



MACQUARIE
University

Annual report 2018

VOLUME 1

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In accordance with the *Annual Reports (Statutory Bodies) Act 1984* (NSW), Macquarie University presents to the responsible Minister the following report of its proceedings for the period from 1 January to 31 December 2018.

The Hon Michael Egan



CHANCELLOR

Professor S Bruce Dowton



VICE-CHANCELLOR AND
PRESIDENT

2018 At a glance

<p>\$79 million in scholarships and grants to students</p>	<p>11,732 international students from more than 120 countries</p>	<p>2252 Higher Degree Research enrolments</p>	<p>\$114 million in research income and block grants</p>
<p>\$3557 million Total assets Up \$375 million on FY17</p>	<p>\$2437 million Investment in campus assets Up \$160 million on FY17</p>	<p>2.5% Return on cash and term deposits Above internal benchmark</p>	<p>13.9% Return on other investments Above internal benchmark</p>
<p>\$1128 million income from continuing operations Up \$43 million on FY17</p>	<p>\$80 million other comprehensive income</p>	<p>\$82 million Cash flows provided by operating activities</p>	

Message from the Vice-Chancellor

The past year was one of significant achievement for Macquarie University. Although marked by government policy changes and international market shifts that impacted aspects of our work and constrained our resources, we have invested considerable time charting a pathway through these policy and market changes while staying true to our mission as a university of service and engagement. In response, Macquarie has continued not only to strengthen our reputation in learning and research but also to reach milestones of which we are very proud.

Macquarie received record funding from the Australian Research Council (ARC) in a single funding round, exceeding our previous record by more than \$4 million. Also, of significant note is the success of our researchers in being awarded full funding in the National Health and Medical Research Council's (NHMRC) December grants round of more than \$3.3 million to progress our priorities in health and medical research. These grants are testament to the quality of our research and will enable us to extend its reach and impact. The University continues to invest in the next generation of researchers, with 556 students completing higher research degrees during 2018.

In affirming our commitment to place students at the heart of everything we do, staff across the University worked collegially this year on a major project to transform our curriculum. Available from 2020, the new curriculum will offer our students flexibility and deliver a richer experience to prepare them to pursue the careers of tomorrow.

Macquarie's transformational approach to learning and teaching has brought many exciting developments for students. During the year, we welcomed the first students to the University's medical program.

The Faculty of Business and Economics launched an innovative initiative in online learning. The MGSM Global MBA (see page 13) is now delivered completely online via the Coursera platform. The faculty was also very pleased to receive formal accreditation for five years from the Association to Advance Collegiate Schools of Business (AACSB) in 2018. Significantly, the AACSB's accreditation will encompass all of business and management at

Macquarie University – thus aligning our AACSB accreditation for the MGSM into an institution-wide scope of accreditation and meaning that the University will have a single AACSB accreditation going forward.

Considerable progress was made towards achieving the University's goal of creating greater participation opportunities for Indigenous staff and students. Launched in May, our inaugural *Aboriginal and Torres Strait Workforce Plan 2018 – 2021* addresses the key priority areas of the *Indigenous Strategy 2016 – 2025*. At the same time, Dr Leanne Holt was appointed as Pro Vice-Chancellor (Indigenous Strategy), with responsibility for leading Indigenous strategy and development.

Macquarie's first Gender Equity Week, an initiative designed to underpin our commitment to improve gender equity, drove further engagement with our *Workplace Gender Equity Strategy*. The week featured a diverse program of events that attracted more than 800 people across the University.

Major building works across campus reflect our ongoing program to transform the physical and functional environment of the University, with a parallel commitment to protect and enhance both its beautiful green spaces and public realm. The University prioritises sustainability in its campus development program, including the practice of a minimum of a 2:1 tree replacement program.

The University's new School of Engineering building opened at Waterloo Road offering students first-class facilities and opportunities to collaborate with researchers and industry partners on projects. Campus redevelopment continued apace with a focus on the Central Courtyard and the Arts Precinct, but the intent of all the works is to improve the amenities for our students and staff, enable the delivery of more contemporary and effective spaces and work experience for our students and staff, along with the facilities for discovery and scholarship.

The University was a core participant in the successful bid to establish a Digital Health CRC (Cooperative Research Centre). The bid obtained the support of 64 industry partners and 16 university partners. More than \$200 million

will be invested to develop and test digital health solutions, while equipping Australians to better manage their own health and wellbeing.

Macquarie also assumed responsibility for the research and optical instrumentation capability of the Australian Astronomical Observatory (AAO), which will build new optical astronomy instruments for the world's largest telescopes, create new opportunities for Australian industry and enhance career pathways for young scientists and engineers.

As we do every year, Macquarie focused on its enduring commitment to community service and engagement. In this area, we progressed a range of key projects and initiatives. Of particular note was the exciting partnerships with our corporate neighbours in the Macquarie Park Innovation District (MPID), including securing the globally recognised Venture Café. The University was also proud to join the Massachusetts Institute of Technology Regional Entrepreneurship Acceleration Program (MIT REAP).

During the year, we have continued to balance the need to grow and adapt to changing circumstances with maintaining the fundamental notions of service and engagement that set Macquarie University apart. This would not be possible without the hard work and commitment of the enthusiastic and dedicated people in our University community.

I thank everyone for their part in challenging conventional thinking through innovation and hard work, while staying true to the University's long-range framework *Our University: A Framing of Futures*.



Professor S Bruce Dowton
VICE-CHANCELLOR AND PRESIDENT

Our purpose, vision and values



PURPOSE

Macquarie is a university of service and engagement:

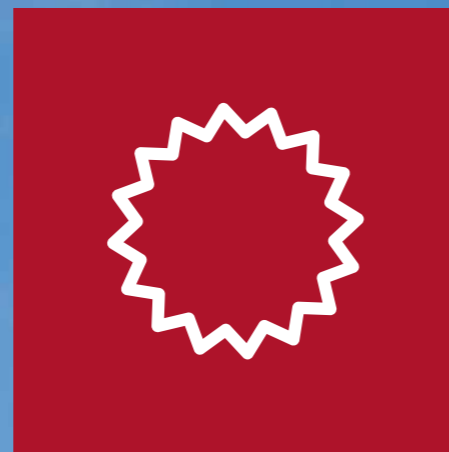
- We serve and engage our students and staff through transformative learning and life experiences.
- We serve and engage the world through discovery, dissemination of knowledge and ideas, innovation and deep partnerships.



VISION

We aspire to be:

- a destination of choice for students and staff who share our values.
- deeply connected with our stakeholders and partners, and known for this globally.
- ranked among the highest-performing research universities of Australia and, for key disciplines, to be recognised globally for our pre-eminence.
- known across Australia and beyond as custodians of a remarkable university campus that blends the vibrancy of a cosmopolitan university village with a natural Australian bushland setting.



VALUES

As custodians of Macquarie University, we value:

SCHOLARSHIP

We believe learning, enquiry and discovery improve lives.

INTEGRITY

We conduct ourselves ethically, equitably and for mutual benefit.

EMPOWERMENT

We make our community a source of strength and creativity.

Through our actions, as staff and students, we live these values and it is against them that we hold ourselves accountable.

Contributing to Sustainable Development Goals

In September 2015, world leaders at a United Nations summit unanimously adopted *Transforming Our World: The 2030 Agenda for Sustainable Development*. At the heart of the agenda are 17 Sustainable Development Goals (SDGs), which are a set of priorities and aspirations to guide all countries in tackling the world's most pressing challenges. These goals include ending poverty and hunger; protecting the planet from degradation and addressing climate change; ensuring that all people can enjoy prosperous, healthy and fulfilling lives; and fostering peaceful, inclusive societies that are free from fear and violence.

Universities occupy a unique position within society. With a broad remit around the creation and dissemination of knowledge, universities

are powerful drivers of global, national and local innovation, economic development and societal wellbeing. As such, universities play a critical role in achieving the SDGs and benefit greatly from engaging with them.

Macquarie was a founding partner in developing a guide for universities in Australia to engage with the SDGs. *Getting started with the SDGs in universities* outlines the key roles universities have in contributing to the United Nations SDGs and the benefits of becoming engaged. We have begun reporting on aspects of the University that contribute to achieving sustainable development goals. These are indicated through the use of icons throughout this Annual Report.

Snapshot



5 QS Stars

in teaching, employability, research, internationalisation, facilities, innovation, inclusiveness and specialist criteria



More than 30,000

work placements or community experiences through PACE (Professional and Community Engagement) partnerships



More than 300

industry partners on campus or in the adjacent high-tech precinct, providing access to internship and job opportunities



Ranked in the top 1 per cent of universities in the world



10,000 degrees awarded annually



Fully integrated health precinct centred around our on-campus hospital



More than 184,000 alumni from over 140 countries



More than 44,000 students from over 120 countries



100 per cent of research activity rated at world standard or above



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



More than 150 partner universities for student exchange in over 40 countries



More than 200 undergraduate and postgraduate degrees



Only university in Australia with its own train station



15 kilometres from the Sydney CBD



126 hectares of parklands

Leadership

PRINCIPAL OFFICE BEARERS

VISITOR
His Excellency General The Honourable David Hurley AC DSC (Ret'd)
Governor of New South Wales

CHANCELLOR
The Honourable Michael Rueben Egan AO, BA Syd, FAICD

DEPUTY CHANCELLOR
Louise Mason, BA, LLB (Hons) Macq
Elizabeth Crouch, BEc Macq, FAICD
Retired 30 June 2018

VICE-CHANCELLOR AND PRESIDENT
Professor S Bruce Dowton, MBBS Syd, MD Syd, FACMG FRACP

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 Kevin Jameson, BSc (Hons) Adel SFFin

DEPUTY VICE-CHANCELLOR (ENGAGEMENT)
Professor David Wilkinson, BSc Manc, MBChB Manc, MSc Col, MD Natal, PhD UniSA, DSc UniSA, FRCP London, FAFPHM FRACGP FACRRM

VICE-PRESIDENT, UNIVERSITY SERVICES AND STRATEGY
Saveria Dimasi, BA (Econ Hons), LLB, LLM Melb

CHIEF FINANCIAL OFFICER
Robin Payne, BA Cantab

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 Stephen Brammer, BA Econ (Hons) UEA, MA Econ UEA, PhD Econ UEA

EXECUTIVE DEAN, FACULTY OF HUMAN SCIENCES
Professor Simon Handley, BSc (Psych) Card, PhD Card

DEPUTY VICE-CHANCELLOR (MEDICINE AND HEALTH), 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

MEMBERS OF COUNCIL

CHANCELLOR
The Honourable Michael Rueben Egan AO, BA Syd, FAICD

DEPUTY CHANCELLOR
Louise Mason, BA, LLB (Hons) Macq
From 1 July 2018

Elizabeth Crouch, BEc Macq, FAICD
Retired 30 June 2018

VICE-CHANCELLOR
Professor S Bruce Dowton, MBBS Syd, MD Syd, FACMG FRACP

CHAIR OF THE ACADEMIC SENATE
Professor Mariella Herberstein, BSc Syd, (Hons) UNSW, Mag Rer Nat University of Vienna, Dr Rer Nat University of Vienna

ELECTED BY AND FROM THE ACADEMIC STAFF
Professor Catherine Dean, PhD, MA, BAppSc (Phy)

Dr Wylie Bradford, BEc (Hons) Newcastle (NSW), MPhil Cambridge, PhD Cambridge

ELECTED BY AND FROM THE NON-ACADEMIC STAFF
Leanne Denby, BA

ELECTED BY AND FROM THE STUDENTS OF THE UNIVERSITY
Cissy Shen

GRADUATE MEMBERS APPOINTED BY COUNCIL
Brendan Crotty, LS, DQIT (T&CP), Dip BusAdmin Macq, FAPI FAICD FRICS
Retired 30 June 2018

Chum Darvall AM, BA Macq, F Fin, FAICD

John Wigglesworth, BEc Macq, FCA

Frank Zipfinger, LLB, LLM, BAcc, BEcon, MBA, AICD

APPOINTED BY COUNCIL
Elizabeth Crouch, BEc Macq, FAICD
Retired 30 June 2018

Deborah Hadwen, BA, MA, M CommLaw Macq, MAICD

Gregory Mackenzie Jones, BA, MA Macq
Retired 30 June 2018

The Honourable Sandra Christine Nori, BEc Syd
Retired 30 June 2018

Jingmin Qian, BEc, MBA, CFA, FAICD

APPOINTED BY THE MINISTER FOR EDUCATION AND TRAINING
The Honourable Patricia Forsythe AM, BA, DipEd Newcastle NSW, FAICD

Louise Mason, BA, LLB (Hons) Macq

Macquarie University Organisation Structure

Vice-Chancellor Professor S Bruce Dowton

Deputy Vice-Chancellor (Research)
Professor Sakkie Pretorius

- Research Services
- Higher Degree Research Office
- Dean, Higher Degree Research
- Office of Commercialisation and Innovation
- Macquarie Animal Research Services
- Pro Vice-Chancellor (Research Integrity and Development)
- Pro Vice-Chancellor (Research Performance and Innovation)

Deputy Vice-Chancellor (Academic)
Professor Kevin Jameson

- Institutional Academic Planning
- Development of Academic Leadership
- Academic Quality Systems (including external agencies)
- University Library Archives and Collections:
 - University Library
 - Art Gallery
 - Memory
- Indigenous Strategy

Deputy Vice-Chancellor (Engagement)
Professor David Wilkinson

- Advancement
- Incubation and Entrepreneurship
- Corporate Engagement
- Group Marketing
- Future Students
- Macquarie International

Vice-President, University Services and Strategy
Ms Saveria Dimasi

- Property
- Facilities Management
- Security and Campus Safety
- Information Technology
- Risk and Assurance
- Sustainability
- Data and Analytics
- Controlled Entities (including U@MQ and MGSW Hospitality)

Director, Human Resources
Ms Nicole Gower

- Human Resources:
 - Employee Relations
 - HR Client Services
 - Payroll
 - HR Systems
 - Business Improvement
- Organisation and Staff Development
- Workplace Diversity and Inclusion

Chief Financial Officer
Mr Robin Payne

- Central Financial Services
- Planning and Performance
- Financial Control and Treasury
- Strategic Procurement
- Finance Shared Services

Executive Dean Faculty of Arts
Professor Martina Möllering

- Departments:
 - Ancient History
 - Anthropology
 - English
 - Geography and Planning
 - Indigenous Studies
 - International Studies
 - Media, Music, Communication and Cultural Studies
 - Modern History, Politics and International Relations
 - Philosophy
 - Security Studies and Criminology
 - Sociology
- Macquarie Law School
- Big History Institute

Executive Dean Faculty of Business and Economics
Professor Stephen Brammer

- Departments:
 - Accounting and Corporate Governance
 - Actuarial Studies and Business Analytics
 - Applied Finance
 - Economics
 - Management
 - Marketing
- Macquarie Graduate School of Management

Executive Dean Faculty of Human Sciences
Professor Simon Handley

- Departments:
 - Cognitive Science
 - Educational Studies
 - Linguistics
 - Psychology

Deputy Vice-Chancellor (Medicine and Health) Executive Dean Faculty of Medicine and Health Sciences
Professor Patrick McNeil

- Departments:
 - Biomedical Sciences
 - Clinical Medicine
 - Health Professions
 - Health Systems and Populations
- Australian Institute of Health Innovation

Executive Dean Faculty of Science and Engineering
Professor Barbara Messerle

- Departments:
 - Biological Sciences
 - Chiropractic
 - Computing
 - Earth and Planetary Sciences
 - Environmental Sciences
 - Mathematics and Statistics
 - Molecular Sciences
 - Physics and Astronomy
- School of Engineering

Major Controlled Entities

- Access Macquarie Ltd
- Wayne Blanch
- Australian Proteome Analysis Facility Ltd
- Professor Alison Rodger
- CMBF Ltd
- Associate Professor Anne Cooper
- MGSW Ltd
- John Schryver (until December 2018)
- MQ Health Pty Limited
- Professor Patrick McNeil
- Macquarie University Hong Kong Foundation Ltd
- Paul Dennett (until September 2018)
- U@MQ Ltd
- Peter Boyle



2018 in review

JANUARY

WHALE HEALTH MONITORED USING DRONES TO COLLECT THEIR BLOW

Researchers design a new system that can be fitted to a custom-built waterproof drone to collect the exhaled vapours from whales' blowholes.

LEAD FOUND IN BEES AND THEIR HONEY

For the first time in Australia, researchers use bees to monitor pollution in parts of New South Wales and find significant lead levels in bees and their honey.

RESEARCHERS SHED LIGHT ON WIDESPREAD MOVEMENTS OF ICONIC MARINE SPECIES

New continental-scale data from an Australian marine tracking system maps a decade of widespread movements of our iconic species.

AVIAN EGG SHAPE MYSTERY CRACKED

Researchers study 300 Australian birds to find that climate and sun exposure during incubation determine egg shape.

FEBRUARY

PSYCHOLOGICAL PATHWAY LEADING TO BODY SIZE AND SHAPE MISPERCEPTION IDENTIFIED

New study identifies a perceptual pathway that can lead to body size and shape misperception.

CENTRAL COURTYARD AND ARTS PRECINCTS REDEVELOPMENT ANNOUNCED

The new buildings will deliver new social and educational infrastructure at the heart of the campus.

READING CLINIC RECOGNISED BY NSW DEPARTMENT OF EDUCATION

The Department is assessing how evidence-based and individually tailored interventions help improve children's reading and spelling skills.

GRADUATE MEDICAL STUDENTS WELCOMED

The first cohort of students in the University's new medical program are officially welcomed and commence their journey to becoming doctors.

MARCH

HOUSING POLICY IS FAILING SYDNEY'S MOST VULNERABLE: STUDY

The study confirms that many of Sydney's chronically homeless are suffering from major mental illnesses, complicated by substance use.

KIDS AS YOUNG AS SIX ARE SELF-HARMING

New research finds there were 18,223 self-harm hospitalisations of children aged 6-16 years between July 2001 and June 2012.

TOO MANY BACK PAIN PATIENTS RECEIVE THE WRONG CARE

A global epidemic of inappropriate tests and treatments for back pain means patients are not receiving the right care, and resources are wasted.

MACQUARIE CELEBRATES INTERNATIONAL GENDER EQUITY WEEK

More than 800 people attend a diverse range of events across the campus.

FIRST ROBOTICS COMPETITION REGIONAL FINALS HOSTED

Fifty-one Australian and 22 international high school teams compete in the week-long event, hosted by Macquarie.

APRIL

INDIGENOUS PEOPLE'S EXPERIENCES ON SOCIAL MEDIA DIFFER SIGNIFICANTLY FROM THE MAINSTREAM POPULATION

A new report finds social media plays a complex role in the lives of Indigenous people, and often differs considerably from non-Indigenous populations.

MACQUARIE-ASIA SOCIETY SCHOLARSHIP LAUNCHES

The program provides \$500,000 per year for two years to allow 50 Macquarie students to undertake long-term exchanges at universities across Asia.

MACQUARIE PARTNERS IN \$200 MILLION DIGITAL HEALTH R&D INITIATIVE

The new Digital Health CRC will develop and test digital health solutions and equip Australians to better manage their own health and wellness. See page 19 for more information.

INCUBATOR RECEIVES INTERNATIONAL DESIGN AWARD

The Macquarie University Incubator is awarded the internationally-renowned Green Good Design award in the research and technology category for 2018.

MAY

REPORT ON ACADEMIC FREEDOM FORMS PART OF UNITED NATIONS REVIEW

Department of International Studies Lecturer Kevin Carrico's report on academic freedom issues in Hong Kong is submitted as evidence in the Universal Periodic Review process at the United Nations' Human Rights Council.

AIHI RESEARCH LEADS TO CHILD SAFETY ACTION

A new National Injury Prevention Strategy was developed following a decade-long study of preventable hospitalised injuries of children aged 16 years or less.

MACQUARIE SELECTED FOR INTERNATIONAL ENTREPRENEURSHIP PROGRAM

Macquarie is selected to participate in the prestigious Massachusetts Institute of Technology's Regional Entrepreneurship Acceleration Program (MIT REAP). See page 13 for more information.

PARTNERSHIP PUTS NEW FOCUS ON SENSORY DISABILITIES

Macquarie enters into a new partnership with the Royal Institute for Deaf and Blind Children (RIDBC) to foster research and education in the fields of hearing and vision disabilities. Refer to page 14 to learn more.

STUDY TRACKS HEALTH IMPACTS OF CLIMATE CHANGE

A multidisciplinary team produces the inaugural Australian edition of *The Lancet* Countdown report on health and climate change.

JUNE

BLUETONGUE MYSTERY SOLVED

New research sheds light on why the iconic bluetongue lizard has such a colourful tongue.

DAVID CHRISTIAN MAKES BILL GATES' BEST BOOKS LIST

Bill Gates recommends Distinguished Professor David Christian's new release *Origin Story: A Big History of Everything* as one of his top five summer reads.

TRANSISTOR MODEL SETS THE STANDARD

The School of Engineering's Dr Sourabh Khandelwal develops a model for a gallium nitride (GaN) transistor that has been adopted as an international standard.

JULY

LEADING TELESCOPE SCIENCE AND TECHNOLOGY GROUP MOVES TO MACQUARIE

Macquarie assumes responsibility for the research and optical instrumentation capability of the Australian Astronomical Observatory (AAO).

ACADEMICS JOIN ERA EVALUATION COMMITTEES

The University's research strength in quantum science and technology is affirmed with the appointment of five staff to ERA committees.

AUGUST

MACQUARIE RECEIVES THREE PRESTIGIOUS ARC FELLOWSHIPS

Three Macquarie University academics receive ARC Fellowships for research in earth sciences, linguistics and psychology.

HEARING FESTIVAL OF IDEAS HELD

The event brings together 100 community leaders to shape a whole-of-university strategy for hearing. For more information see page 14.

ENTIRELY ONLINE GLOBAL MBA PROGRAM BUILDS FUTURE CAPABILITIES

The Macquarie Graduate School of Management Global MBA is the first degree offered on Coursera in the Asia-Pacific region. See page 13 for more.



The first cohort of Macquarie MD students begin their journey to become doctors.

SEPTEMBER

SCHOOL OF ENGINEERING STRIVES FOR GENDER BALANCE

To attract more young women into the School, the University is actively targeting and recruiting more women into a range of academic roles.

AUSTRALIA'S FIRST 'BUSH UNIVERSITY' LAUNCHED IN ARNHAM LAND

Macquarie University and South-East Arnhem Land communities partner to establish Australia's first 'bush university' at Wuyagiba.

MACQUARIE SHINES AT NSW INTERNATIONAL STUDENT AWARDS

Macquarie's Global Leadership Program (GLP) is announced as a joint winner of the Community Engagement Award.

PACE PROJECT SHORTLISTED IN THE 2018 ACEN AWARDS

The University's collaboration with Malaysian Indigenous rights organisation PACOS is named as a finalist in the 2018 Australian Collaborative Education Network (ACEN) Awards.

OCTOBER

SPORT THE NUMBER-ONE CAUSE OF KIDS' INJURIES REQUIRING HOSPITALISATION

The rate children are being admitted to hospital for sports injuries has barely moved over 10 years.

NEW INSTRUMENT JOINS THE HUNT FOR EARTH-LIKE PLANETS

A groundbreaking \$3.8 million instrument, used by astronomers to discover and study Earth-like planets, is launched at Macquarie.

NOVEMBER

PROFESSOR MARK BAKER LEADS MAJOR INTERNATIONAL GENE-MAPPING PROJECT

The Human Proteome Organization selects cancer researcher Professor Mark Baker as the incoming Chair of the Human Proteome Project.

PITCH@PALACE SUCCESS

Two Macquarie start-ups – Bawurra Foundation, and The Generous and the Grateful – successfully pitch their ideas to the Duke of York and move on to the next stage of the entrepreneur program.

SCHOOL LOCATION LINKED TO NAPLAN RESULTS

New research finds a school's location is becoming increasingly important for NAPLAN results.

DECEMBER

Scientists successfully synthesise all 16 chromosomes of a yeast organism, bringing the Global Yeast 2.0 project a step closer to creating a fully synthesised yeast cell.

MORE THAN \$14 MILLION IN ARC GRANTS WON

Thirty-eight projects are funded in the latest ARC grants round.

AUSTRALIA UNPREPARED FOR CLIMATE CHANGE IMPACT ON ALLERGIES

A rise in dangerous asthma and other allergic attacks could be one of Australia's biggest health challenges from climate change.

TRANSITION TO A ZERO CARBON ECONOMY CAN LEAD TO SIGNIFICANT WEALTH CREATION

Researchers explain how a zero waste and zero carbon policy can lead to an estimated \$20 trillion in new wealth creation driven by cleantech patents.

AUSTRALIA LEADS PROJECT TO REVOLUTIONISE ASTRONOMY

AAO scientists will lead the design phase of a multimillion-dollar project for a new system on one of the world's most powerful ground-based optical telescopes.

Improving wellbeing in older people

Australians enjoy one of the highest life expectancies in the world, with 15 per cent of the population aged over 65 – a number that is expected to continue to grow significantly.

With advancing age come a range of other concerns, from financial security in retirement and aged care to social, physical and mental wellbeing. Macquarie recognises the importance of social leadership and is assisting older Australians in a number of areas.

CALCULATING THE TRUE COST OF RETIREMENT VILLAGE LIVING

Associate Professor Timothy Kyng, from the Department of Actuarial Studies and Business Analytics, has designed a new retirement calculator to help people make an informed decision about entering a retirement village. This initiative increases transparency in an industry that may lead to residents being financially exploited.

The online calculator helps people understand the fees and charges associated with retirement villages, including the contract provisions and exit fees that may be payable.

TREATING DEPRESSION AND ANXIETY IN OLDER ADULTS

Older people are particularly vulnerable to developing mental health conditions such as depression and anxiety – conditions that can be exacerbated by declining physical health, chronic pain, loneliness, grief and loss of independence.

In 2018, Macquarie's Centre for Emotional Health was awarded \$1.8 million in funding from the National Health and Medical Research Council (NHMRC) and beyondblue for two innovative projects to improve treatment for older adults with depression and anxiety.

One project, led by Macquarie's Professor Viviana Wuthrich in conjunction with the University of New South Wales, the VU Amsterdam and the Western NSW Local Health District, will compare a stepped care model of mental health delivery using phone and internet-based interventions followed by face-to-face treatment.

The five-year trial will take place in five locations in Sydney and the Western NSW Local Health District (Dubbo, Bathurst, Orange), allowing people from regional and rural areas to gain access to much-needed mental health services.

Another project, led by Distinguished Professor Ron Rapee and Professor Wuthrich, will trial a combination of cognitive behavioural therapy and social engagement activities on mental health outcomes for older people. This project, which is being run in conjunction with researchers from the University of New South Wales and the University of Sydney, is expected to not only save lives by combating loneliness – but also improve the effectiveness of current therapy approaches.



Loneliness is known to have strong negative health impacts, and social interaction is vital for good mental health and brain functioning throughout the life span. Increasing social participation among older adults benefits not only individuals but also the communities they live in.

And with approximately 30 per cent of people living in residential aged care experiencing depression, particularly men in the 85 and over age bracket, finding ways to engage with people experiencing, or at risk of developing, depression is vital for improving wellbeing.

TRACKING AGED CARE

Another project that has the capacity to drive real change in the management of ageing is an Australia-first study into the level of evidence-based care delivered to residents of aged care facilities.

Professor Jeffrey Braithwaite is the lead investigator on the NHMRC-funded CareTrack Aged project, which, along with other research undertaken by the Australian Institute for Health Innovation (AIHI), will provide a unique source of evidence-based benchmarking for the Royal Commission into Aged Care Quality and Safety.



Building the business leaders of tomorrow

Today's business students are tomorrow's business leaders. To ensure that business education at Macquarie responds to, and is inspired by, the rapidly changing world of business, the University achieved a number of milestones during the year towards achieving our goal of providing flexible, future-focused business programs.

