying amounts arising on revaluation of property, plant and equipment are recognised in other comprehensive income and accumulated in equity under the heading of Asset revaluation reserve. Decreases that reverse previous increases of the same asset class are recognised in other comprehensive income, to the extent of the remaining reserve attributable to the asset. All other decreases are charged to the income statement.

(iv) Depreciation

Property, plant and equipment are depreciated only when they are completed and ready for use. Depreciation is calculated on a straight-line basis, net of an asset's residual value, over its expected useful life. Standard applicable rates by asset type are:

Asset	2016 and 2015
Construction in progress	Nil
Land	Nil
Buildings	40 years
Plant and equipment	3 - 10 years
Leasehold improvements	Term of lease
Library Collections: General	5 years
Library Collections: Special	Nil
Works of Art	Nil
Infrastructure	21 years

Asset residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

The carrying amount of an asset held at depreciated historic cost is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Macquarie University
Notes to the Financial Statements
For the Year Ended 31 December 2016

21 Intangible Assets

	Parent			Consolidated				
	Patents \$'000	IT software \$'000	Digital library collections \$'000	Total \$'000	Patents \$'000	IT software \$'000	Digital library collections \$'000	Total \$'000
At 1 January 2015								
- Cost	1,310	10,505	32,863	44,678	1,310	11,584	32,863	45,757
- Accumulated amortisation and impairment	(103)	(2,585)	(15,213)	(17,901)	(103)	(2,651)	(15,213)	(17,967)
Net book amount	1,207	7,920	17,650	26,777	1,207	8,933	17,650	27,790
Year ended 31 December 2015								
Opening net book amount	1,207	7,920	17,650	26,777	1,207	8,933	17,650	27,790
Additions	426	3,861	9,649	13,936	427	6,631	9,649	16,707
Amortisation charge	(35)	(1,976)	(6,836)	(8,847)	(35)	(2,050)	(6,836)	(8,921)
Disposals	(116)	-	-	(116)	(116)	-	-	(116)
Closing net book amount	1,482	9,805	20,463	31,750	1,483	13,514	20,463	35,460
At 31 December 2015								
- Cost	1,620	14,366	38,925	54,911	1,621	18,215	38,925	58,761
- Accumulated amortisation and impairment	(138)	(4,561)	(18,462)	(23,161)	(138)	(4,701)	(18,462)	(23,301)
Net book amount	1,482	9,805	20,463	31,750	1,483	13,514	20,463	35,460
Year ended 31 December 2016								
Opening net book amount	1,482	9,805	20,463	31,750	1,483	13,514	20,463	35,460
Additions	341	4,766	7,707	12,814	341	5,575	7,707	13,623
Impairment losses	-	-	-	-	-	(3,121)	-	(3,121)
Amortisation charge	(35)	(3,579)	(7,897)	(11,511)	(35)	(3,805)	(7,897)	(11,737)
Disposals	(86)	-	-	(86)	(86)	-	-	(86)
Closing net book amount	1,702	10,992	20,273	32,967	1,703	12,163	20,273	34,139
At 31 December 2016								
- Cost	1,876	18,590	46,631	67,097	1,877	23,249	46,631	71,757
- Accumulated amortisation and impairment	(174)	(7,598)	(26,358)	(34,130)	(174)	(11,086)	(26,358)	(37,618)
Net book amount	1,702	10,992	20,273	32,967	1,703	12,163	20,273	34,139

Macquarie University
Notes to the Financial Statements
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21 Intangible Assets (continued)

Accounting Policy

Intangible assets policies

(i) Patents

Patents are recorded at cost and amortised over their useful life.

(ii) IT software

IT software which is purchased or developed is recorded at historical cost and amortised over its useful life.

(iii) Digital library collections

Digital library collections are capitalised when the license includes perpetual access rights to the information purchased. Such assets are recorded at historical cost and amortised over their useful life.

(iv) Amortisation

Amortisation is calculated on a straight line basis over the assets' estimated useful lives. Standard applicable rates by asset type are:

Asset	2016 and 2015
Patents	20 years
IT software	3 - 10 years
Digital library collections	5 years

22 Trade and other payables

		Consolidated		Parent	
		2016	2015	2016	2015
	Note	\$'000	\$'000	\$'000	\$'000
Current					
Related parties		-	-	1,722	1,673
Third parties		39,266	33,242	23,453	19,301
Accrued expenses		45,273	38,398	38,988	31,036
OS-HELP Liability to Australian Government	35(f)	1,630	713	1,630	713
Total current trade and other payables		86,169	72,353	65,793	52,723
Total trade and other payables		86,169	72,353	65,793	52,723

Accounting Policy

Trade accounts payable are recognised when the University becomes obliged to make future payments as a result of purchases or other obligations. These liabilities 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.

Total trade and other payables include \$1.5m (2015: \$2.6m) denominated in currencies other than Australian dollars.

Macquarie University
Notes to the Financial Statements
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23 Borrowings

	Note	Consolidated		Parent	
		2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Current					
Unsecured controlled entity loans	23(a)	-	-	44,900	39,000
Unsecured bank loans (student accommodation)	23(b)	1,379	1,284	1,379	1,284
Secured lease liabilities		135	-	-	-
Total current borrowings		1,514	1,284	46,279	40,284
Non-current					
Unsecured University-issued bonds	23(c)	249,078	248,828	249,078	248,828
Unsecured bank loans (evergreen facility)	23(d)	100,000	100,000	100,000	100,000
Unsecured bank loans (student accommodation)	23(b)	3,575	4,944	3,575	4,944
Secured lease liabilities		385	-	-	-
Total non-current borrowings		353,038	353,772	352,653	353,772
Total borrowings		354,552	355,056	398,932	394,056

Accounting Policy

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.

