

MACQUARIE
UNIVERSITY



HOLIMAGE



Annual Report 2010



F J GAYLOR

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Annual Report

For the period 1 January 2010 to 31 December 2010

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

Dear Minister,

The Council of Macquarie University has the honour to submit the Annual Report of Macquarie University for the year ended 31 December 2010. The report has been prepared for presentation to Parliament in accordance with the *Annual Reports (Statutory Bodies) Act 1984* and the *Public Finance and Audit Act 1983*.

Yours faithfully,



The Hon Michael Egan
Chancellor



Professor Steven Schwartz
Vice-Chancellor and President

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Macquarie University

Established in 1964 with a founding mission to serve the needs of industry and the community, Macquarie University was always envisioned to be a unique institution in the Australian higher education setting.

Macquarie's 126 hectare park-like campus belies its setting within the high-technology corridor of Sydney's north-west. This location enables the University to establish close relationships with some of the world's most successful companies, many of whom are located in the University's research park, and allows a collaborative approach to research and teaching to ensure Macquarie graduates are highly sought after and command high starting salaries. It also provides Macquarie students with first-class internship opportunities with world leading companies from a range of industries.

Macquarie is on track to becoming one of Australia's leading research universities. Vice-Chancellor Professor Steven Schwartz has articulated the goal that by 2014 – the University's 50th anniversary – Macquarie will be among the top eight research universities in Australia and among the top 200 in the world.

Macquarie's values

We are **ethical**. Ethical behaviour is paramount. We aim to promote a collegial community and to foster a culture within the University that is responsible, respectful and reflective.

We pride ourselves on being **enquiring**, open to new ideas, new ways of thinking and new ways of ensuring we create a sustainable institution.

We are always **creative** in our response to opportunities and challenges.

We are **inclusive**. Inclusiveness is about making the system fairer and providing access to everyone, no matter what their background, who has potential to benefit from higher education.

We are **agile**. Agility is our willingness and our ability to be responsive, to listen and act, and not to be bound to traditional approaches where these no longer work.

And lastly, we are **committed to excellence**. This is the standard to which we aspire in everything we do. We are asked to offer our best even when something less may be acceptable to others; and to always uphold the standards relevant to our discipline or practice.

These values are what Macquarie University stands for. We bring these values to life in everything we do.

Charter and aims

The *Macquarie University Act 1989* sets out the charter of the University. The Act provides that the functions of the University, within the limits of its resources, include:

- 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 inquiry
- 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
- the 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 engage with advanced knowledge and inquiry
- 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 above, and that are sufficient to ensure the integrity of the University's academic programs.

University governance

Report by Members of Council

The members of the Council present their report on the consolidated entity consisting of Macquarie University and the entities it controlled at the end of, or during, the year ended 31 December 2010.

Members

The following persons were members of the Council of Macquarie University during 2010:

The Hon Michael Egan
Dr Malcolm Irving – Deputy Chancellor
Professor Steven Schwartz – Vice-Chancellor and President
Professor Julie Fitness – Vice-President, Academic Senate
Mr Andrew Bissett
Ms Maxine Brodie
Professor Anne Burns
Professor Max Coltheart, AM
Associate Professor Pamela Coutts
Ms Elizabeth Crouch
Mr Chum Darvall
Professor Mitchell Dean
The Hon Patricia Forsythe
Mr Greg Jones
Mr Greg Lindsay, AO
Mr Warren Mundine
The Hon Sandra Nori
Mr Steve Rubic
Ms Amy Smith

Meetings of members

Information about the numbers of meetings of the members of Macquarie University's Council held during the year ended 31 December 2010, and the number of meetings attended by each member, appears on page 11 of this report.

Principal activities

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

- (a) the provision of facilities for education and research of university standard
- (b) the encouragement of the dissemination, advancement, development and application of knowledge formed by free enquiry
- (c) the provision of courses of study or instruction across a range of fields, and the carrying out of research, to meet the needs of the community
- (d) the participation in public discourse

- (e) the conferring of degrees, including those of bachelor, master and doctor, and the awarding of diplomas, certificates and other awards
- (f) the provision of teaching and learning that engage with advanced knowledge and enquiry
- (g) the development of governance, procedural rules, admission policies, financial arrangements and quality assurance processes that are underpinned by the values and goals referred to in the functions set out in this subsection, and that are sufficient to ensure the integrity of the University's academic programs.

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

Review of operations

The activities of the Council of Macquarie University during 2010 included:

- receipt of the Vice-Chancellor's yearly report on progress against 2010 Key Performance Indicators
- receipt of the Vice-Chancellor's Report to each meeting of Council, covering major strategic items, external developments and general issues of note, including selected projects and goals related to the objectives contained in key performance indicators
- approval of increases in HECS and full fee rates effective from 2011
- review of the Vice-Chancellor's performance
- receipt of regular reports on progress against the initiatives detailed in the *Macquarie University Campus Masterplan* and projects under development in the International and Development portfolio area
- approval of key compliance reports including the *Macquarie University 2009 Annual Report*
- approval of the *2011 Consolidated Budget* and *2011 Capital Management Plan*.

Significant changes in state of affairs

Council resolved in 2010 that the membership of the Standing Committee on Appeals be expanded to include:

- the Chancellor (ex officio) (Chair)
- the Deputy Chancellor (ex officio)
- two academic staff representative members of Council (Act:9(1)(d))
- one graduate representative member of Council (Act: 9(1)(g))
- one professional staff representative member of Council (Act:9(1)(3))

Matters subsequent to the end of the financial year

There have been no subsequent events of significance announced by the University since the end of 2010.

Likely developments and expected results of operations

There have been no developments of significance since the end of 2010.

Environmental regulation

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

- *Environment Protection and Biodiversity Conservation Act 1999* (Cwlth)
- *Environmental Planning and Assessment Act 1979* (NSW)
- *Environmental Planning and Assessment (Affordable Housing) Act 2000* (NSW)
- *Environmental Planning and Assessment (Infrastructure and Other Planning Reform) Act 2005* (NSW)
- *Environmental Trust Act 1998* (NSW)
- *Environmentally Hazardous Chemicals Act 1985* (NSW)
- *Heritage Act 1977* (NSW)
- *National Greenhouse and Energy Reporting Act 2007* (Cwlth)
- *Native Vegetation Act 2003* (NSW)
- *Noxious Weeds Act 1993* (NSW)
- *Ozone Protection Act 1989* (NSW)
- *Threatened Species Conservation Act 1995* (NSW)
- *Waste Avoidance and Resource Recovery Act 2001* (NSW)
- *Water Management Act 2000* (NSW)
- *Water Management Amendment Act 2000* (NSW).

Insurance of officers

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

- **Professional Liability Insurance:** covers all professional, consulting, research and teaching activities (and any activities associated therewith), undertaken by the University or its Affiliates, including the provision of and/or the facilitation of all recognised student activities.

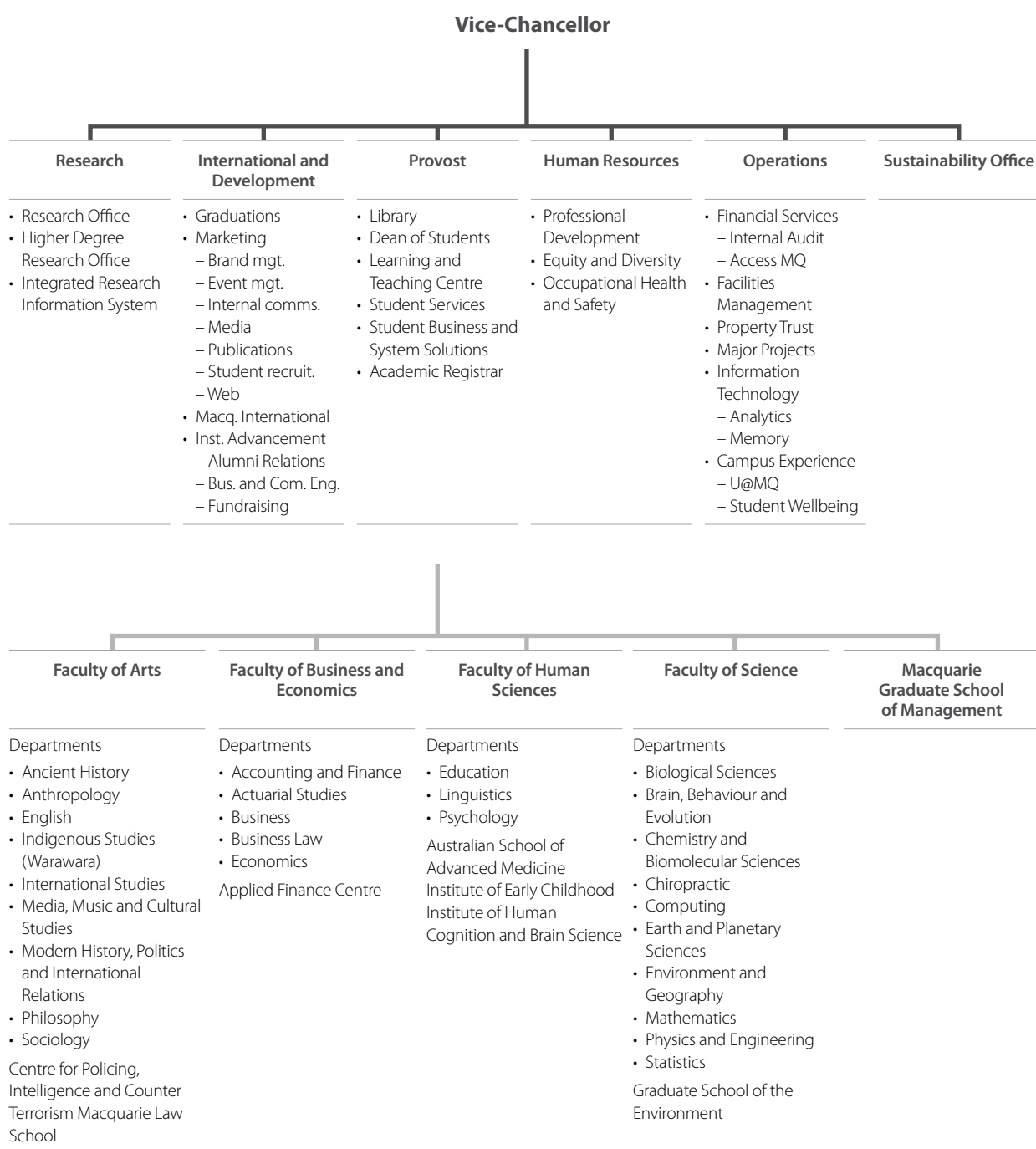
- **Directors and Officers Protection:** covers University and Affiliate persons for their legal liability arising out of their conduct as officers of the University. It includes any Chancellor, Deputy Chancellor, Vice-Chancellor, Deputy Vice-Chancellor, Registrar, Bursar, Member of Council, Member of Senate, Member of a Regulatory Board or Committee, University Secretary and any employee who is concerned in, or takes part in, the management of the University.

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



Michael Rueben Egan
Chancellor
Member of the Macquarie University Council
North Ryde, NSW
19 April 2011

Organisation chart



Principal office bearers

Visitor

Her Excellency the Governor of New South Wales

Chancellor

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

Deputy Chancellor

Dr Malcolm Geoffrey Irving, AM, BCom *NSW*, HonDLitt *Macq.*, FAICD, FCPA, FSIA

Vice-Chancellor and President

Professor Steven Schwartz, BA *C.U.N.Y.*, MS *Syr.*, PhD *Syr.*, FASSA

Deputy Vice-Chancellor (Provost)

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

Deputy Vice-Chancellor (Research)

Professor James Piper, BSc *Otago*, PhD *Otago*, FOSA, FAIP

Deputy Vice-Chancellor, Chief Operating Officer

Dr Peter Dodd, BCom *NU*, MCom, *Qld*, MSc *Rochester*, PhD *Rochester*

Deputy Vice-Chancellor (International and Development)

Ms Caroline Trotman, BA *Canberra*, GDip (AppFin) *Securities Institute of Australia*, MBA *Macq.*

Chief Financial Officer

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

Director, Human Resources

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

Executive Director, Campus Experience

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

Macquarie University Council

(Membership as at 31 December 2010)

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 object and interests of the University.

Members of Council

The Chancellor

Elected pursuant to Section 10(1) of the Act

The Hon Michael Rueben Egan, BA *Syd.*, FAICD
Current term to 28 February 2014

The Vice-Chancellor

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

Professor Steven Schwartz, BA *C.U.N.Y.*, MS *Syr.*, PhD *Syr.*, FASSA

The Vice-President of the Academic Senate

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

Professor Julie Fitness, BA *Canterbury*, MA *Canterbury*
PhD *Canterbury*

Appointed by the Minister for Education and Training

Pursuant to Section 9(1)(b) of the Act

Ms Elizabeth Anne Crouch, BEc *Macq.*, GAICD
Current term to 22 April 2011

The Hon Patricia Forsythe, BA DipEd *Newcastle (NSW)*
Current term to 31 December 2010

Mr Gregory Mackenzie Jones, BA *Macq.*, MA *Macq.*
Current term to 22 April 2011

The Hon Sandra Christine Nori, BEc *Syd.*
Current term to 31 December 2010

Mr Warren Mundine Hon DUni *Sthn Cross*, FAIM MAICD
Current term to 31 December 2011

Appointed by Council

Pursuant to Section 9(1)(c) of the Act

Dr Malcolm Geoffrey Irving, AM, BCom NSW,
HonDLittMacq., FAICD, FCPA, FSIA
Current term to 31 December 2010

Elected by and from the academic staff

Pursuant to Section 9(1)(d) of the Act

Professor Anne Cecily Howell Burns, BA Wales, GradDip TESOL
Sydney CAE, MA Macq., PhD Macq.
Current term to 31 December 2010

Professor Mitchell Dean BA (Hons), PhDNSW
Appointed by Council to replace Professor Max Coltheart,
member elected by the Academic Staff pursuant to section
9(1)(d) of the Act, for the unexpired portion of Professor
Coltheart's term.

Current term from 1 January 2010 to 31 December 2010

Associate Professor Pamela Coutts, BSc DipEd Syd., BA (Hons)
Macq., PhD Macq. MAPsS

Current term to 31 December 2010

Elected by and from the non-academic staff

Pursuant to Section 9(1)(e) of the Act

Ms Maxine Brodie, BA DipEd Syd., DipLib NSW,
MBA Macq. AALIA

Current term to 31 December 2012

Elected by and from the students of the University

Pursuant to Section 9(1)(f)(i) of the Act

Ms Amy Smith
Current term to 21 May 2011

Appointed by Council

Pursuant to Section 9(1)(g) of the Act

Mr Gregory John Lindsay, AO BAMacq., DipTchg STC
Current term to 31 December 2010

Mr Steven Rubic, Bachelor of Health Administration NSW,
MBA MGSM
Current term to 31 December 2012

Mr Chum Darvall BAMacq.F Fin and FAICD
Current term to 31 December 2012

Mr Andrew Bissett, BCom Macq., MCom Macq., MBA Macq.
Current term to 30 June 2011

Members' attendance at meetings

	Council	
	A	B
The Hon Michael Egan	5	6(6)
Professor Steven Schwartz	6	6(6)
Professor Julie Fitness	6	6(6)
Dr Malcolm Irving AM	6	6(6)
Mr Andrew Bissett	6	6(6)
Ms Maxine Brodie	6	6(6)
Professor Anne Burns	1	6(3)
Professor Mitchell Dean	2	6(5)
A/Professor Pamela Coutts	5	6(6)
Ms Elizabeth Crouch	6	6(6)
Mr Chum Darvall	4	6(6)
The Hon Patricia Forsythe	6	6(6)
Mr Greg Jones	6	6(6)
Mr Steve Rubic	5	6(6)
Mr Greg Lindsay AO	5	6(6)
Mr Warren Mundine	1	6(6)
The Hon Sandra Nori	5	6(6)
Ms Amy Smith	6	6(6)

A Number of meetings attended.

B Number of meetings held (Number of meetings eligible to attend).

Executive performance summary

Name	Position	Remuneration and performance payment	Statement of performance
Professor Steven Schwartz	Vice-Chancellor and President	\$708,227 Bonus earned \$156,000 to be paid in future Long term bonus \$374,000 to be paid in future	Has been in this role for the full reporting period. All learning, teaching and research targets were achieved. Financial and institutional performance targets were achieved.
Professor Judyth Sachs	Deputy Vice-Chancellor (Provost)	\$416,900 Bonus \$64,896	Has been in the role for the full reporting period. Embedded academic restructure and Quality Enhancement Framework. Achieved successful AUQA audit.
Professor Jim Piper	Deputy Vice-Chancellor (Research)	\$364,135 Bonus \$49,538	Has been in the role for the full reporting period. Increased research staff, students and income. Achieved quality targets in trial ERA and delivered collaborative projects on time and within budget
Dr Peter Dodd	Deputy Vice-Chancellor and Chief Operating Officer	\$355,643 Bonus \$29,405	Has been in the role since July 2009. Delivered major capital projects on time, on budget. Improved organisation-wide technology. Maintained and improved campus infrastructure.
Ms Caroline Trotman	Deputy Vice-Chancellor (International and Development)	\$359,569 Bonus \$62,400	Has been in the role for the full reporting period. Delivered increased market share, donations and international exchange partnerships.
Mr John Gorman	Chief Financial Officer	\$366,232 Bonus \$60,159	Has been in the role for the full reporting period. Delivered increased net profit. Improved budget processes. Improved audit framework.
Mr Tim Sprague	Director, Human Resources	\$321,446 Bonus \$51,948	Has been in the role for the full reporting period. Delivered review of human resources services. Improved appointment, promotion and workload processes.
Ms Deidre Anderson	Executive Director, Campus Experience	\$274,626 Bonus \$16,975	Has been in the role since September 2009. Delivered improved and sustainable facility solutions, social hubs, campus hub, accommodation, sport and recreation offerings.

Notes: Bonus payments paid in 2010 relate to 2009 performance, hence the statement of performance reflects 2009 performance.
Remuneration includes superannuation

Research

Macquarie University's ambition is to rank amongst the top 200 research intensive universities in the world by 2014. The University has a clearly defined strategy articulated in the Research Strategic Plan 2009–2011.

The strategy contains five key elements, which are:

1. to establish a pervasive research culture across all areas of the University
2. to achieve international and national prominence in research in selected Concentrations of Research Excellence (COREs)
3. to maximise research outcomes by maintaining the number of high quality higher degree research commencing candidates, and by increasing completions
4. to be a significant contributor to the nation's economic, social, cultural and environmental wellbeing
5. to increase Macquarie's international research collaborations, outreach and global impact

Research funding

Our researchers attract significant funding through competitive research grants and negotiated research contracts. Following a period of rapid growth in external research funding, research income has shown a small dip as large grants for externally funded research centres reach the end of their funding cycle. In 2010, external research funding included \$30.32 million of research grants and contracts and \$25.64 million of research block grants (Commonwealth Government). ARC and NHMRC funding remained stable in 2010. Our strong investment in new research-focused staff through the CORE recruitment strategy over the past four years has resulted in significant increases in grant application and success rates. Medical research at Macquarie is increasing following the foundation of, and recruitment of staff into, the Australian School of Advanced Medicine and the Macquarie University Hospital.

Research partnerships

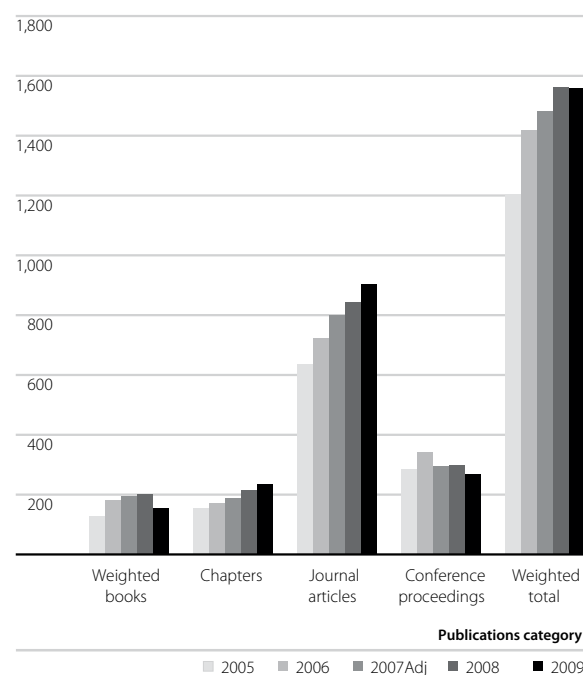
Highlights in the development of partnerships include being awarded the lead in two new prestigious ARC Centres of Excellence during 2010 – the Centre for Cognition and its Disorders (led by Professor Stephen Crain) and the Centre for Core to Crust Fluid Systems (led by Professor Sue O'Reilly). The University is also a major partner in two other ARC Centres of Excellence – the Centre for Ultrahigh-bandwidth Devices for Optical Systems (CUDOS) and Engineered Quantum Systems (EQuS).

Research publications

Over the period 2004–2009 Macquarie has consistently authored articles published in scholarly refereed journals at a rate that is above the national average.

While the total number of weighted publications has remained steady between 2008 and 2009 (the latest year for which the University has audited data), continued growth in book chapters and journal articles is demonstrated in figure 1 (below) which represents publications reported for 2005 to 2009 (adjusted in 2007 for under-reporting consequent upon a change in procedure). Importantly, Macquarie ranks equal second in the key measure of refereed research publications per FTE, based on 2009 data from all Australian universities.

Figure 1: Weighted publications (DEST/DEEWR proxies) adjusted for unreported publications



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Research quality

The Australian Government's first Excellence in Research for Australia (ERA) exercise was conducted in 2010. Macquarie's research strengths were assessed in 21 out of a possible 25 broad fields of research. Of these, five fields of research were awarded the highest possible rating – 5 out of 5 – which is described as 'outstanding performance well above world standard'. These fields are: earth sciences, physical sciences, environmental sciences, biological sciences and psychology and cognitive sciences. History and archaeology was rated as 4 out of 5, that is 'above world standard', while a further nine of the University's research areas were classed as being 'at world standard'.

When these broad research fields were broken down to the sub-discipline level, the strength and depth of Macquarie's research was further revealed. At the sub-discipline level, 80 per cent of Macquarie's research areas were assessed as being at, or above, world standard.

Since the release of the national ERA results, there has been much analysis across the sector. While each analysis produces a slightly different ranking, Macquarie University is consistently ranked within the top nine universities in Australia and placed fourth nationwide in an analysis based on the quality and depth of its research. These results place Macquarie firmly within the top echelon of research intensive universities in Australia and in specific research disciplines the University is a world leader.

Higher degree research enrolments and completions

Macquarie's higher degree research training program is strategically focused and retains sufficient flexibility to ensure high achieving applicants receive candidature places and scholarships. Our targeted higher degree research scholarship program rewards both candidates and successful researchers working in priority areas. Our research training performance, in full-time equivalent terms, continues to grow satisfactorily. Steady increases in higher degree research enrolments continue, as demonstrated by figure 2 (over). Figure 3 reflects a recent drop in the number of higher degree research completions. However, with increased enrolments and a focus on improving research training management systems and processes it is expected that completions will increase.

Higher degree research enrolments have increased by 82 per cent between 2002 and 2010, rising from 1051 to 1914 enrolments, while completions have risen by 77 per cent in the same period – from 104 to 184 completions. We are in the top 10 Australian Universities in (weighted) completions. Major improvements of higher degree research program management, both centrally and within the faculties, have resulted in steadily increasing approval ratings in the national Postgraduate Research Experience Questionnaire.

Activities of note in 2010 include the appointment of a new Director – Higher Degree Research Office and a new Dean – Higher Degree Research. The University's commitment to enhancing its higher degree research program is exemplified by ongoing major commitment of funding to support the Macquarie University Research Excellence Scholarships scheme for both domestic and international research students; over 250 new MQRES scholarships were offered in 2010.

Figure 2: Higher degree research student enrolments

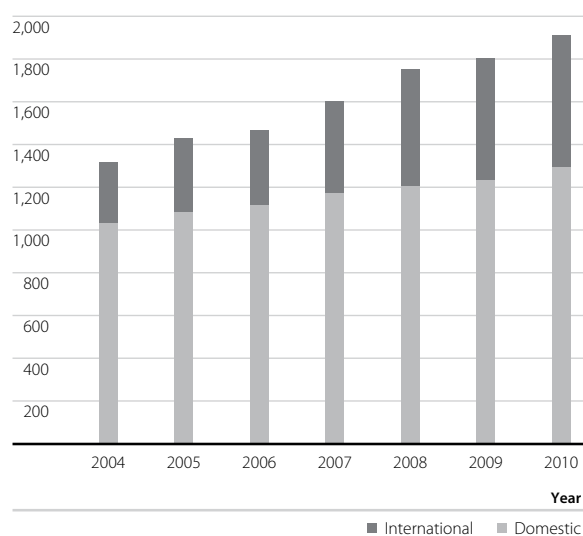
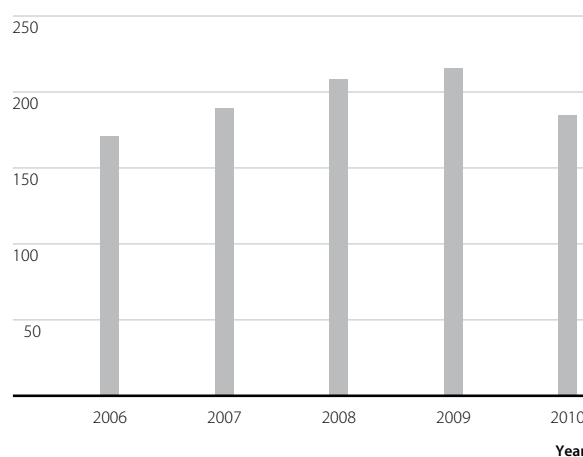


Figure 3: Higher degree research student completions



Research excellence recognised

Three prestigious ARC Future Fellowships were awarded to researchers for Macquarie University projects in 2010. Dr Rebecca Jennings, Dr Craig O'Neill and Dr Ian Wright will take up their four-year fellowships in 2011, undertaking research in the areas of same-sex partnerships and parenting, the evolution of oceanic megathrust systems, and how the world's vegetation will be affected by climate change in coming decades.

David Weisbrot AM, a newly appointed Professor of Law and Governance, received the prestigious 'Most Outstanding Contribution' award for 2010 at the NHMRC annual Awards for Excellence in Health and Medical Research in March 2010.

Professor Mark Westoby from the Department of Biological Sciences and leader of the Genes to Geoscience Research Centre was one of 15 researchers nationwide to receive a coveted Australian Laureate Fellowship from the ARC.

Two of Macquarie's leading researchers were appointed to the ARC's College of Experts. Professor Vijay Varadharajan and Professor Murray Goot were both selected to provide strategic advice and play a key role in the identification of research excellence in Australia.

Professor Chris Evans and Dr K-lynn Smith of the Centre for the Integrative Study of Animal Behaviour were awarded the prestigious 2010 Australian Museum Eureka Prize for Scientific Research that Contributes to Animal Protection.

Professor Chris Evans received further recognition, this time internationally, when he was named the 2010 Distinguished Animal Behaviorist by the US-based Animal Behavior Society.

Dr Melanie Bishop from the Department of Biological Sciences was recognised for her work on coastal conservation from an ecosystem context at the 2010 NSW Scientist of the Year Awards.

In November 2010 Professor Tim Flannery became the first Australian to receive the Academy of Natural Sciences' Joseph Leidy Award since it was established in 1923.

Macquarie's Tall Poppies

Dr Andrew Barron and Dr Anina Rich were named among the best and brightest young scientists at the prestigious 2010 Young Tall Poppy Science Awards for NSW.

Barron, from the Centre for Integrative Study for Animal Behaviour studies honey bees. His research aims to understand how the bee brain reacts to drugs, particularly cocaine.

Rich, who is based in the Centre for Cognitive Science, focuses on two aspects of attention – balancing competing internal and external demands and how attention is involved in integrating information from different senses.

Distinguished Professors

The title of Distinguished Professor is awarded to eminent professors of exceptional distinction who have made an outstanding contribution to their field or discipline, and to the University.

2010 was the first year that Macquarie awarded the title of Macquarie University Distinguished Professor. Awards were received by:

Professor Stephen Crain – for his outstanding work in the advancement in the study of human language and cognition.

Professor Naguib Kanawati – for his achievements in archaeology, art history and as a distinguished Egyptologist.

Professor Samuel Lieu – for his internationally recognised research in early Christianity and the relationships between the East and West in the ancient world.

Professor Suzanne O'Reilly – for pioneering a world-leading interdisciplinary approach to mapping the inaccessible deep Earth.

Professor Ron Rapee – for his outstanding contribution to research and practices in clinical psychology.

Professor Igor Shparlinski – for important contributions to the mathematical foundations of cryptography, computer security and computer science through theoretic cryptography and number theory.

Professor David Throsby – for his excellence in research, teaching and community service, as an economist with specialist interests in the economics of the arts and culture.

Professor Mark Westoby – for his research in the field of evolutionary ecology, with a concentration on vascular plants.

Macquarie's Research Excellence Awards

The Macquarie University Research Awards identify and promote excellence across the full spectrum of research activity while recognising and rewarding staff and postgraduate students for outstanding performance and excellence in research and innovation.

The award categories and the 2010 winners were:

Excellence in Research – Social Sciences, Business and Humanities

The cross cultural supervision project: web-based resources for candidates, supervisors and institutions

Team leader: Associate Professor Judi Homewood

Excellence in Research – Science and Engineering

M*A*S*H: The Macquarie/AAO/Strasbourg H-alpha planetary nebula project

Team leader: Professor Quentin Parker

Excellence in Higher Degree Research – Social Science, Business and Humanities

Upstream and downstream hydrocarbon prices: Crude oil to plastics

Team leader: Lurion De Mello, PhD candidate

Excellence in Higher Degree Research – Science and Engineering

Fault-tolerance in globally controlled quantum computers

Gerardo Andres Paz Silva, PhD candidate

Excellence in External Research Partnership

Collaborative research partnership between Chungtia village of Nagaland and Macquarie University to work on traditional medicinal plants

Team leader: Meza Meyanungsang, PhD candidate

Excellence in Research in Sustainability

Adaptation to impacts of climate change on human health

Dr Paul J. Beggs

Excellence in Commercialisation (Translation) of Research IP

Continuous-wave visible laser for Ophthalmology

Team leader: Dr Helen Pask

Early Career Researcher of the Year Award

Dr Dayong Jin

Learning and teaching

The introduction of the new undergraduate curriculum, with its people, planet, participation and capstone units, saw Macquarie University receive its highest number of first preferences from New South Wales school leavers.

Activities undertaken in 2010 include:

- adoption of an Academic Plan, subsuming the Research, Learning and Teaching, and Social Inclusion plans into one document
- review and renewal of the postgraduate curriculum
- implementation of a new Assessment Policy
- implementation of a new academic staff promotion system
- studies undertaken into learning and teaching space requirements and the student IT experience
- development of a Teaching Standards Framework
- development of a professional development website for sessional staff.

Relevant, future-focused and high-quality programs

Following the success of the review of the undergraduate curriculum, a review into the postgraduate coursework curriculum commenced in 2010. The review unified the credit point values of units, established consistent workload and assessment regimes, unified naming practices, recommended flexible entry criteria over the use of purely academic entry requirements and agreed that professional ethics would be integrated into all programs.

Supporting students and lifelong learning

In 2010 two of Macquarie's student peer mentoring groups won awards for their work in increasing student engagement:

- LawPAL won the Vice-Chancellor's Citation for Outstanding Contributions to Student Learning. LawPAL focuses on student emotional wellbeing while also providing academic learning support.
- Telemachus Ancient History Mentor Program (aka Tele's Angels) won the Australian Learning and Teaching Council (ALTC) Award for Programs that Enhance Learning – the first Australian student group to win a national award for teaching.

