



UNSW
SYDNEY

Australia's
Global
University



UNSW 2018 ANNUAL REPORT



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2018 ANNUAL REPORT

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THE YEAR IN REVIEW

FROM THE CHANCELLOR AND PRESIDENT AND VICE-CHANCELLOR



*Mr David Gonski AC
Chancellor, UNSW Sydney*

UNSW Sydney continued to make advances toward achieving our long-term strategic priorities in 2018 by focussing on growing our reputation, strengthening our partnerships and influencing positive social change.

It is a source of great pride that the University is now ranked among the top 100 in the world*, attracting 37 percent of NSW's top 500 school leavers and more than 23,000 international students during 2018.

Our goal is to become one of the leading research-intensive universities in the world, known for innovative, pioneering research with a global impact. Academically, we aim to build on our reputation as a leading learning and teaching university driven by a desire to shape future generations.

We continued to make inroads towards these and other goals during the past year: expanding our infrastructure, developing new plans around equity and diversity, growing our international partnerships and building on our reputation as a global thought leader.

As part of our ongoing work creating quality learning spaces, research facilities and amenities, our Estate Management team delivered more than 70 construction projects during 2018.



*Professor Ian Jacobs
President and Vice-Chancellor, UNSW Sydney*

This included the stage one refurbishment of the Electrical Engineering building, a revamp of the UNSW Bookshop, a new student hub, and the re-opening of the iconic Roundhouse entertainment space.

Inclusion and diversity remained an important focus for UNSW in 2018. We were awarded Bronze at the 2018 Australian LGBTIQ Inclusion Awards for our ongoing commitment to diversity and earned Athena SWAN Bronze Institution accreditation for our commitment to gender equity.

This year also saw the launch of two important strategies and plans — one supporting our Indigenous community, the other for people with disabilities. The Indigenous strategy aims to increase UNSW's Indigenous student body and workforce and deepen understanding of Aboriginal and Torres Strait Islander cultures. Our new Disability Inclusion Action Plan delivered a framework to provide equal access for everyone across all University facilities.

UNSW continued to strengthen its international relationships and partnerships during 2018, opening a research and education hub in India and an interdisciplinary centre in Shanghai.

In August, we were delighted to welcome former Prime Minister Malcolm Turnbull on campus to deliver a watershed address. In company with the Chinese Ambassador to Australia and the Chinese Consul General, he emphasised the vital role education plays in the security and prosperity of the Indo-Pacific region.

Our Grand Challenges program again focussed on the issues that matter, with forums, papers and presentations on topics including refugees and migrants, inequality, rapid urbanisation and living with 21st century technology. This reinforced UNSW's role as a truly global thought leader.

Our academics, staff and students deserve acknowledgment and thanks for personally contributing to what UNSW achieved in 2018. They continued to be recognised, here and overseas — for example, Professor Michelle Simmons (2018 Australian of the Year), Pro Vice-Chancellor, Indigenous Professor Megan Davis (top honour at the Australian Financial Review/Qantas 100 Women of Influence Awards), Professor Martin Green (first Australian to win the Global Energy Prize) and computer engineering student Tamina Pitt (NAIDOC Youth of the Year). Their success is testament to the high standards we encourage at UNSW and they are to be congratulated for their tremendous efforts.

This Annual Report is structured around the goals and activities of our 2025 Strategy. This Strategy helps us to excel in research and teaching and to continue to build on our reputation for social justice.

UNSW is here to make a positive difference, and we are proud to say we continued on that journey during 2018.



Mr David Gonski AC
Chancellor, UNSW Sydney



Professor Ian Jacobs
President and Vice-Chancellor, UNSW Sydney

**Based on the average of the QS, Times Higher and ARWU global university rankings in which UNSW ranks 45th, 96th and 102nd respectively.*

ABOUT UNSW

AUSTRALIA'S GLOBAL UNIVERSITY

UNSW Sydney is an education and research-intensive university, delivering outstanding teaching alongside cutting-edge research.

Established in 1949, it has a unique focus on the scientific, technological and professional disciplines.

Committed to thought leadership, knowledge transfer and serving the greater good, UNSW makes a difference through pioneering research and by preparing the next generation for career success.

The University has a proud tradition of sustained innovation, focussing on areas critical to its future, from climate change and renewable energies to lifesaving medical treatments and breakthrough technologies.

UNSW aims to make an impact on people's lives around the world. Its research informs policy and expert commentary in key issues facing society.

These range from human rights and constitutional recognition of Indigenous Australians to public health and population ageing.

International and regional partnerships, first-class academics and state-of-the-art facilities mean UNSW students graduate with relevant, highly sought-after skills.

The University offers an extensive range of undergraduate, postgraduate and research programs that attract students from across Australia and around the world. In 2018, UNSW educated 62,509 students from 137 countries, making it one of the country's most cosmopolitan, inclusive and diverse universities.

UNSW's emphasis on quality continues to push up entry standards, with the University attracting 37 percent of the state's top 500 school leavers in 2018.

UNSW has three campuses:

- **UNSW Sydney**
Set on 38ha at Kensington, 7km from the centre of Sydney.
- **UNSW Art & Design**
Located at Paddington in Sydney, UNSW Art & Design is an internationally recognised centre for arts-led transdisciplinary research in science and technology, with strengths in art theory and criticism; film, television and digital media; and visual arts and crafts.
- **UNSW Canberra (college)**
Located at the Australian Defence Force Academy in Canberra (the nation's capital), this college is unique in Australia. It provides undergraduate education for officer cadets as well as postgraduate programs (open to all students, in arts, business, engineering, IT, management and science).

UNSW attracted

37 %

of the state's top 500 school leavers in 2018

UNSW is one of the

TOP 100

universities in the world

See page 12 for details

FAST FACTS

- 8** Faculties
- 1** College (Canberra)
- 46** Schools
- 130** UNSW and external centres and institutes
- 12** On-campus residential colleges

FACULTIES

-  Art & Design
-  Arts & Social Sciences
-  Built Environment
-  Business
-  Engineering
-  Law
-  Medicine
-  Science

MAKING A DIFFERENCE

UNSW's values

In pursuing the University's vision and objectives to make a real difference, members of the UNSW community will demonstrate:

- Partnership: working in teams to best serve our communities
- Integrity, transparency and ethical decision making: inspiring openness, courage and trust
- Respect: listening and engaging with each other and our communities.

"We are improving lives through excellence in research and education, and a commitment to advancing a just society."

Professor Ian Jacobs, President and Vice-Chancellor, UNSW Sydney

AN INTERNATIONAL INFLUENCER IN EDUCATION

UNSW is a founding member of both the Group of Eight, a coalition of Australia's leading research-intensive universities, and the prestigious Universitas 21 international network. It is the only Australian member of the Global Alliance of Technological Universities, a member of the Association of Pacific Rim Universities, part of the PLuS Alliance, and a partner of Coursera, the largest provider of MOOCs (massive open online courses) in the world.



89%

Student satisfaction rating

International Student Barometer Survey 2018



23rd

in the world

THE (Times Higher Education) Most International Universities ranking 2018

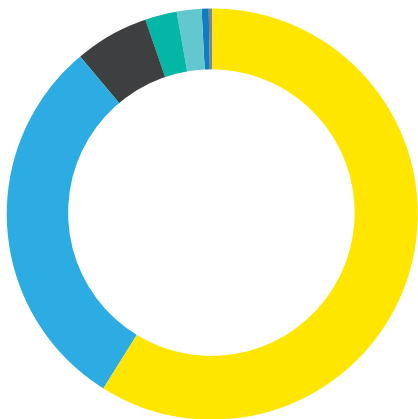


27%

International experience

Percentage of UNSW students graduating with international degree relevant experience

2018 AT A GLANCE



STUDENTS*

by level of program

- Bachelor and Diploma
- Masters Coursework
- Doctorate
- Non-Award
- Grad Dip and Grad Certificate
- Masters Research
- Postgraduate Qualifying





STUDENT LOAD*

by broad discipline



- Engineering and Related Technologies
- Society and Culture
- Management and Commerce
- Natural and Physical Sciences
- Creative Arts
- Information Technology
- Health
- Architecture and Building
- Education
- Agriculture, Environmental and Related Studies

STAFF*



Total staff: 6,739 (6,231 full-time equivalent)

2018		Academic staff	Professional staff
		1,183	2,397
		1,774	1,385

Total staff: 6,228 (5,745 full-time equivalent)

2017		Academic staff	Professional staff
		1,127	2,186
		1,711	1,204

Total staff: 6,189 (5,687 full-time equivalent)

2016		Academic staff	Professional staff
		1,097	2,163
		1,723	1,206

2018 FINANCIAL SUMMARY

Consolidated		
	2018 - \$m	2017 - \$m
Total revenue and income	2,245.5	2,119.8
Employee costs	(1,225.8)	(1,096.5)
Other expenses	(1,001.0)	(865.0)
Operating / Accounting result	18.7	158.3
Restricted for specific purposes:		
Philanthropic funds	12.7	(26.3)
Capital grants	(9.6)	-
Specific purpose grants	(25.3)	(39.3)
Non-core operating:		
Investment funds	(1.9)	(32.5)
Significant items	30.7	-
Underlying result	25.3	60.2

*Student 2018 data submitted to HEIMS. Staff FTFFT 2018 data submitted to HEIMS.

2018 HIGHLIGHTS

A YEAR OF PROGRESS AND CHANGE

It was year of progress and change for UNSW in 2018, as the University continued to focus on delivering academic excellence, making a global impact and building on its achievements in equity, diversity and inclusion. Highlights included enhancing Indo-Pacific relations, launching the University's inaugural Indigenous strategy and receiving national recognition for the ground-breaking work of a respected UNSW Professor.

UNSW SCIENTIST NAMED 2018 AUSTRALIAN OF THE YEAR

In January, UNSW quantum computing pioneer Scientia Professor Michelle Simmons (pictured below) was named 2018 Australian of the Year. Professor Simmons spent her term as Australian of the Year promoting her ground-breaking global advancements in quantum computing and sparking young people's interest in studying STEM.

She travelled around Australia and overseas, meeting people from industry, government, the scientific community, teachers and students. She met with Australian ex-patriot communities in Singapore and Hong Kong and travelled to the US where she attended a quantum computing leadership summit at the White House. In Sydney, Professor Simmons hosted more than 200 primary and secondary school students and teachers at UNSW's quantum labs, where she demonstrated the inner workings of a quantum computer.



FORMER PM HIGHLIGHTS UNSW'S KEY ROLE IN INDO-PACIFIC RELATIONS

Former Australian Prime Minister Malcolm Turnbull (pictured below) delivered a watershed address on Australia-China bilateral relations at UNSW in August, placing international education at the forefront of Australia's foreign policy. Speaking to an audience including the Chinese ambassador to Australia, Cheng Jingye, and the Chinese Consul General, Gu Xiaojie, as well as representatives from the Group of Eight and Universities Australia, he emphasised the vital role education has in the security and prosperity of the Indo-Pacific region.

Mr Turnbull said universities play an important part in connecting regional partners and bringing the world together.



INDIGENOUS STRATEGY A FIRST FOR UNSW

In October, a strategy designed to deepen UNSW's understanding of Aboriginal and Torres Strait Islander cultures was launched. In a first for the University, UNSW's Indigenous Strategy includes an Indigenous workforce and education plan. It focuses on developing research excellence and growing Aboriginal researchers and leaders who will make an impact nationally and within their communities. It also aims to encourage Aboriginal and Torres Strait Islander students and staff to use their experience at UNSW to give back to communities.

The strategy is being led by Pro Vice-Chancellor, Indigenous Professor Megan Davis (pictured below) who, in October, won top honours in the Australian Financial Review/Qantas 100 Women of Influence Awards. An expert in constitutional law, she also won the public policy category for her role in the process that culminated in the historic Uluru Statement from the Heart.





2018 HIGHLIGHTS

STRENGTHENING UNSW'S REPUTATION

UNSW maintained its spot as one of the world's top 100 universities this year. It was ranked 45th and 96th in two of the world's most influential university league tables.

UNSW benchmarks itself on the Times Higher Education World University Rankings (THE, 96th), ShanghaiRanking's Academic Ranking of World Universities (ARWU, 102nd) and the QS World University Rankings (QS, 45th). In the THE rankings, UNSW was one of only six Australian universities ranked among the top 100 in 2018.

UNSW also secured top 50 spots in the ARWU subject rankings (24 subjects) and QS subject rankings (18 subjects). In the QS rankings, institutions are evaluated based on academic reputation, employer reputation, faculty student ratio, citations per faculty, international faculty and international students.



45th

QS World
University Rankings



96th

Times Higher Education
World University Rankings



102nd

Academic Ranking of
World Universities



WORLD RANKINGS BY SUBJECT

2018 ARWU WORLD UNIVERSITY RANKINGS BY SUBJECT

24 subjects in the top 50

Rank	Subject
5	Water Resources
7	Mining & Mineral Engineering
10	Civil Engineering
16	Finance
16	Marine/Ocean Engineering
16	Remote Sensing
22	Atmospheric Science
23	Oceanography
26	Library & Information Science
34	Hospitality & Tourism Management
34	Law
34	Transportation Science & Technology
38	Telecommunication Engineering
39	Energy Science & Engineering
40	Earth Sciences
41	Aerospace Engineering
42	Instruments Science & Technology
44	Environmental Science & Engineering
44	Psychology
45	Mechanical Engineering
46	Electrical & Electronic Engineering
49	Geography
50	Management
50	Metallurgical Engineering

2019 QS WORLD UNIVERSITY RANKINGS BY SUBJECT*

18 subjects in the top 50

Rank	Subject
6	Engineering - Mining & Mineral
12	Engineering - Civil & Structural
14	Law
15	Accounting & Finance
19	Environmental Sciences
21	Psychology
25	Architecture/Built Environment
26	Business & Management Studies
31	Economics & Econometrics
33	Earth & Marine Sciences
35	Materials Science
36	Engineering - Electrical & Electronic
38	Mathematics
39	English Language & Literature
40	Communication & Media Studies
42	Engineering - Chemical
44	Art & Design
46	Anatomy & Physiology

*The 2019 rankings relate to the 2018 calendar year.

"Our international and regional partnerships, first class academics, and state-of-the-art facilities mean our students graduate with relevant, highly sought-after skills."

Professor Ian Jacobs, President and Vice-Chancellor, UNSW Sydney

UNSW'S 2025 STRATEGY

As Australia's Global University, UNSW aims to improve and transform lives through excellence in research, outstanding education and a commitment to advancing a just society.

The University's ambitious 2025 Strategy was developed in 2015. It details the priorities that have set UNSW on a path to deliver academic excellence, as well as a major program built on equity, diversity and inclusion. UNSW is committed to thought leadership, knowledge transfer and serving the greater good.

The achievements against the Strategy during 2018 are detailed throughout this report. They address the key priorities and themes outlined in the table below.

A great university should be a global leader in discovery, innovation, impact, education and thought leadership – one that can make a significant difference to the lives of people in Australia and around the world.

The 2025 Strategy, and its program of initiatives, has already helped cement UNSW's role as Australia's Global University – excelling in research and teaching, and with a reputation for social justice, thought leadership and genuine global impact.

Strategic priorities and themes		
ACADEMIC EXCELLENCE	SOCIAL ENGAGEMENT	GLOBAL IMPACT
Research Quality	A Just Society	International Education
Education Excellence	Grand Challenges	Partnerships
	Knowledge Exchange	Disadvantaged Communities





ACADEMIC EXCELLENCE: RESEARCH QUALITY

UNSW aims to be among the world's leading research-intensive universities – known for innovative, pioneering research that has global impact. The University is achieving this by investing in current and future talent, committing to research that makes a difference, forging strong global partnerships, supporting its academics to tackle humanity's major challenges, and creating state-of-the-art infrastructure.

New world-class researchers join UNSW

The UNSW Strategic Hires and Retention Pathways (SHARP) program continued to grow during 2018, with 13 new world-leading researchers moving to UNSW. They joined 16 SHARP researchers already at the University. Another three will start in 2019.

During 2018, 19 UNSW researchers and affiliates were recognised by Clarivate Analytics as Highly Cited Researchers. One of those researchers was acknowledged in two discipline categories. This is a significant increase from 2017, when six UNSW researchers and affiliates were recognised.

UNSW continued to attract and nurture the best and brightest researchers (early and mid-career) through its Scientia initiatives, which saw 42 Fellows appointed to the Scientia Fellowship Program and 152 scholars to the Scientia PhD Scholarship Scheme. By 2025, UNSW will have invested more than \$500M to recruit 290 Fellows and 700 PhD Scholars.

Higher Degree Research up three percent

Higher Degree Research commencements increased by three percent during 2018. Driven by the Scientia PhD Scholarship Scheme, this took the total of enrolled HDR students to 4,159. UNSW maintained its strong completions performance in Higher Degree Research, with 847 candidates graduating in 2018.

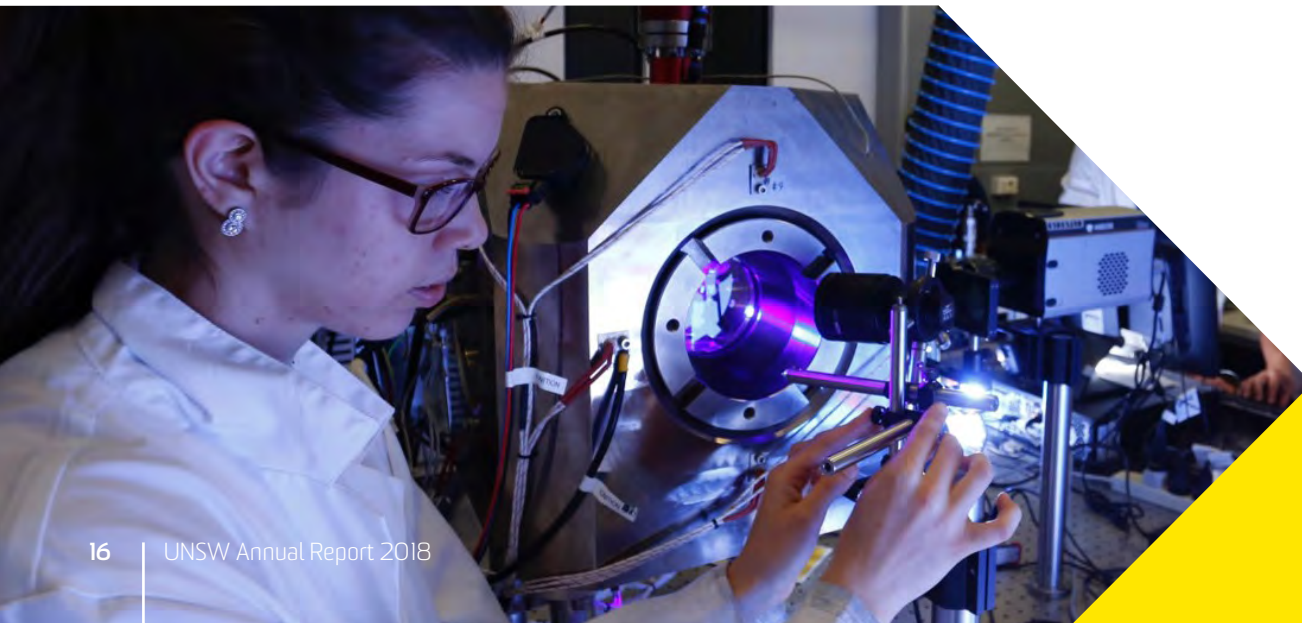
Four new UNSW Futures Institutes launched

Four new UNSW Futures Institutes were established this year, all focussing on using cross-disciplinary research to find solutions to the major challenges confronting society. The institutes are part of the UNSW Futures initiative, a major focus of the University's 2025 Strategy. UNSW Futures provides a framework for facilitating cross-faculty and interdisciplinary work, driving innovative approaches to research, and addressing the substantive scientific and social challenges of this century.

The new institutes are:

- **UNSW Ageing Futures Institute:** enabling optimal ageing for individuals and society.
- **UNSW Cellular Genomics Futures Institute:** inventing technologies to decode individual cell DNA, chromatin, RNA, and protein outputs that will be used for precise diagnosis and precision treatment of human disease.
- **UNSW Digital Grid Futures Institute:** future-proofing global energy systems to ensure a reliable, secure, affordable and sustainable energy supply.
- **UNSW Materials & Manufacturing Futures Institute:** transforming the future of materials and manufacturing research in energy, transport, information technology and health care.

A second round of UNSW Futures Institute applications will open in 2020.



2018 RESEARCH FUNDING

Australian Research Council (ARC)

\$57.5M of new ARC funding, placing UNSW 3rd nationally and including:

- \$34.9M for 88 Discovery Projects – the highest number of Discovery Projects nationally for the third year in a row.
- \$3.1M for an ARC Research Hub for Integrated Energy Storage Solutions – led by Professor Joe Dong.
- \$2M in total for two Special Research initiatives in poly and perfluoroalkyl substances (PFAS) – led by Associate Professor Robert Niven and Associate Professor Denis O'Carroll.

National Health and Medical Research Council (NHMRC)

\$82.8M of NHMRC funding, placing UNSW 3rd nationally and including:

- \$3M for a Targeted Call for Research on Dementia in Indigenous Australians – led by Dr Kylie Radford, Neuroscience Research Australia (NeuRA).
- \$6.5M for a Project Grant – led by Scientia Professor Guy Marks, South Western Sydney Clinical School.
- \$5.5M for a Project Grant – led by Associate Professor Dr Sunil Badve, The George Institute for Global Health.

Other funding awarded during 2018 included:

- Australian Renewable Energy Agency (ARENA) – \$3.1M awarded to four UNSW-led projects.
- Medical Research Future Fund (MRFF) – \$5M for the Australian Brain Cancer Mission (through Cancer Australia) to a Zero Childhood Brain Cancer project led by Professor Michelle Haber, Children's Cancer Institute.
- Department of Education and Training – \$1M awarded to a project led by Professor Ilan Katz.
- Zhejiang Hangdian Graphene Tech Co, Ltd – \$1M in contract research awarded to a Torch project led by Professor Sean Li.

Pictured (from left): UNSW Futures Institute Directors Professor Sean Li (Materials & Manufacturing), Professor Joe Dong (Digital Grid), Professor Kaarin Anstey (Ageing) and Professor Christopher Goodnow (Cellular Genomics) with Deputy Vice-Chancellor Research Professor Nicholas Fisk and UNSW President and Vice-Chancellor Professor Ian Jacobs.



ACADEMIC EXCELLENCE: RESEARCH QUALITY

2018 RESEARCH AWARDS

International prizes/awards

Khwarizmi International Award

Scientia Professor Katharina Gaus
FAHMS

School of Medical Sciences

International Union of Pure and Applied Chemistry (IUPAC) Polymer Award

Professor Cyrille Boyer

School of Chemical Engineering

Global Energy Prize

Scientia Professor Martin Green AM
FTSE FAA FIEEE FRS

Australian Centre for Advanced Photovoltaics

PIEoneer Awards Public/Private Partnership of the Year

Torch Innovation Precinct at UNSW

Ministry of Science & Technology China/UNSW, China/Australia

Renewable Energy World Solar 40 Under 40

Dr Alison Ciesla

School of Photovoltaic and Renewable Energy Engineering

Dr Brett Hallam

School of Photovoltaic and Renewable Energy Engineering

Associate Professor Bram Hoex

School of Photovoltaic and Renewable Energy Engineering

State and national prizes/awards

Engineers Australia Australia's Most Innovative Engineers

Associate Professor Kondo-Francois Aguey-Zinsou

School of Chemical Engineering

Dr Brett Hallam

School of Photovoltaic and Renewable Energy Engineering

NSW Young Tall Poppy Science Awards

Dr Jelena Rnjak-Kovacina

Graduate School of Biomedical Engineering

Dr Michelle Tye

Black Dog Institute

Dr Aliza Werner-Seidler

Black Dog Institute

Australian Museum Eureka Prize for Scientific Research

Professor Sally Dunwoodie

Victor Chang Cardiac Research Institute

NSW Fresh Science Award

Dr Iman Roohani

Graduate School of Biomedical Engineering

Gastroenterological Society of Australia Distinguished Researcher Prize

Professor Minoti Apte OAM

Ingham Institute for Applied Medical Research

Australian Synchrotron Research Award

Dr Neeraj Sharma

School of Chemistry

Ecological Society of Australia Australian Ecology Research Award

Professor Angela Moles FRSN

School of Biological, Earth and Environmental Sciences

Australian Financial Review 100 Women of Influence (Public Policy category winner and Overall winner)

Professor Megan Davis FASSA

Pro Vice-Chancellor, Indigenous

Australian Financial Review 100 Women of Influence (Innovation category)

Professor Emma Johnston AO FRSN

Dean Faculty of Science

Australian and New Zealand Federation of Chemical Engineers Chemical Engineering Research Excellence Award

Professor Cyrille Boyer

School of Chemical Engineering

NSW Premier's Prizes for Science & Engineering (Energy Innovation category winner)

Dr Xiaojing Hao

School of Photovoltaic and Renewable Energy Engineering

NSW Premier's Prizes for Science & Engineering (Medical Biological Sciences category winner)

Professor Richard Harvey AM

FAHMS FAA FRS

Victor Chang Cardiac Research Institute

NSW Premier's Awards for Outstanding Cancer Research (Rising Star PhD Candidate category winner)

Dr Antoinette Catherine Anazodo

School of Women's & Children's Health

NSW Premier's Awards for Outstanding Cancer Research (Outstanding Cancer Clinical Trials Unit category winner)

The Kinghorn Cancer Centre

St. Vincent's Health Network (a joint facility of the Garvan Institute and St Vincent's Hospital)

Royal Australian Chemical Institute Rennie Memorial Medal

Dr Neeraj Sharma

School of Chemistry

Asian Society of Crystallography Sandy Mathieson Medal

Dr Suzanne Neville

School of Chemistry

2018 Royal Society of NSW Clarke Medal

Professor Emma Johnston AO FRSN

Dean Faculty of Science

2018 FELLOWSHIPS

Fellowships of learned academies

Fellowship of the Australian Academy of Science (AAS)

Scientia Professor Richard Bryant AC
FASSA FAHMS FAA
 School of Psychology

Scientia Professor Veena Sahajwalla
FTSE FRSN FAA
 Centre for Sustainable Materials Research and Technology

Scientia Professor Martina Stenzel FAA
 School of Chemistry

Fellowship of the Australian Academy of Health & Medical Sciences (AAHMS)

Professor Lynne Bilston FAHMS
 Neuroscience Research Australia (NeuRA)

Professor Louisa Jorm FAHMS
 Centre for Big Data Research in Health

Professor Richard Lock FAHMS
 Children's Cancer Institute

Professor Anthony Rodgers FAHMS
 The George Institute for Global Health

Fellowship of the Academy of the Social Sciences in Australia (ASSA)

Professor Denise Doiron FASSA
 School of Economics

Scientia Professor Jacob Goeree FASSA
 School of Economics

Scientia Professor Rosemary Rayfuse
FASSA
 Faculty of Law

Scientia Professor Derrick Silove AM
FASSA
 School of Psychiatry

Fellowship of the Australian Academy of Technology and Engineering (ATSE)

Scientia Professor Justin Gooding FAA
FISE FRACI FRSC FRSN FTSE
 School of Chemistry

Scientia Professor Fiona Stapleton
FTSE
 School of Optometry and Vision Science

Professor Chun Wang FTSE
 School of Mechanical & Manufacturing Engineering

Fellowship of the Royal Society, London

Scientia Professor Michelle Simmons
FAA FTSE FRSN FAAAS FRS
 Centre for Quantum Computation and Communication Technology

Fellowship of the Australian Academy of Humanities (AHA)

Associate Professor Kama Maclean
FAHA
 School of Humanities and Languages



ACADEMIC EXCELLENCE: EDUCATIONAL EXCELLENCE

UNSW empowers students to realise their potential through a personalised teaching and learning process known as the UNSW Scientia Education Experience. This approach emphasises learning communities, feedback, dialogue and inspiring teaching – all underpinned by the latest digital technologies to produce exemplary graduates who are ready to contribute to society. In keeping with its strategic move to drive excellence in both research and teaching, UNSW continued to invest in educators and expand its activities during 2018 to enhance the student experience and outcomes.

International recognition for UNSW

UNSW shone amongst 300 applicants to make the finals of the Global Teaching Excellence Awards in 2018. The awards recognise institution-wide commitment to “the pursuit of outstanding approaches to teaching and learning excellence.” Initiatives that helped earn the University this honour included its Education Focussed academic roles, the Foundations of University Learning and Teaching (FULT) program, the annual Learning and Teaching Forum, Inspired Learning Summit and the Scientia Education Academy.

Scientia Education Academy making its mark

Now in its second year, the UNSW Scientia Education Academy is already having an impact on the UNSW community. The Academy’s work in 2018 included individual and group educational projects, advice on the development of new teaching quality measures, a mentoring scheme, and a monthly public lecture series. The Scientia Education Fellows (representing UNSW’s interests externally) initiated collaborations with equivalent teaching academies from the University of Wollongong and the National University of Singapore. Nine new Fellows were inducted in 2018, bringing the total number of Academy educators to 40.

Inspired Learning Initiative meets growing demand

The Digital Uplift program – a major component of UNSW’s Inspired Learning Initiative (ILI) – enabled the redesign of 147 courses during 2018. Other highlights included embedding 18 extended reality learning experiences and producing more than 4,500 multimedia resources. The ILI is a five-year, \$55M program designed to provide personalised and flexible educational experiences to students, strengthen teaching excellence, integrate technology to enrich learning and teaching environments, and build global alliances.

3rd in Aus

UNSW is ranked 3rd in Australia and 28th in the world for graduate employability

Source: 2019 QS World University Rankings (ratings for 2018 are released in 2019)

UNSW seeks to increase global access to world-class education by expanding its digital campus and online learning portfolio through UNSW Online.

Education Focused pathway embraced by academics

A variety of initiatives were undertaken to build and support UNSW's new Education Focused (EF) community during 2018. This pathway (introduced in 2017) recognises academics who excel at teaching and supports them through the academic ranks. Following UNSW-wide consultation, more than 220 academics embraced the opportunity to participate in the pathway. A 'community of practice and support network' was established for the EF academics and featured three interactive lunch-and-learn sessions, a two-day off-site development retreat and other professional growth activities throughout the year. Under its 2025 Strategy, UNSW has an ambitious target of 25 percent of its academic workforce holding EF roles by 2025.

