

Purpose

The Council is asked to approve the 2017 Annual Report narrative for the University of New England.

Origin of report: Scheduled work plan item.

Related to Terms of Reference: Approve university mission, strategic direction, annual budget and business plan.

Recommendation

Professor Annabelle Duncan, Vice-Chancellor

Council is asked to APPROVE the Annual Report (Year Ending 31 December 2017) #18116.

Background Information

The Annual Report has been prepared to accompany the 2017 Annual Financial Statements and is now provided to Council for their approval.

The report is in pre-layout format and will proceed to layout after approval by Council.

Attachments

Attachment 1 – 2017 Annual Report Narrative

MESSAGE FROM THE CHANCELLOR **3**

MESSAGE FROM THE VICE-CHANCELLOR **4**

ABOUT UNE **5**

GOVERNANCE **8**

REPORT ON OPERATIONS **17**

WORKPLACE **21**

FINANCE **26**

ACCESS ARRANGEMENTS **30**

Front cover image – Booloominba



University of New England
Armidale NSW 2351
April 2018

The Honourable Robert Stokes MP
NSW Minister for Education
Parliament House
Sydney NSW 2000

Dear Minister,

In accordance with the Annual Reports (Statutory Bodies) Act 1984, and the Public Finance and Audit Act 1983, the University of New England Council presents the annual report of the proceedings of the University and its audited financial statements for the year ended 31 December 2017.

<signature>

Mr James Harris
Chancellor

<signature>

Professor Annabelle Duncan
Vice-Chancellor and CEO

Message from the Chancellor

2017 has been a successful year for UNE in many respects.

Our students again provided positive feedback regarding their satisfaction with the University in 2017, particularly in teaching quality, overall experience and graduate outcomes. This is a very good result, and UNE management and staff remain focused on improving the student experience, to include students in decision-making and to innovate in terms of academic policy, program offerings and delivery.

UNE continued to build on its core research strengths, achieving many exceptional research outcomes throughout the year.

In terms of financial performance, the University remains in a strong financial position and has achieved a modest surplus in 2017. This financial result, combined with the introduction of a new faculty structure within the Academy, will enable UNE to be flexible and responsive to market challenges in 2018 and beyond.

On behalf of the UNE Council, I express our thanks to Professor Annabelle Duncan, Vice-Chancellor, and her senior management team, and applaud all University staff for their efforts and achievements in 2017.

James Harris
Chancellor
UNE

Message from the Vice-Chancellor

Throughout 2017 the University has risen to the challenge of implementing its Strategic Plan 2016-2020 *Together, we can do this*. Australian higher education has been in the public spotlight as our nation decides how best to equip the workforces of the future. UNE has continued to serve our community by undertaking research of significant impact and turning out graduates ready to contribute to an ever-changing world.

Through our investment in research and research partnerships, UNE continues to lead the way in collaborations with the agricultural industry to provide research with real impact, both domestically and internationally. 2017 saw the announcement of a major collaborative research partnership agreement with Meat and Livestock Australia (MLA), the Commonwealth Scientific and Industrial Research Organisation (CSIRO) and the NSW Department of Primary Industries (DPI). This partnership aims to lift the productivity of Australia's livestock industry, and has the potential for up to \$50 million worth of collaborative projects over the next five years.

UNE has retained its five-star student satisfaction rating for the 12th consecutive year. The International Student Barometer also ranked us highest of all Australian universities for the overall experience of our international students. Our responsibility to provide a safe and respectful learning environment is as important as equipping students to succeed in the workplaces of the future. This year we undertook several new programs that focused on improving the student experience, with an emphasis on student health and wellbeing, and academic success and support. The world-class teaching and research undertaken at UNE is carried out by a diverse and supportive community of staff.

In 2017 we reviewed our academic structure and governance, with a view to providing a more flexible and dynamic working environment. As an organisation, we need to ensure that our staff are supported to respond to a fast-changing world and the many opportunities it presents.

Again, we have delivered an underlying surplus in our budget. We look forward to the challenges that 2018 brings.