Develop and reward staff capability

In 2010 the University undertook its first data collection of Teaching Esteem Factors, called the Teaching Index. The Teaching Index rewards departments with teaching outcomes which have a significant impact on student engagement and learning. In 2010, \$500,000 was distributed to departments.

In 2010 Ms Penelope Watson won a NSW Australian College of Educators Quality Teaching Award.

The following staff won Australian Learning and Teaching Council Citations for Outstanding Contribution to Student Learning:

- Dr Michelle Arrow for an enthusiastic, collaborative and accessible approach to teaching that inspires student engagement and enjoyment of Australian history
- Dr Matt Bower for supporting pre-service teachers to develop learning design capabilities based upon a scholarly and passionate approach to educational technology innovation
- Dr Kerry-Ann O'Sullivan for excellence in supporting English teachers at critical points of professional transition through the innovative provision of high-quality, engaging and research-led ICT resources
- Ms Sue Spinks for sustained commitment to empowering students to find their individual academic 'voices', and to achieving excellent outcomes for all students through relevant University committees.

The Teaching Standards Framework led by Professor Judyth Sachs was awarded an Australian Learning and Teaching Council Strategic Priority Grant.

Diverse students and the promotion of cross-cultural understanding

For a second year Macquarie students were successful in achieving two of the prestigious Prime Minister's Australia Asia Endeavour Awards:

- Ms Maggie Lee will undertake part of her BCom – Actuarial Studies and BSc – Mathematics at the Chinese University of Hong Kong
- Ms Merriden Varrall will undertake an internship in the United Nations Development Program (UNDP) in Beijing as part of her fieldwork to study China's foreign assistance policy for her PhD in Anthropology.

Macquarie University is committed to ensuring that by 2012, a wide range of Participation and Community Engagement (PACE) opportunities are available to all students. This will become a core requirement of a majority of undergraduate degree programs by 2012. As part of the PACE implementation 2010 initiatives included:

- identification and development of faculty-based and discipline-based participation shell units
- development of resources to support assessment and critical self-reflection in PACE units.

Students

Macquarie University graduates are lifelong learners, with the skills and competencies to succeed in the dynamic and changing world of work. They are capable of engaging in local and global communities with energy and integrity. As leaders in their professional fields, they are ethically, socially and environmentally aware.

Student enrolments

In 2010 the number of students enrolled at Macquarie University was 37,132, an increase of 1858 (5.3 per cent) over the 35,274 students in 2009. The increases were mainly in higher degree research and bachelor degrees, but were partly offset by decreases in non-award courses.

The University's total equivalent full-time student load in 2010 was 26,629, an increase of 1792 (7.2 per cent) over 2009. Of the total student load, 23 per cent was in higher degree and 77 per cent in bachelor degree (including honours) programs.

Student enrolments 2010 ¹	
Type of attendance	
Full-time	25,109
Part-time	12,023
Gender	
Female	20,746
Male	16,386
Total	37,132

Enrolments by program level 2010 ¹	
Doctorate by research	1668
Professional doctorate	134
Masters degree by research	112
Masters degree by coursework	8012
Other postgraduate programs	1914
Postgraduate total	11,840
Bachelor degrees (including honours)	23,657
Other undergraduate degrees	387
Non-award and enabling degrees	1248
Undergraduate total	25,292

Enrolments by home location 2010 ¹	
North-East Asia	8652
South-East Asia	1490
South and Central Asia	562
Americas	971
Oceania and Antarctica	58
Africa and the Middle East	306
Northern and Western Europe	733
Southern and Eastern Europe	163
International total	12,935
Domestic total	24,197

Student load ² by discipline 2010 ¹	
Agriculture, environmental and related studies	369
Architecture and building	14
Creative arts	1261
Education	1823
Engineering and related technologies	155
Health	737
Information technology	561
Management and commerce	10,698
Natural and physical sciences	2556
Society and culture	8455
Total	26,629

Student awards 2010 ³	
Higher doctorate	0
Honorary award	6
Non-professional doctorate by research	149
Professional doctorate	34
Masters degree by research	13
Masters degree by coursework	3605
Other postgraduate programs	1044
Postgraduate total	4851
Bachelor degrees (including honours)	5076
Other undergraduate degrees	48
Undergraduate total	5124

1 Source: preliminary calendar year data as at 7 March 2011.
Individual figures may not add up to totals due to rounding.

2 Equivalent full-time student load.

3 Source: AMIS data as at 7 March 2011.

Note: The definition of student enrolments in this annual report is the same as 2007–2009 but is slightly changed compared with 2002–2006. In 2002–2006 a student who enrolled in two different course levels between semesters in the year was counted as two enrolments. In this annual report a student with multiple enrolments will be counted only once in the latest enrolled course. The approach of each student being counted once is consistent with the method adopted by government agencies and other universities for comparative analysis.

Internationalisation

At the end of 2010 international students accounted for 34.8 per cent of the total student population. Macquarie International's programs attracted over 12,000 international students from 104 countries, with another 1010 students enrolled in the various offshore programs in China, Hong Kong, Japan, Korea, Malaysia and Singapore.

The University has maintained its competitive position in the sector in 2010. Macquarie is ranked among Australia's top 10 universities (Shanghai Jiao Tong University Academic Rankings of World Universities, 2010) and the MBA program is recognised as one of the finest in the world (The Economist 2010 Full Time MBA rankings).

As part of Macquarie's commitment to internationalisation and innovation, Macquarie International offers a range of opportunities to all Macquarie students to enhance their skills and experience, including student exchange, internship placements, overseas volunteer programs and the sector leading Global Leadership Program.

Macquarie's international research reputation has grown in recent years and is supported by the appointment of a Director of International Research Programs in 2007. In 2010 there were 107 cotutelle/joint PhD agreements with 76 universities in 24 countries. Close to 37 per cent of all 420 commencing higher degree research students were international students.

Macquarie International achieved better operational efficiency in 2010 and implemented a range of new innovative programs such as the Graduate Trainee Program and the Graduate Development Program, responding to student feedback provided by the International Student Barometer.

In response to the increasingly competitive environment in international education, a comprehensive range of new marketing initiatives have been added to existing platforms.

Community engagement and alumni

Macquarie University values external partnerships that strengthen opportunities for enterprise and innovation, and contribute to the development of the local, national and international community.

Institutional advancement

Established in 2007, the Office of Institutional Advancement engages the University's alumni, business and community partners to create a strong future through the establishment of significant new revenue streams for new facilities, research, teaching, professorial chairs and scholarships.

The Macquarie University Foundation plays a pivotal role in supporting vital fundraising programs. The Foundation's Committee of Patrons, chaired by Mr Maurice Newman AC, comprises 10 of Australia's most prominent business and community leaders who generously donate their time and resources to support the University's fundraising efforts.

Membership of the Joan and John Lincoln Society increased substantially in 2010 with a significant increase in the number of generous bequests to the University confirmed. Society members enjoyed organised events held at the University in 2010, including: an evening Sculpture Park tour, a tour of the new Macquarie University Hospital, a lunch during *Music on Winter Sundays* and the inaugural *Friends Dinner* held in December.

Fundraising achievements in 2010 include:

- the first university-wide Equity Scholarships Appeal to which over 900 alumni and friends donated over \$83,000
- the first multi-million dollar confirmed bequest and many other generous confirmed bequests
- donation of major artworks to the Macquarie University Art Gallery including a full colour computer graphic stereo rainbow hologram by Paula Dawson, titled ANN
- two funded chairs:
The Indian Council for Cultural Relations: *The Tagore Chair in Indian Arts and Culture*
Panasonic Australia: *The Panasonic Chair in Environmental Sustainability*.

Alumni Relations

Macquarie University has over 120,000 graduates in more than 120 countries. In 2010 Alumni Relations continued to find innovative ways of connecting with our graduates.

With events here and overseas, and through our online communications which include the alumni web community, social media such as LinkedIn, Facebook and Twitter, podcasts, enews and email, our alumni continue to engage with the University and each other.

One of our most popular events in 2010, attended by 150 alumni and friends, was the Spring Lunch held at Doltone House on the foreshores of Sydney Harbour with guest speaker Peter Hartcher, Political Editor of the *Sydney Morning Herald*.

We invited alumni to take part in the graduation ceremonies which we conduct twice a year by volunteering to assist at the ceremonies. Thirty-six alumni took part at the September graduation and we look forward to welcoming many more alumni for our 2011 ceremonies.

PAUL WRIGHT



Community engagement

Community engagement is an important aspect of the University's commitment to being a good neighbour and friend to those who may not be directly involved in the day-to-day life of Macquarie. Our efforts to increase community engagement resulted in an increase in attendance at our many cultural and recreational activities with more than 15,000 visitors to campus.

More than 6000 people attended our most popular events including: *Music on Winter Sundays*, *Balmain Sinfonia and Macquarie Singers concerts*, *Movies@Macquarie*, *Cinema in the Park* and our popular astronomy nights. One of the highlights of the year was the *Lachlan Macquarie Lecture Series*.

The six Art Gallery exhibitions and related events including Sculpture Park tours and guided walks attracted more than 9000 visitors, including 14 school visits.

The Science Partnership

Launched in 2007 with the New South Wales Department of Education and Training, the Science Partnership is designed to positively influence young people's attitudes towards studying science, technology, engineering and mathematics subjects (STEM).

During 2010 the STEM Project has further expanded to include enrichment activities for students from Kindergarten to Year 12 in specialised activities created by University staff and teachers from the Peninsula Community of Schools both on and off campus. Robotics featured highly in these programs as an innovative approach for the delivery of STEM curriculum.

The introduction of STEM competitions allowing student participation from K-10 has been hugely successful with over 5000 entries across three competitions. The partnership was also featured in the Smarter Schools National Partnership Program in a school package entitled "So who goes to university" which aims at providing better links between schools and universities to lift participation, attainment and university enrolments.

Making Up Lost Time in Literacy

The Making Up Lost Time In Literacy (MULTILIT) initiative is directed by Professor Kevin Wheldall from the Macquarie University Special Education Centre. MULTILIT researches and develops more effective ways of teaching low-progress readers. Since its inception in 1995, MULTILIT has demonstrated a strong commitment to community engagement and outreach activities. MULTILIT has a long-standing and important relationship with The Exodus Foundation. As a result, a MULTILIT program has been delivered to nearly 1500 disadvantaged children and young people since 1996 in New South Wales (Ashfield and Redfern), Queensland (Gladstone) and the Northern Territory. In 2010, an additional tutorial centre was added, making seven in total. MULTILIT and the Exodus Foundation are exploring ways to collaborate further in the future.

Following the selection of MULTILIT in the Commonwealth and State National Partnerships Program for Literacy and Numeracy in New South Wales in 2009, the Western Australian Department of Education selected MULTILIT for this important literacy initiative. This will ensure that even greater numbers of low-progress readers will benefit from MULTILIT instruction.

An exciting new initiative was launched in 2010 with PARRASIP (Parramatta Schools Industry Partnership), a federal and state government funded not-for-profit organisation linking business to schools to enhance literacy and numeracy outcomes. MTC Work Solutions (who provided funding), PARRASIP and MULTILIT worked together to provide literacy support to high school students with literacy challenges. Five schools accepted the offer to take part in the pilot program. Students from Year 9 to 11 took part in MULTILIT training, then were assigned a Year 7 low-progress reader to read with several times a week. Early success has ensured a continuation of the program in 2011. MULTILIT provided further schools initiatives in conjunction with another university's Compass program. Sixteen schools in the inner west and west participated in this community initiative.

Infrastructure and facilities

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

Learning and Research Centre

The Learning and Research Centre will represent a new generation of library design, creating a centre full of dynamic, collaborative and open spaces for learning. Construction commenced in October 2008 with the \$90.76 million project scheduled for completion in early 2011. Substantial work on the project continued in 2010, with the structure and interior near completion.

The opening date has been set for the end of March 2011, following fitout and commissioning of the building.

Macquarie University Hospital

The Macquarie University Hospital, which opened in June 2010, is a \$200 million project that delivers training, medical research and quality patient care in specialty areas.

Construction began in 2007, and proceeded throughout 2008 and 2009 ensuring that the hospital was on track to open its doors to patients in mid 2010. As the first private teaching hospital to be located on a university campus in Australia, it combines excellence in clinical care, medical education and research. The hospital complements teaching and research already offered at Macquarie.

The hospital is the first facility in Australasia to utilise what is the world's most effective radiosurgery treatment. Gamma Knife radiosurgery is used to treat brain tumours and brain disorders, but it does so without being invasive. It delivers a dose of gamma radiation to the target area with surgical precision, without affecting surrounding healthy tissue.

The hospital also accommodates the University's new medical school, the Australian School of Advanced Medicine, which delivers postgraduate programs in specialty and sub-specialty fields, working in partnership with the Royal Australasian College of Surgeons.

Australian Hearing Hub

The Australian Hearing Hub is being established to enhance research, education and training capacity in hearing and speech sciences through collaboration. The building will be sited within the University's North Ryde campus, adjacent to Cochlear Ltd's new global headquarters and principal manufacturing facility, and will form the western gateway into the University via Epping Road.

Projected partners include academic units from the University (audiology, speech pathology, Macquarie Centre for Language Sciences plus key elements of the Macquarie Centre for Cognitive Sciences, microelectronics, clinical psychology and early childhood and special education); Australian Hearing and National Acoustic Laboratories; and teams from Sydney Cochlear Implant Centre, the Shepherd Centre and Royal Institute for Deaf and Blind Children.

The building is designed to have approximately 24,000m² of gross floor area over four levels plus two basements for parking. Construction is due to commence in early 2011. Demolition of three existing car parks commenced in December 2010 to make way for this new facility. The project budget is estimated at \$120 million and has a targeted completion date of late 2012.

Station precinct

Macquarie University is continuing the pre-development of the 90,000m² mixed use project. The Station North development is located on the corner of Waterloo and Herring Roads – one of the most valuable sites in the area. The proposed development comprises high quality mixed-use office space and hotel/serviced apartments in a number of multi-storey towers, basement car parking and retail space.

The University is currently undertaking detailed site analysis in support of a preferred concept design to enable a project development plan to be completed during the first half of 2011.

Campus Hub

Macquarie is undertaking planning associated with a revitalisation of the central retail and student services function, the Campus Hub. Planning will continue through 2011, with focus on the old library, C7A.

It is intended that a revitalised hub will recreate visual linkages to the campus amenity to the west, and articulate the axis from the planned campus green in the east through to the aquatic centre and university housing in the west.

Sustainability

Educational institutions have a responsibility to ensure that students and staff have the knowledge and experience to contribute to a more sustainable society. We acknowledge this responsibility and are working towards becoming an example of best practice in our operations, and through our learning and teaching.

The University's sustainability vision is to be ecologically sound, socially just and economically viable in all its activities. This means that we aim to:

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

Education and engagement

Formal learning and teaching

2010 saw the launch of the Sustainability in Learning and Teaching Grants scheme to encourage academics to look at how sustainability can be embedded into the curriculum. A total of \$80,000 was awarded across six projects, each of which looked at:

- developing and supporting sustainability skills in teaching and learning
- identifying, fostering and evaluating sustainability focused learning outcomes and/or graduate capabilities
- supporting sustainability focused research-enhanced learning and teaching
- promoting environmental or social sustainability.

Informal learning and teaching

Informal learning outside of the classroom environment is just as important as learning that occurs as part of a degree.

The Green Steps program, which looks to upskill students in the practical delivery of environmental sustainability, was run during semester two. Students enjoyed the five day training workshop and placement into work, school or government.

Sustainable procurement training was offered to staff during the second half of the year. Over 50 staff took part in a three hour workshop to develop a better understanding of terms like life cycle assessment, whole of life value for money, offsetting and greenwashing. Participants received a seven step framework for sustainable purchasing.

Cycle skills workshops were also held each quarter to help staff and students develop their confidence and competency

in bike maintenance and cycle safety. Each of the sessions averaged around 15 people.

Engagement

Staff engagement is a major focus as we believe that staff become advocates for sustainability amongst our student population and greater community.

The Sustainability Representative Network (SRN) comprises 45 staff members from different departments who work with Macquarie Sustainability to realise stated goals and objectives. These volunteers communicate and disseminate information, as well as undertake small actions, both of which have led to amazing results.

The second Department Sustainability Challenge was held during the latter half of the year. The challenge encourages departments to undertake actions in eight key theme areas such as participation, energy, waste, governance and transport.

The annual Sustainability Fair was open to staff, students and local community members. The stalls included: organic foods, fair trade products, wildlife organisations, student groups and charity focused organisations such as Amnesity International and Oxfam. Over 200 local high school students attended, taking part in a variety of activities such as tree planting, stream watch and a sustainability tour.

Macquarie's Director of Sustainability became President of Australasian Campuses Towards Sustainability (ACTS). The Director and the Vice-Chancellor developed an initiative focused on a sector commitment for sustainability by engaging key organisations such as TEFMA, AYCC, Universities Australia, Australian Learning and Teaching Council and DEEWR. The initiative is supported by international organisations Environmental Association for Universities and Colleges (UK) and the American Colleges and Universities Presidents Climate Commitment (USA). The bulk of this initiative will be undertaken during 2011.

Increasing resource recovery and efficiency

Actions undertaken to improve resource use included:

Energy

- a 1,000,000 litre thermal energy storage tank was installed to reduce peak demand for chilling air conditioning systems
- eighty electrical sub-meters were installed across campus to allow for better data capture on building energy use
- a number of solar panels were installed on the roof of E6B as well as four solar powered street lights installed along Link Road

- further lighting retrofits, including the installation of sensor lighting in two high-use buildings.

Waste

- an online furniture recycling scheme was introduced to reuse office furniture
- continued initiatives to separate paper and cardboard, as well as other more environmentally damaging items such as ewaste, batteries and mobile phones.

Water

- installation of 13 more water sub-meters to monitor and capture data at a higher level
- bathroom refurbishments to improve efficiency in one of the high-use buildings, including replacement of existing taps and urinals
- involvement in the Sydney Water Bizfix program which included an audit on amenities followed by the installation of water savings devices in all audited areas.

Transport improvements

The transport decisions made by our staff and students in travelling to and from the campus have enormous impact on traffic congestion and greenhouse gas emissions. Some of the transport initiatives implemented in 2010 include:

- an audit of staff and student travel patterns (it identified that there was an 8 per cent modal shift to public transport, with 50 per cent of students and 25 per cent of staff travelling by train or bus to get to and from the campus)
- the installation of two self-contained bike hubs (each hub accommodates 28 bikes, 28 lockers and two showers)
- participating in the National Ride to Work and Walk to Work days.

Enhancing biodiversity

A comprehensive study of Mars Creek was conducted in order to plan rehabilitation works to improve the riparian zones and water quality.

Bushcare@MQ planted over 300 plants in 2010 encouraging frogs to return to the bushcare site along Mars Creek near Gymnasium Road. Native seedlings, grown from seeds collected on campus in 2009 formed a substantial number of the plantings for the year.

To support local habitat such as micro bats, rosellas, parrots, owls and possums, wooden nest boxes have been installed in several areas where mature trees are in place.

Planning and development

Governance and strategy

Much of the work done in this area involves working with departments to see what processes and practices can incorporate sustainability principles. Some of the key advances made in this area include:

- the appointment of a dedicated Sustainability Engagement Officer whose primary role is to work with, support and engage staff across campus
- incorporating online sustainability awareness and resource efficiency modules as part of staff induction.

Infrastructure planning

A comprehensive greenhouse gas reduction plan was developed to guide actions to reduce emissions in key areas such as new builds, refurbishments and behaviour change. It covers planning and development until 2030.

Notable Highlights

Awards

- Winner of the NSW Government Green Globe Award for Public Sector Sustainability
- Runner up in the NSW Keep Australia Beautiful Water Conservation Awards
- Highly commended in the NSW Keep Australia Beautiful Waste Minimisation Awards.

Arboretum

The Macquarie University Arboretum was launched in August 2010. It is the only Sydney based arboretum located on a university campus and provides a valuable resource for learning and teaching, as well as community engagement.

Further information

Refer to the sustainability website at www.mq.edu.au/sustainability for more information on what is happening at Macquarie and to download the Annual Sustainability Report.

Staff development and capability

Throughout 2010 Human Resources focused on the development of staff capability and leadership potential.

In early 2010 the executive identified and approved a set of capabilities which form the basis of measurement of leadership potential and development. A Leadership 360 Feedback process was conducted for the executive against these capabilities: it was implemented and completed for executive roles. The University also commenced a process of mapping competencies for professional staff – beginning with staff in the library and marketing. This gives Human Resources the ability to create leadership and staff development activities which more closely match the needs of staff and the University.

Policy and procedure

Human Resources embarked on a series of projects to improve processes and service under the banner HR Renewal. The HR Renewal commenced with the restructuring of Human Resources functions to bring in expertise in Organisational Development, Strategic Sourcing, and Processes and Systems. This was followed by a review of recruitment and selection processes and the introduction of an automated recruitment system, Taleo. Under the renewal, the Return to Work Program was revised and a new induction program was released to orient staff during pre-employment and the first three months of employment. Office automation systems to streamline processes reducing forms, blockages and turnaround times were also implemented.

Another focus of the HR Renewal was to increase the skills and competencies of Human Resources. A range of cross-skilling training programs focused on customer service, process improvement, change and project management, and technical skills including workplace relations training and recruitment interview skills training.

Wage and salary movements

All staff covered by the Macquarie University Enterprise Agreement 2006–2009 received two 2 per cent salary increases in 2010. The first 2 per cent was at the end of March and the second 2 per cent was at the end of September. The model increase for senior management employed outside of the Enterprise Agreement was 4 per cent.

Following the approval by Fair Work Australia (FWA) of the Professional Staff Enterprise Agreement, a one off sign-on payment of \$1000 (pro rata for part-time staff) was made to permanent and fixed term professional staff. The top salary step for professional staff in grades 1 through 7 was increased by \$500. There have been no significant wage movements outside of these increases.

Industrial relations policies and practices

The University continued enterprise bargaining negotiations with the CPSU and NTEU through 2010 and came to an agreement with the CPSU on a new Professional Staff Agreement. The University put this agreement to staff in September and, while it was strongly supported by the CPSU, it was strongly opposed by the NTEU. The required majority of professional staff voted in favor of the agreement and FWA approved it on 24 December 2010. The NTEU has lodged an appeal against the making of this agreement, and against the University of Wollongong and the University of New South Wales, which have similar agreements.

While progress was made on the vast majority of issues, the University and the NTEU have not concluded bargaining on an Academic Staff Enterprise Agreement. The NTEU mounted an industrial campaign which, at its peak, involved the withholding of student marks by 68 academic staff. The University applied for the action to be terminated by FWA on the basis that it damaged the welfare of students. Rather than defend the action, the NTEU entered into conciliation with the University and agreed to release all critical marks relating to student completion and progression. Negotiations with the NTEU will continue into 2011.

Staff statistics

The number of non-casual (full-time and fractional full-time) staff as at 31 March 2010 was 2163, an increase of 45 (2.1 per cent) over 2009.

There were 172 female academic staff at the level of Level C (Senior Lecturer) or above (41 per cent of all female academic staff), compared to 367 males (63 per cent of all male academic staff).

Of the 1158 professional staff, 435 (38 per cent) were in academic faculties and research centres of the University, 292 (25 per cent) in central administration, 144 (12 per cent) in the Library and 75 (6 per cent) in the Office of the Academic Registrar. The balance of 212 (18 per cent) were in other offices of the University administration.

Staff full-time equivalence

The full-time equivalence (FTE) of non-casual staff as at 31 March 2010 was 1988, an increase of 50 FTE (2.6 per cent) over 2009. The change consisted of an increase of 39 FTE for academic staff and 11 FTE for professional staff. In 2010 the FTE of casual staff was 480, including 256 academic and 223 professional.

Full-time staff members who work more than a normal workload for additional remuneration hold notional

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

Staff full-time equivalences: 2007–2010 ¹				
Academic classifications	2007	2008	2009	2010
Level A	157	164	156	163
Level B	242	246	248	260
Level C	214	211	212	213
Level D	135	132	145	154
Level E	117	124	118	129
Deputy Vice-Chancellor	4	4	4	4
Vice-Chancellor	1	1	1	1
Casual ²	228	235	236	256
Total academic	1098	1117	1120	1180

Professional classifications ³				
HEW Level 1	0	1	1	1
HEW Level 2	35	26	31	28
HEW Level 3	26	37	37	37
HEW Level 4	72	80	81	71
HEW Level 5	159	177	173	173
HEW Level 6	196	202	250	254
HEW Level 7	166	170	196	197
HEW Level 8	100	102	104	112
HEW Level 9	72	71	93	106
HEW Level 10	68	80	82	72
Above HEW Level 10	2	1	7	15
Casual ²	227	185	191	223
Total professional	1123	1132	1245	1289
Full-time/part-time total	1766	1829	1938	1988
Casual total	455	420	427	480
Total University	2221	2249	2365	2468

1 As at 31 March 2010. Figures may not add up to totals due to rounding.

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

3 HEW = Higher Education Worker.

Information regarding Macquarie's Equal Employment Opportunity can be found under Social Inclusion on page 33.

Health and safety

Macquarie University operates across a wide range of work environments, resulting in an increased risk profile. The primary focus of the Health and Safety Unit is to assist the University in identifying and eliminating risks and hazards, ensuring that regular OHS inspections audits are undertaken, ensuring that accidents and incidents are investigated as they occur and making recommendations to management regarding the health and safety needs of the University.

Despite these risks, the University continues to show a reduction in the numbers of incidents and claims being reported. This section contains tables showing comparative performance against benchmark data.

The University's incident type profile has remained stable from 2009 to 2010, with most incidents occurring as a result of:

- ergonomic design or a failure to adopt good ergonomic practice
- manual handling techniques
- motor vehicle accidents
- slips, trips or falls.

Incident results

Benchmark	2008	2009	2010
Incidents reported (staff only)	147	164	148
Number of workers compensation claims	55	71	66
FTE employees	1989	2079	2647
Incidence rate (per 100 employees)	7.38	7.8	5.59
Frequency rate (per million hours worked)	17.55	23.51	15.83
Incidents to claims lodged rate	37.4%	43%	45%
Lost time days (total)	2106	1959	1280
Average time lost rate (days/injury)	37	28	19
Premium % of payroll	0.40	0.60	0.61

Incidents by activity

	2008	2009	2010
At work incidents			
– Manual handling	5	9	10
– Maintenance	7	12	8
– Undertaking experiments	9	4	2
– Moving equipment	7	6	6
– Administration	34	48	50
– Community on campus	40	36	40
– Other	13	9	1
At work incidents total	115	124	117
Attending approved break or sporting event	6	7	9
Travelling to and from work	16	33	28
Field trips	6	–	0
Total incidents	143	164	154

No incidents were reported to WorkCover NSW in 2010.

Workers compensation claims

A total of 66 claims for workers' compensation were received in 2010, compared to 71 claims in 2009. The University's claim lodgment rate decreased from 7.8 per 100 FTE in 2009 to 5.59 in 2010.

Overall the University's workers' compensation results continue to trend downwards with reductions in the average cost per claim and in the length of time that an injured worker remains off work. The effect of these ongoing reductions is the continued downward trend of the University's workers compensation premium.

No fatalities were reported at Macquarie University in 2010.

Policy issues

The University has increased investment into OHS through the employment of an additional three OHS coordinators and an increase in the OHS budget of \$200,000. In addition, in 2011 a CAPEX allocation has been approved to purchase a new online OHS Risk Management System. This new OHS structure will increase the University's ability to manage and realise the benefits of OHS schemes.

Harmonisation

In 2012, harmonisation of occupational health and safety laws in Australia will occur, leading to significant changes to the regulation of workplace safety in Australia. New South Wales will enact enabling legislation in mid to late 2011 mirroring the *Model Work Health and Safety Act (Cth)*. The Health and Safety Unit will play a pivotal role in ensuring that the University and group entities are positioned for these significant changes.

Retro paid loss (workers compensation premium) model

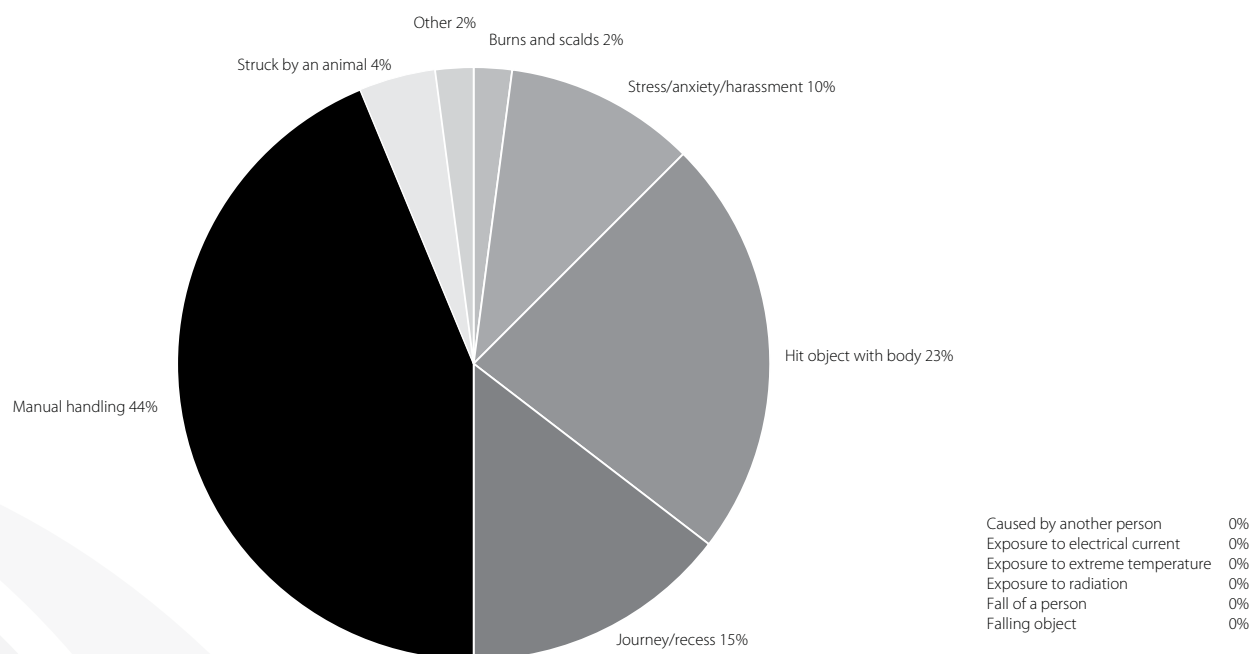
Macquarie University and group entities successfully applied to WorkCover NSW for entry into the retro paid loss model for the calculation of its workers' compensation premium. The model is open to employers who can demonstrate a high degree of commitment to and practice in health and safety. WorkCover NSW applies strict criteria to members of the scheme and the University has committed to these criteria. As a result the groups' premium paid will decrease from \$2,285,967 in 2010 to \$1,054,347 in 2011. For the University, the premium will drop from \$1,654,987 to \$614,126. The Health and Safety Unit has a critical role in managing and monitoring the group's performance in the scheme and ensuring that the full financial benefits of the scheme are realised.