New support program for HEA fellowships

EF academics applying for a Higher Education Academy (HEA) Fellowship now have access to a professional development program to help with their applications. This UNSW program was recognised by the Council of Australasian University Leaders of Learning and Teaching as a national finalist in its 2018 Good Practice Awards in

November. UNSW's inaugural cohort saw 12 EF academics recognised as Senior Fellows of the HEA, with one recognised as a Principal Fellow. These fellowships provide individuals with international recognition of their practice, impact and leadership in teaching.

Specialist learning and career support for UNSW students

Almost 9,000 students received specialist support in 2018 through the UNSW Learning Centre – now part of a new Student Academic and Career Success team. The students were supported through a range of services with learning advisors and peer writing assistants. Of those who benefited from the core consultations and workshops, 70 percent were international students. At the same time, around 50 percent of UNSW undergraduate students found professional development support as part of Careers & Employment programs and services.

Creating world-class learning environments

The UNSW Learning Environments team continued to create world-class learning environments during 2018, delivering 44 interactive and 31 collaborative learning spaces, 10 lecture theatre upgrades and 2,550 new seats across the Kensington

campus. The team also completed the analogue to digital upgrade of AV technology in lecture theatres. This work is part of a \$45M program delivering world-class learning spaces, as well as student-led environments which enhance the student experience.

New flexible UNSW3+ calendar finalised

Work on the new UNSW3+ academic calendar was finalised in 2018, in preparation for its launch at the start of the academic year in February 2019. Comprising three 10-week teaching terms and an optional five-week summer term, UNSW3+ offers a more flexible study program for students. It also aligns more efficiently with international university calendars, allowing students to more easily integrate global experiences into their studies. Importantly, students will study up to three (rather than four) courses per session, enabling them to focus more on each subject.

CELEBRATING INSPIRING TEACHING

KPMG Inspiring Teacher Award

Dr Jennifer Schulz Moore, UNSW Law

This industry-sponsored award is delivered in partnership between the Pro Vice-Chancellor, Education and KPMG. It recognises and celebrates the most inspirational UNSW teacher, as nominated by students enrolled in first-year undergraduate programs in 2018.

Dr Jennifer Schulz Moore with Professor Geoff Crisp – PVC Education, (pictured left), and Morgan McCullough – Partner, NSW Education, Management Consulting, KPMG



SOCIAL ENGAGEMENT

UNSW leads discussions on the challenges of our time, translating its discoveries into positive social change. Social engagement is a key element of the University's 2025 Strategy, where it aims to create a just society, lead the debate on Grand Challenges and encourage knowledge exchange for social progress and economic prosperity.

UNSW wins gender equity award

UNSW's commitment to advancing the careers of women, and trans and gender diverse individuals in traditionally-male STEMM disciplines earned the University the prestigious Athena SWAN Bronze Institution Award in December. It was presented by Science in Australia Gender Equity (SAGE) at Parliament House, Canberra. UNSW was one of the first of the 45 higher education and research institutions participating to complete the Athena SWAN Bronze Institution Award accreditation in Australia – a rigorous two-year process to demonstrate an understanding of the barriers to gender equity in STEMM disciplines.

Top three in Workplace Equality Index

UNSW was awarded Bronze at the 2018 Australian LGBTIQ Inclusion Awards for its ongoing commitment to diversity in 2018. The award is based on the results of the Australian Workplace Equality Index – a benchmarking instrument that assesses LGBTIQ+ inclusion initiatives in workplaces. UNSW was one of 135 employers participating across Australia in 2018.

Disability Inclusion Action Plan

In June 2018, the Division of Equity, Diversity and Inclusion conducted workshops and focus groups to identify the key priorities and concerns for students and staff with disability. This study will deliver industry best-practice recommendations for students and staff inclusion. It will also provide a strong foundation for change on policy and planning, learning and teaching, student life and the digital, built and workplace environments.



New safety and security initiatives

UNSW continued its commitment to on-campus safety and security during 2018, with a range of new initiatives. These included the development of a Sexual Misconduct Prevention and Response policy, and training programs on preventing sexual assault and harassment awareness, unconscious bias and gendered violence awareness. UNSW's sexual assault, harassment and misconduct portal received 78 reports of sexual misconduct during the year. In response to this, the University undertook an internal audit to assess how effective it is at preventing and responding to sexual misconduct on campus. Recommendations from this audit will be implemented as part of a sexual misconduct prevention and response strategy due for release in 2019.

UNSW helps school students to AimHigh

UNSW's AimHigh ASPIRE program continued to foster university access opportunities for low SES Year 10-12 school students during 2018. Over the past eight years, there has been a 155 percent increase in university offers (overall) to ASPIRE partner schools and a 25 percent increase in offers by UNSW. In 2018, UNSW made 810 offers to students from socio-educationally disadvantaged schools. Of these, 241 offers were supported by Gateway – UNSW's contextualised entry scheme. Contextualised entry is where additional information may be considered when reviewing individual ATAR achievements, including geography and socio-economic status.



UNSW students celebrating the 40th Sydney Gay and Lesbian Mardi Gras

Solar expert first Australian to win Global Energy Prize

UNSW Professor Martin Green became the first Australian to receive the prestigious Global Energy Prize at a ceremony in Moscow in October. He was recognised for his research, development and educational activities in the field of photovoltaics. Russia's Minister of Energy, Alexander Novak, presented Professor Green with the award, which honours outstanding achievement in research and technology and is designed to address some of the world's most pressing energy challenges.

Torch Innovation Precinct celebrates two years

In October, Torch Innovation Week saw more than 150 people celebrate two years since Chinese Premier Li Keqiang and former Australian Prime Minister Malcolm Turnbull met to endorse the agreement for the first Torch Innovation Precinct outside China (located at UNSW). Since the Torch partnership began in 2016, UNSW has signed more than \$60M in contracts with 42 Chinese partners. In September, UNSW's Torch Innovation Precinct was named the best private/public partnership at the PIEoneer Awards for international education. In October, the Precinct opened its seventh joint industry lab with Kohodo Energy in Shenzhen, China with a sister lab under construction in Kensington.

Knowledge exchange revenue up 14 percent

Revenue from the UNSW Knowledge Exchange program was \$181M in 2018, an increase of 14 percent from 2017. Projects during the year included research work for a company developing new products for suppressing bush and motor vehicle fires. Knowledge Exchange engages with government, industry, and the community to enable the translation of UNSW research into real-world outcomes.

UNSW Founders Program reaches 8,000+ students and staff

Australia's most comprehensive university entrepreneurship program – the UNSW Founders Program – reached more than 8,000 people in its first year of operation in 2018. Aimed at providing students, staff and alumni with the skills and resilience they need to succeed in the 21st century global marketplace, the program comprises 10 initiatives. It allows participants to test new ideas, prototype new products, and build and grow startups. Program highlights during 2018 included support for 220+ startup and project teams and addressing the gender gap in entrepreneurship (by increasing the number of startups co-founded by women to 38 percent).

CoNECTIONS program helps disadvantaged to study

The CoNECTIONS student engagement program was piloted in 2018. It aims to support students from challenging or disadvantaged backgrounds to achieve success at university and in their transition to the graduate workforce. CoNECTIONS leverages the UNSW Co-op Program which, in collaboration with UNSW AimHigh and Nura Gili programs, offers professional development and career transition support to targeted student cohorts, assisting them to realise their true career potential. The pilot involved 25 students and ran alongside their degree studies.

Ally@UNSW turns 10

Ally – a program aimed at ensuring UNSW is a safe and welcoming place for LGBTIQ+ students and staff – celebrated its 10th birthday this year. Over the past decade, it has trained hundreds of staff and students as 'allies' – to provide confidential support and advice to the LGBTIQ+ community. UNSW participated for the second time in the Sydney Mardi Gras parade in March. More than 70 students, staff and alumni dressed in rainbow robes to accompany the UNSW float along Oxford Street.

Sculpture educates on mental illness

The complexity of mental illness was the theme for UNSW's 2018 Sculpture by the Sea exhibit. With visitor numbers exceeding 500,000 annually, the exhibition is one of the largest events of its kind globally. UNSW Sydney has been a significant partner of Sculpture by the Sea since 2015. This year's exhibition featured more than 100 sculptures situated along the 2km coastal walk from Bondi to Tamarama. One highlight was an artwork featuring a sculpture and a video, entitled Look Inside My Mind (pictured here) – a collaborative work created by a team from Medicine, Psychology, UNSW Canberra and Creative Services. The over-life-sized androgynous, ageless, resin head provided visitors with an imagined glimpse into an experience of post-traumatic stress disorder (PTSD) through a looping video visible from multiple viewing stations.



SOCIAL ENGAGEMENT: GRAND CHALLENGES

Informing, engaging and leading through critical thinking, evidence and debate is central to UNSW's 2025 Strategy. The University's Grand Challenges program aims to identify, explore and address the most important issues facing, or likely to face, humanity. UNSW addressed four Grand Challenges this year. Activities from each of these during 2018 are outlined below.

Thought leadership in the public interest

UNSW's 2025 Strategy includes a strong commitment to thought leadership. In 2018, the Thought Leadership program explored how UNSW might be more strategic in how it approaches and supports the development of thought leadership. This contrasts with the prevalent perception that thought leadership is commonly inconsistent and often underwhelming. UNSW commissioned Professor Tom Frame, from the Public Leadership Research Group (UNSW Canberra), to write a discussion paper in the context of the 2025 Strategy. This paper highlights how UNSW thought leadership activities and development should be aligned with the public interest and informed by a sound understanding of what the public interest is. The report, and the discussions it seeded, provides a series of concrete steps for shaping UNSW's thought leadership activities and development.

REFUGEES AND MIGRANTS

2016 – 2018

Led by Scientia Professor Jane McAdam (Law). Succeeded by Professor Stephanie Hemelryk Donald (Arts & Social Sciences) in July 2017.

May: The UNSW Forced Migration Network led a community forum showcasing issues facing refugee women and girls. The forum sought community input on strategies, activities and good practices to implement the gender commitments outlined in the UN Global Compact for Refugees. The Network received a research grant from the Department of Foreign Affairs and Trade (DFAT) to monitor commitment to the Compact in four Asia-Pacific countries.

August: UNSW's Kaldor Centre (dedicated to the study of international refugee law) hosted a presentation by Canada's Immigration Minister, Ahmed Hussen. A lawyer, refugee and now national leader, Mr Hussen spoke of the need for specialised settlement services for refugees, who often experience barriers to integration due to their past traumas.

INEQUALITY

2017 – 2018

Led by Professors Rosalind Dixon (Law) and Richard Holden (Business).

February: The *Facing Equality* portrait series was rolled out across the Arts & Social Sciences, Engineering, Law, Medicine and Science faculties. The series aims to celebrate the diversity of UNSW alumni, while visually challenging our unconscious bias.

May: UNSW co-hosted the *Economic Inequality: From Wisconsin to Whyalla* panel discussion at the Sydney Writers' Festival. The speakers were Professor Richard Holden (Professor of Economics, UNSW), Don Watson (award-winning author) and Amy Goldstein (Pulitzer Prize winner, Washington Post).

September: UNSW launched a report introducing an innovative new framework that uses modern social scientific techniques to measure the value of government projects – ranging from infrastructure to social insurance schemes. The Social Return Accounting report was developed by Professors Richard Holden and Rosalind Dixon in partnership with economics consultant Alex Rosenberg. The report was officially launched by former federal Opposition Leader, Dr John Hewson AM.

November: A UNSW plan that recommends a tax on carbon emissions, while ensuring lower to middle income households are better off, was launched by Professor Kerryn Phelps MP. The Australian Climate Dividend Plan was authored by Professors Rosalind Dixon and Richard Holden.

LIVING WITH 21ST CENTURY TECHNOLOGY

2017 – 2019

Led by Professor Lyria Bennett Moses (Law).

May: Roboticist and robot ethics expert Ron Arkin spoke about the plight of the non-combatant (civilians) at a UNSW Centre for Ideas talk on *Lethal Autonomous Robots*.

June: In partnership with the PLoS Alliance, the pioneer of CRISPR (Clustered Regularly Interspaced Short Palindromic Repeats), Dr Francisco Mojica, was joined in conversation with Deputy Vice-Chancellor, Academic Professor Merlin Crossley. CRISPR is a form of gene editing, which is ranked among the most important scientific findings of this century. It harnesses the natural defence mechanisms of some bacteria to cut human DNA strands.

July: A panel of experts from UNSW's Creative Robotics Lab and Disability Innovation Institute joined renowned academic and disability advocate Professor Tom Shakespeare to discuss *Robotics and the Disability Care Sector: Opportunity or Threat?*

August: UNSW welcomed UN Special Rapporteur on the Rights to Privacy, Professor Joseph Cannataci, as part of the UN's Big Data-Open Data consultation process. Professor Cannataci took questions from UNSW students, led by law student Laura Kenny.

December: *Thinking Skills in an AI World*, held in partnership with the NSW Department of Education, explored what skills students will need in the future. The event featured Professors Lyria Bennett Moses and Toby Walsh, and targeted teachers and education policy makers.

Meridian 180

A panel of progressive thinkers debated the declining trust in contemporary society when Meridian 180 launched its Oceania base at UNSW in October. Former Foreign Affairs Minister Julie Bishop delivered the keynote address, reflecting on the role of trust in diplomacy in the Asia-Pacific region, and drawing on her experiences forging relationships in the region.

RAPID URBANISATION

2018 – 2020

Led by Professor David Sanderson (Built Environment).

A conference posing the question "How can vulnerable neighbourhoods in fast-growing cities become more resilient to disasters and climate change?" was held at UNSW in November. The Urban Resilience Asia Pacific Conference was led by Professor David Sanderson, in partnership with the Red Cross, Arup and Harvard University's South Asia Institute.



Grand Challenges at the Festival of Dangerous Ideas

The first year of UNSW's Centre for Ideas co-presenting the Festival of Dangerous Ideas with The Ethics Centre saw 16,500 curious minds travel to Cockatoo Island in November. Grand Challenge themes were prominent at the Festival, which offered 31 sessions over two days. Professors Rosalind Dixon and Richard Holden featured in a panel *In Praise of Economic Inequality* with Judith Sloan and Nick Cater. Grand Challenges' lead Professor Rob Brooks discussed *Sex Robots Have No Taboos* with sexologist Nikki Goldstein and criminologist Xanthe Mallet. *Fight the Fear* featured Dr Haris Aziz, Dr Khandis Blake, Dr Lee Rollins and Professor Martina Stenzel and sparked debate around what drives our fears and anxieties, from algorithms and gene drives to sexy selfies.

Pictured above: Actor, writer and activist Stephen Fry speaking at the Festival of Dangerous Ideas.

GLOBAL IMPACT

The 2025 Strategy seeks to position UNSW as Australia's Global University, with the strategic ambition of becoming Australia's leading educator of international students. In 2018, UNSW attracted 23,148 international students from 137 countries.

IGD expands reach

The Institute for Global Development (IGD) expanded its reach during 2018, hosting the Australian Council for International Development conference and launching the first Global Development Month program of activities. These brought together national and global leaders in development research and practice, along with more than 1,000 audience members. IGD's six academic leads and 15 project leads visited Africa, Asia and the Pacific during the year. In Africa, the IGD and UNSW Global Water Institute secured a \$2.2M DFAT grant to deliver professional development programs for transnational water management in Kenya and Uganda. In addition, more than 1,200 UNSW undergraduate and postgraduate students undertook study in Myanmar, Uganda, Kenya, Fiji, Vanuatu and India, inspiring student-led projects in fair trade coffee, renewable energy solutions and agri-business innovations.

Globalising the student experience

UNSW has one of the largest outbound student mobility programs in Australia and is a sector leader in securing government funding through the New Colombo Plan (NCP) and

Endeavour Mobility Grants. In 2018, it secured more than \$3M in NCP funding to support 1,000 student experiences from 2019 to 2021. Six of the best students were selected for the prestigious NCP Scholarship Program. Two of these were also selected as NCP Fellows and two of UNSW's former NCP Scholars as NCP Alumni Ambassadors for 2019. The NCP aims to lift the knowledge of the Indo-Pacific in Australia by supporting Australian graduates to study and undertake internships in the region. Annually, around 27 percent of UNSW students now graduate with an overseas experience – one of the highest student mobility rates in the sector.

First online international Bachelors degree

With 5,000 UNSW postgraduate students currently studying fully online degrees, and 20,000 taking online courses, UNSW is now able to offer its first fully online Bachelors degree — thanks to the collaborative efforts of the PLuS Alliance. The Bachelor of International Public Health will be offered by the PLuS partnership universities – UNSW, Arizona State University and King's College London. Students complete core modules from UNSW and ASU as well as electives

from both partners, with King's to contribute modules from 2020. In other PLuS news, work began in 2018 on the development of a new model of engineering education (based in London). The PLuS Alliance Symposium and Education Innovation conference was also held in London in September.

Research and education hub opens in India

The UNSW India Centre in New Delhi opened in July and is part of the University's effort to strengthen its presence in India and further build Indian-Australian relations. The Centre supports UNSW's plan to build research and education partnerships in India. It is a hub to facilitate the recruitment of high-quality undergraduates, postgraduates and higher degree research cohorts. The Centre supports UNSW's growing portfolio of in-country programs such as the Global Business Practicum and other student experiences funded through the NCP. UNSW held its first series of Open Days in Delhi, Chennai, Pune and Mumbai in India in 2018, where 1,000 future students and their families received a taste of UNSW life.

UNSW President and Vice-Chancellor, Professor Ian Jacobs (right), with the University's first Chinese graduate, Professor Yang Qixun.



New China Centre strengthens relationships

In June, UNSW opened a new innovation-focussed interdisciplinary centre in the heart of one of Shanghai's major hubs for higher learning, modern industry and technology. The UNSW China Centre is in the Yangpu Changyang Innovation Valley and is part of the University's work to bolster its presence in China and further build Sino-Australian relations. Once an industrial base, the district is now primed to become the epicentre of innovation in Shanghai by 2030. The Centre will continue to support the University's academic mission by advancing research and education partnerships, recruiting international students and developing opportunities for UNSW students to study, conduct research and engage in internships in China.

UNSW and top China scientific body join forces with leading academic publisher

In November, UNSW and the Chinese Academy of Sciences Institute for Science and Development announced a partnership with the world's leading academic publishing house, Springer Nature, to increase global promotion of Australian and Chinese research. The new partnership was launched at the inaugural China-Australia Innovation Summit held in Beijing. It aims to deepen collaboration between Australian and Chinese researchers on artificial intelligence, renewable energy, materials and health science and cements the research relationship UNSW has had with the Academy since 2009.

VC personally congratulates first Chinese graduate – 40 years on

UNSW's first Chinese graduate, Professor Yang Qixun, was personally congratulated on his achievement by President and Vice-Chancellor Professor Ian Jacobs at a ceremony in Beijing in November. As China established its 'Reform and Opening Up Policy' in 1978, Professor Yang was among the first batch of 200 students selected by the Chinese Government to study overseas. He started his Doctor of Philosophy in Electrical Engineering at UNSW in 1979 and graduated with a PhD in 1982. Professor Jacobs' visit to Beijing was a positive example of the importance of knowledge exchange, partnerships and the value of international students to the University.

UNSW student Jessica Baldwin (M. Env. Management, FASS) enjoying a tour of Balekinaga village in northern Viti Levu, Fiji with local residents. Balekinaga was badly hit by Cyclone Winston in February 2016.



ENABLING DELIVERY OF OUR STRATEGY

To enable the delivery of its 2025 Strategy, UNSW continues to optimise its systems, processes and environments to create a safe, respectful culture for work and study. This involves ongoing improvements across three key areas: people and culture, operational effectiveness and sustainability, and world-class environments.

Growing UNSW's culture of philanthropy

UNSW Philanthropy (Alumni, Engagement and Development) continued to build the culture of giving across the University and community in 2018. During the year supporters generously gave more than \$27.2M to enable visionary investment in educational excellence, pioneering research, challenging inequality and world-class environments. This support allowed 518 students to study at UNSW in 2018 through philanthropy-funded scholarships and awards. In addition, 16 critical new research projects (including ground-breaking technologies in medicine and science) were launched, and thousands of alumni were able to relive their youth at the reopening of the iconic Roundhouse on the Kensington campus.

In 2018, UNSW celebrated the graduation of its 300,000th alumni worldwide, with 20,023 people actively engaged with UNSW. They attended over 111 alumni events internationally, volunteered their expertise, participated in public speaking and mentoring sessions, and/or gave philanthropically in support of work at UNSW.

HR improvements streamline processes and reinforce values

UNSW continued to attract and retain the world's best academic, research and professional talent during 2018. The Human Resources team introduced a range of enhancements designed to streamline systems and processes across recruitment and onboarding staff. The team focussed on bringing the University's Values in Action to life through embedding them in myCareer conversations with all staff across UNSW.

This culminated at the annual President's Awards in December, where more than 200 inspirational staff members were nominated by their peers for actively demonstrating the UNSW Values in Action.

Light rail works continue

Works continued on the CBD and South East Light Rail in 2018 with construction on both Anzac Parade and High Street. When operational, light rail services will operate every four minutes in each direction between the CBD and Moore Park during peak period and every eight minutes along the Randwick and Kingsford branch lines between 7am and 7pm.

More than 70 campus construction projects

UNSW's Estate Management team delivered more than 70 projects in 2018 as part of its ongoing work to create quality learning spaces, research facilities and amenities. Stage one of the Electrical Engineering building refurbishment was completed in February, where the 1960s-era building was transformed into a modern research and teaching facility to give the next generation of engineers a more engaging research environment. More than a dozen new laboratories were fitted out in the award-winning Hilmer Building to benefit several SHARP researchers.

In December, Student Support and Services introduced a new interactive student hub, The Nucleus, which includes self-service kiosks and virtual queuing systems. The Nucleus will transform the way student services are delivered on campus. More than 200 shared student spaces, an exhibition space, makerspace and PhD Lab were included in the newly renovated Red Centre, while refurbishments to the Chancellery, Roundhouse and student accommodation further enhanced UNSW's dynamic campus life. A revamp of the UNSW Bookshop (pictured right) transformed the university bookstore into a vibrant social and cultural destination. The shop, which is open to the public, includes a new café with indoor and outdoor seating space, a reading room and central room for events.



New Health Translation Hub

A new \$250M hub for multi-disciplinary medical, education, training and research in the Randwick Health and Education Precinct was announced in 2018. In partnership with the NSW Government, the Health Translation Hub will further integrate all aspects of work at UNSW with healthcare services and help deliver life-saving discoveries to patients more quickly. The building will include purpose-built spaces for researchers and educators to work alongside clinicians, new medical imaging equipment and ambulatory care clinics.



IT enhancing student experience and improving cyber safety

In preparation for the 2019 academic year, UNSW's IT team launched a new interactive handbook to enhance the student experience and complement the annual enrolment process for UNSW3+. All UNSW data centre operations were transferred to the (off campus) NSW Government Data Centre and new storage solutions to improve the performance of core IT systems were introduced. The team launched a new cyber

strategy and roadmap, supporting the modernisation of the University's cyber capabilities and defences.

Aerotropolis first major project for NUW Alliance

In an Australian first, the NUW Alliance (a collaboration between the University of Newcastle, UNSW Sydney and the University of Wollongong) joined forces with Western Sydney University to begin planning the delivery of a world-class higher education and research

presence in Western Sydney. The Multiversity will specialise in STEMM and become part of the Aerotropolis precinct at Badgerys Creek. By leveraging the expertise of the four institutions, students, employees and the wider community will have unparalleled access to innovative teaching and research. During 2018, the Alliance also funded two state-priority research projects on health data and suicide prevention, and one on delivering better value healthcare through e-health.



Committed to sustainability

In January, UNSW became the first educational institution in NSW to install a reverse vending machine as part of the state government's 'Return and Earn' container deposit scheme. Since its installation on the Kensington campus, more than 2.6M glass, plastic and steel containers have been recycled through the machine. The University also teamed up with TransGrid to install the first industrial-scale Tesla Powerpack battery on an Australian university campus as part of a 10-year joint energy research trial. The battery is powered by a 112-kilowatt rooftop solar system and connected to the Old Main Building's electricity system. It will support UNSW's goal to become carbon neutral by 2020.

GOVERNANCE AND LEADERSHIP

Strong and effective governance and management have set clear strategic goals for the University, underpinning its success and positioning it for the future.

UNSW Council

Under the *University of New South Wales Act 1989*, the University is governed by a Council of 15 members led by the Chancellor. Members represent the interests of the University and the community, contributing expertise in a range of areas including finance, commercial activities, law, governance, management, planning and development.

The Council has the following committees: Finance and Business, Audit, Risk, Remuneration and People, 2025 Council Sub-Committee and Honorary Degrees. The Council is able to draw on additional, specialised expertise by appointing external members to its committees. Council and Council Committee members serve the University on a voluntary basis. Further information on Council, its membership and committees is available on the UNSW website (unsw.edu.au).

In 2018, Council noted the report evidencing compliance with the Voluntary Code of Best Practice for the Governance of Australian Universities.

Council also adopted the revised Voluntary Code, as amended at the Universities Australia and University Chancellors Council joint meeting.

UNSW Academic Board

The Academic Board is the principal academic body of the University. Comprising up to 70 members, the Board advises the President and Vice-Chancellor and Council on matters relating to teaching, scholarship and research and makes decisions on functions delegated by Council.

UNSW Management

The President and Vice-Chancellor is the Principal Executive Officer of the University and is responsible for the overall direction of corporate planning, budget activities and external relations. Under the Council, the President and Vice-Chancellor manages and supervises the administrative, financial and other activities of the University. Reporting to the President and Vice-Chancellor are the Management Board, eight Faculty Deans and the Rector of UNSW Canberra, who have significant delegated authority in their respective areas.

Risk Management

Risk Management is a strategic partner to the Executive, specifically focussing on promoting a risk-aware culture – where risk is managed and optimised to protect UNSW assets and achieve the University's strategic objectives. The University's risk framework is updated regularly, in accordance with applicable Australian and global standards. Council reviews annually the University's risk profile, and endorses the Risk Appetite Statement, assessing both for alignment with the 2025 Strategy.



Members of the UNSW Council and management team

OFFICIAL COUNCIL MEMBERS (AS AT 31 DECEMBER 2018)

EX-OFFICIO

Chancellor

Mr David M. Gonski AC

BCom, LLB UNSW, FAICD (Life), FCPA
Current Term: 1 August 2017 – 31 July 2021

President and Vice-Chancellor

Professor Ian Jacobs

BA, MA Cam MBBS UCL MD London
FRCOG
Current Term: 6 April 2018 – 1 February 2025

President, Academic Board

Associate Professor David Cohen

BSc (Hons) Sydney, MSc Queen's,
Canada, PhD UNSW
Current Term: 1 January 2019 – 31 December 2020

MINISTERIAL APPOINTMENTS

Pro-Chancellor

Mr Brian Long FCA

Current Term: 1 July 2016 – 30 June 2020

Deputy Chancellor

Ms Jillian S. Segal AM

BA LLB UNSW, LLM Harvard, FAICD
Current Term: 1 July 2016 – 30 June 2020

ELECTED MEMBERS

One person elected by and from the non-academic staff

Mr Aaron Magner

BEd Macquarie, MEM LLM UNSW
Current Term: 1 July 2018 – 30 June 2020

Two persons elected by and from the academic staff

Professor Kristy Muir

BA Hons Wollongong, PhD
Wollongong, GAICD
Current Term: 1 July 2018 – 30 June 2020

Professor David Carmichael

BE Hons Sydney, MEngSc Sydney,
PhD Canterbury, FRSN, FIEAust,
CPEng, MAICD
Current Term: 1 July 2018 – 30 June 2020

One person elected by and from the postgraduate students

Mr Nicholas GuriEFF

BEng (Hons) BA UNSW
Current Term: 1 July 2018 – 30 June 2020

One person elected by and from the undergraduate students

Mr Ike Schwartz

Current Term: 1 July 2018 – 30 June 2020

MEMBERS APPOINTED BY COUNCIL

Pro-Chancellor

Dr Jennifer Alexander

MB BS MCom MHP UNSW, FRACMA
FAFPHM FAICD
Current Term: 1 July 2018 – 30 June 2022

Ms Maxine Brenner

BA LLB UNSW
Current Term: 1 July 2016 – 30 June 2020

Mr Nicholas Carney

BCom LLB UNSW, MAICD
Current Term: 1 July 2016 – 30 June 2020

Mr Matthew Grounds

BCom LLB UNSW
Current Term: 1 July 2018 – 30 June 2022

Mr Warwick Negus

BBus UTS, MCom UNSW, SF Fin
Current Term: 1 July 2016 – 30 June 2020

Former members Mr Michael Murdocca, Scientia Professor John Piggott and Mr Gaurav Vats were Council members from the beginning of the year until they completed their terms of office on 30 June 2018.

GOVERNANCE AND LEADERSHIP

LEADERSHIP

The key advisory bodies for the President and Vice-Chancellor are the Management Board (meets weekly) and the Senior Leadership Team (meets monthly). The Senior Leadership Team comprises the Management Board and the Deans.