All borrowings are interest bearing. The carrying amounts of borrowings at the date of statement of financial position are approximate to their fair value. Refer to note 32 for details regarding the Group and parent entity's exposure to interest rate changes and contractual repricing dates.

(a) Controlled entity loans

Several controlled entities with surplus cash balances have entered into an unsecured loan agreement with the University. Loan tranches are invested by the University and returns on these investments are paid to the lending controlled entity.

(b) Borrowings in respect of assets

In 2000 the University entered into a 20 year commercial bank loan with a fixed interest rate of 7.035% to fund the construction of student accommodation. The loan is unsecured and is denominated in AUD. The balance of the loan outstanding as at 31 December 2016 was \$5.0 million which comprises both current \$1.4m and non-current \$3.6m (2015: \$6.2 million which comprises current \$1.3m and non-current \$4.9m).

(c) University-issued bonds

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.

(d) Evergreen facility

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 2016 \$100 million was drawn down and \$100 million remained available to be drawn. The loans are denominated in AUD.

Macquarie University
Notes to the Financial Statements
For the Year Ended 31 December 2016

23 Borrowings (continued)**(e) Other financing facilities**

There was no formal overdraft facility in place as at 31 December 2016. There were unused credit card facilities with ANZ with total of \$5.2 million (2015: \$5.3 million) at the year end.

24 Provisions

	Note	Consolidated		Parent	
		2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Current provisions expected to be settled wholly within 12 months					
Employee benefits					
Annual leave		31,713	30,415	25,747	25,237
Long service leave		12,254	10,966	11,636	10,452
Other employee related costs		547	5,736	397	5,473
Deferred benefits for superannuation	34(f)	26,505	28,213	26,505	28,213
Other provisions		168	168	-	-
Subtotal		71,187	75,498	64,285	69,375
Current provisions expected to be settled wholly after more than 12 months					
Employee benefits					
Annual leave		3,786	2,846	3,554	2,520
Long service leave		23,731	22,424	22,844	21,456
Subtotal		27,517	25,270	26,398	23,976
Total current provisions		98,704	100,768	90,683	93,351
Non-current provisions					
Employee benefits					
Long service leave		17,818	14,885	14,853	12,780
Deferred benefits for superannuation	34(f)	496,301	518,943	496,301	518,943
Make Good		470	195	470	195
Total non-current provisions		514,589	534,023	511,624	531,918
Total provisions		613,293	634,791	602,307	625,269

Refer to note 34(f) for ageing of net liability and reimbursement rights.

24 Provisions (continued)Accounting Policy**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 that these liabilities will be settled wholly within twelve months of the reporting period, they are recognised in the Trade and Other Payables note.

(ii) Long-term obligations

The liabilities for long-term benefits such as annual leave and long service leave are recognised in current provisions for employee benefits if:

a) it is expected to be settled wholly within twelve months of the reporting period and

b) there is no unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Such liabilities are recognised as non-current if either of the above criteria do not apply.

Long term liabilities are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. 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.

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

Other provisions

Provisions 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 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.

(i) 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.

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25 Other liabilities

	Consolidated		Parent	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Current				
Advances	465	436	348	303
Prepaid income	59,789	49,866	58,369	47,807
Lease liability - lessor	694	507	694	507
Total current other liabilities	60,948	50,809	59,411	48,617
Non-current				
Lease liability - lessee	1,972	-	1,972	-
Lease liability - lessor	821	1,236	821	1,236
Total non-current other liabilities	2,793	1,236	2,793	1,236
Total other liabilities	63,741	52,045	62,204	49,853

Prepaid income predominantly relates to student fees received for courses that have yet to be delivered.

Refer to note 7(ii) for policies on operating lease income and note 12 for policies on operating lease costs.

(a) Operating lease commitments - 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	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Within one year	7,608	7,448	6,967	4,874
Between one year and five years	16,690	12,322	15,000	9,715
Later than five years	19,441	9,463	19,441	-
Total future minimum lease payments	43,739	29,233	41,408	14,589

Accounting Policy

Lease payments are shown undiscounted, and inclusive of GST liability.

26 Key Management Personnel Disclosures**(a) Names of responsible persons and executive officers**

The following persons were responsible persons and executive officers of Macquarie University during the financial year. All members of the University Council were appointed or elected under the provisions of the Macquarie University Act 1989. Council members include University employees who may be ex-officio members or elected staff members.

(i) Executive officers

Ms Deidre Anderson
Mr Tim Beresford (from February 2016)
Professor S Bruce Dowton
Professor Mark Gabbott (until March 2016)
Mr Patrick John Gorman (until December 2016)
Ms Nicole Gower
Professor Simon Handley
Professor Kevin Jameson (from March 2016)
Professor Patrick McNeil
Professor Barbara Messerle
Professor Martina Mollering
Mr Robin Payne (from December 2016)
Professor Sakkie Pretorius
Dr Paul Schreier (until March 2016)
Professor John Simons (until December 2016)
Professor David Wilkinson

(ii) University Council Members

The Hon Michael Egan AO – Chancellor
Professor S Bruce Dowton – Vice-Chancellor and President
Ms Elizabeth Crouch – Deputy Chancellor
Professor Mariella Herberstein – Chair of Academic Senate (appointed May 2016)
Professor Dominic Verity – Chair of Academic Senate (until April 2016)
Professor Catherine Dean (appointed January 2016)
Professor Richard Howitt
Professor Deborah Kane
Ms Leanne Denby
Mr Kieren Ash
Mr Brendan Crotty
Mr Chum Darvall
Mr John Wigglesworth
Mr Frank Zipfinger
Ms Deborah Hadwen (appointed March 2016)
Mr Gregory Jones
The Hon Sandra Nori
Ms Jingmin Qian
The Hon Patricia Forsythe