BUSINESS SCHOOL ALIGNMENT

In 2018, Macquarie formed a converged business unit – integrating the Faculty of Business and Economics (FBE), Macquarie Graduate School of Management (MGSM) and Macquarie Applied Finance Centre (MAFC) into a single faculty structure to create a cohesive unit.

The converged business unit will allow us to respond to global industry demands to provide a more interdisciplinary and engaged learning experience. It also allows us to build on our established reputation as a leader in business, management and economics research and education in Australia.

AACSB ACCREDITATION

During the year the Faculty was recognised with accreditation from the global accrediting body for business schools, AACSB International (AACSB).

AACSB accreditation recognises institutions that have demonstrated a focus on excellence in all areas, including teaching, research, curriculum development, and student learning.

AACSB accreditation has been earned by only five per cent of schools across the world that offer business degrees at the bachelor level of higher. It provides a framework of 15 international standards against which business schools around the world assess the quality of their educational services. These standards ensure continuous improvement and provide focus for schools to deliver on their mission, innovate and drive impact.

AACSB-accredited schools have successfully undergone a rigorous review process conducted by their peers in the business education community, ensuring that they have the resources, credentials and commitment needed to provide students with a first-rate, future-focused business education. Macquarie's addition to the network of AACSB accredited business schools is expected to have a lasting positive impact for the institution, both locally and globally.



GLOBAL MBA

During 2018, the University developed an entirely online Master of Business Administration, which will be delivered to students worldwide through the online learning platform Coursera.

The Global MBA is designed to equip learners with the capabilities to compete in the rapidly growing global workforce. The degree is aimed at professionals who want to future-proof and accelerate their careers wherever they are located in the world.

The degree is structured around six future-focused capabilities. These capabilities are designed to enable Global MBA graduates to stand out in an increasingly competitive job market, and include leading, strategising, analysing, influencing, adapting and problem solving. The University's highly regarded face-to-face MGSM MBA continues to be offered at our main campus, our CBD campus and in Hong Kong.

The Global MBA was led by the same team that developed the award-winning Excel Skills for Business specialisation offered through Coursera and awarded the 2018 Outstanding Educator Award for Transformation.

In partnering with Coursera, the team delivered high-quality, transformative Excel education to a global community. The online Excel course is free for Macquarie staff.

MIT REAP PARTICIPATION

To help support budding entrepreneurs, Macquarie was chosen to participate in the prestigious Massachusetts Institute of Technology's (MIT) Regional Entrepreneurship Acceleration Program (REAP).

REAP is a global initiative that helps regions accelerate economic growth and promote social progress through innovation-driven entrepreneurship. Partner regions form multi-disciplinary teams and commit to a two-year learning engagement during which teams work with MIT faculty and the broader MIT REAP community to build and implement a custom regional strategy for enhancing their innovation-driven entrepreneurial (IDE) ecosystems.

The only Australian members in this cohort, Macquarie's team comprises Ernst & Young, National Australia Bank, AMP Capital, Kingsway Australia, Lendlease and Macquarie's Faculty of Science and Engineering, Faculty of Business and Economics, and Corporate Engagement.

The University is well placed to participate in the entrepreneur program as host of the Incubator – a space designed to nurture, equip and accommodate budding entrepreneurs as they grow a business idea or social venture into a successful start-up – and as a founding partner of the Macquarie Park Innovation District (MPID).



ABOVE: Macquarie's innovative Finance Decision Lab gives students access to real-time, industry standard financial data. Photo: Joanne Stephan

Turning up the volume on hearing

Macquarie is uniquely qualified in the field of hearing: we combine academic strength, clinical expertise, and a visionary approach as we seek to transform hearing health policy and practice and hearing-related endeavours. We connect brain and language sciences with expertise in big data and health systems, machine learning and biomedical engineering to transform our understanding of hearing. We also deliver world-class education for clinicians, technologists and researchers to transform their understanding of hearing and hearing health, and are working to empower healthcare professionals, individuals and communities to reduce the global burden of hearing loss.

STRATEGY FOR GROWTH

During 2018 we increased our commitment to hearing, including by holding the Hearing Festival of Ideas. This event brought together more than 100 researchers and staff members from across the University to brainstorm ideas and seek creative solutions for the big issues in hearing – and to improve the lives of the one-in-six Australians that suffer from hearing loss. Key industry partners were also welcomed to the event to help identify innovative and significant proposals.

The festival started a new stage of the conversation across the University, with a hearing strategy green paper subsequently produced and launched for staff comment in late 2018. Insights generated from this process will inform the development of a University-wide hearing strategy, in 2019.

PARTNERSHIPS FOR SUCCESS

This work is part of a suite of important hearing initiatives undertaken by Macquarie in recent times.

Macquarie University and Cochlear Ltd have established a co-funded Cochlear Chair in Hearing and Healthy Ageing, a role that aligns Cochlear's expertise in implantable hearing solutions and technology innovations that treat hearing loss with the University's commitment to hearing research and education, clinical practice and advocacy. The Chair will oversee the implementation of collaborative

research and education strategies, with the long-term goal of developing a leading platform for further impactful research in hearing in Australia.

During 2018, a new partnership between Macquarie University and Royal Institute for Deaf and Blind Children (RIDBC) was established to foster research and professional studies in the field of education for people with sensory disabilities.

The partnership supports the development of the professional expertise that is required to deliver critical disability services to children and adults with vision or hearing loss across Australia, and beyond.

Macquarie's new Master of Disability Studies, delivered by expert staff from RIDBC Renwick Centre, offers three different specialisations that ensures that Australian teachers of the deaf, teachers of students with vision impairment and orientation and mobility instructors, are qualified at the highest level.

In the coming years, RIDBC will establish an extensive presence on the Macquarie campus, relocating its offices, teaching spaces, demonstration schools and a range of services, in order to reach more people than ever before and to demonstrate excellent practice in the field of sensory disability. This will add to RIDBC's existing presence at the Australian Hearing Hub, where it provides life-changing cochlear implant services, early intervention and therapy programs for children and adults with vision or hearing loss.



RIGHT AND ABOVE: Macquarie is taking a multidisciplinary approach to improving the lives of the one in six people with hearing loss.



Advancing the future of science

As part of longer term plans to meet evolving teaching and research needs in the Faculty of Science and Engineering, in 2018 we took a number of important steps that will lay the groundwork for a stronger future in science at Macquarie.

ENHANCING MOLECULAR SCIENCES

The Department of Molecular Sciences has a long history of success, from pioneering the science of proteomics, the breeding ground for burgeoning biotechnology companies, to hosting the ARC Training Centre for Molecular Technology in the Food Industry.

During the year, a new laboratory and office building was constructed at 2 Wally's Walk. The new facility will house researchers and postgraduate students carrying out research in the field of molecular synthesis and the characterisation and exploration of its applications in different areas.

As well as enhancing opportunities for world-class research in the department, the new labs provide learning spaces that will also be used for undergraduate students on summer scholarships who are interested in gaining experience in synthetic chemistry.

SUPPORTING ENGINEERS

With a national shortage of engineers, Macquarie has invested in the development of world-class engineering facilities as well as undertaking an ambitious drive to seek out and recruit talented women in engineering.

In late 2018, the School of Engineering moved into custom-built teaching, makerspaces and collaborative learning facilities at 44 Waterloo Road, Macquarie Park. The research facilities include a wind tunnel, a world-class robotics laboratory and dedicated full-pitch FIRST® robotics field.

Propelled by our *Workplace Gender Equity Strategy*, which makes the commitment to recruit more academic women in under-represented disciplines, the University implemented a program to recruit additional female academics to the School of Engineering.

The program, which also recognises that diverse engineering teams make stronger organisations, saw a significant increase in positions held by women to 25 per cent (11 out of 43 positions) by the end of the year.

GIVING FRUIT FLY RESEARCH A NEW HOME

During the year, Macquarie completed a new world-class biosecurity research facility that will help arrest the annual \$300 million destruction of crops by the Queensland fruit fly.

Home to the Centre for Fruit Fly Biosecurity Innovation, the new facility's purpose-built laboratories will be used for the large-scale breeding and release of sterile fruit flies.

Fruit flies pose a serious risk to Australia's horticultural sector, and sustained production of vulnerable crops will require new solutions for managing them.

The centre is developing new, sustainable and environmentally friendly tools for controlling fruit fly pests and training the next generation of insect biosecurity researchers.

The Centre brings together researchers from Macquarie University, Western Sydney University, the Queensland University of Technology, NSW Department of Primary Industries, Queensland Department of Agriculture and Fisheries, CSIRO, the New Zealand Institute for Plant and Food Research, and Ecogrow.

Macquarie is in the midst of an ambitious drive to seek out and recruit talented women engineers.



Creating community partnerships

An interdisciplinary collaboration between external partners and Macquarie's researchers – from the Faculty of Arts, the Faculty of Science and Engineering, Learning and Teaching, and the Australian History Museum – has facilitated the rediscovery of a tunnel hidden in the cliff face beneath Sydney's Macquarie Lighthouse.

The tunnel was brought to public attention during a photographic 3D modelling project carried out between Macquarie University and the Sydney Harbour Federation Trust.

The project was completed in advance of the Lighthouse's 200th anniversary in November 2018 and involved capturing aerial drone footage of the sheer cliff face as well as 3D scans of the site.

HIDDEN IN PLAIN SIGHT

The tunnel has been hiding in plain sight halfway down the cliff face below Macquarie Lighthouse at Vaucluse, and although visible from the water, its existence had been largely forgotten by Sydney residents.

The project has allowed researchers to reconstruct the lighthouse and tunnel entrance, and create an immersive virtual reality tour so that visitors and historians can discover what lies beneath the iconic Sydney landmark.

COLLECTIVE MEMORIES

The public rediscovery of the tunnel attracted huge media and community interest, with widespread speculation over the tunnel's original use.

One popular theory maintained that the tunnel entrance was used as a gun emplacement during the Second World War. This was ruled out by researchers, with evidence indicating it was more likely to have been used as an observation position.

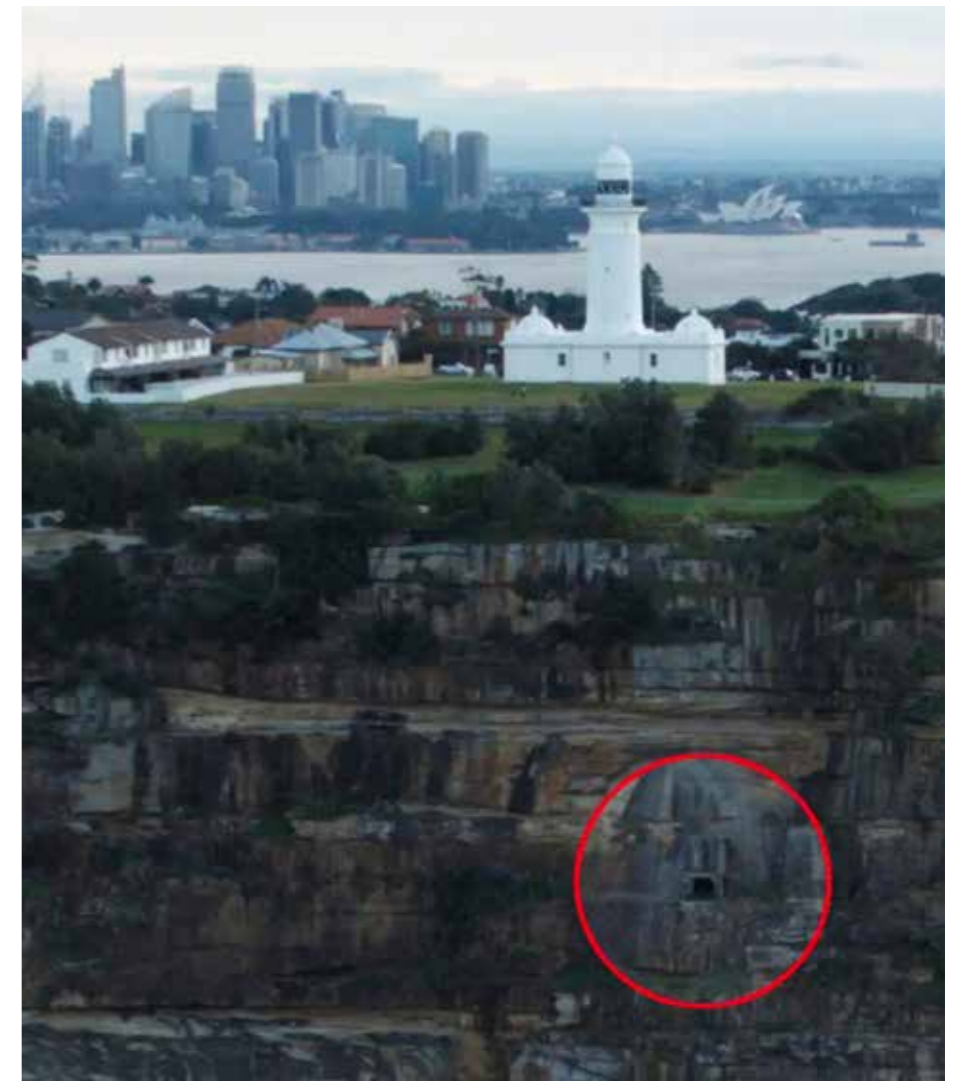
Members of the community with first-hand knowledge of the tunnel's past life advised that the site was used as a lookout in the cliff face, and manned around the clock during the war. The tunnel also housed a searchlight system that could be used, in the event of an enemy attack on Sydney, to illuminate targets for the artillery battery placed at North Head. Later, it provided service routes and ordnance stores.

With dozens more tunnel openings visible along the coastline, there is considerable scope for drone technology and historical research to combine to open up the recent past to a new generation.

The Sydney Harbour Federation Trust and Macquarie are exploring opportunities to create similar digital experiences for other landmarks, using 3D technology to ensure people across the country – and the world – are able to share the joy of discovery.

The 3D models of the tunnel are accessible to everyone on Pedestal 3D, Macquarie's online gallery of 3D images. Pedestal 3D allows the University to share its collections and discoveries with the wider community. The online gallery also features objects from Macquarie's ancient and modern history collections, images of Egyptian archaeological sites and caves in China, and other collections in anatomy, biology and geology.

The public rediscovery of the tunnel attracted huge community interest and speculation about its wartime role.



Research

Macquarie continues to expand its profile in international research collaborations and remains the university with the most cotutelle and joint PhD candidates in Australia.

RESEARCH EXCELLENCE

It was a significant year for research excellence at Macquarie. The University moved into the 201 – 250 band in the *Times Higher Education* (THE) World University Rankings 2019.

Five years into the implementation of our strategic research framework, Macquarie continues to lead the sector in higher degree research completions growth.

HIGHER DEGREE RESEARCH ENROLMENTS AND COMPLETIONS

In 2018, 556 higher degree research candidates completed their degrees, including 296 Doctor of Philosophy (PhD)/Master of Philosophy (MPhil) candidates and 260 Master of Research (MRes) candidates. These numbers demonstrate the value of the University's commitment to the MRes.

FUNDING

We reported \$70.045 million of competitive external funding earned during 2018, the highest external income Macquarie has ever received and a 6.9 per cent increase on income earned during 2017. In addition, Macquarie was awarded \$44.25 million in research block grant funding from the Australian Government in 2018, representing an increase of less than one per cent during a year when the funding allocation was frozen and there was zero per cent indexation. Several strategies are in place to ensure growth in external research income into future years, including strong partnerships with Corporate Engagement and Advancement to assist in increasing industry-funded (Category 3) research income. Highlights for the year included:

- The University was awarded more than \$14 million with 38 projects funded in the November Australian Research Council (ARC) grants round.
- The Centre for Emotional Health was awarded \$1.8 million in funding from the National Health and Medical Research Council (NHMRC) and beyondblue for two innovative projects to improve treatment for older adults with depression and anxiety.
- Three Macquarie academics received ARC Fellowships for research in earth sciences, linguistics and psychology.

RESEARCH INCOME BY YEAR

Year	Category 1 TOTAL	Category 2 TOTAL	Category 3 TOTAL	Category 4 TOTAL	TOTAL
2008	\$ 14,970,940	\$ 10,515,607	\$ 6,965,701	\$ 716,057	\$ 33,168,305
2009	\$ 14,443,707	\$ 8,848,660	\$ 6,016,290	\$ 1,011,448	\$ 30,320,105
2010	\$ 15,002,488	\$ 6,018,960	\$ 12,641,898	\$ 994,095	\$ 34,657,441
2011	\$ 24,624,858	\$ 6,010,215	\$ 13,537,307	\$ 902,063	\$ 45,074,443
2012	\$ 27,705,362	\$ 3,809,617	\$ 11,521,272	\$ 1,240,812	\$ 44,277,063
2013	\$ 30,801,252	\$ 4,972,895	\$ 11,716,863	\$ 1,151,274	\$ 48,642,284
2014	\$ 38,590,396	\$ 3,726,483	\$ 14,869,211	\$ 742,748	\$ 57,928,838
2015	\$ 42,998,190	\$ 6,166,576	\$ 16,962,440	\$ 1,195,121	\$ 67,322,327
2016	\$ 37,728,703	\$ 8,299,327	\$ 17,815,542	\$ 1,683,722	\$ 65,527,294
2017	\$ 34,608,224	\$ 10,763,212	\$ 17,640,793	\$ 2,724,362	\$ 65,736,591
2018	\$ 36,940,932	\$ 6,747,584	\$ 23,387,790	\$ 2,938,601	\$ 70,044,906



RESEARCH OUTPUTS*

- In 2017, Macquarie researchers published 3100 research outputs (Higher Education Research Data Collection (HERDC), 2018).
- The Faculty of Science and Engineering generated 45 per cent (total 1382 publications) of research published in 2017.
- Research published in peer-reviewed journals accounts for 81 per cent (total count 2519).
- Book-based publications made up 11 per cent of research publications in 2017.
- Conference-based publications accounted for 8 per cent of total research outputs in the same period.
- In 2017, 39 per cent of the publications were published in top 10 per cent journals, and 3.3 per cent were published in top 1 per cent journals (ranking by CiteScore) (Source: SciVal).
- 105 researchers published top 1 per cent cited publications (by citations for field and year) in 54 different four-digit Field of Research areas (Source: SciVal).
- 102 countries enjoyed research collaborations with Macquarie (Source: SciVal).

COLLABORATION AND PARTNERSHIPS

Macquarie scientists will lead the design phase of a multimillion-dollar project for a new system on one of the world's most powerful ground-based optical telescopes. When complete, it will produce images up to three times sharper than the Hubble Space Telescope. Two partners in the Australian Astronomical Optics (AAO) consortium – Macquarie University and the Australian National University – will design the new \$32 million adaptive-optics system, called MAVIS, for one of the 8-metre unit telescopes at the European Southern Observatory's Very Large Telescope in Chile.

Macquarie is partnering in the new \$200 million new Digital Health Cooperative Research Centre. The Centre will develop and test digital health solutions that work for real patients in real hospitals and health services, while equipping Australians to better manage their own health and wellness. The Centre will operate through collaborative R&D programs involving 40 commercial and government organisations operating across the health, aged care and disability sectors; 24 established and start-up technology, advisory and investment companies; and 16 Australian universities.

During 2018 Macquarie invested in a number of co-funded fellowships in an effort to encourage collaboration and partnership between researchers at the University and external partners from industry, government, non-government organisations and not-for-profit organisations.

Fellowships were put into place with a diverse range of partners including CSIRO, Cooperative Research Centres, the Wildlife Conservation Society, and De Beers Canada.

A new partnership was also established between Macquarie and Royal Institute for Deaf and Blind Children (RIDBC) to foster research and professional studies in the field of education for people with sensory disabilities. See page 14 for more information.

Macquarie continues to expand its profile in international research collaborations and remains the university with the most cotutelle and joint PhD candidates in Australia. This year, we signed a trilateral joint PhD agreement with the University of Hamburg in Germany and Fudan University in Shanghai. The agreement gives PhD students the opportunity to benefit from the expertise of partner universities and complete their doctoral studies as part of a joint PhD program. Students are enrolled in at least two out of three universities.

* Annual research output data (for research published between 1 January and 31 December 2018) will be reported on 30 June 2019, to allow metadata collection and audit processes to be completed.



Learning and teaching

DEPUTY VICE-CHANCELLOR (ACADEMIC) PORTFOLIO

The Deputy Vice-Chancellor (Academic) (DVC (A)) has overall responsibility for the planning, quality and delivery of the education, services and support provided to the University's undergraduate and postgraduate students. During 2018, several new DVC (A) Executive Committee team members were appointed to the following key roles:

- Pro Vice-Chancellor (Indigenous Strategy): Dr Leanne Holt
- Pro Vice-Chancellor (Programs and Pathways): Professor Sean Brawley
- Pro Vice-Chancellor (Learning and Teaching): Professor Dominique Parrish
- Executive Director, Student Engagement and Registrar: Gail White

The Pro Vice-Chancellor (Indigenous Strategy) role is intended to signify the value placed on our *Indigenous Strategy 2016 – 2025* and to ensure that we have the leadership in place to lead Macquarie through its delivery. See page 41 for more information.

The foundations have been established in our leadership team for continued significant transformation in 2019.

CURRICULUM TRANSFORMATION

Our changing world is redefining what students need from a university education to be successful in the future. With this in mind, in 2018 the University commenced a significant body of work aimed at transforming our curriculum to better meet the needs of our students.

From 2020, we will have a more coherent, simplified curriculum that gives students complete clarity of their study pathway, from start to finish. The key highlights of this transformation work include the design and approval of a new curriculum architecture in July 2018, and the renewal of our coursework suite, which was approved by the Academic Senate in December 2018 for delivery in 2020. Activity during 2019 will focus on transitioning our current students to the new 2020 curriculum.

Our transformed curriculum will provide students with options that better equip them for the careers of tomorrow and increased flexibility to be able to engage across disciplines including, in some cases, through double bachelor degrees, double master degrees or combined bachelor and master degrees.



PROGRAM BEACON

We continued on our journey towards modernising our business processes, practices and systems to offer an improved experience for both staff and students.

Under Program Beacon, we undertook a range of activities including the selection and implementation of a new Curriculum Management System (CMS) and related updates to our current Student Management System (AMIS).

Program Beacon is fundamentally about transforming the staff and student experience to provide systems that are both fit-for-purpose and easy to use. This will make it easier for students to engage with us when they enrol, progress through their courses and access information.

Staff will be able to focus on work that matters and adds value rather than on entering and administering student data. The University will also have access to data that will allow us to make better informed decisions through business analytics.

MACQUARIE UNIVERSITY INTERNATIONAL COLLEGE

The English Language Centre (ELC) was successfully transferred from Access Macquarie and integrated into the Macquarie University International College portfolio, along with the IELTS Test Centre, IELTS Online and Education Studies.

The College curriculum development project has seen the redesign of all Foundation units and the commencement of work on Diploma units. The project is on track for completion in 2019. As part of the Macquarie curriculum transformation project, College Diploma programs were truncated and streamlined for better efficiency while maintaining maximum articulations into faculties.

The College seamlessly introduced a new six-term annual calendar in 2018, with both the College and the ELC operationally stable after a year of significant change, high-level output and quality improvement measures.

SCHOLARSHIPS

During the year, 597 equity scholarships were awarded to domestic students on the basis of financial need or other hardship (see page 39 for more information).

In 2018, 848 Macquarie students undertaking an outbound travel experience were awarded an international coursework travel grant. Additionally, 860 students received scholarships as part of the Vice-Chancellor's international scholarships program.

DIGITAL FRAMEWORK AND STRATEGY

Work commenced on the development of a university-wide digital framework and strategy, with consultation expected to take place throughout 2019.

The DVC (A) component of the framework will focus on learning and student success. This will include a strategy to develop a suite of micro-credentials that support student and industry opportunities for lifelong learning and employability, build brand awareness and present opportunities to diversify revenue. A strategy for the continuing professional development (CPD) of staff in teaching roles will support them to deliver emerging approaches to student learning. Implementation of the CPD strategy and policy is planned for 2020.

PROFESSIONAL AND COMMUNITY ENGAGEMENT (PACE)

PACE is a multi-award winning, work-integrated learning program, unmatched in Australian higher education in scope, scale, diversity and curriculum integration. PACE provides all undergraduate students with practical, real-world experiences aimed at enhancing employability and career readiness.

More than 1100 local, regional and international industry, government and not-for-profit organisations have formed learning partnerships across 77 PACE units. The PACE program has, to date, seen more than 39,000 undergraduate enrolments, providing students with opportunities to engage in a wide range of experiential learning activities. There were more than 8000 enrolments in PACE units in 2018.

In 2018, 242 students travelled overseas to work on PACE International activities with non-government organisations, social enterprises and corporate partners across Asia, Europe, North and South America, the South Pacific, Africa and the Middle East. An additional 127 students worked on projects on-campus with international PACE partners from the Philippines, India and Vietnam. A highlight was the launch of an internship program in China with 27 students undertaking internships with a diverse range of corporate partners.

During the year, an evaluation plan and reporting framework was developed and implemented to provide real-time feedback on student and partner experiences with PACE. Significant progress was made on a business systems and process review project, including PACE working with a range of stakeholders to design and trial a new university-wide customer relationship management system. During 2019, the system will be incrementally developed to replace several of the placement and partner management systems currently used by PACE, which will enhance efficiencies and provide a better experience for students, partners and staff.

COOPERATIVE EDUCATION PROGRAM (CO-OP)

Industry experience through PACE is already an integral part of all undergraduate degrees at Macquarie. In 2018, Macquarie expanded its commitment to work-integrated learning with the launch of the University's first Cooperative Education Program (Co-op Program). The Co-op Program is a structured method of practice-based learning that involves alternating between classroom-based learning and learning in the workplace. In 2018, the University launched the Co-op program with the support of six industry partners.

Six actuarial studies students were recruited through a highly competitive selection process. Over four years, the students will complete three vocational placements of three to six months each. The students are supported by a scholarship for the duration of their degree. The program will be expanded in 2019 to include Professional Accounting students and partners. Other programs are currently being planned.

SBS NITV MEDIA MENTORSHIP PROGRAM

The SBS NITV Media Mentorship Program is a three-year skill development, networking and work experience program for media students from Indigenous, Culturally and Linguistically Diverse (CALD) and low socio-economic status backgrounds. Seven years on, the program continues to scaffold learning and opportunities for diverse students, maximising their employability and supporting diversification of the Australian media.

In 2018, 31 students participated in the program. Key achievements for the year included the expansion of media partners to include Channel 10 and ABC Compass for third-year placements, skill development in digital content creation in the form of a multimedia community project, and a formalised arrangement with Radio 2SER and 2RRR for training and volunteering.

Since its launch in 2012, the program boasts an impressive 70 per cent employment rate in the media for graduates of the program. A highlight for this year was Indigenous graduate Dayvis Heyne (2017) securing a much-coveted ABC cadetship. With 1220 applicants for only 12 places, Dayvis attributes his success to the opportunities he gained through the program.

GLOBAL LEADERSHIP PROGRAM (GLP)

In 2018, the GLP facilitated or hosted 191 extracurricular activities for more than 4000 domestic and international students. These activities comprised workshops, keynote speaker events and experiential activities to develop cultural capital, a critical understanding of international issues, leadership capability, and a sense of community responsibility and global citizenship.

The GLP won equal first prize in the 2018 NSW International Student Awards for Community Engagement by an education provider. This prestigious award recognises education providers who foster connections and a sense of belonging for international students in New South Wales.

Student feedback indicates that the GLP is contributing to the job readiness of our graduates. The 2018 GLP graduate student survey found that 67 per cent of undergraduate and 74 per cent of postgraduate students agreed that the GLP had made them feel more job-ready, while 82 per cent of undergraduate and 83 per cent of postgraduate students agreed the GLP helped them understand what is expected of them as responsible global citizens.