Annabelle Duncan PSM
Vice-Chancellor and CEO
UNE

About UNE

A 'northern university'

The University of New England was established as Australia's first regional university. Early pioneers fought to establish a 'northern university' outside Sydney to provide access to education and research for the benefit of regional communities. UNE remains true to that vision today.

UNE pioneered off-campus tertiary education in Australia and remains a leader in online innovation and flexible delivery. Its campus is located in Armidale, New South Wales, halfway between Sydney and Brisbane, on 260 hectares of picturesque bushland.

Study, both online and on campus, is characterised by a high level of personal support. Industry has recognised the UNE Study Centres team, a key element of this support, for its outstanding engagement with geographically remote and disadvantaged students.

Access to tertiary education is strengthened by 10 regional study centres throughout northern New South Wales, the FutureCampus in Parramatta (rebranded UNE Sydney in 2018), and an ever-increasing international network of teaching partners using the latest online technologies and pedagogies to bring the finest academic experiences to students anywhere in the world. Our 10 academic schools offer more than 180 courses at undergraduate, postgraduate coursework and higher degree research levels, offering our students both choice and specialisation.

Our vibrant collegiate community provides students in residence with networks of friends, peer support and academic mentoring, as well as a diverse range of sporting and cultural activities.

Our academic staff, in collaboration with their strong teaching networks and research partners, continue to deliver improvements in agriculture, environmental sciences, mental health, education, local government, business, law, social sciences and productivity to communities throughout rural and regional Australia and across the world.

UNE undertakes fundamental and applied research in many disciplines. Our research is supported by strong industry links and knowledge partnerships, with Cooperative Research Centres (CRCs) specialising in sheep, natural hazards and spatial information, and Poultry Hub Australia, which transitioned out of the Poultry CRC in 2016. Other flagship research centres and institutes that augment our research and engagement include:

- The Animal and Genetics Breeding Unit (AGBU);
- The Centre for Agribusiness;
- The Centre for Agriculture and Law (AgLaw);
- The Centre for Local Government;
- The Institute for Rural Futures (IRF);
- The Palaeoscience Research Centre; and
- The National Centre of Science, Information and Communication Technology, and Mathematics Education for Rural and Regional Australia (SiMERR).

Strategic Plan 2016-2020: *Together, we can do this*

In 2016 UNE developed and implemented its bold and innovative Strategic Plan 2016-2020: *Together, we can do this*. It sets out our aspiration, purpose and strategy, as well as the values that underpin our endeavours.

Aspiration

By 2020, we will be the University of Choice for students and researchers who desire to transform their lives and help to build resilient communities.

Purpose

Our role is to develop individual aspirations, potential and capability, and to enhance the future of our communities through quality research, fostering innovation and delivering a formative educational experience. Our heart is our single campus embedded in the community of the New England. The magnitude of our research and student participation is global. We will connect with our students for life. We will build enduring, global partnerships with industry, professions, business and government.

Strategy

- Deliver excellent research with high impact;
- Deliver an outstanding student experience;
- Diversify and grow income;
- Digital dominance;
- Improve organisational resilience; and
- Create a bold and innovative culture.

Values

- Creative, innovative, willing to change and take calculated risks;
- Respectful, approachable and helpful;
- Sustainable, robust and dependable; and
- Ethical, honest, accountable and authentic.

At a glance (infographics)

- Online university status: Ranked number 1 in Australia
- Ranked top three nation-wide for Arts, Business, Education, Law and Science
- The 2018 Good Universities Guide has awarded UNE five stars for:
 - Overall Experience;
 - Teaching Quality;
 - Student Support;
 - Learning Resources;
 - Learner Engagement;
 - Graduate Employment; and
 - Median Graduate Salary.
- Ten schools:
 - School of Arts;
 - School of Behavioural, Cognitive and Social Sciences (BCSS);
 - School of Education;
 - School of Environmental and Rural Science (ERS);
 - School of Health;
 - School of Humanities;
 - School of Law;
 - School of Rural Medicine;
 - School of Science and Technology (S&T); and
 - UNE Business School.