MANAGEMENT BOARD

President and Vice-Chancellor

Professor Ian Jacobs

BA MA Cam MBBS UCL MD London
FRCOG

Deputy Vice-Chancellor, Equity Diversity and Inclusion

Professor Eileen Baldry

BA, DipEd, Dip Teaching English as a Second Language (TEFL) Syd, Master of Welfare Policy, PhD, UNSW

Deputy Vice-Chancellor, Research

Professor Nicholas Fisk

MBBS Syd, PhD UCL, MBA Imperial

Deputy Vice-Chancellor, Academic

Professor Merlin Crossley

BSc (Hons) Melb, DPhil Oxon

Deputy Vice-Chancellor, Enterprise

Professor Brian Boyle

BSc (Hons) Edinburgh, PhD Durham

Vice-President, External Relations

Ms Fiona Docherty

MA Glasgow

Vice-President, Finance and Operations

Mr Andrew Walters

BCom UKZN BAccSci (Hons) South Africa CA

Vice-President, Human Resources

Mr David Ward

BA (Hons) MCom UNSW

Chief Operating Officer, President and Vice-Chancellor's Office

Ms Shahina Mohamed

Vice-President, Philanthropy

Mr Jon Paparsenos

BA New Jersey

DEANS

Art & Design

Professor Ross Harley

BA (Hons) Griffith, MA DCA UTS

Arts & Social Sciences

Professor Susan Dodds

BA Toronto, PhD La Trobe

Built Environment

Professor Helen Lochhead

BScArch (Hons) BArch(Hons) Syd, MS(Arch+UD) Columbia DipHorticulture

Business School

Professor Chris Styles

BCom (Hons) UWA, PhD London Business School

Engineering

Professor Mark Hoffman

BMechEng (Hons) PhD Syd, MBT UNSW

Law

Scientia Professor George Williams AO

BEc LLB (Hons) Macq, LLM UNSW, PhD ANU

Medicine

Professor Rodney Phillips

FMedSci MA Oxon MD Melb FRCP FRACP

Science

Professor Emma Johnston AO

FRSN, BSc (Hons), PhD Melbourne

UNSW Canberra

Professor Michael Frater (Rector)

BSc BE Syd, MHed UNSW, PhD ANU, MIEEE FIEAust

SENIOR OFFICERS

President, Academic Board

Associate Professor David Cohen

BSc (Hons) Sydney, MSc Queen's, Canada, PhD UNSW

Pro Vice-Chancellor, Research Training

Professor Laura Poole-Warren

BSc (Hons) PhD UNSW

Pro Vice-Chancellor, Research

Professor Ana Deletic

PhD Aberdeen, MCivEng Belgrade

Pro Vice-Chancellor, Education

Professor Geoffrey Crisp

PhD ANU

Pro Vice-Chancellor, Academic Excellence

Professor Anne Simmons AM

BE (Hons) UQ, MBiomedE UNSW, PhD UNSW, FTSE, FIEAust

Pro Vice-Chancellor, Research Infrastructure

Associate Professor Grainne Moran

BSc PhD NUI Galway

Pro Vice-Chancellor, Indigenous

Professor Megan Davis

BA, LLB UQ, LLM, GDLP, PhD ANU

Pro Vice-Chancellor, International

Mr Laurie Pearcey

BInSt (Distinction) UNSW

UNSW FOUNDATION LIMITED BOARD OF DIRECTORS (AS AT 31 DECEMBER 2018)

CHAIR: Mr David Gonski AC

DEPUTY CHAIR: Vacant

Mr Richard Alcock AO

Ms Vera Boyarsky

Mr Robert Cameron AO

Mr Mark Dorney

Dr Holly Forsyth

Dr Daniel Gauchat

Mr Nicholas Gray

Dr Catherine Harris AO PSM

Professor Ian Jacobs

Dr Grant King

Ms Christine McNamee Liddy AO

Mr Bruce Morgan

Mr Timothy Olsen

Mr Simon Poidevin AM

Professor Laura Poole-Warren

Mr Julian Reynolds

Dr Emery Severin

Mr Shane Simpson AM

Emeritus Professor Alec Tzannes AM

Ms Nicola Wakefield Evans

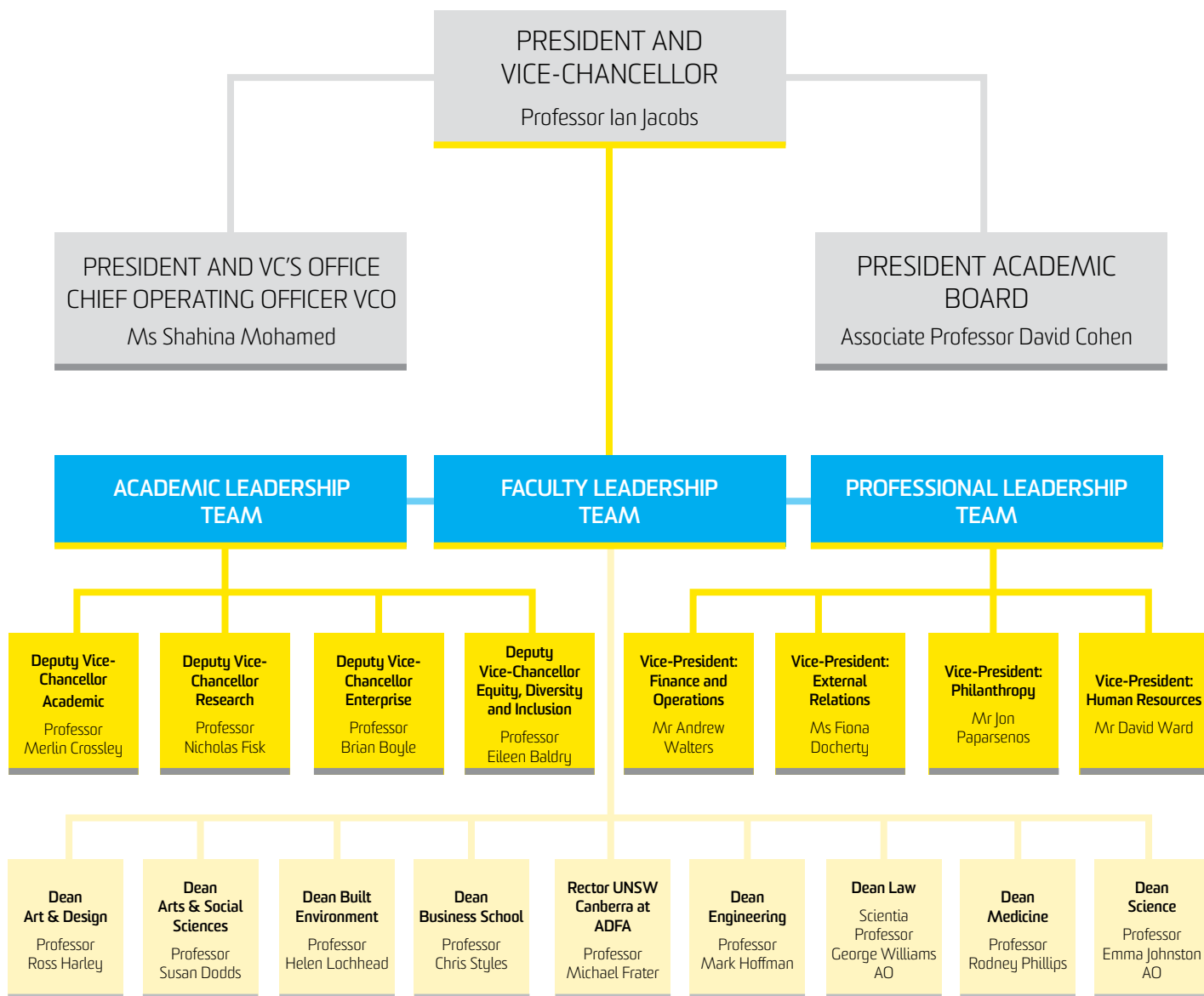
Mr Albert Yue-Ling Wong AM

Mr Tobias Yao



LEADERSHIP EXECUTIVE TEAM

UNSW ORGANISATION CHART



As at December 2018



UNSW

University Library



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COUNCIL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

The members of the University of New South Wales Council present their report on the consolidated entity the University of New South Wales, referred to as “UNSW” and the entities it controlled at the end of or during the year ended 31 December 2018.

UNSW is governed by a Council led by the Chancellor under the *University of New South Wales Act 1989* (“The Act”). The Act was amended during 2012 to adopt new governance provisions under the *Universities Governing Bodies Act 2011*.

MEMBERS

The following persons were the Council members of UNSW at 31 December 2018:

Ex-Officio Council Members

- Mr David M. Gonski, AC, Chancellor
- Professor Ian Jacobs, President and Vice-Chancellor
- Associate Professor David Cohen, President of the Academic Board

Ministerial Appointments

- Ms Jillian S. Segal, AM, Deputy Chancellor
- Mr Brian Long, Pro-Chancellor

Elected Council Members

- Professor David Carmichael¹
- Mr Nicholas Gurieff¹
- Mr Aaron Magner
- Professor Kristy Muir
- Mr Ike Schwartz¹

Members Appointed by Council

- Dr Jennifer Alexander, Pro-Chancellor
- Ms Maxine Brenner
- Mr Nicholas Carney
- Mr Matthew Grounds
- Mr Warwick Negus

Former Members ²

Scientia Professor John Piggott
Mr Michael Murdocca
Mr Gaurav Vats

¹ Professor David Carmichael, Mr Nicholas Gurieff and Mr Ike Schwartz were elected to serve as Council members from 1 July 2018.

² Scientia Professor John Piggott, Mr Michael Murdocca and Mr Gaurav Vats were Council members from the beginning of the year until they completed their terms of office on 30 June 2018.

MEETINGS OF COUNCIL AND COMMITTEES

The tables below outline the following:

- The number of UNSW Council meetings held during 2018, and the number of meetings each member attended
- The number of committee meetings held during 2018, and the number of meetings each member attended.

Member	Council Members ¹	
	A	B
Ex-Officio Council Members		
Mr David M. Gonski AC	8	8
Professor Ian Jacobs	8	8
Associate Professor David Cohen	8	8
Ministerial Appointments		
Mr Brian Long	4	8
Ms Jillian S. Segal AM	6	8
Elected Council Members		
Professor David Carmichael ²	4	5
Mr Nicholas Gurieff ²	3	5
Mr Aaron Magner	7	8
Professor Kristy Muir	6	8
Mr Ike Schwartz ²	4	5
Members Appointed by Council		
Dr Jennifer Alexander	8	8
Ms Maxine Brenner	7	8
Mr Nicholas Carney	8	8
Mr Matthew Grounds	5	8
Mr Warwick Negus	6	8
Former Members		
Mr Michael Murdocca ³	2	3
Scientia Professor John Piggott ³	2	3
Mr Gaurav Vats ³	1	3

A = Number of meetings attended as a member.

B = Number of meetings held during the time the member held office during the year.

¹ Six ordinary meetings and two special meetings were held during 2018.

² Term began 1 July 2018.

³ Term ended 30 June 2018.

COUNCIL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

Meetings of Committees												
	AUDIT		FINANCE & BUSINESS		HONORARY DEGREES		REMUNERATION & PEOPLE		RISK		2025 SUB-COMMITTEE	
	A	B	A	B	A	B	A	B	A	B	A	B
Ex-Officio Council Members												
Mr David M. Gonski AC			5	5	2	2	3	3			5	5
Professor Ian Jacobs			5	5	2	2	3	3	3	4	5	5
Professor David Cohen			3	3	1	2	2	3				
Ministerial Appointments												
Mr Brian Long	5	5									3	5
Ms Jillian S. Segal AM	4	5	3	5	2	2	2	3	2	4	5	5
Elected Council Members												
Mr Michael Murdocca ¹			1	2								
Professor Kristy Muir			3	4								
Mr Gaurav Vats ¹					1	1						
Mr Aaron Magner	4	4										
Scientia Professor John Piggott ¹			1	2								
Professor David Carmichael ²					1	1						
Members Appointed by Council												
Dr Jennifer Alexander									4	4		
Ms Maxine Brenner					2	2	2	3				
Mr Nicholas Carney									4	4	4	5
Mr Matthew Grounds			3	5							2	5
Mr Warwick Negus			4	5			2	3			5	5
External Committee Members*												
Mr Daniel Gauchat									4	4		
Mr Mark Johnson ²	3	3										
Mr Bruce Moore ¹	0	2										
Mr George Sutton									4	4		
Mr Michael Wright	5	5										
Mr Nick Marks ²									2	2		
Academic Board Nominees*												
Professor Louise Chappell					2	2						
Emeritus Professor Richard Henry AM					2	2						

A = Number of meetings attended as a member.

B = Number of meetings held during the time the member held office during the year.

* These Committee members are not members of Council.

¹ Term ended 30 June 2018.

² Term commenced 1 July 2018.

PRINCIPAL ACTIVITIES

During the year, UNSW's principal activities were:

- Providing exemplary university standard education and world-leading research facilities to students
- Offering educational courses across a range of fields and sectors and conducting research in a drive for academic excellence and global impact
- Encouraging the distribution, advancement, development and delivery of expert contributions and knowledge to lead and inform debate, policy making and global issues
- Awarding degrees, including Bachelor, Master and Doctorate
- Providing engaging teaching and learning opportunities with a focus on excellence
- Developing governance, admission policies, financial arrangements and quality assurance processes, underpinned by UNSW's values and 2025 strategic goals to ensure the integrity of all UNSW programs.

REVIEW OF OPERATIONS

The underlying result of \$25.3M (2017: \$60.2M) is driven by the University's core activities of teaching and research. Consequently, funding from non-core operating activities and those restricted for specific purposes are excluded as these funds are not available to support the University's day-to-day operations.

Consolidated		
	2018 - \$m	2017 - \$m
Total revenue and income	2,245.5	2,119.8
Employee costs	(1,225.8)	(1,096.5)
Other expenses	(1,001.0)	(865.0)
Operating / Accounting result	18.7	158.3
Restricted for specific purposes:		
Philanthropic funds	12.7	(26.3)
Capital grants	(9.6)	-
Specific purpose grants	(25.3)	(39.3)
Non-core operating:		
Investment funds	(1.9)	(32.5)
Significant items	30.7	-
Underlying result	25.3	60.2

The Group's consolidated operating result for 2018 has decreased by \$139.6M in comparison to 2017. This is mainly due to higher employee related costs, grant contributions and scholarship expenses, offset by an increase in course fees from international students. Key adjustments to the 2018 operating result to arrive at the underlying result of \$25.3M are exclusion of \$22.2M of income restricted for specific purposes and of \$28.8M of non-core expenses which include recognition of a \$30.7M payroll tax expense on unfunded defined benefit superannuation schemes. The payroll tax expense is expected to be refundable upon reaching agreement with the Commonwealth and NSW Governments.

Net assets increased by \$92.1M in 2018, primarily driven by the net accounting result for the period of \$18.7M, and revaluation gains on property, plant and equipment of \$85.3M.

COUNCIL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no significant changes in the State of Affairs of UNSW or any of its subsidiaries during the year and up to the date of this report.

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

There were no significant matters subsequent to the end of the financial year that require disclosure.

INSURANCE OF OFFICERS

UNSW obtains commercial insurance to indemnify persons who serve on UNSW Boards and Committees and on Boards and Committees of all entities in the Group. Coverage also extends to UNSW appointees who serve on the Boards of other entities, as designated representatives of UNSW, and who are not otherwise indemnified. This insurance provides funds to defend each officer and Board appointee of UNSW against claims from third parties which result from actual or alleged wrong acts, as permitted by law.

The premium for this commercial insurance is paid for by UNSW, and UNSW self-insures all claims expenses which fall below the policy deductible or for liabilities which are excluded or not covered by the commercial insurance contract.

PROCEEDINGS ON BEHALF OF UNSW

There are no financially material proceedings against or on behalf of UNSW or its controlled entities.

This report is made in accordance with a resolution of the members of UNSW.



Mr David M. Gonski AC
Chancellor

8 April 2019

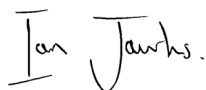
STATEMENT BY MEMBERS OF COUNCIL

Pursuant to Section 41C (1B), (1C) and (1D) of the *Public Finance and Audit Act 1983* (as amended) and clause 7 of the *Public Finance and Audit Regulation 2015*, we state that:

1. The financial report exhibits a true and fair view of the financial position as at 31 December 2018 and the financial performance for the year then ended for the University and Controlled Entities; and
2. The financial report for the year ended 31 December 2018 has been prepared in accordance with:
 - a. the provisions of the *Public Finance and Audit Act 1983*, *Public Finance and Audit Regulation 2015* and the Commonwealth Department of Education *Financial Statement Guidelines for Australian Higher Education Providers for the 2018 Reporting Period*; and
 - b. Australian Accounting Standards, Australian Accounting Standards Board Interpretations and other mandatory professional reporting requirements.
3. As at the date of the statement, we are not aware of any circumstances that would render any particulars included in the financial report to be misleading or inaccurate.

As required by the *Financial Statement Guidelines for Australian Higher Education Providers for the 2018 Reporting Period* issued by the Commonwealth Department of Education and Training, we also certify to the best of our knowledge and belief that all the Australian Government Financial Assistance expended by the University during the year ended 31 December 2018 was expended for the purposes for which it was intended and that the University of New South Wales has complied with applicable legislation, contracts, agreements and program guidelines in making that expenditure.

Signed in accordance with a resolution of Council.



Professor Ian Jacobs
President and Vice-Chancellor



Mr David M. Gonski AC
Chancellor

8 April 2019

COUNCIL REPORT

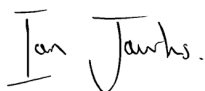
FOR THE YEAR ENDED 31 DECEMBER 2018

RESPONSIBLE ENTITIES DECLARATION

The members of the University of New South Wales Council declare that in the responsible entities' opinion:

- a. there are reasonable grounds to believe that the registered entity is able to pay all of its debts, as and when they become due and payable; and
- b. the financial statements and notes satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

Signed in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profit Commission Regulation 2013*.



Professor Ian Jacobs
President and Vice-Chancellor

8 April 2019



Mr David M. Gonski AC
Chancellor



INDEPENDENT AUDITOR'S REPORT

University of New South Wales

To Members of the New South Wales Parliament

Opinion

I have audited the accompanying financial statements of the University of New South Wales (the University), which comprise the Income statement and Statement of comprehensive income for the year ended 31 December 2018, the Statement of financial position as at 31 December 2018, the Statements of changes in equity and the Statement of cash flows for the year then ended, notes comprising a Summary of significant accounting policies and other explanatory information and the responsible entity's declaration of the University and the consolidated entity. The consolidated entity comprises the University and the entities it controlled at the year's end or from time to time during the financial year.

In my opinion, the financial statements:

- give a true and fair view of the financial position of the University and the consolidated entity, as at 31 December 2018, and of their financial performance and cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (PF&A Act) and the Public Finance and Audit Regulation 2015
- comply with the 'Financial Statement Guidelines for Australian Higher Education Providers for the 2018 Reporting Period' (the Guidelines), issued by the Australian Government Department of Education and Training, pursuant to the *Higher Education Support Act 2003*, the *Higher Education Funding Act 1988* and the *Australian Research Council Act 2001*
- have been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* and Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013.

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

Basis for Opinion

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

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

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

INDEPENDENT AUDITOR'S REPORT

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

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

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

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

Other Information

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

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

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

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

I have nothing to report in this regard.

University Council's Responsibilities for the Financial Statements

The Council is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, the PF&A Act, the Guidelines and the *Australian Charities and Not-for-Profits Commission Act 2012*, and for such internal control as the Council determines is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

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

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

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

My opinion does *not* provide assurance:

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



Margaret Crawford
Auditor-General of NSW

9 April 2019
SYDNEY

2018 FINANCIAL RESULTS

FOR THE YEAR ENDED 31 DECEMBER 2018

Income statement

For the year ended 31 December 2018

	Note	Consolidated		Parent	
		2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Income from continuing operations					
Australian Government financial assistance					
Australian Government grants	3	761,440	735,062	761,422	734,937
HELP - Australian Government payments	3	214,576	212,071	214,576	212,071
State and local government financial assistance	4	31,312	29,440	31,312	29,440
HECS-HELP - Student payments		27,276	28,772	27,276	28,772
Fees and charges	5	1,021,236	917,168	900,725	787,498
Investment income	6	18,938	53,206	17,794	51,077
Royalties, trademarks and licences		4,276	5,184	1,614	1,921
Consultancy and contracts	7	95,747	79,115	88,924	77,850
Other revenue	8	41,307	42,693	63,318	85,185
Net (loss)/gain on disposal of assets		10,116	(1,248)	10,351	(780)
Share of profit or loss on investments accounted for using the equity method	16	872	(611)	-	-
Other income	8	18,410	18,929	12,907	10,197
Total income from continuing operations		2,245,506	2,119,781	2,130,219	2,018,168
Expenses from continuing operations					
Employee related expenses	9	1,227,295	1,101,816	1,162,653	1,040,159
Depreciation and amortisation		173,764	160,840	169,914	158,196
Repairs and maintenance	10	38,701	36,788	37,422	35,785
Borrowing costs	11	19,014	6,234	19,014	6,234
Impairment of assets		3,083	2,117	3,067	1,932
Deferred superannuation expense/(benefit)	9	(1,473)	(5,327)	(1,473)	(5,327)
Other expenses	12	766,578	658,917	727,012	628,945
Total expenses from continuing operations		2,226,962	1,961,385	2,117,609	1,865,924
Net result before income tax from continuing operations		18,544	158,396	12,610	152,244
Income tax expense		(73)	(61)	-	-
Net result after income tax for the period		18,471	158,335	12,610	152,244
Net result attributable to:					
University of New South Wales	27(b)	18,686	158,335	12,610	152,244
Non-controlling interest		(215)	-	-	-
Total		18,471	158,335	12,610	152,244
Net result from continuing operations after income tax for the period attributable to the University of New South Wales		18,686	158,335	12,610	152,244

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

Statement of comprehensive income

For the year ended 31 December 2018

	Note	Consolidated		Parent	
		2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Net result after income tax for the period		18,471	158,335	12,610	152,244
Other comprehensive income					
Items that will be reclassified to profit or loss					
Gain on revaluation of available-for-sale financial assets	27(a)	-	19,804	-	19,451
Loss on cash flow hedges	27(a)	(9,151)	(10,431)	(9,151)	(10,431)
Exchange differences on translation of foreign operations	27(a)	150	(106)	-	-
Transfer to income statement	27(a)	-	(13,053)	-	(12,680)
Total		(9,001)	(3,786)	(9,151)	(3,660)
Items that will not be reclassified to profit or loss					
Gain on revaluation of property, plant and equipment	27(a)	85,347	118,168	85,347	118,168
Net actuarial gains/(losses) on defined benefit superannuation plans	27(b)	(7,168)	5,192	(7,168)	5,192
Net gain on revaluation of intangibles	27(a)	-	1,639	-	-
Disposal of non-current assets classified as held-for-sale	27(a)	(1,639)	-	-	-
Gain on revaluation of financial assets at fair value through other comprehensive income	27(a)	6,043	-	6,732	-
Total		82,583	124,999	84,911	123,360
Total other comprehensive income		73,582	121,213	75,760	119,700
Comprehensive result		92,053	279,548	88,370	271,944
Total comprehensive income attributable to:					
University of New South Wales		92,268	279,548	88,370	271,944
Non-controlling interest		(215)	-	-	-
Total		92,053	279,548	88,370	271,944
Total comprehensive income attributable to the University of New South Wales		92,268	279,548	88,370	271,944

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

2018 FINANCIAL RESULTS

Statement of financial position

As at 31 December 2018

	Note	Consolidated		Parent	
		2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Assets					
Current assets					
Cash and cash equivalents	13	208,552	414,910	128,589	316,100
Receivables	14	221,931	195,930	238,356	234,619
Inventories		1,034	995	-	-
Other financial assets	17	366,700	347,590	366,689	347,590
Non-current assets classified as held for sale	15	-	58,549	-	56,910
Total current assets		798,217	1,017,974	733,634	955,219
Non-current assets					
Receivables	14	1,303,189	1,225,986	1,312,370	1,239,564
Investments accounted for using the equity method	16	31,580	31,068	-	-
Other financial assets	17	509,927	465,165	507,762	461,205
Property, plant and equipment	19	2,791,910	2,468,939	2,781,562	2,459,656
Investment properties	18	9,800	9,400	9,800	9,400
Intangible assets	21	85,363	73,190	71,794	66,115
Total non-current assets		4,731,769	4,273,748	4,683,288	4,235,940
Total assets		5,529,986	5,291,722	5,416,922	5,191,159
Liabilities					
Current liabilities					
Trade and other payables	22	261,878	166,522	245,808	153,472
Borrowings	23	101,245	101,070	101,245	101,070
Provisions	24	342,427	339,755	333,561	334,385
Other financial liabilities	25	806	474	806	467
Other liabilities	26	134,936	132,440	78,247	80,569
Total current liabilities		841,292	740,261	759,667	669,963
Non-current liabilities					
Borrowings	23	269,525	258,101	269,525	258,101
Provisions	24	1,388,041	1,346,063	1,386,875	1,342,879
Other financial liabilities	25	8,904	9,652	8,904	9,652
Other liabilities	26	20,079	27,553	20,070	27,053
Total non-current liabilities		1,686,549	1,641,369	1,685,374	1,637,685
Total liabilities		2,527,841	2,381,630	2,445,041	2,307,648
Net assets		3,002,145	2,910,092	2,971,881	2,883,511
Equity					
Reserves	27	934,048	943,001	930,843	933,069
Retained earnings	27	2,067,312	1,966,091	2,041,038	1,950,442
Non-controlling interest		785	1,000	-	-
Total equity		3,002,145	2,910,092	2,971,881	2,883,511

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

Statement of changes in equity

For the year ended 31 December 2018

	Retained earnings \$'000	Reserves \$'000	Total attributable to the University of New South Wales \$'000	Non-controlling interest \$'000	Total \$'000
Consolidated					
Balance at 1 January 2017	1,800,751	828,793	2,629,544	-	2,629,544
Net result after income tax	158,335	-	158,335	-	158,335
Net gains on revaluation of property, plant and equipment	-	118,168	118,168	-	118,168
Net gains on revaluation of available-for-sale financial assets	-	19,804	19,804	-	19,804
Transfer to income statement	-	(13,053)	(13,053)	-	(13,053)
Net gains on revaluation of intangible assets	-	1,639	1,639	-	1,639
Exchange differences on translation of foreign operations	-	(106)	(106)	-	(106)
Net actuarial gains on defined benefit superannuation plans	5,192	-	5,192	-	5,192
Non-controlling equity interest	-	-	-	1,000	1,000
Transfers from reserves	1,813	(1,813)	-	-	-
Loss on cash flow hedges	-	(10,431)	(10,431)	-	(10,431)
Total comprehensive income	165,340	114,208	279,548	1,000	280,548
Balance at 31 December 2017	1,966,091	943,001	2,909,092	1,000	2,910,092
Balance at 1 January 2018	1,966,091	943,001	2,909,092	1,000	2,910,092
Effect of adoption of new accounting standards	65,600	(65,600)	-	-	-
Restated at 1 January 2018	2,031,691	877,401	2,909,092	1,000	2,910,092
Net result after income tax	18,686	-	18,686	(215)	18,471
Net gains on revaluation of property, plant and equipment	-	85,347	85,347	-	85,347
Exchange differences on translation of foreign operations	-	150	150	-	150
Net actuarial gains/(loss) on defined benefit superannuation plans	(7,168)	-	(7,168)	-	(7,168)
Transfers from reserves	24,103	(24,103)	-	-	-
Loss on cash flow hedges	-	(9,151)	(9,151)	-	(9,151)
Net gains on revaluation of financial assets at fair value through other comprehensive income	-	6,043	6,043	-	6,043
Disposal of non-current assets classified as held-for-sale	-	(1,639)	(1,639)	-	(1,639)
Total comprehensive income	35,621	56,647	92,268	(215)	92,053
Balance at 31 December 2018	2,067,312	934,048	3,001,360	785	3,002,145

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

2018 FINANCIAL RESULTS

Statement of changes in equity For the year ended 31 December 2018

	Retained earnings \$'000	Reserves \$'000	Parent Total attributable to the University of New South Wales \$'000	Non- controlling interest \$'000	Total \$'000
Parent					
Balance at 1 January 2017	1,791,193	820,374	2,611,567	-	2,611,567
Net result after income tax	152,244	-	152,244	-	152,244
Net gains on revaluation of property, plant and equipment	-	118,168	118,168	-	118,168
Net gains on revaluation of available-for-sale financial assets	-	19,451	19,451	-	19,451
Transfer to income statement	-	(12,680)	(12,680)	-	(12,680)
Net actuarial gains on defined benefit superannuation plans	5,192	-	5,192	-	5,192
Transfers from reserves	1,813	(1,813)	-	-	-
Loss on cash flow hedges	-	(10,431)	(10,431)	-	(10,431)
Total comprehensive income	159,249	112,695	271,944	-	271,944
Balance at 31 December 2017	1,950,442	933,069	2,883,511	-	2,883,511
Balance at 1 January 2018	1,950,442	933,069	2,883,511	-	2,883,511
Effect of adoption of new accounting standards	61,051	(61,051)	-	-	-
Restated at 1 January 2018	2,011,493	872,018	2,883,511	-	2,883,511
Net result after income tax	12,610	-	12,610	-	12,610
Net gains on revaluation of property, plant and equipment	-	85,347	85,347	-	85,347
Net actuarial gains on defined benefit superannuation plans	(7,168)	-	(7,168)	-	(7,168)
Transfers from reserves	24,103	(24,103)	-	-	-
Loss on cash flow hedges	-	(9,151)	(9,151)	-	(9,151)
Net gains on revaluation of financial assets at fair value through other comprehensive income	-	6,732	6,732	-	6,732
Total comprehensive income	29,545	58,825	88,370	-	88,370
Balance at 31 December 2018	2,041,038	930,843	2,971,881	-	2,971,881

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

Statement of cash flows

For the year ended 31 December 2018

	Note	Consolidated		Parent	
		2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Cash flows from operating activities:					
Australian Government grants		987,814	959,345	987,796	959,220
OS-HELP (net)		783	(1,070)	783	(1,070)
Superannuation Supplementation		70,537	73,110	70,537	73,110
State Government Grants		28,147	29,100	28,147	29,100
Local Government Grants		701	628	701	628
HECS-HELP - Student payments		27,276	28,772	27,276	28,772
Receipts from student fees and other customers		1,114,531	1,007,950	972,169	864,925
Payments to suppliers and employees (including GST)		(2,049,842)	(1,880,739)	(1,938,479)	(1,771,227)
Contributions to related parties		-	-	(5,495)	(8,104)
Investment income received		6,982	21,099	7,022	20,645
Contribution from related parties		-	-	43,373	44,473
Interest received		16,728	11,073	15,401	9,590
Interest and other costs of finance paid		(16,818)	(2,388)	(16,798)	(2,388)
GST recovered		61,803	43,608	63,260	42,945
Income taxes paid		(103)	(39)	-	-
Net cash provided by operating activities	34	248,539	290,449	255,693	290,619
Cash flows from investing activities:					
Proceeds from sale of property, plant and equipment		34	170	31	121
Proceeds from sale of financial assets		203,841	86,656	198,998	84,922
Payments for property, plant and equipment		(363,218)	(237,336)	(359,515)	(233,963)
Payments for financial assets		(270,871)	(412,398)	(265,393)	(411,362)
Payments for intangible assets		(23,613)	(17,961)	(14,985)	(12,736)
Payments for investment properties		-	(494)	-	(494)
Net cash used in investing activities		(453,827)	(581,363)	(440,864)	(573,512)
Cash flows from financing activities:					
Proceeds from interest bearing liabilities		-	319,579	-	319,579
Loans to related parties		-	-	(1,270)	(500)
Repayment of borrowings		(1,070)	(910)	(1,070)	(910)
Acquisition of non-controlling interests		-	1,000	-	-
Net cash provided by/(used in) financing activities		(1,070)	319,669	(2,340)	318,169
Net increase/(decrease) in cash and cash equivalents		(206,358)	28,755	(187,511)	35,276
Cash and cash equivalents at the beginning of the financial year		414,910	386,155	316,100	280,824
Cash and cash equivalents at the end of the financial year	13	208,552	414,910	128,589	316,100

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

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Notes to the financial statements

For the year ended 31 December 2018

1 Basis of preparation and consolidation

The principal accounting policies adopted in the preparation of these 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 UNSW Sydney (The University of New South Wales), referred to as "UNSW", an individual entity (the "parent entity") and the consolidated entity (the "Group") consisting of UNSW and its controlled entities.