Macquarie University
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For the Year Ended 31 December 2016

26 Key Management Personnel Disclosures (continued)
(b) Remuneration of Council Members and Executives

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

	Parent	
	2016	2015
Remuneration of executive officers		
\$10,000 to \$19,999	1	-
\$50,000 to \$59,999	-	1
\$120,000 to \$129,999	-	1
\$130,000 to \$139,999 ²	1	-
\$150,000 to \$159,999	-	1
\$340,000 to \$349,999	1	-
\$370,000 to \$379,999	-	1
\$380,000 to \$389,999	1	2
\$390,000 to \$399,999	1	-
\$400,000 to \$409,999	3	-
\$420,000 to \$429,999	-	1
\$440,000 to \$449,999	-	1
\$450,000 to \$459,999	1	-
\$480,000 to \$489,999	-	2
\$490,000 to \$499,999 ²	2	2
\$500,000 to \$509,999	-	2
\$510,000 to \$519,999	2	-
\$650,000 to \$659,999 ²	1	-
\$670,000 to \$679,999 ²	1	-
\$840,000 to \$849,999 ¹	-	1
\$920,000 to \$929,999	-	1
\$940,000 to \$949,999	1	-
	16	16

¹ Includes termination payments in 2015.

² Includes termination payments in 2016.

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.

(c) Key management personnel compensation

	Parent	
	2016	2015
	\$'000	\$'000
Short-term employee benefits	6,546	6,542
Termination benefits	668	553
	7,214	7,095

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

(d) Loans to key management personnel

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

Interest of \$25k was payable for the year ended 31 December 2016 (2015: \$28k). No write downs or allowances for doubtful receivables have been recognised in relation to this loan in 2016 (2015: nil).

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Notes to the Financial Statements
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26 Key Management Personnel Disclosures (continued)

(d) Loans to key management personnel (continued)

Pursuant to the Loan Agreement, the University uses this property for University functions, for a fee assessed at a fair value using comparable market rental for similar properties. The fee in 2016 was \$46k (2015: \$45k).

There are no other loans to key management personnel.

27 Related Parties

(a) Parent entity

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

(b) 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	Principal place of business	Class of Shares	Equity Holding	
			2016 %	2015 %
Access Macquarie Ltd	Australia	Limited by Guarantee	100	100
Australian Proteome Analysis Facility Ltd	Australia	Limited by Guarantee	100.00	100.00
CMBF Ltd	Australia	Limited by Guarantee	100.00	100.00
COH Property Trust	Australia	Units	100.00	100.00
Macquarie Education South Africa NPC	South Africa	Ordinary	-	100.00
MGSM Limited	Australia	Limited by Guarantee	100.00	100.00
Macquarie University Clinical Associates Ltd	Australia	Limited by Guarantee	100.00	100.00
Macquarie University Hong Kong Foundation Ltd	Hong Kong	Limited by Guarantee	100.00	-
Macquarie University Property Investment Company No. 3 Pty Ltd	Australia	Ordinary	100.00	100.00
Macquarie University Property Investment Company Pty Ltd	Australia	Ordinary	100.00	100.00
Macquarie University Property Investment Trust	Australia	Units	100.00	100.00
MUH Operations No.2 Pty Ltd (formerly MUH Operations No.2 Ltd)	Australia	Class B Funding	100.00	100.00
MUH Operations Pty Ltd	Australia	Ordinary	100.00	100.00
MUPH Clinic Pty Ltd	Australia	Ordinary	100.00	100.00
MUPH Hospital Pty Ltd	Australia	Ordinary	100.00	100.00
Risk Frontiers Flood (Australia) Pty Ltd	Australia	Ordinary	100.00	100.00
Risk Frontiers Group Pty Ltd	Australia	Ordinary	100.00	100.00
U@MQ Ltd	Australia	Limited by Guarantee	100.00	100.00

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

Macquarie University Hong Kong Foundation Limited was incorporated during 2016.

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27 Related Parties (continued)**(c) Transactions with related parties**

The following transactions occurred with related parties in 2016:

	Revenue \$'000	Expenses \$'000	Receivables/ Investments \$'000	Payables/ Loans \$'000
Access Macquarie Ltd	1,847	10,740	2,136	9,608
APAF Ltd	873	130	175	354
CMBF Ltd	120	3,016	-	-
MGSM Ltd	9,278	25,372	1,704	29,417
MUH Operations No.2 Pty Ltd	21,054	17,059	81,918	282
U@MQ Ltd	1,965	4,337	486	6,962
Macquarie University Clinical Associates Pty Ltd	-	-	71	-
	35,137	60,654	86,490	46,623

The receivables / investment value of \$81.9m with MUH Operations No. 2 Pty Ltd includes equity with a carrying value of \$23.3m (see note 17) and a loan with a carrying value of \$58.2m (see note 16).

The following material transactions occurred with related parties in 2015:

	Revenue \$'000	Expenses \$'000	Receivables/ Investments \$'000	Payables \$'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	82,295	377
U@MQ Ltd	1,703	5,429	693	7,378
Macquarie University Clinical Associates Pty Ltd	-	-	124	-
	34,599	35,529	87,304	40,673

The receivables / investment value of \$82.3m with MUH Operations No. 2 Pty Ltd includes equity with a carrying value of \$23.3m (see note 17) and a loan with a carrying value of \$56.3m (see note 16).