2017 student statistics (infographics)

Table 1: 2017 student enrolment demographics

<i>Category</i>	<i>Enrolments</i>	<i>% of enrolments</i>
Off-campus students	19,772	80.4%
On-campus students	4,833	19.6%
Female students	16,440	66.8%
Male students	8,144	33.1%
Other	21	0.1%
Commencing students	10,498	42.7%
International students	1,185	4.8%
Indigenous students	878	3.6%
Postgraduate students	6,981	28.4%

<i>Category</i>	<i>Data</i>
Students	23,867
Student load (EFTSL)	12,219.2
Graduates	3,326
International Higher Degree Research students	214

Table 2: Top 10 countries for international students in 2017

<i>Country</i>	<i>Enrolments</i>	<i>% of enrolments</i>
Nepal	258	21.8%
China (excludes SAR and Taiwan Province)	233	19.7%
Saudi Arabia	84	7.1%
Philippines	79	6.7%
India	54	4.6%
South Africa	33	2.8%
Nauru	33	2.8%
Vietnam	29	2.5%
Hong Kong (SAR of China)	27	2.3%
Pakistan	22	1.9%
Bhutan	22	1.9%
All other countries	311	26.2%

Governance

The University of New England was formed under the University of New England Act, 1993 (NSW) (hereafter 'the Act') and its by-laws. The body of the University comprises the UNE Council, Convocation, the University's graduates and students, as well as full-time members of staff as the by-laws may prescribe. The object of the University, as outlined within the Act, is the promotion (within the limits of the University's resources) of scholarship, research, free inquiry, the interaction of research and teaching, and academic excellence.

Council

The UNE Council is the University's governing authority and has functions conferred upon it by the Act. Under its powers of delegation, the Council establishes Committees of Council that are responsible for the analysis, review and endorsement of recommendations from the University's management, as well as for the identification of organisational risk and opportunities.

The University Council and its committees oversee the operation of UNE for the benefit of its students, staff, academic community and the wider community as a whole. The Council may make rules in relation to any activity or function of the University provided they are consistent with the University of New England Act 1993 and the University's by-laws. The Council seeks to make decisions that contribute to the learning environment and the interests of the University's stakeholders in a positive and transparent manner.

Voluntary Code of Best Practice

UNE complied with the Voluntary Code of Best Practice for the Governance of Australian Universities in 2017.

Academic Board

The Academic Board oversees academic governance at the University. It monitors the standards and quality assurance of the University's academic programs, advises the Council and Vice-Chancellor on academic matters, and provides a forum for discussion on teaching and research-related issues. In 2017 the Board held strategic discussions on numerous academic matters, including:

- Student progress and success;
- UNE's Indigenous Strategy;
- Student participation in University decision-making;
- Academic innovation;
- Course profiles, course reviews and professional accreditation;
- The Academic Quality Assurance Framework; and
- UNE's Institutional Benchmarks for Academic Quality.

The Board improved its communication with members, students and the broader Academy this year. New Board and Committee members were inducted and had the opportunity to participate in academic governance training workshops, at which members of the UNE Council presented.

In addition, the Board improved its reporting framework to better indicate how reports to the Board aligned with the University's Strategic Plan and related to the University's statutory obligations. The Board also conducted its annual self-review and, in anticipation of the introduction of the new faculty structure, began a review of its terms of reference and committee structure, and adopted revised Standing Orders.