Workers' compensation results

Performance	2007	2008	2009	2010
Claim numbers	79	55	71	66
Claims (per 100 FTE)	5.99	2.76	3.42	2.49
Total claims costs	\$202,130.48	\$230,385.75	\$214,154.00	\$222,058.43
Average cost of claim	\$3,109.69	\$5,008.38	\$3,016.25	\$3364.52
Premium as a percentage of payroll	0.54%	0.4%	0.43%	0.61

Claims by accident type	2007	2008	2009	2010
Burns and scalds	0	0	2	1
Caused by another person	1	0	1	0
Exposure to electrical current	1	0	0	0
Exposure to extreme temperature	0	0	1	0
Exposure to radiation	0	0	0	0
Fall of a person	14	17	17	0
Falling object	0	0	0	0
Stress/anxiety/harassment	5	2	2	5
Hit object with body	8	5	7	11
Journey/recess	15	9	12	7
Manual handling	16	12	22	21
Struck by an animal	2	0	0	2
Other	17	10	8	1

Figure 4: Claims by accident type 2010



Social Inclusion

Macquarie University is vibrant, diverse, innovative and committed to social inclusion, equality of opportunity in employment and education, and building an environment where all can flourish.

As a strategic priority, Social Inclusion is interested in increasing aspiration for university study in those who may not have considered it an option due to disadvantage, and in creating a university workforce and environment where people from diverse backgrounds are represented and have the opportunity to develop and contribute meaningfully.

In 2010 the Social Inclusion Plan was integrated into the Macquarie University Academic Plan. With the establishment of the new Macquarie Student Representative Association (MUSRA) six equity and diversity representative portfolios were created: for Women, GLBTI, Disability, Indigenous Australian, Cultural and Linguistically Diverse (CALD) and Social Justice. In this reporting year, the University significantly increased its outreach strategies for students from low socio-economic backgrounds in line with the federal agenda, a Review of Indigenous Education was undertaken, and an Indigenous Cadetship program for undergraduate students was introduced.

Social inclusion goals

1. build a more diverse student population prioritising low SES and Indigenous students
2. build a more diverse staff population prioritising Indigenous Australians, people with disabilities, people from CALD backgrounds and women (in non-traditional roles and in senior positions)
3. ensure a safe, positive and supportive experience and environment for all students and staff to maximise achievement levels
4. develop an inclusive culture and practice in the areas of learning and teaching, research and service orientation and delivery
5. generate knowledge through basic, applied and evaluative research into socially inclusive policy and practice.

Access and inclusion initiatives

In 2010, Macquarie developed a suite of outreach programs targeting groups previously under-represented, especially students from low socio-economic status (low SES) backgrounds, including: partnership with NSW DET to develop a mentoring program for refugee secondary students; introduction of the Advancement via Individual Determination program for middle students; introduction of the Macquarie Robotics Program to schools; and partnership

with the Country Education Foundation of Australia in hosting rural students from nine schools on campus.

The University was active in the Sydney Widening Participation Higher Education Forum, working collaboratively with five Sydney universities on schools outreach.

In 2010, the Australian History Museum continued to offer reduced rate education programs to low SES secondary schools and visited Hunter Valley and Bathurst regional schools.

Supporting alternative pathways to university

Distance education and non-award

Macquarie's Centre for Open Education offers a pathway to entry via non-award courses which are open to all domestic students able to pay tuition fees and who meet the more flexible entry requirements. Each application is treated on a case-by-case basis, including consideration of non-academic factors.

The Centre for Open Education continued to offer direct entry places to the Bachelor of Arts and the Bachelor of Science.

From mid 2010 the non-award pathway changed to include an additional six bachelor degrees bringing the total to 11 degrees. Interest in these pathways remained strong with students from 40 countries participating (386 students; 23.5 per cent born outside Australia but holding Australian citizenship or a permanent residence visa).

Open Universities Australia

Open Universities Australia offers a non-award pathway to a Bachelor of Arts degree after successful completion of four units. In 2010 there were approximately 10,000 unit enrolments: 0.75 per cent identified as Indigenous Australians, 0.75 per cent lived in remote or very remote areas, 5.4 per cent had a disability, 7 per cent spoke a language other than English at home, 5 per cent did not complete high school and 0.24 per cent were incarcerated.

A further pathway is via the Certificate in Languages. This certificate does not require specific entry qualifications and articulates into a diploma and then a bachelor degree.

Special consideration entry schemes

The Lighthouse Scheme is the University's Educational Access Scheme for students who evidence disadvantage that seriously affected their schooling in years 11 and 12. The Jubilee Scheme applies to applicants over 21 years of age who have not previously undertaken any tertiary education. Warawara, Department of Indigenous Studies facilitates the Alternative Entry Program for Indigenous applicants seeking undergraduate enrolment at Macquarie.

Macquarie continues to offer uniTEST to assess aptitude for university study. We link this process to equity by identifying students deemed to have the capability to study at tertiary level, but who may not have demonstrated this in their final year school results due to disadvantage. In 2010 Macquarie introduced the use of the Special Tertiary Admissions Test (STAT) for non-current school leavers.

In 2010, the University introduced the Rural Bonus Scheme (RBS) which supports students from rural and regional Australia. The scheme is intended to support students whose primary residence has prevented them from accessing resources and support networks. The first intake for the RBS will be in 2011.

Places offered under special entry schemes 2007–2010

Scheme	2007	2008	2009	2010
Jubilee (>21 yrs)	297	257	280	278
Lighthouse (Educational Access Scheme)	141	157	550	459
uniTEST	N/A	26	6	5

Equity Scholarships

Macquarie University offers a range of generous scholarships which are awarded on the basis of financial need and other hardship. Most are renewable for up to four years.

The funding for equity scholarships has risen steadily to reach \$2.46 million in 2010, increasing availability of flagship scholarships, including Macquarie University Merit Scholar Scholarships, Macquarie Education Costs Scholarships and Macquarie Accommodation Scholarships. For Indigenous students, the University offers Macquarie University Village Housing Scholarships, Macquarie Indigenous Top-Up Scholarships and Indigenous Access Scholarships.

The Macquarie University Indigenous Block Grant Program was introduced in mid 2010. The Refugee Scholarship, the Mature Age/Non Current School Leaver Scholarship, and the Macquarie University Dunmore Lang Regional Rural Scholarship were established to commence in 2011.

Equity related scholarships recipients 2009–2010

Scheme	2009	2010
Merit Scholar Scholarships	20	30
Education Costs Scholarships	83	135
Accommodation Scholarships	40	67
Village Housing Scholarships (Indigenous)	10	10
Indigenous Top-Up Scholarships	41	50

Scheme	2009	2010
Indigenous Access Scholarships	2	0
Macquarie University Indigenous Block Grant Program	–	60

Student transition, mentoring and support

The Macquarie Transition Program is responsible for the successful adjustment of students in first year. The Transition Program also runs academic skills days for new masters coursework students.

In 2010, a working party was established to progress a policy-based response to first year experience issues. Outcomes of this working party include investigation into how best to respond to the growing diversity of students whilst ensuring academic rigour and an initiative to provide an online suite of learning materials.

Other initiatives in student support include:

- through 2010 teaching index funding, the Department of Psychology offered three third year undergraduate research internships to give disadvantaged students an opportunity to work as part of an existing research team
- the Department of Philosophy commenced investigations into why philosophy has lower retention rates for women at all undergraduate levels
- the Faculty of Arts trialed Peer Assisted Study Sessions for units with large cohorts, those which cover complex material or which traditionally have a larger number of students who struggle
- Macquarie's Learning Centre for Numeracy Skills provided support to students in courses with mathematical components.

Inclusion and diversity

Multicultural Policies and Services Program

Students from 104 countries study at Macquarie and one third of staff are from CALD backgrounds. The University strives to create a campus environment which recognises, values and celebrates diversity. Strategies build intercultural understanding, competency and engagement for students and staff.

Diversity Week is now embedded in Macquarie's Calendar of Events. The 2010 theme 'Making New Connections: Hearts, Minds and Hands' was an opportunity to share diverse cultures, practices and beliefs on campus. Focus was on cross-cultural recognition and celebration, including inter-faith forums, Indigenous workshops and performances, a 'Living Library' where people 'tell their story', world food and music. Of note was an interactive student-lead performance

where international and migrant students shared cultural experiences with staff and students.

The University was approached by the NSW Ethnic Communities Council to seek collaboration on a national Building Inclusive Communities Awards as a result.

The Equity and Diversity Unit

In 2010 the University signed as a Foundation Partner to expand the Courageous Conversations About Race (CCAR) initiative. Cultural awareness and anti-racism workshops develop cultural sensitivity, and aim to deepen cultural competence and literacy among participants. During 2010, 130 staff participated in introductory workshops.

In 2010 the Equity and Diversity Unit, in partnership with the Macquarie Learning and Teaching Centre purchased the Flinders University 'Cultural Diversity and Inclusive Practice Toolkit' for tailoring and implementation at Macquarie. The toolkit aims to raise awareness and offer practical assistance to the University community around inclusive practice and the promotion of mutually respectful relationships across cultures.

The Macquarie Ally Network provides visible support to the gay, lesbian, bisexual, transgender, intersex (GLBTI) community and helps raise awareness in the broader community. In 2010 information on the Ally Network was presented to ISANA staff (International Student Advisors Network NSW) and key Macquarie International staff became allies.

Student wellbeing

Macquarie University provides a range of on-campus health, welfare, disability and financial support services to students from diverse backgrounds. The Women's Room and Queerspace were formalised and actively promoted. Peak student bodies appointed Equity and Diversity Officers.

A 24/7 care line was established in 2010 and a bilingual service centre is available to answer enquiries from students and family members in a range of languages. The University Chaplaincy serves 18 faith groups and in 2010 a Chaplaincy Agreement was developed to guide operations on campus.

PACE: Participation and Community Engagement

Macquarie's PACE program develops the capabilities of students to actively contribute to the wellbeing of people and the planet through opportunities to apply their academic learning to real world situations – locally, regionally and internationally.

During 2010 the University expanded domestic participation partnerships across the arts, aged care, community sector, disability services, health, mental health, education, housing, local and state government, Indigenous organisations, child/youth services and research services.

From 2012, a majority of undergraduate programs will require students to complete a participation unit. Through these units Macquarie will assist our local, regional and international partners build their capacity.

Global Leadership Program

The Macquarie Global Leadership Program continued to provide a structured 30-hour program in 2010 for students to develop cross-cultural understanding through elective workshops focusing on global issues and professional skills development. The program attracted 2300 students and 200 incoming Study Abroad students.

Supporting CALD students

The University conducted a number of communications based programs targeting CALD students in 2010.

The Department of Linguistics introduced three new discipline specific units on academic communication and literacy to support CALD students. It also developed a website to provide relevant academic literacy support for higher degree research students, many of whom are from CALD backgrounds.

2010 saw the establishment of the Study Skills Support Unit which offers academic support and a range of literacy study skills to assist undergraduate and postgraduate students. The Unit offers workshops, individual consultations and a suite of online resources. In 2010, 636 students participated in workshops with 66 per cent from CALD backgrounds.

Ongoing activities such as the Centre for Macquarie English, the Peer Assisted Learning Program and the Writing Skills Program continued to provide academic literacy support to undergraduate and postgraduate coursework students, including introductory seminars, courses on writing strategies and individual consultations.

Engagement with the CALD Community

In addition to a range of research and degree programs which focus on engagement, the University runs a number of initiatives to engage with the CALD community.

The Department of International Studies promotes ethnic diversity and cross-cultural understanding, particularly from the perspectives of non-western regions and has built strong relationships with the Chinese and Japanese Consulates,

the Japan Foundation and the Japanese Department of Education. The Department also continues to work closely with Sydney's diasporic communities from Croatia, Greece and Poland with an annual prize giving ceremony which includes community representatives.

In 2010, the Department of English continued to engage with staff and students from CALD backgrounds with regard to issues such as diaspora, race, ethnicity, globalisation, religion, law, and refugee policy.

The Australian History Museum offers continual assistance to students from diverse backgrounds in the form of internship placement and supports the development of teaching and learning resources across the University as evidenced by linkages with a number of departments.

Goals for 2011

- develop a University-wide strategy to strengthen cross-cultural understanding and competency of all staff and students
- launch and monitor the Macquarie Outreach Program including the Refugee Mentoring Program
- develop successful collaborations with the NSW Ethnic Communities Council
- continue and expand Language Cafes on campus
- investigate intercultural competence as a graduate capability
- strengthen mechanisms which allow CALD staff and students to participate fully in academic and campus life
- continue to support career advancement, professional development opportunities and visibility of CALD staff and monitor equity in human resources processes
- ensure that equity and diversity related policy, procedures and guidelines are available online
- provide a range of cultural events and celebrations throughout the year
- continue to provide language and literacy programs for CALD students and staff
- develop and disseminate events protocols to show respect and increase participation of CALD staff and students
- monitor university and student publications to ensure balanced representation for CALD students and staff in content and images.

Indigenous engagement

Warawara – Department of Indigenous Studies

Warawara offers two residential block-mode undergraduate programs for Indigenous Australians who may travel from communities around Australia to participate: the Bachelor of Community Management and, in conjunction with the Institute of Early Childhood, the Bachelor of Teaching (Early Childhood Services).

Warawara's academic staff conduct guest lectures in mainstream university courses and undertake research into Indigenous areas. They play an integral role in the provision of advice to the University on cultural competency development and on a range of equity matters affecting Indigenous students and staff.

In 2010, Warawara continued to provide support for Indigenous students through the provision of academic advice, induction, referral and pastoral care.

In 2010 there were 141 Indigenous students enrolled across Macquarie. The majority were in the Faculty of Arts (70) and Faculty of Human Sciences (51). There were 123 undergraduate, 11 postgraduate coursework and seven higher degree research students.

Engagement with Indigenous school students

In 2010 Macquarie forged new relationships with schools with strong cohorts of Indigenous students, to build student aspiration and increase awareness of educational opportunities and campus life. Schools include Mackellar Girls High School, Trinity Grammar School and Bilgola Plateau Primary School.

Projects of note included:

- the Daruganora project
- the 'Away' Program (Museum of Ancient Cultures)
- Indigenous Science Education Program (ISEP)
- Maclean High School Science Immersion Program
- Chifley College: Senior Science Day and Science Expo
- November Science Show Visit for Canteen Creek students.

From education to employment

To further the educational experience and employment opportunities for Indigenous Australians, the University offered Indigenous traineeships and introduced a cadetship scheme for undergraduate students in 2010.

Employment equity and diversity

Women

The University has been awarded waiving status by the federal Equal Opportunity for Women in the Workplace Agency and is not required to report to them again until 2011.

In 2010, the overall representation of women on staff was 54 per cent (FTE 1207 women from a total of 2232 staff), exceeding the 50 per cent government benchmark (academic women 42 per cent; professional 63 per cent).

The representation of women on University decision-making bodies in 2010 was: University Executive 37 per cent (3f/8 members), University Council 42 per cent (8f/19 members) and Academic Senate 33 per cent (12f/36 members).

Women's representation in the academic workforce in 2010 was 42 per cent which is on par with the 2008 sector average (latest figures available). The representation of women at Level D (Associate Professor) was 37 per cent and at the most senior academic Level E it was 26 per cent, both of which are above the 2008 sector averages (D 29 per cent and E 21 per cent).

The 2010 Group Distribution Index (GDI) for academic women's employment across all levels decreased by 2 points during the reporting period and remains below the government benchmark, where values less than 100 indicate that women are concentrated at lower salary levels.

In 2010, 92 per cent of academic women in continuing positions worked full-time which was 2 per cent lower than 2009. There were no voluntary redundancies or forced separations of academic women in 2010. The overall rate at which academic women leave the Macquarie workforce (44 per cent) has slowed by 6 per cent over the reporting period to be closer to their workforce participation rate of 42 per cent. In 2010, 41 per cent of separations were due to agreed contracts expiring and 48 per cent for other reasons such as resignations and retirements.

Of the 45 senior academic positions in the University's Concentrations of Research Excellence, women continue to be recruited at a rate of ~30 per cent. The percentage of women applying to participate in the Overseas Study Program in 2010 was 41 per cent (n=85, 35f).

In 2010, academic women applied for promotion at a rate 9 per cent higher than their workforce participation rate (68 applications; 35f, 33m). Applications rates for women were above their workforce participation rates at each level and success rates on par or above for each level.

- for Level B the application rate was 58 per cent (12 apps total, 7 fem) and success rate 50 per cent (n=10, 5 fem)
- for Level C the application rate was 58 per cent (24 apps total, 14 fem) and success rate 55 per cent (n=18, 10 fem)
- for Level D the application rate was 40 per cent (20 apps total, 8 fem) and success rate 42 per cent (n=12, 5 fem)
- For Level E the application rate was 54.5 per cent (11 apps total, 6 fem) and success rate 66 per cent (n=6, 4 fem).

Women's representation at Level D (Associate Professor) in 2010 was 37.4 per cent, an increase of 3 per cent over the reporting period and the highest representation rate over the past five years. For Level E (Professor) the representation of women remained steady (26.3 per cent). It is still the highest over the past five years and is 5.3 per cent above the 2008 sector average.

In 2010, the representation of women on professional staff remains steady at 61.3 per cent. Women remain clustered in mid-range employment levels. In terms of pay equity, professional women employed in full-time and fractional roles received 94 per cent and 93 per cent of the average salary, respectively. The GDI for professional women's employment during the reporting period was 93 which has dropped one point per year since 2008.

Women on professional staff remain under-represented in full-time ongoing positions (59 per cent in 2010) against their workforce participation rate of 63 per cent and remain significantly over-represented in part-time ongoing positions. The latter however has seen a 5 per cent reduction to 88.9 per cent during the 2010 reporting year.

In terms of contract employment, women in professional roles are significantly over-represented in fractional positions of 1–3 years duration (79 per cent in 2010) against their workforce participation rate. This is the highest rate of representation over the past five years.

During the reporting year, there was a reduction in the number of contracts being offered at Macquarie (reduced from 365 to 335) without any significant change to the number of women employed in contract roles. The most significant change during the year was a 22 per cent reduction in women's representation in part time contracts of more than three years duration.

The percentage of professional women leaving the University decreased by 5.5 per cent during the reporting year to reach 56.5 per cent.

The Macquarie parental leave policy allows four weeks' paid leave at the child's birth (for birth mother and partner) plus 22 paid weeks for the primary carer. Macquarie University

recognises same sex parents and the adoption and fostering of children.

Indigenous Australians¹

Indigenous education and employment are a priority for Macquarie University. It is of note that the statistical data on all equity groups (except gender) is gathered through a voluntary online process and as such, numerical evidence should be viewed with caution. For this reporting year there were five academic and six professional Indigenous staff respondents, however it is known that in 2010 the University employed five academic staff and 16 professional Indigenous staff.

The representation of Aboriginal people and Torres Strait Islanders remains below the government benchmark of 2.6 per cent (academic 0.8 per cent and professional 0.5 per cent). In 2010, the University commissioned an Indigenous Review in order to identify educational and employment strategies for Indigenous advancement at the University, and established an Indigenous Education Review Committee.

According to the voluntary data, the number of Indigenous academics at Macquarie has marginally decreased over the reporting period to 0.75 per cent. New appointments and promotion saw the distribution of academic staff improve to now be across A, B, C, and D academic levels in 2010. The University is yet to appoint an Indigenous professor. In 2010 the new position of Deputy Director, Warawara was created as a Level C appointment.

In terms of Indigenous employment in professional roles, the voluntary data fails to reflect actual outcomes including the employment of five Level 2 Indigenous trainees during 2010 and the ongoing employment of three of them following successful completion of their traineeships.

The pay disparity for Indigenous academic staff employed in full-time ongoing roles reduced by 6 per cent over the reporting period (from 77 per cent in 2009 to 83 per cent in 2010). For Indigenous staff on part-time contracts, pay disparity improved by 1 per cent over the reporting period to 66 per cent.

Pay disparity for Indigenous Australians is being addressed through educational advancement and targeted employment initiatives.

In 2010, the University continued to support Indigenous staff to attend conferences (national and international) and offered a range of opportunities, in order to enhance the careers of Indigenous staff.

A highlight of the year was the introduction of the first Macquarie Indigenous Postgraduate Research Fellowship and the promotion to Level B of the first recipient. In 2010 all Indigenous professional staff employed in Warawara were undertaking undergraduate study (including an honours program). Indigenous cadetships were introduced for undergraduate students who express interest in a university career with cadets employed as fixed term Level 2 professional staff. Macquarie aims to be considered an employer of choice by Indigenous Australians and to this end, continues to recognise, value and support Indigenous Australian culture, knowledges and achievements.

People with disabilities

The 2010 government benchmark for the representation of people with disabilities in employment is 12 per cent and for those requiring workplace adjustments 7 per cent.

In 2010 the representation of academic staff with disabilities at Macquarie was 4.4 per cent and for professional staff 4.6 per cent. The representation of staff with disabilities requiring workplace adjustment was the same for both academic and professional staff at 1.1 per cent. It should be noted here that voluntary nature of the data and issues of disclosure of disabilities in the workplace may affect the accuracy of reporting. The University is taking steps to increase the employment of people with disabilities and to create an environment where staff and students feel comfortable disclosing.

According to the voluntary data, academic staff with disabilities are primarily employed at Level C (Senior Lecturer) and in mid range professional staff positions at Level 6. It was pleasing to note that during the reporting year, four staff with disabilities were represented in academic Level C and higher, and four professional staff had their positions reclassified to more senior Levels 8 and 10.

There were no voluntary redundancies or forced separations from the University for academic staff with disabilities in 2010. For professional staff there was one voluntary redundancy, two separations as a result of contracts expiring and three other separations such as resignations or retirement.

In terms of the mode of employment for academic staff with disabilities, 85 per cent of those employed in continuing positions were full-time. Academic staff with disabilities were over represented in part-time continuing employment (15 per cent in 2010 against 6 per cent for people without disabilities).

¹ Data pertaining to designated equity groups (Indigenous Australians, staff with disabilities and staff from culturally and linguistically diverse backgrounds) is gathered through voluntary e-survey responses.

The University recognises that employment equity for people with disabilities requires targeted interventions on a number of fronts and to this end, forged a new relationship in 2010 with CRS Australia to provide work placements for people with disabilities. Raising the awareness of disability issues, rights and responsibilities is a key part of professional development and linked to the development of the University's first Disability Action Plan, due for completion in 2011. During the reporting year over 130 consultations (including focus groups) were conducted with staff and students with regards to six priority areas: Policy and Planning, Learning and Teaching, the Virtual Environment, the Built Environment, Employment and Professional Development and Campus Life.

People from CALD² backgrounds

In 2010 the overall representation of staff from CALD backgrounds remained well above the 19 per cent government benchmark. According to the voluntary data, representation of CALD staff in the academic workforce was 25.6 per cent and representation among professional staff was 33 per cent, which is the highest in the past five years.

In 2010 the strongest representation of CALD academic staff was at Level C (Senior Lecturer). CALD academic staff were recruited from outside the University most significantly at the more junior levels (Level A 30 per cent; Level B 40 per cent). During the reporting period CALD staff were promoted to the more senior levels of Senior Lecturer (C) and Associate Professor (D) and Professor (E).

There were no voluntary redundancies or forced separations from the University for CALD academic staff during 2010. CALD academic staff were represented in continuing full-time and part-time roles at similar rates as for all staff. According to the voluntary data, CALD academic staff are over represented by 10 per cent in contract employment of less than one year, and under represented in contracts of more than three years duration.

Pay equity for CALD staff during the reporting period was 102 per cent for those in full-time continuing roles and 106 per cent for those in continuing part-time positions.

Employment equity goals for 2011

- implement and promote employment equity and diversity priorities in line with the University's planning documents including the EO Plan and EO Management Plan for Women
- finalise the five year Disability Action Plan and work with staff and students to develop local area operational plans and strategies which promote and support employment (including the CRS placements)
- strengthen Indigenous employment through the trainee and cadetship programs, implementation of the findings from the Indigenous Education Review and the continued development of a diverse and culturally competent University workforce
- in consultation with faculties and offices, implement local equity and diversity action plans to inform local workforce strategic planning
- continue to work with Human Resources on succession planning, research and management leadership strategies to ensure that equity and diversity principle are embedded in strategies and operational responses
- continuously improve information and professional development on legislation, rights and responsibilities around all forms of discrimination and harassment for staff and students.

EEO group representation (2006–2010) – benchmark comparison at 31 March 2010¹

Professional staff

	2006	2007	2008	2009	2010	Government benchmark
Women ²	63%	64%	63%	61%	62.9%	50%
Aboriginal people and Torres Strait Islanders ³	2.3%	1.6%	0.9%	0.5%	0.5%	2.6%
People whose first language was not English ³	26%	27%	27%	32%	32.2%	19%
People with a disability ³	7.0%	7%	6%	5%	4.6%	12%
People with a disability requiring work-related adjustment ³	1.9%	1.3%	1.0%	0.7%	1.1%	7.0%

Academic staff

	2006	2007	2008	2009	2010	Government benchmark
Women ²	44%	43%	43%	42%	42.1%	50%
Aboriginal people and Torres Strait Islanders ³	0.7%	0.9%	0.9%	0.9%	0.8%	2.6%
People whose first language was not English ³	24%	23%	23%	26%	25.6%	19%
People with a disability ³	6.0%	6%	5%	5%	4.4%	12%
People with a disability requiring work-related adjustment ³	1.4%	1.6%	0.8%	0.8%	1.1%	7.0%

EEO group distribution index⁴ (2006–2010) – benchmark comparison at 31 March 2010

Professional staff

	2006	2007	2008	2009	2010	Government benchmark
Women	94	94	95	94	93	100
Aboriginal people and Torres Strait Islanders	68	N/A	N/A	N/A	N/A	100
People whose language first spoken as a child was not English	97	95	94	97	98	100
People with a disability	99	101	95	93	93	100
People with a disability requiring work-related adjustment	N/A	N/A	N/A	N/A	N/A	100

Academic staff

	2006	2007	2008	2009	2010	Government benchmark
Women	79	80	78	82	80	100
Aboriginal people and Torres Strait Islanders	N/A	N/A	N/A	N/A	N/A	100
People whose language first spoken as a child was not English	85	85	87	93	96	100
People with a disability	109	100	102	99	102	100
People with a disability requiring work-related adjustment	N/A	N/A	N/A	N/A	N/A	100

1 Continuing and fixed term staff numbers are as at 31 March 2010

2 Actual persons

3 Based on voluntary responses to EO questions

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

EEO group representation (FTE) within Levels at 31 March 2010^{1,2}

Professional staff

Level	Total staff	Women ²	Aboriginal people and Torres Strait Islanders ³	People whose first language was not English ³	People with a disability ³	People with a disability requiring adjustment ³
Level 1	1	100%	0.0%	0.0%	100%	100%
Level 2	28	40.9%	0.0%	7.7%	28.9%	0.0%
Level 3	37	67.8%	0.0%	35.3%	0.0%	3.7%
Level 4	71	66.4%	0.0%	25.4%	2.4%	0.0%
Level 5	173	69.8%	0.0%	43.9%	4.5%	0.0%
Level 6	254	68.2%	1.1%	34%	5.0%	1.6%
Level 7	197	60.9%	0.0%	37.1%	2.4%	0.4%
Level 8	112	57.2%	1.3%	27.2%	2.5%	1.3%
Level 9	106	47.1%	0.0%	29.5%	1.3%	0.0%
Level 10 +	87	47.3%	1.7%	20.5%	10.4%	1.7%
TOTAL	1065	61.3%	0.6%	32.9%	4.3%	1.0%

Academic staff

Level	Total staff	Women ²	Aboriginal people and Torres Strait Islanders ³	People whose first language was not English ³	People with a disability ³	People with a disability requiring adjustment ³
Level A	163	54.2%	1.9%	34.9%	4.1%	2.9%
Level B	260	50.0%	0.6%	23.1%	2.5%	0.6%
Level C	213	35.3%	0.6%	25.7%	6.4%	1.7%
Level D	154	37.4%	0.8%	23.4%	4.4%	0.0%
Level E ⁴	134	26.3%	0.0%	25.4%	3.3%	0.0%
TOTAL	923	41.8%	0.7%	25.7%	4.3%	1.0%

1 FTE: Full-time equivalences

2 Continuing and fixed term staff

3 Based on the responses to equity questions

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

Note: Figures may not add up to total due to rounding

Operations

Informatics

2010 saw an invigorated and reorganised Macquarie Informatics structure replace the former Information Technology Services. Informatics incorporates Macquarie Analytics and Macquarie Memory, and reports to Chief Information Officer Marc Bailey. Its mission is to lift investment focus from infrastructure to innovation.

The major achievement in 2010 was improved sentiment about information technology and improved confidence in people, leadership and future potential. This was evidenced anecdotally and reputationally by year-on-year data point shifts in the official YourSay survey. The turnaround is by no means complete, but it has induced a significant shift in mindset, attitude and spirit of Informatics staff.

An initially conservative approach to spending and hiring was adopted, especially during the Managing Change process in the first half of the year. The revised structure is now in place; an extremely cohesive and strong management team now exists and is extending teambuilding and reform within each major group.

During the year Informatics:

- delivered to opex and capex budgets, favoring project completion and operational robustness over quantity of projects as agreed with the COO
- introduced equitable resource pricing
- reduced outstanding audit action items
- improved operational culture including reduced downtime and increased reliability
- arrested credential proliferation and made significant progress on identity management
- developed a refined TCO model for capex funding in 2011, including recognition of oncosts
- united local and central IT
- won considerable new business from historically isolated controlled entities MGSM, ASAM, AFC and SIBT.

OneNet – wired, wireless and voice network technology

Macquarie University completed design, deployment and delivery of OneNet, its state-of-the-art total replacement of wired, wireless and voice network infrastructure in 2010.

Wired

Three years, 5062km of cabling and 20,256 individual connections later, an \$8.5 million wired network replacement project was completed in June 2010 within its 2009 re-baselined cost estimate. The network delivers 10x speed increase at the desktop, 800x increase in the data centre

with a further 100x of untapped future capacity without redesign. Unplanned downtime has decreased by 75 per cent and is expected to further improve in 2011. OneNet is well positioned to take advantages of federal interconnection with the National Broadband Network, National eResearch Tools and Resources and Research Data Storage Initiatives.

Wireless

Consumer demand continues to drive increased coverage, density and performance in WiFi network deployment. An investment of \$505,000 in 2010 enables 540 access points to deliver connectivity to 90 per cent of campus building interiors and 25 per cent of exterior spaces. Demarcation between staff and student coverage was eliminated, access simplified and security increased resulting in adoption increases week-on-week.

Voice

We retired a 24-year old legacy PABX and replaced 4500 telephones in favour of a state of the art communication system leveraging Voice over Internet Protocol (VoIP) technology, which minimises costs and maximises flexibility. This residual \$483,000 project was completed within its forecast time and expenditure envelope.

Gmail

All staff email accounts were transferred to Gmail, including the transition of up to a decade of historical archives. Within a single year, approximately 20,000 gigabytes of email was transplanted from over 40 legacy system islands. The University is the first amongst its Australian competitors to offer a single world-class Google cloud based email system. Two controlled entities chose to wait for mainstream implementation success before committing to transition in 2011.

OneID: simplified, safer, single access directory

Ten critical systems were connected to OneID, with many more planned for 2011. The benefit to staff and students is a vastly simplified security environment, fewer credentials to remember, reduced red tape to gain access and functional gains. At the same time as expanding the range of connected products, population reach was extended by issuing OneIDs to all MGSM, ASAM and Access Macquarie personnel. OneID is now entrenched in the vernacular, with new systems and existing organisational groups now demanding compatibility.

Help desk, field support and telephony

Informatics delivery continued to offer a popular and well regarded level of high touch customer service in its three areas of responsibility – help desk, field support and

telephony. Most significantly, deployment of a new unified call, request and issue tracking system known as OneHelp provides the ability to pool resources, transfer tickets/problems, offering accountability and self-service. All four faculties and many offices have now opted in by choice.