LEARNING INNOVATION HUB (LIH)

During the year, the LIH has continued to work with faculties and centres to improve pedagogically sound classroom practices based on scholarly evidence. In addition to a range of professional development opportunities offered through workshops, training opportunities and whole-of-institution sessions, the LIH has consulted on a range of program and unit evaluations and curricular development projects.

Specific contributions have included educational media work across the faculties, developing graphics, videos and other media objects used in classroom instruction as well as in online teaching. In combination with the other support offered, these contributions help grow the University's online presence. See page 27 for more information.

Macquarie's learning management system (iLearn) was also improved throughout 2018, with a number of new tools introduced to better support online assessment and feedback, produce more engaging learning content, ensure security and streamline online learning workflows. The learning analytics tool, iLearn Insights, was developed and successfully trialled with teaching staff to analyse student learning activity, inform teaching and assist students at risk.

Finally, following the 2017 trial, live streaming of lectures for all large classes commenced, with ongoing support for the use of active learning features during lectures.

RECOGNISING LEARNING AND TEACHING

Nine prestigious Vice-Chancellor's Learning and Teaching Awards and 10 student-led awards were presented to outstanding Macquarie academic and professional staff in recognition of their application of new thinking and contributions to creating vibrant learning environments that inspire student success. See page 30 for details of award winners.

The LIH, in partnership with faculties and offices, also convened a highly successful year of staff accreditation in the globally recognised Higher Education Academy (HEA) Fellowship program. Fellowships are awarded to individuals who, through an international peer-review process, have their teaching and learning support accomplishments and practices recognised. This year, 25 staff were accredited through the program – and more than 150 applications are underway for 2019.

Our changing world is redefining what students need from a university education to be successful in the future.

Our students



LEFT AND ABOVE: Students embracing campus life. Photos: Joanne Stephan, Chris Stacey

In November 2018, Macquarie's *Student Success Strategic Framework Green Paper* was launched as part of a formal consultation process across the University. An objective of the framework is to better align and integrate the delivery of student-focused programming, activities and facilities to support students throughout their learning journeys and experiences across campus. Staff and student feedback will be captured and inform the *Student Success Strategic Framework* that will be released in early 2019.

Major student transition, support and success activities undertaken in 2018 included:

ORIENTATION

Orientation activities helped more than 7000 students find their feet at University in 2019.

In Session 2, we launched an Orientation events app, which was downloaded on almost 2000 devices. The app incorporates a personalised schedule and provides information on student services, student clubs, learning platforms and emergency management and contacts. It also includes an integrated map function, allowing students to navigate their way around the campus, and an interactive social media feed.

MACQUARIE UNIVERSITY MENTORS

The Macquarie Mentoring Program is one of Australia's longest-running peer support programs and offers students advice on settling in and finding their way around campus, and tips on adapting to university life. The program supported 3000 new students in 2018, who were mentored and encouraged by more than 200 mentors.

MACQUARIE BUDDIES

Facilitating a sense of belonging and peer support when students commence study at Macquarie, the Buddy Program makes students feel welcome through the 30+ events held throughout the year. With student volunteer-led activities around the local community and beyond, Macquarie Buddies encourage students to have fun and meet new friends.

STUDENT GROUPS AND SPORTING CLUBS

Macquarie's approximately 150 student groups and sporting clubs, created and run by students, helped students connect with people with similar passions and interests throughout the year.

MACQUARIE UNIVERSITY LIBRARY

Our state-of-the-art Library is unmatched in Australia and provides access to more than 1.5 million print and electronic books and around 78,000 journal titles. With 2.3 million physical visits a year and 22 million online visits, the Library is a valued resource for students and features more than 2200 seats, wireless printing, computers and 18 presentation practice pods.

LEARNING SKILLS

Macquarie offers free workshops and online resources to help students with researching skills, academic writing, referencing and exam strategies, as well as with maths and statistics at the Numeracy Centre. Peer Assisted Learning (PAL) and Peer Assisted Study Sessions (PASS) also support student outcomes at Macquarie. Both programs involve experienced students running weekly study sessions/workshops for their peers to help with learning and academic transition.

CAREER SERVICES

The Career and Employment Service helps students prepare résumés, identify career options and connect students and graduates with employers and industry bodies. During the year, 8925 students attended career fairs, employer presentations and skills workshops; 172 students attended résumé writing sessions; and 8652 students were supported by faculty curriculum-based employability sessions.

MUSE AND MAZE

Student spaces are key to building a sense of belonging. MUSE (Macquarie University Spatial Experience) provides social learning spaces that combine the atmosphere of a group hangout and the quiet study ambience of the Library. MAZE (Macquarie Active Zone Experience) offers student groups access to large, bookable, customisable areas with exceptional facilities that are ideal for facilitating teamwork and student group activities. MAZE received the 2018 Gold Award (Education Services) at the Design Institute of Australia's Good Design Awards.

ACCOMMODATION

A range of safe, supportive and diverse accommodation options are offered to students on and near the University campus. These include share apartments or studios in university housing, residential colleges, university partner housing blocks, homestays with local families and local private housing. The Accommodation Office continued welcoming new students with their free airport pickup service, delivering them safely to their accommodation in Sydney.

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 a 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

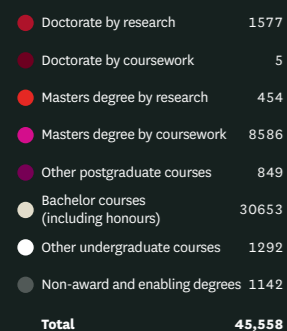
In 2018, 44,558 students were enrolled at Macquarie, a decrease of 464 (1 per cent) students compared with 2017. There was an increase of 75 international students compared with 2017, while domestic student enrolments decreased by 539 over the same period.

There were 11,732 international students from more than 120 countries, making up 26.3 per cent of students. Of those, 1126 students were enrolled in the University's pathway college and 270 students in offshore programs in China, Hong Kong, Korea and Singapore.

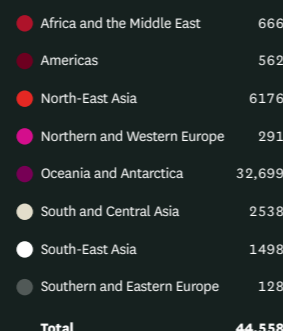
The University's total equivalent full-time student load in 2018 was 32,797.7, a decrease of 489.4 (1.5 per cent) over 2017. Of the total student load, 78 per cent was in undergraduate degrees and 22 per cent in postgraduate degrees.

The Macquarie Mentoring Program is one of Australia's longest-running peer support programs.

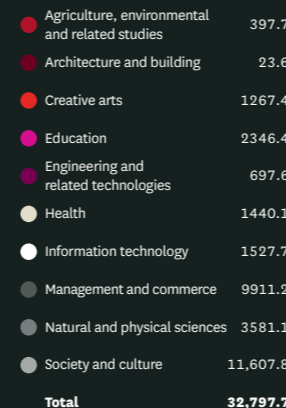
Enrolments by program level 2018



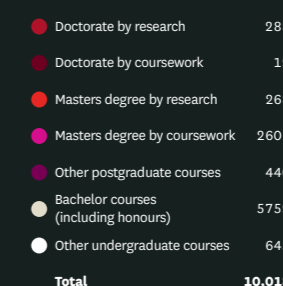
Enrolments by home location 2018



Student load by discipline 2018



Student awards 2018



*2017 Course completions as of 4 January 2018. This data is preliminary. Final figures to be confirmed in line with Australian Government reporting requirements

Engagement

CHANGES WITHIN THE PORTFOLIO

During the year the Deputy Vice-Chancellor (Corporate Engagement and Advancement) portfolio was renamed to better reflect the breadth of activities undertaken by the team. Now known as Deputy Vice-Chancellor (Engagement), the portfolio includes Advancement, Corporate Engagement, Future Students, Group Marketing (including Events), Macquarie International (including Macquarie University International College and the English Language Centre), and Macquarie University Incubator.

With a prioritisation of on-campus space for the University's growing teaching, research and face-to-face services needs, most of the portfolio relocated off campus to new office space in Macquarie Park. This places the Engagement team in the heart of the Macquarie Park Innovation District, co-located with colleagues from Finance, IT and the Faculty of Science and Engineering.

NEW BRAND CAMPAIGN

In 2018, we launched a new brand campaign to increase awareness, consideration and recommendation scores among our target audience, which includes prospective students, parents and other influencers. Focusing on the power of collaboration to achieve impact, the campaign aims to improve Macquarie's distinctiveness in the higher education sector. It highlights Macquarie's research impact, in particular, how the collective power of business, research and academia can solve real-world problems. The campaign ran across cinema, bus, train, billboard and digital advertising media.

Tracking of the Macquarie brand showed that in the time the (You)^{us} campaign has been in market, the declining trends experienced between 2014 and 2017 have been reversed. Awareness scores increased from 77 per cent to 81 per cent, and consideration scores increased from 44 per cent to 48 per cent. Recommendation scores grew in response to the campaign (to 35 per cent) before levelling off at 33 per cent in December 2018.

This work also extended into a two-phase recruitment advertising campaign. Key to the campaign was targeting particular geographical areas with success measured through increased leads and enrolments. This campaign was connected to the brand campaign with designated priority areas promoted across digital and social channels. The first phase focused on the promotion of 16 areas of study and recruitment to more than 100 courses through custom-built campaign landing pages, and concluded with the release of ATAR results and Macquarie's Explore your Options week. The second phase followed, reinforcing Macquarie's position as the right choice for those who had already applied to Macquarie and increasing consideration among those whose ATAR required them revisit their application decision.

Almost 437,000 page views were driven solely by the campaign from 128,000 users, 80 per cent of whom had not visited the Macquarie site before. The campaign was optimised toward lead generation, specifically online form submission on the campaign pages as well as on the wider Macquarie website. This led to a 55 per cent increase in new leads generated and is expected to impact positively on 2019 enrolment figures.

PHILANTHROPY

Philanthropy had a greater impact than ever in 2018, with another new record set for the largest gift ever committed: a \$10 million donation to support the University's medical education building. Numerous other seven-figure gifts are supporting key Macquarie initiatives, including the Incubator and our scholarship programs.

The growth in new funds raised in 2018 is on track to meet Macquarie's goal of \$200 million in funds raised by 2022. In 2018, we raised new funds of \$20.2 million, positioning Macquarie at more than \$65 million towards the campaign target.

Our Lincoln Legacy Society has now grown to 62 members, with seven confirmed bequests secured in 2018. Support for the University Art Gallery increased this year with new works valued at approximately \$3.5 million gifted by generous members of the art collecting world.

The firefighting community again played an enormous role in supporting our community fundraising efforts with their climb to the top of the Sydney Tower Eye. Last year saw more participants than ever, with 596 fireies and supporters raising a new record of \$755,000 to enable our researchers to accelerate their search for a cure for MND. Overall, we raised over \$1.1 million from alumni, and through community programs, with 7479 individual donors participating. The Firefighters Campaign for MND also won the Silver Award (Fundraising) in the 2018 CASE Circle of Excellence Awards.

The University's Student Philanthropy Club, an all-volunteer student club founded in 2017, has grown to more than 90 members in 2018. With a mandate of engaging the University community in giving back and embodying the Macquarie ethos of 'service and engagement', members seek to share their passion and pride for Macquarie through their philanthropic actions. In 2018, they volunteered in the community for various fundraisers, gave tours of campus facilities for staff and students, and hosted their own fundraiser, Paint for Purpose, to raise money and awareness of mental health through the Centre for Emotional Health.

ALUMNI

Alumni engagement activities continued to grow in 2018. The number and scope of thought leadership and networking events, featuring Macquarie alumni as guest speakers, increased. Events were held in major cities across the world: Beijing, Brisbane, Canberra, Hong Kong, London,

Melbourne, New York, Seoul, Shanghai, Singapore and Sydney. We also facilitated an array of alumni benefits, including unlimited library borrowing and access to over 39 research databases across 18 platforms, and a range of print, electronic and social media communications. We also co-hosted faculty alumni engagement events in Central and South America for the first time. Overall, we hosted a record 34 events in 15 cities across five continents with more than 2200 alumni participants.

By year end, the University's alumni community had grown to more than 187,000 members across over 140 countries.

CORPORATE ENGAGEMENT

Corporate Engagement continued its expansion phase in 2018, with the filling of new positions across all faculties. Together, these positions are driving a more strategic and coordinated approach to the University's engagement with corporate and industry partners, in collaboration with faculties and other professional staff.

The key achievements for the year included:

- Establishment of Venture Café Sydney – a partnership was finalised with the Venture Café Global Institute to activate the Macquarie Park Innovation District (MPID). External funding to support this initiative has been secured from EY, NAB, Orix, Konica Minolta, Stockland, Visionary and the City of Ryde.
- MPID Innovation Showcase – held at Fujitsu Australia in September, the initiative attracted more than 150 industry experts, academics, government representatives and local start-ups.
- MPID communications – a fortnightly MPID newsletter commenced in September to promote the MPID, provide thought leadership and engage the community by promoting local events and initiatives to more than 600 Macquarie Park employees.
- New partnerships were developed with Fujitsu, Accenture and NAB, while work progressed on major requests and projects with Blackmores, Cisco and Google.
- A new defence industry working group was established on campus, with the goal of linking the University's academic community with defence sector opportunities and companies.
- A cyber education program and agreement of a new governance framework was completed with Optus, with discussions on hearing research, artificial intelligence and workforce ongoing.
- The new Cochlear Chair in Hearing and Healthy Ageing was established, a hearing-focused ARC Linkage grant application was successful, and a China-focused role leading the development of the Chengdu Hearing Center was established.



COMMUNITY EVENTS

In 2018, the University hosted 341 events that were open to members of the community, partners and friends of Macquarie. There were 57,245 registrations for the diverse portfolio of activities during the year, with the most popular events being Art Gallery openings, the Astronomy Open Night, Open Day and alumni activities.

MEDIA REACH

To ensure we are spreading the word about the University's achievements to our community, 1032 individual tier one media stories were generated in 2018, with a total of 7336 news pieces. On average 17,332,965 people viewed, read or listened to a news story about the University each month in 2018.

During the year, Macquarie focused on amplifying quality research stories and topical articles from The Lighthouse, a news platform that was launched in April 2018, as well as introducing the use of engaging social media videos. In total, 2237 pieces of content were published across the University's core social media channels (Facebook, LinkedIn and

Twitter), including 94 groundbreaking research stories and academic opinion pieces. Eight bespoke social media videos were produced, gaining an impressive 92,597 views. Despite the major algorithm changes made by both Facebook and LinkedIn in March 2018, which has dramatically decreased the visibility of posts from businesses and brands in newsfeeds, the University saw a steady growth in followers with 38,858 new fans. In total, our content gained 23,755,038 impressions that resulted in 524,371 engagements.

Strong media interest in Lighthouse articles, covered weekly across national print, radio and TV, has demonstrated a healthy appetite for our research stories and evidence-based opinion articles. Most success has been gained through the ABC and various Fairfax platforms across Australia, both print and online, which continue to publish our content in full.

Between 9 April (launch day) and December 31, there were 67,100 users with the top three stories averaging 2502 unique page views each. Google has now recognised The Lighthouse as a mainstream news source.

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



11 SUSTAINABLE CITIES AND COMMUNITIES



Investing in our future



TRANSFORMING OUR CAMPUS

In 2018, the University progressed works that will deliver more than \$500 million and around 80,000 square metres of key transformational buildings plus infrastructure upgrades over the next few years – including the Central Courtyard and Arts Precinct redevelopments – as the 2014 Campus Master Plan is brought to life.

A new construction, the \$43 million Clinical Education building is scheduled to commence in the first quarter of 2019 and will benefit from the renovated public shared zone on Research Park Drive. The design phase for the planned new Macquarie Law School building continued.

To better connect with commercial neighbours in Macquarie Park, Sydney's second-largest business precinct, the University's School of Engineering moved into custom-built teaching, makerspaces and a robotics laboratory at 44 Waterloo Road (see page 16) and occupied offices for staff and research students in 50 Waterloo Road. The DVC (Engagement), IT and Finance groups also took up residence in modern office premises at nearby 58 Waterloo Road.

To further support the Faculty of Science and Engineering, a brand new, high-quality research and office facility was delivered at 205 Culloden Road enabling important and urgent biosecurity research. The purpose-built, \$25 million Biological Sciences building features a sleek, nature-inspired design and laboratories that replicate up to 12 different natural environments using thousands of microchips to control light, temperature and humidity. The specialised rooms are not only an engineering highlight but also a key feature in boosting research outcomes.

It was an exciting year for recognition with the University's iconic Incubator building receiving 13 awards and competing on the international stage in Amsterdam at the World Architecture Festival. The MAZE (Macquarie Active Zone Experience) student-focused area received the 2018 Gold Award (Education Services) at the Design Institute of Australia's Good Design Awards.

In 2019, the University will create a beautiful gathering place for Aboriginal and Torres Strait Islander students, staff and visitors. The outdoor pavilion will create a sense of cultural togetherness and community and feature native landscaping.

TRANSFORMING OUR WORKFORCE

The University achieved significant progress against the commitments made in the *Workplace Gender Equity Strategy* this year. The strategy, launched in 2017, sets out an ambitious plan for Macquarie to create sustainable change towards an equitable culture for all genders. It focuses our work across six priority commitments – building an inclusive culture; holding leaders accountable; improving representation of women in senior academic roles and STEM; achieving better gender balance in leadership; making flexibility the norm; and closing the gender pay gap.

There were many achievements during the year that support the strategy's priorities. The Gender Equity Strategy Self-Assessment Team – comprising representatives from faculties and departments across the University – has developed, implemented and tracked a wide variety of actions and initiatives. These activities focused on developing a deep understanding of specific gender equity issues at Macquarie and addressing inequalities within our policies, practices and culture.

The inaugural Gender Equity Week 2018 included a series of events, such as the Hidden Figures of STEM photographic exhibition; the inaugural International Women's Day Lecture presented by psychologist and writer Cordelia Fine; a TedX-style lecture series and panel discussion featuring female social activists and entrepreneurs; and the University's second Gender Equity Summit.

The University continued work towards a Science in Australia Gender Equity (SAGE) Athena SWAN Bronze Institutional Award – an accreditation and improvement program for higher education and research organisations aimed at increasing the promotion and retention of women and gender minorities in STEM.

In 2018, Macquarie introduced 20 days of paid domestic violence leave under the new enterprise agreement – a significant step solidifying the University as a leader in gender equity and staff wellbeing.

The University continued to enhance support available to staff with caring responsibilities, including enhanced provisions around return to work part time following parental leave. In 2018, parenting rooms on campus were updated, and Macquarie was once again accredited as a Breastfeeding Friendly Workplace by the Australian Breastfeeding Association.

Macquarie's Primary Carer Conference Support Scheme continued to provide financial support to assist academic staff who have primary carer responsibilities to attend and present at academic conferences.

In line with our Respect. Now. Always. program, the University continued work on initiatives to create a safe and respectful workplace culture for staff. Initiatives include the *Discrimination, Bullying and Harassment Prevention Policy* and associated training and communications activities.

Macquarie was recognised as a silver tiered employer in the Australian Workplace Equality Index, which acknowledges a culture of inclusion

for people with diverse sexualities and gender identities within the University community. The University also moved to increase Ally Network engagement and impact on LGBTIQ+ inclusion with the introduction of a member-based steering committee. A variety of events to raise awareness were hosted as part of the *LGBTIQ+ Action Plan 2017-2018*.

During the year, the University completed a consultation process to develop a new accessibility and inclusion plan and worked in collaboration with the Australian Network on Disability to align Macquarie with leading workplace practice on inclusion for people with disability.

The University provided opportunities for all staff to develop their understanding of workforce diversity and inclusion issues. These included Cultural Intelligence, the Ally Network, Create Your Future (Staff 45+), and LGBTIQ+ inclusion workshops, as well as diversity and inclusion talks and round tables.

A new diversity and inclusion staff survey was developed and implemented in some faculties to help understand current culture and provide information to continue building a community that is diverse and inclusive, and where all staff are able to flourish.

Workplace diversity and inclusion goals for 2019 include:

- Launching the *Workplace Gender Equity Strategy 2.0*
- Developing and implementing the University's Access and Inclusion Plan
- Developing and implementing a LGBTIQ+ Inclusion Plan
- Continuing to implement the Mature Age Employee Action Plan
- Submitting an application for WGEA Employer of Choice for Gender Equity citation
- Working with Walanga Muru to implement the *Aboriginal and Torres Strait Islander Workforce Plan 2018 – 2021*
- Implementing staff strategies aligned with the Respect. Now. Always. program, including a new sexual harassment prevention policy and training
- Developing a range of diversity and inclusion learning resources.



Awards, honours and rankings

VICE-CHANCELLOR'S LEARNING AND TEACHING AWARDS

VICE-CHANCELLOR'S AWARD FOR TEACHING EXCELLENCE

- Faculty of Human Sciences – Dr Penny Van Bergen

VICE-CHANCELLOR'S AWARDS FOR PROGRAMS THAT ENHANCE LEARNING

- Human Anatomy Program – Associate Professor Goran Strkalj, Anneliese Hulme (Faculty of Science and Engineering); Associate Professor Richard Appleyard, Dr Mirjana Strkalj (Faculty of Medicine and Health Sciences); and Michael Rampe (Faculty of Arts)
- Excel Skills for Business – Dr Yvonne Breyer, Nicole Bull, Phil Goody, Dr Prashan Karunaratne, Tim Keighley (Faculty of Business and Economics); and Nathan Sollars (Faculty of Arts)

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

- Carolyn Kennett (Faculty of Science and Engineering), for empowering students to become confident, flexible and creative users of mathematics.
- Dr Jillian Kramer (Faculty of Arts), for developing strategies that inspire and motivate cultural studies students to engage with critical theory and analytical skills that will equip them for lifelong learning.
- Dr Alys Moody (Faculty of Arts), for building students' independence and engagement by making challenging concepts relevant to their lives in 200-level English units.
- Dr Karen Peebles (Faculty of Medicine and Health Sciences), for *Building Bridges*: using a physiological approach to help students understand the integrated nature of body systems to develop outstanding physiotherapy practice and research.
- Dr Murray Taylor (Faculty of Business and Economics), for excellence in shaping immersive learning environments that support diverse cohorts and positively impact student, educator and institutional engagement.
- Dr Kerry-Ann O'Sullivan and Dr Jennifer Barr (Faculty of Human Sciences), for supporting Initial Teacher Education students to prepare and enhance their literacy skills for professional accreditation through the innovative provision of self-directed online learning resources.

STUDENT-LED AWARDS

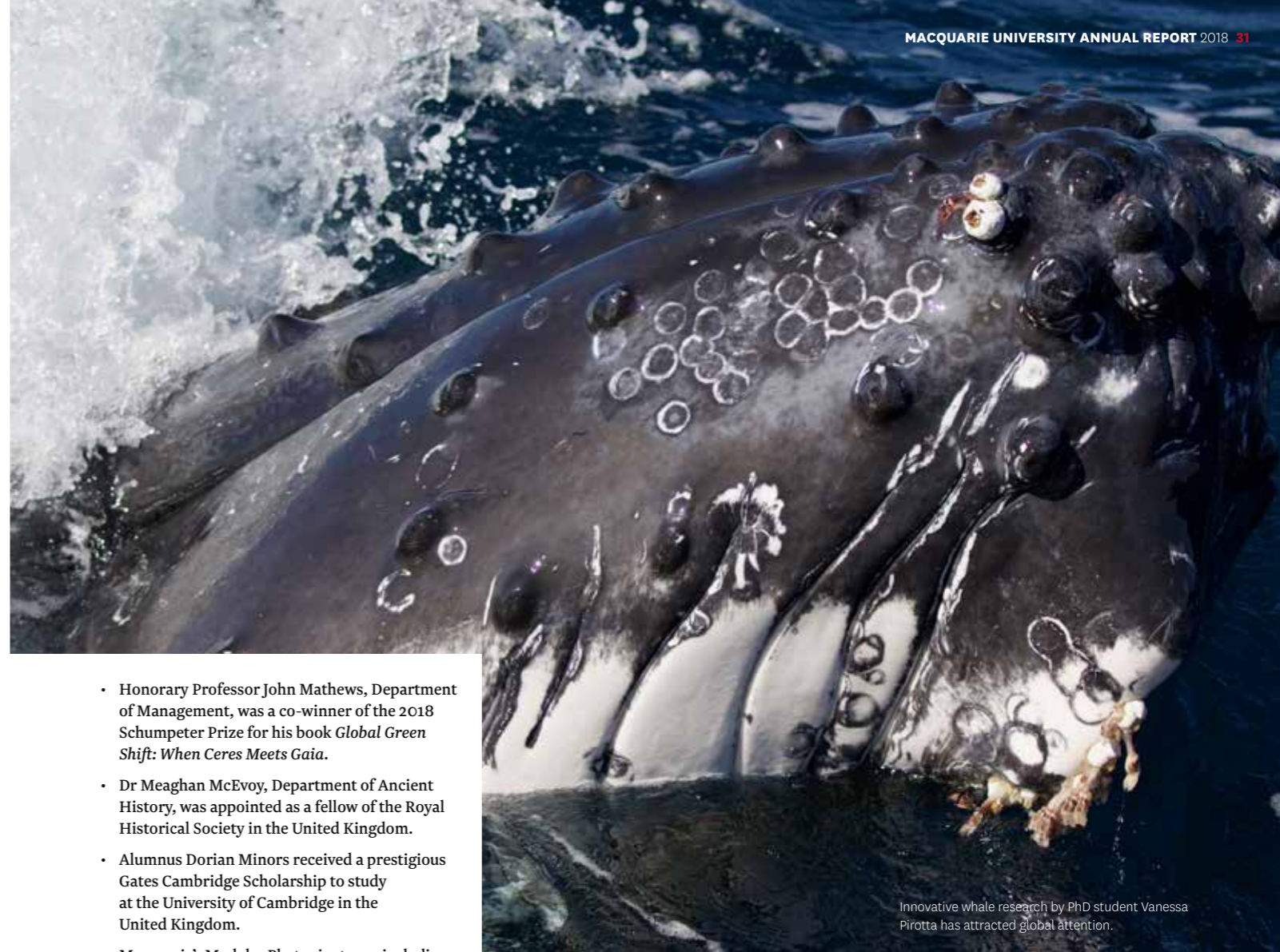
- Faculty of Arts – Dr Michelle Hamadache, Dr Liza Rybak and Dr Rebecca Sheehan
- Faculty of Business and Economics – Tasneem Husain and Keith Woodward
- Faculty of Human Sciences – Associate Professor Kevin Brooks
- Faculty of Medicine and Health Sciences – Associate Professor Taryn Jones and Dr Elizabeth-Ann Schroeder
- Faculty of Science and Engineering – Dr Gaurav Gupta and Lachlan Roach
- Macquarie Higher Education Academy Principal Fellowship – Dr Bill Ashraf

EXTERNAL AWARDS AND HONOURS

- The Advancement team's Firefighters' Climb for MND fundraising campaign was awarded the Silver Award (Fundraising) in the 2018 CASE Circle of Excellence Awards.
- Professor Juan Carlos Afonso, Department of Earth and Planetary Sciences, received the 2019 Outstanding Early Career Researcher Award from the International Union of Geodesy and Geophysics.
- Associate Professor Melissa Baysari, Australian Institute of Health Innovation (AIHI), received a Branko Cesnik Award for Best Academic and Scientific Paper at the Health Informatics Conference in Sydney.
- Dr Lea Beness, Department of Ancient History, was elected vice-president of the Australasian Society for Classical Studies.
- Dr Yvonne Breyer, Director of Learning and Teaching for the Faculty of Business and Economics, received Coursera's 2018 Outstanding Educator Award for Transformation for the Excel Skills for Business specialisation MOOC.
- Dr Andrew Care, Faculty of Science and Engineering, was awarded a 2018 Early Career Fellowship from the Cancer Institute New South Wales (CINSW).
- Professor Enrico Coiera, Faculty of Medicine and Health Sciences, was elected as one of the 37 new Fellows of the Australian Academy of Health and Medical Sciences.
- Associate Professor Felicity Cox, Department of Linguistics, received an ARC Future Fellowship.
- Professor Judith Dawes and Professor Rich Mildren, both Department of Physics and

Astronomy, were among 98 new members of the Optical Society's 2019 Fellows Class.