(a) Basis of preparation

These general purpose financial statements have been prepared on an accrual basis in accordance with the requirements of the *Public Finance and Audit Act 1983* and *Public Finance and Audit Act Regulation 2015*, the Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Australian Accounting Interpretations and the *Higher Education Support Act 2003 (Financial Statement Guidelines)* *New South Wales, Australian Charities and Not-for-profits Commission Act 2012, Australian Charities and Not-for-profits Commission Regulation 2013* and Australian Government legislative requirements.

UNSW is a not-for-profit entity and the financial statements and notes of UNSW have been prepared on that basis. Some of the Australian Accounting Standards requirements for not-for-profit entities are inconsistent with the International Financial Reporting Standards (IFRSs) requirements.

(i) Date of authorisation for issue

The financial statements were authorised for issue on 8 April 2019 by the UNSW Council.

(ii) Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value through profit or loss and through other comprehensive income, financial assets and liabilities (including derivative instruments), certain classes of property, plant and equipment and investment property.

(iii) 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 Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in the following notes:

- Public Private Partnerships - note 20
- Revenue recognition - note 3
- Impairment of assets - note 14, 15, 17, 19 and 21
- Other financial assets - note 17
- Fair value measurement - note 36
- Investment properties - note 18
- Property, plant and equipment - note 19
- Provisions - note 24
- Employee benefits - note 37

(iv) Rounding of amounts

Amounts in the financial statements have been rounded to the nearest thousand dollars, or in certain cases, the nearest dollar.

(v) Comparative amounts

Comparative figures have been reclassified and repositioned in the financial statements, where necessary, to conform to the basis of presentation and classification used in the current year.

(b) Basis of consolidation

(i) Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of all entities controlled by the parent entity as at 31 December 2018.

Controlled entities are all those entities (including structured entities) over which the Group has control. The Group has control over an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Power over the investee exists when the Group has existing rights to direct the relevant activities of the investee. The existence and effect of potential voting

2018 FINANCIAL RESULTS

Notes to the financial statements

For the year ended 31 December 2018

1 Basis of preparation and consolidation (continued)

(b) Basis of consolidation (continued)

rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

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

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

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 controlled entities have been changed where necessary to ensure consistency with the policies adopted by the Group.

(ii) Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for in the parent entity's financial statements using the cost method and in the consolidated financial statements using the equity method of accounting, after initially being recognised at cost.

The Group's share of its associates' post-acquisition profits or losses is recognised in the income statement, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post acquisition movements are adjusted against the carrying amount of the investment. Dividends receivable from associates are recognised in the parent entity's income statement, while in the consolidated financial statements they reduce the carrying amount of the investment.

Gains or losses resulting from 'upstream' and 'downstream' transactions, involving assets that do not constitute a business, are recognised in the parent's financial statements only to the extent of unrelated investors' interests in the associate or joint venture. Gains or losses resulting from the contribution of non-monetary assets in exchange for an equity interest are accounted for in the same method.

(iii) Joint Ventures

Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations each investor has, rather than the legal structure of the joint arrangement.

The interest in a joint venture entity is accounted for in the consolidated financial statements using the equity method and is carried at cost by the parent entity. Under the equity method, the share of the profits or losses of the entity is recognised in the income statement, and the share of movements in reserves is recognised in reserves in the statement of comprehensive income and the statement of changes in equity.

2 General policies

(a) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the controlled 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 the parent entity's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

If gains or losses on non-monetary items are recognised in other comprehensive income, translation gains or losses are also recognised in other comprehensive income. Similarly, if gains or losses on non-monetary items are recognised in the income statement, translation gains or losses are also recognised in profit or loss.

(iii) Controlled entities

The results and financial position of all the controlled entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

Notes to the financial statements

For the year ended 31 December 2018

2 General policies (continued)

(a) Foreign currency translation (continued)

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- income and expenses for each income statement are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised as a separate component in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings, and the effective portion of financial instruments designated as hedges are recognised in other comprehensive income; and the ineffective portion in the income statement.

Fair value adjustments arising on the acquisition of foreign entities are treated as assets and liabilities of the foreign entities and translated at the closing rate.

(b) Income tax

The parent entity is exempt from income tax under Commonwealth income taxation legislation. Within the Group, however, there are some entities domiciled in foreign jurisdictions that are not exempt from paying income tax.

For those entities not exempt from tax, the income tax expense or benefit for the period is the tax payable on the current period's taxable income, based on the income tax rate for each jurisdiction, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and unused tax losses.

(c) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case, it is recognised as part of the acquisition cost of the asset or as part of the expense.

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

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

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Notes to the financial statements

For the year ended 31 December 2018

2 General policies (continued)

(d) New Accounting Standards and Interpretations

The following standards have been issued but are not mandatory for the year ended 31 December 2018 reporting period. UNSW has elected not to early adopt any of these standards.

Standard	Description	Application date
AASB 15	Revenue from Contracts with Customers	1 January 2019 ¹
AASB 16	Leases	1 January 2019 ³
AASB 1058	Income of Not-for-Profit Entities	1 January 2019 ²
AASB 1059	Service Concession Arrangements: Grantors	1 January 2020 ⁴
AASB 2014-5	Amendments to Australian Accounting Standards arising from AASB 15	1 January 2019 ¹
AASB 2015-8	Amendments to Australian Accounting Standards - Effective Date of AASB 15	1 January 2019 ¹
AASB 2016-3	Amendments to Australian Accounting Standards – Clarifications to AASB 15	1 January 2019 ¹
AASB 2016-7	Amendments to Australian Accounting Standards - Deferral of AASB 15 for Not-for-Profit Entities	1 January 2019 ¹
AASB 2016-8	Amendments to Australian Accounting Standards - Australian Implementation Guidance for Not-for-Profit Entities [AASB 15]	1 January 2019 ¹
AASB 2017-5	Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections	1 January 2022 ⁵
AASB 2018-1	Amendments to Australian Accounting Standards - Annual Improvements 2015-2017 Cycle	1 January 2019 ⁶
AASB 2018-5	Amendments to Australian Accounting Standards - Deferral of AASB 1059	1 January 2020 ⁴
AASB 2018-8	Amendments to Australian Accounting Standards - Right-of-Use Assets of Not-for-Profit Entities	1 January 2019 ⁷

¹The AASB has issued a new standard for the recognition of revenue which replaces AASB 118 and introduces the principle of revenue recognition when control of a good or service transfers to a customer. The standard permits either a full retrospective or modified retrospective approach for the adoption.

UNSW will adopt the modified retrospective approach which means that the cumulative impact of the adoption will be recognised in retained earnings as of 1 January 2019 and that comparatives will not be restated. Management has assessed the effects of applying the new standard on the Group's financial statements. Revenue recognition on grant and contract research will be impacted by the new standard, resulting in deferral of revenue recognition to future periods. The Group estimates the impact on 1 January 2019 to be a decrease in retained earnings by approximately \$163m.

²This replaces AASB 1004 Contributions and will work in conjunction with AASB 15. Management's assessment is that there will be no significant impact on revenue recognition for the applicable revenue stream.

³AASB 16 will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. The standard will primarily affect the accounting for the Group's operating leases. The accounting for lessors will not significantly change.

The Group intends to apply the simplified transition approach and will not restate comparative amounts as at 1 January 2019. For the leases that are in scope the Group estimates the impact on 1 January 2019 to be an increase to right-of-use assets and finance lease payable of approximately \$22m.

⁴The mandatory effective date for AASB 1059 for NFP entities has been amended by AASB 2018-5 to be on or after 1 January 2020. This standard addresses the accounting for a service concession by a grantor that is a public-sector entity (not-for-profit and for-profit) by prescribing the accounting for the arrangement from the grantor's perspective. This standard requires the grantor to recognise a service concession asset and corresponding liability on the balance sheet.

⁵This Standard defers the mandatory effective date (application date) of amendments to AASB 10 Consolidated Financial Statements and AASB 128 Investments in Associates and Joint Ventures that were originally made in AASB 2014-10 Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture so that the amendments are required to be applied for annual reporting periods beginning on or after 1 January 2022 instead of 1 January 2018.

Notes to the financial statements

For the year ended 31 December 2018

2 General policies (continued)

(d) New Accounting Standards and Interpretations (continued)

⁶This Standard makes amendments to: AASB 3 Business Combinations to clarify that an entity remeasures its previously held interest in a joint operation when it obtains control of the business; AASB 11 Joint Arrangements to clarify that an entity does not remeasure its previously held interest in a joint operation when it obtains joint control of the business; AASB 112 Income Taxes to clarify that an entity accounts for all income tax consequences of dividend payments according to where the entity originally recognised the past transactions or events that generated the distributable profits; and AASB 123 Borrowing Costs to clarify that an entity treats any borrowing originally made to develop a qualifying asset as part of general borrowings when the asset is ready for its intended use or sale.

⁷The Standard provides temporary options for not-for-profit lessees to elect to measure a class (or classes) of right-of-use (ROU) assets arising under concessionary leases at initial recognition either at cost or at fair value. The Group intends to apply the amendments as at 1 January 2019 which is the effective date.

(e) Changes in accounting policy

AASB 9 Financial Instruments replaces AASB 139 Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

In 2017, the Group undertook a review of its business model for managing financial assets to determine their appropriate classifications for its financial assets under AASB 9. The Group's review supported the classification and measurement of the majority of the Group's available for sale financial assets (under AASB 139) as financial assets at fair value through profit or loss. The Group has irrevocably elected to classify the remaining available-for-sale financial assets which are equity investments not held for trading, as financial assets at fair value through other comprehensive income as permitted by AASB 9. The measurement and classification of the other financial assets primarily held to collect principal and interest are at amortised cost.

Adoption of AASB 9 has resulted in the following adjustments as at 1 January 2018.

- (i) Reclassification of financial assets previously classified as available-for-sale assets (unlisted unit trusts, listed equities, other financial assets) to financial assets at fair value through profit or loss.
- (ii) Reclassification of financial assets previously classified as available-for-sale assets (unlisted equities) to financial assets at fair value through other comprehensive income under an irrevocable election.
- (iii) Reclassification of held-to-maturity investments (term deposits) to financial assets at amortised cost.
- (iv) The transfer of the \$66m (consolidated) and \$61m (parent) in the available-for-sale asset revaluation reserve to retained earnings.

	31 December 2017	Reclassification	1 January 2018
Consolidated	\$'000	\$'000	\$'000
Available-for-sale financial assets (AASB 139)	465,647	(465,647)	-
Held-to-maturity investments (AASB 139)	347,104	(347,104)	-
Financial assets at fair value through profit or loss	-	446,622	446,622
Financial assets at fair value through other comprehensive income	-	19,025	19,025
Financial assets at amortised cost	-	347,104	347,104
Total assets	812,751	-	812,751
Transfer of available-for-sale asset reserve balance as at 1 January 2018			
Retained earnings	1,966,091	65,600	2,031,691
Financial assets at fair value through other comprehensive income revaluation reserve	-	18,283	18,283
Transfer of available-for-sale asset revaluation reserve	83,883	(83,883)	-
Total effect on equity	2,049,974	-	2,049,974

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Notes to the financial statements For the year ended 31 December 2018

2 General policies (continued)

Parent	31 December 2017 \$'000	Reclassification \$'000	1 January 2018 \$'000
Available-for-sale financial assets (AASB 139)	455,078	(455,078)	-
Held-to-maturity investments (AASB 139)	347,104	(347,104)	-
Financial assets at fair value through profit or loss	-	438,877	438,877
Financial assets at fair value through other comprehensive income	-	16,201	16,201
Financial assets at amortised cost	-	347,104	347,104
Total assets	802,182	-	802,182
Transfer of available-for-sale asset reserve balance as at 1 January 2018			
Retained earnings	1,950,442	61,051	2,011,493
Financial assets at fair value through other comprehensive income revaluation reserve	-	16,201	16,201
Transfer of available-for-sale asset revaluation reserve	77,252	(77,252)	-
Total effect on equity	2,027,694	-	2,027,694

The reclassifications and the remeasurement have resulted in an overall nil impact on equity as at 1 January 2018.

The impact of these changes in the entity's accounting policy on individual line items in the financial statements is summarised as follows:

	Consolidated Current year impact Net result increase/ (decrease) \$'000	Parent Current year impact Net result increase/ (decrease) \$'000
Income statement (extract)		
Change in fair value of financial assets designated as at fair value through profit or loss	(50,970)	(50,493)
Investment income	(50,970)	(50,493)
Net result after income tax for the period	(50,970)	(50,493)
Statement of comprehensive income (extract)		
Items that will be reclassified to profit or loss		
Net loss on revaluation of financial assets at fair value through profit or loss	-	-
Total other comprehensive income for the year	-	-
Total comprehensive income for the year	(50,970)	(50,493)

Notes to the financial statements

For the year ended 31 December 2018

3 Australian Government financial assistance including Australian Government loan programs (HELP)

	Note	Consolidated		Parent	
		2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
(a) Commonwealth Grants Scheme and Other Grants	38(a)	286,461	283,748	286,461	283,748
(b) Higher Education Loan Programs	38(b)	214,576	212,071	214,576	212,071
(c) Education Research Grants	38(c)	169,687	168,888	169,687	168,888
(d) Other Capital Funding	38(e)	3,478	1,296	3,478	1,296
(e) Australian Research Council	38(f)	62,201	68,879	62,201	68,879
(f) Other Australian Government Financial Assistance (non-capital)		239,613	212,251	239,595	212,126
Total Australian Government Financial Assistance		976,016	947,133	975,998	947,008

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

4 State and Local Government financial assistance

Non-capital

Research financial assistance	30,731	28,814	30,731	28,814
Other financial assistance	581	626	581	626
Total non-capital	31,312	29,440	31,312	29,440
Total State and Local Government Financial Assistance	31,312	29,440	31,312	29,440

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

2018 FINANCIAL RESULTS

Notes to the financial statements For the year ended 31 December 2018

5 Fees and charges

	Note	Consolidated		Parent	
		2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Course fees and charges					
Fee-paying onshore overseas students		808,392	708,980	712,457	602,974
Fee-paying offshore overseas students		4	89	4	89
Continuing education		19,326	22,102	19,327	22,104
Fee-paying domestic postgraduate students		23,483	23,514	22,714	22,629
Fee-paying domestic undergraduate students		2,126	2,234	2,126	2,234
Total course fees and charges		853,331	756,919	756,628	650,030
Other non-course fees and charges					
Educational measurement and testing		19,941	19,037	6,048	4,812
Rental charges		14,233	15,885	20,988	21,992
Student accommodation		37,047	35,566	31,388	30,659
Miscellaneous sales		22,608	23,075	12,430	11,363
Service fees		27,768	25,934	25,284	23,433
Cost recoveries ¹		35,829	31,686	37,480	36,143
Student services and amenities fee	38(i)	10,479	9,066	10,479	9,066
Total other fees and charges		167,905	160,249	144,097	137,468
Total fees and charges		1,021,236	917,168	900,725	787,498

¹The parent entity recovers costs paid on behalf of controlled entities, associated organisations and external entities.

Student fees are recognised as revenue in the year in which the service is provided. Student fees received that relate to courses to be held in future periods are treated as income in advance.

Revenue from services rendered is recognised in the period in which the service is provided, having regard to the stage of completion of the service.

Miscellaneous sales revenue comprises revenue earned (net of returns, discounts and allowances) from the supply of products to entities outside the Group. Sales revenue is recognised when significant risks and rewards of ownership are transferred to the customer.

6 Investment income

Interest income		19,641	12,807	18,349	11,324
Dividends income		23,112	19,231	22,782	19,123
Other ATO franking credit		2,220	2,062	2,220	2,022
Change in fair value of financial assets designated as at fair value through profit or loss		(50,970)	-	(50,493)	-
Realised gain/(loss) on sale of financial assets designated as at fair value through profit or loss		24,935	-	24,936	-
Realised net gains on sale of available-for-sale financial assets		-	6,053	-	5,928
Gains reclassified from equity on disposal of available-for-sale financial assets		-	13,053	-	12,680
Total investment income		18,938	53,206	17,794	51,077

Interest income is recognised as it is earned. Dividend revenue is recognised as revenue when the right to receive payment is established.

Notes to the financial statements

For the year ended 31 December 2018

7 Consultancy and contracts

	Consolidated		Parent	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
Consultancy	8,671	7,228	8,470	7,259
Contract research	87,076	71,887	80,454	70,591
Total consultancy and contracts	95,747	79,115	88,924	77,850

Revenue from services rendered is recognised in the period in which the service is provided, having regard to the stage of completion of the service.

8 Other revenue and income

Other revenue				
Contributions ¹	-	-	22,770	43,139
Donations and bequests	33,253	36,135	32,501	35,487
Scholarships and prizes	7,488	6,020	7,488	6,020
Other external grants	566	538	559	539
Total other revenue	41,307	42,693	63,318	85,185
Other income				
Subscription income	52	70	52	70
Sponsorship income	4,019	4,866	4,019	4,946
Miscellaneous income	14,339	13,993	8,836	5,181
Total other income	18,410	18,929	12,907	10,197
Total other revenue and income	59,717	61,622	76,225	95,382

¹Largely comprised of contributions of \$21,702,000 from UNSW Global Pty Ltd (2017: \$42,305,000), from New South Wales Minerals Industry/University of New South Wales Education Trust \$395,000 (2017: \$375,315), the University of New South Wales Foundation Trust \$nil (2017: \$209,000), UNSW Hong Kong Foundation Ltd \$408,000 (2017: \$26,000) and from UNSW & Study Abroad - Friends and US Alumni, Inc. \$211,000 (2017: \$223,000).

Other revenue represents donations, bequests and contributions from external organisations which is recognised when the Group becomes entitled to receive other revenue and it can be reliably measured.

Other income includes subscriptions, sponsorships, publishing sales and miscellaneous income not derived from core business and is recognised when it is earned.

2018 FINANCIAL RESULTS

Notes to the financial statements For the year ended 31 December 2018

9 Employee related expenses

	Note	Consolidated		Parent	
		2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Academic¹					
Salaries		446,470	416,182	432,797	401,419
Contributions to superannuation and pension schemes:					
Unfunded schemes ³		4,018	6,934	4,018	6,934
Funded schemes		65,675	61,473	63,641	59,315
Payroll tax ⁴		49,988	26,778	48,717	25,450
Workers compensation		1,026	605	867	527
Long service leave expense		11,195	13,019	10,241	13,337
Annual leave		41,094	40,680	39,450	39,331
Other		3,718	3,460	3,718	3,460
Total academic		623,184	569,131	603,449	549,773
Non-academic²					
Salaries		444,141	400,041	408,275	364,563
Contributions to superannuation and pension schemes:					
Unfunded schemes ³		1,013	2,109	1,013	2,109
Funded schemes		59,939	52,210	57,123	49,465
Payroll tax ⁴		35,956	23,243	34,354	21,707
Workers compensation		1,074	608	834	454
Long service leave expense		13,916	12,024	12,773	12,311
Annual leave		37,981	33,938	35,839	32,085
Other		10,091	8,512	8,993	7,692
Total non-academic		604,111	532,685	559,204	490,386
Total employee related expenses		1,227,295	1,101,816	1,162,653	1,040,159
Deferred superannuation expense/(benefit)	37(e)	(1,473)	(5,327)	(1,473)	(5,327)
Total employee related expenses, including deferred employment benefits for superannuation		1,225,822	1,096,489	1,161,180	1,034,832

¹Academic staff includes teaching staff, sessional teaching staff, guest lecturers and academic research staff.

²Non-academic staff includes general and administrative staff, professional staff, examination supervisors and casual general staff.

³Contributions made to unfunded superannuation pension schemes represent amounts paid to the Professorial Superannuation Fund and the UNSW Canberra at ADFA component of the three superannuation schemes. Refer to further details in note 37(e) for amounts recognised in the income statement - employer contributions.

⁴This includes payroll tax liability in respect of the top-up contributions for the defined benefit liabilities. Refer to further details in note 30.

Notes to the financial statements

For the year ended 31 December 2018

10 Repairs and maintenance

	Consolidated		Parent	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
Service contracts	11,240	13,143	11,010	12,778
Buildings	18,312	16,982	17,265	16,348
Other equipment	9,149	6,663	9,147	6,659
Total repairs and maintenance	38,701	36,788	37,422	35,785

Repairs and maintenance costs are recognised as expenses as incurred, except where they relate to the replacement of a component of an asset, in which case the costs are capitalised and depreciated. Other routine operating maintenance, repair and minor renewal costs are also recognised as expenses, as incurred.

11 Borrowing costs

Interest expense ¹	16,870	4,852	16,870	4,852
Hedging expense	2,144	1,382	2,144	1,382
Total borrowing costs	19,014	6,234	19,014	6,234

¹Borrowings in relation to the US Private Placement and the Bank of China facility, as detailed in note 23, were issued and drawn in the last quarter of 2017.

Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed.

12 Other expenses

Scholarships, grants and prizes	210,934	157,122	214,183	165,836
Non-capitalised equipment	76,154	59,351	76,315	59,667
Advertising, marketing and promotional expenses	17,939	17,494	15,327	15,354
Audit fees	1,183	972	618	500
Consumables	45,918	39,305	43,306	37,519
Travel and entertainment	49,773	43,534	48,166	41,986
Commission to agents	42,700	41,920	31,748	31,285
Contract services (including consultants)	216,790	201,231	212,668	198,094
Cost of books sold	3,814	3,885	-	-
Energy, utilities, postage and telephone	27,978	20,948	27,291	20,271
Fees, charges and insurance	38,017	38,387	35,930	36,245
Operating lease expenses	14,572	14,313	7,291	7,536
Other operating expenses	20,806	20,455	14,169	14,652
Total other expenses	766,578	658,917	727,012	628,945

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For the year ended 31 December 2018

13 Cash and cash equivalents

	Consolidated		Parent	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
Cash at bank	73,547	112,301	43,584	74,991
Short-term deposits	135,005	302,609	85,005	241,109
Total cash and cash equivalents	208,552	414,910	128,589	316,100

(a) Reconciliation to cash and cash equivalents at the end of the financial year

The above figures are reconciled to cash and cash equivalents at the end of the financial year as shown in the statement of cash flows.

Cash at bank earns floating interest rates between 0.39% and 1.88% (2017: 0.60% and 1.88%).

The deposits are interest-bearing at floating rates between 1.25% and 2.64% (2017: 1.25% and 2.40%).

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

14 Receivables

	Note	Consolidated		Parent	
		2018	2017	2018	2017
		\$'000	\$'000	\$'000	\$'000
Current					
Trade receivables		70,204	50,147	63,955	42,728
Student debtors		4,759	4,094	4,759	4,094
Loans and other receivables ¹		-	-	26,870	46,281
Trade and other receivables (impairment)		(4,134)	(4,194)	(5,830)	(3,953)
		70,829	50,047	89,754	89,150
Prepayments		44,415	34,634	42,324	33,049
Deferred government contributions for superannuation ²	37(d)	79,865	82,577	79,865	82,577
Accrued income		26,822	28,672	26,413	29,843
Total current receivables		221,931	195,930	238,356	234,619
Non-current					
Prepayments ³		68,626	-	68,622	-
Deferred government contributions for superannuation ²	37(d)	1,229,543	1,222,380	1,229,543	1,222,380
Other receivables		5,020	3,606	14,205	17,184
Total non-current receivables		1,303,189	1,225,986	1,312,370	1,239,564
Total receivables		1,525,120	1,421,916	1,550,726	1,474,183

¹As at 31 December 2018, loans and other receivables include contributions of \$21,702,000 (2017: \$42,305,000) due from UNSW Global Pty Ltd, refer to note 8.

²As at 31 December 2018, a total of \$1,309,408,000 (2017: \$1,304,958,000) is receivable from the Commonwealth and NSW Governments. These amounts include the net assets of UNSW Global Pty Ltd of \$2,830,000 (2017: \$2,663,000). The corresponding provisions for Deferred government benefits for superannuation is a total of \$1,407,944,000 (2017: \$1,400,580,000) (refer to note 24), with the net provision of \$98,536,000 (2017: \$95,621,000) relating to UNSW Canberra at ADFA \$96,862,000 (2017: \$94,578,000) and other unfunded superannuation costs \$1,674,000 (2017: \$1,043,000).

³The consideration of \$68,622,000 relating to the Agreement for Lease with NSW Health Infrastructure is recognised as a prepayment of rent for the 99-year lease to be granted to UNSW on completion of the North-West building in the Randwick Health and Education Precinct.

Notes to the financial statements

For the year ended 31 December 2018

14 Receivables (continued)

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

(a) Impaired receivables

The nominal value of the Group and the parent entity as at 31 December 2018 of \$4,134,000 (2017: \$4,194,000) and \$5,830,000 (2017: \$3,453,000) respectively were impaired. The impaired receivables relate to non-government customers, who are in unexpectedly difficult economic situations. An impairment analysis is performed at each reporting date to measure expected credit losses. The provision rates are based on days past due for various customer segments with similar loss patterns. Trade receivables which are known to be uncollectible are written-off.

The ageing of the provision of these receivables are as follows:

	Consolidated		Parent	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
91 to 180 days	648	712	2,356	515
181 to 365 days	1,347	1,460	1,336	1,331
over 365 days	2,139	2,022	2,138	1,607
	4,134	4,194	5,830	3,453

(b) Past due but not impaired receivables

Current receivables of the Group and the parent entity with a nominal value as at 31 December 2018 of \$21,698,000 (2017: \$14,090,000) and \$20,375,000 (2017: \$12,744,000) respectively were past due but not impaired.

The ageing of the nominal values of these receivables are as follows:

31 - 90 days	11,639	12,481	10,872	11,503
91 - 180 days	7,500	1,134	7,561	906
181 - 365 days	1,793	406	1,565	241
over 365 days	766	69	377	94
	21,698	14,090	20,375	12,744

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14 Receivables (continued)

(c) Movements

Movements in the provision for impaired receivables are as follows:

	Consolidated		Parent	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
Opening balance at 1 January	4,194	4,210	3,953	3,307
Provision for expected credit losses	1,286	-	2,704	-
Provision for impairment added during the year	-	1,473	-	1,590
Receivables written off during the year	(1,346)	(1,489)	(827)	(944)
Closing balance at 31 December	4,134	4,194	5,830	3,953

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost less any provision for expected credit losses or impairment. Receivables are due for settlement generally no more than 30 days from the date of recognition. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

Impairment

For trade receivables the Group applies a simplified approach in calculating expected credit losses ("ECLs"). Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For prior year, under AASB 139, a provision for impaired receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is recognised in the income statement within impairment of assets.

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

Collectability of receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. Subsequent recoveries of amounts previously written off are credited to the income statement.

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

15 Non-current assets classified as held for sale

	Consolidated		Parent	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
Off-campus properties ¹	-	56,910	-	56,910
Computer software ²	-	1,639	-	-
Total assets held for sale	-	58,549	-	56,910

¹The sale of UNSW's Randwick properties, as part of the Randwick Health and Education Precinct development was executed in 2018. The resultant gain is disclosed in the Income Statement. Also refer to note 14 for details of the consideration received.

²The Kakadu assets held by NewSouth Innovations Pty Ltd were sold in 2018 following the execution of the asset sale agreement.

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For the year ended 31 December 2018

15 Non-current assets classified as held for sale (continued)

Non-current assets are classified as held for sale and stated at the lower of their carrying amount and fair value less costs of disposal if their carrying amount will be recovered principally through a sale transaction rather than through continuing use.

An impairment loss is recognised for any initial or subsequent write down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non current asset is recognised at the date of derecognition.

16 Investments accounted for using the equity method

	Consolidated	
	2018	2017
	\$'000	\$'000
Associates	30,599	29,970
Joint ventures	981	1,098
Total investments accounted for using the equity method	<u>31,580</u>	<u>31,068</u>

(a) Associates

Name of Entity	Place of business	Measurement method	Carrying value		Ownership Interest %	
			2018	2017	2018	2017
			\$'000	\$'000		
Silicon Quantum Computing	Australia	Equity method	20,565	22,190	30.00	30.00
UIIT Trust No. 3	Australia	Equity method	4,922	4,377	100.00	100.00
UIIT Trust No. 6	Australia	Equity method	2,711	1,943	100.00	100.00
UIIT Trust No. 9	Australia	Equity method	190	125	25.00	25.00
Cicada Innovations Pty Ltd ¹	Australia	Equity method	2,121	1,335	25.00	25.00
Acyte Biotech Pty Ltd	Australia	Equity method	90	-	43.00	43.00
The Health-Science Alliance ²	Australia	Equity method	-	-	30.00	30.00
Sydney Institute of Marine Science ²	Australia	Equity method	-	-	25.00	25.00
Centre for Eye Health ²	Australia	Equity method	-	-	38.00	38.00
Skykraft Pty Ltd ³	Australia	Equity method	-	-	20.00	-
			<u>30,599</u>	<u>29,970</u>		

¹Change of name from Australian Technology Park Innovations Pty Ltd.

²These companies are public companies limited by guarantee. The constitutions of these companies prohibit profit distributions of funds to the members. Accordingly, the results of these companies are equity accounted at nil value.

³The agreement to establish the associate entity was duly signed and executed on 21 August 2018 by NewSouth Innovations Pty Ltd and other parties of the agreement.