Core technology improvements

Investment in the core systems that manage University student, staff and financial information was maintained. During 2010 major upgrades were carried out in student management, human resources and finance systems ensuring each is current and supported. Benefits from this work include:

- functionality to support the new curriculum
- improved capacity management for high demand periods
- compliance with government regulatory and reporting requirements.

Collaboration

Intensive efforts were made to improve cooperation and coordination of projects needing IT contribution within the University. Notable outcomes included:

- significantly improved relations with all faculty IT groups and controlled entity IT groups
- integration of WebCentral, the embodiment of the marketing led University Web Strategy
- reverse engineering and robustness injection to legacy web properties and introduction of wiki social media technology
- establishment of a coherent digital signage strategy and implementation known as OneVision
- establishment of a Datamart Committee to focus on cross-departmental data correlation
- delivery of OneForge; central, modern technology to secure and manage software intellectual property, improve development productivity and reduce risk.

2011 in anticipation

Greater collaboration and synergy will continue to build on the goodwill and cooperation fostered in 2010. The strategy, while Informatics continues its reformation, is to transition more commoditised products and services centrally, while leaving specialty services in-faculty.

Investment priorities are shifting from outstanding facilities towards operational excellence, reflecting a repositioning of Informatics in the value chain of teaching, learning and research within the University. A \$11.6 million portfolio of 56 projects is planned for 2011, with significant investment in:

- student computer laboratory capacity expansion over the internet
- sustainability initiatives including reassessment of printing, improved personal computing procurement and intention to measure the campus IT carbon footprint
- institutional operational data and actionable insights delivered as a trusted product known as Datamart
- document, records and workflow automation at campus scale through Truth.mq.edu.au
- collaboration with the Learning and Teaching Centre to integrate strategic new learning management technology
- collaboration with Student Business Systems and Services to enhance customer relationship management for students and staff alike
- an emergency broadcast notification system harnessing existing channels like digital signs, text messaging, computer displays and public announcement audio systems
- a shift in infrastructure strategy from disaster recovery to business continuity, maximising both uptime and performance.

Freedom of Information

During the first half of 2010 from 1 January 2010 to 30 June 2010 the University was subject to the *Freedom of Information Act 1989* (the FOI Act) and received seven FOI applications for access to documents.

In October 2010 Macquarie Memory (formerly Records and Archives Services) was contacted by the Therapeutic Goods Administration as part of a consultation process under the Commonwealth Freedom of Information Act 1982. The University responded to the Therapeutic Goods Administration within statutory timeframes.

Under the *Freedom of Information Act 1989* (the FOI Act), members of the public, including staff and students of the University, had the right to obtain access to documents containing personal information or information concerning the functioning or activities of government agencies and public authorities. The University is a statutory authority and fell under the jurisdiction of the FOI Act.

In complying with the FOI Act the University adopted a policy of open access to information. Staff members who wished to view their personal files could arrange access by contacting the Office of Human Resources. Macquarie Memory is responsible for vital records, student files, central administrative files and the University Archives Access is usually granted to bona fide researchers, although some restrictions apply.

A freedom of information application had to be made for access to material that the University considered confidential or otherwise exempt under the FOI Act. The application fee for a freedom of information request was \$30, and the processing charge was \$30 per hour, although 20 hours' processing was included in the application fee where the information relates to the applicant's personal affairs.

The University Secretary was responsible for Freedom of Information matters. Macquarie Memory supported the University's Freedom of Information operations through the coordination of all applications and associated recordkeeping requirements.

The statistical reports that follow correspond to Appendix B of the New South Wales FOI Manual – a joint publication of NSW Department of Premier and Cabinet and the NSW Ombudsman – and detail FOI activity for both 2009 and the first half of 2010.



Section A – new FOI applications

How many FOI applications were received, discontinued or completed?	Number of FOI applications					
	Personal		Other		Total	
	2009	2010	2009	2010	2009	2010
A1 New	4	2	5	5	9	7
A2 Brought forward	0	0	0	0	0	0
A3 Total to be processed	4	2	5	5	9	7
A4 Completed	4	2	5	5	9	7
A5 Discontinued	0	0	0	0	0	0
A6 Total processed	4	2	5	5	9	7
A7 Unfinished (carried forward)	0	0	0	0	0	0

Section B – discontinued FOI applications

Why were FOI applications discontinued?	Number of discontinued applications					
	Personal		Other		Total	
	2009	2010	2009	2010	2009	2010
B1 Request transferred out to another agency (s.20)	0	0	0	0	0	0
B2 Applicant withdrew request	0	0	0	0	0	0
B3 Applicant failed to pay advance deposit (s.22)	0	0	0	0	0	0
B4 Applicant failed to amend a request that would have been an unreasonable diversion of resources to complete (s.25(1)(a1))	0	0	0	0	0	0
B5 Total discontinued	0	0	0	0	0	0

Section C – completed applications

What happened to completed FOI applications?	Number of completed FOI applications					
	Personal		Other		Total	
	2009	2010	2009	2010	2009	2010
C1 Granted or otherwise available in full	2	2	2	0	4	2
C2 Granted or otherwise available in part	1	0	1	4	2	4
C3 Refused	0	0	0	1	0	1
C4 No documents held	1	0	2	0	3	0
C5 Total completed	4	2	5	5	9	7

Section D – applications granted or otherwise available in full

How were the documents made available to the applicant?	Number of FOI applications (granted or otherwise available in full)					
	Personal		Other		Total	
	2009	2010	2009	2010	2009	2010
All documents requested were:						
D1 Provided to the applicant	2	0	2	0	4	0
D2 Provided to the applicant's medical practitioner	0	0	0	0	0	0
D3 Available for inspection	0	0	0	0	0	0
D4 Available for purchase	0	0	0	0	0	0
D5 Library material	0	0	0	0	0	0
D6 Subject to deferred access	0	0	0	0	0	0
D7 Available by a combination of any of the reasons listed in D1–D6 above	0	0	0	0	0	0
D8 Total granted or otherwise available in full	2	0	2	0	4	0

Section E – applications granted or otherwise available in part

How were the documents made available to the applicant?	Number of FOI applications (granted or otherwise available in part)					
	Personal		Other		Total	
	2009	2010	2009	2010	2009	2010
Documents made available were:						
E1 Provided to the applicant	1	2	1	4	2	6
E2 Provided to the applicant's medical practitioner	0	0	0	0	0	0
E3 Available for inspection	0	0	0	0	0	0
E4 Available for purchase	0	0	0	0	0	0
E5 Library material	0	0	0	0	0	0
E6 Subject to deferred access	0	0	0	0	0	0
E7 Available by a combination of any of the reasons listed in E1–E6 above	0	0	0	0	0	0
E8 Total granted or otherwise available in part	1	2	1	4	2	6

Section F – refused FOI applications

Why was access to the documents refused?	Number of refused FOI applications					
	Personal		Other		Total	
	2009	2010	2009	2010	2009	2010
F1 Exempt	0	0	0	0	0	0
F2 Deemed refusal	0	0	0	0	0	0
F3 Total refused	0	0	0	0	0	0

Section G – exempt documents

Why were the documents classified as exempt? (identify one reason only)	Number of FOI applications (granted or otherwise available in part only)					
	Personal		Other		Total	
	2009	2010	2009	2010	2009	2010
Restricted documents:						
G1 Cabinet documents (Clause 1)	0	0	0	0	0	0
G2 Executive Council documents (Clause 2)	0	0	0	0	0	0
G3 Documents affecting law enforcement and public safety (Clause 4)	0	0	0	0	0	0
G4 Documents affecting counter terrorism measures (Clause 4A)	0	0	0	0	0	0
Documents requiring consultation:						
G5 Documents affecting intergovernmental relations (Clause 5)	0	0	0	0	0	0
G6 Documents affecting personal affairs (Clause 6)	0	2	0	3	0	5
G7 Documents affecting business affairs (Clause 7)	0	0	0	0	0	0
G8 Documents affecting the conduct of research (Clause 8)	0	0	0	0	0	0
Documents otherwise exempt:						
G9 Schedule 2 exempt agency	0	0	0	0	0	0
G10 Documents containing information confidential to Olympic Committees (Clause 22)	0	0	0	0	0	0
G11 Documents relating to threatened species, Aboriginal objects or Aboriginal places (Clause 23)	0	0	0	0	0	0
G12 Documents relating to threatened species conservation (Clause 24)	0	0	0	0	0	0
G13 Plans of management containing information of Aboriginal significance (Clause 25)	0	0	0	0	0	0

Why were the documents classified as exempt? (identify one reason only)	Number of FOI applications (granted or otherwise available in part only)					
	Personal		Other		Total	
	2009	2010	2009	2010	2009	2010
G14 Private documents in public library collections (Clause 19)	0	0	0	0	0	0
G15 Documents relating to judicial functions (Clause 11)	0	0	0	0	0	0
G16 Documents subject to contempt (Clause 17)	0	0	0	0	0	0
G17 Documents arising out of companies and securities legislation (Clause 18)	0	0	0	0	0	0
G18 Exempt documents under interstate FOI legislation (Clause 21)	0	0	0	0	0	0
G19 Documents subject to legal professional privilege (Clause 10)	1	0	1	0	2	0
G20 Documents containing confidential material (Clause 13)	0	0	0	0	0	0
G21 Documents subject to secrecy provisions (Clause 12)	0	0	0	0	0	0
G22 Documents affecting the economy of the State (Clause 14)	0	0	0	0	0	0
G23 Documents affecting financial or property interests of the State or an agency (Clause 15)	0	0	0	0	0	0
G24 Documents concerning operations of agencies (Clause 16)	0	0	0	0	0	0
G25 Internal working documents (Clause 9)	0	0	0	0	0	0
G26 Other exemptions (eg, Clauses 20, 22A and 26)	0	0	0	0	0	0
G27 Total applications including exempt documents	1	2	1	3	2	5

Section H – ministerial certificates (S.59)

How many ministerial certificates were issued?	Number of ministerial certificates	
	2009	2010
H1 Ministerial certificates issued	0	0

Section I – formal consultations

How many formal consultations were conducted?	Number	
	2009	2010
I1 Number of applications requiring formal consultation	0	2
I2 Number of persons formally consulted	0	4

Note: all formal offers to consult have been included irrespective of whether a response was received.

Section J – amendment of personal records

How many applications for amendment of personal records were agreed or refused?	Number of applications for amendment of personal records	
	2009	2010
J1 Agreed in full	0	0
J2 Agreed in part	0	0
J3 Refused	0	0
J4 Total	0	0

Section K – notation of personal records

How many applications for notation of personal records were made (s.46)?	Number of applications for notation	
	2009	2010
K1 Applications for notation	0	0

Section L – fees and costs

What fees were assessed and received for FOI applications processed (excluding applications transferred out)?	Assessed costs		Fees received	
	2009	2010	2009	2010
L1 All completed applications	\$500.00	\$210.00	\$280.00	\$250.00

Section M – fee discounts

How many waivers or discounts were allowed and why?	Number of FOI applications (where fees were waived or discounted)					
	Personal		Other		Total	
	2009	2010	2009	2010	2009	2010
M1 Processing fees waived in full	0	0	0	0	0	0
M2 Public Interest discounts	0	0	0	0	0	0
M3 Financial hardship discounts – pensioner or child	0	0	0	0	0	0
M4 Financial hardship discounts –non-profit organisation	0	0	0	0	0	0
M5 Total	0	0	0	0	0	0

Section N – fee refunds

How many fee refunds were granted as a result of significant correction of personal records?	Number of refunds	
	2009	2010
N1 Number of fee refunds granted as a result of significant correction or personal records	0	0

Section O – days taken to complete request

How long did it take to process completed applications? (Note: calendar days)	Number of FOI applications					
	Personal		Other		Total	
	2009	2010	2009	2010	2009	2010
O1 0–21 days – statutory determination period	3	1	5	5	8	6
O2 22–35 days – extended statutory determination period for consultation or retrieval of archived records (S.59B)	0	1	0	0	0	1
O3 Over 21 days – deemed refusal where no extended determination period applies	1	0	0	0	1	0
O4 Over 35 days – deemed refusal where extended determination period applies	0	0	0	0	0	0
O5 Total	4	2	5	5	9	7

Section P – processing time: hours

How long did it take to process completed applications?	Number of completed FOI applications					
	Personal		Other		Total	
	2009	2010	2009	2010	2009	2010
P1 0–10 hours	0	0	0	0	0	0
P2 11–20 hours	1	0	2	0	3	0
P3 21–40 hours	1	2	1	5	2	7
P4 Over 40 hours	2	0	2	0	4	0
P5 Total	4	2	5	5	9	7

Section Q – number of reviews

How many reviews were finalised?	Number of completed reviews	
	2009	2010
Q1 Internal reviews	1	0
Q2 Ombudsman reviews	1	0
Q3 ADT reviews	0	0
Q4 Ombudsman review of FOI Act	0	0

Section R – results of internal reviews

What were the results of internal reviews finalised?

Grounds on which the internal review was requested	Number of internal reviews					
	Personal		Other		Total	
	Original agency decision upheld	Original agency decision varied	Original agency decision upheld	Original agency decision varied	Original agency decision upheld	Original agency decision varied
R1 Access refused	0	0	2	0	2	0
R2 Access deferred	0	0	0	0	0	0
R3 Exempt matter deleted from documents	0	0	0	0	0	0
R4 Unreasonable charges	0	0	1	0	1	0
R5 Failure to consult with third parties	0	0	0	0	0	0
R6 Third parties views disregarded	0	0	0	0	0	0
R7 Amendment of personal records refused	0	0	0	0	0	0
R8 Total	0	0	3	0	3	0

Government Information (Public Access)

From 1 July 2010 the new *Government Information (Public Access) Act 2009* (GIPA Act) replaced the *Freedom of Information Act 1989* (NSW).

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

During the period 1 July 2010 to 31 December 2010 Macquarie University received seven formal access applications for information. All of these applications were determined within statutory timeframes. In one instance the applicant sought a review of the University's decision by the Information Commissioner. This review had not been determined by 31 December 2010.

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

The Right to Information Officer
Building E11A
Room 155
Macquarie University
Sydney NSW 2109
T: +61 2 9850 1561
E: gipa@mq.edu.au

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



Table A: Number of applications by type of applicant and outcome*

	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/deny whether information is held	Application withdrawn
Media	0	0	0	1	0	0	0	0
Members of Parliament	0	0	0	0	2	0	0	0
Private sector business	0	0	0	0	0	0	0	0
Not for profit organisations or community groups	0	0	1	0	0	0	0	0
Members of the public (application by legal representative)	0	0	0	0	0	0	0	0
Members of the public (other)	2	0	1	0	0	0	0	0

* More than one decision can be made in respect of a particular access application. If so, a recording must be made in relation to each such decision. This also applies to table B.

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

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

	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/deny whether information is held	Application withdrawn
Access applications that are partly personal information applications and partly other	0	0	0	0	0	0	0	0

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

Table C: Invalid applications

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

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

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

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

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

	Number of occasions when application not successful
Responsible and effective government	0
Law enforcement and security	0
Individual rights, judicial processes and natural justice	0
Business interests of agencies and other persons	1
Environment, culture, economy and general matters	0
Secrecy provisions	0
Exempt documents under interstate Freedom of Information legislation	0

Table F: Timeliness

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

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

	Decision varied	Decision upheld	Total
Internal review	0	0	0
Review by Information Commissioner*	0	0	0
Internal review following recommendation under section 93 of Act	0	0	0
Review by ADT	0	0	0
Total	0	0	0

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

Table H: Applications for review under part 5 of the Act (by type of applicant)

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

Insurance

The University ensures that a cost effective insurance program that sufficiently protects the University's investment in assets and protects against liabilities arising from the conduct of its business activities is in place at all times. Following an exhaustive tendering process Marsh Limited was appointed as the University's insurance brokers for a three year term in July 2010. The open market approach adopted by the University resulted in the University securing the best available terms from its existing insurer.

The additional insurance requirements in respect of the Macquarie University Hospital have been examined by Willis Australia Ltd and were in place prior to the commencement of operations of the hospital.

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

Internal audit and risk management

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

The University re-appointed Deloitte to the internal audit and risk management function in 2009, following an exhaustive tendering process conducted by the University's Audit and Risk Committee for the 2010–2012 period. The internal audit and risk management function is primarily concerned with evaluating the accuracy and effectiveness of internal controls and assessing risks which may impact on the University's ability to achieve its objectives.

A new three year strategic internal audit and risk management plan for 2010–2012 was developed following a high-level business risk assessment of the University's operations in conjunction with management. A consultative process to arrive at the corporate risk register was completed. The plan and corporate risk register were approved by the University's Audit and Risk Committee.

In addition to the business risk assessment, internal audits undertaken in 2010 involved assessments of internal controls and associated risks and compliance with University policies and procedures and government guidelines in the following areas:

- capital projects
- finance, payroll and administrative systems used in subsidiary entities
- gap analysis of internal audit framework TPP09-05
- international student recruitment
- travel, including corporate credit card use.

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

Credit card certification

During the 2010 financial year, credit card use was in accordance with both the University's credit card policy and purchasing policy. These policies are based on the requirements of the New South Wales Treasury.

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

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

Payment of accounts

The University's term of credit in respect of its creditors is 30 days. In 2010, 82 per cent of invoices were paid in accordance with these terms.

Statement of attitude to fraud and corruption

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

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

Privacy

Macquarie University has a commitment to privacy, valuing the privacy of individuals and actively seeking to preserve the privacy rights of those who share information with the University. It is believed individuals have the right to know how information to the University is handled.

The role of Privacy Officer is assigned to the University secretary and General Counsel and the role of Privacy Contact Officer is assigned to the Manager, Records and Archives services. These officers have direct accountability for the University's compliance with its privacy policy.

Macquarie University's Privacy Management Plan was developed to comply with section 33 of the New South Wales *Privacy and Personal Information Protection Act 1998* and is to be amended to include compliance measures for the *Health Records and Information Privacy Act 2002*.

The Privacy Management Plan details:

- the policies and practices that the University has in place to comply with the Privacy and Personal Information Protection Act
- the dissemination of privacy policies and practices within the University procedures in relation to an internal review under Part 5 of the Privacy and Personal Information Protection Act

- other matters which are considered relevant to the University in relation to the Act.

During 2010, no privacy complaints were received by the University. No requests for access to records under section 14 of the Privacy and Personal information Protection Act were received. No amendments to personal records pursuant to the Privacy and Personal information Protection Act were carried out in 2010.

Student complaints, appeals and discipline

A number of committees receive student complaints and appeals and address disciplinary matters.

Academic Appeals Committee

The Academic Appeals Committee met three times in 2010 to determine appeals by undergraduate and postgraduate coursework students against their exclusion under the relevant degree rules.

Academic Appeals Committee determinations

Appeals	2006	2007	2008	2009	2010
Considered	117	216	357	304	289
Successful	55	128	141	84	59

As shown in the above table, the number of appeals determined by the committee rose significantly between 2006 and 2008. This was in response to two policy changes in 2006: students are liable for exclusion due to failing a core unit twice in the Bachelor of Commerce – Accounting; and students are liable for exclusion after summer session and after first-half year, as well as at the end of the academic year. Additionally, students who were excluded for failure to maintain a satisfactory minimum rate of progress accounted for the increase in the number of show cause submissions received from 2008.

Grading Appeals Committee

The Grading Appeals Committee investigates appeals against grades by undergraduate and postgraduate coursework students to determine whether due process has been observed, and whether appropriate academic procedures have been carried out and grades determined in a fair and just manner in accordance with University policies and procedures. The committee met six times during 2010 (including two appeals for reconsideration). Four appeals were received from students. Only two were upheld. This

compares with 2009 when six appeals were received and one was upheld.

Higher Degree Research Appeals Committee

The Higher Degree Research Appeals Committee hears appeals by higher degree research students in connection with research student candidature, scholarships and thesis examinations. No appeals have been received by the committee since 2006.

Discipline Committee

The Discipline Committee met five times during 2010 and reviewed 49 student cases (30 in 2009). The tables below provide details of the misconduct reviewed and the range of penalties determined. To ensure equity and consistency, the committee determined penalties with reference to precedent set by earlier decisions.

2010 cases by type of offence

Type of offence	Number of cases
Unauthorised notes in exam	46
Collusion in an exam	2
Plagiarism	1

2010 cases by penalty

Penalty	Number of cases
Community service – 50 hours	5
Community service – 30 hours	2
Exclusion from enrolment – half a year	32
Exclusion from enrolment – one year	1
Exclusion from enrolment – one trimester at Macquarie City Campus	3
No action as student no longer enrolled	1
Case not substantiated	5

Travel

The University spent \$15 million on travel and related staff development and training in 2010. 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.

Financial performance

Statements in this chapter are unaudited

The operating result for the year for Macquarie University and its subsidiaries was a surplus of \$76.2 million.

The surplus for the consolidated University represented 11.1 per cent of revenue. There are several factors underlying this result which are of note.

- the University committed \$333.5 million towards property, plant and equipment in 2010
- the University has received amounts totalling \$38.6 million from the Department of Education, Employment and Workplace Relations (DEEWR), under the Education Investment Fund (EIF) and Teaching and Learning Capital Fund for the Hearing Hub (\$14 million), Australian School of Advanced Medicine fit-out (\$11.6 million) and the upgrade of teaching spaces, laboratories and lecture theatres (\$13 million)
- the University has planned Capital expenditure of \$295 million over the course of 2011–2013. Major expenditure includes: \$115.4 million for the Australian Hearing Hub, \$50.3 million for the refurbishment and upgrade of teaching spaces, laboratories and lecture theatres, \$33.4 million for information technology and learning management systems and \$30 million for planning and infrastructure.

State superannuation schemes

During the year, Macquarie University changed its accounting policy on the recognition of defined superannuation actuarial gains and losses. Superannuation actuarial gains and losses are now recognised, outside the income statement, in other comprehensive income. Previously, these gains and losses were recognised in the income statement. The comparative figures for 2009 have been restated to reflect the change in policy.

This change in policy has been adopted on the basis that actuarial gains/losses are re-measurements, based on assumptions that do not necessarily reflect the ultimate cost of providing superannuation.

This change in accounting policy increased the 2010 operating result of \$75.14 million to \$76.23 million (2009: reduced result from \$60.29 million to \$55.67 million), by excluding from the result the superannuation actuarial gain(loss) item (2010: loss of \$1.09 million 2009: gain of \$4.63 million) for the Consolidated Entity.

The deferred superannuation expense is now the net of income and expense from actuarial assessment for the State Authorities Non Contributory Superannuation Scheme (SANCS) and Professorial Superannuation Fund (PSF).

The unfunded liability of these schemes was \$258.1 million at 31 December 2010 (\$230.6 million in 2009). This is matched by an asset based on future funding expected from the Commonwealth Government.

Consolidated income analysis

Income totaled \$686.8 million, an increase of 17.8 per cent. This increase has been driven by a number of factors:

- income from Australian Government grants increased by \$33.3 million, this includes \$38.6 million from DEEWR (\$15 million 2009) as outlined above
- income from HECS-HELP (both government and student payments) increased by \$9.4 million owing to increased student load in Commonwealth Supported Places
- income from FEE-HELP has increased by \$2.3 million, resulting from an increase in the take-up rate, fee levels and enrolments for domestic fee-paying students
- income from fees and charges has increased by \$56.9 million, primarily from an increase of fee-paying overseas student fees and other non-course fees and charges, being patient revenues from the opening of the Macquarie University Hospital.

Consolidated expense analysis

Expenses totaled \$610.6 million, an increase of 15.7 per cent. This increase has occurred over several expense categories:

- academic and general staff salaries and related costs increased by \$39.7 million (13.4 per cent) due to salary increases and the appointment of additional staff including the Macquarie University Hospital operations
- depreciation and amortisation increased by \$9.5 million due to the planned capital program and the Macquarie University Hospital and Clinic and Cochlear building becoming operational
- repairs and maintenance increased by \$2 million as a result of remedial work performed on the University's laboratories and lecture theatres
- other expenses have increased by \$20.6 million resulting partly from significant increases in scholarships, grants and prizes increase of \$6.3 million, general consumables/materials increase of \$8.6 million, rental, hire and other leasing fees increase of \$6.9 million and tuition services increase of \$7.5 million.

Consolidated balance sheet

Net assets increased from 2009 to 2010 by \$124.2 million with total assets increasing by \$300 million and total liabilities increasing by \$175.8 million. These amounts include an increase of \$27.5 million in both the asset and liability for deferred superannuation.



Risk analysis

The following ratios are provided in respect of the financial risk assessment of the University at 31 December 2010.

Indicator	Result	Risk
Revenue growth	17.8%	Low
Proportion of revenue from Australian Government grants	26.5%	Low
Growth in Australian Government funding from 2009	22.3%	High
Proportion of revenue from overseas student fees	31.3%	High
Growth in revenue from overseas student fees from 2009	24.4%	Medium
Consecutive deficits recorded	0	Low
Number of weeks income cash and investments is equivalent to	13.6	Low
Current ratio	1.02	Low
Adjusted current ratio ¹	1.19	Low
Borrowings to equity ratio	19%	High

1 From 2006 a change in reporting of long service leave liabilities for employees was introduced. The current liability of long service leave entitlements has been determined as all leave that was unconditional as at 31 December 2010. The University expects that \$20.5 million of this current liability will be settled after 12 months and the current ratio has been adjusted to reflect this.

Returns on University investments

	Actual Returns 2009	Benchmark 2009	Actual Returns 2010	Benchmark 2010
Cash and cash equivalent	3.84%	3.9%	5.2%	5.16%
Australian equities	34.11%	37.59%	2.36%	1.9%
International equities	23.66%	25.72%	(6.74%)	9.24%
Debt securities	2.72%	1.73%	13.42%	6.04%
Property	14.2%	9.56%	1.26%	(0.68%)

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

Benchmarks:

Cash and cash equivalent: UBS Australia Bank Bill Index

Australian equities: ASX 300 Accumulation Index

International equities: MSCI World Index (ex Australia) in A\$ (unhedged)

Debt Securities: UBSWA Composite Bond Index (all maturity)

Properties: ASX Property Accumulation Index

Budgets

The following summary of financial performance against budget for 2010 is provided.

Income statement

Indicator	Budget 2010 \$'000	Actual 2010 \$'000
Revenue from continuing operations	662,004	686,794
Expenses from continuing operations	615,150	610,558
Operating result from continuing operations	46,854	76,236

Balance sheet

Indicator	Budget 2010 \$'000	Actual 2010 \$'000
Current assets	233,993	147,416
Non-current assets	1,844,106	1,899,482
Total assets	2,078,099	2,046,898
Current liabilities	146,923	144,284
Non-current liabilities	636,265	542,524
Total liabilities	783,188	686,808
Net assets	1,294,911	1,360,090

Cash flow statement

Indicator	Budget 2010 \$'000	Actual 2010 \$'000
Net cash provided by operating activities	113,055	157,603
Net cash used in investing activities	(301,770)	(315,802)
Net cash provided by financing activities	213,123	129,043
Net increase/decrease in cash and cash equivalents	24,408	(29,156)

Macquarie University Financial Statements

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Note: The University has consolidated the following controlled entities

Access Macquarie Ltd	Risk Frontiers Flood (Australia) Pty Ltd
Australian Proteome Analysis Facility Ltd	Risk Frontiers Group Pty Ltd
Centre for Money, Banking and Finance Ltd	U@MQ Ltd
COH Property Trust	
LAMS Foundation Ltd	
LAMS International Pty Ltd	
Macquarie Graduate School of Management Pty Ltd	
Macquarie University Medical Research Foundation Ltd	
MU Hospital Pty Ltd	
MUPH Clinic Pty Ltd	
MUPH Hospital Pty Ltd	
Macquarie University Property Investment Company Pty Ltd	
Macquarie University Property Investment Company No. 2 Pty Ltd	
Macquarie University Property Investment Company No. 3 Pty Ltd	
Macquarie University Property Investment Trust	
MUH Operations Pty Ltd	
MUH Operations No. 2 Limited	

The financial statements for these entities are available from the University on request.
Please contact the Office of Financial services on +61 2 9850 7201 or at finance@mq.edu.au.



Independent Auditor's Report



GPO BOX 12
Sydney NSW 2001

INDEPENDENT AUDITOR'S REPORT

Macquarie University

To Members of the New South Wales Parliament

I have audited the accompanying financial statements of Macquarie University (the University), which comprise the statement of financial position as at 31 December 2010, the income statement, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies, and other explanatory information and the consolidated entity. The consolidated entity comprises the University and the entities it controlled at the year's end or from time to time during the financial year.

Opinion

In my opinion, the financial statements:

- give a true and fair view of the financial position of the University and the consolidated entity, as at 31 December 2010, and of the financial performance for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2010
- comply with the 'Financial Statement Guidelines for Australian Higher Education Providers for the 2010 Reporting Period', issued by the Australian Government Department of Education, Employment and Workplace Relations, 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.

Emphasis of matter regarding loans made by the University to a related party

Without qualification to the opinion expressed above, I draw attention to Notes 20 and 34 to the financial statements. During the year, Macquarie University provided loans totalling \$31.6 million to MUH Operations No. 2 Limited (the Company). The University assessed these loans as fully recoverable. As disclosed in Note 20, the Company is the operator of Macquarie University Hospital which commenced operations in June 2010 and is in the start up phase.

University Council's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

My opinion does *not* provide assurance:

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

Independence

In conducting my audit, I have complied with the independence requirements of the Australian Auditing Standards and other relevant ethical pronouncements. The PF&A Act further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of public sector agencies but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their role by the possibility of losing clients or income.



Peter Achterstraat
Auditor-General

20 April 2011
SYDNEY

Statement of appointed officers

Macquarie University
Statement of Appointed Officers
For the year ended 31 December 2010

Statement of Appointed Officers

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

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

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

In accordance with the Higher Education Support Act, 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 Schwartz
Vice-Chancellor



J Wigglesworth
Chair Audit and Risk Committee



E A Crouch
Chair Finance and Facilities Committee

Sydney
19 April 2011

Income statement

Macquarie University
Income Statement
For the year ended 31 December 2010

Notes	Consolidated		Parent	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Income from continuing operations				
Australian Government financial assistance				
Australian Government grants	3	182,298	148,997	182,244
HECS-HELP - Australian Government payments	3	72,278	62,870	72,278
FEE-HELP	3	26,435	24,136	26,435
State and Local Government financial assistance	4	2,707	2,534	2,707
HECS-HELP - Student payments		18,316	17,043	18,316
Fees and charges	5	318,881	261,933	279,147
Investment revenue	6	12,168	12,052	11,230
Royalties, trademarks and licences	7	506	1,579	479
Consultancy and contracts	8	17,194	19,902	11,196
Other revenue	9	36,011	32,129	34,694
Total income from continuing operations		686,794	583,175	638,726
Expenses from continuing operations				
Employee related expenses	11	335,071	295,354	279,540
Depreciation and amortisation	12	39,063	29,573	34,689
Repairs and maintenance	13	8,499	6,450	7,431
Borrowing costs	14	13,873	897	13,873
Impairment of assets	15	(436)	1,054	2,052
Deferred superannuation expense	11/37	592	935	592
Other expenses	16	213,896	193,247	199,995
Total expenses from continuing operations		610,558	527,510	538,172
Operating result before income tax		76,236	55,665	100,554
Operating result from continuing operations		76,236	55,665	100,554
Operating result after income tax for the period		76,236	55,665	100,554
Operating result attributable to members of Macquarie University	28(b)	76,236	55,665	100,554

The above income statement should be read in conjunction with the accompanying notes.