- Associate Professor Antonio Di Ieva, Faculty of Medicine and Health Sciences, was awarded the John Mitchell Crouch Fellowship for 2019, for his work on the application of fractal geometry and artificial intelligence to the study of brain tumours in MRI.
- Professor Dr Harvey Dillon, Department of Linguistics, was made an Officer of the Order of Australia (AO) in the Queen's Birthday 2018 Honours List.
- Dominique Du Toit and the Women's Rugby 7s team won a silver medal at the 2018 Commonwealth Games.
- Professor Stephen Foley, Department of Earth and Planetary Sciences, was announced as a 2018 ARC Australian Laureate Fellow.
- The Global Leadership Program won equal first prize in the 2018 NSW International Student Awards for Community Engagement by an education provider.
- Dr Simon Gross received a Tall Poppy Award for his work developing special techniques to make precision glass chips that can channel and process light in three dimensions.
- Dr Rae-Anne Hardie, Centre for Health Systems and Safety Research, AIHI, was named a finalist in the Bupa Health Foundation Emerging Health Researcher Awards for her research into pathology-based screening to detect chronic disease risk factors.
- Hyperdrive Science, a Macquarie start-up that created a new way to develop drugs more quickly and cheaply than current methods, won the People's Choice Innovation IMPACT Award at the CSIRO ON Demo Night.
- Macquarie students triumphed at the inaugural ASEAN-Australia Codeathon with their project 'Applying blockchain technologies to improve financial services, anti-money laundering compliance or secure intelligence sharing'.
- The Macquarie University Incubator won the Association of Learning Environments Australasia's Annual Excellence in Educational Facilities Award for 2018.
- Alumnus Simon Massey was awarded a prestigious Churchill Fellowship for his program that aims to transform and streamline strategic capabilities for school infrastructure planning.



Innovative whale research by PhD student Vanessa Pirota has attracted global attention.

- Honorary Professor John Mathews, Department of Management, was a co-winner of the 2018 Schumpeter Prize for his book *Global Green Shift: When Ceres Meets Gaia*.
- Dr Meaghan McEvoy, Department of Ancient History, was appointed as a fellow of the Royal Historical Society in the United Kingdom.
- Alumnus Dorian Minors received a prestigious Gates Cambridge Scholarship to study at the University of Cambridge in the United Kingdom.

- Macquarie's Modular Photonics team, including Distinguished Professor Michael Withford and Dr Simon Gross, Department of Physics and Astronomy, won the Consumer Markets category at the NSW iAwards, run by the Australian Information Industry.

- Professor Martina Möllering, Executive Dean of the Faculty of Arts, was awarded the Justus Liebig Medal for outstanding service to the University of Giessen. Professor Möllering also received the Ayios Kosmos o Aitolos Award from the Australian Hellenic Educators' Association in recognition of her contribution to Hellenic Studies.

- Associate Professor Vito Mollica, MGSM, received the 2018 ACGR Award for Excellence in Promoting Industry Engagement in Graduate Research by the Australian Council of Graduate Research (ACGR).

- PhD student Seline Petit was crowned runner-up at the 2018 Asia-Pacific finals of the Three Minute Thesis (3MT) competition.

- Professor Ingrid Piller, Department of Linguistics, was awarded the Humboldt Foundation's Anneliese Maier Research Award in Berlin.

- PhD student Vanessa Pirota, Department of Biological Sciences, was named runner-up at the 2018 FameLab International Final.

- Jingmin Qian, Macquarie University Council member, was named as one of the *Australian Financial Review's* 100 Women of Influence in the Board and Management category for 2018.

- Macquarie student Esther Qin won a gold medal in the women's three-metre synchronised diving event and a bronze medal in the women's one-metre springboard final at the 2018 Commonwealth Games.

- Professor Michael Richardson, Department of Psychology, received an ARC Future Fellowship.

- Professor Neil Saintilan, Department of Environmental Sciences, was nominated for the 2018 Eureka Award for Outstanding Mentor of Young Researchers.

- Luke Thompson and Hew Sutherland, English Language Centre, were accepted into the highly competitive national English Australia Action Research in ELICOS Program 2018.

- The recently revamped Ubar won the 2018 CampusLink Award for 'Best new or refurbished building or facility – up to \$600K'.

HIGHLY CITED RESEARCHERS

Macquarie achieved its highest number of entries in the Clarivate Analytics Highly Cited Researchers list with the following Macquarie researchers being recognised as being in the top one per cent in their field:

- Professor Sue O'Reilly, Geosciences
- Professor Rick Kefford, Clinical Medicine
- Professor Ian Paulsen, Cross-Field
- Professor Colin Prentice, Environment/Ecology
- Professor Mark Westoby, Environment/Ecology
- Professor Ian Wright, Environment/Ecology

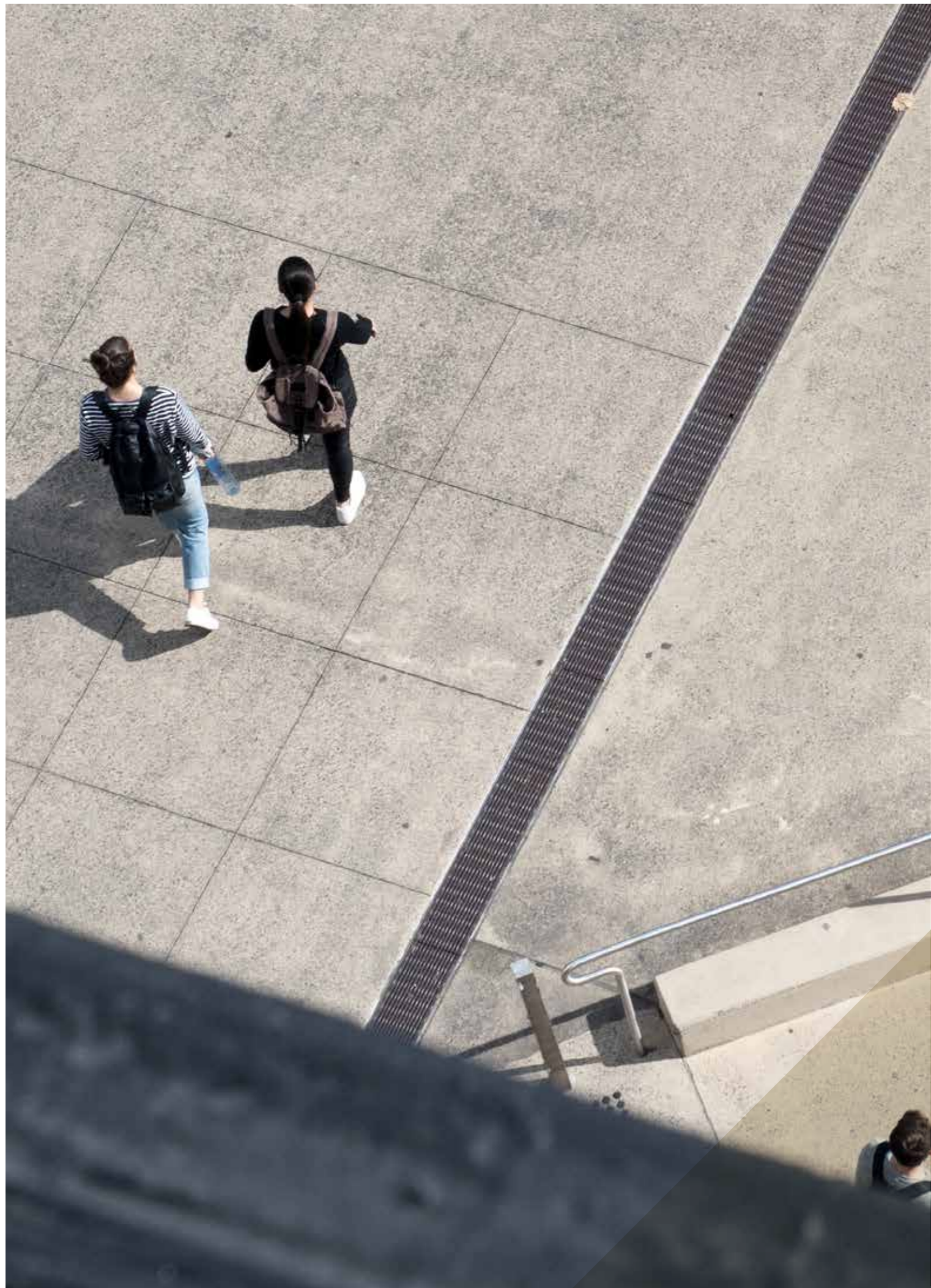
RANKINGS

The *Times Higher Education* (THE) World University Rankings by Subject 2019 placed multiple Macquarie subject areas among the best in the world:

- Top 100 for Education
- Top 150 for Law
- Top 150 for Arts and Humanities
- Top 150 for Life Sciences
- Top 200 for Psychology

Additional information about rankings may be found on page 18.

Macquarie has continued to strengthen our reputation and reach milestones of which we are very proud.



Statutory reporting

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 15 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

CHANCELLOR

Elected pursuant to section 10(1) of the Act

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

DEPUTY CHANCELLOR

Louise Mason, BA, LLB (Hons) Macq
From 1 July 2018

Current term to 31 December 2020

Elizabeth Crouch, BEc Macq, FAICD
Retired 30 June 2018

VICE-CHANCELLOR

Appointed pursuant to section 12(1) 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 8(H)(c) of the Act

Professor Mariella Herberstein, BSc (Sydney Uni), Hons (UNSW), Mag Rer Nat (University of Vienna), Dr Rer Nat (University of Vienna).
Current term to 30 June 2019, *ex officio*

APPOINTED BY THE MINISTER FOR EDUCATION AND TRAINING

Pursuant to section 8G of the Act

Louise Mason, BA, LLB (Hons) Macq
From 1 July 2018

Current term to 31 December 2020

The Hon. Patricia Forsythe AM, BA, DipEd

Newcastle (NSW), FAICD

Current term to 31 December 2020

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 2019

Dr Wylie Bradford, BEc(Hons) Newcastle (NSW),

MPhil Cambridge, PhD Cambridge

Current term to 31 December 2019

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

Cissy Shen

Current term to 31 May 2019

GRADUATE MEMBERS APPOINTED BY COUNCIL

Pursuant to section 8E of the Act

Brendan Crotty, LS, DQIT (T&CP), Dip BusAdmin

Macq, FAPI FAICD FRICS

Retired 30 June 2018

Chum Darvall AM, BA Macq, F Fin, FAICD

Current term to 31 December 2020

John Wigglesworth, BEc Macq, CA

Current term to 28 February 2023

Frank Zipfing, LLB, LLM, BAcc, BEcon,

MBA, AICD

Current term to 28 February 2023

APPOINTED BY COUNCIL

Pursuant to section 8F of the Act

Elizabeth Crouch, BEc Macq, FAICD

Retired 30 June 2018

Deborah Hadwen, BA, MA, M CommLaw Macq,

MAICD

Current term to 29 February 2020

Gregory Mackenzie Jones, BA Macq, MA Macq

Retired 30 June 2018

The Hon. Sandra Christine Nori, BEc Syd.

Retired 30 June 2018

Jingmin Qian, BEc, MBA, CFA, FAICD

Current term to 28 February 2023

Council membership as at 31 December 2018

Note: Dr Evianne Grosvenor has been elected from 1 January 2019 to replace Leanne Denby. The Honourable Patricia Forsythe AM will retire on 21 February 2019.

MEMBERS' ATTENDANCE AT MEETINGS

Council	A	B
The Hon Michael Egan	6	6
Louise Mason	6	5
Elizabeth Crouch	3	3
Professor S Bruce Dowton	6	6
Professor Mariella Herberstein	6	6
Dr Wylie Bradford	6	6
Brendan Crotty (leave of absence granted by Council)	0	0
Chum Darvall	6	5
Professor Catherine Dean	6	5
Leanne Denby	6	5
The Hon Patricia Forsythe	6	6
Deborah Hadwen	6	6
Gregory Jones	3	3
The Hon Sandra Nori	3	2
Jingmin Qian	6	6
Cissy Shen	6	4
John Wigglesworth	6	6
Frank Zipfing	6	6

A - Number of meetings eligible to attend

B - Number of meetings attended

PRINCIPAL ACTIVITIES

Principal continuing activities of the consolidated entity during 2018 consisted of:

- the provision of facilities for education and research of university standard
- the encouragement of the dissemination, advancement, development and application of knowledge informed by free enquiry
- 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
- participation in public discourse
- the conferring of degrees, including those of bachelor, master and doctor, and the awarding of diplomas, certificates and other awards
- the provision of teaching and learning that engages with advanced knowledge and enquiry
- 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 2018 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 the University
- regular review of key risks
- approval of key compliance reports including the *Macquarie University Annual Report 2017*
- approval of the 2019 Consolidated Budget and 2019 Capital Management Plan
- approval of the conferral of various honorary awards
- approval of updated Delegations of Authority
- receipt of presentations on learning and teaching, student experience, debt funding requirements, the Faculty of Arts, the Faculty of Human Sciences, the Faculty of Science and Engineering, research, MQ Health strategy, marketing and brand strategy and the 2019 University budget and capital plan.

CHANGES TO UNIVERSITY RULES

Revised University Rules that reflect decisions of the University Council include:

- Academic Costume Rules, to reflect the academic costumes of the newly established role of Pro-Chancellor; the Honorary Doctor of Economics and amendments to the Academic Costume for the Deputy-Chancellor and the Registrar.

- Academic Senate Rules, to reflect a revised composition of Academic Senate (effective from 1 January 2019).
- Student Discipline Rules, to amend the eligibility requirements for the presiding member of the University's Discipline Committee.

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), the University advises that it is in full compliance with the Code. This is reviewed on an annual basis.

Key governance changes during the year include:

- reduction in Council size to 15 members
- development of Council and committee skills matrices to ensure adequate skills are represented on Council and each committee and to assist in succession planning
- changed composition of Council committees following reduction in Council size and review of the skills matrices
- review of Council Committee terms of reference, and
- review of the governance and oversight of controlled entities.

LEGAL AFFAIRS

CHANGES TO ACTS AND SUBORDINATE LEGISLATION

MACQUARIE UNIVERSITY ACT 1989

The University's Act was amended by the insertion of section 17(2) which gives the Vice-Chancellor the power of sub-delegation of functions delegated by Council.

MACQUARIE UNIVERSITY BY-LAW 2005

Clause 14(1) was replaced by a provision to establish a Nominations Committee of at least five persons as determined by Council. The previous clause specified membership of the Committee.

Clause 18 was amended by increasing the term of office of the Chancellor from three to four years.

ENVIRONMENTAL REGULATION

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

LEGISLATION

- *Biodiversity Conservation Act 2016* (NSW)
- *Building Energy Efficiency Disclosure Act 2010* (Cwlth)
- *Contaminated Land Management Act 1997* (NSW)
- *Environmental Planning and Assessment Act 1979* (NSW)
- *Environment Protection and Biodiversity Conservation Act 1999* (Cwlth)
- *Heritage Act 1997* (NSW)
- *Local Government Act 1993* (NSW)
- *National Greenhouse and Energy Reporting Act 2007* (Cwlth)
- *Pesticides Act 1999* (NSW)
- *Protection of the Environment Operations Act 1997* (NSW)
- *Water Management Act 2000* (NSW)

REGULATIONS

- National Greenhouse and Energy Reporting Regulations 2008 (Cwlth)
- National Greenhouse and Energy Reporting (Measurement) Determination 2008 (Cwlth)
- Protection of the Environment Operations (Clean Air) Regulation 2010 (NSW)
- Protection of the Environment Operations (Waste) Regulation 2014 (NSW)

HUMAN RESOURCES

At Macquarie, we invite our staff to bring their professional knowledge and dedication to a campus that is powered by human collaboration. We strive to create a culture of transformative learning, expand horizons and nurture individual and collective capabilities.

HR STRATEGY AND SERVICE

In 2018, Human Resources (HR) continued to provide transactional, advisory and strategic HR services to the University and its entities.

The University successfully concluded enterprise bargaining for academic and professional staff. Macquarie was the first institution to use the Fair Work Commission's New Approaches model for bargaining. This interest-based negotiation model was derived from Harvard and adapted for the Australian industrial relations context. Key outcomes to note include the strategic and collaborative development of new academic models of work to provide more sustainable workforce options into the future; an innovative new paid leave benefit for individuals carrying a child for another as a surrogate; a new provision for 20 days of domestic violence leave; and Indigenous employment and gender equity commitments.

HR was also involved in negotiating a new enterprise agreement for nursing staff at Macquarie University Hospital (MUH).

Last year, the University managed the transfer of the former Australian Astronomical Observatory to the new Australian Astronomical Optics (AAO) department in the Faculty of Science and Engineering. This was a significant acquisition that will enable the University to develop its research in the area of optical technologies in medicine and biology.

A number of HR policies and procedures were reviewed and implemented in 2018, including the *Flexible Work Policy* and the *Staff Volunteering Leave Procedure*.

DEVELOPMENT

A second round of the innovative academic promotion scheme was successfully implemented in 2018. The scheme, based on Boyer's four areas of scholarship, 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. The scheme continued to attract high numbers of applicants and had a positive response in the academic community.

A bespoke leadership program 'Inspire' was developed and launched in 2018. Inspire involved a holistic approach to building management and leadership capability of frontline professional staff managers. The first cohort graduated in December 2018.

A large number of team development sessions were facilitated across key areas of the University with a focus on strengthening team collaboration and effectiveness.

The University continued to offer staff development grants and scholarships, with more than 20 staff sponsored in 2018. The University also offered a broad suite of online and face-to-face skills development courses for staff.

STAFF ENGAGEMENT AND CULTURE

The University's third Staff Wellbeing Week was held in October 2018. Wellbeing Week is part of an ongoing program of employee wellbeing that was expanded to run throughout the year. It is designed to raise awareness and proactively draw attention to the importance of staff health and wellbeing. The calendar of events included more than 20 activities from lunchtime seminars to yoga, campus walks and art classes. Supported by MQ Health, Campus Life, the Centre for Emotional Health, Sustainability, Campus Wellbeing and Human Resources, the program was well received and engaged close to 300 staff from across the University.

STAFF NUMBERS (FTE)¹

Category	2015	2016	2017	2018
Academic	1525	1553	1709	1698
Professional	1674	1668	1834	1960
Total	3199	3351	3543	3657

¹ Includes continuing, fixed-term and casual staff FTE

NUMBER OF SENIOR EXECUTIVE STAFF ²

	2016		2017		2018	
	M	F	M	F	M	F
Band 3 (Vice-Chancellor)	1	0	1	0	1	0
Band 2 (Deputy Vice-Chancellor)	4	1	3	0	4	0
Band 1 (Executive Group)	4	3	4	3	3	4
Subtotal	9	4	8	3	8	4
Total	13		11		12	

² Numbers as at 31 December 2018



AVERAGE SENIOR EXECUTIVE SALARY

Band	Range	2016	2017	2018
Band 3 (Vice-Chancellor)	\$700,000–\$1,100,000	\$890,000	\$980,000	\$1,010,000
Band 2 (Deputy Vice-Chancellor)	\$400,000–\$699,999	\$490,000	\$480,000	\$480,000
Band 1 (Executive Group)	\$300,000–\$599,999	\$440,000	\$380,000	\$380,000

In terms of employee-related expenditure, 0.89 per cent of expenditure was related to senior executives in 2018, compared with 1.11 per cent in 2017.

Professional and academic staff covered by an enterprise agreement received a wage increase of two 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.

TRENDS IN THE REPRESENTATION OF EEO GROUPS¹

	Benchmark or target	2016	2017	2018
Professional staff				
Women	50	67.4	67.5	67.8
Aboriginal and Torres Strait Islander peoples ²	2.6	0.9	1.2	1.5
People whose first language is not English	19	32.2	33.8	34.5
People with a disability	N/A	5.3	4.9	5.3
People with a disability requiring work-related adjustment	1.5	0.7	0.9	1.1
Academic staff				
Women	50	44.7	44.6	45.1
Aboriginal people and Torres Strait Islanders	2.6	0.7	0.7	1.0
People whose first language is not English	19	30.6	31.7	32.6
People with a disability	N/A	3.7	3.5	3.4
People with a disability requiring work-related adjustment	1.5	1.0	0.9	0.7

TRENDS IN THE DISTRIBUTION OF EEO GROUPS³

	Benchmark or target	2016	2017	2018
Professional staff				
Women	100	93	94	94
Aboriginal people and Torres Strait Islander peoples ²	100	N/A	94	99
People whose first language is not English	100	84	85	86
People with a disability	100	120	110	104
People with a disability requiring work-related adjustment	100	N/A	N/A	140
Academic staff				
Women	100	78	78	80
Aboriginal and Torres Strait Islander peoples ²	100	N/A	N/A	N/A
People whose first language is not English	100	77	78	79
People with a disability	100	104	110	118
People with a disability requiring work-related adjustment	100	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 concentrated at the higher 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**PATHWAYS**

The University has a range of entry schemes and pathway options for prospective students. These take into account a broader range of factors than just educational attainment to date. Macquarie entry pathways consider a variety of criteria, ranging from 'adjustment factors' (formerly known as ATAR bonus points) to academic results in relevant HSC subjects, to local community engagement activities, to previous study or work experience.

This year, the following entry pathways were offered to students:

- Academic Entry Program
- Selection Rank (ATAR plus adjustment factors – Academic Advantage; Educational Access Scheme; Rural Bonus Scheme; Elite Athlete and Artistic Performers Scheme; Big History Scheme; Catchment Adjustment Factors)
- Schools Recommendation Scheme
- Global Leadership Entry Program
- Gifted and Talented Entry Program
- Next Step
- Macquarie University International College – diplomas, foundation and intensive programs
- Aboriginal and Torres Strait Islander Entry Program
- Open Universities Australia
- Special Tertiary Admissions Test
- TAFE articulations

GLOBAL LEADERSHIP ENTRY PROGRAM (GLEP)

GLEP is an early entry program for high school students who are highly motivated and service-oriented, and possess leadership capabilities. The program has been successful in achieving consistent demand and growth over the past years. In 2018, three \$5000 scholarships were awarded to outstanding GLEP applicants who demonstrated extensive engagement or significant achievement in service to their local or wider community. Further scholarships were awarded to high-achieving students in the fields of science, health and engineering.

SCHOLARSHIPS

Macquarie offers a range of generous equity scholarships that are awarded on the basis of financial need or other hardship. Since their introduction in 2008, more than 2750 students have received funding. Refer to the table below for more information.

RESPECT. NOW. ALWAYS. (RNA)

Macquarie has been actively engaged in preventing and responding to sexual assault and sexual harassment experienced by students through the Respect. Now. Always. (RNA) project. In August 2018, the University released the *Respect. Now. Always. Action Plan 2018 – 2020*, which sets out a range of initiatives targeting organisational and cultural change. The action plan is the result of extensive consultation with students, staff and expert external agencies.

Since the release of the action plan, the RNA project team has worked with staff and student groups across the University to develop and implement education for students and staff, develop policy and policy guidance that addresses prevention and responses to sexual assault and sexual harassment, and develop simple and accessible options for reporting sexual assault and sexual harassment to the University. It is expected that these initiatives will be implemented in Session 1, 2019.

MULTICULTURAL POLICIES AND SERVICES

We are committed to ensuring that staff and students from culturally and linguistically diverse (CALD) backgrounds 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.

BUILDING OUR CULTURAL CAPABILITY

In 2018, the University engaged Prisma Cross Cultural Consultants, a global training consultancy focusing on multicultural societies, to present a series of cultural intelligence workshops. The interactive and evidence-based workshops for staff were aimed at building cultural intelligence and skills to be effective when working across cultures.

ENGAGING CULTURALLY DIVERSE COMMUNITIES

LEAP (Learning, Education Aspiration, Participation) programs are delivered by the Widening Participation Unit. Working with communities, schools, teachers and parents, 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.

LEAP programs expanded in 2018 to include the participation of more students from regional and remote areas, and students from refugee and low socio-economic backgrounds. Programs engaged a total of 264 primary and secondary schools across New South Wales and reached more than 22,300 students overall.

EQUITY-RELATED SCHOLARSHIP RECIPIENTS 2015 – 2018

Scheme	2015	2016	2017	2018
Macquarie Accommodation Scholarships	63	70	65	69
Macquarie Education Costs Scholarships	181	202	214	200
Indigenous Access Scholarships	9	12	*	*
Indigenous Commonwealth Accommodation Scholarships	12	14	10*	3*
Indigenous Commonwealth Education Costs Scholarships	40	41	23*	10*
Macquarie Higher Study Scholarships	51	55	59	64
Macquarie University Indigenous Grant Program	100	106	124	155
Merit Scholarships	39	40	36	37
Non-current School Leaver Scholarships	9	6	4	2
Refugee Scholarships	6	6	4	9
Macquarie University Dunmore Lang College Indigenous Incentive Scholarship	19	21	13	12
Macquarie University Dunmore Lang College Regional and Rural Scholarship	15	13	15	14
ISSP Indigenous Commonwealth Accommodation Scholarships			4	7
ISSP Indigenous Commonwealth Education Costs Scholarships			16	28
Total	544	586	587	597

*Discontinued at the end of 2016 and replaced by ISSP Indigenous Commonwealth Accommodation Scholarships and Indigenous Commonwealth Education Costs Scholarships

Outreach initiatives engaged new community groups in areas of Greater Western Sydney, as well as regional state districts and townships of New South Wales. These relationships enabled the University to develop connections with potential students and communities who face disadvantage.

Evaluation of the programs 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. The challenges for remote and regional students are addressed during the roadshows, with scholarships and accommodation being important areas of focus. With a large Indigenous population in Broken Hill, a student ambassador from Walanga Muru was also part of the roadshow team, sharing her experiences with local students.

Next year, students from the Far West region will travel to Macquarie for 'Inroads' – a chance to experience the campus and the possibilities of university life for themselves.

Macquarie also supports students from culturally and linguistically diverse (CALD), Indigenous and low socio-economic status backgrounds through the SBS NITV Media Mentorship Program. The three-year program involves skill development, networking and work experience for participating media students. In 2018, 31 students participated in the program. For more information, refer to page 22.

SUPPORTING OUR CULTURALLY DIVERSE STUDENTS AND STAFF

In 2018, the Library's Learning Skills Unit expanded its academic literacy and language services and resources to assist undergraduate and postgraduate coursework students, including CALD students, to develop their academic reading and writing skills. More than 3400 students attended 21 workshops during the orientation periods, while 68 academic literacy workshops were conducted for a further 1046 students.

The StudyWISE iLearn Module (online) engaged 13,263 active users through its academic skills resources and activities. A redesigned Academic Integrity Module was launched mid-year to align more closely with both the *Academic Integrity Policy* and its accompanying values statement. There have since been 2505 certificates awarded for mastery of the module with 3937 users actively engaging in its tasks, quizzes and activities.

The Learning Skills Unit also provided tailored assistance to 500 students who were identified as at risk of failing as part of the *Academic Progression Policy* and related procedures. These students completed personalised learning pathway modules to help them get back on track by actively engaging with a suite of meaningful academic literacy activities and study guides. A new personalised learning design tool gave students access to online consultations with a learning adviser to help re-engage them with their studies.

Learning advisers provided 864 face-to-face or online individual academic literacy consultations to students throughout the year. To meet increasing student demand for support, the Learning Skills Unit expanded WriteWISE, its student peer-writing program conducted in partnership with the Faculty of Arts and the Faculty of Human Sciences.