(d) Loans to related parties

	Note	2016 \$'000	2015 \$'000
Loan to MUH Operations No. 2 Pty Ltd			
Beginning of the year	16	56,231	48,345
Capitalisation of rental charges		-	16,277
Net loans advanced/ (repaid)		(2,000)	5,400
Impairment charge	11	-	(16,970)
Interest charged	5	3,931	3,179
End of year	16	58,162	56,231

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28 Remuneration of Auditors

	Consolidated		Parent	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Audit and review of the Financial Statements				
Fees paid to Audit Office of NSW				
Audit fees for parent entity/ group entity	669	661	348	370
Audit fees for Restricted Funds	4	4	4	4
Total paid for audit and review	673	665	352	374
Other audit and assurance services				
Fees paid to Audit Office of NSW				
Audit of regulatory returns	14	13	14	13
Total paid for audit and assurance	14	13	14	13
Total remuneration for audit and assurance related services	687	678	366	387

29 Contingencies**(a) Bank Guarantees**

The University has a bank guarantee facility of \$28.4m (2015: \$26.4m) of which \$4m (2015: Nil) was unused at the reporting date. The bank guarantees primarily relate to the provision of security for a workers' compensation insurance program.

(b) Contingent liabilities

At the 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 (2015: Nil).

30 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.

Macquarie University
Notes to the Financial Statements
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31 Reconciliation of operating result after income tax to net cash flows from operating activities

	Consolidated		Parent	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Net result for the period	45,194	20,805	43,438	26,945
Depreciation and amortisation	72,332	63,509	68,634	62,167
Net (gain) / loss on sale of non-current assets	296	305	347	276
Net loss on impairment of non-current assets	-	1,378	468	14,960
Macquarie University Hospital rent and interest	-	-	(20,123)	(19,456)
Macquarie University Hospital contribution	-	-	16,192	-
Change in operating assets and liabilities:				
(Increase) / decrease in trade debtors	(7,394)	(3,090)	(2,137)	965
(Increase) / decrease in inventories	(175)	(363)	63	(177)
(Increase) in other operating assets	(4,705)	3,229	1,747	(37,593)
Increase / (decrease) in trade creditors	11,977	8,010	7,097	9,168
Increase / (decrease) in other operating liabilities	11,186	12,076	6,927	49,445
Increase / (decrease) in provision for employee entitlements	2,576	8,202	(961)	9,276
Increase / (decrease) in other provisions	(275)	1,444	-	-
Net cash provided by operating activities	131,012	115,505	121,692	115,976

32 Financial Risk Management

(a) Objectives and policies

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 University has adopted an Investment Policy, approved by the Finance and Facilities Committee (a Committee of Council) that establishes a policy framework for the management of financial risk. The Finance and Facilities Committee reviews the University financial risk and financial asset performance at each of its meetings.

(b) 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. Refer to note 22 for the amount of Trade and Other Payables held in non AUD currency at year end.

(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 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. Refer to note 23 for details. Interest rate risk relates to investments. All other financial assets and liabilities are non-interest bearing.

(iv) Summarised sensitivity analysis

Sensitivity analysis was produced by altering the relevant balance for +/-10% change in the foreign exchange and other price risk and +/-1% in the interest rate risk identified. The results of this analysis did not give rise to any material change in the balances. Given the results of this analysis and the risk assessment noted in the above paragraphs, sensitivity analysis did not give rise to any material change in the balances affected by the risks identified above for the consolidated or parent entity.

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32 Financial Risk Management (continued)**(c) Credit risk**

The maximum exposure to credit risk, at the reporting 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 are disclosed in note 23.

The carrying amount of financial assets (as contained in the table in sub note 32(d) below) represents the Group's maximum exposure to credit risk.

(d) 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.

The following tables summarise the maturity of the Group's financial assets and financial liabilities. The financial assets consist of cash and cash equivalents, other financial assets, finance lease receivables and investments in related entities.

Consolidated		Less than 1 year		1 - 5 years		5+ years		Total	
	Note	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Financial Liabilities:									
Trade and other payables	22	(86,169)	(72,353)	-	-	-	-	(86,169)	(72,353)
Bonds	23	-	-	(249,078)	(248,828)	-	-	(249,078)	(248,828)
Bank borrowings	23	(1,379)	(1,284)	(103,575)	(104,944)	-	-	(104,954)	(106,228)
Lease liabilities	23	(135)	-	(385)	-	-	-	(520)	-
Total Financial Liabilities		(87,683)	(73,637)	(353,038)	(353,772)	-	-	(440,721)	(427,409)
Financial Assets:									
Total Financial Assets		426,631	331,730	4,807	3,337	19,455	23,022	450,893	358,089
Net Liquidity		338,948	258,093	(348,231)	(350,435)	19,455	23,022	10,172	(69,320)
Parent									
	Note	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Financial Liabilities:									
Trade and other payables	22	(65,793)	(52,723)	-	-	-	-	(65,793)	(52,723)
Bonds	23	-	-	(249,078)	(248,828)	-	-	(249,078)	(248,828)
Bank borrowings	23	(1,379)	(1,284)	(103,575)	(104,944)	-	-	(104,954)	(106,228)
Total Financial Liabilities		(67,172)	(54,007)	(352,653)	(353,772)	-	-	(419,825)	(407,779)
Financial Assets:									
Total Financial Assets		397,242	303,280	4,433	2,963	77,617	79,252	479,292	385,495
Net Liquidity		330,070	249,273	(348,220)	(350,809)	77,617	79,252	59,467	(22,284)

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33 Fair Value Measurement**(a) Fair value measurements**

Due to the short-term nature of current receivable and current payables, their carrying value is assumed to approximate to fair value. The fair value of liabilities is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the University for similar financial instruments.

(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 2016.