Statement of comprehensive income

Macquarie University
Statement of Comprehensive Income
For the year ended 31 December 2010

	Notes	Consolidated		Parent	
		2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Operating result after income tax for the period		76,236	55,665	100,554	54,704
Gain(loss) on revaluation of property, plant and equipment	28(c)	50,032	21,171	50,032	21,171
Revaluation of available for sale reserves	28(c)	173	27,151	173	27,151
Revaluation of patent reserves	28(c)	(20)	(250)	(20)	(250)
Net Actuarial gain(loss) recognised in respect of Defined Benefit Plans	28(c)	(1,089)	4,629	(1,089)	4,629
Total comprehensive income		<u>49,096</u>	<u>52,701</u>	<u>49,096</u>	<u>52,701</u>
Total comprehensive income attributable to members of Macquarie University		<u>125,332</u>	<u>108,366</u>	<u>149,650</u>	<u>107,405</u>

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

Statement of financial position

Macquarie University Statement of Financial Position As at 31 December 2010

Notes	Consolidated			Parent				
	2010 \$'000	2009 \$'000	1 January 2009* \$'000	2010 \$'000	2009 \$'000	01 January 2009* \$'000		
ASSETS								
Current assets								
	Cash and cash equivalents	17	81,425	110,581	107,254	38,788	73,403	73,790
	Receivables	18	30,175	39,743	26,185	25,937	50,649	23,949
	Inventories	19	3,641	815	931	191	195	134
	Other financial assets	20	19,557	35,614	81,154	27,720	35,501	81,034
	Other non-financial assets	21	12,618	8,966	13,229	10,534	8,457	12,828
	Total current assets		147,416	195,719	228,753	103,170	168,205	191,735
Non-current assets								
	Receivables	18	279,223	252,099	288,232	279,223	252,099	288,232
	Other financial assets	20	74,703	68,304	42,798	98,508	95,322	59,927
	Property, plant and equipment	22	1,528,241	1,230,490	1,062,977	1,523,583	1,076,754	980,145
	Intangible assets	23	515	380	393	515	380	393
	Other non-financial assets	21	16,800	-	-	19,963	-	-
	Total non-current assets		1,899,482	1,551,273	1,394,400	1,921,792	1,424,555	1,328,697
	Total assets		2,046,898	1,746,992	1,623,153	2,024,962	1,592,760	1,520,432
LIABILITIES								
Current liabilities								
	Trade and other payables	24	54,475	42,762	41,407	40,407	27,348	25,125
	Borrowings	25	1,013	118,542	872	903	842	785
	Provisions	26	47,878	47,319	47,411	44,209	44,754	44,612
	Other liabilities	27	40,918	38,979	35,641	39,726	36,696	33,561
	Total current liabilities		144,284	247,602	125,331	125,245	109,640	104,083
Non-current liabilities								
	Trade and other payables	24	-	1,808	631	-	-	-
	Borrowings	25	258,247	11,590	70,474	258,162	11,486	12,328
	Provisions	26	279,780	249,986	289,077	278,883	248,710	288,502
	Other liabilities	27	4,497	-	-	4,098	14,000	14,000
	Total non-current liabilities		542,524	263,384	360,182	541,143	274,196	314,830
	Total liabilities		686,808	510,986	485,513	666,388	383,836	418,913
	Net assets		1,360,090	1,236,006	1,137,640	1,358,574	1,208,924	1,101,519
EQUITY								
	Parent entity interest							
	Reserves	28(a)	484,018	433,833	385,761	484,009	433,824	385,752
	Retained earnings	28(b)	876,072	802,173	741,830	874,565	775,100	715,767
	Parent entity interest		1,360,090	1,236,006	1,127,591	1,358,574	1,208,924	1,101,519
	Non-controlling interest		-	-	10,049	-	-	-
	Total equity		1,360,090	1,236,006	1,137,640	1,358,574	1,208,924	1,101,519

The above statement of financial position should be read in conjunction with the accompanying notes.

* Please refer to Note 40 for details regarding retrospective correction of prior periods.

Statement of changes in equity

Macquarie University Statement of Changes in Equity For the year ended 31 December 2010

	Consolidated				Parent		
	Reserves \$'000	Retained earnings \$'000	Owners of the parent \$'000	Total: Non-control- ling interest \$'000	Reserves \$'000	Retained earnings \$'000	Total \$'000
Balance at 1 January 2009	385,761	745,874	1,131,635	10,049	385,752	715,767	1,101,519
Retrospective application/restatement	-	(4,044)	(4,044)	-	-	-	-
Balance as restated	385,761	741,830	1,127,591	10,049	385,752	715,767	1,101,519
Operating result	-	55,665	55,665	-	-	54,704	54,704
Revaluation of property, plant & equipment	21,171	-	21,171	-	21,171	-	21,171
Gain on available for sale financial assets	27,151	-	27,151	-	27,151	-	27,151
Revaluation of patent reserves	(250)	-	(250)	-	(250)	-	(250)
Net gain(loss) on Defined Benefit	-	4,629	4,629	-	-	4,629	4,629
Total comprehensive income	48,072	60,294	108,366	-	48,072	59,333	107,405
Others	-	49	49	(10,049)	-	-	-
Balance at 31 December 2009	433,833	802,173	1,236,006	-	433,824	775,100	1,208,924

	Consolidated				Parent		
	Reserves \$'000	Retained earnings \$'000	Owners of the parent \$'000	Total: Non-control- ling interest \$'000	Reserves \$'000	Retained earnings \$'000	Total \$'000
Balance at 1 January 2010	433,833	802,173	1,236,006	-	433,824	775,100	1,208,924
Retrospective application/restatement	-	-	-	-	-	-	-
Balance as restated	433,833	802,173	1,236,006	-	433,824	775,100	1,208,924
Operating result	-	76,236	76,236	-	-	100,554	100,554
Revaluation of property, plant & equipment	50,032	-	50,032	-	50,032	-	50,032
Gain on available for sale financial assets	173	-	173	-	173	-	173
Revaluation of patent reserves	(20)	-	(20)	-	(20)	-	(20)
Net gain(loss) on Defined Benefit	-	(1,089)	(1,089)	-	-	(1,089)	(1,089)
Total comprehensive income	50,185	75,147	125,332	-	50,185	99,465	149,650
Others	-	(1,248)	(1,248)	-	-	-	-
Balance at 31 December 2010	484,018	876,072	1,360,090	-	484,009	874,565	1,358,574

The above statement of changes in equity should be read in conjunction with the accompanying notes.

* Please refer to Note 40 for details regarding retrospective correction of prior periods.

Statement of cash flows

Macquarie University
Statement of Cash Flows
For the year ended 31 December 2010

	Notes	Consolidated		Parent	
		2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Cash flows from operating activities					
Australian Government Grants received	3(h)	294,464	223,029	294,464	223,029
State and Local Government Grants received	4	2,707	2,534	2,707	2,534
HECS-HELP - Student Payments		18,316	17,043	18,316	17,043
Receipts from student fees and other customers		426,366	357,972	370,301	293,703
Dividends received	6	1,954	2,113	1,954	2,113
Interest received		11,274	9,938	9,276	8,533
Payments to suppliers and employees (inclusive of goods and services tax)		(583,515)	(539,863)	(504,000)	(478,412)
Interest and other costs of finance paid		(13,963)	(933)	(13,873)	(897)
Net cash provided by / (used in) operating activities	36	157,603	71,833	179,145	67,646
Cash flows from investing activities					
Proceeds from sale of property, plant and equipment		1,100	640	972	549
Payments for property, plant and equipment		(333,488)	(164,569)	(185,110)	(104,544)
Proceeds from sale of financial assets		16,586	47,590	16,586	47,590
Payment for financial assets		-	(10,954)	-	(10,843)
Loans to related parties		-	-	(27,300)	-
Net cash provided by / (used in) investing activities		(315,802)	(127,293)	(194,852)	(67,248)
Cash flows from financing activities					
Proceeds from borrowings		251,253	59,646	247,500	-
Repayment of borrowings		(122,130)	(859)	(764)	(785)
Repayment of finance leases		(80)	-	-	-
Transfer to related parties		-	-	(265,644)	-
Net cash provided by / (used in) financing activities		129,043	58,787	(18,908)	(785)
Net increase / (decrease) in cash and cash equivalents					
Cash and cash equivalents at the beginning of the financial year		110,581	107,254	73,403	73,790
Cash and cash equivalents at the end of the financial year	17	81,425	110,581	38,788	73,403

The above statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the financial statements

Macquarie University
Notes to the financial statements
31 December 2010

1 Summary of significant accounting policies

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

(a) Basis of preparation

The financial statements are general purpose financial statements which have been prepared on an accrual basis in accordance with Australian Accounting Standards, AASB Interpretations, the requirements of the Department of Education, Employment and Workplace Relations (DEEWR) and the Public Finance and Audit Act 1983 and the Public Finance and Audit Regulations 2010. The financial statements for the year ended 31 December 2010 have been authorised for issue by the Macquarie University Council on 19 April 2011.

Compliance with IFRSs

The financial statements and notes of Macquarie University comply with Australian Accounting Standards, some of which contain requirements specific to not-for-profit entities that are inconsistent with IFRS requirements.

Historical cost convention

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

Critical accounting estimates

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

Common control transactions

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

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

Internal restructures arising from transfers of interests in entities that are under the control of the ultimate parent (Macquarie University) are not specifically within the scope of any accounting standard. Therefore, Macquarie University developed an accounting policy using the hierarchy for the selection of accounting policies includes in AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors. Consequently, Macquarie University elected to measure such transactions, including non-cash distribution outside the scope of Australian Interpretation 17 Distributions of Non-cash Assets to Owners, at book value.

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

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

(b) Basis of consolidation

(i) Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Macquarie University ("parent entity") as at 31 December 2010 and the results of all subsidiaries for the year then ended. Macquarie University and its subsidiaries together are referred to in these financial statements as the Group or the consolidated entity.

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

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

1 Summary of significant accounting policies (continued)

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

A list of the subsidiaries appear in Note 34.

(ii) Joint ventures

Joint venture operations

The proportionate interests in the assets, liabilities and expenses of the joint venture operations were not considered material and have not been incorporated in the financial statements. Details of the joint venture are set out in note 35.

(c) Foreign currency translation

(i) Functional and presentation currency

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

(ii) Transactions and balances

Foreign currency transactions during the period have been converted to Australian currency at the rate applicable at the dates of transactions, with exchange rate fluctuations being recorded in the Income Statement. The balances of foreign currency accounts at balance date are included with Cash and cash equivalents in the Statement of Financial Position, converted at the rates applicable at year end.

(d) Comparative amounts

Where the presentation or reclassification of items in the financial statements are amended, comparable amounts shall be reclassified unless reclassification is impracticable. When comparable amounts are reclassified, the University shall disclose:

- (a) the nature of the reclassification;
- (b) the amount of each item or class of items that is reclassified; and
- (c) the reason for the reclassification.

When it is impracticable to reclassify comparative amounts, the University shall disclose:

- (a) the reason for not reclassifying the amounts; and
- (b) the nature of the adjustments that would have been made, if the amounts had been reclassified.

(e) Revenue recognition

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

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

Revenue is recognised for the major business activities as follows:

(i) Government grants

The University treats operating grants received from Australian Government entities as income in the year of receipt or when entitlement for the revenue is established.

1 Summary of significant accounting policies (continued)

(ii) Student fees and charges

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

(iii) Interest Revenue

Interest revenue is recognised as interest revenue accrued using the effective interest method.

(iv) Lease income

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

(v) Consultancy and research revenue

Contract revenue is recognised in accordance with the percentage of completion method. The stage of completion is measured by reference to labour hours incurred to date as a percentage of estimated total labour hours for each contract.

Other human resources revenue is recognised when the service is provided.

(f) Income Tax Exemption

Macquarie University and its controlled entities with the exception of LAMS International Pty Ltd, Risk Frontiers Flood (Australia) Pty Ltd and Macquarie University Property Investment Group has received an endorsement by the Australian Taxation Office to access the income tax exemption from 1st July 2000 under Subdivision 50-B of the Income Tax Assessment Act 1997. LAMS International Pty Ltd has no income tax liability as at 31 December 2010.

The income tax status for Macquarie Graduate School of Management Pty Ltd (MGSM) is currently being reviewed by the Australian Taxation Office. Management believes that the MGSM should be entitled to an income tax exemption. Accordingly, no provision for income tax liability or future income tax benefit has been included in the accounts.

(g) Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases (note 32). Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis, over the period of the lease.

The University leases some of its land to commercial organisations. The legal ownership and the benefits and the risks of the ownership rest with the University as lessor.

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

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

Where the benefits and risks of ownership rest with the lessee, the University has classified these assets as finance leases.

(h) Impairment of assets

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

1 Summary of significant accounting policies (continued)

(i) Cash and cash equivalents

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

(j) Trade receivables

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

Trade receivables generally settled within 42 days are carried at amount due. A provision for impairment of receivables has been created based on a review of all outstanding amounts at 31 December 2010. Bad debts are written off in the period in which they are identified.

(k) Inventories

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

(l) Investments and other financial assets

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

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

Other financial assets at fair value through income statement (Note 20)

Available-for-sale financial assets (Note 20)

Held to maturity investments (Note 20)

Other financial assets (Note 20)

Reserves and retained earnings (Note 28)

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

(i) *Financial assets at fair value through income statement*

Financial assets at fair value through income statement include financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. The policy of management is to designate a financial asset if there exists the possibility it will be sold in the short term and the asset is subject to frequent changes in fair value. Derivatives are classified as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of the statement of financial position date.

1 Summary of significant accounting policies (continued)

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of selling the receivable. They are included in current assets, except for those with maturities greater than 12 months after the statement of financial position date which are classified as non-current assets. Loans and receivables are included in receivables in the statement of financial position. (note 18).

(iii) Held-to-maturity investments

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

(iv) Available-for-sale financial assets

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

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

Subsequent measurement

Available-for-sale financial assets and financial assets at fair value through income statement are subsequently carried at fair value. Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method. Realised and unrealised gains and losses arising from changes in the fair value of the 'financial assets at fair value through income statement' category are included in the income statement in the period in which they arise.

Unrealised gains and losses arising from changes in the fair value of non-monetary securities classified as available-for-sale are recognised in equity in the available-for-sale investments revaluation reserve. When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments are included in the statement of comprehensive income as gains and losses from investment securities.

Fair value

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value by using valuation techniques. These include reference to the fair values of recent arm's length transactions, involving the same instruments or other instruments that are substantially the same, discounted cash flow analysis, and option pricing models refined to reflect the issuer's specific circumstances. If fair value could not be determined investment in unlisted securities are measured at cost.

Impairment

The Group assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered in determining whether the security is impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit and loss - is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement.

(m) Fair value estimation

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

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices.

The fair value of financial instruments that are not traded in an active market (for example, shares in unlisted entities) is determined on a cost basis or net asset basis.

1 Summary of significant accounting policies (continued)

(n) Property, plant and equipment

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

Land and buildings are measured on their fair value basis. Fair value is determined on the basis of an independent valuation prepared by external experts and is assessed in accordance with AASB 116.

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

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

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

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

Gains and losses on disposals are recorded on a net basis in the income statement. When revalued assets are sold, it is Group policy to transfer the amounts included in other reserves in respect of those assets to retained earnings.

Land, Building and Infrastructure was revalued with dates of inspection between 1 June 2010 to 12 July 2010 and valuation date as at 31 December 2010. The valuation was provided by Mr. Graham Scrymgeour AAPI, Registered Valuer No. 1578 of Global Valuations Services Pty Ltd.

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

Works of art are valued at fair value and are revalued every five years. Fair value has been assessed on the basis of market value for existing use. The works of art were valued as at 31 December 2009 by Mr W Caruana for the indigenous works, and by Ms S Downer and Ms S Hewitt for the non-indigenous works, including works in the University's Sculpture Park. The valuers are approved valuers under the Australian Government Cultural Gifts Program.

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

The Library Special Collection was revalued as at 30 November 2009. The valuation was provided by Mr S Taaffe, an approved valuer under the Australian Government Cultural Gifts Program.

Artefacts contained in the Lachlan Macquarie Room located at Macquarie University were revalued on 1 December 2008. The valuation was provided by Mr Simon Hollington M.A.V.A.A, Registered Valuer No. 255 of Hollington Fine Art Valuation.

Artefacts owned by Macquarie University in the Museum of Ancient Cultures were revalued on 16 February 2008. The valuation was provided by Mr James Ede from Charles Ede Limited, an approved valuer under the Australian Government Cultural Gifts Program.

The collections of papyri held by the Museum of Ancient Cultures were revalued on 14 February 2008. The valuation was provided by Mr James Ede from Charles Ede Limited, an approved valuer under the Australian Government Cultural Gifts Program.

Coins held in the Museum of Ancient Cultures located at Macquarie University were revalued on 5 February 2008. The valuation was provided by Mr Walter Holt ANA, ANS, ASAN.

1 Summary of significant accounting policies (continued)

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

Asset	% p.a.
- Patents	5
- Buildings	1.72 to 33.33
- Infrastructure	4.76 to 5.00
- Assets under construction	Nil
<i>Plant and Equipment</i>	
- Computer Equipment	30.0
- Other Equipment	10 to 30
- Motor Vehicles	15
- Library Collections: General	20
- Library Collections: Special	Nil
- Works of Art and Museum Collections	Nil
- Medical Equipment	10 to 20

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, annually.

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

(o) Intangible assets

(i) Research and development

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

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

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

(p) Unfunded superannuation

In accordance with the 1998 instructions issued by the Department of Education, Training and Youth Affairs (DETYA) now known as DEEWR, the effects of the unfunded superannuation liabilities of the University and its controlled entities were recorded in the Income statement and the statement of financial position for the first time in 1998. The prior years' practice had been to disclose liabilities by way of a note to the financial statements.

The unfunded liabilities recorded in the statement of financial position under Provisions have been determined by the actuary of Superannuation Administrations Corporation, trading as Pillar Administration, William Mercer.

An arrangement exists between the Australian Government and the State Government to meet the unfunded liability for the University's beneficiaries of the State Superannuation Scheme and the State Authorities Superannuation Scheme on an emerging cost basis. This arrangement is evidenced by the *State Grants (General Revenue) Amendment Act 1987, Higher Education Funding Act 1988* and subsequent amending legislation. Accordingly, the unfunded liabilities have been recognised in the income statement under Provisions with a corresponding asset recognised under Receivables. The recognition of both the asset and the liability consequently does not affect the year end net asset position of the University and its controlled entities.

1 Summary of significant accounting policies (continued)

(q) Trade and other payables

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

(r) Borrowings

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

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the statement of financial position date.

(s) Borrowing costs

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

(t) Provisions

Provisions for legal claims and service warranties are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

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

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the statement of financial position date. 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.

(u) Employee benefits

Provisions have been made for employee entitlements in respect of salaries and wages, annual leave, long service leave, and superannuation where applicable. The balance of these provisions at 31 December has been categorised for statement of financial position purposes as either current liabilities or non-current liabilities. Employee benefits for untaken annual leave are accrued using the nominal method at expected pay rates including appropriate salary on costs. Employee benefits for long service leave have been recognised according to an actuarial assessment performed in accordance with AASB 119 "Employee Benefits".

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

(i) Wages and salaries, annual leave and sick leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable. Regardless of the expected timing of settlements, provisions made in respect of employee benefits are classified as a current liability, unless there is an unconditional right to defer the settlement of the liability for at least 12 months after the reporting date, in which case it would be classified as a non-current liability.

1 Summary of significant accounting policies (continued)

(ii) Long service leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

(iii) Retirement benefit obligations

All employees of the Group are entitled to benefits on retirement, disability or death from the Group's superannuation plan. The Group has a defined benefit section and a defined contribution section within its plan. The defined benefit section provides defined lump sum benefits based on years of service and final average salary. The defined contribution section receives fixed contributions from Group companies and the Group's legal or constructive obligation is limited to these contributions. The employees of the parent entity are all members of the defined contribution section of the Group's plan.

A liability or asset in respect of defined benefit superannuation plans is recognised in the statement of financial position, and is measured as the present value of the defined benefit obligation at the reporting date less the fair value of the superannuation fund's assets at that date 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.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur outside of the income statement in the statement of comprehensive income.

Past service costs are recognised immediately in income, unless the changes to the superannuation fund are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past service costs are amortised on a straight-line basis over the vesting period.

Contributions to the defined contribution fund are recognised as an expense as they become payable. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(iv) Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after balance date are discounted to present value.

(v) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of goods and services GST, except where the amount of 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, 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.

(w) Rounding of amounts

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

1 Summary of significant accounting policies (continued)

(x) New accounting standards and Interpretations

Certain new Accounting Standards and Interpretations have been published that are not mandatory for 31 December 2010 reporting periods.

The University has assessed the impact of these new Standards and Interpretations and considers the impact to be insignificant.

(y) Derivatives

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

(i) Fair value hedge

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

(ii) Cash flow hedge

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

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

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

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

(iii) Derivatives that do not qualify for hedge accounting

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

2 Disaggregated information

(a) Geographical - Consolidated

	Revenue		Results		Assets	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Australia	685,106	581,985	75,378	55,666	2,046,898	1,746,992
Asia	1,688	1,190	858	(1)	-	-
Total	686,794	583,175	76,236	55,665	2,046,898	1,746,992

3 Australian Government financial assistance including HECS-HELP and FEE-HELP

Notes	Consolidated		Parent	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
(a) Commonwealth Grants Scheme and Other Grants				
39.1				
Commonwealth Grants Scheme ^{#1}	91,054	81,007	91,054	81,007
Indigenous Support Program	602	693	602	693
Partnership & Participation Program ^{#2}	955	82	955	82
Disability Support Program	309	464	309	464
Workplace Reform Program	-	1,224	-	1,224
Workplace Productivity Program	450	470	450	470
Learning & Teaching Performance Fund	-	1,878	-	1,878
Capital Development Pool	110	-	110	-
Diversity & Structural Adjustment Fund ^{#3}	525	815	525	815
Improving the Practical Component of Teacher Education Initiative	-	373	-	373
Transitional Cost Program	523	1,638	523	1,638
Total Commonwealth Grants Scheme and Other Grants	94,528	88,644	94,528	88,644
(b) Higher Education Loan Programs				
39.2				
HECS-HELP - Australian Government payments	72,278	62,870	72,278	62,870
FEE-HELP	26,435	24,136	26,435	24,136
Total Higher Education Loan Programs	98,713	87,006	98,713	87,006
(c) Scholarships				
39.3				
Australian Postgraduate Awards	3,485	2,434	3,485	2,434
International Postgraduate Research Scholarship	410	388	410	388
Commonwealth Education Cost Scholarships ^{#4}	(1,246)	706	(1,246)	706
Commonwealth Accommodation Scholarships ^{#4}	(592)	534	(592)	534
Indigenous Access Scholarships	38	58	38	58
Total Scholarships	2,095	4,120	2,095	4,120
(d) DIISR Research				
39.4				
Joint Research Engagement Program ^{#5}	5,689	5,832	5,689	5,832
Research Training Scheme	11,533	11,097	11,533	11,097
Research Infrastructure Block Grants	2,878	3,162	2,878	3,162
Implementation Assistance Programme	81	146	81	146
Australian Scheme for Higher Education Repositories	-	251	-	251
Commercialisation Training Scheme	(1)	114	(1)	114
Sustainable Research Excellence in Universities	1,409	-	1,409	-
Total DIISR Research Grants	21,589	20,602	21,589	20,602
(e) Other Capital Funding				
39.5				
Teaching and Learning Capital Fund	12,929	-	12,929	-
Education Investment Fund	25,638	15,000	25,638	15,000
Total Other Capital Funding	38,567	15,000	38,567	15,000

3 Australian Government financial assistance including HECS-HELP and FEE-HELP (continued)

	Notes	Consolidated		Parent	
		2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
(f) Australian Research Council	39.6				
(i) Discovery	39.6(a)				
Project		7,905	7,091	7,905	7,091
Fellowships		998	77	998	77
Total Discovery		<u>8,903</u>	<u>7,168</u>	<u>8,903</u>	<u>7,168</u>
(ii) Linkages	39.6(b)				
Infrastructure		1,470	-	1,470	-
International		-	15	-	15
Projects		1,980	2,157	1,980	2,157
Total Linkages		<u>3,450</u>	<u>2,172</u>	<u>3,450</u>	<u>2,172</u>
(iii) Networks and Centres	39.6(c)				
Research Networks		-	712	-	712
Total Networks and Centres		<u>-</u>	<u>712</u>	<u>-</u>	<u>712</u>
Total Australian Research Council		<u>12,353</u>	<u>10,052</u>	<u>12,353</u>	<u>10,052</u>
(g) Other Australian Government financial assistance					
Commonwealth Parliament		54	53	-	-
Agriculture, Fisheries and Forestry		27	64	27	64
Attorney-General's		10	-	10	-
Broadband, Communications and the Digital Economy		-	265	-	265
Defence		62	415	62	415
Education, Employment and Workplace Relations		9,267	5,064	9,267	5,064
Environment, Water, Heritage and the Arts		9	259	9	259
Families, Housing, Community Services and Indigenous Affairs		20	115	20	115
Finance and Deregulation		-	10	-	10
Foreign Affairs and Trade		532	1,381	532	1,381
Health and Ageing		1,927	2,468	1,927	2,468
Immigration and Citizenship		24	-	24	-
Innovation, Industry, Science and Research		350	71	350	71
Prime Minister and Cabinet		-	78	-	78
Resources, Energy and Tourism		7	-	7	-
Other		877	336	877	336
Total Other Australian Government financial assistance		<u>13,166</u>	<u>10,579</u>	<u>13,112</u>	<u>10,526</u>
Total Australian Government financial assistance		<u>281,011</u>	<u>236,003</u>	<u>280,957</u>	<u>235,950</u>

- #1 Includes the basic CGS grant amount, Maths and Science Transition Loading and HEFA Transition Fund.
- #2 Includes Equity Support Program.
- #3 Includes Collaboration & Structural Adjustment Program.
- #4 Includes National Priority Scholarships.
- #5 Includes Institutional Grants Scheme.

3 Australian Government financial assistance including HECS-HELP and FEE-HELP (continued)

	Consolidated		Parent	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Reconciliation				
Australian Government grants [(a) + (c) + (d) + (e) + (f) + (g)]	182,298	148,997	182,244	148,944
HECS-HELP - Australian Government payments	72,278	62,870	72,278	62,870
FEE-HELP	26,435	24,136	26,435	24,136
Total Australian Government financial assistance	281,011	236,003	280,957	235,950

	Consolidated		Parent	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
(h) Australian Government Grants received - cash basis				
CGS and Other DEEWR Grants	98,274	85,630	98,274	85,630
Higher Education Loan Programmes	108,464	77,099	108,464	77,099
Scholarships	2,095	4,120	2,095	4,120
DIISR Research	21,589	20,602	21,589	20,602
Better Universities Renewal Funding	38,567	15,000	38,567	15,000
ARC grants - Discovery	8,903	7,168	8,903	7,168
ARC grants - Linkages	3,450	2,172	3,450	2,172
ARC grants - Networks and Centres	-	712	-	712
Other Australian Government Grants	13,122	10,526	13,122	10,526
Total Australian Government Grants received - cash basis	294,464	223,029	294,464	223,029
OS-Help (Net)	4	249	4	249
Total Australian Government funding received - cash basis	294,468	223,278	294,468	223,278

4 State and Local Government financial assistance

	Consolidated		Parent	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
State financial assistance				
State Government Research	1,901	1,585	1,901	1,585
Other State Government financial assistance	806	949	806	949
Total State and Local Government financial assistance	2,707	2,534	2,707	2,534

5 Fees and charges

	Consolidated		Parent	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Course fees and charges				
Fee-paying overseas students	214,964	172,792	206,487	162,381
Continuing education	777	759	777	759
Fee-paying domestic postgraduate students	13,605	14,928	14,055	14,928
Fee-paying domestic undergraduate students	6,430	5,970	6,430	5,970
Fee-paying domestic non-award students	8,338	7,258	2,742	2,969
English language programs	2,792	3,117	2,792	3,117
Income from SIBT	24,104	23,283	24,104	23,283
Total course fees and charges	271,010	228,107	257,387	213,407
Other non-course fees and charges				
Late fees	521	430	521	430
Library fines	238	357	238	357
Parking fees	4,182	4,197	4,176	4,210
Rental charges	5,680	5,605	3,488	3,753
Student accommodation	5,177	4,966	5,177	4,966
Amenities and service fees	7,954	5,756	7,949	5,716
Management fees	815	2,088	-	-
Project research	1,317	6,313	-	-
Others	21,987	4,114	211	360
Total other fees and charges	47,871	33,826	21,760	19,792
Total fees and charges	318,881	261,933	279,147	233,199

6 Investment revenue

	Consolidated		Parent	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Dividends	1,954	3,245	1,954	3,245
Interest	9,485	8,131	7,296	6,725
Trust distributions	729	676	1,980	676
Total investment revenue	12,168	12,052	11,230	10,646

7 Royalties, trademarks and licences

	Consolidated		Parent	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Royalties	498	1,560	471	680
Copyright	8	19	8	19
Total royalties, trademarks and licences	506	1,579	479	699

8 Consultancy and contracts

	Consolidated		Parent	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Consultancy	1,328	807	1,181	731
Contract research	15,866	19,095	10,015	11,532
Total consultancy and contracts	17,194	19,902	11,196	12,263

9 Other revenue and income

	Consolidated		Parent	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Donations and bequests	1,340	842	1,332	842
Scholarships and prizes	393	262	393	262
Other revenue	4,140	3,785	2,992	2,846
Net gain on sale of available-for-sale financial assets	440	-	440	-
Photocopy Income	553	532	551	529
Recoveries	5,972	4,956	28,022	16,011
Publication sales	955	1,053	964	1,053
Food sales, hotel & retail	9,119	10,173	-	-
Research Quantum	1,409	871	-	-
Commercial rent	2,486	1,604	-	-
Room, Academic dress hire	1,343	747	-	-
Child care fees	3,232	3,310	-	-
Members fees	4,603	3,889	-	-
Management fees	26	105	-	-
Total other revenue	36,011	32,129	34,694	21,543

10 Change in Accounting Policy

Change in accounting policy on the recognition of defined benefit superannuation actuarial gains and losses.

During the year, Macquarie University changed its accounting policy on the recognition of defined superannuation actuarial gains and losses. Superannuation actuarial gains and losses are now recognised, outside the income statement, in other comprehensive income as permitted by AASB 119 Employee Benefits. Previously, these gains and losses were recognised in the income statement. The comparative figures for 2009 have been restated to reflect the change in policy.

This change in policy has been adopted on the basis that actuarial gains/losses are re-measurements, based on assumptions that do not necessarily reflect the ultimate cost of providing superannuation.

This change in accounting policy increased the 2010 operating result of \$75.14 million to \$76.23 million (2009: reduced result from \$60.29 million to \$55.67 million), by excluding from the result the superannuation actuarial gain(loss) item (2010: loss of \$1.09 million 2009: gain of \$4.63 million) for the Consolidated Entity.

This change in accounting policy increased the 2010 operating result of \$99.46 million to \$100.55 million (2009: reduced result from \$59.33 million to \$54.70 million), by excluding from the result the superannuation actuarial gain(loss) item (2010: loss of \$1.09 million, 2009: gain of \$4.63 million) for the Parent Entity.

The change in accounting policy affects the following notes to the financial statements: Employee related expenses (note 11), reserves and retained earnings (note 28) and defined benefits plans (note 37).