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Notes to the financial statements For the year ended 31 December 2018

16 Investments accounted for using the equity method (continued)

(b) Summarised financial information - Associates

Summarised financial information for individually material associates is set out below:

	Silicon Quantum Computing		UIIT Trust No 3	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Current assets	42,659	38,140	177	96
Non-current assets	35,881	44,398	4,825	4,281
Total assets	78,540	82,538	5,002	4,377
Current liabilities	4,309	302	-	-
Total liabilities	4,309	302	-	-
Net assets	74,231	82,236	5,002	4,377
Share of associate's net assets	22,403	22,190	5,002	4,377
Reconciliation of carrying amounts:				
Balance at 1 January	22,190	-	4,377	4,710
Share of loss for year	(357)	(185)	626	(80)
Elimination of unrealised gain on fair value relating to UNSW	(1,268)	(2,625)	-	-
Dividends	-	-	(81)	(253)
Additions	-	25,000	-	-
Balance at 31 December	20,565	22,190	4,922	4,377
Financial Performance				
Income	82	68	-	-
Loss from continuing operations	(1,182)	(550)	626	(80)
Total comprehensive income	(1,182)	(550)	626	(80)
Share of associate's profit/(loss)	(357)	(185)	626	(80)

(c) Joint Ventures

Name of Entity	Place of business	Measurement method	Carrying value		Ownership Interest %	
			2018 \$'000	2017 \$'000	2018 %	2017 %
Zhejiang Hangdian Graphene Tech Co. Ltd ¹	China	Equity method	981	1,098	20.00	20.00

¹The agreement to establish the joint venture was duly signed and executed on 17 June 2016 by NewSouth Innovations Pty Limited and Hangzhou Cable Co. Ltd. Share of the joint venture's loss was \$118,000 (2017: \$185,000).

(d) Individually immaterial associates

Aggregate carrying amount of interests in associates accounted for using the equity method that are not individually material in the consolidated financial statements:

	Consolidated	
	2018 \$'000	2017 \$'000
Profit/(loss) from continuing operations	3,430	(364)
Profit/(loss) from continuing operations after income tax	3,430	(364)
Total other comprehensive income/(loss)	3,430	(434)
Share of associates' profit/(loss)	721	(346)
Carrying amount	5,112	3,403

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17 Other financial assets

	Note	Consolidated		Parent	
		2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Current					
Financial assets at fair value through profit or loss					
Other financial assets	(a)	64	-	64	-
Forward foreign exchange contracts		1,352	-	1,341	-
Financial assets at amortised cost					
Term deposit	(c)	365,284	-	365,284	-
Available-for-sale financial assets					
Other available-for-sale financial assets	(d)	-	43	-	43
Held-to-maturity investments					
Term deposit	(e)	-	347,104	-	347,104
Derivative financial instruments					
Forward foreign exchange contracts	(f)	-	443	-	443
Total current other financial assets		366,700	347,590	366,689	347,590
Non-current					
Financial assets at fair value through profit or loss					
Unlisted unit trusts	(a)	469,740	-	461,725	-
Listed equity		14,893	-	14,582	-
Forward foreign exchange contracts		520	-	520	-
Financial assets at fair value through other comprehensive income					
Unlisted equities	(b)	24,770	-	22,933	-
Available-for-sale financial assets					
Unlisted unit trusts	(d)	-	446,113	-	438,375
Listed equities		-	17	-	-
Unlisted equities		-	19,025	-	16,201
Derivative financial instruments					
Forward foreign exchange contracts	(f)	-	6	-	6
Other financial assets at cost					
Unlisted companies	(g)	4	4	179	179
Unincorporated venture capital investment		-	-	7,823	6,444
Total non-current other financial assets		509,927	465,165	507,762	461,205
Total other financial assets		876,627	812,755	874,451	808,795

With the application of AASB 9, financial assets are classified, at initial recognition, and subsequently measured at amortised cost, fair value through other comprehensive income (OCI), or fair value through profit or loss.

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

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding. This assessment is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

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17 Other financial assets (continued)

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or when the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

(a) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss principally comprise marketable equity securities (held through managed funds). Financial assets which do not meet the objective of the Group's business model for managing financial assets or are not held to collect the contractual cash flows are measured at fair value through profit or loss. They are included in non-current assets unless the Group intends to dispose of the investment within 12 months of the reporting date. Financial assets at fair value through profit or loss are initially recognised at fair value, with subsequent increases or decreases in fair value recognised in profit or loss.

(b) Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income comprising principally of the Group's investments in equity not held for trading. The Group has irrevocably elected to classify these as financial assets at fair value through other comprehensive income. The classification is determined on an instrument-by-instrument basis.

Financial assets at fair value through other comprehensive income are initially recognised at fair value, with subsequent increases or decreases in fair value recognised in other comprehensive income. Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the income statement when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

(c) Financial assets at amortised costs

The average interest rate for financial assets at amortised costs to which the Group is exposed at the end of 2018 was 2.68%.

Where the main objective of the Group holding an asset or portfolio of assets is to collect contractual cash flows on specific dates and those cash flows are generally in the form of principal and/or interest, they are measured at amortised cost using the effective interest method and net of any impairment loss. Where a financial asset at amortised cost is reclassified, its fair value at the reclassification date becomes its new gross carrying amount. Financial assets at amortised costs are assessed for evidence of impairment at the end of each reporting period.

(d) Available-for-sale financial assets

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

The Group assesses at each reporting 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 the income statement 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.

(e) Held-to-maturity investments

The average interest rate for held-to-maturity investments to which the Group is exposed at the end of 2017 was 2.4%.

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Management has the positive intention and ability to hold to maturity. Held-to-maturity investments are included in non-current assets, except for those with maturities less than 12 months from the reporting date, which are classified as current assets. Held-to-maturity investments are carried at amortised cost using the effective interest method.

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17 Other financial assets (continued)

(f) Derivative financial instruments

Information about the Group and the parent entity's exposure to foreign exchange risk is provided in note 35.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into, and are subsequently remeasured to their fair value. Changes in the fair value of derivative instruments that do not qualify for hedge accounting are recognised immediately in the income statement. UNSW designates certain derivatives as hedges of highly probable forecast transactions.

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

Amounts that have been recognised in other comprehensive income are reclassified from equity to profit or loss 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'.

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 profit or loss as a reclassification adjustment.

(g) Other financial assets

The Group and the parent entity's investments are shown at cost less impairment losses.

18 Investment properties

	Consolidated		Parent	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
At fair value				
Opening balance at 1 January	9,400	8,867	9,400	8,867
Completed capital projects	-	494	-	494
Valuation gain/(loss)	400	39	400	39
Closing balance at 31 December	9,800	9,400	9,800	9,400

(a) Amounts recognised in profit or loss for investment properties

Rental income	709	653	709	653
Direct operating expenses (rent generating properties)	(388)	(345)	(388)	(345)
Total recognised in profit or loss	321	308	321	308

Investment properties (comprising of land and buildings) are fair valued, based on the highest and best use of the assets. The value reflects the amounts for which the assets could be exchanged between willing parties in an arm's length transaction, based on current prices in an active market for similar properties in the same location and condition. Fair value reflects, among other things, rental income from current leases and other assumptions that market participants would use when pricing the investment property under current market conditions. The valuation for 2018 was based on an independent assessment by CBRE Valuations Pty Ltd as at 31 December 2018.

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18 Investment properties (continued)

(b) Leasing arrangements

The investment properties are leased to tenants under long-term operating leases with rentals payable monthly. Minimum lease payments receivable on investment properties are as follows:

	Consolidated		Parent	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
Within one year	515	495	515	495
Later than one year but not later than five years	60	575	60	575
Total future minimum lease payments receivable	575	1,070	575	1,070

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19 Property, plant and equipment

Consolidated	Works in progress \$'000	Campus land \$'000	Off-campus properties \$'000	Campus buildings \$'000	Works of art \$'000	Computer equipment \$'000	Motor vehicles \$'000	Leasehold improvements \$'000	Other equipment \$'000	Library collections \$'000	Rare books \$'000	Total \$'000
At 1 January 2017												
Cost	159,923	-	-	-	-	58,076	1,270	-	350,325	91,797	-	661,391
Valuation	-	283,551	281,134	2,821,037	5,711	-	-	24,010	-	-	12,002	3,427,445
Accumulated depreciation	-	-	(55,201)	(1,417,223)	-	(50,383)	(576)	(12,766)	(186,296)	(88,291)	-	(1,810,736)
Accumulated impairment	-	-	-	-	-	-	-	-	(834)	-	-	(834)
Net book amount	159,923	283,551	225,933	1,403,814	5,711	7,693	694	11,244	163,195	3,506	12,002	2,277,266
Year ended 31 December 2017												
Opening net book amount	159,923	283,551	225,933	1,403,814	5,711	7,693	694	11,244	163,195	3,506	12,002	2,277,266
Additions	217,885	-	4,701	-	42	4,811	293	19,458	34,530	233	1,043	282,996
Assets disposal	-	-	(365)	-	-	(3,581)	(109)	(400)	(7,974)	-	-	(12,429)
Transfers	(173,054)	-	629	169,497	-	-	-	2,928	-	-	-	-
Assets reclassified to held for sale	-	-	(63,509)	-	-	-	-	-	-	-	-	(63,509)
Exchange differences	-	-	-	-	-	(7)	-	(27)	(5)	-	-	(39)
Revaluation:												
Adjustment to cost and valuation	-	10,384	25,932	(9,085)	71	-	-	357	-	-	1,953	29,612
Adjustment to accumulated depreciation	-	-	(1,395)	89,608	-	-	-	343	-	-	-	88,556
Depreciation/impairment:												
Depreciation	-	-	(3,732)	(109,597)	-	(4,507)	(175)	(1,784)	(30,722)	(824)	-	(151,341)
Write-back for assets disposed	-	-	-	-	-	3,550	73	168	7,213	-	-	11,004
Exchange differences	-	-	-	-	-	5	-	26	6	-	-	37
Assets reclassified to held for sale	-	-	6,599	-	-	-	-	-	-	-	-	6,599
(Impairment charges)/reversal of impairment	-	-	-	-	-	-	-	-	187	-	-	187
Closing net book amount	204,754	293,935	194,793	1,544,237	5,824	7,964	776	32,313	166,430	2,915	14,998	2,468,939
At 31 December 2017												
Cost	204,754	-	-	-	-	59,299	1,454	-	376,876	92,030	-	734,413
Valuation	-	293,935	248,522	2,981,449	5,824	-	-	46,326	-	-	14,998	3,591,054
Accumulated depreciation	-	-	(53,729)	(1,437,212)	-	(51,335)	(678)	(14,013)	(209,799)	(89,115)	-	(1,855,881)
Accumulated impairment	-	-	-	-	-	-	-	-	(647)	-	-	(647)
Net book amount	204,754	293,935	194,793	1,544,237	5,824	7,964	776	32,313	166,430	2,915	14,998	2,468,939

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19 Property, plant and equipment (continued)

	Works in progress \$'000	Campus land \$'000	Off-campus properties \$'000	Campus buildings \$'000	Works of art \$'000	Computer equipment \$'000	Motor vehicles \$'000	Leasehold improvements \$'000	Other equipment \$'000	Library collections \$'000	Rare books \$'000	Total \$'000
Consolidated												
Year ended 31 December 2018												
Opening net book amount	204,754	293,935	194,793	1,544,237	5,824	7,964	776	32,313	166,430	2,915	14,988	2,466,939
Additions	350,444	-	-	-	56	5,572	71	171	43,552	210	2,008	402,084
Assets disposed	-	-	-	(1,750)	(5)	(20,468)	(47)	(572)	(10,150)	(16)	-	(33,009)
Transfers	(185,624)	-	2,004	178,264	-	-	-	5,356	-	-	-	-
Exchange differences	-	-	-	-	-	14	-	39	9	-	-	62
Revaluation:												
Adjustment to cost and valuation	-	9,017	5,117	122,972	74	-	-	1,347	-	-	-	138,617
Adjustment to accumulated depreciation	-	-	(842)	(52,249)	-	-	-	(179)	-	-	-	(53,270)
Depreciation/impairment:												
Depreciation	-	-	(3,640)	(118,465)	-	(4,475)	(183)	(3,286)	(32,450)	(730)	-	(163,229)
Write-back for assets disposed	-	-	-	1,750	-	20,462	29	559	9,640	12	-	32,452
Exchange differences	-	-	-	-	-	(12)	-	(39)	(10)	-	-	(61)
(Impairment charges)/reversal of impairment	(442)	-	-	-	-	-	-	-	(233)	-	-	(675)
Closing net book amount	369,132	302,952	197,432	1,674,759	5,949	9,056	646	35,709	176,788	2,391	17,096	2,791,910
At 31 December 2018												
Cost	369,574	-	-	-	-	44,416	1,478	-	410,287	92,224	-	917,979
Valuation	-	302,952	255,643	3,280,935	5,949	-	-	52,667	-	-	17,096	3,915,242
Accumulated depreciation	-	-	(58,211)	(1,606,176)	-	(35,360)	(832)	(16,958)	(232,619)	(89,833)	-	(2,039,989)
Accumulated impairment	(442)	-	-	-	-	-	-	-	(880)	-	-	(1,322)
Net book amount	369,132	302,952	197,432	1,674,759	5,949	9,056	646	35,709	176,788	2,391	17,096	2,791,910

Notes to the financial statements
For the year ended 31 December 2018

19 Property, plant and equipment (continued)												
Parent	Works in progress	Campus land	Off-campus properties	Campus buildings	Works of art	Computer equipment	Motor vehicles	Leasehold improvements	Other equipment	Library collections	Rare books	Total
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 January 2017												
Cost	159,619	-	-	-	-	53,424	970	-	349,839	91,797	-	655,649
Valuation	-	283,551	281,134	2,807,849	5,706	-	-	23,591	-	-	12,002	3,413,833
Accumulated depreciation	-	-	(55,201)	(1,410,428)	-	(46,820)	(391)	(12,347)	(185,846)	(88,291)	-	(1,799,324)
Accumulated impairment	-	-	-	-	-	-	-	-	(834)	-	-	(834)
Net book amount	159,619	283,551	225,933	1,397,421	5,706	6,604	579	11,244	163,159	3,506	12,002	2,269,324
Year ended 31 December 2017												
Opening net book amount	159,619	283,551	225,933	1,397,421	5,706	6,604	579	11,244	163,159	3,506	12,002	2,269,324
Additions	215,198	-	4,701	-	42	4,352	99	19,458	34,496	233	1,043	279,622
Assets disposals	-	-	(365)	-	-	(2,921)	(45)	(198)	(7,947)	-	-	(11,476)
Assets reclassified to held for sale	-	-	(63,509)	-	-	-	-	-	-	-	-	(63,509)
Transfers	(170,334)	-	629	169,182	-	-	-	523	-	-	-	-
Revaluation:												
Adjustment to cost and valuation	-	10,384	25,932	(9,085)	71	-	-	357	-	-	1,953	29,612
Adjustment to accumulated depreciation	-	-	(1,395)	89,608	-	-	-	343	-	-	-	88,556
Depreciation/impairment:												
Depreciation	-	-	(3,732)	(108,601)	-	(3,844)	(116)	(1,698)	(30,703)	(824)	-	(149,518)
Write-back for asset disposed	-	-	-	-	-	2,893	25	153	7,188	-	-	10,259
Assets reclassified to held for sale	-	-	6,599	-	-	-	-	-	-	-	-	6,599
(Impairment charges)/reversal of impairment	-	-	-	-	-	-	-	-	187	-	-	187
Closing net book amount	204,483	293,935	194,793	1,538,525	5,819	7,084	542	30,182	166,380	2,915	14,998	2,459,656
At 31 December 2017												
Cost	204,483	-	-	-	-	54,855	1,024	-	376,388	92,030	-	728,780
Valuation	-	293,935	248,522	2,987,946	5,819	-	-	43,731	-	-	14,998	3,574,951
Accumulated depreciation	-	-	(53,729)	(1,429,421)	-	(47,771)	(482)	(13,549)	(209,361)	(89,115)	-	(1,843,428)
Accumulated impairment	-	-	-	-	-	-	-	-	(647)	-	-	(647)
Net book amount	204,483	293,935	194,793	1,538,525	5,819	7,084	542	30,182	166,380	2,915	14,998	2,459,656

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The University of New South Wales

Notes to the financial statements For the year ended 31 December 2018

19 Property, plant and equipment (continued)												
	Works in progress	Campus land	Off-campus properties	Campus buildings	Works of art	Computer equipment	Motor vehicles	Leasehold improvements	Other equipment	Library collections	Rare books	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Parent												
Year ended 31 December 2018												
Opening net book amount	204,483	293,935	194,793	1,538,525	5,819	7,084	542	30,182	166,380	2,915	14,988	2,459,656
Additions	347,633	-	-	-	56	4,904	71	12	43,468	210	2,008	398,362
Assets disposals	-	-	-	-	-	(19,142)	-	-	(9,961)	(16)	-	(29,119)
Transfers	(183,085)	-	2,004	176,898	-	-	-	4,183	-	-	-	-
Revaluation:												
Adjustment to cost and valuation	-	9,017	5,117	122,972	74	-	-	1,347	-	-	90	138,617
Adjustment to accumulated depreciation	-	-	(842)	(52,249)	-	-	-	(179)	-	-	-	(53,270)
Depreciation/impairment:												
Depreciation	-	-	(3,640)	(117,893)	-	(3,977)	(123)	(1,992)	(32,433)	(730)	-	(160,608)
Write-back for asset disposed	-	-	-	-	-	19,136	-	-	9,451	12	-	28,599
(Impairment charges)/reversal of impairment	(442)	-	-	-	-	-	-	-	(233)	-	-	(675)
Closing net book amount	368,589	302,952	197,432	1,668,253	5,949	8,185	490	33,553	176,672	2,391	17,096	2,781,562
At 31 December 2018												
Cost	369,031	-	-	-	-	40,617	1,095	-	409,895	92,224	-	912,862
Valuation	-	302,952	255,643	3,267,816	5,949	-	-	49,273	-	-	17,096	3,898,729
Accumulated depreciation	-	-	(58,211)	(1,599,563)	-	(32,432)	(606)	(15,720)	(232,343)	(89,833)	-	(2,028,707)
Accumulated impairment	(442)	-	-	-	-	-	-	-	(880)	-	-	(1,322)
Net book amount	368,589	302,952	197,432	1,668,253	5,949	8,185	490	33,553	176,672	2,391	17,096	2,781,562

Notes to the financial statements

For the year ended 31 December 2018

19 Property, plant and equipment (continued)

Land and buildings (including campus land, campus buildings, off-campus properties and leasehold improvements), works of art and rare books are shown at their fair value, based on annual valuations by external independent valuers. Off-campus properties includes Crown Land. Any accumulated depreciation at the date of revaluation is restated proportionately with the change in the gross carrying amount of the asset so that the carrying amount of the asset after revaluation equals its revalued amount. All other property, plant and equipment are stated at cost less any accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs

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.

Depreciation

Land, works of art and rare books are not depreciated. Depreciation on the other classes of assets is calculated using the straight-line method to allocate their cost or revalued amounts, over their estimated useful lives. The useful lives of UNSW asset classes are as follows:

	Controlled entity	Parent
Campus buildings and Off-campus properties	15 to 40 years	15 to 40 years
Computer equipment	3 to 5 years	3 years
Other equipment	10 years	5 to 10 years
Motor vehicles	3 to 8 years	8 years
Library collections	10 years	10 years
Leasehold improvements	5 to 40 years	5 to 40 years

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

Impairment

The Group assess impairment at each reporting date to determine if there is any indication of impairment. If any indication of impairment exists then the assets recoverable amount is estimated. The recoverable amount is the greater of its value in use and fair value, less costs to sell. Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

Gains and losses on disposals are determined by comparing net disposal proceeds with the carrying amount. The net gains and losses from the sale of assets are included in the income statement when the asset is derecognised. When revalued assets are sold, the amounts included in property, plant and equipment revaluation reserves in respect of those assets are transferred to retained earnings.

Leasing arrangements

Certain parts of campus land, campus buildings and off-campus properties are leased to tenants under short-term and long-term operating leases with rentals payable monthly.

Minimum lease payments receivable on the properties are as follows:

	Consolidated		Parent	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
Within one year	6,795	6,661	12,349	12,269
Later than one year but no later than five years	13,988	13,824	37,192	36,391
Later than five years	1,915	3,527	10,379	17,381
Total future minimum lease payments receivable	22,698	24,012	59,920	66,041

(i) Operating leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the Group as a lessor are classified as operating leases. 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. Lease income from operating

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Notes to the financial statements

For the year ended 31 December 2018

19 Property, plant and equipment (continued)

Leasing arrangements (continued)

leases, where the Group is a lessor, is recognised in the income statement on a straight-line basis over the lease term.

(ii) Finance leases

Leases in which a significant portion of the risks and rewards are transferred to the Group as a lessee are classified as a finance lease. Finance leases are capitalised at the commencement of the lease inception date at fair value of the leased property, or if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised to finance costs in the income statement.

(iii) Long-term leases of UNSW properties

The Group considers the substance of the leasing arrangements and the likelihood of continuance of the leases through exercise of renewal options in order to determine the appropriate accounting treatment of the leased properties. Where at the inception of a lease, Management considered that it would be reasonably certain that an option to extend a lease would be exercised, the assumed lease term is inclusive of the additional option period. This assessment impacts Management's determination of the accounting treatment of the leased properties.

A leased asset is depreciated over the useful life of the asset or if there is a reasonable certainty that the Group will obtain ownership by the end of lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

20 Public Private Partnerships (PPP)

(a) High Street Housing Project

In 2007, the parent entity entered into a PPP with UNSW Village Pty Limited to finance, design, construct and commission student accommodation and maintain, manage and operate it for a period of 40 years.

On 1 January 2010, the parent entity granted to UNSW Village Pty Limited a 40 year lease, the concession period for the land making up the site. The parent entity retains the legal title to the land. The arrangement is treated as an operating lease with the parent entity being a lessor and the land is leased at a peppercorn rent. The land is recorded at fair value at the reporting date.

Management estimates that the fair value of the student accommodation at the end of the concession period will be nil.

(b) New College Postgraduate Village Project

In 2007, the parent entity entered into a PPP with New College Postgraduate Village to finance, design, construct and commission student accommodation and maintain, manage and operate it for a period of 49 years.

During 2009 the parent entity granted to New College Postgraduate Village a 49 year lease, the concession period for the land making up the site. The parent entity retains the legal title to the land. The arrangement is treated as an operating lease with the parent entity being a lessor and the land is leased at a peppercorn rent. The land is recorded at fair value at the reporting date.

Management estimates that the fair value of the student accommodation at the end of the concession period will be nil.

Each individual PPP is accounted for in accordance with its substance and economic reality, and not merely its legal form. The Group recognises the new buildings that are the subject of the PPP as an emerging asset, incrementally over the lease period. Land leased to the private sector and any other service elements that are part of the PPP, excluding the buildings, are accounted for separately in accordance with the applicable Australian Accounting Standards.

The private entity will retain rental revenue during the operating phase and will transfer the student accommodation to UNSW at the end of the concession period.

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21 Intangible assets

Consolidated	Work in progress \$'000	Patents development \$'000	Computer software \$'000	Digitalised library research collections \$'000	Total \$'000
At 1 January 2017					
Cost	2,457	11,735	110,309	10,799	135,300
Accumulated amortisation and impairment	-	(10,330)	(57,626)	(2,039)	(69,995)
Net book amount	<u>2,457</u>	<u>1,405</u>	<u>52,683</u>	<u>8,760</u>	<u>65,305</u>
Year ended 31 December 2017					
Opening net book amount	2,457	1,405	52,683	8,760	65,305
Additions	9,763	2,875	584	5,791	19,013
Disposals	(40)	(2,157)	(164)	-	(2,361)
Revaluation	-	-	1,639	-	1,639
Assets reclassified to held for sale	-	-	(1,639)	-	(1,639)
Transfers	(48)	-	48	-	-
Exchange differences	-	-	(2)	-	(2)
Amortisation	-	(257)	(8,060)	(1,182)	(9,499)
Write-back of amortisation and impairment on disposal	-	1,762	165	-	1,927
Impairment charges	-	(1,193)	-	-	(1,193)
Closing net book amount	<u>12,132</u>	<u>2,435</u>	<u>45,254</u>	<u>13,369</u>	<u>73,190</u>
At 31 December 2017					
Cost	12,132	12,453	110,775	16,590	151,950
Accumulated amortisation and impairment	-	(10,018)	(65,521)	(3,221)	(78,760)
Net book amount	<u>12,132</u>	<u>2,435</u>	<u>45,254</u>	<u>13,369</u>	<u>73,190</u>
Year ended 31 December 2018					
Opening net book amount	12,132	2,435	45,254	13,369	73,190
Additions	19,024	1,673	63	2,853	23,613
Disposals	-	(417)	(1,952)	-	(2,369)
Write back of patent previously written off	-	65	-	-	65
Transfers	(2,622)	-	2,622	-	-
Revaluation	-	-	10	-	10
Exchange differences	-	54	-	-	54
Amortisation	-	(432)	(8,294)	(1,809)	(10,535)
Write-back of amortisation on disposals	-	(13)	1,952	-	1,939
Write-back of impairment on disposals	-	210	-	-	210
Write-back of amortisation of patent previously written off	-	(17)	-	-	(17)
Write-back of impairment of patent previously written off	-	(48)	-	-	(48)
Impairment charges	-	(744)	-	-	(744)
Revaluation	-	-	(5)	-	(5)
Closing net book amount	<u>28,534</u>	<u>2,766</u>	<u>39,650</u>	<u>14,413</u>	<u>85,363</u>
At 31 December 2018					
Cost	28,534	13,828	111,518	19,443	173,323
Accumulated amortisation and impairment	-	(11,062)	(71,868)	(5,030)	(87,960)
Net book amount	<u>28,534</u>	<u>2,766</u>	<u>39,650</u>	<u>14,413</u>	<u>85,363</u>

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Notes to the financial statements For the year ended 31 December 2018

21 Intangible assets (continued)

Parent	Work in progress \$'000	Computer software \$'000	Digitalised library research collections \$'000	Total \$'000
At 1 January 2017				
Cost	1,547	106,370	10,799	118,716
Accumulated amortisation and impairment	-	(54,620)	(2,039)	(56,659)
Net book amount	1,547	51,750	8,760	62,057
Year ended 31 December 2017				
Opening net book amount	1,547	51,750	8,760	62,057
Additions	6,945	-	5,791	12,736
Amortisation	-	(7,496)	(1,182)	(8,678)
Closing net book amount	8,492	44,254	13,369	66,115
At 31 December 2017				
Cost	8,492	106,370	16,590	131,452
Accumulated amortisation and impairment	-	(62,116)	(3,221)	(65,337)
Net book amount	8,492	44,254	13,369	66,115
Year ended 31 December 2018				
Opening net book amount	8,492	44,254	13,369	66,115
Additions	12,132	-	2,853	14,985
Amortisation	-	(7,497)	(1,809)	(9,306)
Closing net book amount	20,624	36,757	14,413	71,794
At 31 December 2018				
Cost	20,624	106,370	19,443	146,437
Accumulated amortisation and impairment	-	(69,613)	(5,030)	(74,643)
Net book amount	20,624	36,757	14,413	71,794

Research and Development - Patents

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 is capitalised if the product or service is technically and commercially feasible; adequate resources are available to complete development and if it is sufficiently certain that the future economic benefits to the Group will cover not only the usual operational and administrative costs but also the development costs themselves. There are also several other criteria relating to the development projects and the processes or products being developed, all of which have to be met to justify asset recognition.

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, which will vary depending on useful life, usually 20 years.

Computer software

Computer software includes both acquired licenses and internally generated software, and is stated at cost less accumulated amortisation and impairment. 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 upgrades and maintenance are charged to the income statement during the financial period in which they are incurred.

Computer software is amortised using the straight line method to allocate its cost, over its estimated useful life usually between 5 to 10 years.

Notes to the financial statements

For the year ended 31 December 2018

21 Intangible assets (continued)

Digitalised library research collections

Digitalised library research collections are perpetual licences to access online research material. Digitalised library research collections are stated at cost less accumulated amortisation and impairment. Amortisation is calculated using the straight line method to allocate the cost over its estimated useful life of 10 years.

Impairment

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired.

22 Trade and other payables

	Consolidated		Parent	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
Current				
OS-HELP liability to Australian Government	2,574	1,791	2,574	1,791
Sundry creditors	83,976	61,395	76,503	54,598
Accrued expenses	135,951	72,308	127,310	66,020
Employee related liabilities	36,847	28,569	36,891	28,604
Accrued interest expense	2,530	2,459	2,530	2,459
Total current trade and other payables	261,878	166,522	245,808	153,472

These amounts represent liabilities for unpaid goods and services provided to the Group prior to the end of financial year. The amounts are unsecured and are usually paid within 30 days of recognition.

23 Borrowings

	Note	Consolidated		Parent	
		2018	2017	2018	2017
		\$'000	\$'000	\$'000	\$'000
Current					
Unsecured - Financing arrangement	(a)				
Bank of China		100,000	100,000	100,000	100,000
Westpac loan		1,245	1,070	1,245	1,070
Total current borrowings		101,245	101,070	101,245	101,070
Non-current					
Unsecured - Financing arrangement	(a)				
Westpac loan		35,116	36,361	35,116	36,361
US private placement		234,409	221,740	234,409	221,740
Total non-current borrowings		269,525	258,101	269,525	258,101
Total borrowings		370,770	359,171	370,770	359,171

(a) Financing arrangements

(i) Westpac

On 15 December 2006, an agreement was signed with Westpac, in which the parent entity granted a 99 year ground lease over 221-227 Anzac Parade to Westpac Office Trust for an amount of \$41,000,000 (excluding GST), and agreed to take a lease-back on the property for an initial period of 25 years. The parent entity also holds two ten year options. The lease-back transaction is a "triple net lease" with the parent entity being responsible for all outgoings, management and capital expenditure/maintenance expenditure for the full period of the lease-back periods. The transaction was completed on 12 January 2007.

On 22 December 2009, Westpac Office Trust sold the rights and assigned their rights and obligations under the tenancy lease agreements to the new owners.

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Notes to the financial statements

For the year ended 31 December 2018

23 Borrowings (continued)

(a) Financing arrangements (continued)

The parent entity has retained the significant risks and rewards of ownership of the property, thus it has treated the transaction as a financing arrangement. Funds received under the transaction have been disclosed as an interest bearing liability. Payments of "rent" under the lease-back agreement have been treated as interest and principal repayments. The building will continue to be carried in accordance with the parent entity's accounting policy for property, plant and equipment.

The financing arrangement has a borrowing rate of 6% (2017: 6%).

(ii) US Private Placement

On 3 August 2017, UNSW issued fixed interest long-term debt instrument in US dollars and Australian dollars amounting to US\$95m and A\$100m in the United States Private Placement Market with a deferred settlement date of 2 November 2017.

Interest rates relating to the US dollar and Australian dollar tranches are 3.97% and 5.17% respectively.

The proceeds of the US dollar tranche were converted into Australian dollar fixed interest obligations for the full term of the issue by way of cross currency interest rate swap.

(iii) Bank of China

On 3 October 2017, UNSW drew down in full the \$100,000,000 committed revolving bank facility with Bank of China. Interest rate for the facility is based on BBSW plus 60 basis points margin. Interest rates for the facility ranged between 2.36% and 2.73% in 2018 (2017: 2.36%).