Fair value measurements at 31 December 2016

		2016	Level 1	Level 2	Level 3
Consolidated and Parent	Note	\$'000	\$'000	\$'000	\$'000
Financial assets					
Available-for-sale investments	16	24,799	3,820	20,979	-
Total financial assets		24,799	3,820	20,979	-
Non-financial assets					
PPE					
Land	20	742,300	-	-	742,300
Buildings	20	1,110,123	-	175,863	934,260
Infrastructure	20	91,192	-	-	91,192
Library special collections	20	6,710	-	-	6,710
Works of art	20	25,356	-	-	25,356
Total non-financial assets		1,975,681	-	175,863	1,799,818

Fair value measurements at 31 December 2015

		2015	Level 1	Level 2	Level 3
Consolidated and Parent	Note	\$'000	\$'000	\$'000	\$'000
Financial assets					
Available-for-sale investments	16	17,264	3,164	14,100	-
Total financial assets		17,264	3,164	14,100	-
Non-financial assets					
PPE					
Land	20	495,080	-	-	495,080
Buildings	20	1,068,002	-	109,764	958,238
Infrastructure	20	88,903	-	-	88,903
Library special collections	20	6,272	-	-	6,272
Works of art	20	21,105	-	-	21,105
Assets held for sale	18	80,600	-	80,600	-
Total non-financial assets		1,759,962	-	190,364	1,569,598

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33 Fair Value Measurement (continued)**(b) Fair value hierarchy (continued)**

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.

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

The value of both current and non-current borrowings approximates the carrying amount, as the impact of discounting is not significant (Level 2).

(ii) 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.

(iii) Property, Plant and Equipment – off-campus buildings and tenanted on-campus buildings

Off-campus buildings and tenanted on-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.

(iv) Property, Plant and Equipment – on-campus land, non-tenanted buildings and infrastructure

On-campus land, non-tenanted buildings and infrastructure is assessed annually by an independent expert valuer. For land this is based on the highest and best use of each zone of the campus, under existing planning legislation. For buildings and infrastructure, 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.

(v) Library Special Collections

The Library Special Collection is revalued every three years by an independent expert valuer. The collections are classified as Level 3 due to the limited number of external observable inputs.

(vi) Works of Art

Works of Art are revalued every three 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.

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

The following table is a reconciliation of level 3 items for Buildings. A reconciliation of the level 3 items (Land, Library special collection, Infrastructure and Works of Art) is represented in the reconciliation of the net book value of these items in note 20.

Consolidated and Parent

	2016	2015
	\$'000	\$'000
Opening balance	958,238	937,674
Acquisitions	24,544	22,980
Recognised in profit or loss - depreciation	(27,559)	(27,241)
Recognised in other comprehensive income - unrealised gain/ (loss) on revaluation	(20,963)	24,825
Closing balance	934,260	958,238

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33 Fair Value Measurement (continued)

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

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

There were no transfers between levels 2 and 3 for the Group.

(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 2016 \$'000	Unobservable inputs*	Range of inputs (probability weighted average)	Relationship of unobservable inputs to fair value
PPE- Building	934,260	Remaining useful life of assets	+/- 5%	Increase/ decrease in term of useful life by +/- 5% would increase/ decrease fair value by +/- \$46.7m
Land	742,300	\$ per square metre for campus land	+/- 5%	Increase/ decrease in \$ per square metre by +/- 5% would increase/ decrease fair value by +/- \$37.1m

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

34 Retirement benefit obligations

All University employees, including casuals, receive superannuation benefits equal to or exceeding the government Superannuation Guarantee Levy.

(a) Employee Benefits - Unfunded Defined Benefit Superannuation Liabilities

The University contributes to three closed state pension schemes within the State Authorities Superannuation Trustee Corporation, 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 the proportion of 78:22 from the Commonwealth and the State Governments respectively.

These schemes are defined benefit schemes, providing defined lump sum benefits based on years of service and final average salary.

A liability in respect of these plans is recognised in note 24, 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 and past service costs are not recognised in the Income Statement or Statement of Comprehensive Income, due to the government reimbursement arrangements noted above. Instead, a debtor is shown in note 14, to the same value of the liability in note 24, reflecting the funds owing from the Federal and State Governments to cover the unfunded element of the three schemes.

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Notes to the Financial Statements
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34 Retirement benefit obligations (continued)**(b) Fund specific disclosure***State Authorities Superannuation Trustee Corporation*

The Pooled Funds hold in trust the investments of the State Authorities Superannuation Scheme (SASS), State Authorities Non-contributory Superannuation Scheme (SANCS) and State Superannuation Scheme (SSS) which are now closed NSW public sector superannuation defined benefit schemes.

The University does not expect to make contributions to any Pooled Fund Schemes in 2017 (2016: Nil) aside from normal payments made under the Superannuation Guarantee Levy for those employees who are members of these funds, and minor payments for recently retired pensioners with a pensionable salary at exit that is higher than the expected notional salary as calculated by the scheme administrators.

Professorial Superannuation Fund

The Professorial Superannuation Fund (PSF) is closed to new members and provides a combination of an accumulation benefit and a defined benefit. The University does not expect to make a contribution in 2017 (2016: 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 2016	33,489	33,343	97,468	538,865	703,165
Defined benefit obligations - 31 December 2015	32,172	32,429	96,481	536,408	697,490

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 2016	1,484	1,415	3,834	8,120	14,853
Defined benefit obligations - 31 December 2015	1,454	1,396	3,828	8,543	15,221

(c) Categories of plan assets**Pooled Funds - key assumptions**

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

	2016 (%)		2015 (%)	
	Active Market	No Active Market	Active Market	No Active Market
Cash and Cash Equivalents	5.0	1.0	7.0	-
Equity instruments	45.0	10.0	46.0	9.0
Debt instruments	-	8.0	-	9.0
Property	2.0	7.0	3.0	6.0
Other	1.0	21.0	2.0	18.0
Total	53.0	47.0	58.0	42.0