WriteWISE has been very successful in improving first-year students' confidence levels in academic writing. The program has delivered 780 individual consultations conducted by 12 trained student peer-writing leaders. WriteWISE has also extended its reach to support students from refugee backgrounds by operating within a 'Making Connections' mentoring program.

The Macquarie Mentoring Program (see also 'Our students' on page 24) continued to support a smooth transition into university for new and returning students through peer mentoring in 2018. Macquarie's Buddy Program, co-designed with students, delivered complimentary social events and activities throughout the year that assisted in creating a sense of belonging. Student volunteering opportunities in the program provided students with valuable communication and leadership skills.

With the establishment of MAZE (the Macquarie Active Zone Experience) at 18 Wally's Walk, the University created new collaborative spaces that are for student events on campus. The space provides facilities for students to meet and hold social activities such as movie nights and gaming competitions.

Alongside this new space, two new safe spaces were established for our collectives on campus (QueerSpace and Women's Room). With 48 cultural and faith-based student groups, activities on campus encouraged students to discover new exciting activities to do with friends on campus. Student-led events on campus brought thousands of international and domestic students together

throughout the year with highlights including the International Day Against Homophobia, Biphobia, Intersexism and Transphobia. This event was organised by the Queer Collective student group and supported by Campus Engagement. The event celebrated the anniversary of the Sydney Gay and Lesbian Mardi Gras with a panel of the original attendees of the 1978 event.

In 2018, we celebrated the achievements of our student groups and applauded the Sustainability Squad when they were finalists for the 2018 Green Gown Awards Australasia for their efforts in promoting sustainability on campus.

Macquarie also supports staff from CALD backgrounds by offering paid education leave to undertake approved English language courses and cultural leave. A suite of professional development workshops, postgraduate study scholarships and the postgraduate MGSM Scholarship Scheme are available to all staff.

Under the *Workplace Gender Equity Strategy*, the University works to address the particular cultural challenges faced by some people as a result of their gender, recognising the intersection of attributes such as gender, age, cultural background, sexual orientation and disability.

The University continued to offer domestic and family violence prevention and support to its staff, including a new provision for 20 days of paid domestic violence leave, flexible work options, safety planning and referral to support services.

OUR GOALS FOR 2019

In 2019 we will continue to:

- Strengthen staff and student cultural awareness and competency through targeted initiatives.
- Host outreach programs for students from diverse backgrounds through Widening Participation and LEAP initiatives.
- Provide language and literacy programs for CALD students and staff.
- Encourage collaborations with external partners such as the Australian Human Rights Commission, Multicultural NSW, and SBS Broadcasting.
- Support career advancement, professional opportunities and visibility of CALD staff.
- Implement the Respect. Now. Always. program

See page 28 for more information on other diversity initiatives.

INDIGENOUS STRATEGY

This year has been one of the most successful years for Aboriginal and Torres Strait Islander peoples at Macquarie. Across all areas of the University, from learning and teaching to student and community engagement, Aboriginal and Torres Strait Islander success has been achieved. Achieving the highest number of Aboriginal and Torres Strait Islander staff – both academic and professional – and the highest retention rate for first-year students, are just two examples in a year of milestones.

Indigenous leadership was at the forefront of the University's commitment to Aboriginal and Torres Strait Islander higher education in 2018 with the creation of the Pro Vice-Chancellor (Indigenous Strategy) (PVC) position. The position provides a framework to incorporate Indigenous perspectives into all aspects of the University now and into the future. In addition to PVC Dr Leanne Holt's appointment to the most senior Aboriginal and Torres Strait Islander position in Macquarie University history, several other academic positions were created, including the Academic Director, Indigenous Learning and Teaching. These positions align with the launch in 2018 of the University's first *Aboriginal and Torres Strait Islander Workforce Plan 2018 – 2021* with the aim of building a strong, sustainable Aboriginal and Torres Strait Islander workforce.

The University's first Aboriginal cultural training program, Manawari, was launched in 2018 and has received outstanding evaluations to date. The program provides a comprehensive overview of Aboriginal history, culture, peoples and application to the University.

The Aboriginal Student Engagement Program had significant improvements in 2018 following from the review of the Aboriginal student engagement experience at the end of 2017. The Aboriginal and Torres Strait Islander Entry Program was established to provide a holistic, comprehensive and culturally empowering approach to entry for undergraduate students. In addition, an Aboriginal First Year Adviser Program was created to positively impact retention and progression of Aboriginal and Torres Strait Islander first-year undergraduate students.

A new Welcome to Country video for the University was released to recognise Aboriginal and Torres Strait Islander peoples as the First Australians and Traditional Custodians of land. The video, narrated

by Aunty Julie of the Burruberongal clan of the Darug Nation – Hawkesbury River people, is used across the University for meetings, orientations and events.

Some outstanding events were held in 2018 to contribute to Aboriginal and Torres Strait Islander peoples and communities. The University's first dinner to celebrate NAIDOC Week was held. Under the 2018 NAIDOC theme *Because of her, we can!*, more than 50 staff and family and community members attended the event. The annual Patyegarang Oration continues to be a key component of the University's event calendar, with more than 100 attendees praising this year's orator, Professor Bronwyn Carlson. Further, the second annual reconciliation cocktail and fundraiser event was held as a celebration of National Reconciliation Week 2018, to commend Macquarie's achievements towards reconciliation to date and consider Macquarie's contribution to the 2018 theme *Don't Keep History a Mystery*. Professor Richie Howitt, Dr Emilie Ens and Associate Professor Neil Harrison were this year's Macquarie University Reconciliation Award recipients.

Strengthening of local and international partnerships in 2018 has had a reciprocal effect on Aboriginal success at the University. Macquarie University and South East Arnhem Land communities have partnered to establish Australia's first 'bush university' at the remote outstation of Wuyagiba. The Wuyagiba Regional Study Hub provided the opportunity for 25 remote Indigenous students to access university education through a cross-cultural bridging course to prepare them for tertiary education.



WORK HEALTH AND SAFETY

The Macquarie University Health and Safety Management System enables the University to promote good health and prevent injury and illness by regular monitoring and continual improvement. The University operates in a wide range of work environments, and the Health and Safety Management System is regularly updated in consultation with the University community to remain effective.

2018 PRIORITY HEALTH AND SAFETY INITIATIVES

Strengthening of the Health and Safety Management System was supported by the following four priority initiatives undertaken in 2018.

ONGOING OFFICER POSITIVE SAFETY DUE DILIGENCE

Activities that enabled University officers to demonstrate proactive leadership included:

- workplace inspections
- sponsoring key projects, and
- engagement with health and safety performance information.

HEALTH AND SAFETY POLICY

- Renewal of the University *Health and Safety Policy* to better articulate health and safety responsibilities

OFF-CAMPUS TRAVEL

- Improvement of the existing risk assessment process for off-campus travel.
- Procurement of an online software tool to minimise manual administration and encourage continuing high-quality risk assessment.

HEALTH MONITORING

- Update of the University *Immunisation Policy* and Immunisation Procedure to reinforce preventative health management practices.
- Development of the Hearing Health Conservation Program.

HEALTH AND SAFETY DATA

The University has an online health and safety incident reporting system where proactive reporting is encouraged via regular induction and local health and safety meetings. A culture of reporting and continual improvement forms part of the University culture, enabling issues to be reported, investigated and improved where necessary.

Staff injuries decreased in 2018 compared with 2017, and the number of incidents that progressed to workers compensation cases has remained stable, indicating that injuries remain minor, with positive return to work outcomes.

The University undertakes internal investigations for serious incidents and includes incident debriefing and learning sessions to prevent re-occurrence. Consequently, the University proactively reports incidents to the health and safety regulator, and in 2018 five incidents were notified to the regulator. The reported injuries were reversible (non-fatal or not resulting in disablement) or were near-miss events where no person sustained injury. The regulator did not investigate further and was satisfied the University can investigate internally.

WORK HEALTH AND SAFETY 2014 – 2018

Performance measure	2014	2015	2016	2017	2018
Incidents reported (staff)	121	104	132	143	138
Number of casual, fixed-term and contract staff	4456	4652	4702	5117	5403
Incidence rate per 100 University employees	2.72	2.24	2.81	2.79	2.55
Workers compensation claims (% of incidents reported)	22%	22%	22%	29%	30%

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

2. Incidence rate is calculated by dividing the total number of reported staff injury/illness by the head count, multiplied by 100.

WORKERS COMPENSATION

The University Health and Safety Management System includes a program to promote safe and prompt recovery at work. Dedicated Return to Work Officers are employed to liaise with injured staff, managers and other University stakeholders to coordinate effective return to work plans.

In 2011, the Macquarie University Group (including controlled entities) moved from the conventional workers compensation program to a different model called the Loss Prevention Recovery (LPR) program, which enables lower premium costs for organisations that implement proactive recovery at work programs.

The average cost of a workers compensation claim is an indicator of injury severity and proactive recovery at work. Claims resulting in more time away from work, increasing medical costs and reactive recovery at work are the primary drivers for an increase in the average cost of workers compensation claims.

Since 2015, recovery at work initiatives have driven an overall decline in the average cost of workers compensation claims. The average cost of claims in 2018 increased primarily due to one complex case. The existing recovery at work program continues to assist and encourage positive outcomes.

Workers compensation performance measure	2014	2015	2016	2017	2018
Average cost of workers compensation claim	\$11,867	\$28,892	\$7391	\$6900	\$9168

3. Gross incurred claims costs (actual and insurer estimates) are used in this calculation.

STUDENT ENROLMENTS

In 2018, 44,558 students were enrolled at the University, representing a decrease of 1 per cent (464 students) compared with 2017. Domestic enrolments decreased by 1.6 per cent (539 students) and international enrolments increased by 75 students (0.6 per cent) in 2018.

STUDENT ENROLMENTS

Type of attendance	2018
Full time	32,115
Part time	12,443
Gender	
Male	23,150
Female	21,408
Domestic/International	
Domestic	32,826
International	11,732
Total*	44,558

*2018 student enrolment numbers as at 31 December 2018 are preliminary. Final figures to be confirmed in line with Australian Government reporting requirements.

HIGHER DEGREE RESEARCH STUDENTS

By consolidating research training into a two-phase Master of Research (MRes)/Doctor of Philosophy (PhD) structure, Macquarie provides a highly supportive introduction to candidates' research careers. With the MRes now in its fifth year, the University has seen the flow on of MRes graduates into the PhD. They continue to be better equipped for undertaking a major research project, such as a PhD, than students who enter directly into PhD research.

HIGHER DEGREE RESEARCH COMPLETIONS 2015 – 2018

	2015	2016	2017	2018
Total	594	538	576	556

HIGHER DEGREE RESEARCH ENROLMENTS 2015 – 2018

	2015	2016	2017	2018
Total	2272	2302	2311	2252

STUDENT FEEDBACK AND CONSUMER RESPONSE

The University continued a significant program of work in 2018 as part of its ongoing commitment to the student experience. Refer to pages 20 to 25 for more information about the activities we undertook during the year.

STUDENT REPRESENTATION AND ENGAGEMENT IN INSTITUTIONAL GOVERNANCE AND MANAGEMENT

Macquarie's unique model of student representation is in its seventh year and continues to add value to student life and bring the student voice to the allocation of expenditure of Student Services and Amenities Funds.

ACADEMIC APPEALS

The *Academic Appeals Policy* governs appeals against an academic decision of the University relating to admission and readmission, exclusion, special consideration, suspension, recognition of prior learning, termination of higher degree candidature, or institutional-level grade appeals. The number of academic appeals received has increased due to a communication strategy promoting appeal procedures and the expansion of scope of the decisions that can be appealed.

COMPLAINTS

The *Complaint Management Procedure for Students and Members of the Public* governs University-related concerns or areas of dissatisfaction that are not otherwise covered by the University's existing review/appeal options or reporting procedures. In 2018, four matters were managed as formal complaints in accordance with the established procedure.

DISCIPLINE

Academic and non-academic misconduct by students is governed by the *Student Discipline Rules and Procedure*. A total of 860 student misconduct matters progressed to hearing committees for determination in 2018. Of this total, 11 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 decision or process made by the University. In 2018, the Student Ombudsman received and managed 48 case referrals.

ACADEMIC APPEALS COMMITTEE DETERMINATIONS 2014 – 2018

Appeals	2014	2015	2016	2017*	2018
Considered	164	10	7	133	343**
Successful	15	4	5	41	83

*The introduction of the *Academic Appeals Policy* in January 2017 increased the number of academic decisions on which appeals could be heard. This has resulted in a variation in the number of appeals heard between 2014 – 2016 and 2017 – 2018.

**Five appeals were pending a decision as at 18 December 2018.

STUDENT OMBUDSMAN REFERRALS 2014 – 2018

Appeals	2014	2015	2016	2017	2018
Academic advice	5	9	0	0	0
Academic supervision	2	5	1	3	4
Exclusion	13	17	17	20	32
Grade review	9	4	8	6	7
Grievance	11	4	19	19	25
Other	6	0	9	0	0
Total	46	39	54	48	68



STATEMENT OF ATTITUDE TO FRAUD AND CORRUPTION

The University requires all staff to act with integrity at all times and to safeguard the public resources for which they are responsible. The University has developed a *Fraud and Corruption Prevention and Response Strategy* and associated Fraud and Corruption Control Plan that outlines the framework and approach to preventing, detecting, reporting and investigating fraud and corruption. The strategy provides guidance to staff on what fraud and corruption is, how the University manages or mitigates the risk, how staff report incidents and how the University investigates allegations. The Fraud and Corruption Control Plan is an annual plan of where activity will be focused to control fraud and corruption.

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. 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 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), implementing the fraud and corruption prevention program and regular fraud and corruption awareness training sessions.

STATEMENT ON DIGITAL INFORMATION SECURITY

The Macquarie University *Cyber Security Strategy* and continues to be rolled out to address major cyber security risks posed to the University with the most efficient and cost-effective solutions. In 2018, the University continued its focus on educating staff and students on issues that have the potential to impact security, with activities including Stay Smart Online Week and Hack Mac.

A further part of the strategy involves the deployment of sophisticated defence and alerting systems that seek to prevent attacks or provide early alerts that allow for intervention to mitigate impacts. This year saw the deployment of more elements of this technology including improved email protection, increased authentication requirements for access to certain functions and increased monitoring of systems behaviours.

In 2018, we detected an increase in potentially threatening activity; however, our current cyber security solutions have been able to prevent any significant events from occurring.

PRIVACY

The University is committed to respecting the privacy rights of its students, staff, patients and third parties. The Vice-President, University Strategy and Services office leads a range of actions and activities to ensure privacy obligations are met and staff demonstrate best practice in their day-to-day activities. Key activities undertaken in 2018 to further enhance a privacy considered culture included:

- implementing mandatory training for all staff on the requirements of the relevant privacy legislation
- development of data breach response protocols to proactively meet the requirements of the new data breach reporting obligations
- undertaking a review of the new European Union General Data Protection Regulation and identifying areas for improvement required for the University to meet its obligations
- coordination with Research Services to ensure alignment of the privacy framework with new research guidance arising from the recently released National Statement on Ethical Conduct in Human Research.

In 2018, the University received two formal requests for an internal privacy review. No privacy breaches were found to have occurred in either review.

PUBLIC INTEREST DISCLOSURES

The *Reporting Wrongdoing – Public Interest Disclosures Policy* (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 the NSW Ombudsman for the purposes of preparing the Ombudsman's annual report under Section 76 of the *Public Interest Disclosure Act 2013*. In 2018, four instances were reported to the Ombudsman (refer to the tables below).

In 2018, the NSW Ombudsman office provided training for members of the Executive team who will become nominated PID officers in 2019. The expansion of PID officers will be accompanied by an updated training module for all staff.

PROMOTION AND TRAVEL

The University spent \$23.6 million on travel and related staff development and training in 2018 (\$20.4 million in 2017). 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 2018, 73 per cent of invoices were paid in accordance with these terms. During 2018, 99.8 per cent of Australian dollar payments 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
March	4587	5661	181	720
June	11,099	2210	382	55
September	9192	1528	73	237
December	19,961	2029	528	279

INVOICES DUE OR PAID WITHIN EACH QUARTER

Measure	March	June	September	December
Number of invoices due for payment	12,245	12,615	13,272	13,119
Number of invoices paid on time	7703	9297	10,212	10,388
% of invoices paid on time (based on number)	63%	74%	77%	79%
Dollar amount of invoices due for payment	112,692,917.21	97,732,728.88	111,955,809.79	114,409,845.72
Dollar amount of invoices paid on time	62,107,612.73	61,783,218.55	81,141,371	82,540,144.85
% of accounts paid on time (based on value)	55%	63%	72%	72%

REPORT TO NSW OMBUDSMAN (UNDER SECTION 6CA PUBLIC INTEREST DISCLOSURES ACT) 2015 – 2018

	2015	2016	2017	2018
Number of public officials who made public interest disclosures to the University's public authority	1	0	1	4
Number of public interest disclosures received by the University's public authority	1	0	1	4

PRIMARY SUBJECT OF PUBLIC INTEREST DISCLOSURES RECEIVED 2015 – 2018

	2015	2016	2017	2018
Corrupt conduct	1	0	1	3
Maladministration	0	0	0	1
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	1	0	1	4
Number of public interest disclosures (received since 1 January 2012) that have been finalised in this reporting period	1	1	1	3

RISK MANAGEMENT AND INSURANCE ACTIVITIES

INSURANCE

The University protects investments and business operations through the maintenance of a cost-effective insurance program using a combination of general insurers, such as Unimutual and GIO, to gain best value. In 2018, a proactive review was performed to identify further savings and value from policies by collecting and analysing insurance incident data. As a result, insurance policies and excesses were further tailored to the University's needs.

The University retains its valuable partnership with International SOS and Control Risks, leaders in medical assistance, international healthcare and security assistance, to support the ongoing safety needs for our students, volunteers and staff travelling overseas.

INTERNAL AUDIT AND RISK MANAGEMENT

RISK MANAGEMENT

The University's risk management framework focuses on identifying, evaluating and managing strategic and operational risk and opportunities. A key element of the framework is understanding and analysing uncertainty inherent in achieving objectives and obligations, as well as identifying practical mitigation strategies and leveraging emerging opportunities.

Key activities for 2018 included:

- Broadening the scope of the strategic risk horizon to include faculty departments and Deputy Vice-Chancellor portfolios. Key objectives of this activity included:
 - aligning strategic risk with middle to senior management
 - ensuring resources are commensurately deployed to address the identified risks, and
 - embedding the risk appetite at the operational level.
- A joint Audit and Risk Committee and Finance and Facilities Committee risk workshop was held to review and explore the strategic risks facing the sector and the University in 2018.

INTERNAL AUDIT

At Macquarie, the relationship between risk management and internal audit is close and interactive. This interaction is demonstrated by the feedback loop internal audit provides by:

- ensuring scheduled reviews are linked to the key strategic risks as identified by the enterprise risk profile
- providing assurance over key controls mitigating key strategic risks, and
- ensuring the enterprise risk profile is updated to reflect the findings of the internal audits.

In 2018, the internal audit provider, PwC (PricewaterhouseCoopers), conducted the scheduled internal audits that provided both management insights and compliance assurance. Following standard procedure, the internal audit reports were discussed with relevant University staff, 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 Risk and Assurance.

In December 2018, the University's Audit and Risk Committee endorsed the focus of audits for 2019.

GOVERNMENT INFORMATION (PUBLIC ACCESS) ACT 2009

The University seeks at all times to provide information in a manner that is consistent with the *Government Information (Public Access) Act 2009* (GIPA Act).

During 2018, the University continued to proactively make available a wide range of information that was disseminated through our website and media releases. Information held by the University is available by either searching our website or by contacting the University. Requests for information not readily available by these means can be submitted as a request under the GIPA Act. Access to information is restricted only when there is an overriding public interest against disclosure.

In 2018, the University's media group launched *The Lighthouse*, a news portal that showcases research activities and encourages community engagement with researchers and academics across the faculties and centres of excellence. The information on how to request information under GIPA was updated.

Under the GIPA Act, the University is required to annually review its programs for the release of information to identify information that can be made publicly available without imposing unreasonable additional costs on the agency. During 2018, a review of the formal and informal requests received over the past two years did not indicate any gaps in the current program of proactive disclosure of information.

During the period from 1 January 2018 to 31 December 2018, the University received three formal access applications for information (refer to Table B). For two applications, access to information was granted in full and in a timely manner. The other application resulted in a partial release.

In 2018, Macquarie was a consulted party to two requests lodged with another NSW Government agency that included information from the University.

Nine requests were dealt with informally.

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 from 1 January 2018 to 31 December 2018, no GIPA Act applications received by the University were transferred to another agency.

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

Assistance for any matter concerning the GIPA Act is available from:

GIPA Right to Information Officer

T: (02) 9850 6592

E: gipa@mq.edu.au

For lodgement of applications in person or by post:

Room 120, 19 Eastern Road

Macquarie University

North Ryde NSW 2109

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

	Access granted in full	Access refused in full	Access granted in part	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
MPs	0	0	0	0	0	0	0	0
Private sector business	0	0	0	0	0	0	0	0
Not-for profit organisations or community groups	1	0	0	0	0	0	0	0
Members of the public (application by legal representative)	0	0	1	0	0	1	0	0
Members of the public (other)	1	0	0	0	0	0	0	0

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

	Number of applications
Personal information applications	1
Access applications (other than personal information applications)	1
Access applications (partly personal and partly other information applications)	1

TABLE C: INVALID APPLICATIONS

	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
Overriding secrecy laws	0
Cabinet information	0
Executive Council information	0
Contempt	0
Legal professional privilege	1
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

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)	3
Decided after 35 days (by agreement with applicant)	0
Not decided within time (deemed refusal)	0

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

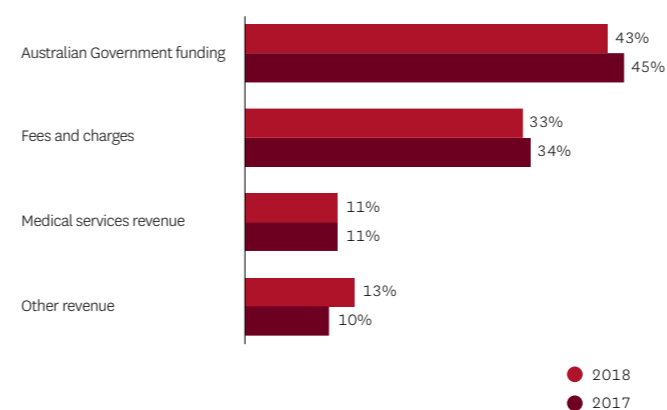
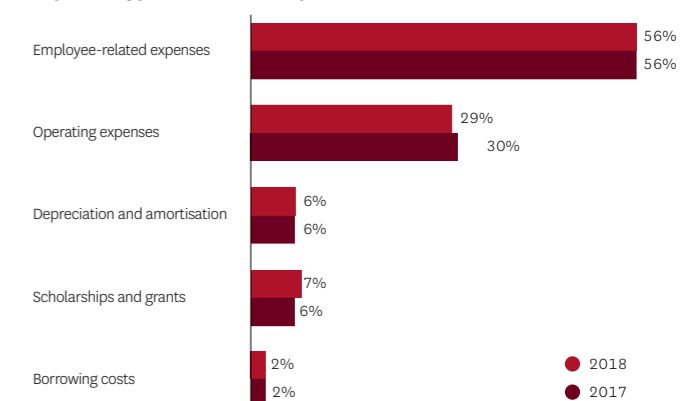
	Total
Internal review	0
Review by Information Commissioner	0
Internal review following recommendation under section 93 of the Act	0
Review by ADT	0

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

	No 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

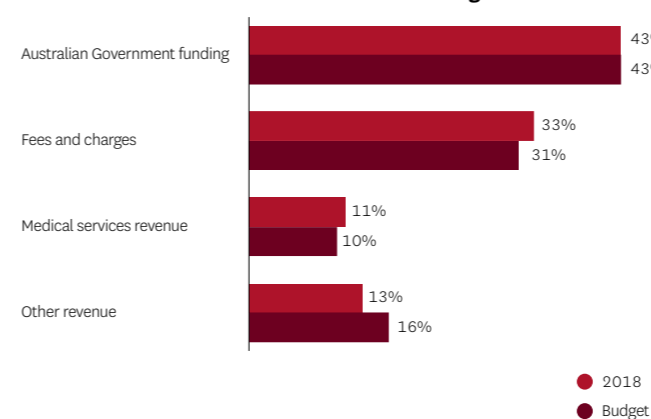
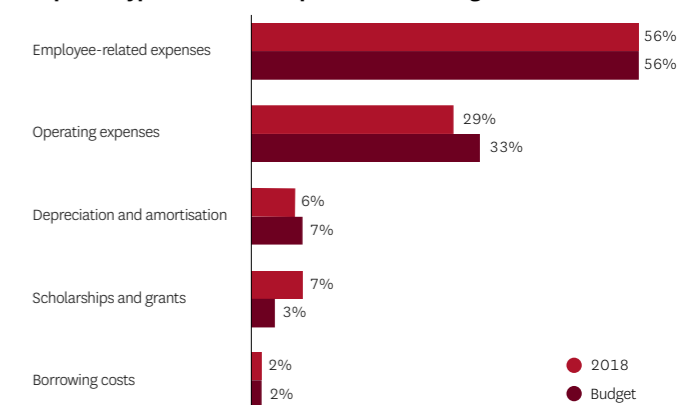
FINANCIAL PERFORMANCE

Statements in this section are unaudited.

Revenue source as % of total income: 2018 v 2017**Expenses type as % of total expenses: 2018 v 2017**

Total income from continuing operations grew by 4.0 per cent to \$1128 million, driven by international student fees. Major income streams remain stable year-on-year.

Expenses totalled \$1119 million, an increase of 7.9 per cent. Growth was driven by employee-related expenses, reflecting both the appointment of additional staff to support strategic growth areas, and salary uplifts in accordance with University Enterprise Agreements.

Revenue source as % of total income: 2018 v budget**Expenses type as % of total expenses: 2018 v budget**

The Group assesses performance against detailed budgets, which are formally approved by Council. Performance against targets is reviewed by senior management each month.

Results for 2018 are close to Budget, as evidenced in the above graphs.

SUBSIDIARIES

The following eight subsidiaries were trading in 2018.

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. In mid-2018, this business activity was transferred to the University. AccessMQ provides IELTS testing for more than 4000 candidates a year, and provides mental health services to over 18,000 Australians every year via the Mindspot and PORTS virtual e-clinics. These businesses will be transferred to other entities within the Macquarie University group during 2019. AccessMQ also manages consulting projects for the University, providing a vital link between academics and industry.

APAF LTD

APAF Ltd (APAF) is a not-for-profit public company limited by guarantee and wholly owned by Macquarie University. APAF specialised in the provision of proteomic and bimolecular research services. During 2018 APAF ceased trading and transferred operational activities to the University.

CMBF LTD

CMBF Ltd (CMBF) is a not-for-profit public company limited by guarantee and wholly owned by Macquarie University. CMBF has historically administered the delivery of the University's Master of Applied Finance. During 2018, the Company ceased trading and transferred operational activities to Macquarie University.

MACQUARIE UNIVERSITY CLINICAL ASSOCIATED LTD

Macquarie University Clinical Associates Ltd is a not-for-profit company limited by guarantee and wholly owned by Macquarie University. It provides clinical leadership services, delivers clinical services and provides clinical training opportunities to junior doctors across various specialties. On 1 January 2019 these activities were novated to MQ Health Pty Ltd, another wholly-owned subsidiary of the University.

MGSM LTD

MGSM Ltd (MGSM) is a not-for-profit public company limited by guarantee and wholly owned by Macquarie University. The principle activity of MGSM Ltd is to operate the hotel and conference centre facilities that support the mission of Macquarie University. Effective from 1 January 2018, the University's MBA programs and Executive Education courses, which had previously been taught by MGSM Ltd, are now taught by the University.