As at 31 December 2018, the maturity analysis of the borrowing costs and principal repayments was as follows:

	Consolidated		Parent	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
Within one year	114,657	113,980	114,657	113,980
Later than one year but not later than five years	57,100	54,649	57,100	54,649
Later than five years	521,269	511,968	521,269	511,968
Borrowing costs	(322,256)	(321,426)	(322,256)	(321,426)
Total	370,770	359,171	370,770	359,171
Within one year	101,245	101,070	101,245	101,070
Later than one year but not later than five years	7,026	6,174	7,026	6,174
Later than five years	262,499	251,927	262,499	251,927
Present value of loan principal	370,770	359,171	370,770	359,171

(b) Bank loan facilities

Unrestricted access was available at balance date to the following line of credit:

Bank loan facilities

Total facilities	350,000	350,000	350,000	350,000
Used at balance date	(100,000)	(100,000)	(100,000)	(100,000)
Unused at balance date	250,000	250,000	250,000	250,000

Notes to the financial statements

For the year ended 31 December 2018

23 Borrowings (continued)

(c) Fair value

The carrying amounts of borrowings at reporting date are approximate to their fair value. More information is provided in note 36.

(d) Risk exposures

Information about the Group and the parent entity's exposure to risk arising from borrowings is provided in note 35.

(e) Reconciliation of liabilities arising from financing activities

	2017	Cash flows	Non-cash changes			2018	
			Acquisition /Disposal	Foreign exchange movement	Fair value changes		Other
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Long-term borrowings	258,101	-	-	12,669	-	(1,245)	269,525
Short-term borrowings	101,070	(1,070)	-	-	-	1,245	101,245
Total liabilities from financing activities	359,171	(1,070)	-	12,669	-	-	370,770

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the income statement over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities, which are not an incremental cost relating to the actual draw-down of the facility, are recognised as prepayments and amortised on a straight-line basis over the term of the facility.

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

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

Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

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Notes to the financial statements For the year ended 31 December 2018

24 Provisions

	Note	Consolidated		Parent	
		2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Current provisions expected to be settled within 12 months					
Employee benefits					
Annual leave		53,299	50,648	50,028	47,307
Long service leave		36,397	39,803	34,668	38,944
Other ³		15,611	13,881	15,486	13,881
Deferred government benefits for superannuation ¹	37(d)	85,672	94,939	85,672	94,939
Workers compensation		762	572	752	600
Other		3,101	3,051	2,731	2,731
Subtotal		194,842	202,894	189,337	198,402
Current provisions expected to be settled after more than 12 months					
Employee benefits					
Annual leave		10,726	10,748	10,726	10,748
Long service leave		136,859	126,113	133,498	125,235
Subtotal		147,585	136,861	144,224	135,983
Total current provisions		342,427	339,755	333,561	334,385
Non-current provisions					
Employee benefits					
Long service leave		28,649	29,355	27,483	26,171
Other ³		23,754	-	23,754	-
Deferred non-government benefits for superannuation ²	37(d)	6,493	4,686	6,493	4,686
Deferred government benefits for superannuation ¹	37(d)	1,322,272	1,305,641	1,322,272	1,305,641
Workers compensation		6,426	5,948	6,426	5,948
Other		447	433	447	433
Total non-current provisions		1,388,041	1,346,063	1,386,875	1,342,879
Total provisions		1,730,468	1,685,818	1,720,436	1,677,264

¹These amounts relate to the net liabilities of the SASS, SSS and SANCS superannuation schemes (refer to note 37(d)). Note that these amounts also include the net liabilities of UNSW Global Pty Ltd of \$2,830,000 (2017: \$2,663,000).

²This relates to the net liabilities of the Professorial Superannuation Fund (refer to note 37(d)).

³This includes payroll tax liability in respect of the top-up contributions for the defined benefit liabilities. Refer to further details in note 30.

(a) Movements in provisions

Movements in each class of provision during the financial year, other than employee benefits, are set out below:

	Workers compensation	Other	Total
	\$'000	\$'000	\$'000
Consolidated 2018			
Opening balance at 1 January	6,520	3,484	10,004
Additional provisions recognised	1,012	64	1,076
Amounts used	(727)	-	(727)
Unused amounts reversed	373	-	373
Increase in discounted amount	10	-	10
Closing balance at 31 December	7,188	3,548	10,736

Notes to the financial statements

For the year ended 31 December 2018

24 Provisions (continued)

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

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 end of the reporting period. 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.

Employee benefits

(i) Short-term obligations

Liabilities for short-term employee benefits including wages and salaries, non-monetary benefits and profit-sharing bonuses are measured at the amount expected to be paid when the liability is settled, if it is expected to be settled wholly before twelve months after the end of the reporting period, and is recognised in other payables. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates payable.

(ii) Other long-term obligations

The liability for other long-term benefits are those that are not expected to be settled wholly before twelve months after the end of the annual reporting period. Other long-term employee benefits include annual leave, accumulating sick leave and long service leave liabilities.

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

Regardless of the expected timing of settlements, employee benefits provisions 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.

(iii) Bonus plans

The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation and when a reliable estimate of the obligation can be made.

(iv) Retirement benefit obligations

All employees of the Group are entitled to benefits on retirement, disability or death from the superannuation plans contributed by the Group. The plans have both defined benefit sections and defined contribution sections. The defined benefit section provides defined lump sum benefits based on years of service and final average salary. The defined contribution section receives fixed contributions from the Group and the Group's legal or constructive obligation is limited to these contributions.

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

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

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

Past service costs are recognised in profit or loss immediately.

Contributions to the defined contribution plan are recognised as an expense as they become payable.

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Notes to the financial statements

For the year ended 31 December 2018

24 Provisions (continued)

(v) Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts an offer of benefits in exchange for the termination of employment. The Group recognises the expense and liability for termination benefits either when it can no longer withdraw the offer of those benefits or when it has recognised costs for restructuring within the scope of AASB137 that involves the payment of termination benefits. The expense and liability are recognised when the Group 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.

Termination benefits are measured on initial recognition and subsequent changes are measured and recognised in accordance with the nature of the employee benefit. Benefits expected to be settled wholly within 12 months are measured at the undiscounted amount expected to be paid. Benefits not expected to be settled before 12 months after the end of the reporting period are discounted to present value.

25 Other financial liabilities

	Consolidated		Parent	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
Current				
Forward foreign exchange contracts	806	474	806	467
Total current other financial liabilities	806	474	806	467
Non-current				
Cross currency interest rate swap	8,278	9,652	8,278	9,652
Forward foreign exchange contracts	626	-	626	-
Total non-current other financial liabilities	8,904	9,652	8,904	9,652
Total other financial liabilities	9,710	10,126	9,710	10,119

The Group entered into a cross currency interest rate swap derivative in 2017 to hedge its exposure in US dollars (refer to note 23(a)(ii)). The derivative satisfies the requirements for hedge accounting.

The effective portion of the fair value of the swap is recognised in other comprehensive income in the cash flow hedge reserve. Any gains or losses relating to the ineffective portion is recognised in the income statement.

Further information about forward foreign exchange contracts is provided in note 35.

26 Other liabilities

	Consolidated		Parent	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
Current				
Income in advance ¹	112,454	110,890	63,136	64,736
Monies held from associated parties	291	1,592	210	1,512
Other	22,191	19,958	14,901	14,321
Total current other liabilities	134,936	132,440	78,247	80,569
Non-current				
Income in advance ¹	9,427	11,116	9,427	11,116
Other	10,652	16,437	10,643	15,937
Total non-current other liabilities	20,079	27,553	20,070	27,053
Total other liabilities	155,015	159,993	98,317	107,622

¹Income in advance (current) includes research income of \$48,003,000 (2017: \$46,627,000), prepaid tuition fees of \$52,353,000 (2017: \$49,348,000), and the current portion of the rental income received in advance from the Children's Cancer Institute Australia for Medical Research (CCIA) of \$1,689,000 (2017: \$1,689,000). Income in advance (non-current) represents the non-current portion of the rental income received in advance from the CCIA of \$9,427,000 (2017: \$11,116,000).

Notes to the financial statements

For the year ended 31 December 2018

27 Reserves and retained earnings

(a) Reserves

	Consolidated		Parent	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
Reserves				
Property, plant and equipment revaluation surplus	929,793	868,549	927,492	866,248
Intangible asset revaluation reserve	-	1,639	-	-
Hedging reserve from cash flow hedges	(19,582)	(10,431)	(19,582)	(10,431)
Financial assets at fair value through other comprehensive income revaluation reserve	24,326	-	22,933	-
Available-for-sale financial assets revaluation reserve	-	83,883	-	77,252
Foreign currency translation reserve	(489)	(639)	-	-
Total reserves	934,048	943,001	930,843	933,069
Movements				
<i>Cash flow hedges reserve</i>				
Opening balance at 1 January	(10,431)	-	(10,431)	-
Valuation movement on hedge reserve	(9,151)	(10,431)	(9,151)	(10,431)
Closing balance at 31 December	(19,582)	(10,431)	(19,582)	(10,431)
<i>Property, plant and equipment revaluation surplus</i>				
Opening balance at 1 January	868,549	752,194	866,248	749,893
Revaluation increments	85,347	118,168	85,347	118,168
Transfer to retained earnings	(24,103)	(1,813)	(24,103)	(1,813)
Closing balance at 31 December	929,793	868,549	927,492	866,248
<i>Intangible asset revaluation reserve</i>				
Opening balance at 1 January	1,639	-	-	-
Revaluation increments	-	1,639	-	-
Disposal of intangible asset held for sale	(1,639)	-	-	-
Closing balance at 31 December	-	1,639	-	-
<i>Foreign currency translation reserve</i>				
Opening balance at 1 January	(639)	(533)	-	-
Exchange differences on translation of foreign operations	150	(106)	-	-
Closing balance at 31 December	(489)	(639)	-	-
<i>Financial assets at fair value through other comprehensive income revaluation reserve</i>				
Opening balance at 1 January	-	-	-	-
Transfer from available-for-sale financial assets revaluation reserve	18,283	-	16,201	-
Gains on revaluation	6,043	-	6,732	-
Closing balance at 31 December	24,326	-	22,933	-
<i>Available-for-sale financial assets revaluation reserve</i>				
Opening balance at 1 January	83,883	77,132	77,252	70,481
Reclassified as financial assets at fair value through other comprehensive income revaluation reserve	(18,283)	-	(16,201)	-
Gains on revaluation	-	19,804	-	19,451
Transfer to income statement	-	(13,053)	-	(12,680)
Effect of adoption of new accounting standards	(65,600)	-	(61,051)	-
Closing balance at 31 December	-	83,883	-	77,252
Total reserves	934,048	943,001	930,843	933,069

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Notes to the financial statements

For the year ended 31 December 2018

27 Reserves and retained earnings (continued)

(b) Retained earnings

	Consolidated		Parent	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
Opening balance at 1 January	1,966,091	1,800,751	1,950,442	1,791,193
Net result for the year	18,686	158,335	12,610	152,244
Actuarial (losses)/gains on defined benefit superannuation plans	37(e) (7,168)	5,192	(7,168)	5,192
Transfer from reserves	24,103	1,813	24,103	1,813
Effect of adoption of new accounting standards	65,600	-	61,051	-
Closing balance at 31 December	2,067,312	1,966,091	2,041,038	1,950,442

(c) Nature and purpose of reserves

(i) Property, plant and equipment revaluation surplus

The property, plant and equipment revaluation reserve is used to record increments and decrements on the revaluation of non-current assets, as described in note 19.

(ii) Financial assets at fair value through other comprehensive income revaluation reserve

Changes in the fair value arising from equity investments not held for trading are taken to the financial assets at fair value through other comprehensive income revaluation reserve. Amounts are retained within equity when the assets are sold or impaired.

(iii) Available-for-sale financial assets revaluation surplus

Changes in the fair value and exchange differences arising on translation of investments classified as available-for-sale financial assets are taken to the available-for-sale financial assets revaluation surplus, as described in note 17. Amounts are included in the income statement when the associated assets are sold or impaired.

With the application of AASB 9 Financial Instruments for annual periods beginning on or after 1 January 2018, balances in this reserve have been transferred to opening retained earnings, financial assets at fair value through other comprehensive income revaluation reserve or recognised in the income statement. Details are provided in note 2(e).

(iv) Foreign currency translation reserve

Exchange differences arising on translation of the foreign controlled entities are taken to the foreign currency translation reserve, as described in note 2(a). The reserve is recognised in the income statement when the net investment is disposed.

(v) Hedging reserve - cash flow hedges

The hedging reserve is used to record gains or losses on a hedging instrument in a cash flow hedge that are, for the effective portion of changes in the fair value of the interest rate swap, recognised in other comprehensive income, as described in note 25. Any gain or loss in respect of the ineffective portion of an interest rate swap is recognised immediately in profit or loss.

(vi) Intangible asset revaluation reserve

The intangible asset revaluation reserve is used to record increments and decrements on revaluation of intangible assets.

Notes to the financial statements

For the year ended 31 December 2018

28 Key management personnel disclosures

(a) Council Members

The following persons were responsible persons and executive officers of the parent entity during the financial year:

(i) Official Council Members

Mr David M. Gonski, AC, Chancellor
 Professor Ian Jacobs, President and Vice-Chancellor
 Associate Professor David Cohen, President of the Academic Board

(ii) Ministerial Appointments

Ms Jillian S. Segal, AM, Deputy Chancellor
 Mr Brian Long, Pro-Chancellor

(iii) Elected Council Members

Professor Kristy Muir
 Professor David Carmichael (commenced 1 July 2018)
 Mr Aaron Magnier
 Mr Ike Schwartz (commenced 1 July 2018)
 Mr Nicholas Gurieff (commenced 1 July 2018)

(iv) Council-appointed Members

Dr Jennifer Alexander, Pro-Chancellor
 Ms Maxine Brenner
 Mr Nicholas Carney
 Mr Matthew T. Grounds
 Mr Warwick Negus

(v) Council Members' term of office completed in 2018

Scientia Professor John Piggott (elected until 30 June 2018)
 Mr Michael Murdocca (elected until 30 June 2018)
 Mr Gaurav Vats (elected until 30 June 2018)

(b) Other key management personnel

The following persons also had authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, during the financial year:

Professor Merlin Crossley	Deputy Vice-Chancellor (Academic)
Professor Nicholas Fisk	Deputy Vice-Chancellor (Research)
Professor Brian Boyle	Deputy Vice-Chancellor (Enterprise)
Professor Eileen Baldry	Deputy Vice-Chancellor (Equity, Diversity and Inclusion)
Mr Andrew Walters	Vice-President, Finance and Operations
Mrs Fiona Docherty	Vice-President, External Relations
Mr David Ward	Vice-President, Human Resources
Ms Shahina Mohamed	Chief Operating Officer, President and Vice-Chancellor's Office
Mr Jon Paparsenos	Vice-President, Philanthropy (commenced 8 February 2018)

Other key management personnel's term of office completed in 2018:

Mr Russell Nelms	Vice-President, Strategy and Quality (membership ceased 26 July 2018)
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Notes to the financial statements

For the year ended 31 December 2018

28 Key management personnel disclosures (continued)

(c) Remuneration of Council Members and other key management personnel

	Consolidated		Parent	
	2018	2017	2018	2017
Remuneration of Council Members				
Nil	11	11	11	11
\$10,000 to \$24,999	1	-	1	-
\$100,000 to \$114,999	1	-	1	-
\$235,000 to \$249,999	1	-	1	-
\$250,000 to \$264,999	1	1	1	1
\$265,000 to \$279,999	-	1	-	1
\$295,000 to \$309,999	1	-	1	-
\$310,000 to \$324,999	1	-	1	-
\$340,000 to \$354,999	-	1	-	1
\$400,000 to \$414,999	-	1	-	1
\$1,240,000 to \$1,254,999	-	1	-	1
\$1,285,000 to \$1,299,999	1	-	1	-
Total	18	16	18	16

Council members include the Group's employees who may be ex-officio members or elected staff members. No Council member (including Chancellor and Deputy Chancellor) has received any remuneration in his/her capacity as a Council member.

Council members may also be executive officers of the parent entity. Where this is the case they have been included in the remuneration above but excluded from the remuneration band of the executive officers.

There were seven Council members (2017: five) who received remuneration as employees of the parent entity.

There were eleven Council members (2017: eleven) who did not receive remuneration as employees of the parent entity.

	Consolidated		Parent	
	2018	2017	2018	2017
Remuneration of other key management personnel				
\$85,000 to \$99,999	-	1	-	1
\$115,000 to \$129,999	-	2	-	2
\$280,000 to \$294,999	1	-	1	-
\$355,000 to \$369,999	-	1	-	1
\$415,000 to \$429,999	1	-	1	-
\$460,000 to \$474,999	1	1	1	1
\$505,000 to \$519,999	1	-	1	-
\$520,000 to \$534,999	-	2	-	2
\$535,000 to \$549,999	1	1	1	1
\$550,000 to \$564,999	2	-	2	-
\$565,000 to \$579,999	1	1	1	1
\$595,000 to \$609,999	-	1	-	1
\$625,000 to \$639,999	-	1	-	1
\$655,000 to \$669,999	1	-	1	-
\$715,000 to \$729,999	1	-	1	-
Total	10	11	10	11

Notes to the financial statements

For the year ended 31 December 2018

28 Key management personnel disclosures (continued)

(d) Key management personnel compensation

	Consolidated		Parent	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
Short-term employee benefits	7,057	6,290	7,057	6,290
Post-employment benefits	774	790	774	790
Total	7,831	7,080	7,831	7,080

(e) Key management personnel policy

For the Group, key management personnel are members of UNSW Council and persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly.

29 Remuneration of auditors

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

(a) Audit of the financial statements

	Consolidated		Parent	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
Audit Office of NSW				
Audit of financial statements	835	751	433	421
Audit of subsidiaries' financial statements paid by parent entity	145	69	145	69
Other audit firms				
Audit of subsidiaries' financial statements	163	142	-	-
Audit of subsidiaries' financial statements paid by parent entity	40	10	40	10
Total	1,183	972	618	500

(b) Other audit and assurance services

Audit Office of NSW	28	26	27	26
Total	1,211	998	645	526

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For the year ended 31 December 2018

30 Contingencies

(a) Contingent assets

Payroll tax

UNSW has made employer contribution payments to SAS Trustee Corporation (STC) as the trustee of three defined benefit superannuation schemes, being the State Authorities Super Scheme, the State Authorities Non-Contributory Super Scheme and the State Super Scheme. Since 2015, superannuation contribution top-ups have been received by the University from the Governments for payment to STC in relation to the shortfall that has developed between the level of UNSW's employer contributions and the level of accrued defined benefits. The top-up contributions received are based on arrangements documented in a Memorandum of Understanding (MOU) between the Governments, whereby the shortfall is to be funded by a 78% contribution from the Commonwealth Government and a 22% contribution from the New South Wales Government. The MOU does not cover superannuation obligations relating to UNSW Canberra. This is reflected in note 37.

The top-up contributions received from the Governments to-date have excluded contributions for payroll tax. Late in the 2017 audit process, a payroll tax liability in respect of the top-up contributions as well as on the defined benefit liability as at 31 December 2018 was identified. The quantum of the liability determined was \$30,755,000 (including the non-recoverable obligations of UNSW Canberra \$2,439,000), of which \$4,796,000 was paid in 2018 by the University. This liability is fully provided for and is reflected in notes 9 and 24, however, the associated receivable has not been recorded until agreement is reached with the Governments.

The University's interpretation of the MOU is that the Governments will fund all shortfall relating to the superannuation obligations. In addition to providing for payment of top-up contributions, the MOU provides for payment by both Governments of all taxes relating to these unfunded liabilities, the definition of which specifically includes payroll tax. It is Management's view that the Governments have demonstrated an intention to act in good faith in accordance with the MOU and consistent with that intention, are reasonably expected to reimburse the payroll tax liability.

UNSW, in conjunction with the other affected NSW universities, has engaged with both the Commonwealth Minister of Education and NSW Treasurer to resolve the matter. The NSW Treasurer has acknowledged the request for reimbursement and is working on a joint response from the Governments which is anticipated after the Federal and NSW State elections.

(b) Contingent liabilities

Guarantees

The parent entity has a bank guarantee of \$650,000 (2017: \$650,000) issued by the ANZ Banking Group in favour of Harina Company Limited for the lease of premises at 1 O'Connell Street, Sydney.

UNSW Global Pty Ltd has a bank guarantee of \$837,000 (2017: \$837,000) issued by the ANZ Banking Group as a rental bond in relation to student accommodation at 159-171 Anzac Parade, Kensington and this will expire on 11 June 2020.

The parent entity has a bank guarantee of \$300,000 (2017: \$300,000) issued by the ANZ Banking Group in connection with an ATA Carnet (an international customs document) for the temporary admission of goods. This bank guarantee is for the life of the Carnet for which it was issued and will continue until the Carnet has actually been acquitted by the issuing Body or the relevant National Guaranteeing Organisation.

The parent entity is a licensed self-insurer for workers compensation in New South Wales (NSW) and the Australian Capital Territory (ACT). In NSW the licence is issued under Division 5 of Part 7 of the *Workers Compensation Act 1987* and under Chapter 8, Part 8.1 of the *ACT Workers Compensation Act 1951*. In accordance with both licences the Group has the following bank guarantees:

- (i) \$2,413,000 (2017: \$2,413,000) with the ANZ Banking Group in favour of SafeWork New South Wales, and
- (ii) \$750,000 (2017: \$750,000) with the ANZ Banking Group in favour of the Default Insurance Fund.

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For the year ended 31 December 2018

30 Contingencies (continued)

(b) Contingent liabilities (continued)

Letters of Commitment

The parent entity has issued letters of commitment to controlled entities to ensure that those entities are able to meet their debts when they become due. The total of letters of commitment for parent in 2018 is \$12,650,000 (2017:\$7,550,000).

Litigation claims

From time to time, the Group is subject to claims arising from activities undertaken in the normal course of business. Such claims may result in litigation. UNSW has considered those claims of which it was aware as at 31 December 2018 by reference of the disclosure criteria of contingent liabilities. UNSW is satisfied that none of the contingent liabilities are material for disclosure in the Group financial statements.

31 Commitments

(a) Capital commitments

Capital expenditure contracted for at the reporting date but not recognised as liabilities are as follows:

	Consolidated		Parent	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
Within one year	109,122	324,736	109,122	324,736
Later than one year but not later than five years	-	8,232	-	8,232
Total	109,122	332,968	109,122	332,968

(b) Lease commitments

Commitments for minimum lease payments in relation to non-cancelable operating leases which are not recognised in the financial statements are as follows:

Within one year	10,112	10,519	4,803	4,341
Later than one year but not later than five years	17,101	22,996	11,759	11,208
Later than five years	217	2,388	217	2,388
Total future minimum lease payments	27,430	35,903	16,779	17,937
Total Commitments	136,552	368,871	125,901	350,905

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32 Related Parties

(a) Parent entities

UNSW is the ultimate parent entity within the Group.

(b) Subsidiaries

Interests in subsidiaries are set out in note 33.

(c) Key management personnel

Disclosures relating to directors and specified executives are set out in note 28.

(d) Transactions with related parties

The following transactions occurred with related parties:

	Parent	
	2018	2017
	\$'000	\$'000
Income		
UNSW Global Pty Ltd	10,821	9,975
University of New South Wales Press Ltd	930	1,018
NewSouth Innovations Pty Ltd	76	2,961
Scientia Clinical Research Ltd	355	510
Expenses		
UNSW Global Pty Ltd	1,632	1,796
University of New South Wales Press Ltd	525	635
NewSouth Innovations Pty Ltd	408	304
UNSW Hong Kong Ltd	-	291
Contributions from controlled entities		
UNSW Global Pty Ltd	21,702	42,305
The University of New South Wales Foundation Trust	-	209
UNSW Hong Kong Foundation Limited	408	26
UK Foundation of UNSW Australia	54	-
UNSW & Study Abroad - Friends and US Alumni, Inc	211	223
New South Wales Minerals Industry/University of New South Wales Education Trust	395	375
Contributions to controlled entities		
NewSouth Innovations Pty Ltd	650	5,883
Scientia Clinical Research Ltd	1,500	1,500
UNSW Hong Kong Ltd	1,066	843
UNSW Global India Pvt Ltd	1,150	53
UNSW Hong Kong Foundation Ltd	15	23
UK Foundation of UNSW Australia	-	3
The University of New South Wales Foundation	-	1
UNSW & Study Abroad - Friends and US Alumni, Inc	20	-
UNSW Sino-Australia Innovative Technology & Education (Shanghai) Co. Ltd	1,003	-

All transactions with related parties are nil at a consolidated level.

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32 Related Parties (continued)

(e) Loans to related parties

	Parent	
	2018	2017
	\$'000	\$'000
Loans to UNSW Subsidiaries		
Loans advanced to University of New South Wales Press Ltd	1,770	500
	<u>1,770</u>	<u>500</u>

Loan to University of New South Wales Press Ltd was fully provided for at each reporting period presented. All loans to related parties are nil at a consolidated level.

(f) Outstanding balances

The following balances are outstanding at the reporting date in relation to transactions with related parties:

	2018	2017
	\$'000	\$'000
Current receivables		
UNSW Global Pty Ltd	23,121	727
University of New South Wales Press Ltd	194	104
NewSouth Innovations Pty Ltd	3,902	5,837
Scientia Clinical Research Ltd	34	29
UNSW Hong Kong Ltd	-	4
UNSW Sino-Australia Innovative Technology & Education (Shanghai) Co. Ltd	219	-
Total current receivables	<u>27,470</u>	<u>6,701</u>
Non-current receivables		
NewSouth Innovations Pty Ltd	10,762	13,616
Total non-current receivables	<u>10,762</u>	<u>13,616</u>
Current payables		
UNSW Global Pty Ltd	552	35
University of New South Wales Press Ltd	29	35
NewSouth Innovations Pty Ltd	25	326
The University of New South Wales Foundation Ltd	2	-
UNSW Hong Kong Ltd	7	-
UNSW Global India Pvt Ltd	121	-
Total current payables	<u>736</u>	<u>396</u>
Non-current payables		
UNSW Global Pty Ltd	2,830	2,663
Total non-current payables	<u>2,830</u>	<u>2,663</u>

All outstanding balances with related parties are nil at a consolidated level.

(g) Commitment

The total commitment given to controlled entities are set out in note 30.

(h) Terms and Conditions

Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. No impairment provision has been recorded for receivables from related parties except as mentioned in note 32(e) above.

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33 Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described below:

Name of Entity	Principal place of business	Ownership interest	
		2018 %	2017 %
NewSouth Innovations Pty Ltd	Australia	100.00	100.00
- Cystemix Pty Ltd	Australia	100.00	100.00
- Qucor Pty Ltd ¹	Australia	60.00	60.00
UNSW Global Pty Ltd	Australia	100.00	100.00
- UNSW Global (Singapore) Pte Ltd	Singapore	100.00	100.00
- Australian Education Consultancy Ltd	Hong Kong	100.00	100.00
UNSW Hong Kong Ltd	Hong Kong	100.00	100.00
The University of New South Wales Foundation Ltd	Australia	100.00	100.00
- as Trustee for the University of New South Wales Foundation	Australia	100.00	100.00
- as Trustee for the New South Wales Minerals Industry/University of New South Wales Education Trust	Australia	100.00	100.00
UNSW Hong Kong Foundation Ltd	Hong Kong	100.00	100.00
UNSW & Study Abroad - Friends and US Alumni, Inc	USA	100.00	100.00
UK Foundation of UNSW Australia	UK	100.00	100.00
University of New South Wales Press Ltd	Australia	100.00	100.00
Scientia Clinical Research Ltd	Australia	100.00	100.00
UNSW Global India Pvt Ltd ²	India	100.00	100.00
UNSW Centre for Transformational Environmental Technologies (Yixing) Co. Ltd. ³	China	51.00	51.00
UNSW Sino-Australia Innovative Technology & Education (Shanghai) Co. Ltd. ⁴	China	100.00	-

¹Ownership split: 30% UNSW, 30% NewSouth Innovations Pty Ltd, 40% held for the benefit of the Researchers.

²Effective 20th September 2017, the entity ownership was transferred to UNSW from UNSW Global Pty Ltd and Australian Education Consultancy Ltd.

³Incorporated on 25 December 2017, as part of a joint venture arrangement between NewSouth Innovations Pty Ltd and Jiangsu Zhongyi Environment Protective Equipment Innovation Centre Pty Limited ("Zhongyi").

⁴Incorporated on 22 March 2018 as a wholly owned enterprise in Shanghai, China.

Subsidiaries

Subsidiaries are all those entities (including structured entities) over which the Group has control. The Group has control over an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Power over the investee exists when the Group has existing rights to direct the relevant activities of the investee. 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.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of comprehensive income, statement of financial position and statement of changes in equity respectively.

Loss of control of the subsidiary will result in derecognition of the assets and liabilities of the former subsidiary from the consolidated statement of financial position. Any investment retained in the former subsidiary is recognised and accounted for in accordance with the relevant Standards. The loss or gain associated with loss of control attributable to the former controlling interest is recognised.

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34 Reconciliation of net result after income tax to net cash provided by operating activities

	Consolidated		Parent	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
Net result for the period	18,471	158,335	12,610	152,244
Adjustments for				
Depreciation and amortisation	173,764	160,840	169,914	158,196
Impairment of loan to UNSW Press	-	-	1,270	500
Impairment/(reversal) of investments to recoverable amount	378	-	(312)	891
Impairment/(reversal) of property, plant and equipment and intangible assets	1,419	1,006	675	(187)
Net (gains)/losses on disposal of property, plant and equipment	(10,116)	1,248	(10,351)	780
Net (gains)/losses on sale of investments and change in fair value of financial assets	26,035	(19,106)	25,557	(18,608)
Hedging expense	2,144	1,382	2,144	1,382
Other non-cash items	(18,822)	(2,187)	(18,427)	(1,137)
Share of (profit)/loss of associates and joint ventures not received as dividends or distributions	(872)	611	-	-
Revaluation of investment property	(400)	(39)	(400)	(39)
Net (gains)/losses on acquisition	1,269	(5,159)	-	-
	193,270	296,931	182,680	294,022
Change in operating assets and liabilities				
(Increase)/decrease in trade receivables and student debtors	(20,781)	(5,587)	(604)	(10,909)
(Increase)/decrease in investment income receivable	(2,584)	(1,734)	(2,584)	(1,734)
(Increase)/decrease in accrued income	4,433	(11,187)	6,014	(12,264)
(Increase)/decrease in inventories	(39)	100	-	-
(Increase)/decrease in sundry advances	647	(53)	592	(18)
(Increase)/decrease in payments in advance	(11,386)	1,078	(10,821)	897
(Increase)/decrease in other assets	(2,837)	1,019	1,567	(12,659)
Increase/(decrease) in deferred superannuation	(2,448)	(5,796)	(2,448)	(5,796)
Increase/(decrease) in trade and other payables	58,654	(8,106)	55,635	(4,352)
Increase/(decrease) in income in advance	(125)	7,688	(3,289)	10,244
Increase/(decrease) in other liabilities	(3,744)	4,225	(5,050)	19,654
Increase in provisions	35,479	11,871	34,001	13,534
	55,269	(6,482)	73,013	(3,403)
Net cash provided by operating activities	248,539	290,449	255,693	290,619

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35 Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, price risk and interest rate 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.