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34 Retirement benefit obligations (continued)**(c) Categories of plan assets (continued)**

The principal assumptions used for the purposes of the actuarial valuations were as follows:

	2016	2015
	%	%
Discount rate	2.8	2.9
Expected return on plan assets	7.4	7.8
Expected rates of salary increase	2.5 - 3.5	2.5 - 3.5
Expected rates of CPI increase	1.8 - 2.5	2.3 - 2.8

Professorial Superannuation Fund - key assumptions

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

	2016 (%)		2015 (%)	
	Active Market	No Active Market	Active Market	No Active Market
Cash and Cash Equivalents	15.5	-	13.9	-
Equity instruments	52.6	-	54.2	-
Debt instruments	-	22.6	-	22.3
Other	-	9.3	-	9.6
Total	68.1	31.9	68.1	31.9

The principal assumptions used for the purposes of the actuarial valuations were as follows:

	2016	2015
	%	%
Discount rate	2.6	2.7
Expected rates of salary increase	3.0	3.0
Pension growth rate	3.0	3.0

(d) 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	1.0 %	Decrease by 9.6%	Increase by 11.5%
Rate of CPI increase	0.5 %	Increase by 5.2%	Decrease by 4.8%
Rate of salary increase	0.5 %	Increase by 0.2%	Decrease by 0.2%
Rate of pensioner mortality	0.5 %	Decrease by 1.0%	Increase by 1.1%

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34 Retirement benefit obligations (continued)

(d) Actuarial assumptions and sensitivity (continued)

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	0.5 %	Decrease by 4.0%	Increase by 4.3%
Salary/ pension growth rate	0.5 %	Increase by 4.3%	Decrease by 4.0%

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.

(e) Statement of financial position amounts

	Note	\$'000 SASS	\$'000 SANCS	\$'000 SSS	\$'000 PSF	\$'000 Total
Net liability reconciliation - 2016						
Defined benefit obligation		38,254	5,937	531,720	14,853	590,764
Fair value of planned assets		(24,310)	(858)	(30,238)	(12,552)	(67,958)
Net liability	34(f)	13,944	5,079	501,482	2,301	522,806
Reimbursement rights - 2016						
Opening value of reimbursement right		13,402	4,908	526,658	-	544,968
Expected return on reimbursement rights		(194)	25	390	-	222
Remeasurements		736	146	(25,566)	-	(24,684)
Closing value of reimbursement right	34(f)	13,944	5,079	501,482	-	520,506
Present value obligations - 2016						
Opening defined benefit obligation		39,571	6,333	554,710	15,221	615,835
Current service cost		1,054	220	274	327	1,875
Interest expense		1,078	170	15,647	450	17,345
		41,703	6,723	570,631	15,998	635,055
Remeasurements						
Actuarial losses arising from changes in financial assumptions		165	35	1,090	106	1,396
Experience losses/(gains)		19	13	(13,990)	462	(13,496)
		184	48	(12,900)	568	(12,100)
Contributions						
Plan participants		475	-	209	-	684
		475	-	209	-	684
Payments from plan						
Benefits (paid)		(4,190)	(749)	(26,276)	(1,386)	(32,601)
Taxes, premiums and expenses (paid)/ received		82	(85)	56	(327)	(274)
		(4,108)	(834)	(26,220)	(1,713)	(32,875)
Closing defined benefit obligation		38,254	5,937	531,720	14,853	590,764

Macquarie University
Notes to the Financial Statements
For the Year Ended 31 December 2016

34 Retirement benefit obligations (continued)

(e) Statement of financial position amounts (continued)

	Note	\$'000 SASS	\$'000 SANCS	\$'000 SSS	\$'000 PSF	\$'000 Total
Present value of plan assets - 2016						
Opening fair value of plan assets		26,168	1,426	28,052	13,034	68,680
Interest income		702	31	777	329	1,839
		<u>26,870</u>	<u>1,457</u>	<u>28,829</u>	<u>13,363</u>	<u>70,519</u>
Remeasurements						
Actual gains/(losses) on plan assets, excluding amounts included in net interest expense		196	(25)	(391)	902	682
		<u>196</u>	<u>(25)</u>	<u>(391)</u>	<u>902</u>	<u>682</u>
Contributions						
Employers		877	260	27,811	-	28,948
Plan participants		475	-	209	-	684
		<u>1,352</u>	<u>260</u>	<u>28,020</u>	<u>-</u>	<u>29,632</u>
Payments from plan						
Benefits (paid)		(4,190)	(749)	(26,276)	(1,386)	(32,601)
Taxes, premiums and expenses (paid)/ received		82	(85)	56	(327)	(274)
		<u>(4,108)</u>	<u>(834)</u>	<u>(26,220)</u>	<u>(1,713)</u>	<u>(32,875)</u>
Closing fair value of plans assets		<u>24,310</u>	<u>858</u>	<u>30,238</u>	<u>12,552</u>	<u>67,958</u>
Net liability reconciliation - 2015						
Defined benefit obligation		39,571	6,333	554,710	15,221	615,835
Fair value of plan assets		(26,168)	(1,426)	(28,052)	(13,034)	(68,680)
Net liability	34(f)	<u>13,403</u>	<u>4,907</u>	<u>526,658</u>	<u>2,187</u>	<u>547,155</u>
Reimbursement rights - 2015						
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
Closing value of reimbursement right	34(f)	<u>13,402</u>	<u>4,908</u>	<u>526,658</u>	<u>-</u>	<u>544,968</u>

Macquarie University
Notes to the Financial Statements
For the Year Ended 31 December 2016