11 Employee related expenses

	Consolidated		Parent	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Academic				
Salaries	128,270	112,687	123,993	112,687
Contribution to funded superannuation and pension:				
Emerging cost	1,309	1,388	1,309	1,388
Funded	16,735	12,021	16,300	12,021
Provisions for future emerging costs ¹	(917)	1,987	(917)	1,987
Payroll tax	8,162	7,749	7,858	7,429
Worker's compensation	754	474	728	461
Long service leave expense	2,643	2,780	2,634	2,706
Annual leave	893	929	942	890
Total academic	<u>157,849</u>	<u>140,015</u>	<u>152,847</u>	<u>139,569</u>
Non-academic				
Salaries	146,153	127,815	103,387	96,812
Contribution to superannuation and pension schemes:				
Emerging cost	1,091	1,193	1,091	1,193
Funded	17,701	12,535	13,591	10,328
Provisions for future emerging costs ¹	(764)	1,707	(764)	1,707
Payroll tax	7,686	7,327	6,552	6,382
Worker's compensation	1,291	1,384	721	397
Long service leave expense	1,422	1,671	1,528	1,409
Annual leave	2,063	1,136	587	475
Other	579	571	-	-
Total non-academic	<u>177,222</u>	<u>155,339</u>	<u>126,693</u>	<u>118,703</u>
Total employee related expenses	<u>335,071</u>	<u>295,354</u>	<u>279,540</u>	<u>258,272</u>
Deferred superannuation expense ¹	<u>592</u>	<u>935</u>	<u>592</u>	<u>935</u>
Total employee related expenses, including deferred government employee benefits for superannuation	<u>335,663</u>	<u>296,289</u>	<u>280,132</u>	<u>259,207</u>

¹As a result of the Group's change in policy (refer to note 10), superannuation actuarial gains and losses are now recognised in other comprehensive income. As a result, the comparative figures for 2009 have been restated to reflect the change in policy.

12 Depreciation and amortisation

	Consolidated		Parent	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Depreciation				
Buildings	13,952	12,631	13,952	12,631
Infrastructure	3,024	2,473	3,024	2,473
Plant and equipment	15,056	7,793	10,759	6,975
Leasehold improvements	77	593	-	-
Motor vehicle	256	264	256	264
Library Collection - General	6,437	5,806	6,437	5,806
Make good provision	247	-	247	-
Total depreciation	39,049	29,560	34,675	28,149
Amortisation				
Patents and trademarks	14	13	14	13
Total amortisation	14	13	14	13
Total depreciation and amortisation	39,063	29,573	34,689	28,162

13 Repairs and maintenance

	Consolidated		Parent	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Buildings and infrastructure	8,092	6,379	7,326	5,725
Others	407	71	105	-
Total repairs and maintenance	8,499	6,450	7,431	5,725

14 Borrowing costs

	Consolidated		Parent	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Bank Loans	1,423	897	1,423	897
Bond Interest	5,393	-	5,393	-
Interest rate swap and financing costs	7,057	-	7,057	-
Total borrowing costs expensed	13,873	897	13,873	897

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

In 2010, the University capitalised interest and other financing costs related to qualifying assets is \$3.33 million (2009: \$4.28 million).

15 Impairment of assets

	Consolidated		Parent	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Receivables and patents	242	513	231	525
Available for sale financial assets	(678)	541	1,821	541
Total impairment of assets	(436)	1,054	2,052	1,066

16 Other expenses

	Consolidated		Parent	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Scholarships, grants and prizes	33,995	27,684	33,685	27,186
Non-capitalised equipment	7,265	4,918	6,285	3,950
Advertising, marketing and promotional expenses	6,099	4,846	3,690	3,366
Audit fees, bank charges, legal costs, insurance and taxes expenses	10,955	12,682	8,646	10,433
General consumables/materials	26,714	18,105	15,212	13,116
Printing, photocopying and stationery	2,587	1,815	1,404	1,803
Postage	785	711	760	690
Security charges	2,196	1,425	1,710	1,428
Utilities	7,919	5,164	6,381	4,104
Rental, hire and other leasing fees	16,503	9,580	13,441	7,181
Telecommunications	3,620	1,452	1,270	1,025
Travel and related staff development and training	15,056	14,093	14,225	13,492
Contractors/Consultants	32,256	33,914	53,982	54,181
Maintenance contracts	4,914	7,849	4,915	7,849
Subscriptions	1,919	1,510	1,805	1,385
Proceeds from assets sold and/or written off related to property, plant and equipment	104	1,885	61	167
Food and beverages	812	847	-	-
Agents commission	9,071	9,763	5,705	5,593
MQ fees direction & patents	247	1,413	-	-
Chairman's fees	20	20	-	-
IT support	757	346	704	286
Interest	-	16	-	-
Examiners' fees	167	160	167	160
Copyright charges	1,022	1,148	1,022	1,148
Motor vehicle expenses	193	339	193	339
General services	321	10,530	833	9,093
Tuition Services	19,552	12,027	19,552	12,027
Others	8,847	9,005	4,347	4,114
Total other expenses	213,896	193,247	199,995	184,116

17 Cash and cash equivalents

	Consolidated		Parent	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Cash at bank and on hand	27,041	20,665	17,853	13,403
Deposits at call	33,449	29,916	-	-
NSW T-Corp Hour Glass Investment Facility	20,103	59,373	20,103	59,373
UBS Cash Plus	832	627	832	627
Total cash and cash equivalents	81,425	110,581	38,788	73,403

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

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

	Consolidated		Parent	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Balances as above	<u>81,425</u>	<u>110,581</u>	<u>38,788</u>	<u>73,403</u>
Balances per statement of cash flows	<u>81,425</u>	<u>110,581</u>	<u>38,788</u>	<u>73,403</u>

(b) Cash at bank and on hand

The National Australia Bank Business Investment Account, which closed as at 1 March 2010 was interest bearing between 0% and 1.75% (2009 between 0% to 1.75%)

(c) Deposits at call

The deposits are bearing floating interest rates between 2.33% and 5.82% (2009: 1.15% and 4.76%).

Included in the cash at bank and on hand is an amount of \$217,600 as at 31 December 2010 (2009: \$229,083) for the purpose of meeting the objectives of the estate of the late F.J. Walsh bequest.

Refer to Note 38 for details regarding credit risk, liquidity risk and market risk arising from financial instruments.

18 Receivables

	Consolidated		Parent	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Current				
Related parties	-	-	7,005	16,993
Student and other debtors	16,658	18,060	7,218	12,027
Less: provision for impaired receivables	(907)	(1,104)	(664)	(1,021)
Total net receivables	<u>15,751</u>	<u>16,956</u>	<u>13,559</u>	<u>27,999</u>
Accrued income	14,424	22,787	12,378	22,650
Total current receivables	<u>30,175</u>	<u>39,743</u>	<u>25,937</u>	<u>50,649</u>
Non-current				
Deferred government contribution for superannuation	258,070	230,619	258,070	230,619
Finance lease	21,153	21,480	21,153	21,480
Total non-current receivables	<u>279,223</u>	<u>252,099</u>	<u>279,223</u>	<u>252,099</u>
Total receivables	<u>309,398</u>	<u>291,842</u>	<u>305,160</u>	<u>302,748</u>

Refer to Note 38 for details regarding credit risk, liquidity risk and market risk arising from financial instruments.

The University fully provides for the liability arising from deferred employee entitlements payable under the State Superannuation Schemes.

The amount payable by the Commonwealth Government are in respect of:

- State Superannuation Scheme for consolidated and parent in 2010 was \$252.88 million (2009: \$226.62 million)
- State Authorities Superannuation Scheme for consolidated and parent in 2010 was \$5.19 million (2009: \$4.0 million)

Hence the total non-current deferred government contribution for superannuation for consolidated and parent in 2010 is \$258.07 million (2009: \$230.62 million)

The increase in the asset during 2010 for the State Superannuation Schemes (SSS and SASS) is \$27.45 million (2009: decrease \$35.83 million). This amount has been recorded in the Income Statement as an increase in deferred government contributions with an equivalent increase in deferred government employee benefits for superannuation.

Note 37 provides details of these defined benefit plans.

The Commonwealth Government has a commitment to fund superannuation obligations relating to past service by University employees in the State Superannuation Schemes (SSS and SASS) based on the fact that since 1987 the Commonwealth has met this commitment and there is no reason to suggest that it will not continue to do so.

Finance Lease

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

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

A finance lease receivable was created for the amount of the University net investment, which effectively comprises the present value of the minimum lease payments, discounted at a rate equal to the rate implicit in the lease.

18 Receivables (continued)

Public Private Partnerships (PPP)

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

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

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

(a) Impaired receivables

As of 31 December 2010 current receivables of the University with a nominal value of \$0.66 million (2009: \$1.02 million) were impaired.

Consolidated receivables of \$0.81 million (2009: \$1.10 million) were impaired.

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

The ageing analysis of these receivables is as follows:

	Consolidated		Parent	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
< 3 months	62	16	15	16
3 to 6 months	36	67	30	67
Over 6 months	709	1,021	619	938
	<u>807</u>	<u>1,104</u>	<u>664</u>	<u>1,021</u>

As of 31 December 2010, University receivables of \$3.35 million (2009: \$4.50 million) were past due but not impaired. Consolidated receivables of \$3.38 million (2009: \$4.70 million) were past due but not impaired.

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

The ageing analysis of these receivables is as follows:

	Consolidated		Parent	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
< 3 months	1,882	2,310	1,874	2,310
3 to 6 months	940	1,432	928	1,247
Over 6 months	523	939	509	925
Repayment of a debt previously written off	38	22	38	22
	<u>3,383</u>	<u>4,703</u>	<u>3,349</u>	<u>4,504</u>

18 Receivables (continued)

Movements in the provision for impaired receivables are as follows:

	Consolidated		Parent	
	2010	2009	2010	2009
	\$'000	\$'000	\$'000	\$'000
At 1 January	1,104	747	1,021	721
Provision for impairment recognised during the year	74	498	217	492
Receivables written off during the year as uncollectible	(622)	(212)	(612)	(214)
Repayment of debt previously written off	102	71	38	22
At 31 December	658	1,104	664	1,021

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

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

19 Inventories

	Consolidated		Parent	
	2010	2009	2010	2009
	\$'000	\$'000	\$'000	\$'000
Current				
<i>Printery</i>				
- at net realisable value	72	77	43	46
<i>Food and beverages</i>				
- at net realisable value	68	53	-	-
<i>Other Inventories</i>				
- at net realisable value	148	149	148	149
<i>Medical supplies</i>				
- at cost	2,779	-	-	-
<i>Services store</i>				
- at cost	151	-	-	-
- at net realisable value	423	536	-	-
	574	536	-	-
Total current Inventories	3,641	815	191	195
Total Inventories	3,641	815	191	195

20 Other financial assets

	Consolidated		Parent	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Current				
Available-for-sale	-	15,137	-	15,137
Held-to-maturity	19,557	20,477	19,438	20,364
Loans to related parties	-	-	8,282	-
Total current other financial assets	<u>19,557</u>	<u>35,614</u>	<u>27,720</u>	<u>35,501</u>
Non-current				
Available-for-sale	68,320	67,910	69,232	95,322
Held-to-maturity	6,383	394	5,976	-
Loans to related parties	-	-	23,300	-
Total non-current other financial assets	<u>74,703</u>	<u>68,304</u>	<u>98,508</u>	<u>95,322</u>
Total other financial assets	<u>94,260</u>	<u>103,918</u>	<u>126,228</u>	<u>130,823</u>

Current and non-current loans to related parties represent advances to Macquarie University Hospital (MUH) Operations No. 2 Limited, the operator of the Macquarie University Hospital and Clinic, that commenced operations in June 2010 and is in its start up phase. The Parent considers such advances to be recoverable in the short and medium term respectively.

Restricted Assets

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

Included in the other financial assets is an amount of \$2.44 million (2009: \$2.42 million) held by the University solely for the purposes of meeting the objectives of the Nippon Foundation and \$2.0 million (2009: \$2.0 million) for the Numismatic Fund.

The University has been accepted into the Retro Paid Loss Premium Model Workers' Compensation Insurance Scheme. A payment of \$5.98 million to guarantee insurance premiums in the event of future increased claims events has been made to WorkCover.

Refer to Note 38 for details regarding credit risk, liquidity risk and market risk arising from financial instruments.

21 Other non-financial assets

	Consolidated		Parent	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Current				
Prepayments - Library	3,330	3,490	3,330	3,490
Prepayments - Other	9,288	5,476	7,069	4,967
Lease Asset	-	-	135	-
Total current other non-financial assets	<u>12,618</u>	<u>8,966</u>	<u>10,534</u>	<u>8,457</u>
Non-current				
Other non-financial assets				
Lease Asset	-	-	3,163	-
Prepayments - Other	16,800	-	16,800	-
Total non-current other non-financial assets	<u>16,800</u>	<u>-</u>	<u>19,963</u>	<u>-</u>
Total Other non-financial assets	<u>29,418</u>	<u>8,966</u>	<u>30,497</u>	<u>8,457</u>

Macquarie University
Notes to the financial statements
31 December 2010
(continued)

22 Property, plant and equipment

Consolidated	Construction in progress \$'000	Land \$'000	Buildings \$'000	Plant and equipment ¹ \$'000	Leasehold improvements \$'000	Library General \$'000	Library Special \$'000	Works of Arts \$'000	Infrasturctur e \$'000	Total \$'000
At 1 January 2009										
- Cost	93,926	-	-	7,916	1,103	-	-	-	-	102,945
- Valuation	-	389,315	449,043	68,069	-	59,233	5,069	19,693	57,646	1,048,068
Accumulated depreciation	-	-	(2,004)	(39,195)	(1,044)	(45,290)	-	-	(503)	(88,036)
Net book amount	93,926	389,315	447,039	36,790	59	13,943	5,069	19,693	57,143	1,062,977
Year ended 31 December 2009										
Opening net book amount	93,926	389,315	447,039	36,790	59	13,943	5,069	19,693	57,143	1,062,977
Additions	147,302	-	12,228	8,520	40	7,494	-	253	2,444	178,281
Revaluation surplus	-	3,035	11,520	69	-	-	550	2,450	3,547	21,171
Assets included in a disposal group classified as held for sale and other disposals	(1,074)	-	(70)	(1,226)	-	-	-	(9)	-	(2,379)
Depreciation charge	-	-	(12,631)	(8,564)	(86)	(5,806)	-	-	(2,473)	(29,560)
Transfer between asset classes	(15,974)	(2,850)	(13,480)	3,670	478	-	-	29	1,167	-
Closing net book amount	224,180	389,500	471,566	39,259	491	15,631	5,619	22,416	61,828	1,230,490
At 31 December 2009										
- Cost	224,180	-	-	8,919	1,128	-	-	29	-	234,256
- Valuation	-	389,500	473,914	72,499	-	29,987	5,619	22,387	62,306	1,056,212
Accumulated depreciation	-	-	(2,348)	(42,159)	(637)	(14,356)	-	-	(478)	(59,978)
Net book amount	224,180	389,500	471,566	39,259	491	15,631	5,619	22,416	61,828	1,230,490

¹Plant & equipment includes motor vehicles

22 Property, plant and equipment (continued)

Consolidated	Construction in progress \$'000	Land \$'000	Buildings \$'000	Plant and equipment ¹ \$'000	Leasehold improvements \$'000	Library General \$'000	Library Special \$'000	Works of Arts \$'000	Infrastructure \$'000	Total \$'000
Year ended 31 December 2010										
Opening net book amount	224,180	389,500	471,566	39,259	491	15,631	5,619	22,416	61,828	1,230,490
Additions	117,019	-	131,709	30,571	1,242	7,323	-	130	788	288,782
Revaluation surplus	-	35,150	10,373	-	-	-	-	35	4,474	50,032
Assets classified as held for sale and other disposals	(712)	-	-	(1,302)	-	-	-	-	-	(2,014)
Depreciation charge	-	-	(13,952)	(15,312)	(324)	(6,437)	-	-	(3,024)	(39,049)
Transfer between asset classes	(225,109)	-	183,922	38,811	(359)	-	-	(28)	2,763	-
Closing net book amount	<u>115,378</u>	<u>424,650</u>	<u>783,618</u>	<u>92,027</u>	<u>1,050</u>	<u>16,517</u>	<u>5,619</u>	<u>22,553</u>	<u>66,829</u>	<u>1,528,241</u>
At 31 December 2010										
- Cost	115,378	424,650	784,942	9,238	2,339	32,126	5,619	22,553	67,092	1,470,323
- Valuation	-	-	(1,324)	(50,552)	(1,289)	(15,609)	-	-	(263)	(69,037)
Accumulated depreciation	-	-	783,618	92,027	1,050	16,517	5,619	22,553	66,829	1,528,241
Net book amount	<u>115,378</u>	<u>424,650</u>	<u>783,618</u>	<u>92,027</u>	<u>1,050</u>	<u>16,517</u>	<u>5,619</u>	<u>22,553</u>	<u>66,829</u>	<u>1,528,241</u>

¹Plant and equipment includes motor vehicles

Macquarie University
Notes to the financial statements
31 December 2010
(continued)

22 Property, plant and equipment (continued)

Parent	Construction in progress \$'000	Land \$'000	Buildings \$'000	Plant and equipment ¹ \$'000	Leasehold improvements \$'000	Library General \$'000	Library Special \$'000	Works of Arts \$'000	Infrastructur e \$'000	Total \$'000
At 1 January 2009										
- Cost	15,954	-	-	-	-	-	-	-	-	15,954
- Valuation	-	389,315	449,043	68,070	-	59,233	5,069	19,693	57,646	1,048,069
Accumulated depreciation	-	-	(2,004)	(36,081)	-	(45,290)	-	-	(503)	(83,878)
Net book amount	<u>15,954</u>	<u>389,315</u>	<u>447,039</u>	<u>31,989</u>	<u>-</u>	<u>13,943</u>	<u>5,069</u>	<u>19,693</u>	<u>57,143</u>	<u>980,145</u>
Year ended 31 December 2009										
Opening net book amount	15,954	389,315	447,039	31,989	-	13,943	5,069	19,693	57,143	980,145
Additions	75,287	-	12,228	6,838	-	7,494	-	253	2,444	104,544
Revaluation surplus	-	3,035	11,520	69	-	-	550	2,450	3,547	21,171
Assets classified as held for sale and other disposals	-	-	(70)	(879)	-	-	-	(9)	-	(958)
Depreciation charge	-	-	(12,631)	(7,239)	-	(5,805)	-	-	(2,473)	(28,148)
Transfer between asset classes	(15,861)	(2,850)	(3,480)	4,065	-	(1)	-	-	1,167	-
Closing net book amount	<u>75,380</u>	<u>389,500</u>	<u>471,566</u>	<u>34,843</u>	<u>-</u>	<u>15,631</u>	<u>5,619</u>	<u>22,387</u>	<u>61,828</u>	<u>1,076,754</u>
At 31 December 2009										
- Cost	75,380	-	-	-	-	-	-	-	-	75,380
- Valuation	-	389,500	473,914	72,161	-	29,287	5,619	22,387	62,306	1,055,874
Accumulated depreciation	-	-	(2,348)	(37,318)	-	(14,356)	-	-	(478)	(54,500)
Net book amount	<u>75,380</u>	<u>389,500</u>	<u>471,566</u>	<u>34,843</u>	<u>-</u>	<u>15,631</u>	<u>5,619</u>	<u>22,387</u>	<u>61,828</u>	<u>1,076,754</u>

¹Plant and equipment includes motor vehicles

22 Property, plant and equipment (continued)

Parent	Construction in progress \$'000	Land \$'000	Buildings \$'000	Plant and equipment ¹ \$'000	Leasehold improvements \$'000	Library General \$'000	Library Special \$'000	Works of Arts \$'000	Infrastructur e \$'000	Total \$'000
Year ended 31 December 2010										
Opening net book amount	75,380	389,500	471,566	34,843	-	15,631	5,619	22,387	61,828	1,076,754
Additions	116,648	-	281,019	25,461	1,234	7,323	-	130	788	432,603
Revaluation surplus	-	35,150	10,373	-	-	-	-	35	4,474	50,032
Assets classified as held for sale and other disposals	-	-	-	(1,131)	-	-	-	-	-	(1,131)
Depreciation charge	-	-	(13,952)	(11,015)	(247)	(6,437)	-	-	(3,024)	(34,675)
Transfer between asset classes	(76,745)	-	34,612	39,369	-	-	-	-	2,763	-
Closing net book amount	<u>115,283</u>	<u>424,650</u>	<u>783,618</u>	<u>87,527</u>	<u>987</u>	<u>16,517</u>	<u>5,619</u>	<u>22,553</u>	<u>66,829</u>	<u>1,523,583</u>
At 31 December 2010										
- Cost	115,283	424,650	784,942	133,341	1,234	32,126	5,619	22,553	67,092	1,470,323
- Valuation	-	-	(1,324)	(45,814)	(247)	(15,609)	-	-	(263)	(63,257)
Accumulated depreciation	<u>115,283</u>	<u>424,650</u>	<u>783,618</u>	<u>87,527</u>	<u>987</u>	<u>16,517</u>	<u>5,619</u>	<u>22,553</u>	<u>66,829</u>	<u>1,523,583</u>

¹Plant and equipment includes motor vehicles

22 Property, plant and equipment (continued)

(a) Valuations of land and buildings

The 2010 revaluations were based on independent assessment by Global Valuation Services Pty Ltd. Land, Building and Infrastructure was revalued with dates of inspection between 1 June 2010 to 12 July 2010 and valuation date as at 31 December 2010. The revaluation surplus was credited to property, plant and equipment revaluation reserve.

(b) Land and Buildings

As at 31 December 2010, the University is not aware of any land or native title claims against University owned land.

(c) Leased non-current assets

The University leased some of its land to commercial organisations. No depreciation has been applied to this land owned by the University. The legal ownership and the benefits and the risks of the ownership rest with the University as lessor.

It is the University's expectation that these buildings will have reached the end of their useful life when control reverts to the University.

- Macquarie University Research Park

University land at the corner of Herring and Talavera Road was developed as a site for Macquarie University Research Park. The Park is being developed through private investment. The University enters into long-term leases with investors, who finance the buildings, which are then leased to tenants. As at 31 December 2010, five buildings are occupied by tenants.

During 2010 the Macquarie University Hospital, Clinic building and Cochlear building were completed. These three developments are recorded in Land and Building and are occupied by the University, its controlled entities and leased to tenants.

23 Intangible assets

Consolidated and Parent	Patents, trademarks and other rights \$'000	Total \$'000
At 1 January 2009		
Cost	399	399
Accumulated amortisation and impairment	(6)	(6)
Net book amount	393	393
Year ended 31 December 2009		
Opening net book amount	393	393
Amortisation charge	(267)	(267)
Additions	250	250
Impairment charge	4	4
Closing net book amount	380	380
At 31 December 2009		
Cost	382	382
Accumulated amortisation and impairment	(2)	(2)
Net book amount	380	380
Consolidated and Parent		
	Patents, trademarks and other rights \$'000	Total \$'000
Year ended 31 December 2010		
Opening net book amount	380	380
Amortisation charge	(14)	(14)
Additions	170	170
Impairment charge	(21)	(21)
Closing net book amount	515	515
At 31 December 2010		
Cost	532	532
Accumulated amortisation and impairment	(17)	(17)
Closing net book amount	515	515

24 Trade and other payables

	Consolidated		Parent	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Current				
Related parties	-	-	889	647
Other entities	11,204	23,343	9,155	7,607
Accrued expense	43,271	19,419	30,363	19,094
Total current trade and other payables	<u>54,475</u>	<u>42,762</u>	<u>40,407</u>	<u>27,348</u>
Non-current				
Other entities	-	1,808	-	-
Total non-current trade and other payables	<u>-</u>	<u>1,808</u>	<u>-</u>	<u>-</u>
Total trade and other payables	<u>54,475</u>	<u>44,570</u>	<u>40,407</u>	<u>27,348</u>

Refer to Note 38 for details regarding credit risk, liquidity risk and market risk arising from financial instruments.

25 Borrowings

	Consolidated		Parent	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Current				
Unsecured				
Bank loans	1,013	118,542	903	842
Total current unsecured borrowings	<u>1,013</u>	<u>118,542</u>	<u>903</u>	<u>842</u>
Total current borrowings	<u>1,013</u>	<u>118,542</u>	<u>903</u>	<u>842</u>
Non-current				
Unsecured				
Bank Loans	10,668	11,590	10,583	11,486
Bonds	247,579	-	247,579	-
Total non-current unsecured borrowings	<u>258,247</u>	<u>11,590</u>	<u>258,162</u>	<u>11,486</u>
Total non-current borrowings	<u>258,247</u>	<u>11,590</u>	<u>258,162</u>	<u>11,486</u>
Total borrowings	<u>259,260</u>	<u>130,132</u>	<u>259,065</u>	<u>12,328</u>

Borrowings in respect of assets

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

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

The balance of the loan outstanding as at 31 December 2010 was \$11.49 million (in 2009 \$12.33 million).

In October 2007, the University received approval from the Treasurer of New South Wales to issue a Guarantee to the National Australia Bank in order for it to borrow funds to the maximum of \$123.5 million towards the construction of the Macquarie University Hospital.

The average interest rate of the loan was at 7.30% for the period of the loan and the loan was repaid on 27 September 2010

25 Borrowings (continued)

The balance of the loan available after allowing for amortised cost adjustment as at 31 December 2010 was nil (in 2009 was \$3.89 million).

Refer to Note 38 for details regarding credit risk, liquidity risk and market risk arising from financial instruments.

(a) Assets pledged as security

The Group and parent entity had no assets pledged as security in 2010 and 2009.

(b) Financing arrangements

In August 2010, the University received approval from the Treasurer of New South Wales to borrow a maximum of \$450 million, either by way of bank facilities and/or bond issue in the capital market, with a maximum term of 10 years. In September the University issued Medium Term Notes (MTN) to the value of \$250 million. The bond coupon rate is 6.75% fixed for 10 years. The University has entered into bank facilities of \$100 million each with Australia and New Zealand Banking Group and the Commonwealth Bank of Australia. The rates on both facilities are variable interest rates. As at 31 December 2010 \$200 million was available to be drawn.

(c) Fair value

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

(d) Risk exposures

Information about the Group and the parent entity's exposure to liquidity risk is provided in note 38.

26 Provisions

	Consolidated		Parent	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Current provisions expected to be settled within 12 months				
Employee benefits				
Annual leave	15,056	13,582	13,209	11,829
Long service leave	4,738	4,130	3,903	3,551
Other provisions	200	73	-	(1)
Subtotal	<u>19,994</u>	<u>17,785</u>	<u>17,112</u>	<u>15,379</u>
Current provisions expected to be settled after more than 12 months				
Employee benefits				
Annual leave	7,341	6,646	6,582	6,487
Long service leave	20,543	22,888	20,515	22,888
Subtotal	<u>27,884</u>	<u>29,534</u>	<u>27,097</u>	<u>29,375</u>
Total current provisions	<u>47,878</u>	47,319	<u>44,209</u>	44,754
Non-current provisions				
Employee benefits				
Long service leave	10,181	8,787	9,496	7,723
Deferred government benefits for superannuation	260,959	233,131	260,959	233,131
Deferred non-government benefits for superannuation	5,241	6,433	5,241	6,433
Make Good	1,446	212	1,234	-
Other provisions	1,953	1,423	1,953	1,423
Total non-current provisions	<u>279,780</u>	249,986	<u>278,883</u>	248,710
Total provisions	<u>327,658</u>	<u>297,305</u>	<u>323,092</u>	<u>293,464</u>

27 Other liabilities

	Consolidated		Parent	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Current				
Advances Other	132	-	-	-
Prepaid Income	40,786	38,979	39,172	36,696
Lease Incentive	-	-	554	-
Total current other liabilities	<u>40,918</u>	<u>38,979</u>	<u>39,726</u>	<u>36,696</u>
Non-current				
Other - Future leasing of land for hospital	-	-	-	14,000
Prepaid Income	399	-	-	-
Interest rate swap liability	4,098	-	4,098	-
Total non-current other liabilities	<u>4,497</u>	<u>-</u>	<u>4,098</u>	<u>14,000</u>
Total other liabilities	<u>45,415</u>	<u>38,979</u>	<u>43,824</u>	<u>50,696</u>

28 Reserves and retained earnings

	Consolidated			Parent	
	2010 \$'000	2009 \$'000	1 January 2009 \$'000	2010 \$'000	2009 \$'000
(a) Reserves					
Property, plant and equipment revaluation reserve	457,285	407,253	386,082	457,276	407,244
Available-for-sale investments revaluation reserve	27,003	26,830	(321)	27,003	26,830
Intangible revaluation reserve	(270)	(250)	-	(270)	(250)
Balance at 31 December	<u>484,018</u>	<u>433,833</u>	<u>385,761</u>	<u>484,009</u>	<u>433,824</u>

	Consolidated		Parent	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Movements:				
<i>Property, plant and equipment revaluation reserve</i>				
Balance 1 January	407,253	386,082	407,244	386,073
Revaluation - gross	50,032	21,171	50,032	21,171
Balance 31 December	<u>457,285</u>	<u>407,253</u>	<u>457,276</u>	<u>407,244</u>
<i>Available-for-sale investments revaluation reserve</i>				
Balance 1 January	26,830	(321)	26,830	(321)
Revaluation - gross	173	27,151	173	27,151
Balance 31 December	<u>27,003</u>	<u>26,830</u>	<u>27,003</u>	<u>26,830</u>

28 Reserves and retained earnings (continued)

	Consolidated		Parent	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Movements:				
<i>Intangible revaluation reserve</i>				
Balance 1 January	(250)	-	(250)	-
Revaluation - gross	(20)	(250)	(20)	(250)
Balance 31 December	(270)	(250)	(270)	(250)

(b) Retained earnings

Movements in retained earnings were as follows:

	Consolidated			Parent	
	2010 \$'000	2009 \$'000	1 January 2009 \$'000	2010 \$'000	2009 \$'000
Beginning of the reporting period retained earnings at 1 January	802,173	741,830	745,874	775,100	715,767
Prior year adjustment	-	-	(4,044)	-	-
Adjusted Retained earnings at 1 January	802,173	741,830	741,830	775,100	715,767
Operating result for the period	76,236	55,665	-	100,554	54,704
Actuarial gain(loss) on defined benefit plans recognised directly in retained earnings	(1,089)	4,629	-	(1,089)	4,629
SANCS adjustment for 2007-2008	-	-	-	-	-
Other movement	(1,248)	49	-	-	-
Retained earnings at 31 December	876,072	802,173	741,830	874,565	775,100

(c) Nature and purpose of reserves

(i) Property, plant and equipment revaluation reserve

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

(ii) Available-for-sale investments revaluation reserve

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

(iii) Intangible revaluation reserve

The reserve reflects the difference between the valuation assessment amount and the carrying cost.

29 Key management personnel disclosures

(a) Names of responsible persons and executive officers

The following persons were responsible persons and executive officers of Macquarie University and its controlled entities 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.