Financial risk management is governed by the UNSW Treasury Policy and Procedure ("Policy") and managed by UNSW Treasury and Investment Services (UNSW Treasury).

The Policy specifically covers:

- Foreign exchange risk
- Interest rate risk
- Credit risk
- Liquidity risk

The Group uses different methods to measure different types of risk to which it is exposed at the reporting date. These methods include foreign exchange exposure analysis, sensitivity analyses (foreign exchange, price and interest rate risks); approved counterparty limits linked to credit ratings for financial institution credit risk; and ageing analysis for non financial institution credit risk.

Group policy prohibits any speculative trading in derivative instruments. Derivative instruments are only entered for the purposes of managing financial risk, such as foreign exchange risk.

(a) Market risk

(i) Foreign exchange risk

Foreign exchange risk refers to the risk that the value of a financial commitment, recognised financial asset or financial liability will fluctuate due to changes in foreign currency rates.

The Group and the parent entity operate internationally and are exposed to foreign exchange risk arising from committed transactions such as research grants, expenditure to which the Group is bound or will imminently incur, and financial assets and financial liabilities which have been recognised in the accounts. The economic exposure to foreign exchange risk is minimised by entering derivative transactions in foreign exchange markets. The financial instruments used to manage foreign exchange risk are spot and forward foreign exchange contracts. The major currency to which the Group is exposed is the US Dollar (USD), the Euro (EUR), and the Pound Sterling (GBP).

The Group is required to fully hedge the foreign exchange risk exposure arising from foreign currency denominated borrowings that exceed the prescribed threshold. Any exception to this requires approval by the Chief Financial Officer.

The sensitivity analysis below shows the effect on the post tax net result and equity as at reporting date had the Australian dollar weakened/strengthened by 8.6% against the US dollar (2017: 7.7%), by 6.5% against the Euro (2017: 10.9%), and by 8.7% against the Pound Sterling (2017: 9.9%) at that date with all other variables held constant.

The method used to arrive at the possible risk percentages is based on both statistical and non statistical analyses. The statistical analysis is based on currency movements for the last twelve months. This information is then reviewed and if necessary adjusted for reasonableness under current economic circumstances.

(ii) Price risk

Price risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, whether those changes are caused by factors specific to the individual financial instruments or its issuer, or factors affecting all similar financial instruments traded in the market.

The Group and the parent entity are exposed to securities price risk arising from financial assets at fair value through profit or loss on the statement of financial position. Neither the Group nor the parent entity is exposed to commodity price risk.

The Group maintains investment portfolios characterised as beneficial, endowment and long term. The investment portfolios are governed by the UNSW Investment Policy and Procedure and are managed by the UNSW Treasury who report to the Investment Sub Committee of the Finance Committee of UNSW Council. The investment objectives of the beneficial, endowment and long term investment portfolios are determined by the Investment Sub Committee giving consideration to primary and secondary objectives of each portfolio, risk appetite and investment time frame. Portfolio performance is reported to the Finance Committee.

The Investment Sub Committee meets periodically to review portfolio performance, fund manager selection, asset allocation, and other high-level investment policy issues (for example the choice of benchmarks and objectives of the investment portfolios), and to make recommendations on any proposed changes to the UNSW Investment Policy and Procedure.

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35 Financial risk management (continued)

(a) Market risk (continued)

The method used to arrive at the possible price risk of 6.6% (2017: 4.7%) is based on both statistical and non statistical analyses. The statistical analysis is based on an observed range of actual historical price data for comparable indices for the last twelve months. This information is then reviewed and if necessary adjusted for reasonableness under current economic circumstances.

(iii) Cash flow and fair value interest rate risk

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates.

The Group and the parent entity are exposed to interest rate risk predominantly from holding cash and cash equivalents, and interest-bearing borrowings. Financial instruments issued at variable rates give exposure to cash flow interest rate risk. Financial instruments issued at fixed rates and carried at fair value expose the Group to fair value interest rate risk.

In 2017 UNSW obtained additional facilities and re-negotiated its existing facilities to provide committed bank debt facilities across 5, 7 and 10-year maturities (refer Note 23(b)). No net core debt at variable rates has been drawn at the reporting date. The interest rate hedging strategy has not been amended and no interest rate hedging associated with the bank facilities has been transacted. The Group's borrowings at variable rates were denominated in Australian Dollars.

In 2017 UNSW also issued fixed interest long-term debt instruments in US dollars and Australian dollars. The proceeds of the US dollar tranche were converted into Australian dollar fixed interest obligations for the full term of the issue by way of a cross-currency interest rate swap.

Following a review of the consensus forecast of the Reserve Bank of Australia (RBA) cash rate for 2019 by private sector economists published by Bloomberg, a 25 basis point change (2018: 25 basis point change) is deemed to be reasonably likely and is used for reporting interest rate risk.

(iv) Summarised sensitivity analysis

The following tables summarise the sensitivity of the Group's and the parent entity's financial assets and financial liabilities to foreign exchange risk, price risk and interest rate risk.

Consolidated 31 December 2018	Foreign exchange risk -8.6% USD +8.6% USD				Foreign exchange risk -6.5% EUR +6.5% EUR				Foreign exchange risk -8.7% GBP +8.7% GBP				
	Result		Equity		Result		Equity		Result		Equity		
	Carrying amount \$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Financial assets													
Cash at bank	73,547	234	-	(197)	-	28	-	(25)	-	36	-	(30)	-
Short term deposits	135,005	-	-	-	-	-	-	-	-	-	-	-	-
Trade receivables	70,204	96	-	(81)	-	9	-	(8)	-	6	-	(5)	-
Unlisted unit trusts	469,740	-	-	-	-	-	-	-	-	-	-	-	-
Listed equities	14,893	-	-	-	-	-	-	-	-	-	-	-	-
Unlisted equities	24,770	-	-	-	-	-	-	-	-	-	-	-	-
Forward foreign exchange contracts	1,871	3,486	-	(2,933)	-	766	-	(659)	-	334	-	(267)	-
Financial liabilities													
Sundry creditors	83,976	(87)	-	74	-	(31)	-	27	-	(16)	-	13	-
Accrued expenses	138,481	(27)	-	23	-	(14)	-	12	-	-	-	-	-
Cross currency interest rate swap	8,278	-	17,351	-	(13,322)	-	-	-	-	-	-	-	-
Forward foreign exchange contracts	1,432	(1,815)	-	1,527	-	299	-	(258)	-	1,158	-	(925)	-
USD borrowings	134,409	-	(12,724)	-	10,698	-	-	-	-	-	-	-	-
Total increase/(decrease)		1,887	4,627	(1,587)	(2,624)	1,057	-	(911)	-	1,518	-	(1,214)	-

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35 Financial risk management (continued)

(a) Market risk (continued)

Consolidated 31 December 2018	Carrying amount \$'000	Price risk				Interest rate risk			
		-6.6%		+6.6%		-0.25%		+0.25%	
		Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000
Financial assets									
Cash at bank	73,547	-	-	-	-	(184)	-	184	-
Short term deposits	135,005	-	-	-	-	(338)	-	338	-
Trade receivables	70,204	-	-	-	-	-	-	-	-
Unlisted unit trusts	469,740	(31,003)	-	31,003	-	-	-	-	-
Listed equities	14,893	(983)	-	983	-	-	-	-	-
Unlisted equities	24,770	-	(1,635)	-	1,635	-	-	-	-
Forward foreign exchange contracts	1,871	-	-	-	-	-	-	-	-
Financial liabilities									
Sundry creditors	83,976	-	-	-	-	-	-	-	-
Accrued expenses	138,481	-	-	-	-	-	-	-	-
Cross currency interest rate swap	8,278	-	-	-	-	-	322	-	(288)
Forward foreign exchange contracts	1,432	-	-	-	-	-	-	-	-
USD borrowings	134,409	-	-	-	-	336	-	(336)	-
Total increase/(decrease)		(31,986)	(1,635)	31,986	1,635	(186)	322	186	(288)

Consolidated 31 December 2017	Carrying amount \$'000	Foreign exchange risk				Price risk				Interest rate risk			
		-7.7% USD		+7.7% USD		-4.7%		+4.7%		-0.25%		+0.25%	
		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 at bank	112,301	160	-	(137)	-	-	-	-	-	(281)	-	281	-
Short term deposits	302,609	-	-	-	-	-	-	-	-	(757)	-	757	-
Trade receivables	50,147	-	-	-	-	-	-	-	-	-	-	-	-
Unlisted unit trusts	446,113	-	-	-	-	-	(20,923)	-	20,923	-	-	-	-
Listed equities	17	-	-	-	-	-	(1)	-	1	-	-	-	-
Unlisted equities	19,025	-	-	-	-	-	(892)	-	892	-	-	-	-
Forward foreign exchange contracts	449	1,102	-	(944)	-	-	-	-	-	-	-	-	-
Financial liabilities													
Sundry creditors	61,395	(20)	-	17	-	-	-	-	-	-	-	-	-
Accrued expenses	74,767	(110)	-	94	-	-	-	-	-	-	-	-	-
Cross currency interest rate swap	9,652	-	14,230	-	(12,196)	-	-	-	-	-	633	-	(573)
Forward foreign exchange contracts	474	506	-	(433)	-	-	-	-	-	-	-	-	-
USD borrowings	121,740	-	(10,170)	-	8,714	-	-	-	-	304	-	(304)	-
Total increase/(decrease)		1,638	4,060	(1,403)	(3,482)	-	(21,816)	-	21,816	(734)	633	734	(573)

Note, the Group did not have any significant exposure to foreign exchange risk for any other currencies in 2017.

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35 Financial risk management (continued)

(b) Credit risk

Credit risk is the risk that a counterparty will cause a financial loss for the Group by not fulfilling its contractual obligations.

The Group and the parent entity are exposed to credit risk arising from its dealings with financial institutions for holdings of cash and cash equivalents, derivative financial instruments, fixed interest investments and deposits, and interest bearing investments. Non financial institution credit risk arises from credit exposures to customers, including outstanding receivables and committed transactions.

Credit exposures arising from the UNSW's investment activities other than cash are outside the scope of Policy. Exposures to individual cash investments and classes of cash investments with financial institutions are included in the calculation of UNSW's maximum credit exposures.

Credit risk arising from cash and cash equivalents, derivative financial instruments and deposits with financial institutions is managed by UNSW Treasury on a Group basis. The maximum permitted credit exposure to any financial institution is determined on that financial institution's current external credit rating issued by one of the credit rating agencies, Standard and Poor's (S&P), Moody's Investors Service (Moody's) or Fitch Ratings (Fitch). Counterparties holding ratings from more than one rating agency have their limit determined by reference to the lowest rating held.

The Group's practice is to spread credit exposure among major financial institutions with short term ratings of A2/P2/F2 or above. The net exposure and the credit ratings of financial institution counterparties are continuously monitored and the aggregate value of transactions is spread among approved counterparties. The counterparties to the financial instruments are major Australian and international financial institutions.

The carrying amounts of financial assets recognised in the statement of financial position are disclosed in more detail in notes 13, 14 and 17. This amount best represents the consolidated entity's maximum exposure to credit risk at the reporting date. In respect to those financial assets and the credit risk embodied within them, the consolidated entity holds no significant collateral as security and there are no other significant credit enhancements in respect of these assets. The credit quality of all financial assets that are neither past due nor impaired is in accordance with the Policy and is consistently monitored in order to identify any potential adverse changes in the credit quality. There are no significant financial assets that have had renegotiated terms that would otherwise, without that renegotiation, have been past due or impaired.

(c) Liquidity risk

Liquidity risk refers to the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Prudent liquidity risk management includes the continuing availability of Commonwealth government funding, maintaining sufficient cash and marketable securities to meet short term needs, and the ability to close out market positions. Daily monitoring of cash flow is carried out by UNSW Treasury to ensure there is adequate liquidity to meet the Group's expected obligations over the near term.

The Group and the parent entity held cash and cash equivalents of \$208,552,000 and \$128,589,000, respectively as at 31 December 2018 (2017: \$414,910,000 and \$316,100,000 respectively), which include deposits at call of \$135,005,000 and \$85,005,000, respectively (2017: \$302,609,000 and \$241,109,000 respectively), that are expected to readily generate cash inflows for managing liquidity risk.

The average interest rate of cash at bank was 1.53% (2017: 1.45%) per annum.

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35 Financial risk management (continued)

(c) Liquidity risk (continued)

The table below analyses the Group's and the parent entity's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows, which may not reconcile to the statement of financial position. For forward foreign exchange contracts the cash flows have been estimated using spot rates applicable at the reporting date.

	Within 1 year		1 - 5 years		5+ years		Total	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Consolidated								
Sundry creditors	83,976	61,395	-	-	-	-	83,976	61,395
Accrued expenses	138,481	74,767	-	-	-	-	138,481	74,767
Monies held from associated parties	291	1,592	-	-	-	-	291	1,592
Financing arrangement	114,657	113,980	57,100	54,649	521,269	511,968	693,026	680,597
Forward foreign exchange contracts								
- (inflow)	(62,443)	(37,279)	(23,757)	(88)	-	-	(86,200)	(37,367)
- outflow	61,998	37,379	23,937	79	-	-	85,935	37,458
Total financial liabilities	336,960	251,834	57,280	54,640	521,269	511,968	915,509	818,442

36 Fair value measurements

(a) Fair value measurements

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

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

- Financial assets at fair value through profit or loss
- Derivative financial instruments
- Available-for-sale financial assets
- Investment properties
- Land and buildings (campus land, campus buildings, off-campus properties and leasehold improvements)
- Works of art
- Rare books

Fair value measurement of non-financial assets is based on the highest and best use of the asset.

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For the year ended 31 December 2018

36 Fair value measurements (continued)

(b) Fair value hierarchy

The Group categorises assets and liabilities measured at fair value into a hierarchy based on the level of inputs used in measurements.

- Level 1 quoted prices (unadjusted) in active markets for identical assets or liabilities
 Level 2 inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
 Level 3 inputs for the asset or liability that are not based on observable market data (unobservable inputs)

(i) Recognised fair value measurements

Fair value measurements recognised in the statement of financial position are categorised into the following levels at 31 December 2018.

Fair value measurements at 31 December 2018

Consolidated	Note	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Recurring fair value measurements					
Financial assets					
Financial assets at fair value through profit or loss	17				
Unlisted unit trusts		469,740	-	469,740	-
Listed equities		14,893	14,893	-	-
Forward foreign exchange contracts		1,871	-	1,871	-
Other		64	64	-	-
Financial assets at fair value through other comprehensive income	17				
Unlisted equities		24,770	-	1,837	22,933
Total financial assets		511,338	14,957	473,448	22,933
Non-financial assets					
Investment property	18	9,800	-	9,800	-
Land and buildings	19				
Campus land		302,952	-	302,952	-
Off-campus buildings		197,432	-	197,432	-
Campus buildings		1,674,759	-	-	1,674,759
Leasehold improvements		35,709	-	-	35,709
Works of art	19	5,949	-	5,949	-
Rare books	19	17,096	-	17,096	-
Total non-financial assets		2,243,697	-	533,229	1,710,468
Financial liabilities					
Derivatives used for hedging	25				
Forward foreign exchange contracts		1,432	-	1,432	-
Cross currency interest rate swap		8,278	-	8,278	-
Total liabilities		9,710	-	9,710	-

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36 Fair value measurements (continued)

(b) Fair value hierarchy (continued)

Fair value measurements at 31 December 2017

Consolidated	Note	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Recurring fair value measurements					
Financial assets					
Available-for-sale financial assets	17(d)				
Unlisted unit trusts		446,113	-	446,113	-
Listed equities		17	17	-	-
Unlisted equities		19,025	-	2,824	16,201
Other		43	43	-	-
Derivative financial instruments	17				
Forward foreign exchange contracts		449	-	449	-
Total financial assets		<u>465,647</u>	<u>60</u>	<u>449,386</u>	<u>16,201</u>
Non-financial assets					
Investment properties	18	9,400	-	9,400	-
Land and buildings	19				
Campus land		293,935	-	293,935	-
Off-campus buildings		194,793	-	194,793	-
Campus buildings		1,544,237	-	-	1,544,237
Leasehold improvements		32,313	-	-	32,313
Works of art	19	5,824	-	5,824	-
Rare books	19	14,998	-	14,998	-
Total non-financial assets		<u>2,095,500</u>	<u>-</u>	<u>518,950</u>	<u>1,576,550</u>
Financial liabilities					
Derivative financial instruments	25				
Forward foreign exchange contracts		474	-	474	-
Cross currency interest rate swap		9,652	-	9,652	-
Total financial liabilities		<u>10,126</u>	<u>-</u>	<u>10,126</u>	<u>-</u>

There were no transfers between fair value hierarchy levels during the year.

UNSW's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

(ii) Disclosed fair values

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and available-for-sale listed securities) are based on quoted market prices on the Australian Securities Exchange for identical assets or liabilities, at the reporting date, unless otherwise stated. The quoted market price used for financial assets held by the Group is the current bid price, which is the most representative of fair value in the circumstances. These instruments are included in level 1.

The fair values of the non-listed equity investments have been estimated using a discounted cash flow model. The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, the discount rate, credit risk and volatility. The probabilities of the various estimates within the range can be reasonably assessed and are used in Management's estimate of fair value for these non-listed equity investments.

The carrying value less any impairment provision of short term financial assets, current receivables and payables are assumed to approximate their fair values due to their short term nature.

The fair value of current borrowings approximates the carrying amount, as the impact of discounting is not significant (level 2). The carrying amounts of non-current borrowings at reporting date are approximate to their fair value. The fair values of the financing arrangement are based on cash flows discounted at the borrowing rate of 6% (level 2).

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For the year ended 31 December 2018

36 Fair value measurements (continued)

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

(i) Recurring fair value measurements

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) are determined using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. This is the case for unlisted unit trusts.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for some unlisted equities.

The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each reporting date. Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments;
- The fair value of interest rate swaps is calculated at the present value of the estimated future cash flows based on observable yield curves;
- quoted market bid prices declared by fund managers are used to estimate fair value for unlisted unit trusts;
- the fair value of forward foreign exchange contracts is determined using forward exchange rates at the reporting date; and
- other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

All of resulting fair value estimates are included in level 2 except for some unlisted equities, explained in (d) below.

The level in the fair value hierarchy is determined on the basis of the lowest level input that is significant to the measurement in its entirety.

Campus land, campus buildings, off-campus properties, leasehold improvements, investment properties, works of art and rare books are valued independently each year. At the end of each reporting period, the Group updates its assessment of the fair value of each item, taking into account the most recent independent valuations.

The best evidence of fair value is current prices in an active market for similar properties. Where such information is not available, the valuer considers information from a variety of sources including:

- current prices in an active market for properties of a different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences; and
- multiples derived from prices in observed transactions involving comparable buildings in similar locations (e.g. price per square metre).

All resulting fair value estimates for properties are included in level 2 except for campus buildings and leasehold improvements.

Campus buildings and leasehold improvements are valued using the current replacement cost (CRC) approach. These buildings are considered specialised assets for which there is no active secondary market. As such, the resulting fair value estimates are included in level 3.

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For the year ended 31 December 2018

36 Fair value measurements (continued)

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

The following table is a reconciliation of level 3 items for the periods ended 31 December 2018 and 2017.

Consolidated	Campus buildings	Leasehold improvements	Unlisted equities	Total
	\$'000	\$'000	\$'000	\$'000
Level 3 Fair Value Measurements 2018				
Opening balance	1,544,237	32,313	16,201	1,592,751
Additions	-	171	-	171
Asset disposals	(1,750)	(572)	-	(2,322)
Transfers from work in progress	178,264	5,356	-	183,620
Revaluation	70,723	1,168	-	71,891
Depreciation	(118,465)	(3,286)	-	(121,751)
Write-back for asset disposals	1,750	559	-	2,309
Net gains in other comprehensive income	-	-	6,732	6,732
Closing balance	<u>1,674,759</u>	<u>35,709</u>	<u>22,933</u>	<u>1,733,401</u>
Level 3 Fair Value Measurements 2017				
Opening balance	1,403,814	11,244	11,028	1,426,086
Additions	-	19,458	-	19,458
Asset disposals	-	(400)	-	(400)
Transfers from work in progress	169,497	2,928	-	172,425
Foreign exchange differences	-	(1)	-	(1)
Revaluation	80,523	700	-	81,223
Depreciation	(109,597)	(1,784)	-	(111,381)
Write-back for asset disposals	-	168	-	168
Net gains in other comprehensive income	-	-	5,173	5,173
Closing balance	<u>1,544,237</u>	<u>32,313</u>	<u>16,201</u>	<u>1,592,751</u>

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

There have been no transfers between levels in 2018.

(ii) Valuation inputs and relationships to fair value

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements. See (c) above for the valuation techniques adopted.

Description	Consolidated 2018 \$'000	Unobservable inputs ¹	Range of inputs	Relationship of unobservable inputs to fair value
Unlisted equity	22,933	Discount rate	30%	The higher the discount rate, the lower the value

¹There were no significant inter-relationships between unobservable inputs that materially affect fair value.

(iii) Valuation processes

UNSW engages qualified external valuers to provide a valuation of the Group's unlisted equities at the end of every financial year.

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For the year ended 31 December 2018

37 Defined benefit plans

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

The following sets out details in respect of the parent entity defined benefit section only.

(a) Fund specific disclosure

(i) Nature of the benefits provided by the fund

State schemes (SSS, SANCS, SASS)

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

- State Authorities Superannuation Scheme (SASS)
- State Superannuation Scheme (SSS)
- State Authorities Non-Contributory Superannuation Scheme (SANCS)

These schemes are all defined benefit schemes - at least a component of the final benefit is derived from a multiple of member salary and years of membership. Members receive lump sum or pension benefits on retirement, death, disablement and withdrawal. All the schemes are closed to new members.

Professorial Superannuation Fund (PSF)

The Fund is closed to new members and provides active members with a combination of accumulation benefits and defined benefits based on professorial salary levels. Pensioner members receive pension payments from the Fund based on professorial salary levels.

(ii) Description of the regulatory framework

State schemes (SSS, SANCS, SASS)

The schemes in the Pooled Fund are established and governed by the following NSW legislation:

- Superannuation Act 1916
- State Authorities Superannuation Act 1987
- Police Regulation (Superannuation) Act 1906
- State Authorities Non-Contributory Superannuation Scheme Act 1987 and their associated regulations.

An actuarial investigation of the Pooled Fund is performed every three years. The last actuarial investigation was performed as at 30 June 2018.

Professorial Superannuation Fund

The Fund is subject to the provisions of the Superannuation Industry (Supervision) Act 1993, the Income Tax Assessment Act 1997, and various other legislation and regulation applicable to Australian superannuation funds. Any surplus Fund assets are subject to a limit of the asset ceiling. Under Superannuation Guarantee laws, employers are required to make a minimum contribution of 9.5% of gross Ordinary Times Earnings into a fund for active members or to provide a minimum level of defined benefit.

(iii) Description of other entities' responsibilities for the governance of the funds

State Schemes (SSS, SANCS, SASS)

The Fund's Trustee is responsible for the governance of the Fund. The Trustee has a legal obligation to act solely in the best interests of fund beneficiaries. The Trustee has the following roles:

- Administration of the Fund and payment to the beneficiaries from Fund assets when required in accordance with the Fund rules;
- Management and investment of the Fund assets; and
- Compliance with other applicable regulations.

Professorial Superannuation Fund

The Fund's Trustee is responsible for the prudential operation of the Fund and is required to act in the best interest of all members.

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Notes to the financial statements

For the year ended 31 December 2018

37 Defined benefit plans (continued)

(a) Fund specific disclosure (continued)

(iv) Description of risks

State Schemes (SSS, SANCS, SASS)

There are a number of risks to which the Fund exposes the entity. The more significant risks relating to defined benefits are:

- Investment risk - The risk that investment returns will be lower than assumed and the Group will need to increase contributions to offset this shortfall.
- Longevity risk - The risk that pensioners live longer than assumed.
- Pension indexation risk - The risk that pensions will increase at a rate greater than assumed, increasing future pensions.
- Salary growth risk - The risk that wages or salaries (on which future benefit amounts for active members will be based) will rise more rapidly than assumed, increasing defined benefit amounts and thereby requiring additional employer contributions.
- Legislation risk - The risk that legislative changes could be made which increases the cost of providing the defined benefits.

The defined benefit fund assets are invested with independent fund managers and have a diversified asset mix. Each Fund has no significant concentration of investment risk or liquidity risk. The Trustees of the Fund are not aware of any asset and liability matching strategies currently adopted by the plans to manage risk.

Professorial Superannuation Fund

Whilst the Fund remains an ongoing arrangement the main risk to the Group is the need to make additional contributions to the Fund resulting from adverse investment experience, members and their spouses living longer than expected, salary increases being greater than expected and Fund expenses being greater than expected and allowed for in the recommended contribution rate.

(v) Description of any plan amendments, curtailments and settlements

There were no amendments, curtailments or settlements during the year for all the funds.

(vi) Funding arrangements

State Schemes (SSS, SANCS, SASS)

Funding arrangements are reviewed at least every three years following the release of the triennial actuarial review and were last reviewed following completion of the triennial review. Contribution rates are set after discussions between the Group, SAS Trustee Corporation (STC) and NSW Treasury. Funding positions are reviewed annually and funding arrangements may be adjusted as required after each annual review.

Professorial Superannuation Fund

In the latest actuarial review as at 31 December 2017 it was recommended that the Parent will make nil contributions to all defined benefit and pensioner members until 31 December 2018, subject to a further review in 2018.

(vii) Expected contributions

The Parent expects to receive and make contributions excluding UNSW Canberra at ADFA estimated at \$79,865,000 (2017: \$82,577,000) towards the SSS, SANCS and SASS Schemes to maintain a one year asset buffer level in the Scheme's reserves in the next financial year. The Parent expects to make a further \$1,836,000 (2017: \$2,690,000) contribution to the defined benefit plans.

The Parent on behalf of UNSW Canberra at ADFA expects to make contributions estimated at \$5,807,000 (2017: \$4,042,000) towards the SSS, SANCS and SASS Schemes of UNSW Canberra at ADFA to maintain a three year asset buffer level in the Scheme's reserves in the next financial year. UNSW Canberra at ADFA expects to make a further \$112,000 (2017: \$341,000) contribution to the defined benefit plans.

(viii) Maturity profile

The weighted average duration of the State Schemes defined benefit obligation is 10.7 years to 12.2 years. The weighted average duration of the Professorial Superannuation Fund defined benefit obligation is 7 years.

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37 Defined benefit plans (continued)

(b) Categories of plan assets

State Schemes (SSS, SANCS, SASS)

All Pooled Fund assets are invested by STC at arm's length through independent fund managers and assets are not separately invested for each entity. As such, the disclosures below relate to total assets of the Pooled Fund.

The analysis of the plan assets as at 31 December 2018 is as follows:

	\$'000	Quoted prices in active markets for identical assets	Non-active
	Total		
Assets category			
Short term securities	3,845,538	1,626,895	2,218,643
Australian fixed interest	2,199,200	7,968	2,191,232
International fixed interest	1,371,539	32,330	1,339,209
Australian equities	7,580,239	7,081,918	498,321
International equities	10,273,845	7,897,078	2,376,767
Property	3,485,411	596,740	2,888,671
Alternatives	10,488,520	424,255	10,064,265
Total	39,244,292	17,667,184	21,577,108

The fair value of the Pooled Fund assets includes \$105,800,000 (2017: \$106,900,000) in NSW Government bonds.

Professorial Superannuation Fund

The total fair value of the plan assets is \$38,734,000 and these assets are invested in various portfolios where unit price changes occur on a daily basis. On this basis, it is not unreasonable to assume the Fund's assets are traded in an active market.

The fair value of the plan assets does not include amounts relating to any of the controlling entity's own financial instruments and any property occupied by, or other assets used by, the controlling entity.

(c) Actuarial assumptions and sensitivity

(i) Significant actuarial assumptions

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

	2018	2017
	%	%
State schemes (SSS, SANCS, SASS)		
Discount rate	2.33	2.65
Expected rate(s) of salary inflation	2.0 to 2.5	2.5 to 3.50
Professorial Superannuation Fund		
Discount rate	2.2	2.6
Expected rate(s) of salary inflation	3.0	3.0

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37 Defined benefit plans (continued)

(c) Actuarial assumptions and sensitivity (continued)

(ii) Sensitivity analysis

The sensitivity of the defined benefit obligation to change in the significant assumptions is as follows:

	Change in assumption	Increase in assumption	Decrease in assumption
State schemes (SSS, SANCS, SASS)			
Discount rate	1.00%	(9.65)%	11.48%
Expected rate of salary inflation	0.50%	0.10%	(0.09)%
Professorial Superannuation Fund			
Discount rate	0.50%	(1.90)%	(0.60)%
Expected rate of salary inflation	0.50%	6.40%	(6.00)%

The above sensitivity analyses are based on a change in an assumption while holding all the other assumptions constant. In practice this is unlikely to occur, and changes in some of the assumptions may be correlated.

When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method has been applied as when calculating the defined benefit liability recognised in the statement of financial position.