34 Retirement benefit obligations (continued)**(e) Statement of financial position amounts (continued)**

	Note	\$'000 SASS	\$'000 SANCS	\$'000 SSS	\$'000 PSF	\$'000 Total
Present value obligations - 2015						
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>
Remeasurements						
Actuarial losses/(gains) arising from changes in demographic assumptions		802	(63)	17,682	-	18,421
Actuarial losses/(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>
Contributions						
Plan participants		432	-	372	-	804
		<u>432</u>	<u>-</u>	<u>372</u>	<u>-</u>	<u>804</u>
Payments from plan						
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>
Closing defined benefit obligation		<u>39,571</u>	<u>6,333</u>	<u>554,710</u>	<u>15,221</u>	<u>615,835</u>
Present value of plan assets - 2015						
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>
Remeasurements						
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>
Contributions						
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>
Payments from plan						
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>
Closing fair value of plans assets		<u>26,168</u>	<u>1,426</u>	<u>28,052</u>	<u>13,034</u>	<u>68,680</u>

Macquarie University
Notes to the Financial Statements
For the Year Ended 31 December 2016

34 Retirement benefit obligations (continued)**(f) Ageing of net liability and reimbursement rights**

	\$'000	\$'000	\$'000	\$'000	\$'000
	SASS	SANCS	SSS	PSF	Total
Net liability 2016					
Current	5,666	942	26,881	-	33,489
Non-current	8,278	4,137	474,601	2,301	489,317
Total net liability	13,944	5,079	501,482	2,301	522,806
Reimbursement rights 2016					
Current	5,666	942	26,881	-	33,489
Non-current	8,278	4,137	474,601	-	487,017
Total reimbursement rights	13,944	5,079	501,482	-	520,506
Net liability 2015					
Current	5,415	807	25,950	-	32,172
Non-current	7,988	4,101	500,707	2,187	514,983
Total net liability	13,403	4,908	526,657	2,187	547,155
Reimbursement rights 2015					
Current	5,415	807	25,950	-	32,172
Non-current	7,988	4,101	500,707	-	512,796
Total reimbursement rights	13,403	4,908	526,657	-	544,968

(g) Amounts recognised in other statements**Amounts recognised in other comprehensive income**

	\$'000	\$'000
	PSF	PSF
	2016	2015
Remeasurements		
Actuarial gains/ (losses) arising from changes in financial assumptions	(106)	1,342
Actuarial gain/ (losses) arising from experience adjustments	(462)	316
Actual return on plan assets less interest income	902	30
Total remeasurements in Other Comprehensive Income	334	1,688

(h) 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 2016

35 Acquittal of Australian Government Financial Assistance

(a) Education - CGS and other Education grants

	Commonwealth Grants Scheme#1		Indigenous Support Program		Partnership & Participation Program#2		Disability Promo of Exc in Learning and Teaching Program		Improving the Quality of Maths & Science Teaching Program		Total
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Parent Entity (University) Only	Note	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Financial assistance received in CASH during the reporting period (total cash received from Australian Government for the program)		174,973	161,290	691	638	3,034	2,554	660	851	894	850
Net accrual adjustments	2(b)	981	(3,267)	-	-	-	-	-	-	-	(3,267)
Revenue for the period	2(a)	175,953	158,023	691	638	3,034	2,554	660	851	894	850
Surplus from the previous year		-	-	-	-	207	482	-	-	-	207
Total revenue including accrued revenue		175,953	158,023	691	638	3,241	3,036	660	851	894	850
Less expenses including accrued expenses		(175,953)	(158,023)	(691)	(638)	(2,983)	(2,829)	(660)	(851)	(776)	(850)
Surplus for the reporting period		-	-	-	-	258	207	-	-	118	-
											434
											207

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

#2 Includes Equity Support Program.

Macquarie University
Notes to the Financial Statements
For the Year Ended 31 December 2016

35 Acquittal of Australian Government Financial Assistance (continued)

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

	HECS-HELP (Aust. Government payments only)		FEE-HELP ^{#3}		SA-HELP		Total
	2016	2015	2016	2015	2016	2015	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Parent Entity (University) Only	1,612	1,277	452	1,219	(9)	64	2,055
Cash Payable/(Receivable) at the beginning of the year	154,590	140,979	36,376	35,952	1,998	1,765	192,964
Financial assistance received in cash during the reporting period	156,202	142,256	36,828	37,171	1,989	1,829	195,019
Cash available for the period	(153,837)	(140,644)	(36,418)	(36,719)	(1,989)	(1,838)	(192,244)
Revenue earned	2,365	1,612	410	452	-	(9)	2,775
Cash Payable/(Receivable) at the end of the year							2,055

^{#3} Program is in respect of FEE-HELP for Higher Education only.

(c) Scholarships

	Australian Postgraduate Awards		International Postgraduate Research Scholarships		Commonwealth Education Cost Scholarships ^{#4}		Commonwealth Accommodation Scholarships ^{#4}		Indigenous Access Scholarship		Total
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Parent Entity (University) Only	7,295	6,799	555	510	131	99	83	66	72	-	8,133
Financial assistance received in CASH during the reporting period (total cash received from Australian Government for the program)	7,295	6,799	555	510	131	99	83	66	72	-	8,133
Revenue for the period	6,858	5,379	-	-	-	-	-	-	-	13	6,871
Surplus from the previous year	14,153	12,178	555	510	131	99	83	66	72	13	15,004
Total revenue including accrued revenue	(5,853)	(5,320)	(408)	(510)	(95)	(99)	(62)	(66)	(72)	(13)	(6,490)
Less expenses including accrued expenses	8,300	6,858	147	-	36	-	21	-	10	-	8,514
Surplus for the reporting period											6,871

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

Macquarie University
Notes to the Financial Statements
For the Year Ended 31 December 2016