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

(i) Executive officers

Anderson, D
Dodd, P
Gorman, PJ
Piper, J
Sachs, J
Schwartz, S
Sprague, T
Trotman, C

(ii) University Council members

Bissett, A
Brodie, M
Coutts, P (until December 2010)
Crouch, E
Darvall, C
Dean, M (until December 2010)
Egan, MR
Fitness, J
Forsythe, P
Irving, MG (until December 2010)
Jones, G
Lindsay, GJ
Mundine, W
Nori, S
Rubic, S
Schwartz, S
Smith, A

(b) Remuneration of Board/ Council Members and Executives

	Consolidated		Parent	
	2010	2009	2010	2009
	Number		Number	
Remuneration of Board/ Council Members				
Nil to \$9,999	27	30	17	18
\$10,000 to \$19,999	-	1	-	-
\$20,000 to \$29,999	2	1	-	-
\$110,000 to \$119,999	1	-	-	-
\$180,000 to \$189,999	-	1	-	-
\$240,000 to \$249,999	1	-	-	-
	31	33	17	18

29 Key management personnel disclosures (continued)

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

	Consolidated		Parent	
	2010	2009	2010	2009
	Number		Number	
Remuneration of executive officers				
\$90,000 to \$99,999	-	1	-	1
\$110,000 to \$119,999	1	-	-	-
\$120,000 to \$129,999	-	1	-	-
\$150,000 to \$159,999	1	1	-	1
\$160,000 to \$169,999	2	1	-	-
\$170,000 to \$179,999	-	1	-	1
\$180,000 to \$189,999	-	1	-	-
\$190,000 to \$199,999	-	5	-	-
\$200,000 to \$209,999	1	-	-	-
\$210,000 to \$219,999	2	-	-	-
\$230,000 to \$239,999	-	1	-	-
\$240,000 to \$249,999	1	-	-	-
\$290,000 to \$299,999	1	-	1	-
\$350,000 to \$359,999	-	2	-	2
\$370,000 to \$379,999	1	-	1	-
\$380,000 to \$389,999	1	1	1	1
\$400,000 to \$409,999	-	1	-	1
\$410,000 to \$419,999	1	-	1	-
\$420,000 to \$429,999	2	-	2	-
\$430,000 to \$439,999	-	1	-	1
\$480,000 to \$489,999	1	-	1	-
\$810,000 to \$819,999	-	1	-	1
\$1,230,000 to \$1,239,999*	1	-	1	-
	16	18	8	9

*Consists of salaries of \$0.71 million for 2010 and \$0.53 million accrued for future payment (2009: Nil).

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

(c) Key management personnel compensation

	Consolidated		Parent	
	2010	2009	2010	2009
	\$'000	\$'000	\$'000	\$'000
Short-term employee benefits	4,932	4,842	3,832	3,157
Post-employment benefits	33	-	-	-
Long-term benefits	200	-	200	-
Termination benefits	-	12	-	12
	5,165	4,854	4,032	3,169

30 Remuneration of auditors

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

	Consolidated		Parent	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Assurance services				
(a) Audit services				
Fees paid to The Audit Office of NSW:				
Audit and review of financial statements and other audit work under the <i>Corporations Act 2001</i>	435	452	250	252
Total remuneration for audit services	435	452	250	252
(b) Other assurance services				
Fees paid to The Audit Office of NSW:				
Other assurance services	13	12	13	12
Total remuneration for other services	13	12	13	12
Total remuneration	448	464	263	264

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

31 Contingencies

(a) Contingent liabilities

The Group does not have any contingent liabilities as at 31 December 2010.

32 Commitments

(a) Capital commitments

Capital expenditure contracted for various building capital projects at the reporting date but not recognised as liabilities as at 31 December 2010 is as follows:

	Consolidated		Parent	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
<i>Property, plant and equipment</i>				
Payable:				
Within one year	109,634	268,603	109,634	224,677
	109,634	268,603	109,634	224,677

Included in the above capital commitment expenditures:

Macquarie University is constructing the new Hearing Hub (\$72.7 million)

(b) Lease commitments

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

	Consolidated		Parent	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Commitments in relation to leases contracted for at the reporting date but not recognised as liabilities, payable:				
Within one year	1,857	2,721	1,486	1,284
Later than one year but not later than five years	2,537	3,785	2,173	2,172
Later than five years	-	32	-	32
	4,394	6,538	3,659	3,488
Representing:				
Cancellable operating leases	25	3,148	25	131
Non-cancellable operating leases	4,369	3,390	3,634	3,357
	4,394	6,538	3,659	3,488

(i) Operating leases

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

	Consolidated		Parent	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:				
Within one year	1,851	1,276	1,480	1,254
Later than one year but not later than five years	2,518	2,089	2,154	2,078
Later than five years	-	25	-	25
	4,369	3,390	3,634	3,357

32 Commitments (continued)

(ii) *Finance leases - as lessee*

	Consolidated		Parent	
	2010	2009	2010	2009
	\$'000	\$'000	\$'000	\$'000
Commitments in relation to finance leases are payable as follows:				
Within one year	113	94	-	-
Later than one year but not later than five years	-	39	-	-
Less: Future finance charge	(4)	-	-	-
Total lease liabilities	<u>109</u>	<u>133</u>	<u>-</u>	<u>-</u>

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

Finance leases - as lessor

	Consolidated		Parent	
	2010	2009	2010	2009
	\$'000	\$'000	\$'000	\$'000
Minimum future lease payments receivables in relation to finance leases are as follows:				
Within one year	1,724	1,724	1,724	1,724
Later than one year and not later than five years	6,896	6,896	6,896	6,896
Later than five years	34,480	36,204	34,480	37,928
Less: Future finance charge	(21,947)	(23,344)	(21,947)	(24,761)
Total	<u>21,153</u>	<u>21,480</u>	<u>21,153</u>	<u>21,787</u>

The amount for GST in the finance lease was \$1.84million in 2010 (2009: \$1.84 million).

The University has entered into a finance lease with Campus Living Pty Ltd to manage and operate the student accommodation known as Macquarie University Village Stage 1. The lease commenced in December 2006 and is for 30 years.

(d) **Operating property leases**

Property leases in CBD for Centre for Money, Banking and Finance, Macquarie International, MGSM and AccessMQ.

	Consolidated		Parent	
	2010	2009	2010	2009
	\$'000	\$'000	\$'000	\$'000
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:				
Within one year	2,682	1,371	1,181	311
Later than one year but not later than five years	5,822	4,279	3,171	3,332
Total	<u>8,504</u>	<u>5,650</u>	<u>4,352</u>	<u>3,643</u>

32 Commitments (continued)

(e) Other expenditure commitments

	Consolidated		Parent	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Commitments for goods and services in existence at the reporting date but not recognised as liabilities, payable:				
Within one year	<u>29,255</u>	13,971	<u>29,255</u>	13,971
	<u>29,255</u>	<u>13,971</u>	<u>29,255</u>	<u>13,971</u>

33 Related parties

(a) Subsidiaries

Interests in subsidiaries are set out in note 34.

As at 31 December 2010, the University is the ultimate parent entity of nineteen operational wholly owned controlled entities.

The University has partial ownership in the following controlled entity LAMS International Pty Ltd (77%). All controlled entities are incorporated in Australia.

The University has provided unconditional financial support to MUH Operations No.2 Ltd and Macquarie University Property Investment Trust (MUPIT). This unconditional support, has effect until 12 (twelve) months from the date of signing of the financial statements of all entities listed above.

34 Subsidiaries

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

Name of entity	Country of incorporation	Class of shares	Equity holding	
			2010 %	2009 %
Centre for Money, Banking and Finance Limited (CMBF)	Australia	Limited by Guarantee	100	100
Australian Proteome Analysis Facility Ltd (APAF)	Australia	Limited by Guarantee	100	100
Macquarie Graduate School of Management Pty Ltd (MGSM)	Australia	Ordinary	100	100
Access Macquarie Ltd (AccessMQ)	Australia	Limited by Guarantee	100	100
LAMS International Pty Ltd (LAMS Intl)	Australia	Ordinary	77	77
LAMS Foundation Limited	Australia	Limited by Guarantee	100	100
U@MQ Ltd	Australia	Limited by Guarantee	100	100
Macquarie University Medical Research Foundation Ltd	Australia	Limited by Guarantee	100	100
Macquarie University Medical Research Trust	Australia	Units	-	100
Macquarie University Private Hospital Trust	Australia	Units	-	100
MU Hospital Pty Ltd	Australia	Ordinary	100	100
MUPH Clinic Pty Ltd	Australia	Ordinary	100	100
MUPH Hospital Pty Ltd	Australia	Ordinary	100	100
Macquarie University Private Hospital (MUPH) Clinic Sub-Trust	Australia	Units	-	100
Macquarie University Private Hospital (MUPH) Sub-Trust	Australia	Units	-	100
Macquarie University Property Investment Trust (MUPIT)	Australia	Units	100	100
Macquarie University Property Investment Company No. 2 Pty Ltd	Australia	Ordinary	100	100
Macquarie University Property Investment Company No. 3 Pty Ltd	Australia	Ordinary	100	100
Macquarie University Property Investment Company Pty Ltd	Australia	Ordinary	100	100
Macquarie University Property Investment Trust (MUPIT) Sub-Trust No. 1	Australia	Units	-	100
Macquarie University Property Investment Trust (MUPIT) Sub-Trust No. 2	Australia	Units	-	100
Macquarie University Property Investment Trust (MUPIT) Sub-Trust No. 3	Australia	Units	-	100
Macquarie University Property Investment Trust (MUPIT) Sub-Trust No. 4	Australia	Units	-	100
Macquarie University Property Investment Trust (MUPIT) Holding Trust No. 1	Australia	Units	-	100
Macquarie University Property Investment Trust (MUPIT) Holding Trust No. 2	Australia	Units	-	100
Macquarie University Property Investment Trust (MUPIT) Holding Trust No. 3	Australia	Units	-	100
Macquarie University Property Investment Trust (MUPIT) Holding Trust No. 4	Australia	Units	-	100
Macquarie University Property Investment Trust (MUPIT) Holding Trust No. 5	Australia	Units	-	100
Macquarie University Property Investment Trust (MUPIT) Holding Trust No. 6	Australia	Units	-	100
Risk Frontiers Group Pty Ltd	Australia	Ordinary	100	100
Risk Frontiers Flood (Australia) Pty Ltd	Australia	Ordinary	100	100
MUH Operations Pty Ltd	Australia	Ordinary	100	100
MUH Operations No.2 Ltd	Australia	Limited by Guarantee	100	100
COH Property Trust	Australia	Units	100	100

34 Subsidiaries (continued)

Macquarie University

As at 31 December 2010, the following trusts were terminated as a result of an internal restructure in order to simplify the group corporate structure:

- Macquarie University Medical Research Trust
- MU Private Hospital (MUPH) Clinic Sub Trust
- MU Private Hospital (MUPH) Hospital Sub Trust
- MU Private Hospital Trust
- MU Property Investment Trust (MUPIT) Sub-Trust No 1
- MU Property Investment Trust (MUPIT) Sub-Trust No 2
- MU Property Investment Trust (MUPIT) Sub-Trust No 3
- MU Property Investment Trust (MUPIT) Sub-Trust No 4
- MU Property Investment Trust (MUPIT) Holding Trust No. 1
- MU Property Investment Trust (MUPIT) Holding Trust No. 2
- MU Property Investment Trust (MUPIT) Holding Trust No. 3
- MU Property Investment Trust (MUPIT) Holding Trust No. 4
- MU Property Investment Trust (MUPIT) Holding Trust No. 5
- MU Property Investment Trust (MUPIT) Holding Trust No. 6

In addition, assets and liabilities of COH Property Trust were transferred to the Parent.

The accounting policy for this note is outlined in the accounting policies 1(a) and has no impact on consolidation.

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

Consequently, non-cash distributions involving entities under common control are treated as contributions by owners/distributions to owners and are accounted for through equity, as a redemption of ownership interest. Transfers of businesses, assets and liabilities under common control are done at book values through equity. Intercompany loans between entities under common control are accounted for through equity.

Material assets transferred directly to the Parent were: Clinic building (\$47.4 million), Cochlear building (\$132.1 million), Hospital building (\$113.9 million) and Lease asset (\$14 million).

Material liabilities transferred directly to the Parent were: Subsidiaries entities loans (\$283.2 million).

Expense recognised for the Parent was: Impairment (\$2.5 million)

The Parent's investment in the entities has reduced from \$26.5 million to \$2.

34 Subsidiaries (continued)

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

	Centre for Money, Banking and Finance Ltd \$'000	Australian Proteome Analysis Facility Ltd \$'000	Macquarie Graduate School of Management \$'000	Access Macquarie Ltd* \$'000	LAMS International Pty Ltd \$'000	U@MQ Ltd \$'000	Macquarie University Property Investment Trust \$'000	MUH Operations No.2 Ltd \$'000	Total \$'000
As at 31 December 2009									
Current assets	1,494	1,060	15,632	15,530	230	9,988	1,218	-	45,152
Non-current assets	12	-	1,387	1,180	21	7,431	162,374	-	172,405
Total assets	1,506	1,060	17,019	16,710	251	17,419	163,592	-	217,557
Current liabilities	182	884	4,462	11,252	99	2,436	121,076	-	140,391
Non-current liabilities	11	-	351	672	-	345	17,020	-	18,399
Total liabilities	193	884	4,813	11,924	99	2,781	138,096	-	158,790
Net assets	1,313	176	12,206	4,786	152	14,638	25,496	-	58,767
Represented by:									
Reserves	-	-	-	-	-	-	-	-	-
Retained profit/(losses)	1,313	176	12,206	4,786	152	14,638	25,496	-	58,767
Net equity	1,313	176	12,206	4,786	152	14,638	25,496	-	58,767

Macquarie University
Notes to the financial statements
31 December 2010
(continued)

34 Subsidiaries (continued)

	Centre for Money, Banking and Finance Ltd \$'000	Australian Proteome Analysis Facility Ltd \$'000	Macquarie Graduate School of Management \$'000	Access Macquarie Ltd* \$'000	LAMS International Pty Ltd \$'000	U@MQ Ltd \$'000	Macquarie University Property Investment Trust \$'000	MUH Operations No.2 Ltd \$'000	Total \$'000
As at 31 December 2010									
Current assets	1,649	1,165	18,713	14,470	275	8,715	115	15,680	60,782
Non-current assets	8	-	936	679	17	3,425	-	-	5,065
Total assets	1,657	1,165	19,649	15,149	292	12,140	115	15,680	65,847
Current liabilities	183	522	3,908	12,156	137	2,423	31	16,682	36,052
Non-current liabilities	33	399	332	306	-	226	84	26,491	27,871
Total liabilities	216	921	4,240	12,462	137	2,649	115	43,183	63,923
Net assets	1,441	244	15,409	2,687	155	9,491	-	(27,503)	1,924
Represented by:									
Reserves	-	-	-	-	-	-	-	-	-
Retained profit/(losses)	1,441	244	15,409	2,687	155	9,491	-	(27,503)	1,924
Net equity	1,441	244	15,409	2,687	155	9,491	-	(27,503)	1,924

*Includes Risk Frontiers Flood (Australia) Pty Ltd

35 Joint ventures, associates and minority interests

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

1. Sydney Educational Broadcasting Limited

The University has a 50% joint venture interest in the F.M. radio station, 2SER-FM. The University of Technology, Sydney (UTS) holds the remaining 50% interest in the station. The University's contribution to the operations of the company in 2010 was \$0.20 million (2009: \$0.20 million). The company is independently audited by the Auditor-General of New South Wales and its Financial Statements are not included in the Consolidated Financial Statements of the University.

2. Sydney Institute Marine Science Limited

Sydney Institute Marine Science Limited (SIMS) is a partnership between Macquarie University, University of New South Wales (UNSW), the University of Sydney and the University of Technology, Sydney (UTS). SIMS is a joint venture, research facility based on Sydney Harbour's North Shore at Chowder Bay. It will bring together key researchers to form cross-disciplinary teams of leading scientists working on issues that are critical for the sustainable management of our coastal and oceanic environments. The University holds a 25% interest in the company. The University did not adopt equity accounting as its shares of results of operations, assets, liabilities and equity is not considered material.

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

	Consolidated		Parent	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Operating result for the period	76,236	55,665	100,554	54,704
Depreciation and amortisation	39,063	29,573	34,689	28,162
Net (gain) / loss on sale of non-current assets	330	23	-	-
(Gain)/ loss on disposal of fixed assets	(972)	(549)	(972)	(549)
(Increase) / decrease in trade debtors	17,238	12,918	24,890	10,831
(Increase) / decrease in inventories	(2,027)	116	4	(211)
(Increase)/ decrease in prepayments	(18,877)	4,371	(18,877)	4,371
Decrease / (increase) in other financial assets at fair value through profit or loss	-	61	-	-
(Increase) / decrease in other operating assets	(1,647)	54	2,449	-
Increase / (decrease) increase in other operating liabilities	(3,483)	(131)	(6,280)	-
Increase / (decrease) in trade creditors	19,333	920	13,060	2,225
(Increase)/ decrease in prepaid income	-	3,135	-	3,135
(Increase)/ decrease in provision for employee entitlements	29,628	(39,651)	29,628	(39,651)
Increase / (decrease) in other provisions	2,781	5,328	-	4,629
Net cash provided by / (used in) operating activities	157,603	71,833	179,145	67,646

37 Defined Benefit Plans

(a) General description of the type of plan

The Pooled Fund holds in trust the investments of the closed NSW public sector superannuation schemes:

State Authorities Superannuation Scheme (SASS)

State Authorities Non-contributory Superannuation Scheme (SANCS)

State Superannuation Scheme (SSS)

The Professorial Superannuation Fund (PSF) is a combination of an accumulation benefit and a defined benefit.

The Professorial Superannuation Scheme was an alternative superannuation arrangement to the State Superannuation Scheme that was available to professors of the University, until its closure to new entrants in 1988.

The scheme provides active members with a combination of accumulation benefits and defined benefits. Pensioner members receive pension payments from the scheme.

The University commenced its funding of the previously unfunded "non-contributory pension" during the 2006 year.

The above schemes are all defined benefit schemes or at least a component of the final benefit is derived from a multiple of member salary and years of membership. All schemes are closed to new members.

(b) Statements of financial position amounts

The amounts recognised in the statement of financial position are determined as follows:

	SASS	SANCS	SSS	PSF	Total
	2010	2010	2010	2010	2010
	\$'000	\$'000	\$'000	\$'000	\$'000
2010					
Present value of defined benefit obligations	35,681	7,110	354,536	16,438	413,765
Fair value of plan assets	<u>(30,496)</u>	<u>(4,221)</u>	<u>(101,651)</u>	<u>(11,197)</u>	<u>(147,565)</u>
Liability recognised in the statement of financial position	<u>5,185</u>	<u>2,889</u>	<u>252,885</u>	<u>5,241</u>	<u>266,200</u>

	SASS	SANCS	SSS	PSF	Total
	2009	2009	2009	2009	2009
	\$'000	\$'000	\$'000	\$'000	\$'000
2009					
Present value of defined benefit obligations	35,847	7,169	341,717	17,179	401,912
Fair value of plan assets	<u>(31,847)</u>	<u>(4,657)</u>	<u>(115,097)</u>	<u>(10,746)</u>	<u>(162,347)</u>
Liability recognised in the statement of financial position	<u>4,000</u>	<u>2,512</u>	<u>226,620</u>	<u>6,433</u>	<u>239,565</u>

All Fund assets are invested at arm's length through independent funds managers.

37 Defined Benefit Plans (continued)

The percentage invested in each asset class at statements of financial position date:

	SASS	SANCS	SSS	PSF
	2010	2010	2010	2010
	%	%	%	%
2010				
Australian equities	33.70	33.70	33.70	-
Overseas equities	29.30	29.30	29.30	-
Australian fixed interest securities	5.70	5.70	5.70	-
Overseas fixed interest securities	2.90	2.90	2.90	-
Equity securities - fair value relative to total %	-	-	-	45.10
Debt securities - fair value relative to total %	-	-	-	14.20
Property	9.50	9.50	9.50	8.80
Cash	6.10	6.10	6.10	-
Other	12.80	12.80	12.80	31.90
	SASS	SANCS	SSS	PSF
	2009	2009	2009	2009
	%	%	%	%
2009				
Australian equities	33.10	33.10	33.10	-
Overseas equities	26.80	26.80	26.80	-
Australian fixed interest securities	5.80	5.80	5.80	-
Overseas fixed interest securities	4.10	4.10	4.10	-
Equity securities - fair value relative to total %	-	-	-	58.40
Debt securities - fair value relative to total %	-	-	-	19.20
Property	9.20	9.20	9.20	6.80
Cash	7.80	7.80	7.80	-
Other	13.20	13.20	13.20	15.60

37 Defined Benefit Plans (continued)

(c) Reconciliation showing the movements during the period in the net liability recognised in the statements of financial position;

	SASS 2010 \$'000	SANCS 2010 \$'000	SSS 2010 \$'000	PSF 2010 \$'000	Total 2010 \$'000
2010					
Reconciliation of the present value of the defined benefit obligation, which is partly funded:					
Balance at the beginning of the year	35,847	7,169	341,717	17,179	401,912
Current service cost	1,207	317	605	547	2,676
Interest cost	1,954	380	19,217	625	22,176
Contribution by fund participants	524	-	800	-	1,324
Actuarial gain(loss)	710	315	14,080	45	15,150
Benefit paid	(4,561)	(1,071)	(21,883)	(1,449)	(28,964)
Expenses paid	-	-	-	(509)	(509)
Balance at the end of the year	<u>35,681</u>	<u>7,110</u>	<u>354,536</u>	<u>16,438</u>	<u>413,765</u>

	SASS 2010 \$'000	SANCS 2010 \$'000	SSS 2010 \$'000	PSF 2010 \$'000	Total 2010 \$'000
Reconciliation of the fair value of plan assets					
Balance at the beginning of the year	31,847	4,657	115,098	10,746	162,348
Expected return on fund assets	2,548	446	8,947	831	12,772
Actuarial gain(loss)	(1,096)	(234)	(2,054)	(495)	(3,879)
Employer contribution	1,234	423	743	2,073	4,473
Contribution by fund participants	524	-	800	-	1,324
Benefit paid	(4,561)	(1,071)	(21,883)	(1,449)	(28,964)
Expenses paid	-	-	-	(509)	(509)
Balance at the end of the year	<u>30,496</u>	<u>4,221</u>	<u>101,651</u>	<u>11,197</u>	<u>147,565</u>

Reconciliation of the assets and liabilities recognised in the statements of financial position

Present value of defined benefit fund obligations at end of year	35,681	7,110	354,536	16,438	413,765
Fair value of fund assets at end of year	<u>(30,496)</u>	<u>(4,221)</u>	<u>(101,651)</u>	<u>(11,197)</u>	<u>(147,565)</u>
Net Liability/(Asset) recognised in statements of financial position at end of year	<u>5,185</u>	<u>2,889</u>	<u>252,885</u>	<u>5,241</u>	<u>266,200</u>

Deferred income due from Commonwealth / State Government

	<u>5,185</u>	<u>-</u>	<u>252,885</u>	<u>-</u>	<u>258,070</u>
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37 Defined Benefit Plans (continued)

	SASS 2009 \$'000	SANCS 2009 \$'000	SSS 2009 \$'000	PSF 2009 \$'000	Total 2009 \$'000
2009					
Reconciliation of the present value of the defined benefit obligation, which is partly funded:					
Balance at the beginning of the year	35,686	8,061	381,188	20,538	445,473
Current service cost	1,324	377	732	702	3,135
Interest cost	1,388	305	15,155	547	17,395
Contribution by fund participants	571	-	1,173	-	1,744
Actuarial gain(loss)	(1,019)	(587)	(36,529)	(2,654)	(40,789)
Benefit paid	(2,103)	(987)	(20,002)	(1,299)	(24,391)
Expenses paid	-	-	-	(655)	(655)
Balance at the end of the year	<u>35,847</u>	<u>7,169</u>	<u>341,717</u>	<u>17,179</u>	<u>401,912</u>
	SASS 2009 \$'000	SANCS 2009 \$'000	SSS 2009 \$'000	PSF 2009 \$'000	Total 2009 \$'000
Reconciliation of the fair value of plan assets					
Balance at the beginning of the year	28,713	4,663	121,716	8,900	163,992
Expected return on fund assets	2,236	444	9,211	552	12,443
Actuarial gain(loss)	1,140	82	2,163	1,306	4,691
Employer contribution	1,290	455	836	1,942	4,523
Contribution by fund participants	571	-	1,173	-	1,744
Benefit paid	(2,103)	(987)	(20,001)	(1,299)	(24,390)
Expenses paid	-	-	-	(655)	(655)
Balance at the end of the year	<u>31,847</u>	<u>4,657</u>	<u>115,098</u>	<u>10,746</u>	<u>162,348</u>
Reconciliation of the assets and liabilities recognised in the statements of financial position					
Present value of defined benefit fund obligations at end of year	35,847	7,169	341,717	17,179	401,912
Fair value of fund assets at end of year	<u>(31,847)</u>	<u>(4,657)</u>	<u>(115,097)</u>	<u>(10,746)</u>	<u>(162,347)</u>
Net Liability/(Asset) recognised in statements of financial position at end of year	<u>4,000</u>	<u>2,512</u>	<u>226,620</u>	<u>6,433</u>	<u>239,565</u>
Deferred income due from Commonwealth / State Government	<u>4,000</u>	<u>-</u>	<u>226,620</u>	<u>-</u>	<u>230,620</u>

37 Defined Benefit Plans (continued)

(d) Total expense recognised in the income statement for each of the following, and the line item(s) of the income statement and statement of comprehensive income in which they are included:

	SASS 2010 \$'000	SANCS 2010 \$'000	SSS 2010 \$'000	PSF 2010 \$'000	Total 2010 \$'000
2010					
Expenses recognised in income statement					
Current service cost	1,207	317	605	547	2,676
Interest cost	1,954	380	19,217	625	22,176
Expected return on plan assets	(2,548)	(446)	(8,947)	(831)	(12,772)
Net actuarial gain(loss)	-	-	-	-	-
Expected return on reimbursement rights	(613)	-	(10,875)	-	(11,488)
Expense recognised in the income statement	<u>-</u>	<u>251</u>	<u>-</u>	<u>341</u>	<u>592</u>

Amounts recognised in other comprehensive income

Actuarial gain(loss)	1,806	(549)	16,134	(540)	16,851
Adjustment for limit on net assets	-	-	-	-	-
Actuarial losses on defined benefit	(710)	-	(14,080)	-	(14,790)
Actuarial losses on plan assets	(1,096)	-	(2,054)	-	(3,150)
Other comprehensive income	<u>-</u>	<u>(549)</u>	<u>-</u>	<u>(540)</u>	<u>(1,089)</u>

SASS 2009 \$'000	SANCS 2009 \$'000	SSS 2009 \$'000	PSF 2009 \$'000	Total 2009 \$'000
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2009

Expenses recognised in income statement

Current service cost	1,324	377	732	702	3,135
Interest cost	1,388	305	15,155	547	17,395
Expected return on plan assets	(2,236)	(444)	(9,211)	(552)	(12,443)
Expected return on reimbursement rights	(476)	-	(6,676)	-	(7,152)
Expense recognised in the income statement	<u>-</u>	<u>238</u>	<u>-</u>	<u>697</u>	<u>935</u>

Amounts recognised in other comprehensive income

Actuarial gain(loss)	(2,159)	669	(38,692)	3,960	(36,222)
Adjustment for limit on net assets	-	-	-	-	-
Actuarial loss on defined benefit	1,019	-	36,529	-	37,548
Actuarial loss on plan assets	1,140	-	2,163	-	3,303
Other comprehensive income	<u>-</u>	<u>669</u>	<u>-</u>	<u>3,960</u>	<u>4,629</u>

Cumulative amount recognised in other comprehensive income.

Cumulative amount recognised in other comprehensive income for 2010 was a gain of \$3.54 million (2009: gain of \$4.629 million).

(e) Expected rate of return on assets

The expected return on assets assumption is determined by weighing the expected long-term return for each asset class by the target allocation of assets to each class. The returns used for each class are net of investment tax and investment fees.

37 Defined Benefit Plans (continued)

Actual return on funds:

	SASS \$'000	SANCS \$'000	SSS \$'000	PSF \$'000	Total \$'000
For the year ended 31 December 2010	1,343	211	4,674	336	6,564
For the year ended 31 December 2009	3,172	525	11,705	1,858	17,260

(f) **Valuation method and principal actuarial assumptions used as at the reporting date, including, where applicable:**

Valuation method:

The Projected Unit Credit (PUC) valuation method was used to determine the present value of the defined benefit obligations and the related current service costs. This method sees each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation.

Economic Assumptions:

	SASS %	SANCS %	SSS %	PSF %
2010				
The discount rates (gross of tax)	-	-	-	5.60
The discount rates (net of tax)	5.59	5.59	5.59	4.80
The expected rates of return on any plan assets for the periods presented in the financial statements	8.60	8.60	8.60	7.20
The expected rates of salary increases	3.50	3.50	3.50	3.50
The expected rate of CPI increase	2.50	2.50	2.50	-
2009				
The discount rates (gross of tax)	-	-	-	5.80
The discount rates (net of tax)	5.81	5.81	5.81	4.90
The expected rates of return on any plan assets for the periods presented in the financial statements	8.30	8.30	8.30	7.70
The expected rates of salary increases	3.50	3.50	3.50	4.00
The expected rate of CPI increase	2.50	2.50	2.50	-

Demographic Assumptions:

The demographic assumptions at 31 December 2010 are those that were used in the 2009 triennial actuarial valuation. The triennial review report is available from the NSW Treasury website.

37 Defined Benefit Plans (continued)

Funding Arrangements for Employer Contributions

(g) Surplus/deficit

The following is a summary of 31 December 2010 financial position of the Fund calculated with AAS 25 *Financial Reporting by Superannuation Plans*:

	SASS \$'000	SANCS \$'000	SSS \$'000
2010			
Accrued benefits	34,424	6,767	275,564
Net market value of Fund assets	<u>(30,495)</u>	<u>(4,221)</u>	<u>(101,651)</u>
Net (surplus)/deficit	<u>3,929</u>	<u>2,546</u>	<u>173,913</u>
	SASS \$'000	SANCS \$'000	SSS \$'000
2009			
Accrued benefits	34,734	6,876	269,095
Net market value of Fund assets	<u>(31,847)</u>	<u>(4,657)</u>	<u>(115,098)</u>
Net (surplus)/deficit	<u>2,887</u>	<u>2,219</u>	<u>153,997</u>

(h) Employer contributions

	SASS %	SANCS %	SSS %	PSF %
2010				
% of member salary	-	17	-	-
2009				
% of member salary	-	17	-	-

For the Professorial Superannuation Fund, according to the latest actuarial review, Group contributions were based on the projected benefit payments and expenses.

For other state schemes, the method used to determine the employer contribution recommendations at the last actuarial review was the Aggregate Funding Method.

Under the Aggregate Funding Method, the employer contribution rate is determined so that sufficient assets will be available to meet benefit payments to existing members, taking into account the current value of assets and future contributions.

	SASS \$'000	SANCS \$'000	SSS \$'000	PSF \$'000	Total \$'000
2010					
Expected next year employer contribution	<u>-</u>	<u>2,327</u>	<u>-</u>	<u>2,145</u>	<u>4,472</u>

(i) Funding method

Contributions rate are set after discussions between the employer, STC and NSW Treasury.

37 Defined Benefit Plans (continued)

(j) Economic assumptions

The economic assumptions for the 2009 actuarial review of the Fund are:

<i>Weighted-average assumptions</i>	(%)
Expected rate of return on Fund assets backing current pension liabilities	8.30
Expected rate of return on Fund assets backing other liabilities	7.30
Expected salary increase rate	4.00
Expected rate of CPI increase	2.50

(k) Nature of asset/liability

If a surplus exists in the employer's interest in the Fund, the employer may be able to take advantage of it in the form of a reduction in the required contribution rate, depending on the advice of the Fund's actuary.

Where a deficiency exists, the employer is responsible for any difference between the employer's share of Fund assets and the defined benefit obligation.