Members of Council

Table 3: Members of Council, their qualifications and term of appointment

Appointment	Council members ¹	Date elected	Expiry date	Qualifications
Official	Chancellor, Mr James Harris	20/11/2014	19/11/2019	HonDUniv (UNE)
	Vice-Chancellor, Professor Annabelle Duncan PSM	20/08/2014	n/a	BSc, DipSc, MSc (Otago), PhD (La Trobe), HonDSc (Murdoch)
	Chair Academic Board, Professor Nick Reid (re-appointed)	02/04/2013 20/02/2017	19/02/2017 19/02/2019	BSc (Hons), PhD (Adelaide)
Minister	Ms Meredith Symons	17/08/2016	16/08/2019	BFA (UNE), ACA
	Mr David van Aanholt	17/08/2016	16/08/2018	BBA (Western Sydney), GradDipMgt, MBA (UNE), FAPI
UNE Council	Deputy Chancellor, Ms Janette McClelland AM	02/10/2014	31/12/2017	BA (Hons) (Syd), BLegS (Macquarie), FACEL, FAIM, FACID
	Mr Russell Evans	17/08/2016	16/08/2018	BBA (Charles Sturt), MBA (UNE), GAICD
	Ms Patricia (Anne) Myers	01/12/2016	30/11/2019	MBA, AGSM, GAICD
	Ms Rosemary Leamon	17/08/2016	16/08/2019	BFA (UNE), CA, GAICD
	Mr Robert Finch	25/11/2016	31/12/2018	ACA, FLGAA
Academic	Professor Margaret Sims	21/8/2016	20/08/2018	BA, MA, PhD (Auckland), DIM NZ, DipEd (Massey)
Non-academic	Mr Charles Hebblewhite	25/10/2016	20/08/2018	BEd BSc (ANU), BTh (MTC), GDipCompSci (UoN)
Student	Ms Catherine Millis	12/10/2016	11/10/2018	BSc (Nutrition) (Virginia Tech), BCompSc, MCompSc (UNE)
Graduate	Dr Robyn Muldoon	18/8/2014	17/08/2018	BA DipEd, MEd, EdD (UNE)
	Dr John Hobbs	18/8/2014	17/08/2018	BSc (Hons) Lond, CertEd (Nott), MSc PhD (UNE), FRMetS, JP

Council Committees

The UNE Council is supported by the following Council Committees and the University's Academic Board:

- Audit and Risk Committee;
- Finance and Infrastructure Committee;
- Honorary Degrees, Titles and Tributes Committee;
- Innovation and Development Committee;
- Nominations Committee;
- Remuneration Committee; and
- Standing Committee of Council.

¹Council members may have served previous terms or be re-elected. The election date and term shown in the table is the current term.

University Ombudsman

The University did not receive any recommendations from the NSW Ombudsman concerning the University or its Council in the reporting period.

Privacy

The University's Privacy Officer provided ongoing advice and support to staff and students on UNE-related privacy matters in 2017. There was a notable increase in the provision of advice relating to data storage and Information Technology (IT) security as it relates to the management of personal and sensitive data stored in the cloud. All privacy issues and concerns were successfully addressed at a local level, with none escalating to the NSW Privacy Commission.

NSW Audit Office Recommendations

In 2017 the NSW Audit Office issued audit recommendations as follows:

Table 4: Audit recommendations

<i>Audit</i>	<i>Date of Letter/Report</i>	<i>Total Recommendations</i>	<i>Finalised by 31/12/17</i>	<i>In progress but outstanding as at 31/12/2017</i>
2016 Audited Financial Statements Final Management Letter	13 April 2017	11	4	7
2017 Report to Parliament	6 June 2017	2	1	1

Risk Management

- The University's Corporate Risk Management Framework is consistent with AS/NZS ISO31000:2009. An external review team assessed the framework in 2017, finding that risk management at UNE is generally sound, with opportunities to further integrate risk management into everyday activities and to build a risk-conscious culture throughout the university.
- A Corporate Risk Management Database is used to capture strategic risks and associated risk assessment data. Other corporate, operational and project risks are identified, assessed and captured in the database on an ongoing basis.

Internal Audit and Risk Management Attestation Statement

Document located in TRIM A17/4025/1 document number D18/7276.

Digital Information Security Policy Attestation

The University's digital security policy consists of a collection of topic-specific rules and policies, including:

- Information Communication and Technology Facilities and Services Rule;
- Information Security Rule;
- General Password Policy;
- CCTV Rule;
- Information Communication Technology Infrastructure Rule;
- Digital Identity Rule (pending approval); and
- Administrative and Testing Account Review Protocol.

UNE's digital security policies will continue to be reviewed in line with our policy framework and the ISO 27001 IT Security Standard.