35 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
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	
Parent Entity (University) Only	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assistance received in CASH during the reporting period (total cash received from Australian Government for the program)	6,363	5,759	100	93	16,631	15,451	4,867	4,274	3,730	2,993	31,691
Net accrual adjustments	-	-	-	-	-	-	-	-	-	-	-
Revenue for the period	6,363	5,759	100	93	16,631	15,451	4,867	4,274	3,730	2,993	31,691
Surplus from the previous year	-	-	93	-	-	-	-	-	-	-	93
Total revenue including accrued revenue	6,363	5,759	193	93	16,631	15,451	4,867	4,274	3,730	2,993	31,784
Less expenses including accrued expenses	(6,363)	(5,759)	-	-	(16,631)	(15,451)	(4,867)	(4,274)	(3,730)	(2,993)	(31,591)
Surplus for the reporting period	-	-	193	93	-	-	-	-	-	-	193

(e) Australian Research Council Grants

(i) Discovery

	Projects		Fellowships ^{#5}		Indigenous Researchers Development		Total
	2016	2015	2016	2015	2016	2015	
Parent Entity (University) Only	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assistance received in CASH during the reporting period (total cash received from Australian Government for the program)	6,147	7,494	8,360	9,129	(32)	(53)	14,475
Net accrual adjustments	31	(28)	-	165	-	-	31
Revenue for the period	6,178	7,466	8,360	9,294	(32)	(53)	14,506
Surplus from the previous year	5,318	4,936	7,911	7,692	-	111	13,229
Total revenue including accrued revenue	11,496	12,402	16,271	16,986	(32)	58	27,735
Less expenses including accrued expenses	(6,387)	(7,084)	(8,602)	(9,075)	32	(58)	(14,957)
Surplus for the reporting period	5,109	5,318	7,669	7,911	-	-	12,778

^{#5} Includes Early Career Researcher Award.

Macquarie University
Notes to the Financial Statements
For the Year Ended 31 December 2016

35 Acquittal of Australian Government Financial Assistance (continued)

(e) Australian Research Council Grants (continued)

(ii) Linkages

Parent Entity (University) Only

Financial assistance received in CASH during the reporting period (total cash received from Australian Government for the program)

Net accrual adjustments

Revenue for the period

Surplus/(deficit) from the previous year

Total revenue including accrued revenue

Less expenses including accrued expenses

Surplus for the reporting period

	Infrastructure		Projects		Total
	2016	2015	2016	2015	
Note	\$'000	\$'000	\$'000	\$'000	\$'000
2(b)	1,195	484	2,937	4,678	4,132
	-	-	55	(56)	55
	1,195	484	2,992	4,622	4,187
	44	176	3,898	2,870	3,942
	1,239	660	6,890	7,492	8,129
	(1,094)	(616)	(3,284)	(3,594)	(4,378)
	145	44	3,606	3,898	3,751

Total Networks and Centres

(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

	Centres		Total Networks and Centres	
	2016	2015	2016	2015
Note	\$'000	\$'000	\$'000	\$'000
2(b)	5,491	5,399	5,491	5,399
	-	-	-	-
	5,491	5,399	5,491	5,399
	2,930	3,565	2,930	3,565
	8,421	8,964	8,421	8,964
	(4,454)	(6,034)	(4,454)	(6,034)
	3,967	2,930	3,967	2,930

Macquarie University
Notes to the Financial Statements
For the Year Ended 31 December 2016

35 Acquittal of Australian Government Financial Assistance (continued)

(f) OS-HELP

	2016	2015
	\$'000	\$'000
Parent Entity (University) Only		
Cash received during the reporting period	2,552	1,357
Cash spent during the reporting period	<u>(1,635)</u>	<u>(1,877)</u>
Net cash received/(reimbursed)	<u>917</u>	<u>(520)</u>
Cash surplus from the previous period	713	1,233
Cash surplus for the reporting period	<u>1,630</u>	<u>713</u>

Note

2(b)

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(g) Student Services and Amenities Fee

	2016	2015
	\$'000	\$'000
Parent Entity (University) Only		
Unspent/(overspent) revenue from previous period	-	-
SA-HELP revenue earned	1,989	1,838
Student Services and Amenities Fees from students	<u>4,066</u>	<u>3,774</u>
Total revenue expendable in period	<u>6,055</u>	<u>5,612</u>
Student services expenses during period	<u>(6,055)</u>	<u>(5,612)</u>
Unspent/(overspent) student services revenue	<u>-</u>	<u>-</u>

Note

4

END OF AUDITED FINANCIAL STATEMENTS



INDEPENDENT AUDITOR'S REPORT

Macquarie University

To Members of the New South Wales Parliament

Opinion

I have audited the accompanying financial statements of Macquarie University (the University), which comprise the statements of financial position as at 31 December 2016, the income statements, statements of comprehensive income, the statements of changes in equity and the statements of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information of the University and the consolidated entity. The consolidated entity comprises the University and the entities it controlled at the year's end or from time to time during the financial year.

In my opinion, the financial statements:

- give a true and fair view of the financial position of the University and the consolidated entity, as at 31 December 2016, 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 2016 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*.

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

Basis for Opinion

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

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

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

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

The PF&A Act further promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:

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

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

University Council's Responsibility for the Financial Statements

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

In preparing the financial statements, the Council must assess the University's ability to continue as a going concern unless the University will be dissolved by an Act of Parliament or otherwise cease operations. The assessment must disclose, as applicable, matters related to going concern and the appropriateness of using the going concern basis of accounting.

Auditor's Responsibility for the Audit of the Financial Statements

My objectives are to:

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

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

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at http://www.auasb.gov.au/auditors_files/ar7.pdf. The description forms part of my auditor's report.

My opinion does *not* provide assurance:

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



Margaret Crawford
Auditor-General of New South Wales

10 April 2017
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.

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