MQ HEALTH PTY LTD

MQ Health Pty Ltd (Macquarie University Hospital) is a not-for-profit company limited by shares and wholly owned by Macquarie University. The objectives of the Hospital are to provide efficient, high quality, evidence-based patient-centred clinical services to its patients. It provides clinical placements for medical and allied health students, as well as junior doctors undergoing their postgraduate clinical training. It supports medical research in conjunction with Macquarie University and other high-quality affiliated medical and research institutions. From 1 January 2019, the services previously operated by Macquarie University Clinical Associates Ltd were novated to MQ Health Pty Ltd.

MACQUARIE UNIVERSITY HONG KONG FOUNDATION LTD

Macquarie University Hong Kong Foundation Limited is a not-for-profit public company limited by guarantee and wholly owned by Macquarie University. The principal activities of the Macquarie University Hong Kong Foundation are to advance, promote and develop higher education. It focuses on the advancement of education and exchange of knowledge between Macquarie University, Hong Kong and China, providing mobility scholarships and support for students, researchers and academics.

U@MQ LTD

U@MQ is a not-for-profit public company limited by guarantee and wholly owned by Macquarie University. The objective of U@MQ is to provide facilities for the members of the University community, including staff and students, that complement and support the academic activities of the University. Services include sporting and recreational facilities; food, beverage and retail services; and the provision of childcare.

Financial statements

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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 University and Consolidated Entity's financial position at 31 December 2018 and the results of its operations and transactions 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 2018 Reporting Period issued by the Australian Government (Department of Education and Training).
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 Downton
Vice-Chancellor



F Zipfinger
Council Member and Chair Audit and Risk Committee



L Mason
Deputy Chancellor

Sydney
4 April 2019

Income statement

		Consolidated		Parent	
	Note	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Income from continuing operations					
Australian Government financial assistance					
Australian Government grants	2	287,114	284,248	276,090	275,157
Higher Education Loan Programs	2	197,451	199,063	197,451	199,063
State and local government financial assistance					
	3	5,721	6,749	5,721	6,749
HECS-HELP - Student payments		18,016	18,814	18,016	18,814
Fees and charges	4	356,398	347,681	355,298	342,937
Net investment revenue	5	20,370	5,486	22,415	9,137
Consultancy and contracts	6	40,481	23,165	38,327	21,130
Medical services revenue		118,990	116,671	2,529	1,212
Other revenue	7	83,718	83,108	94,595	68,505
Total income from continuing operations		1,128,259	1,084,985	1,010,442	942,704
Expenses from continuing operations					
Employee related expenses	8	629,778	584,195	531,843	488,369
Depreciation and amortisation	9	68,606	67,042	67,406	65,454
Repairs and maintenance		18,019	23,476	15,239	20,907
Borrowing costs	10	20,587	18,604	21,407	19,846
Impairment of assets		2,826	1,130	1,175	702
Losses on disposal of assets		68	766	26	594
Consultants and contractors		40,286	32,440	33,814	29,285
Scholarships and grants		78,961	60,540	78,685	59,195
Medical consumables		61,657	51,785	401	448
Other expenses	11	197,731	196,828	206,995	217,655
Total expenses from continuing operations		1,118,519	1,036,806	956,991	902,455
Net result for the period		9,740	48,179	53,451	40,249
Net result attributable to members of Macquarie University		9,740	48,179	53,451	40,249

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

Statement of comprehensive income

	Note	Consolidated		Parent	
		2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Net result for the period		9,740	48,179	53,451	40,249
Items that may be reclassified to profit or loss					
Unrealised gain on value of available-for-sale financial assets		-	4,873	-	4,873
Total items that may be reclassified to profit or loss		-	4,873	-	4,873
Items that will not be reclassified to profit or loss					
Unrealised gain on revaluation of property, plant and equipment	18	71,407	65,650	71,407	65,650
Net Actuarial gains / (losses) recognised in respect of Defined Benefits Plans	32(g)	(977)	409	(977)	409
Total items that will not be reclassified to income statement		70,430	66,059	70,430	66,059
Total other comprehensive income		70,430	70,932	70,430	70,932
Total comprehensive income attributable to members of Macquarie University		80,170	119,111	123,881	111,181

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

Statement of financial position

	Note	Consolidated		Parent	
		2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
ASSETS					
Current assets					
Cash and cash equivalents	12	183,300	188,549	167,165	168,824
Receivables	13	84,519	72,232	64,902	58,122
Inventories	14	5,063	5,083	316	318
Other financial assets	15	196,720	33,165	196,720	33,059
Other non-financial assets	17	22,478	19,705	21,231	17,634
Total current assets		492,080	318,734	450,334	277,957
Non-current assets					
Receivables	13	514,815	499,254	514,815	498,841
Other financial assets	15	34,404	29,052	34,404	97,931
Other non-financial assets	17	18,174	19,004	18,089	18,558
Investments in subsidiaries	16	-	-	98,799	23,299
Property, plant and equipment	18	2,437,072	2,276,589	2,435,344	2,273,557
Intangible assets	19	60,099	38,738	59,761	38,002
Total non-current assets		3,064,564	2,862,637	3,161,212	2,950,188
Total assets		3,556,644	3,181,371	3,611,546	3,228,145
LIABILITIES					
Current liabilities					
Trade and other payables	20	100,311	90,218	79,295	73,907
Borrowings	21	1,729	1,616	25,634	55,787
Provisions	22	117,040	113,510	109,635	106,392
Other liabilities	23	67,763	59,681	65,475	57,902
Total current liabilities		286,843	265,025	280,039	293,988
Non-current liabilities					
Borrowings	21	497,944	251,682	497,844	251,436
Provisions	22	516,281	496,359	513,475	493,515
Other liabilities	23	11,066	3,965	11,066	3,965
Total non-current liabilities		1,025,291	752,006	1,022,385	748,916
Total liabilities		1,312,134	1,017,031	1,302,424	1,042,904
Net assets		2,244,510	2,164,340	2,309,122	2,185,241
EQUITY					
Parent entity interest					
Asset revaluation reserve		936,128	864,981	936,128	864,721
Available-for-sale investment reserve		-	25,983	-	25,983
Retained earnings		1,308,382	1,273,376	1,372,994	1,294,537
Parent interest		2,244,510	2,164,340	2,309,122	2,185,241
Total equity		2,244,510	2,164,340	2,309,122	2,185,241

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

Statement of changes in equity

	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 2017	799,331	21,110	1,224,788	2,045,229	799,071	21,110	1,253,879	2,074,060
Net result for the period	-	-	48,179	48,179	-	-	40,249	40,249
Unrealised gain on revaluation of property, plant and equipment	65,650	-	-	65,650	65,650	-	-	65,650
Unrealised gain on available-for-sale financial assets	-	4,873	-	4,873	-	4,873	-	4,873
Net actuarial gains on defined benefit plans	-	-	409	409	-	-	409	409
Total comprehensive income	65,650	4,873	48,588	119,111	65,650	4,873	40,658	111,181
Balance at 31 December 2017	864,981	25,983	1,273,376	2,164,340	864,721	25,983	1,294,537	2,185,241
Balance at 1 January 2018	864,981	25,983	1,273,376	2,164,340	864,721	25,983	1,294,537	2,185,241
Effect of adoption of new accounting standard (AASB9)	-	(25,983)	25,983	-	-	(25,983)	25,983	-
Balance as at 1 January 2018 restated	864,981	-	1,299,359	2,164,340	864,721	-	1,320,520	2,185,241
Net result for the period	-	-	9,740	9,740	-	-	53,451	53,451
Unrealised gain on revaluation of property, plant and equipment	71,407	-	-	71,407	71,407	-	-	71,407
Transfer from revaluation reserve to retained earnings for asset disposals	(260)	-	260	-	-	-	-	-
Net actuarial losses on defined benefit plans	-	-	(977)	(977)	-	-	(977)	(977)
Total comprehensive income	71,147	-	9,023	80,170	71,407	-	52,474	123,881
Balance at 31 December 2018	936,128	-	1,308,382	2,244,510	936,128	-	1,372,994	2,309,122

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

Statement of cash flows

		Consolidated		Parent	
	Note	2018	2017	2018	2017
		\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities					
Australian Government Grants	33(a)(b)(c)	485,644	482,017	473,436	472,927
OS-HELP (net)	(e)(f)(g) 33(h)	113	(1,598)	113	(1,598)
Superannuation supplementation receipts	33(i)	26,246	29,013	26,246	29,013
State and local Government Grants	3	5,721	6,749	5,721	6,749
HECS-HELP - Student payments		18,016	18,814	18,016	18,814
Receipts from student fees and other customers (inclusive of GST)		540,628	534,561	399,036	385,112
Dividends received		6,203	9	6,203	9
Interest received		8,275	8,270	8,117	8,036
Payments to suppliers, employees and students (inclusive of GST)		(991,067)	(919,814)	(803,334)	(765,718)
Superannuation supplementation payments	33(i)	(26,246)	(29,013)	(26,246)	(29,013)
Interest and other cost of finance		(18,579)	(18,638)	(19,399)	(19,880)
GST recovered		26,988	25,171	24,242	22,605
Net cash provided by operating activities	29	81,942	135,541	112,151	127,056
Cash flows from investing activities					
Proceeds from sale of property, plant and equipment		122	162	164	162
Payments for property, plant and equipment		(143,767)	(135,792)	(143,708)	(135,208)
Payments for intangible assets		(26,365)	(12,726)	(26,365)	(12,633)
Proceeds from sale of financial assets		65,070	29,775	64,964	28,050
Payments for financial assets		(228,625)	(21,011)	(228,625)	(21,010)
Net loans (made to)/ repaid from related parties		-	-	(4,260)	(7,250)
Distributions from / (contributions to) related parties		-	-	(22,494)	-
Net cash (used in) investing activities		(333,565)	(139,592)	(360,324)	(147,889)
Cash flows from financing activities					
Net proceeds from borrowings		247,981	-	247,981	9,410
Repayment of borrowings		(1,467)	(101,507)	(1,467)	(101,368)
Repayment of finance leases		(140)	(135)	-	-
Net cash from/ (used in) financing activities		246,374	(101,642)	246,514	(91,958)
(Decrease) in cash and cash equivalents held		(5,249)	(105,693)	(1,659)	(112,791)
Cash and cash equivalents at beginning of the financial year		188,549	294,864	168,824	282,237
Effects of exchange rate changes on cash and cash equivalents		-	(622)	-	(622)
Cash and cash equivalents at end of financial year	12	183,300	188,549	167,165	168,824
Financing arrangements	21(d)				

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

Notes to the financial statements

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1 Summary of Significant Accounting Policies

The principal accounting policies adopted in the preparation of the financial statements are set out below 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 2018 were authorised for issue by the Macquarie University Council on 4th April 2019.

(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, which is Macquarie University's functional currency, 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. Finance lease income has been moved from Note 5 to Note 7.

Two rows within the 'Net cash provided by operating activities' section of 2017 Statement of Cash Flows have been corrected to remove the non-cash impact of scholarships and fee waiver expenses. This has reduced both 'Receipts from student fees and other customers' and 'Payments to suppliers, employees and students' by \$36.8m in both the 2017 Consolidated and Parent results. There is no impact on 'Net cash provided by operating activities' in 2017 for either the Consolidated or Parent results.

(iv) Foreign currency transactions and balances

Foreign currency transactions are translated into Australian dollars at rates of exchange prevailing at the dates of the transactions. Foreign currency cash balances, as well as amounts receivable and amounts payable in foreign currency at the reporting date or at settlement date, are translated at the rates prevailing on that date, with exchange differences 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 subsidiaries is contained in note 25(b) to the financial statements.

Summary of Significant Accounting Policies (continued)

(c) Income Tax Exemption

Macquarie University and its subsidiaries 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 Macquarie University Property Investment Company, which did not have an income tax charge or payment in 2018 (2017: Nil).

(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 - overview

Effective for the first time

Certain new Accounting Standards and Interpretations became mandatory for the 31 December 2018 reporting period. With the exception of AASB 9 Financial Instruments, these new requirements have not had a material impact on either the results or disclosure of the University. Refer to note 1(f) for disclosure of the impacts of AASB 9.

Issued but not yet effective

Certain new Accounting Standards and Interpretations have been published that may be applicable to the University, but are not mandatory for the 31 December 2018 reporting period.

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

Standard or Interpretation	Application date
AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15 ²	1 Jan 2019
AASB 2016-8 Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities ²	1 Jan 2019
AASB 2017-1 Amendments to Australian Accounting Standards - Transfers of Investment Property, Annual Improvements 2014-2016 Cycle and Other Amendments ²	1 Jan 2019
AASB 15 Revenue from Contracts with Customers ¹	1 Jan 2019
AASB 16 Leases ¹	1 Jan 2019
AASB 17 Insurance Contracts ²	1 Jan 2021
AASB 1058 Income of Not-for-Profit Entities ¹	1 Jan 2019
AASB 1059 - Service Concession Arrangements: Grantors ²	1 Jan 2020
Interpretation 23: Uncertainty over income tax treatments ²	1 Jan 2019
Revised Conceptual Framework ²	Not yet issued by the AASB
AASB 2017-5 Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections ²	1 Jan 2019
AASB 2017-6 Amendments to Australian Accounting Standards – Prepayment Features with Negative Compensation ²	1 Jan 2019
AASB 2017-7 Amendments to Australian Accounting Standards – Long-term Interests in Associates and Joint Ventures ²	1 Jan 2019
AASB 2018-1 Amendments to Australian Accounting Standards – Annual Improvements 2015–2017 Cycle ²	1 Jan 2019

1 Summary of Significant Accounting Policies (continued)

(e) New Accounting Standards and Interpretations - overview (continued)

Standard or Interpretation	Application date
AASB 2018-2 Amendments to Australian Accounting Standards – Plan Amendment, Curtailment or Settlement ²	1 Jan 2019
AASB 2018-3 Amendments to Australian Accounting Standards – Reduced Disclosure Requirements ²	1 Jan 2019
AASB 2018-4 Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Public Sector Licensors ²	1 Jan 2019

¹ Application of AASB15, AASB 16 and AASB 1058 is discussed in notes 1(g) and 1(h).

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

(f) Impact of implementation of AASB 9 Financial Instruments

AASB 9 Financial instruments replaces AASB 139 Financial Instruments: Recognition and Measurement for annual periods beginning on after 1 January 2018. The University has applied this new Standard prospectively and has not restated comparative information. Note 15 details key accounting policies under AASB 9, including details of irrevocable elections made on adoption of the Standard.

Impact of transition of AASB 9 in 2018 financial statements:

- 1) At the date of application, \$26.0m was transferred from the Available For Sale Asset Investment Reserve to Retained earnings as a result of a change in classification of Macquarie University's listed and unlisted equity investments from available for sale financial assets as at 31 December 2017 to financial assets at fair value through profit or loss beginning 1 January 2018. This can be seen in the Statement of Changes in Equity.
- 2) Information in Notes 5 and 15 has been re-grouped to reflect classifications required under AASB 9.
- 3) The implementation has not had a material impact on the 2018 Income Statement.

(g) New Accounting Standards - AASB 15 Revenue from Contracts with Customers and AASB 1058 Income of Not-for-Profit Entities

AASB 15 Revenue from Contracts with Customers and AASB 1058 Income for Not-for-Profit entities (the "new Revenue Standards") are effective from 1st January 2019. These new requirements will have an impact on the results and disclosures of the Group for the reporting period 31 December 2019.

In preparation for the adoption of the new Revenue Standards, the University had reviewed all material revenue streams, and developed and implemented new system functionality to capture information required to calculate revenue recognition trigger events from 1 January 2019 onwards.

The University has identified that the main revenue stream to be impacted will be research income, where the majority of individual research grants will shift from recognising revenue when the University obtains control of the right to receive the grant contribution to recognising revenue over time, in line with the completion of contractually identified performance obligations. Teaching income is not expected to be materially impacted by the new Revenue Standards.

The University is implementing the new Revenue Standards on a modified retrospective basis, as required by the Department of Education and Training. Under this approach, on 1 January 2019 certain retained earnings balances will be relocated on the Balance Sheet and shown as deferred revenue. This balance is expected to be in the range of \$60m-\$70m, and represents income that has been recognised up to 31 December 2018 which would not have yet passed the revenue recognition criteria under the new Revenue Standards. This balance will be released to the Income Statement as the performance obligations of each contract are delivered.

Summary of Significant Accounting Policies (continued)

(g) New Accounting Standards - AASB 15 Revenue from Contracts with Customers and AASB 1058 Income of Not-for-Profit Entities (continued)

The University has modelled the impact of the above changes. The phased release of the 1 January 2019 opening deferred revenue adjustment is considered likely to largely offset the delay in revenue recognition of new research income in 2019, and the University does not expect the Income Statement in 2019 to be materially impacted by the adoption of the Revenue Standards.

Additionally, the University will cease to recognise revenue for funds received where the University is contractually obliged to transfer these funds to an identified third party. Until 2018, such funds have been recognised as income, and the subsequent remittance to the third party shown as expenses. From 1 January 2019, the University will recognise these funds entirely on Balance Sheet, as a financial liability under AASB 9 *Financial Instruments* which will be derecognised as the funds are remitted to the third party. Two types of contracts have been identified within this category:

- i. cash scholarships to students funded by third parties, and;
- ii. funds received from research funding providers to the University for onward remittance to other research institutions participating in the research, where the University is the administrative partner for a multi-institutional research grant.

(h) Impact of AASB 16 Disclosure

AASB 16 Leases and AASB 2018-8 Amendments to Australian Accounting Standards – Right-of-Use Assets of Not-for-Profit Entities (the Leasing Standards) are effective from 1st January 2019. Management have assessed the lease portfolio of the University and identified a small number of property and IT operating leases that are in scope for the Leasing Standards. Lease management software was introduced during 2018 to ensure capture of required financial information for these leases.

For leases in scope, the University will recognise a right-of-use asset and an associated lease liability on the Balance Sheet as at 1 January 2019, with an expected balance of \$40m-\$50m. Over the remaining life of the lease, the right-of-use asset will be amortised to the Income Statement, and the lease liability will reduce by the application of monthly rental charges received from the lessor, accompanied by interest expense changes to the Income Statement.

In 2019 the presentation of rental costs in the Income Statement will change, from Rental Charges to Amortisation and Interest charges, but the University does not expect a material impact to the Income Statement overall results.

2 Australian Government financial assistance

	Note	Consolidated		Parent	
		2018	2017	2018	2017
		\$'000	\$'000	\$'000	\$'000
Commonwealth Grants Scheme (CGS) and Other Education Grants	33(a)	180,360	181,579	180,360	181,579
Research Training Plan	33(c)	27,889	26,180	27,889	26,180
Research Support Plan	33(c)	16,026	15,384	16,026	15,384
Other Capital Funding	33(e)	645	-	645	-
Australian Research Council	33(f)	16,933	21,534	16,933	21,534
Total CGS, Scholarship and Research Grants		241,853	244,677	241,853	244,677
Other Australian Government financial assistance		45,261	39,571	34,237	30,480
Total Australian Government Grants		287,114	284,248	276,090	275,157
Higher Education Loan Programs	33(b)	197,451	199,063	197,451	199,063
Total Australian Government financial assistance		484,565	483,311	473,541	474,220

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, as well as HECS-HELP Student payments and Medical Services Revenue which are shown on the face of the Income Statement. Revenue from HELP is categorised into those received from Australian Government and those received directly from students.

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.

Medical services revenue is recognised when patient services have been provided, the patient account has been accepted for payment, and it is probable that financial benefits of the related receivables will flow to the service provider and can be measured reliably. Service charges are based on the price specified in contracts and at point of sale, net of discounts and returns at time of sale.

3 State and local government financial assistance

	Consolidated		Parent	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
Non-capital state and local government assistance	5,721	6,749	5,721	6,749
Total State and Local Government financial assistance	5,721	6,749	5,721	6,749

4 Fees and charges

	Consolidated		Parent	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
Course Fees and Charges				
Fee-paying onshore overseas students	305,280	293,348	303,809	290,421
Fee-paying offshore overseas students	5,471	3,075	5,471	2,338
Continuing education	1,208	1,262	1,208	1,262
Fee-paying domestic postgraduate students	12,685	15,687	12,685	13,496
Fee-paying domestic undergraduate students	2,786	3,266	2,786	3,266
Fee-paying domestic non-award students	5,103	2,140	5,103	2,140
Other domestic course fees and charges	6,442	9,881	6,442	9,881
Total Course Fees and Charges	338,975	328,659	337,504	322,804
Other Non-Course Fees and Charges				
Parking fees	6,319	7,511	6,410	7,593
Student accommodation	1,273	1,309	1,273	1,309
Student Services and Amenities Fees from students	4,123	4,179	4,123	4,179
Service fees and other charges	5,708	6,023	5,988	7,052
Total Other Fees and Charges	17,423	19,022	17,794	20,133
Total Fees and Charges	356,398	347,681	355,298	342,937

Accounting Policy

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

5 Net investment revenue

	Consolidated		Parent	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
Interest income				
Cash and term deposits at amortized cost	6,497	5,477	6,339	5,243
Interest on loans to subsidiaries at amortized cost	-	-	2,203	3,885
Total interest income	6,497	5,477	8,542	9,128
Fair value gains / (losses)				
Equity instruments at fair value through the Income Statement	5,770	-	5,770	-
Dividends				
Dividends from equity instruments at fair value through the Income Statement	8,103	9	8,103	9
Total investment revenue	20,370	5,486	22,415	9,137

Finance lease income has been moved to Note 7, in accordance with Department of Education and Training Guidelines.

5 Net investment revenue (continued)Accounting Policy

Interest income is recognised as it is earned, which is comparable to the effective interest method.

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

6 Consultancy and contracts

	Consolidated		Parent	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Consultancy	6,580	6,134	4,611	4,095
Contract research	33,901	17,031	33,716	17,035
Total consultancy and contracts	40,481	23,165	38,327	21,130

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	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Child care fees	5,531	5,156	-	-
Commission income	1,451	1,198	867	1,198
Donations and bequests	9,827	10,157	9,772	8,152
Distribution from Controlled Entities	-	-	30,867	-
Education and training revenue	2,896	2,995	-	-
Food sales, hotel and retail	8,493	11,126	-	-
Finance lease income	1,778	2,793	1,778	2,793
Gain on acquisition	5,816	-	5,816	-
Recoveries	3,202	4,499	8,026	16,946
Rental charges	26,647	28,923	31,115	31,964
Royalties, trademarks and licences	454	563	454	568
Scholarships and prizes	504	1,038	504	2,988
Sports and event fees	9,701	10,039	-	-
Other revenue and income	7,418	4,621	5,396	3,896
Total other revenue	83,718	83,108	94,595	68,505

MQ Health Pty Ltd and Macquarie University Clinical Associates Pty Ltd, both subsidiaries of the University, lease premises from the University. During 2016, the University varied these lease contracts, granting a three year rent free period from 1 January 2016 to 31 December 2018. This support from the parent is valued at \$9.5m in 2018 (2017: \$9.5m). Notional rent for this amount is included within Rental Charges, with a contra-amount included in Note 11 within Contributions to Subsidiaries.

7 Other revenue (continued)

During 2018 the University acquired a scientific department from the Department of Industry, Innovation and Science for nil consideration. As part of the business transfer, the University received cash of \$7.8m, obtained legal title over plant and equipment with a fair value of \$2.0m, and assumed an unearned revenue liability of \$4.0m in relation to contracts novated as part of the transfer. The resulting net gain on acquisition of \$5.8m is reflected in the note above.

Accounting Policy*(i) Other revenue and income*

Other revenue and income includes donations, bequests 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 17 and 23) reflect the timing differential between cash receipts and rental income recognition over the life of the lease.

(iii) Distribution from Controlled Entities

Distributions from controlled entities to the University are recognized in the Income Statement of each entity when the right to receive the dividend or distribution by the University is established.

(iv) Finance lease income

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

8 Employee related expenses

	Consolidated		Parent	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Academic				
Salaries	231,054	207,860	231,054	207,860
Contributions to superannuation and pension schemes				
Contribution to funded schemes ¹	32,246	29,073	32,246	29,073
Contribution to unfunded schemes ²	502	590	502	590
Payroll tax	14,529	13,279	14,529	13,279
Workers' compensation	436	585	436	585
Long service leave expense	5,310	3,919	5,310	3,919
Annual leave expense	820	1,731	820	1,731
Total academic	284,897	257,037	284,897	257,037
Non-academic				
Salaries	287,045	267,463	199,372	186,057
Contributions to superannuation and pension schemes				
Contribution to funded schemes ¹	37,601	34,639	29,491	26,069
Contribution to unfunded schemes ²	467	568	467	568
Payroll tax	14,125	14,533	12,612	12,052
Workers' compensation	872	1,032	385	508
Long service leave expense	3,188	3,330	3,150	3,016
Annual leave expense	1,176	5,322	1,062	2,791
Total non-academic	344,474	326,887	246,539	231,061
Total employee related expenses	629,371	583,924	531,436	488,098
Deferred superannuation expense	407	271	407	271
Total employee related expenses, including deferred employee benefits for superannuation	629,778	584,195	531,843	488,369

Refer to note 22 for policies on employee benefits.

¹ Funded schemes include UniSuper and Self-Managed Super Funds.

² Unfunded schemes include the State Authorities Superannuation Scheme (SASS), State Authorities Non-contributory Superannuation Scheme (SANCS) and State Superannuation Scheme (SSS). Cash payments to these schemes relating to employer contributions for current employees are shown in this note.

Reimbursement arrangements relating to SASS, SANCS and SSS from the Commonwealth and State Government under the Higher Education Superannuation Program (HESP) are explained in note 32(a) and quantified in note 32(f). In accordance with Department of Education and Training Guidelines, these cash payments are not included in income or expenses.

9 Depreciation and amortisation

	Note	Consolidated		Parent	
		2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Depreciation					
Buildings		30,757	33,653	30,757	33,653
Plant and equipment ¹		21,514	19,615	20,712	18,407
Infrastructure		5,360	4,756	5,360	4,756
Library Collection - General		1,747	1,609	1,747	1,609
Leasehold improvements		648	354	648	354
Total depreciation	18	60,026	59,987	59,224	58,779
Amortisation					
Patents and trademarks		31	31	31	31
IT software		5,098	4,306	4,700	3,926
Digital library collections		3,451	2,718	3,451	2,718
Total amortisation	19	8,580	7,055	8,182	6,675
Total depreciation and amortisation		68,606	67,042	67,406	65,454

Refer to note 18 for policies on depreciation and note 19 for policies on amortisation.

¹ Includes motor vehicles

10 Borrowing costs

	Consolidated		Parent	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Interest on University-issued bonds	20,129	17,125	20,129	17,125
Other interest	1,388	1,479	2,208	2,721
Borrowing costs	21,517	18,604	22,337	19,846
Less: Amount Capitalised	(930)	-	(930)	-
Total Borrowing costs expensed	20,587	18,604	21,407	19,846

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 costs directly attributable to the acquisition, construction or production of the asset is capitalised as part of the cost of that asset).

11 Other expenses

	Consolidated		Parent	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Advertising, marketing and promotions	13,540	12,761	12,211	11,498
Agents commission	20,652	22,979	19,307	19,563
Audit fees, bank charges, legal costs and insurance	5,452	9,913	4,065	5,790
Computing, IT and software	28,857	16,909	25,320	16,139
Contributions to subsidiaries	-	-	32,338	12,731
General consumables and materials	13,985	25,418	8,952	16,125
Non-capitalised equipment	5,424	6,933	3,935	5,421
Payments to research partners	15,359	15,524	15,359	15,524
Printing, postage and stationery	3,780	3,764	3,168	2,349
Rental, hire and other leasing fees	15,983	11,769	15,485	11,862
Security	4,418	4,922	4,166	4,434
Subscriptions and copyright	11,860	10,387	11,469	10,179
Travel and training	23,662	20,668	22,617	20,447
Tuition services	4,350	4,867	7,037	43,036
Utilities and cleaning	19,619	19,316	18,035	17,368
Miscellaneous expenses	10,790	10,698	3,531	5,189
Total other expenses	197,731	196,828	206,995	217,655

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 17 and 23) reflect the timing differential between cash payments and rental expense recognition over the life of the lease.