(d) Statement of financial position amounts

	\$'000 SASS	\$'000 SANCS	\$'000 SSS	\$'000 PSF	\$'000 Total
Net liability reconciliation - 2018					
Defined benefit obligation	70,045	10,228	1,449,865	41,007	1,571,145
Fair value of plan assets	(24,059)	(2,335)	(98,630)	(34,514)	(159,538)
Net liability/deferred benefits for superannuation	45,986	7,893	1,351,235	6,493	1,411,607
Reimbursement right ¹	(44,338)	(8,154)	(1,254,086)	-	(1,306,578)
Total net liability/(asset)	1,648	(261)	97,149	6,493	105,029
Present value obligations - 2018					
Opening defined benefit obligation	85,669	13,236	1,434,284	43,420	1,576,609
Current service cost	1,806	425	102	123	2,456
Interest expense/(income)	2,110	314	36,913	1,093	40,430
Remeasurements					
Actuarial losses/(gains) arising from changes in demographic assumptions	(664)	(166)	6,839	-	6,009
Actuarial losses/(gains) arising from changes in financial assumptions	808	143	45,856	1,337	48,144
Actuarial losses/(gains) arising from changes in experience assumptions	(1,488)	(747)	1,625	(442)	(1,052)
Contributions					
From plan participants	866	-	279	-	1,145
Benefits paid	(19,062)	(2,978)	(76,031)	(4,524)	(102,595)
Closing defined benefit obligation	70,045	10,227	1,449,867	41,007	1,571,146

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37 Defined benefit plans (continued)

(d) Statement of financial position amounts (continued)

	Note	\$'000 SASS	\$'000 SANCS	\$'000 SSS	\$'000 PSF	\$'000 Total
Fair value of plan assets - 2018						
Opening fair value of plan assets		33,355	2,638	99,279	38,734	174,006
Remeasurements						
Actual return on plan assets less interest income		(412)	(35)	(810)	(644)	(1,901)
Interest income		836	68	2,508	948	4,360
Contributions						
Employers		8,476	2,641	73,406	-	84,523
Plan participants		866	-	279	-	1,145
Benefits paid		(19,062)	(2,978)	(76,031)	(4,524)	(102,595)
Closing fair value of plans assets		24,059	2,334	98,631	34,514	159,538
Reimbursement rights - 2018						
Opening value of reimbursement right		51,320	10,952	1,240,022	-	1,302,294
Expected return on reimbursement rights		2,951	657	32,003	-	35,611
Remeasurements		(638)	(680)	49,783	-	48,465
Contributions from employer	38(h)	(8,389)	(2,620)	(68,152)	-	(79,161)
Recognition of new reimbursement rights		(906)	(155)	430	-	(631)
Closing value of reimbursement right ¹		44,338	8,154	1,254,086	-	1,306,578
Amounts recognised in the statement of financial position - 2017						
Defined benefit obligation		85,669	13,236	1,434,284	43,420	1,576,609
Fair value of plan assets		(33,355)	(2,638)	(99,279)	(38,734)	(174,006)
Net liability		52,314	10,598	1,335,005	4,686	1,402,603
Reimbursement right ¹		(51,320)	(10,952)	(1,240,022)	-	(1,302,294)
Total net liability/(asset)		994	(354)	94,983	4,686	100,309
Closing defined benefit obligation		85,669	13,236	1,434,284	43,420	1,576,609
Closing value of plans assets		33,355	2,639	99,278	38,734	174,006
Closing value of reimbursement right¹		51,320	10,952	1,240,022	-	1,302,294

¹\$1,306,577,000 (2017: \$1,302,294,000) of the net liabilities of the superannuation funds is payable by the Commonwealth and NSW Governments under the new funding arrangement as detailed in the MOU. This is based on the net liabilities of SASS of \$45,985,000 (2017: \$52,314,000), the net liabilities of SSS of \$1,351,236,000 (2017: \$1,355,005,000) and the net liabilities of SANCS of \$7,893,000 (2017: \$10,598,000) less the net liabilities of the superannuation funds of UNSW Canberra at ADFA and other unfunded superannuation costs totaling \$96,862,000 (2017: \$94,578,000) and \$1,675,000 (2017: \$1,043,000) respectively.

The financial impact on funds guaranteed by the Commonwealth Government is in respect of the parent entity defined benefits only. This results in a difference between the closing value of the net liability arising from defined benefit obligations and reimbursement right per note 37 and the closing value per note 24 and note 14 respectively. The

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37 Defined benefit plans (continued)

(d) Statement of financial position amounts (continued)

difference is \$2,830,000 (2017: \$2,663,000) and is attributable to the funds guaranteed by the Commonwealth Government in respect of UNSW Global Pty Ltd's defined benefits.

The amount of \$25,535,000 contributed by the Commonwealth Government in 2004 for UNSW Canberra at ADFA is managed as part of the pool of general investments of the Group. These funds are included as part of other financial assets disclosed in the statement of financial position, refer to note 17.

If a net surplus exists in a Fund, the Group may be able to reduce the required contribution rate, subject to the advice of the Fund's actuary.

When a net deficiency exists, the Group is responsible for any difference between the employer's share of fund assets and the defined benefit obligation, except for instances in SASS, SANCS and SSS (as described above), where the difference will ultimately be borne by the Commonwealth and NSW Governments

(e) Amounts recognised in other statements

The amounts recognised in the income statement are restricted to the Professorial Superannuation Fund, and the UNSW Canberra at ADFA component of the three superannuation schemes.

Amounts recognised in the income statement or in the other comprehensive income - 2018

		\$'000	\$'000	\$'000	\$'000	\$'000
	Note	SASS	SANCS	SSS	PSF	Total
Current service cost		113	27	74	123	337
Interest expense		109	15	2,754	1,093	3,971
Interest income		(92)	(27)	(323)	(948)	(1,390)
Other		91	86	795	-	972
		221	101	3,300	268	3,890
Less: employer contributions		(88)	(21)	(5,254)	-	(5,363)
Total expense recognised in deferred superannuation expense	9	133	80	(1,954)	268	(1,473)
Actuarial losses (gains) arising from changes in demographic assumptions		(28)	(6)	576	-	542
Actuarial gains/(losses) arising from changes in financial assumptions		40	10	3,742	1,337	5,129
Actuarial gains/(losses) arising from experience adjustments		(350)	(72)	859	(442)	(5)
Actual return on plan assets less interest income		44	12	171	644	871
Other		906	155	(430)	-	631
Total amounts recognised in the Statement of comprehensive income	27(b)	612	99	4,918	1,539	7,168

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For the year ended 31 December 2018

37 Defined benefit plans (continued)

(e) Amounts recognised in other statements (continued)

Amounts recognised in the income statements or in the other comprehensive income - 2017

		\$'000	\$'000	\$'000	\$'000	\$'000
	Note	SASS	SANCS	SSS	PSF	Total
Total expense recognised in deferred superannuation expense	9	253	72	(5,853)	201	(5,327)
Total amounts recognised in the Statement of comprehensive income	27(b)	(958)	(144)	344	(4,434)	(5,192)

(f) Financial impact on other funds

UniSuper

The parent entity also contributes to the UniSuper Defined Benefit Division (DBD), formerly known as the Superannuation Scheme for Australian Universities (SSAU), for academic staff appointed since 1 March 1988 and for all other staff from 1 July 1991. DBD is a defined benefit plan under Superannuation Law but is considered to be a defined contribution plan under AASB 119 *Employee Benefits*.

As at 30 June 2018, the assets of the DBD in aggregate were estimated to be \$3,785,000,000 above vested benefits, after allowing for various reserves (30 June 2017: \$2,797,000,000 above 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 indexed pensions being provided by the DBD.

As at 30 June 2018, the assets of the DBD in aggregate were estimated to be \$5,477,000,000 above accrued benefits, after allowing for various reserves (30 June 2017: \$4,258,000,000 above accrued benefits). The accrued benefits have been calculated as the present value of expected future benefit payments to members and 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 using the actuarial demographic assumptions outlined in their report on the actuarial investigation of the DBD as at 30 June 2018.

Assets have been included at their net market value after allowing for realisation costs.

Other superannuation schemes

The Group also contributes to the Commonwealth Superannuation Scheme. This superannuation scheme is fully funded. The Commonwealth Government has ultimate funding risk when members retire.

2018 FINANCIAL RESULTS

The University of New South Wales

Notes to the financial statements For the year ended 31 December 2018

38 Acquittal of Australian Government financial assistance

(a) Education - CGS and other Education grants

Parent Entity (University) Only	Note	Commonwealth Grants Scheme ¹		Disability Support Program		Access and Participation Pool		National Priorities Pool		Promotion of Excellence in Learning and Teaching		Indigenous Student Success Program ²		Total	
		2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the program)		280,518	282,321	231	200	2,587	2,587	(44)	294	-	40	1,765	2,399	285,057	287,841
Net accrual adjustments		1,404	(3,337)	-	-	-	-	-	-	-	-	-	(756)	1,404	(4,093)
Revenue for the period	3(a)	281,922	278,984	231	200	2,587	2,587	(44)	294	-	40	1,765	1,643	286,461	283,748
Surplus/(deficit) from the previous year		-	-	(180)	72	490	356	215	778	-	-	(98)	(344)	427	862
Total revenue including accrued revenue		281,922	278,984	51	272	3,077	2,943	171	1,072	-	40	1,667	1,299	286,888	284,610
Less expenses including accrued expenses		(281,922)	(278,984)	(350)	(452)	(3,014)	(2,453)	(187)	(857)	-	(40)	(1,768)	(1,397)	(287,241)	(284,183)
Surplus/(deficit) for reporting period		-	-	(299)	(180)	63	490	(16)	215	-	-	(101)	(98)	(353)	427

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

²Indigenous Student Success Program has replaced the Indigenous Commonwealth Scholarships Program, the Indigenous Support Program, Commonwealth Education Cost Scholarships (includes Grandfathered Scholarships and National Priority Scholarships), Commonwealth Accommodation Staff Scholarships and the Indigenous Access Scholarships as of 1 January 2017. Prior year programs were combined and reported in Indigenous Student Success Program for 2017.

Notes to the financial statements
For the year ended 31 December 2018

38 Acquittal of Australian Government financial assistance (continued)

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

Parent	HECS-HELP		FEE-HELP		SA-HELP		Total	
	2018	2017	2018	2017	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash Payable/(Receivable) at the beginning of the year	(3,551)	(2,378)	(2,258)	(157)	28	224	(5,781)	(2,311)
Financial assistance received in cash during the reporting period	179,606	173,401	34,609	32,286	3,118	2,914	217,333	208,601
Cash available for the period	176,055	171,023	32,351	32,129	3,146	3,138	211,552	206,290
Revenue earned	178,523	174,574	32,868	34,387	3,185	3,110	214,576	212,071
Cash Payable/(Receivable) at the end of the year	(2,468)	(3,551)	(517)	(2,258)	(39)	28	(3,024)	(5,781)

3(b)

2018 FINANCIAL RESULTS

The University of New South Wales

Notes to the financial statements For the year ended 31 December 2018

38 Acquittal of Australian Government financial assistance (continued)

(c) Department of Education and Training Research

Parent Entity (University) Only

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

Net accrual adjustments⁵

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

³ Research Training Program replaced Australian Postgraduate Awards, International Postgraduate Research Scholarships and Research Training Scheme in 2018; 2017 is presented on a comparable basis.

⁴ Research Support Program replaced Joint Research Engagement, JRE Engineering Cadetships, Research Block Grants and Sustainable Research Excellence in Universities in 2018; 2017 is presented on a comparable basis.

⁵ In 2017, the net accrual adjustment of \$(75,654) was a refund of the unspent Commercialisation Training Scheme.

Note	Research Training Program ³		Research Support Program ⁴		Total	
	2018	2017	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	89,759	90,574	79,928	78,390	169,687	168,964
	-	-	-	(76)	-	(76)
3(c)	89,759	90,574	79,928	78,314	169,687	168,888
	(25)	-	-	1,672	(25)	1,672
	89,734	90,574	79,928	79,986	169,662	170,560
	(89,734)	(90,599)	(79,928)	(79,986)	(169,662)	(170,585)
	-	(25)	-	-	-	(25)

(d) Total Higher Education Provider Research Training Program expenditure

	Total domestic students		Total overseas students	
	\$'000	\$'000	\$'000	\$'000
Research Training Program Fees offsets	60,146	4,112		
Research Training Program Stipends	21,596	1,648		
Research Training Program Allowances	102	2,130		
Total for all types of support	81,844	7,890		

Notes to the financial statements
For the year ended 31 December 2018

38 Acquittal of Australian Government financial assistance (continued)

(e) Other Capital Funding

	Linkage Infrastructure, Equipment and Facilities Grant		Total	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
Parent Entity (University) Only				
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the program)	4,289	1,679	4,289	1,679
Net accrual adjustments	(811)	(383)	(811)	(383)
Revenue for the period	3,478	1,296	3,478	1,296
Surplus/(deficit) from the previous year	7,419	8,226	7,419	8,226
Total revenue including accrued revenue	10,897	9,522	10,897	9,522
Less expenses including accrued expenses	(4,287)	(2,103)	(4,287)	(2,103)
Surplus/(deficit) for reporting period	6,610	7,419	6,610	7,419

(f) Australian Research Council Grants

	Discovery		Linkages		Networks and Centres		Special Research Initiatives		Total	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Parent Entity (University) Only										
Financial assistance received in cash during the reporting period (total cash received from the Australian Government for the program)	47,252	49,403	10,370	8,692	13,857	22,732	718	-	72,197	80,827
Net accrual adjustments	(1,726)	(2,339)	(326)	(499)	(7,944)	(9,110)	-	-	(9,996)	(11,948)
Revenue for the period	45,526	47,064	10,044	8,193	5,913	13,622	718	-	62,201	68,879
Surplus/(deficit) from the previous year	32,749	32,069	8,948	10,661	9,787	1,162	-	-	51,484	43,892
Total revenue including accrued revenue	78,275	79,133	18,992	18,854	15,700	14,784	718	-	113,685	112,771
Less expenses including accrued expenses	(44,484)	(46,384)	(8,941)	(9,906)	(4,928)	(4,997)	-	-	(58,353)	(61,287)
Surplus/(deficit) for reporting period	33,791	32,749	10,051	8,948	10,772	9,787	718	-	55,332	51,484

2018 FINANCIAL RESULTS

Notes to the financial statements

For the year ended 31 December 2018

38 Acquittal of Australian Government financial assistance (continued)

(g) OS-HELP

	2018	2017
Parent	\$'000	\$'000
Cash received during the reporting period	7,197	4,400
Cash spent during the reporting period	<u>(6,414)</u>	<u>(5,470)</u>
Net cash received	783	(1,070)
Cash surplus/(deficit) from the previous period	1,791	2,861
Cash surplus/(deficit) for reporting period	22 <u>2,574</u>	<u>1,791</u>

(h) Higher Education Superannuation Program

	2018	2017
Parent	\$'000	\$'000
Cash received during the reporting period	70,537	73,110
University contribution in respect of current employees	<u>2,609</u>	<u>2,747</u>
Cash available	73,146	75,857
Cash surplus / (deficit) from the previous period	<u>6,015</u>	<u>-</u>
Cash available for current period	79,161	75,857
Contributions to specified defined benefit funds	37(d) <u>(79,161)</u>	<u>(69,842)</u>
Cash surplus/(deficit) this period	<u>-</u>	<u>6,015</u>

(i) Student Services and Amenities Fee

	2018	2017
Parent	\$'000	\$'000
Unspent/(overspent) revenue from previous period	-	-
SA-HELP revenue earned	38(b) <u>3,185</u>	<u>3,110</u>
Student Services and Amenities Fee	5 <u>10,479</u>	<u>9,066</u>
Total revenue expendable in period	13,664	12,176
Student services expenses during period	<u>(13,664)</u>	<u>(12,176)</u>
Unspent/(overspent) student services revenue	<u>-</u>	<u>-</u>

END OF THE AUDITED FINANCIAL STATEMENTS

SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED 31 DECEMBER 2018

BUDGET AND ACTUAL PERFORMANCE (PARENT ENTITY ONLY)

	Budget 2018 \$'000	Actual 2018 \$'000	Budget 2019 \$'000
Revenue from continuing operations			
Australian Government financial assistance			
Australian Government grants	778,221	761,422	817,914
HELP - Australian Government payments	224,612	214,576	230,496
State and local government financial assistance	31,097	31,312	33,635
HECS-HELP - Student payments	30,503	27,276	29,300
Fees and charges	833,879	900,725	967,552
Investment revenue	34,381	17,794	29,169
Royalties, trademarks and licences	877	1,614	1,821
Consultancy and contracts	82,398	88,924	95,522
Other revenue	89,189	63,318	105,301
Total revenue from continuing operations	2,105,157	2,106,961	2,310,710
Net (loss)/gain on disposal of assets	-	10,351	-
Other investment revenue	-	-	-
Other income	130	12,907	2,087
Total income from continuing operations	130	23,258	2,087
Total revenue and income from continuing operations	2,105,287	2,130,219	2,312,797
Expenses from continuing operations			
Employee related expenses	1,082,696	1,162,653	1,274,648
Depreciation and amortisation	170,738	169,914	187,335
Repairs and maintenance	37,849	37,422	38,810
Borrowing costs	16,716	19,014	16,806
Impairment of assets	1,000	3,067	1,250
Losses on disposal of assets	-	-	-
Deferred superannuation expense/(benefit)	-	(1,473)	-
Other expenses	740,372	727,012	823,845
Total expenses from continuing operations	2,049,371	2,117,609	2,342,695
Net result before income tax from continuing operations	55,916	12,610	(29,898)

INVESTMENT PERFORMANCE (PARENT ENTITY ONLY)

UNSW's investments are allocated to the following investment Pools:

- Pool L and Pool E: long-term investment funds that have a perpetual investment horizon. The Pools have the same asset allocation, the components of which were managed during the year by external investment fund managers other than cash which was managed internally by UNSW Treasury and Investment Services
- Pool B: short-term investment funds with an investment horizon up to three years and a capital preservation investment objective. The cash allocation of 75% of the Pool invested was managed internally by UNSW Treasury and Investment Services with the balance managed by external fund managers.

In accordance with the *Annual Report (Statutory Bodies) Act 1984* and its regulation 2010, the performance of Pool L, E and B are measured in the table below against NSW Treasury Corporation Facilities.

	Fund Manager	⁽ⁱ⁾ Return for 12 months to 31/12/2018	⁽ⁱⁱ⁾ Treasury Corporation Facility Performance for 12 months to 31/12/2018	⁽ⁱ⁾ Return for 12 months to 31/12/2017	⁽ⁱⁱ⁾ Treasury Corporation Facility Performance for 12 months to 31/12/2017
		%	%	%	%
Pool L & E	Internal/External	- 0.42	0.30	8.05	9.50
Pool B	Internal/External	2.46	2.05	3.06	2.28

⁽ⁱ⁾ The investment returns for Pool L and Pool E are calculated as the change in market value of investments from the beginning of the year to the end of the year. The return for Pool B is calculated as the change in market value of investments from the beginning of the year to the end of the year and the weighted average yield achieved on the cash investments.

⁽ⁱⁱ⁾ The weighted average of the performance of the NSW Treasury Corporation medium term (25%) and long term facilities (75%) is employed for the Pool L and Pool E comparison. This weighting reflects the strategic asset allocation of the Pools. The long term investment performance shown above does not include refunds from the ATO in respect of franking credits. Franking credits contribute approximately 0.5% in additional return. The NSW Treasury Corporation Cash facility return is used for the Pool B comparison reflecting the capital preservation investment objective.

SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED 31 DECEMBER 2018

ACCOUNT PAYMENT PERFORMANCE (PARENT ENTITY ONLY)

	Total accounts paid on time			Total amount paid
	Target ⁽ⁱ⁾ %	Actual ⁽ⁱ⁾ %	\$'000	\$'000
2017				
January - March	70	91	222,675	263,165
April - June	70	93	248,666	288,455
July - September	70	91	265,829	306,591
October - December	70	89	306,121	342,740
2018				
January - March	70	84	231,611	306,613
April - June	70	89	299,999	349,601
July - September	70	90	319,797	369,996
October - December	70	91	398,541	447,760

⁽ⁱ⁾ The % is based on the number of transactions processed and not on monetary terms.

LAND APPENDIX (PARENT ENTITY ONLY)

In accordance with Section 41B 1(d) of the *Public Finance and Audit Act*, below is the unaudited Land Appendix to the Financial Statements of the University of New South Wales, referred to as 'UNSW', for the year ended 31 December 2018.

	Land Use	Land Value 2018 \$'000	Land Value 2017 \$'000
T	Teaching, Research and other University purposes	341,559	334,501
A	Student Accommodation	35,002	34,000
LR	Leased to residential tenants	41,253	89,406
LC	Leased to commercial tenants	39,891	38,481
		457,705	496,388

The total value of land owned or occupied is higher than the land value recognised within the categories "Land" and "Off-campus properties" in the Statement of Financial Position. The value of the Land disclosed in the Statement of Financial Position has been adjusted for impairment.

2018 STATUTORY REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

PRIVACY AND ACCESS TO INFORMATION

Privacy

The University's Privacy Management Plan outlines how the University complies with the *Privacy and Personal Information Protection Act 1998 (NSW)* ("the PPIP Act") and the *Health Records and Information Privacy Act 2002 (NSW)*.

Four internal reviews were completed under Part 5 of the *PPIP Act* during the reporting period. Two of these reviews identified a breach of the Information Protection Principle (IPP) concerning security of personal information, one of which also identified a breach of the IPP concerning limits on disclosure of personal information. Actions taken in response to these breaches included changes to operating procedures and privacy awareness training in the relevant business units to prevent reoccurrence.

The NSW Civil and Administrative Tribunal (NCAT) issued one decision regarding its review of an internal review conducted by the University the previous year. The Tribunal found that the University breached the IPP concerning the limits on use of the applicant's personal information. Operating procedures have been revised to prevent reoccurrence.

Government Information (Public Access) Act 2009 (NSW)

Under section 125 of the *Government Information (Public Access) Act 2009 (NSW)* ("the Act") and clause 7 of the *Government Information (Public Access) Regulation 2009 (NSW)*, the University is required to report annually on its obligations under the Act. The required statistical information on 2018 access applications to the University follows.

Review of proactive release program

Under section 7 of the *GIPA Act*, the University must review its program for the release of government information to identify the kinds of information that can be made publicly available.

The University's program for the proactive release of information involves making much of the information that it holds freely available via the University's website, including:

- the UNSW 2025 Strategic Plan;
- the UNSW Graduate Register, which allows the public to search for information (name, degree, conferral date) of all UNSW graduates since 2000;
- the UNSW Handbook, that contains the rules and procedures relating to the University's undergraduate and postgraduate programs; and
- details of the governance and management of the University, including the University Council, Academic Board and Management Board;
- the latest UNSW Annual Report (plus access to previous Annual Reports) including detailed financial reports;
- a range of publications that document the activities of the University including UNSW Magazine (a quarterly magazine for staff, students and visitors that reports on issues affecting the tertiary education sector and the latest developments in UNSW's research and teaching);
- listing and full text access to UNSW policies, procedures and guidelines.

During the reporting period, we reviewed the proactive release program by assessing the information requested under both formal access applications and informal requests to determine if such information could be made available to the public by proactive release.

Number of access applications received

During the reporting period, our agency received a total of 17 formal access applications, of which one was invalid and one was withdrawn.

Number of refused applications for Schedule 1 information

During the reporting period, the University refused in part five formal access applications because the information requested was information referred to in Schedule 1 to the *GIPA Act*.

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	1	0	1	1	0	0	0	0
Members of Parliament	0	0	0	0	0	0	0	0
Private sector business	0	0	1	0	0	0	1	0
Not for profit organisations or community groups	0	0	0	0	0	0	0	0
Members of the public (application by legal representative)	0	1	0	0	0	1	0	0
Members of the public (other)	2	7	0	4	1	1	0	1

*More than one decision can be made in respect of a particular access application.

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	5	0	2	0	1	0	0
Access applications (other than personal information applications)	1	2	2	2	1	1	1	1
Access applications that are partly personal information applications and partly other	0	1	0	1	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)	1
Application is for excluded information of the agency (section 43 of the Act)	0
Application contravenes restraint order (section 110 of the Act)	0
Total number of invalid applications received	1
Invalid applications that subsequently became valid applications	0

2018 STATUTORY REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

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

	Number of times consideration used*
Overriding secrecy laws	0
Cabinet information	0
Executive Council information	0
Contempt	0
Legal professional privilege	5
Excluded information	1
Documents affecting law enforcement and public safety	0
Transport safety	0
Adoption	0
Care and protection of children	0
Ministerial code of conduct	0
Aboriginal and environmental heritage	0

*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 the Act

	Number of occasions when application not successful
Responsible and effective government	6
Law enforcement and security	0
Individual rights, judicial processes and natural justice	6
Business interests of agencies and other persons	2
Environment, culture, economy and general matters	0
Secrecy provisions	1
Exempt documents under interstate Freedom of Information legislation	1

Table F: Timeliness

	Number of applications
Decided within the statutory timeframe (20 days plus any extensions)	13
Decided after 35 days (by agreement with applicant)	1
Not decided within time (deemed refusal)	1
Total	15

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	3	3
Review by Information Commissioner * #	4	1	5
Internal review following recommendation under section 93 of Act	0	4	4
Review by NCAT ^	0	0	0
Total	4	8	12

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

One application for review by the Information Commissioner was in progress at time of publication.

^ One application for review by the NCAT was in progress at time of publication.

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

	Number of applications for review
Applications by access applicants	7
Applications by persons to whom information the subject of access application relates (see section 54 of the Act)	0

DISCLOSURE REQUIREMENTS

Average total remuneration package of senior executives

2018 \$608,971

2017 \$525,069

Total remuneration package includes base salary, superannuation and performance pay (if applicable). Remuneration data for 2017 includes part year payments only for two Executive positions.

Percentage of total employee related expenditure that relates to senior executives

2018 0.54%

2017 0.57%

2018 STATUTORY REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

STATISTICAL INFORMATION ON EEO TARGET GROUPS

A. Trends in the Representation of EEO Groups

% of Total Staff					
General Staff	Benchmark or Target	2015	2016	2017	2018
Women	50%	63.45%	64.64%	64.45%	63.11%
Aboriginal people and Torres Strait Islanders	2%	1.28%	1.09%	1.21%	0.89%
People whose first language was not English	19%	28.63%	28.01%	29.86%	24.87%
People with a disability	12%	3.37%	2.87%	3.55%	2.79%
People with a disability requiring work-related adjustment	7%	0.54%	0.65%	0.78%	0.62%

% of Total Staff					
Academic Staff	Benchmark or Target	2015	2016	2017	2018
Women	50%	38.28%	39.06%	39.75%	39.97%
Aboriginal people and Torres Strait Islanders	2%	0.56%	0.62%	0.87%	0.62%
People whose first language was not English	19%	23.65%	31.04%	32.19%	27.65%
People with a disability	12%	2.67%	2.67%	3.42%	2.67%
People with a disability requiring work-related adjustment	7%	0.64%	0.72%	0.82%	0.73%

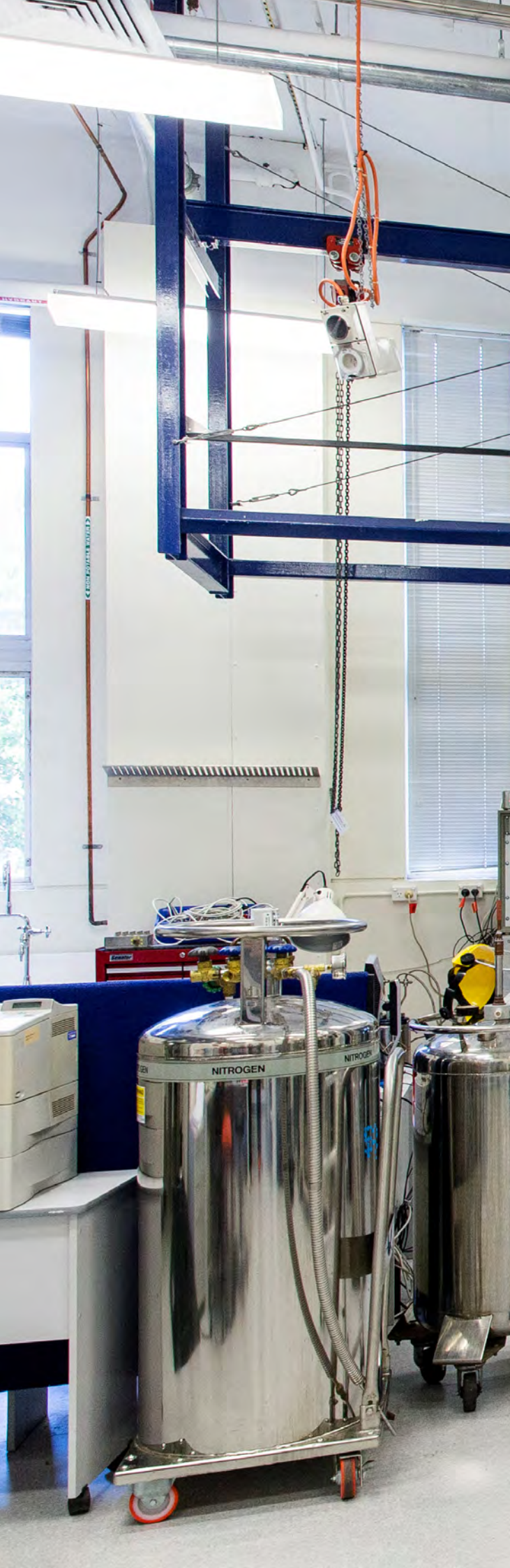
B. Trends in the Distribution of EEO Groups

% of Total Staff					
General Staff	Benchmark or Target	2015	2016	2017	2018
Women	100	91	91	90	91
Aboriginal people and Torres Strait Islanders	100	86	93	94	92
People whose first language was not English	100	99	101	101	100
People with a disability	100	101	105	103	108
People with a disability requiring work-related adjustment	100	n/a	n/a	107	n/a

% of Total Staff					
Academic Staff	Benchmark or Target	2015	2016	2017	2018
Women	100	85	86	86	88
Aboriginal people and Torres Strait Islanders	100	102	n/a	90	n/a
People whose first language was not English	100	105	100	104	98
People with a disability	100	123	116	109	111
People with a disability requiring work-related adjustment	100	127	n/a	119	112

Notes:

- Staff numbers are as at 31 March 2019.
- Figures exclude casual staff.
- 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. The Distribution Index is automatically calculated by the software provided by the Office of Employment Equity and Diversity.
- The Distribution Index is not calculated where EEO group or non-EEO group numbers are less than 20.



Front cover: Engineering students examine a robotic arm that creates manufacturing prototypes at UNSW's Mechanical and Manufacturing Engineering Makerspace. The space provides tools, equipment and machinery for students and staff to use when building projects. *Photo by Chrissie Hall.*

Internal images provided by: UNSW Visual Content Team - Media and Content, Chrissie Hall, Aaron Anderson, Anna Kucera, Andrzej Liguz, Nikki To and Yaya Stempler.



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