(l) Historic Summary

	SASS 2010 \$'000	SANCS 2010 \$'000	SSS 2010 \$'000	PSF 2010 \$'000	Total 2010 \$'000
2010					
Defined benefit plan obligation	35,681	7,110	354,536	16,438	413,765
Plan assets	<u>(30,496)</u>	<u>(4,221)</u>	<u>(101,651)</u>	<u>(11,197)</u>	<u>(147,565)</u>
Deficit	<u>5,185</u>	<u>2,889</u>	<u>252,885</u>	<u>5,241</u>	<u>266,200</u>
Experience adjustments arising on plan liabilities	710	315	14,080	414	15,519
Experience adjustments arising on plan assets	<u>1,096</u>	<u>234</u>	<u>2,054</u>	<u>495</u>	<u>3,879</u>
	<u>1,806</u>	<u>549</u>	<u>16,134</u>	<u>909</u>	<u>19,398</u>
	SASS 2009 \$'000	SANCS 2009 \$'000	SSS 2009 \$'000	PSF 2009 \$'000	Total 2009 \$'000
2009					
Defined benefit plan obligation	35,847	7,169	341,717	17,179	401,912
Plan assets	<u>(31,847)</u>	<u>(4,657)</u>	<u>(115,098)</u>	<u>(10,746)</u>	<u>(162,348)</u>
Deficit	<u>4,000</u>	<u>2,512</u>	<u>226,619</u>	<u>6,433</u>	<u>239,564</u>
Experience adjustments arising on plan liabilities	(1,019)	(587)	(36,529)	(131)	(38,266)
Experience adjustments arising on plan assets	<u>(1,140)</u>	<u>81</u>	<u>(2,163)</u>	<u>(1,306)</u>	<u>(4,528)</u>
	<u>(2,159)</u>	<u>(506)</u>	<u>(38,692)</u>	<u>(1,437)</u>	<u>(42,794)</u>

37 Defined Benefit Plans (continued)

(m) 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.

UniSuper is not considered to be controlled by the University and therefore the excess/shortfall of assets over accrued benefits have not been included in the University's accounts.

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.

As at 30 June 2010, the assets of the DBD in aggregate were estimated to be \$1,217 million in deficiency of vested benefits. The vested benefits are benefits which are not conditional upon continued membership (or any factor other than leaving the service of the participating institution) and include the value of CPI indexed pensions being provided by the DBD.

As at 30 June 2010, the assets of the DBD in aggregate were estimated to be \$312 million in excess of accrued benefits. The accrued benefits have been calculated as the present value of expected future benefits payments to members and CPI indexed pensioners which arise from membership of UniSuper up to the reporting date.

The vested benefit and accrued benefit liabilities were determined by the Fund's actuary, Russell Employee Benefits, using the actuarial demographic assumptions outlined in their report dated 12 June 2009 on actuarial investigation of DBD as at 31 December 2008. The financial assumptions used were:

	Vested Benefits %	Accrued Benefits %
Gross of tax investment return	7.25	8.50
Net of tax investment return	6.75	8.00
Consumer Price Index	2.75	2.75
Inflationary salary increases long term	3.75	3.75
Assets have been included at their net market value, i.e. allowing for realisation costs.		

38 Financial risk management

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

The Group's Finance and Facilities Committee reviews the University's Financial Risk at each of its bi-monthly meetings. The Group's Investment Policy and Strategy has been determined by the Finance and Facilities Committee and is also reviewed against performance by senior University management. The Group has minimal exposure to Foreign Exchange risk.

(a) Market risk

(i) Foreign exchange risk

The Group is exposed to fluctuations in foreign currencies arising from the purchase of goods and services in currencies other than the Group's functional currency. The Group used foreign currency derivative products.

(ii) Price risk

The University is exposed to equity securities price risk. This arises from investments held by the University and classified on the statement of financial position as available-for-sale. The University has no direct exposure to commodity price risk.

38 Financial risk management (continued)

(iii) Cash flow and fair value interest rate risk

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

(iv) Summarised sensitivity analysis

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

Consolidated	Carrying amount	Interest rate risk				Foreign exchange risk				Other price risk			
		-1%		+1%		-10%		+10%		-10%		+10%	
31 December 2010	\$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000
Financial assets													
Cash and cash equivalents	81,425	(814)	-	814	-	-	-	-	-	-	-	-	-
Accounts receivable	288,243	-	-	-	-	-	-	-	-	-	-	-	-
Finance lease receivable	21,153	-	(212)	-	212	-	-	-	-	-	(2,115)	-	2,115
Other financial assets	25,942	-	(259)	-	259	-	-	-	-	-	(2,594)	-	2,594
Listed investments	63,234	-	(632)	-	632	-	-	-	-	-	(6,323)	-	6,323
Unquoted investments	5,086	-	(51)	-	51	-	-	-	-	-	(509)	-	509
Financial liabilities													
Trade payables	54,475	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings	259,259	-	-	-	-	-	-	-	-	-	-	-	-
Total increase/ (decrease)		(814)	(1,154)	814	1,154	-	-	-	-	-	(11,541)	-	11,541

Consolidated	Carrying amount	Interest rate risk				Foreign exchange risk				Other price risk			
		-1%		+1%		-10%		+10%		-10%		+10%	
31 December 2009	\$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000
Financial assets													
Cash and cash equivalents	110,581	(1,106)	-	1,106	-	-	-	-	-	-	-	-	-
Accounts receivable	270,361	-	-	-	-	-	-	-	-	-	-	-	-
Finance lease receivable	21,480	-	(215)	-	215	-	-	-	-	-	(2,148)	-	2,148
Other financial assets	36,008	-	(360)	-	360	-	-	-	-	-	(3,601)	-	3,601
Listed investments	64,554	-	(646)	-	646	-	-	-	-	-	(6,455)	-	6,455
Unquoted investments	3,356	-	(34)	-	34	-	-	-	-	-	(336)	-	336
Financial liabilities													
Trade payables	44,570	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings	130,132	-	-	-	-	-	-	-	-	-	-	-	-
Total increase/ (decrease)		(1,106)	(1,255)	1,106	1,255	-	-	-	-	-	(12,540)	-	12,540

38 Financial risk management (continued)

Parent	Carrying amount	Interest rate risk				Foreign exchange risk				Other price risk			
		-1%		+1%		-10%		+10%		-10%		+10%	
31 December 2010	\$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000
Financial assets													
Cash and cash equivalents	38,788	(388)	-	388	-	-	-	-	-	-	-	-	-
Accounts receivable	284,009	-	-	-	-	-	-	-	-	-	-	-	-
Finance lease receivable	21,153	-	(212)	-	212	-	-	-	-	-	(2,115)	-	2,115
Other financial assets	56,996	-	(570)	-	570	-	-	-	-	-	-	-	-
Listed investments	63,234	-	(632)	-	632	-	-	-	-	-	(6,323)	-	6,323
Unquoted investments	5,998	-	(60)	-	60	-	-	-	-	-	(600)	-	600
Financial liabilities													
Trade payables	40,407	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings	259,064	-	-	-	-	-	-	-	-	-	-	-	-
Total increase/ (decrease)		(388)	(1,474)	388	1,474	-	-	-	-	-	(9,038)	-	9,038

Parent	Carrying amount	Interest rate risk				Foreign exchange risk				Other price risk			
		-1%		+1%		-10%		+10%		-10%		+10%	
31 December 2009	\$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000
Financial assets													
Cash and cash equivalents	73,403	(734)	-	734	-	-	-	-	-	-	-	-	-
Accounts receivable	281,268	-	-	-	-	-	-	-	-	-	-	-	-
Finance lease receivable	21,480	-	(215)	-	215	-	-	-	-	-	(2,148)	-	2,148
Other financial assets	35,501	-	(355)	-	355	-	-	-	-	-	-	-	-
Listed investments	64,554	-	(646)	-	646	-	-	-	-	-	(6,455)	-	6,455
Unquoted investments	30,768	-	(308)	-	308	-	-	-	-	-	(3,077)	-	3,077
Financial liabilities													
Trade payables	27,348	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings	12,328	-	-	-	-	-	-	-	-	-	-	-	-
Total increase/ (decrease)		(734)	(1,524)	734	1,524	-	-	-	-	-	(11,680)	-	11,680

(b) Credit risk

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

Credit Risk Exposures

Credit risk is the risk of financial loss arising from another party to a contract or financial position failing to discharge a financial obligation there under. The consolidated maximum exposure to credit risk is represented by the carrying amounts of the financial assets included in the consolidated statement of financial position.

38 Financial risk management (continued)

2010 Consolidated	Governments \$'000	Financial Institutions \$'000	Students \$'000	Others \$'000	Total \$'000
Financial assets					
Cash assets	20,103	61,318	-	4	81,425
Receivables	259,848	856	3,881	23,658	288,243
Finance lease receivables	-	-	-	21,153	21,153
Other financial receivables	-	19,964	-	5,978	25,942
Listed investments	-	6,914	-	56,320	63,234
Unquoted investments	-	-	-	5,086	5,086
Total financial assets	279,951	89,052	3,881	112,199	485,083

2009 Consolidated	Governments '000	Financial institutions \$'000	Students \$'000	Others \$'000	Total \$'000
Financial assets					
Cash assets	-	110,575	-	6	110,581
Receivables	232,903	746	641	36,071	270,361
Finance lease receivables	-	-	-	21,480	21,480
Other financial assets	14,979	20,871	-	158	36,008
Listed investments	-	7,524	-	57,030	64,554
Unquoted investments	-	-	-	3,356	3,356
Total financial assets	247,882	139,716	641	118,101	506,340

2010 Parent	Governments \$'000	Financial Institutions \$'000	Students \$'000	Others \$'000	Total \$'000
Financial assets					
Cash assets	20,103	18,681	-	4	38,788
Receivables	259,848	856	3,881	19,424	284,009
Finance lease receivables	-	-	-	21,153	21,153
Other financial receivables	-	19,438	-	37,558	56,996
Listed investments	-	6,914	-	56,320	63,234
Unquoted investments	-	-	-	5,998	5,998
Total financial assets	279,951	45,889	3,881	140,457	470,178

2009 Parent	Governments '000	Financial institutions \$'000	Students \$'000	Others \$'000	Total \$'000
Financial assets					
Cash assets	-	73,397	-	6	73,403
Receivables	232,902	746	641	46,979	281,268
Finance lease receivables	-	-	-	21,480	21,480
Other financial assets	14,979	20,364	-	158	35,501
Listed investments	-	7,524	-	57,030	64,554
Unquoted investments	-	-	-	30,768	30,768
Total financial assets	247,881	102,031	641	156,421	506,974

38 Financial risk management (continued)

In 2010, Macquarie University does not have any significant exposure to any individual customer or counterparty.

Financing facilities

There was no formal overdraft facility in place as at 31 December 2010. There was an unused Letter of Credit facility of \$70,000 with National Australia Bank at the year-end. There were also unused credit card facilities with ANZ with total of \$10 million at the year-end.

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

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

The balance of the loan outstanding after allowing for amortised cost adjustment as at 31 December 2010 was \$11.49 million (in 2009 was \$12.33 million).

In October 2007, the University received approval from the Treasurer of New South Wales to issue a Guarantee to the National Australia Bank in order for it to borrow funds to the maximum of \$123.5 million towards the construction of the Macquarie University Hospital.

The average interest rate of the loan was at 7.30% p.a for the period of the loan and the loan was repaid on 27 September 2010.

The balance of the loan available after allowing for amortised cost adjustment as at 31 December 2010 was nil (in 2009 was \$3.89 million).

In July 2010, the University received approval from the Treasurer of New South Wales to borrow a maximum of \$450 million, either by way of bank facilities and/or bond issue in the capital market, with a maximum term of 10 years. In September the University issued Medium term notes (MTN) to the value of \$250 million. The bond coupon rate is 6.75% fixed for 10 years. The University has entered into bank facilities of \$100 million each with Australia and New Zealand Banking Group and the Commonwealth Bank of Australia. The rates on both facilities are variable interest rates. As at 31 December 2010 \$200 million was available to be drawn.

(c) Liquidity risk

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

Interest Rate Risk Exposures

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

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

38 Financial risk management (continued)

Consolidated - 31 December 2010	Average Interest Rate %	Variable Interest Rate \$'000	Less than 1 Year \$'000	1 to 5 Years \$'000	5+ Years \$'000	Non Interest \$'000	Total \$'000
Financial assets							
Cash and cash equivalents	4.01	52,319	28,907	-	-	199	81,425
Receivables	-	-	-	-	-	288,243	288,243
Finance lease receivable	-	-	-	-	-	21,153	21,153
Other financial assets	5.87	-	19,964	-	-	5,978	25,942
Listed investments	-	407	-	-	-	62,827	63,234
Unquoted investments	-	-	-	-	-	5,086	5,086
Total financial assets		52,726	48,871	-	-	383,486	485,083
Financial liabilities							
Payables	-	-	-	-	-	54,475	54,475
Borrowings	6.76	-	18,139	72,823	168,212	85	259,259
Total financial liabilities		-	18,139	72,823	168,212	54,560	313,734
Consolidated - 31 December 2009	Average Interest Rate %	Variable Interest Rate \$'000	Less than 1 Year \$'000	1 to 5 Years \$'000	5+ Years \$'000	Non Interest \$'000	Total \$'000
Financial assets							
Cash and cash equivalents	3.67	80,659	29,916	-	-	6	110,581
Receivables	-	-	-	-	-	270,361	270,361
Finance lease receivable	-	-	-	-	-	21,480	21,480
Other financial assets	4.95	15,137	20,871	-	-	-	36,008
Listed investments	-	384	-	-	-	64,170	64,554
Unquoted investments	-	-	-	-	-	3,356	3,356
Total financial assets		96,180	50,787	-	-	359,373	506,340
Financial liabilities							
Payables	-	-	-	-	-	44,570	44,570
Borrowings	6.07	-	1,033	121,640	7,459	-	130,132
Total financial liabilities		-	1,033	121,640	7,459	44,570	174,702

38 Financial risk management (continued)

Parent - 31 December 2010	Average Interest Rate %	Variable Interest Rate \$'000	Less than 1 Year \$'000	1 to 5 Years \$'000	5+ Years \$'000	Non Interest \$'000	Total \$'000
Financial assets							
Cash and cash equivalents	4.96	38,784	-	-	-	4	38,788
Receivables	-	-	-	-	-	284,009	284,009
Finance lease receivable	-	-	-	-	-	21,153	21,153
Other financial assets	6.18	31,582	19,438	-	-	5,976	56,996
Listed investments	-	407	-	-	-	62,827	63,234
Unquoted investments	-	-	-	-	-	5,998	5,998
Total financial assets		70,773	19,438	-	-	379,967	470,178
Financial liabilities							
Payables	-	-	-	-	-	40,407	40,407
Borrowings	6.76	-	18,029	72,823	168,212	-	259,064
Total financial liabilities		-	18,029	72,823	168,212	40,407	299,471

Parent - 31 December 2009	Average Interest Rate %	Variable Interest Rate \$'000	Less than 1 Year \$'000	1 to 5 Years \$'000	5+ Years \$'000	Non Interest \$'000	Total \$'000
Financial assets							
Cash and cash equivalents	3.65	73,397	-	-	-	6	73,403
Receivables	-	-	-	-	-	281,268	281,268
Finance lease receivable	-	-	-	-	-	21,480	21,480
Other financial assets	5.19	15,137	20,364	-	-	-	35,501
Listed investments	-	384	-	-	-	64,170	64,554
Unquoted investments	-	-	-	-	-	30,768	30,768
Total financial assets		88,918	20,364	-	-	397,692	506,974
Financial liabilities							
Payables	-	-	-	-	-	27,348	27,348
Borrowings	7.04	-	842	4,027	7,459	-	12,328
Total financial liabilities		-	842	4,027	7,459	27,348	39,676

Interest rate swap contracts - cash flow hedges

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

The Group has entered into an interest rate swap starting on 20 October 2010, for a term of 5 years. This amounts to \$98.25 million at an average interest rate of 6.6%. The contracts require settlement of net interest receivable or payable each 30 days.

Any gain or loss from remeasuring the hedging instruments at fair value is deferred in equity in the hedging reserve, to the extent that the hedge is effective, and reclassified to income statement when the hedged interest expense is recognised. The ineffective portion is recognised in the income statement immediately.

38 Financial risk management (continued)

(d) Fair value estimation

The fair value of financial instruments traded in active markets (such as publicly traded derivatives) is based on quoted market prices at the statement of financial position date. The quoted market price used for financial assets held by the University is the current bid prices.

The fair value of financial instruments that are not traded in an active market over the counter is determined using valuation techniques.

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

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

Consolidated	Carrying Amount		Fair Value	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Financial assets				
Cash and cash equivalents	81,425	110,581	81,425	110,581
Receivables	288,243	270,362	288,243	270,361
Finance lease receivable	21,153	21,480	21,153	21,480
Other financial assets	94,262	103,918	94,262	103,918
Total financial assets	485,083	506,341	485,083	506,340
Financial liabilities				
Payables	54,475	44,570	54,475	44,570
Borrowings	259,259	130,132	259,259	130,132
Total financial liabilities	313,734	174,702	313,734	174,702
Total	798,817	681,043	798,817	681,042

Parent	Carrying Amount		Fair Value	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Financial assets				
Cash and cash equivalents	38,788	73,403	38,788	73,403
Receivables	284,009	281,268	284,009	281,268
Finance lease receivable	21,153	21,480	21,153	21,480
Other financial assets	126,228	130,823	126,228	130,823
Total financial assets	470,178	506,974	470,178	506,974
Financial liabilities				
Payables	40,407	27,348	40,407	27,348
Borrowings	259,064	12,328	259,064	12,328
Total financial liabilities	299,471	39,676	299,471	39,676
Total	769,649	546,650	769,649	546,650

38 Financial risk management (continued)

Consolidated 2010	31 December 2010 \$'000	Level 1 \$'000	Level 2 \$'000
Financial assets			
Cash and cash equivalents	81,425	-	81,425
Receivables	288,243	-	288,243
Finance lease receivable	21,153	-	21,153
Other financial assets	25,942	-	25,942
Other financial assets - non current listed	63,234	63,234	-
Other financial assets - non current unlisted	5,086	-	5,086
Total	<u>485,083</u>	<u>63,234</u>	<u>421,849</u>
Financial liabilities			
Payables	54,475	-	54,475
Borrowings	259,259	-	259,259
Total	<u>313,734</u>	<u>-</u>	<u>313,734</u>
Total	<u>798,817</u>	<u>63,234</u>	<u>735,583</u>

Consolidated 2009	31 December 2009 \$'000	Level 1 \$'000	Level 2 \$'000
Financial assets			
Cash and cash equivalents	110,581	-	110,581
Receivables	270,361	-	270,361
Finance lease receivable	21,480	-	21,480
Other financial assets	36,008	-	36,008
Other financial assets - non current listed	64,554	64,554	-
Other financial assets - non current unlisted	3,356	-	3,356
Total	<u>506,340</u>	<u>64,554</u>	<u>441,786</u>
Financial liabilities			
Payables	44,570	-	44,570
Borrowings	130,132	-	130,132
Total	<u>174,702</u>	<u>-</u>	<u>174,702</u>
Total	<u>681,042</u>	<u>64,554</u>	<u>616,488</u>

39 Acquittal of Australian Government financial assistance

39.1 DEEWR - CGS and Other DEEWR Grants

Parent entity (UNIVERSITY) ONLY	Commonwealth Grants Scheme ¹		Indigenous Support Program		Partnership & Participation Program ²		Disability Support Program		Workplace Reform Program		Workplace Productivity Program		Learning & Teaching Performance Fund	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
	94,800	77,993	602	693	955	82	309	464	-	1,224	450	470	-	1,878
	(3,746)	3,014	-	-	-	-	-	-	-	-	-	-	-	-
	91,054	81,007	602	693	955	82	309	464	-	1,224	450	470	-	1,878
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the Programmes)	-	-	-	-	-	-	-	-	-	-	(1,814)	(1,799)	-	362
Net accrual adjustments	91,054	81,007	602	693	955	82	309	464	-	1,224	450	470	-	2,240
Revenue for the period	(91,054)	(81,007)	(602)	(693)	(558)	(82)	(309)	(464)	-	(1,224)	-	(485)	-	(2,240)
Surplus / (deficit) from the previous year	-	-	-	-	397	-	-	-	-	-	(1,364)	(1,814)	-	-
Total revenue including accrued revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Less expenses including accrued expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus / (deficit) for reporting period	-	-	-	-	-	-	-	-	-	-	-	-	-	-

39 Acquitment of Australian Government financial assistance (continued)

39.1 DEEWR - CGS and Other DEEWR Grants (continued)

Parent entity (UNIVERSITY) ONLY	Capital Development Pool		Improving the Practical Component of Teacher Education Initiative		Transitional Cost Program		Diversity & Structural Adjustment Fund ³		Total	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the Programmes)	110	-	-	373	523	1,638	525	815	98,274	85,630
Net accrual adjustments	-	-	-	-	-	-	-	-	(3,746)	3,014
Revenue for the period	110	-	-	373	523	1,638	525	815	94,528	88,644
Surplus / (deficit) from the previous year	-	-	373	-	-	-	1,075	1,181	(366)	(256)
Total revenue including accrued revenue	110	-	373	373	523	1,638	1,600	1,996	94,162	88,388
Less expenses including accrued expenses	(110)	-	(373)	-	(523)	(1,638)	(1,597)	(921)	(95,126)	(88,754)
Surplus / (deficit) for reporting period	-	-	-	373	-	-	3	1,075	(964)	(366)

¹Includes the basic CGS grant amount, Maths and Science Transition Loading and HEFA Transition Fund.

²Includes Equity Support Program.

³Includes Collaboration and Structural Adjustment Program.

39 Acquittal of Australian Government financial assistance (continued)

39.2 Higher Education Loan Programmes

Parent entity (UNIVERSITY) ONLY	HECS-HELP - (Australian Government payments only)		FEE-HELP		VET FEE-H ELP		Total
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000	
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the Programmes)	74,559	58,618	33,905	18,481	-	108,464	77,099
Net accrual adjustments	(2,281)	4,252	(7,470)	5,655	-	(9,751)	9,907
Revenue for the period	72,278	62,870	26,435	24,136	-	98,713	87,006
Surplus / (deficit) from the previous year	-	-	-	-	-	-	-
Total revenue including accrued revenue	72,278	62,870	26,435	24,136	-	98,713	87,006
Less expenses including accrued expenses	(72,278)	(62,870)	(26,435)	(24,136)	-	(98,713)	(87,006)
Surplus / (deficit) for reporting period	-	-	-	-	-	-	-

39 Acquitment of Australian Government financial assistance (continued)

39.3 Scholarships

Parent entity (UNIVERSITY) ONLY

	Australian Postgraduate Awards		International Postgraduate Research Scholarship		Commonwealth Education Cost Scholarships ⁴		Commonwealth Accommodation Scholarships ⁴		Indigenous Access Scholarships		Total
	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	2,434	410	388	706	534	38	58	2,095	4,120		
	3,485	410	388	(1,246)	(592)	38	58	2,095	4,120		
	2,434	410	388	(1,246)	(592)	38	58	2,095	4,120		
	303	(156)	(107)	48	34	102	49	483	1,865		
	2,737	254	281	(1,198)	(568)	140	107	2,578	5,985		
	(2,282)	(449)	(437)	825	594	(4)	(5)	(2,094)	(5,502)		
	455	(195)	(156)	(373)	36	136	102	484	483		

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

Net accrual adjustments

Revenue for the period

Surplus / (deficit) from the previous year
Total revenue including accrued revenue
Less expenses including accrued expenses
Surplus / (deficit) for reporting period

⁴Includes National Priority Scholarships.

39 Acquittal of Australian Government financial assistance (continued)

39.4 DIISR Research

Parent entity (UNIVERSITY) ONLY	Joint Research Engagement ^s		Research Training Scheme		Research Infrastructure Block Grants		Implementation Assistance Programme		Australian Scheme for Higher Education Repositories		Commercialisation Training Scheme		Sustainable Research Excellence in Universities	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	5,689	5,832	11,533	11,097	2,878	3,162	81	146	-	251	(1)	114	1,409	-
	<u>5,689</u>	<u>5,832</u>	<u>11,533</u>	<u>11,097</u>	<u>2,878</u>	<u>3,162</u>	<u>81</u>	<u>146</u>	<u>-</u>	<u>251</u>	<u>(1)</u>	<u>114</u>	<u>1,409</u>	<u>-</u>
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the Programmes)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net accrual adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Revenue for the period	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus / (deficit) from the previous year	-	-	-	-	-	-	146	137	46	68	253	170	-	-
Total revenue including accrued revenue	5,689	5,832	11,533	11,097	2,878	3,162	227	283	46	319	252	284	1,409	-
Less expenses including accrued expenses	(5,689)	(5,832)	(11,533)	(11,097)	(2,878)	(3,162)	(226)	(137)	(45)	(273)	(2)	(31)	(1,409)	-
Surplus / (deficit) for reporting period	-	-	-	-	-	-	1	146	1	46	250	253	-	-

39 Acquitment of Australian Government financial assistance (continued)

39.4 DIISR Research (continued)

Parent entity (UNIVERSITY) ONLY

	Total	
	2010	2009
	\$'000	\$'000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the Programmes)	21,589	20,602
Net accrual adjustments	-	-
Revenue for the period	<u>21,589</u>	<u>20,602</u>
Surplus / (deficit) from the previous year	445	375
Total revenue including accrued revenue	<u>22,034</u>	<u>20,977</u>
Less expenses including accrued expenses	<u>(21,782)</u>	<u>(20,532)</u>
Surplus / (deficit) for reporting period	<u>252</u>	<u>445</u>

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

Net accrual adjustments
Revenue for the period

⁵Includes Institutional Grants Scheme

39 Acquittal of Australian Government financial assistance (continued)

39.5 Other Capital Funding

Parent entity (UNIVERSITY) ONLY

	Better Universities Renewal Funding		Teaching and Learning Capital Fund		Education Investment Fund		Total	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
	-	-	12,929	-	25,638	15,000	38,567	15,000
	-	-	12,929	-	25,638	15,000	38,567	15,000
	-	9,323	-	-	9,593	-	9,593	9,323
	-	9,323	12,929	-	35,231	15,000	48,160	24,323
	-	(9,323)	(2,227)	-	(18,568)	(5,407)	(20,795)	(14,730)
	-	-	10,702	-	16,663	9,593	27,365	9,593

Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the Programmes)
Net accrual adjustments
Revenue for the period

Surplus / (deficit) from the previous year
Total revenue including accrued revenue
Less expenses including accrued expenses
Surplus / (deficit) for reporting period

39 Acquitment of Australian Government financial assistance (continued)

39.6 Australian Research Council Grants

(a) Discovery

Parent entity (UNIVERSITY) ONLY

	Projects		Fellowships		Total	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the Programmes)	7,905	7,091	998	77	8,903	7,168
Net accrual adjustments	-	-	-	-	-	-
Revenue for the period	<u>7,905</u>	<u>7,091</u>	<u>998</u>	<u>77</u>	<u>8,903</u>	<u>7,168</u>
Surplus / (deficit) from the previous year	3,130	4,027	373	666	3,503	4,693
Total revenue including accrued revenue	11,035	11,118	1,371	743	12,406	11,861
Less expenses including accrued expenses	(7,662)	(7,988)	(515)	(370)	(8,177)	(8,358)
Surplus / (deficit) for reporting period	<u>3,373</u>	<u>3,130</u>	<u>856</u>	<u>373</u>	<u>4,229</u>	<u>3,503</u>

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

Net accrual adjustments
Revenue for the period

Surplus / (deficit) from the previous year
Total revenue including accrued revenue
Less expenses including accrued expenses
Surplus / (deficit) for reporting period

39 Acquittal of Australian Government financial assistance (continued)

39.6 Australian Research Council Grants (continued)

(b) Linkages

Parent entity (UNIVERSITY) ONLY	Special Research Initiatives									
	Special Research Initiatives		Infrastructure		International		Projects		Total	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the Programmes)	-	-	1,470	-	-	15	1,980	2,157	3,450	2,172
Net accrual adjustments	-	-	-	-	-	-	-	-	-	-
Revenue for the period	-	-	<u>1,470</u>	-	-	<u>15</u>	<u>1,980</u>	<u>2,157</u>	<u>3,450</u>	<u>2,172</u>
Surplus / (deficit) from the previous year	-	34	-	-	12	19	433	1,105	445	1,158
Total revenue including accrued revenue	-	34	1,470	-	12	34	2,413	3,262	3,895	3,330
Less expenses including accrued expenses	-	(34)	(735)	-	(5)	(22)	(2,295)	(2,829)	(3,035)	(2,885)
Surplus / (deficit) for reporting period	-	-	<u>735</u>	-	<u>7</u>	<u>12</u>	<u>118</u>	<u>433</u>	<u>860</u>	<u>445</u>

39 Acquitment of Australian Government financial assistance (continued)

39.6 Australian Research Council Grants (continued)

(c) Networks and Centres

Parent entity (UNIVERSITY) ONLY

Research Networks	Total	
	2010 \$'000	2009 \$'000
	-	712
	-	-
	-	712
	(327)	534
	(327)	1,246
	(329)	(1,573)
	(656)	(327)

Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the Programmes)
Net accrual adjustments
Revenue for the period

Surplus / (deficit) from the previous year
Total revenue including accrued revenue
Less expenses including accrued expenses
Surplus / (deficit) for reporting period

39 Acquittal of Australian Government financial assistance (continued)

39.7 OS-HELP

	Parent entity Macquarie University ONLY	
	2010 \$'000	2009 \$'000
Cash Received during the reporting period	685	603
Cash Spent during the reporting period	<u>(681)</u>	<u>(354)</u>
Net Cash received	4	249
Cash Surplus / (deficit) from the previous period	<u>185</u>	<u>(64)</u>
Cash Surplus / (deficit) for reporting period	<u>189</u>	<u>185</u>

40 Retrospective correction of prior periods

The U@MQ Ltd has followed the requirements of AASB 108 'Accounting Policies, Changes in Accounting Estimates and Errors' and has retrospectively restated the comparative amounts for the prior period(s) in which the errors occurred.

Treatment of Leasehold Improvements

In previous years, U@MQ Ltd, an entity within the Group, had recognised as a fixed asset, any leasehold improvements carried out to the buildings in which U@MQ Ltd operates from, such as modifications of offices in building C10A and the building of the Gymnastics Hall.

In December 2010, it has been brought to U@MQ Ltd's attention, that these leasehold improvements have also been recognised in the University's accounts, in effect, double-counting the asset.

As it is University policy that any leasehold improvements carried out are to be recognised in the University's accounts, U@MQ Ltd is required to expense any leasehold improvement work that has been undertaken since July 2007. The expensing of leasehold improvement work that has occurred in prior years has been recognised as a prior period error.

40 Retrospective correction of prior periods (continued)

The following table summarises the retrospective adjustment.

	Consolidated	
	2009 \$'000	2008 \$'000
Non Current Receivables		
Property, Plant & Equipment		
Leasehold Improvements		
Original amount included in previous financial statements	1,234,764	1,067,021
Write-back of leasehold improvements amortisation (cumulative)	1,049	542
Write-off of capitalised leasehold improvements (cumulative)	<u>(5,323)</u>	<u>(4,586)</u>
Amended amount of Property, Plant & Equipment	<u>1,230,490</u>	<u>1,062,977</u>
Operating Result		
Original amount included in previous financial statements	60,523	23,565
Write-back of leasehold improvements amortisation	507	438
Write-off of capitalised leasehold improvements	<u>(737)</u>	<u>(1,335)</u>
Amended operating result	<u>60,293</u>	<u>22,668</u>
Equity - Retained earnings		
Original amount included in previous financial statements	806,447	745,874
Write-back of leasehold improvements amortisation	1,049	542
Write-off of capitalised leasehold improvements	<u>(5,323)</u>	<u>(4,586)</u>
Amended retained earnings	<u>802,173</u>	<u>741,830</u>

41 Events occurring after the end of the reporting period

There has not occurred in the period between the end of the financial year (31 December 2010) and the date of this report any item, transaction or event of a material nature to significantly affect the financial position of the University.

END OF AUDITED FINANCIAL STATEMENTS

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