(ii) Repairs and Maintenance

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

(iii) Medical consumables

Medical consumables are shown on the face of the Income Statement. Medical consumables are recognised as expenses as incurred.

(iv) Scholarship and grants

Scholarship and grants are shown on the face of the Income Statement. Scholarship and grants are recognised as expenses as incurred.

All other expenses disclosed in Note 11 are recognised as expenses as incurred.

12 Cash and cash equivalents

	Consolidated		Parent	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Cash at bank and on hand	53,741	50,981	37,606	31,256
Short term deposits	129,559	137,568	129,559	137,568
Total cash and cash equivalent in the statement of financial position and statement of cash flows	183,300	188,549	167,165	168,824

Accounting Policy

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions and 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 2.19% at 31 December 2018 (2017: 2.12%).

(a) Restricted Funds

Included in the cash at bank and on hand is an amount of \$113k as at 31 December 2018 (2017: \$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 \$96k as at 31 December 2018 (2017: \$116k) for the purpose of meeting the objectives of the Nippon Foundation Fund.

13 Receivables

	Note	Consolidated		Parent	
		2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Current					
Related parties receivables		-	-	1,616	7,404
Trade receivables		30,465	25,488	18,333	12,732
Student fees receivables		3,631	4,600	3,631	4,600
Less: Provision for expected credit losses	13(a)	(2,915)	(1,939)	(1,181)	(1,136)
Total net receivables		31,181	28,149	22,399	23,600
Accrued income		19,482	10,570	8,647	1,009
Finance lease receivables	13(b)	597	559	597	559
Deferred government benefit for superannuation	32(f)	32,730	32,954	32,730	32,954
Other employment related receivables		529	-	529	-
Total current receivables		84,519	72,232	64,902	58,122
Non-current					
Finance lease receivables	13(b)	20,597	21,194	20,597	21,194
Deferred government benefit for superannuation	32(f)	484,762	476,772	484,762	476,772
Other employment related receivables		8,581	-	8,581	-
Other receivables		875	5,425	875	875
Less: Provision for expected credit losses	13(a)	-	(4,137)	-	-
Total non-current receivables		514,815	499,254	514,815	498,841
Total receivables		599,334	571,486	579,717	556,963

13 Receivables (continued)

Refer to Note 32 for details of the deferred government benefit for superannuation receivable.

Accounting Policy

Trade and student fee receivables are non-interest bearing. Trade receivables are generally on terms of 30 days. Student receivables are due in accordance with a published payment date for each enrolled course unit.

For trade and student fee receivables the University applies a simplified approach in calculating expected credit losses ("ECLs"), recognising a loss allowance based on lifetime ECLs at each reporting date. The University has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

(a) Provision for expected credit losses

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

	Note	Consolidated		Parent	
		2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
At 1 January	13	6,076	5,212	1,136	711
Provision for expected credit losses		2,826	1,092	1,175	664
Receivables written off during the year as uncollectible		(5,987)	(228)	(1,130)	(239)
At 31 December	13	2,915	6,076	1,181	1,136

(b) 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.

(b) Finance Lease Receivables (continued)*(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 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 a finance lease to a third party organisation over land in the Macquarie University Research Park. At the end of these lease periods, the building 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

	Note	Consolidated		Parent	
		2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Within one year		1,995	1,995	1,995	1,995
Between one year and five years		7,978	7,978	7,978	7,978
Later than five years		41,835	43,829	41,835	43,829
Minimum lease payments		51,808	53,802	51,808	53,802
Less: Future finance charge		(30,614)	(32,049)	(30,614)	(32,049)
Total future minimum lease payments	13	21,194	21,753	21,194	21,753

14 Inventories

	Consolidated		Parent	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Current				
Medical supplies	4,232	4,255	-	-
Other inventories	831	828	316	318
Total current inventories	5,063	5,083	316	318

Accounting Policy

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

15 Other financial assets

	Note	Consolidated		Parent	
		2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Current					
Term deposits held at amortised cost		192,000	28,456	192,000	28,350
Restricted assets - term deposits held at amortised cost		4,720	4,709	4,720	4,709
Total current other financial assets		196,720	33,165	196,720	33,059
Non-current					
Third party equity investments held at fair value and revalued through the Income Statement		34,404	28,634	34,404	28,634
Equity investment in associate held at amortised cost		-	418	-	-
Loan Investment in subsidiary held at amortised cost		-	-	-	110,886
- loan		-	-	-	(41,589)
- impairment	25(d)	-	-	-	69,297
Total non-current other financial assets		34,404	29,052	34,404	97,931
Total other financial assets		231,124	62,217	231,124	130,990

Funds are invested in accordance with the Macquarie University Act.

In 2017, term deposits held at amortised cost were presented as held to maturity-term deposits. Third party equity investments held at fair value and revalued through the Income Statement were presented as available-for-sale investments.

Accounting Policy

(a) Definition

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

(b) Initial recognition and measurement

Financial assets are classified, at initial recognition, as either:

- subsequently measured at amortised cost, or;
- fair value through Other Comprehensive Income (OCI), or ;
- fair value through the Income Statement.

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

(c) Subsequent measurement

For purposes of subsequent measurement, financial assets are classified as follows:

- Financial assets at amortised costs.
- Investments in equity instruments designated at fair value through Other Comprehensive Income.
- Financial assets at fair value through the Income Statement.

15 Other financial assets (continued)

(c) Subsequent measurement (continued)

(i) Financial assets at amortised cost

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

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

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in the Income Statement when the asset is derecognized, modified or impaired.

The University has trade receivables, term deposits, investments in associates and a loan to a subsidiary in this category.

(ii) Investments in equity instruments designated at fair value through OCI

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

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

The University made an irrevocable election, on adoption of AASB 9 Financial Instruments, to classify its equity investments in subsidiaries under this category. These assets are shown in Note 16.

(iii) Financial assets at fair value through the Income Statement

Financial assets at fair value through the Income Statement are carried in the Statement of Financial Position at fair value with net changes in fair value recognised in the income statement. The University holds all third-party equity investments in this category. Dividends on these third-party equity investments are also recognised in the Income Statement, when the right of payment has been established.

(d) Derecognition

A financial asset is usually derecognised when the rights to receive cash flows from the asset have expired.

(e) Offsetting

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

16 Investments in subsidiaries

	Consolidated		Parent	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
Non-current				
<i>Investment in MQ Health Pty Ltd (formerly MUH Operations No.2 Pty Ltd)</i>				
- investment: Class B Funding Shares	-	-	98,799	23,299
Total non-current investment in subsidiaries	-	-	98,799	23,299

Accounting Policy

Investments in all wholly owned subsidiaries are measured at fair value. Fair valuation techniques for this asset are discussed in Note 31.

The University has irrevocably elected to reflect changes in the fair value of this asset class via the Statement of Other Comprehensive Income. The University believes this has the effect of improving stability and understandability of the parent Income Statement, which is helpful for external users of the accounts. It also more accurately reflects the long-term nature of these investments.

The University has historically held both an equity and loan investment in MQ Health Pty Ltd (formerly MUH Operations No. 2 Pty Ltd).

During 2018 the investment arrangement with this subsidiary was simplified. The \$41.6m of the loan that had been previously impaired was forgiven, and the remaining loan balance of \$75.5m (see note 25(d)) at the transaction date was converted to an equity investment by way of issuance by MQ Health Pty Ltd of the equivalent value of Class B Funding shares to the University.

Holders of Class B Funding shares are not entitled to dividends from MQ Health Pty Ltd.

17 Other non-financial assets

	Consolidated		Parent	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
Current				
Prepayments	19,612	17,461	18,510	15,508
Lease asset - lessee	667	131	667	131
Lease asset - lessor	2,199	2,113	2,054	1,995
Total current other non-financial assets	22,478	19,705	21,231	17,634
Non-current				
Lease asset - lessee	2,803	1,244	2,803	1,244
Lease asset - lessor	15,371	17,760	15,286	17,314
Total non-current other non-financial assets	18,174	19,004	18,089	18,558
Total other non-financial assets	40,652	38,709	39,320	36,192

Refer to note 7(ii) for policies on operating lease income and note 11 for policies on operating lease costs.

(a) Operating lease commitment - as lessor

Future minimum lease payments to be received under non-cancellable operating leases:

	Consolidated		Parent	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
Within one year	28,977	27,917	25,718	24,427
Between one year and five years	78,305	78,961	76,329	117,142
Later than five years	31,654	52,552	31,654	124,134
	138,936	159,430	133,701	265,703

Accounting Policy

Future minimum lease payments under non-cancellable operating leases are shown undiscounted, and inclusive of GST liability.

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

18 Property, plant and equipment

Parent	Construction in progress	Land	Buildings	Plant and equipment ¹	Leasehold improvements	Library General	Library Special	Works of Art	Infrastructure	Total
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 January 2017										
- 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)	(2,263)	(4,615)	-	-	(378)	(140,677)	
Net book amount	71,175	742,300	1,110,123	832	1,671	6,710	25,356	91,192	2,131,439	
Year ended 31 December 2017										
Opening net book amount	71,175	742,300	1,110,123	832	1,671	6,710	25,356	91,192	2,131,439	
Additions	111,966	-	15,746	305	5,786	1	2,582	-	136,386	
Recognised in Other Comprehensive income - Revaluation surplus on ongoing property, plant and equipment	-	23,950	35,754	-	-	-	-	5,946	65,650	
Disposals	(151)	-	(628)	(319)	(41)	-	-	-	(1,139)	
Recognised in the income statement - Depreciation charge	-	-	(33,653)	(18,407)	(354)	(1,609)	-	(4,756)	(58,779)	
Transfer between asset classes	(112,614)	-	98,940	6,601	-	-	-	7,073	-	
Closing net book amount	70,376	766,250	1,210,536	742	5,848	6,711	27,938	99,455	2,273,557	
At 31 December 2017										
- Cost	70,376	-	224,913	2,825	12,072	-	-	-	310,186	
- Valuation	-	766,250	1,213,765	-	-	6,711	27,938	100,106	2,114,770	
Accumulated depreciation	-	-	(3,229)	(2,083)	(6,224)	-	-	(651)	(151,399)	
Net book amount	70,376	766,250	1,210,536	742	5,848	6,711	27,938	99,455	2,273,557	

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18 Property, plant and equipment (continued)

Parent	Construction in progress	Land	Buildings	Plant and equipment ¹	Leasehold improvements	Library General	Library Special	Works of Art	Infrastructure	Total
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Year ended 31 December 2018										
Opening net book amount	70,376	766,250	1,210,536	85,701	742	5,848	6,711	27,938	99,455	2,273,557
Additions	110,206	-	16,711	16,544	16,544	857	-	2,880	5,938	153,136
Recognised in Other Comprehensive income - Revaluation surplus on property, plant and equipment	-	78,495	3,511	-	-	-	-	-	(10,599)	71,407
Disposals	-	-	(125)	(125)	-	-	-	-	-	(125)
Recognised in the income statement - Depreciation charge	-	-	(30,757)	(20,712)	(648)	(1,747)	-	-	(5,360)	(59,224)
Transfer between asset classes/reclassification to Note 19	(61,171)	-	47,919	9,845	-	-	-	-	-	(3,407)
Closing net book amount	119,411	844,745	1,231,209	91,420	16,638	4,958	6,711	30,818	89,434	2,435,344
At 31 December 2018										
- Cost	119,411	-	242,942	19,369	12,929	-	-	-	-	394,651
- Valuation	-	844,745	1,234,195	-	-	6,711	30,818	89,788	2,206,257	
Accumulated depreciation	-	-	(2,986)	(2,731)	(7,971)	-	-	(354)	(165,564)	
Net book amount	119,411	844,745	1,231,209	16,638	4,958	6,711	30,818	89,434	2,435,344	

¹ Plant and equipment include motor vehicles.

18 Property, plant and equipment (continued)

Consolidated At 1 January 2017	Note	Construction in progress		Land	Buildings	Plant and equipment ¹	Leasehold improvements	Library General	Library Special	Works of Art	Infrastructure	Total
		\$'000	\$'000									
- 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	
Year ended 31 December 2017												
Opening net book amount		71,383	742,300	1,110,123	85,682	832	1,672	6,710	25,356	91,192	2,135,250	
Additions		112,274	-	-	16,025	305	5,785	1	2,582	-	136,972	
Recognised in other comprehensive income - Revaluation surplus on ongoing property, plant and equipment		-	23,950	35,754	-	-	-	-	-	-	5,946	65,650
Assets classified as held for sale and other disposals		(151)	-	(628)	(476)	(41)	-	-	-	-	-	(1,296)
Recognised in the income statement - Depreciation charge	9	-	-	(33,653)	(19,615)	(354)	(1,609)	-	-	-	(4,756)	(59,987)
Transfers		(113,087)	-	98,940	7,074	-	-	-	-	-	7,073	-
Closing net book amount		70,419	766,250	1,210,536	88,690	742	5,848	6,711	27,938	99,455	2,276,589	
At 31 December 2017												
- Cost		70,419	-	-	232,227	2,825	12,072	-	-	-	-	317,543
- Valuation		-	766,250	1,213,765	-	-	-	6,711	27,938	100,106	2,114,770	
Accumulated depreciation		-	-	(3,229)	(143,537)	(2,083)	(6,224)	-	-	-	(651)	(155,724)
Net book amount		70,419	766,250	1,210,536	88,690	742	5,848	6,711	27,938	99,455	2,276,589	

Property, plant and equipment (continued)

Consolidated Year ended 31 December 2018	Note	Construction in progress		Land	Buildings	Plant and equipment ¹	Leasehold improvements	Library General	Library Special	Works of Art	Infrastructure	Total
		\$'000	\$'000									
Opening net book amount		70,419	766,250	1,210,536	88,690	742	5,848	6,711	27,938	99,455	2,276,589	
Additions		110,297	-	-	16,180	16,544	857	-	2,880	5,938	152,696	
Recognised in other comprehensive income - Revaluation surplus on property, plant and equipment		-	78,495	3,511	-	-	-	-	-	-	(10,599)	71,407
Disposals		-	-	-	(187)	-	-	-	-	-	-	(187)
Recognised in the income statement - Depreciation charge	9	-	-	(30,757)	(21,514)	(648)	(1,747)	-	-	-	(5,360)	(60,026)
Transfer between asset classes/reclassification to Note 19		(61,296)	-	47,919	9,970	-	-	-	-	-	-	(3,407)
Closing net book amount		119,420	844,745	1,231,209	93,139	16,638	4,958	6,711	30,818	89,434	2,437,072	
At 31 December 2018												
- Cost		119,420	-	-	248,803	19,369	12,929	-	-	-	-	400,521
- Valuation		-	844,745	1,234,195	-	-	-	6,711	30,818	89,788	2,206,257	
Accumulated depreciation		-	-	(2,986)	(155,664)	(2,731)	(7,971)	-	-	-	(354)	(169,706)
Net book amount		119,420	844,745	1,231,209	93,139	16,638	4,958	6,711	30,818	89,434	2,437,072	

¹ Plant and equipment include motor vehicles.

18 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 2018 are as follows:

	Consolidated		Parent	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Within one year	136,720	73,657	136,720	73,657
Total capital commitments	136,720	73,657	136,720	73,657

Accounting Policy

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

Property, plant and equipment policies (PPE)

(i) Definition

Property, plant and equipment are tangible items that:

- are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes; and
- are expected to be used during more than one period.

(ii) Recognition

An item of property, plant and equipment can be recognised as an asset if:

- it is probably that future economic benefits associated with the item will flow to the entity, and;
- The cost of the item can be measured reliably.

An item of property, plant and equipment that qualifies for recognition as an asset is initially measured at cost, which includes both the purchase price (net of discounts and rebates) and costs directly attributable to bringing the asset to the location and condition necessary for it to operate (including incremental employee costs, site preparation, delivery, installation, assembly costs and professional fees).

Where an asset is acquired or gifted at no or nominal cost, the cost is its fair value as at the date of acquisition.

(iii) Capitalisation thresholds and collective asset

Acquisitions and additions of non-current assets are capitalised if the value is more than \$5,000.

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.

(iv) Subsequent costs, replacement of parts and repairs and maintenance

Subsequent costs, including replacement of parts, are recognised as an asset only if they meet the recognition criteria above. The carrying value of those parts that are replaced are derecognized in accordance with derecognition criteria below.

All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

(v) Derecognition

The carrying amount of a capital asset shall be derecognised:

- On disposal, or;
- When no future economic benefits are expected from its use.

The gain or loss on derecognition is the difference between the net proceeds (if any) and the carrying amount of the item at the date of disposal. The gain or loss is recognised in the Income Statement.

18 Property, plant and equipment (continued)

Property, plant and equipment policies (PPE) (continued)

(vi) Subsequent re-measurements by asset class

All PPE asset classes are measured at fair value, using the methodologies described in the Note 31 Fair Value Measurement, except for the following classes, which are measured at depreciated historic cost: Plant and Equipment; Leasehold Improvements; Library General, and Construction in Progress. There are no material differences between the fair value and the carrying value of these assets.

(vii) Fair value revaluation adjustments

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.

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 class. All other decreases are charged to the Income Statement.

(viii) 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	2018 and 2017
Construction in progress	N/A
Land	N/A
Buildings	10 - 60 years
Plant and equipment	3 - 10 years
Leasehold improvements	Term of lease
Library Collections: General	5 years
Library Collections: Special	N/A
Works of Art	N/A
Infrastructure	10 - 60 years

(ix) Asset residual values and useful lives

Asset residual and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date, incorporating external valuers information where appropriate. 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.

(x) Purpose of property ownership

All property held by the University is held for strategic purposes. In accordance with AASB 140 Investment Properties (para Aus 9.1), buildings are therefore accounted for under AASB 116 rather than AASB 140.

19 Intangible Assets

	Parent		Consolidated	
	Construction in progress \$'000	Total \$'000	Construction in progress \$'000	Total \$'000
			Patents \$'000	IT software \$'000
			Digital library collections \$'000	Total \$'000
At 1 January 2017				
- Cost	-	67,097	-	71,757
- Accumulated amortisation and impairment	-	(34,130)	-	(37,618)
Net book amount	-	32,967	-	34,139
Year ended 31 December 2017				
Opening net book amount	-	32,967	-	34,139
Additions	-	11,979	-	12,073
Amortisation charge	-	(6,675)	-	(7,055)
Disposals	-	(269)	-	(419)
Closing net book amount	-	38,002	-	38,738
At 31 December 2017				
- Cost	-	78,872	-	83,383
- Accumulated amortisation and impairment	-	(40,870)	-	(44,645)
Net book amount	-	38,002	-	38,738
Year ended 31 December 2018				
Opening net book amount	-	38,002	-	38,738
Additions	-	26,534	-	26,534
Amortisation charge	-	(8,182)	-	(8,580)
Transfer between asset classes/reclassification from Note 18	-	3,407	-	3,407
Closing net book amount	-	59,761	-	60,099
At 31 December 2018				
- Cost	-	108,813	-	110,204
- Accumulated amortisation and impairment	-	(49,052)	-	(50,105)
Net book amount	-	59,761	-	60,099

19 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, which are reviewed regularly. Standard applicable rates by asset type are:

Asset	2018	2017
Patents	20 years	20 years
IT software	3-10 years	3-10 years
Digital library collections	10 years	10 years

(v) Impairment

Intangible assets are reviewed for impairment wherever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount, being the higher of the asset's fair value less costs of disposal, and its value in use.

20 Trade and other payables

	Consolidated		Parent	
Note	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Current				
Related parties	-	-	818	2,797
Third parties	43,290	44,512	29,796	31,004
Accrued expenses	56,876	45,674	48,536	40,074
OS-HELP Liability to Australian Government	33(h) 145	32	145	32
Total current trade and other payables	100,311	90,218	79,295	73,907
Total trade and other payables	100,311	90,218	79,295	73,907

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 \$3.6m (2017: \$3.8m) denominated in currencies other than Australian dollars.

21 Borrowings

	Note	Consolidated		Parent	
		2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Current					
Unsecured subsidiary loans	21(a)	-	-	24,050	54,310
Unsecured bank loans (student accommodation)	21(b)	1,584	1,477	1,584	1,477
Secured lease liabilities		145	139	-	-
Total current borrowings		1,729	1,616	25,634	55,787
Non-current					
Unsecured University-issued bonds	21(c)	497,309	249,328	497,309	249,328
Unsecured bank loans (student accommodation)	21(b)	535	2,108	535	2,108
Secured lease liabilities		100	246	-	-
Total non-current borrowings		497,944	251,682	497,844	251,436
Total borrowings		499,673	253,298	523,478	307,223

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. Fees paid on the establishment of loan facilities, which are not an incremental cost relating to the actual draw-down of the facility, are recognised as prepayments and amortised on a straight-line basis over the term of the facility.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in other income or other expenses.

Borrowings are classified as current liabilities unless the University has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period and does not expect to settle the liability for at least 12 months after the end of the reporting period.

(a) Subsidiary loans

Several subsidiaries 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 subsidiary.

(b) Borrowings in respect of assets

In 2000 the University entered into a 20 year commercial bank loan 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 2018 was \$2.1m which comprises both current \$1.6m and non-current \$0.5m (2017: \$3.6m which comprises current \$1.5m and non-current \$2.1m).

21 Borrowings (continued)

(c) University-issued bonds

The fair value of the issued bonds was \$530.5m. Refer to Note 31(c) for details of fair value measurement.

Bonds payable	Face value \$'000s	Fixed coupon rate	Term	Issue date
Tranche1	250,000	6.75%	10 years	Sept 2010
Tranche2	200,000	3.5%	10 years	Sept 2018
Tranche3	50,000	4.5%	25 years	Sept 2018

(d) Financial arrangements

The University had unrestricted access to bank loan facilities totalling \$500m at the reporting date, none of which were drawn (2017 : Nil).

There was no formal overdraft facility in place as at 31 December 2018. There were unused credit card facilities totalling \$4.8m (2017: \$4.9m) at the year end.

(e) Reconciliation of liabilities arising from financing activities

	Consolidated				Parent			
	2017 \$'000	Cashflow \$'000	Other \$'000	2018 \$'000	2017 \$'000	Cashflow \$'000	Other \$'000	2018 \$'000
Lease liabilities	385	(140)	-	245	-	-	-	-
Bank loans (student accommodation)	3,586	(1,467)	-	2,119	3,586	(1,467)	-	2,119
University-issued bonds	249,328	247,981	-	497,309	249,328	247,981	-	497,309
Controlled entity loans	-	-	-	-	54,310	(260)	(30,000)	24,050
Total liabilities from financing activities	253,299	246,374	-	499,673	307,224	246,254	(30,000)	523,478

22 Provisions

	Note	Consolidated		Parent	
		2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Current provisions expected to be settled wholly within 12 months					
Employee benefits					
Annual leave		37,612	35,122	31,562	29,280
Long service leave		13,808	12,765	13,475	12,310
Other employee related costs		1,487	2,187	937	2,187
Deferred benefits for superannuation	32(f)	32,730	32,954	32,730	32,954
Employment on-cost provision		529	-	529	-
Subtotal		86,166	83,028	79,233	76,731
Current provisions expected to be settled wholly after more than 12 months					
Employee benefits					
Annual leave		4,583	5,193	4,583	4,983
Long service leave		26,291	25,289	25,819	24,678
Subtotal		30,874	30,482	30,402	29,661
Total current provisions		117,040	113,510	109,635	106,392
Non-current provisions					
Employee benefits					
Long service leave		16,310	16,876	13,504	14,032
Deferred benefits for superannuation	32(f)	488,195	478,904	488,195	478,904
Employment on-cost provision		8,581	-	8,581	-
Make Good		3,195	579	3,195	579
Total non-current provisions		516,281	496,359	513,475	493,515
Total provisions		633,321	609,869	623,110	599,907

Refer to note 32(f) for ageing of net liability and reimbursement rights relating to Deferred Benefits for Superannuation.

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:

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

22 Provisions (continued)

Employee benefits (continued)

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.

(iii) Post-employment benefits - please refer to Note 32

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 - included in Note 22 Other employee related costs

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.

23 Other liabilities

	Consolidated		Parent	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Current				
Advances	347	437	291	349
Prepaid income	66,661	58,770	64,429	57,079
Lease liability - lessor	319	474	319	474
Lease liability - lessee	436	-	436	-
Total current other liabilities	67,763	59,681	65,475	57,902
Non-current				
Lease liability - lessee	11,039	3,618	11,039	3,618
Lease liability - lessor	27	347	27	347
Total non-current other liabilities	11,066	3,965	11,066	3,965
Total other liabilities	78,829	63,646	76,541	61,867

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 11 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	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Within one year	11,846	7,648	11,311	6,910
Between one year and five years	30,354	17,225	28,931	15,352
Later than five years	12,856	15,712	12,856	15,712
Total future minimum lease payments	55,056	40,585	53,098	37,974

Accounting Policy

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

24 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

Professor Stephen Brammer
 Ms Saveria Dimasi (appointed December 2018)
 Professor S Bruce Dowton
 Ms Nicole Gower
 Professor Simon Handley
 Professor Kevin Jameson
 Professor Patrick McNeil
 Professor Barbara Messerle
 Professor Martina Mollering
 Mr Robin Payne
 Professor Sakkie Pretorius
 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 (until June 2018)
 Ms Louise Mason - Deputy Chancellor (appointed July 2018)
 Professor Mariella Herberstein – Chair of Academic Senate
 Dr Wylie Bradford (appointed January 2018)
 Mr Brendan Crotty (until June 2018)
 Mr Chum Darvall
 Professor Catherine Dean
 Ms Leanne Denby (until December 2018)
 The Hon Patricia Forsythe
 Ms Deborah Hadwen
 Mr Gregory Jones (until June 2018)
 The Hon Sandra Nori (until June 2018)
 Ms Jingmin Qian
 Ms Cissy Shen
 Mr John Wigglesworth
 Mr Frank Zipfinger

24 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	
	2018	2017
Remuneration of executive officers		
\$10,000 to \$19,999	1	-
\$150,000 to \$159,999	-	1
\$350,000 to \$359,999	-	2
\$360,000 to \$369,999	2	1
\$370,000 to \$379,999	-	2
\$380,000 to \$389,999	2	1
\$390,000 to \$399,999	2	-
\$430,000 to \$439,999	-	1
\$440,000 to \$449,999	1	-
\$470,000 to \$479,999	-	2
\$490,000 to \$499,999	1	1
\$500,000 to \$509,999	-	1
\$510,000 to \$519,999	1	-
\$520,000 to \$529,999	1	-
\$980,000 to \$989,999	-	1
\$1,010,000 to \$1,019,999	1	-
	12	13

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 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	
	2018	2017
	\$'000	\$'000
Salaries	5,338	5,788
Superannuation payments	405	472
Termination benefits	-	887
Other long-term benefits	-	200
	5,743	7,347

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 2018 (2017: \$23k). No write downs or allowances for doubtful receivables have been recognised in relation to this loan in 2018 (2017: nil).

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 2018 was \$43k (2017: \$48k).

There are no other loans to key management personnel.

25 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	
			2018	2017
			%	%
Access Macquarie Ltd	Australia	Limited by Guarantee	100	100
APAF Ltd	Australia	Limited by Guarantee	100	100
CMBF Ltd	Australia	Limited by Guarantee	100	100
COH Property Trust	Australia	Units	100	100
MGSML Limited	Australia	Limited by Guarantee	100	100
Macquarie University Clinical Associates Pty Ltd	Australia	Limited by Guarantee	100	100
Macquarie University Hong Kong Foundation Ltd	Hong Kong	Limited by Guarantee	100	100
MU Property Investment Company No. 3 Pty Ltd	Australia	Ordinary	100	100
Macquarie University Property Investment Company Pty Ltd	Australia	Ordinary	100	100
Macquarie University Property Investment Trust	Australia	Units	100	100
MQ Health Pty Ltd (formerly MUH Operations No.2 Pty Ltd)	Australia	Class B Funding	100	100
MUH Operations Pty Ltd	Australia	Ordinary	100	100
MUPH Clinic Pty Ltd	Australia	Ordinary	100	100
MUPH Hospital Pty Ltd	Australia	Ordinary	100	100
U@MQ Ltd	Australia	Limited by Guarantee	100	100

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

The following transactions occurred with related parties in 2018:

	Revenue \$'000	Expenses \$'000	Receivables/ Investments \$'000	Payables/ Loans \$'000
Access Macquarie Ltd	2,207	3,011	1,558	3,045
APAF Ltd	578	54	-	-
MGSM Ltd	31,284	777	21	12,201
MQ Health Pty Ltd	13,913	30,441	98,806	466
U@MQ Ltd	850	357	28	9,065
Macquarie University Clinical Associates Pty Ltd	2,594	6,928	2	91
	51,426	41,568	100,415	24,868

The following material transactions occurred with related parties in 2017:

	Revenue \$'000	Expenses \$'000	Receivables/ Investments \$'000	Payables \$'000
Access Macquarie Ltd	4,573	10,713	1,645	7,486
APAF Ltd	936	119	159	264
CMBF Ltd	223	602	-	-
MGSM Ltd	14,192	31,529	1,354	39,309
MQ Health Pty Ltd	11,946	11,388	93,257	1,640
U@MQ Ltd	1,338	2,911	654	8,355
Macquarie University Clinical Associates Pty Ltd	2,750	3,970	2,931	53
Macquarie University Hong Kong Foundation Ltd	1,950	-	-	-
	37,908	61,232	100,000	57,107

The receivables / investments value of \$93.3m with MQ Health Pty Ltd includes equity with a carrying value of \$23.3m (see note 16) and a loan with a carrying value of \$69.3m (see note 15).

(d) Loans to related parties

	Note	2018 \$'000	2017 \$'000
Loan to MQ Health Pty Ltd			
Beginning of the year	15	69,297	58,162
Net loans advanced/ (repaid)		4,000	7,250
Interest charged	5	2,203	3,885
Converted to Class B Funding Shares	16	(75,500)	-
End of year	15	-	69,297

26 Remuneration of Auditors

	Consolidated		Parent	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Audit and review of the Financial Statements				
Fees paid to Audit Office of NSW				
Audit fees for parent entity/ group entity	677	681	357	358
Audit fees for Restricted Funds	3	4	3	4
Total paid for audit and review	680	685	360	362
Other audit and assurance services				
Fees paid to Audit Office of NSW				
Audit of regulatory returns	14	14	14	14
Total paid for audit and assurance related services	14	14	14	14
Total remuneration for audit and assurance related services	694	699	374	376

27 Contingencies**(a) Bank Guarantees**

The University has a bank guarantee facility of \$28.7m (2017: \$28.4m) of which \$4.2m (2017: \$7.4m) 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.

28 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.

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

	Consolidated		Parent	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Net result for the period	9,740	48,179	53,451	40,249
Depreciation and amortisation	68,606	67,042	67,406	65,454
Net (gain) / loss on sale of non-current assets	68	767	26	595
Fair value gains on other financial assets at fair value through profit or loss	(5,770)	-	(5,770)	-
Distribution from related parties	-	-	(30,867)	-
Net loss on impairment of assets	2,826	1,130	1,175	702
Contribution to related parties	-	-	22,800	-
Other non cash income	(5,766)	-	(7,968)	(3,885)
Change in operating assets and liabilities:				
(Increase) / decrease in trade debtors	(30,443)	3,849	(24,114)	2,670
(Increase) / decrease in inventories	19	477	2	(37)
(Increase) / decrease in other financial assets at fair value through profit or loss	(1,945)	-	(3,129)	-
Increase / (decrease) in trade creditors	6,947	6,971	2,238	4,158
Increase / (decrease) in other operating liabilities	15,184	(348)	14,674	8,821
Increase / (decrease) in provision for employee entitlements	19,860	7,416	19,611	8,439
Increase / (decrease) in other provisions	2,616	58	2,616	(110)
Net cash provided by operating activities	81,942	135,541	112,151	127,056

30 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 & Treasury Risk Management 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 20 for the amount of Trade and Other Payables denominated 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 21 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

30 Financial Risk Management (continued)**(b) Market risk (continued)**

other price risk, and +/-1% in the interest rate risk identified. The results of this analysis and the risk assessment noted in the paragraph above, did not give rise to any material changes in the balances affected by the risks identified for the consolidated or parent entity.

(c) Credit risk

The maximum exposure to credit risk to recognised financial assets at the reporting date, 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 21.

The carrying amount of financial assets (as contained in the table in sub note 30(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.

Consolidated**31 December 2018**

Note	Less than 1 year	1 to 5 years	5+ years	Total
	2018 \$'000	2018 \$'000	2018 \$'000	2018 \$'000
Financial Liabilities:				
Trade and other payables	20	(100,311)	-	(100,311)
Bonds	21	-	(249,579)	(247,730)
Bank Borrowings	21	(1,584)	(535)	(2,119)
Lease liabilities	21	(145)	(100)	(245)
Total Financial Liabilities		(102,040)	(250,214)	(247,730)
Financial Assets:				
Financial assets		427,267	46,675	18,202
Total Financial Assets		427,267	46,675	18,202
Net Liquidity		325,227	(203,539)	(229,528)

31 December 2017

Note	Less than 1 year	1 to 5 years	5+ years	Total
	2017 \$'000	2017 \$'000	2017 \$'000	2017 \$'000
Financial Liabilities:				
Trade and other payables	20	(90,218)	-	(90,218)
Bonds	21	-	(249,328)	(249,328)
Bank Borrowings	21	(1,477)	(2,108)	(3,585)
Lease liabilities		(139)	(246)	(385)
Total Financial Liabilities		(91,834)	(251,682)	-
Financial Assets:				
Financial Assets		257,995	31,273	18,975
Total Financial Assets		257,995	31,273	18,975
Net Liquidity		166,161	(220,409)	18,975

31 Fair Value Measurement

(a) Fair value measurements

Due to the short-term nature of current receivables, current borrowings 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. The only balance where the carrying amount and aggregate fair values of financial liabilities differ at reporting date is borrowings, disclosed in Note 21 (c).

(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 2018.

Fair value measurements at 31 December 2018

Consolidated and Parent	Note	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Financial assets					
Third party equity investments held at fair value and revalued through the Income Statement	15	34,404	2,934	31,470	-
Total financial assets		34,404	2,934	31,470	-
Non-financial assets					
PPE					
Land	18	844,745	-	844,745	-
Building	18	1,231,209	-	439,098	792,111
Infrastructure	18	101,381	-	-	101,381
Library Special Collections	18	6,711	-	-	6,711
Works of Art	18	30,818	-	-	30,818
Total non-financial assets		2,214,864	-	1,283,843	931,021

31 Fair Value Measurement (continued)

(b) Fair value hierarchy (continued)

Fair value measurements at 31 December 2017

Consolidated and Parent	Note	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Third party equity investments held at fair value and revalued through the Income Statement					
Available-for-sale-investment	15	28,634	3,151	25,483	-
Total financial assets		28,634	3,151	25,483	-
Non-financial assets					
PPE					
Land	18	766,250	-	766,250	-
Buildings	18	1,210,536	-	430,419	780,117
Infrastructure	18	99,455	-	-	99,455
Library Special Collections	18	6,711	-	-	6,711
Works of Art	18	27,938	-	-	27,938
Total non-financial assets		2,110,890	-	1,196,669	914,221

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 fair value of the bonds disclosed in Note 21 (c) are based on observable price quotations at the reporting date (Level 1).

(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

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 sociopolitical 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.

- 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.

- On-campus non-tenanted buildings and infrastructure are assessed annually by an independent expert valuer. Additionally, revaluation adjustments may be made during the year if there are significant changes in either expected use or duration of use for assets in these classes. As market information is not observable, other valuation techniques (including discounted replacement value) are used that maximise the use of relevant observable inputs (including utilising State Government approved Campus Concept Plans) and minimise the use of unobservable inputs. These assets are classified as Level 3.

(iv) 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.

31 Fair Value Measurement (continued)**(c) Valuation techniques used to derive level 2 and level 3 fair values (continued)***(v) 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.

(vi) Land

Land is assessed annually by an independent expert valuer. Significant inputs include existing zoning rights, specific planned uses for each precinct of Campus Land (as described in the government approved Concept Plan), specific floor space maximums for several precincts, and market sale evidence. Discounts have been applied to reflect restricted use and the large land parcel size. Land is classified as Level 2.

(vii) Equity investment in subsidiaries (MQ Health Pty Ltd)

Equity investments in subsidiaries are fair valued every year using a five year discounted cashflow model which includes a terminal value. A discount rate is selected based on the weighted average cost of capital of comparable organisations within the Australian private healthcare sector.

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

The following table is a reconciliation of level 3 items for Buildings. Two tenanted on-campus buildings were reclassified from Level 3 to Level 2 in 2017, after reviewing the extent of observable inputs available.

A reconciliation of the other level 3 items (Library Special Collection, Infrastructure and Works of Art) for 2017, and for all level 3 items in 2018, is represented in Note 18.

Consolidated and Parent

	2017
	\$'000
Opening balance	934,260
Acquisitions	73,931
Transfers out of level 3	(236,775)
Recognised in Income Statement - Depreciation	(24,256)
Recognised in other comprehensive income - unrealised gain/ (loss) on revaluation	<u>32,957</u>
Closing balance	<u>780,117</u>

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

There were no transfers between levels 2 and 3 for the Group in 2018.

(ii) Valuation inputs and relationships to fair value

Buildings represent the majority of the assets classified within level 3. Remaining Useful Life is the largest unobservable input for this asset class. An increase/decrease in the term of useful life by +/- 5% would increase/decrease fair value by \$40.0m.

32 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. Cash contributions to these three schemes in 2018 and 2017, as well as reimbursements received from the Commonwealth and State Governments, are detailed in note 32(f) and are shown in the Statement of Cash Flows.

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

32 Retirement benefit obligations (continued)**(a) Employee Benefits - Unfunded Defined Benefit Superannuation Liabilities (continued)**
final average salary.

A liability in respect of these plans is recognised in note 22, 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 13, to the same value of the liability in note 22, reflecting the funds owing from the Federal and State Governments to cover the unfunded element of the three schemes.

(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 2019 (2018: 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.

The weighted average duration of the defined benefit obligation is 10.6 years (2017: 10.7 years).

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 expects to make \$0.3m in contributions in 2019 (2018: \$0.3m) 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 2018	32,730	32,134	92,206	448,354	605,424
Defined benefit obligations - 31 December 2017	32,954	32,497	94,333	484,085	643,869

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 2018	1,407	1,333	3,545	7,348	13,633
Defined benefit obligations - 31 December 2017	1,432	1,365	3,690	7,562	14,049

(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:

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

	2018 (%)		2017 (%)	
	Active Market	No Active Market	Active Market	No Active Market
Cash and Cash Equivalents	4.0	6.0	5.0	5.0
Equity instruments	38.0	7.0	43.0	8.0
Debt instruments	-	9.0	-	11.0
Property	2.0	7.0	2.0	7.0
Other	1.0	26.0	1.0	18.0
Total	45.0	55.0	51.0	49.0

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

	2018	2017
	%	%
Discount rate	2.3	2.7
Expected return on plan assets	7.4	7.4
Expected rates of salary increase	2.7-3.2	2.5 - 3.5
Expected rates of CPI increase	2.0-2.5	2.3 - 2.5

Professorial Superannuation Fund - key assumptions

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

	2018 (%)		2017 (%)	
	Active Market	No Active Market	Active Market	No Active Market
Cash and Cash Equivalents	18.9	-	16.6	-
Equity instruments	50.9	-	53.9	-
Debt instruments	-	11.1	-	14.8
Other	-	19.1	-	14.6
Total	69.8	30.2	70.5	29.4

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

	2018	2017
	%	%
Discount rate	2.2	2.5
Expected rates of salary increase	2.0	3.0
Pension growth rate	3.0	3.0

32 Retirement benefit obligations (continued)**(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 9.4%	Increase by 11.2%
Rate of CPI increase	0.5%	Increase by 5.5%	Decrease by 5.1%
Rate of salary increase	0.5%	Increase by 0.1%	Decrease by 0.1%
Rate of pensioner mortality	0.5%	Decrease by 1.0%	Increase by 0.9%

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 3.8%	Increase by 4.0%
Salary/ pension growth rate	0.5%	Increase by 4.0%	Decrease by 3.8%

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.

32 Retirement benefit obligations (continued)

(e) Statement of financial position amounts

	Note	\$'000 SASS	\$'000 SANCS	\$'000 SSS	\$'000 PSF	\$'000 Total
Net liability reconciliation - 2018						
Defined benefit obligation		35,090	5,176	530,272	13,633	584,171
Fair value of plan assets		(19,049)	(385)	(33,612)	(10,200)	(63,246)
Net liability	32(f)	16,041	4,791	496,660	3,433	520,925
Reimbursement rights - 2018						
Opening value of reimbursement right		14,560	5,576	489,590	-	509,726
Expected return on reimbursement rights		206	(3)	248	-	451
Remeasurements		1,275	(782)	6,822	-	7,315
Closing value of reimbursement right	32(f)	16,041	4,791	496,660	-	517,492
Present value obligations - 2018						
Opening defined benefit obligation		36,727	5,547	523,263	14,049	579,586
Current service cost		595	168	46	228	1,037
Interest expense		910	132	13,464	375	14,881
		38,232	5,847	536,773	14,652	595,504
Remeasurements						
Actuarial losses/(gains) arising from changes in demographic assumptions		(471)	(87)	2,468	-	1,910
Actuarial losses arising from changes in financial assumptions		332	71	16,658	268	17,329
Experience losses/(gains)		433	221	1,016	248	1,918
		294	205	20,142	516	21,157
Contributions						
Plan participants		393	-	104	-	497
		393	-	104	-	497
Payments from plan						
Benefits (paid)		(4,681)	(794)	(25,575)	(1,307)	(32,357)
Taxes, premiums and expenses (paid)		852	(82)	(1,172)	(228)	(630)
		(3,829)	(876)	(26,747)	(1,535)	(32,987)
Closing defined benefit obligation		35,090	5,176	530,272	13,633	584,171

32 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 - 2018						
Opening fair value of plan assets		22,167	(29)	33,673	11,917	67,728
Interest income		524	1	834	279	1,638
		22,691	(28)	34,507	12,196	69,366
Remeasurements						
Actual gains/(losses) on plan assets, excluding amounts included in net interest expense		(206)	4	(248)	(461)	(911)
		(206)	4	(248)	(461)	(911)
Contributions						
Employers		-	1,285	25,996	-	27,281
Plan participants		393	-	104	-	497
		393	1,285	26,100	-	27,778
Payments from plan						
Benefits (paid)		(4,681)	(794)	(25,575)	(1,307)	(32,357)
Taxes, premiums and expenses (paid)		852	(82)	(1,172)	(228)	(630)
		(3,829)	(876)	(26,747)	(1,535)	(32,987)
Closing fair value of plan assets		19,049	385	33,612	10,200	63,246
Net liability reconciliation - 2017						
Defined benefit obligation		36,727	5,547	523,263	14,049	579,586
Fair value of plan assets		(22,167)	29	(33,673)	(11,917)	(67,728)
Net liability	32(f)	14,560	5,576	489,590	2,132	511,858
Reimbursement rights - 2017						
Opening value of reimbursement right		13,944	5,079	501,483	-	520,506
Expected return on reimbursement rights		(729)	4	78	-	(647)
Remeasurements		1,345	493	(11,971)	-	(10,133)
Closing value of reimbursement right	32(f)	14,560	5,576	489,590	-	509,726

32 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 - 2017						
Opening defined benefit obligation		38,254	5,937	531,720	14,853	590,764
Current service cost		838	189	240	150	1,417
Interest expense		976	153	14,355	395	15,879
		40,068	6,279	546,315	15,398	608,060
Remeasurements						
Actuarial losses arising from changes in financial assumptions		162	33	5,124	97	5,416
Experience losses/(gains)		775	340	(1,674)	137	(422)
		937	373	3,450	234	4,994
Contributions						
Plan participants		424	-	125	-	549
		424	-	125	-	549
Payments from plan						
Benefits (paid)		(4,532)	(658)	(25,227)	(1,433)	(31,850)
Taxes, premiums and expenses (paid)/received		(170)	(447)	(1,400)	(150)	(2,167)
		(4,702)	(1,105)	(26,627)	(1,583)	(34,017)
Closing defined benefit obligation		36,727	5,547	523,263	14,049	579,586
Present value of plan assets - 2017						
Opening fair value of plan assets		24,310	858	30,238	12,552	67,958
Interest income		600	12	820	305	1,737
		24,910	870	31,058	12,857	69,695
Remeasurements						
Actual gains/(losses) on plan assets, excluding amounts included in net interest expense		729	(4)	(78)	643	1,290
		729	(4)	(78)	643	1,290
Contributions						
Employers		806	210	29,195	-	30,211
Plan participants		424	-	125	-	549
		1,230	210	29,320	-	30,760
Payments from plan						
Benefits (paid)		(4,532)	(658)	(25,227)	(1,433)	(31,850)
Taxes, premiums and expenses (paid)		(170)	(447)	(1,400)	(150)	(2,167)
		(4,702)	(1,105)	(26,627)	(1,583)	(34,017)
Closing fair value of plan assets		22,167	(29)	33,673	11,917	67,728

32 Retirement benefit obligations (continued)

(f) Ageing of net liability and reimbursement rights

	\$'000 SASS	\$'000 SANCS	\$'000 SSS	\$'000 PSF	\$'000 Total
Net liability 2018					
Current	5,506	776	26,448	-	32,730
Non-current	10,535	4,015	470,212	3,433	488,195
Total net liability	16,041	4,791	496,660	3,433	520,925
Reimbursement rights 2018					
Current	5,506	776	26,448	-	32,730
Non-current	10,535	4,015	470,212	-	484,762
Total reimbursement rights	16,041	4,791	496,660	-	517,492
Net liability 2017					
Current	5,133	882	26,939	-	32,954
Non-current	9,427	4,694	462,651	2,132	478,904
Total net liability	14,560	5,576	489,590	2,132	511,858
Reimbursement rights 2017					
Current	5,133	882	26,939	-	32,954
Non-current	9,427	4,694	462,651	-	476,772
Total reimbursement rights	14,560	5,576	489,590	-	509,726

(g) Amounts recognised in Other Comprehensive Income

	\$'000 PSF 2018	\$'000 PSF 2017
Remeasurements		
Actuarial losses arising from changes in financial assumptions	(268)	(97)
Actuarial losses arising from experience adjustments	(248)	(137)
Actual return on plan assets less interest income	(461)	643
Total remeasurements in Other Comprehensive Income	(977)	409

(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.

33 Acquittal of Australian Government Financial Assistance

(a) Education - CGS and other Education grants

		Commonwealth Grants Scheme#1		Indigenous Student Success Program		Access and Participation Fund		Disability Performance Funding#2		Promotion of Excellence in Learning and Teaching		Improving the Quality of Maths & Science Teaching Programs		Total	
	Note	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Parent Entity (University) Only															
Financial assistance received in CASH during the reporting period (total cash received from Australian Government for the program)		175,682	176,445	1,426	1,306	2,712	2,598	491	675	(10)	103	-	-	180,301	181,127
Net accrual adjustments		59	451	-	-	-	-	-	-	-	-	-	-	59	451
Revenue for the period	2	175,741	176,897	1,426	1,306	2,712	2,598	491	675	(10)	103	-	-	180,360	181,579
Surplus from the previous year		-	-	-	67	34	258	-	-	76	58	-	118	110	501
Total revenue including accrued revenue		175,741	176,897	1,426	1,373	2,746	2,856	491	675	66	161	-	118	180,470	182,080
Less expenses including accrued expenses		(175,741)	(176,897)	(1,412)	(1,373)	(2,746)	(2,822)	(491)	(675)	(37)	(85)	-	(118)	(180,427)	(181,970)
Surplus for the reporting period		-	-	14	-	-	34	-	-	29	76	-	-	43	110

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

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

33 Acquittal of Australian Government Financial Assistance (continued)

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

	HECS-HELP (Australian Government payments only)		FEE-HELP#3		SA-HELP		Total	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Parent Entity (University) Only								
Cash Payable/(Receivable) at the beginning of the year	1,643	2,365	(99)	410	-	-	1,544	2,775
Financial assistance received in cash during the reporting period	161,113	161,116	35,577	34,572	2,165	2,144	198,855	197,832
Cash available for the period	162,756	163,481	35,478	34,982	2,165	2,144	200,399	200,607
Revenue earned	(159,990)	(161,838)	(35,296)	(35,081)	(2,165)	(2,144)	(197,451)	(199,063)
Cash Payable/(Receivable) at the end of the year	2,766	1,643	182	(99)	-	-	2,948	1,544

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

33 Acquitment of Australian Government Financial Assistance (continued)

(c) Department of Education and Training Research

	Research Training Program ^{#4}		Research Support Program ^{#5}		Total
	2018	2017	2018	2017	
Note	\$'000	\$'000	\$'000	\$'000	\$'000
	27,889	26,180	16,026	15,384	43,915
	-	-	-	-	-
2	27,889	26,180	16,026	15,384	43,915
	3,369	8,447	-	193	3,369
	31,258	34,627	16,026	15,577	47,284
	(31,258)	(31,258)	(16,026)	(15,577)	(47,284)
	-	3,369	-	-	-
	-	-	-	-	-
	28,132	28,011	3,126	-	3,247

#4 Research Training Program has replaced Australian Postgraduate Awards, International Postgraduate Research Scholarships and Research Training Scheme in 2017.

#5 Research Support Program has replaced Joint Research Engagement, JRE Engineering Cadetships, Research Block Grants and Sustainable Research Excellence in Universities in 2017.

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

	Total domestic students 2018	Total domestic students 2017	Total overseas students 2018	Total overseas students 2017
	\$'000	\$'000	\$'000	\$'000
Research Training Program Fees offsets	16,629	15,659	3,016	1,763
Research Training Program Stipends	10,435	11,040	78	127
Research Training Program Allowances	1,068	1,312	32	1,357
Total for all types of support	28,132	28,011	3,126	3,247

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

33 Acquitment of Australian Government Financial Assistance (continued)

(e) Other Capital Funding

	Linkage Infrastructure, Equipment and Facilities grant		Total
	2018	2017	
Note	\$'000	\$'000	\$'000
	645	-	645
2	645	-	645
	35	145	35
	680	145	680
	(492)	(110)	(492)
	188	35	188

(f) Australian Research Council Grants

	Discovery		Linkages Networks and Centres		Total
	2018	2017	2018	2017	
Note	\$'000	\$'000	\$'000	\$'000	\$'000
	14,522	13,772	2,120	2,443	16,642
	284	(251)	8	(3)	291
2	14,806	13,521	2,128	2,440	16,933
	11,412	12,778	3,149	3,606	18,242
	26,218	26,299	5,277	6,046	35,176
	(14,694)	(14,887)	(2,296)	(2,897)	(3,681)
	11,524	11,412	2,981	3,149	14,505

Parent Entity (University) Only

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

Net accrual adjustments	-	-	-	-	-
Revenue for the period	14,806	13,521	2,128	2,440	16,933
Surplus/(deficit) from the previous year	11,412	12,778	3,149	3,606	18,242
Total revenue including accrued revenue	26,218	26,299	5,277	6,046	35,176
Less expenses including accrued expenses	(14,694)	(14,887)	(2,296)	(2,897)	(3,681)
Surplus/(deficit) for reporting period	11,524	11,412	2,981	3,149	14,505

Parent Entity (University) Only

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

Net accrual adjustments	-	-	-	-	-
Revenue for the period	14,806	13,521	2,128	2,440	16,933
Surplus/(deficit) from the previous year	11,412	12,778	3,149	3,606	18,242
Total revenue including accrued revenue	26,218	26,299	5,277	6,046	35,176
Less expenses including accrued expenses	(14,694)	(14,887)	(2,296)	(2,897)	(3,681)
Surplus/(deficit) for reporting period	11,524	11,412	2,981	3,149	14,505

33 Acquittal of Australian Government Financial Assistance (continued)

(g) Other Australian Government Financial Assistance

	2018	2017
Parent Entity (University) Only	\$'000	\$'000
Cash received during the reporting period	33,079	30,614
Cash spent during the reporting period	<u>(28,981)</u>	<u>(30,330)</u>
Net cash received	4,098	284
Cash surplus/(deficit) from the previous period	11,575	11,291
Cash surplus/(deficit) for reporting period	<u>15,673</u>	<u>11,575</u>

Note

(h) OS-HELP

	2018	2017
Parent Entity (University) Only	\$'000	\$'000
Cash received during the reporting period	3,496	1,853
Cash spent during the reporting period	<u>(3,383)</u>	<u>(3,451)</u>
Net cash received/(reimbursed)	113	(1,598)
Cash surplus from the previous period	32	1,630
Cash surplus for the reporting period	<u>145</u>	<u>32</u>

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33 Acquittal of Australian Government Financial Assistance (continued)

(i) Higher Education Superannuation Program (HESP)

	2018	2017
Parent Entity (University) Only	\$'000	\$'000
Cash received from Commonwealth government during the reporting period	20,472	22,630
Cash received from State government during the reporting period	5,774	6,383
Cash available	<u>26,246</u>	<u>29,013</u>
Cash surplus / (deficit) from the previous period	-	-
Cash available for current period	26,246	29,013
Contributions to specified defined benefit funds	<u>(26,246)</u>	<u>(29,013)</u>
Cash surplus/(deficit) for this period	<u>-</u>	<u>-</u>

(j) Student Services and Amenities Fee

	2018	2017
Parent Entity (University) Only	\$'000	\$'000
Unspent revenue from previous period	-	-
SA-HELP revenue earned	2,165	2,144
Student Services and Amenities Fees from students	<u>4,123</u>	<u>4,179</u>
Total revenue expendable in period	6,288	6,323
Student services expenses during period	<u>(6,288)</u>	<u>(6,323)</u>
Unspent student services revenue	<u>-</u>	<u>-</u>

Note

4



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 Statement of Appointed Officers, Income Statement and Statement of Comprehensive Income for the year ended 31 December 2018, the Statement of Financial Position as at 31 December 2018, the Statements of Changes in Equity and the Statement of Cash Flows for the year then ended, notes comprising a Summary of significant accounting policies and other explanatory information of the University and the consolidated entity. The consolidated entity comprises the University and the entities it controlled at the year's end or from time to time during the financial year.

In my opinion, the financial statements:

- give a true and fair view of the financial position of the University and the consolidated entity, as at 31 December 2018, 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 2018 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.

Parliament promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:

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

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

Other Information

Other information comprises the information included in the University's annual report for the year ended 31 December 2018, other than the financial statements and my Independent Auditor's Report thereon. The Council of the University are responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the Statement by Appointed Officers and the annual report.

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

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

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

I have nothing to report in this regard.

University Council's Responsibilities for the Financial Statements

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

In preparing the financial statements, the Council is responsible for assessing the University's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting except where the University will be dissolved by an Act of Parliament or otherwise cease operations.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

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

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

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at http://www.auasb.gov.au/auditors_responsibilities/ar3.pdf. The description forms part of my auditor's report.

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 NSW

4 April 2019
SYDNEY

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