Government Information Public Access (GIPA)

Review of the University's proactive release program

The University's proactive release of information program monitors the nature of GIPA applications received, and identifies information that may be of interest to the general public. In 2017 we reviewed the relevance and accuracy of open access information available on our website, and discussed possible new open access information to be added. No new information was released during the reporting period.

Number of access applications received

UNE received six formal access applications, including withdrawn applications but not invalid applications, during the reporting period.

Number of applications refused

No access applications were refused, either wholly or in part.

Table 5: Schedule 2, statistical information about access applications (Clause 7)

Table A: Number of applications by type of applicant and outcome ²								
	Access grant ed in full	Access grant ed in part	Access refuse d in full	Informati on not held	Informati on already available	Refuse to deal with applicati on	Refuse to confirm/de ny whether informatio n is held	Applicati on withdraw n
Media	0	1	0	1	0	0	0	0
Members of Parliament	0	0	0	0	0	0	0	0
Private sector business	2	2	0	0	0	0	0	0
Not-for-profit organisations or community groups	0	0	0	0	0	0	0	0
Members of the public (application by legal representative)	0	0	0	0	0	0	0	0
Members of the public (other)	0	1	0	0	0	0	0	1

Table B: Number of applications by type of application and outcome								
	Access grante d in full	Access grante d in part	Access refuse d in full	Informa tion not held	Informati on already available	Refuse to deal with applicati on	Refuse to confirm/den y whether informatio n is held	Applica tion withdraw n

²More than one decision can be made in respect of a particular access application. If so, a recording must be made in relation to each such decision. This also applies to Table B.

Personal information applications ³	0	0	0	0	0	0	0	0
Access applications (other than personal information applications)	2	3	0	1	0	0	0	1
Access applications that are partly personal information applications and partly other	0	1	0	0	0	0	0	0

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

<i>Table D: Conclusive presumption of overriding public interest against disclosure</i>	
	<i>Number of times consideration used⁴</i>
Overriding secrecy laws	0
Cabinet information	0
Executive Council information	0
Contempt	0
Legal professional privilege	0
Excluded information	0
Documents affecting law enforcement and public safety	0
Transport safety	0
Adoption	0
Care and protection of children	0
Ministerial code of conduct	0
Aboriginal and environmental heritage	0

<i>Table E: Other public interest considerations against disclosure</i>	
	<i>Number of occasions when application not successful</i>
Responsible and effective government	1
Law enforcement and security	0
Individual rights, judicial processes and natural justice	3
Business interests of agencies and other persons	1

³This 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).

⁴More 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 to Table E.

Environment, culture, economy and general matters	0
Secrecy provisions	0
Exempt documents under interstate Freedom of Information legislation	0

<i>Table F: Timeliness</i>	
	<i>Number of applications</i>
Decided within the statutory timeframe (20 days, plus any extensions)	4
Decided after 35 days (by agreement with applicant)	1
Not decided within timeframe (deemed refusal)	0
Total	5

<i>Table G: Number of applications reviewed under Part 5 of the Act (by type of review and outcome)</i>			
	<i>Decision varied</i>	<i>Decision upheld</i>	<i>Total</i>
Internal review	0	0	0
Review by Information Commissioner ⁵	0	1	1
Internal review following recommendation under section 93 of the Act	0	0	0
Review by NSW Civil and Administrative Tribunal	0	0	0
Total	0	1	1

<i>Table H: Applications for review under Part 5 of the Act (by type of applicant)</i>	
	<i>Number of applications for review</i>
Applications by access applicants	0
Applications by persons to whom information the subject of access application relates (see section 54 of the Act)	1

<i>Table I: Applications transferred to other agencies under Division 2 of Part 4 of the Act (by type of transfer)</i>	
	<i>Number of applications transferred</i>
Agency-initiated transfers	0
Applicant-initiated transfers	0

Each agency referred to in Schedule 3 of the Regulation (subsidiary agency) is declared to be part of and included in the parent agency specified in Schedule 3

Not applicable.

Public Interest Disclosure

As part of our induction program for new employees, we provide training on the UNE Public Interest Disclosure Rule and Public Interest Disclosure procedure. In addition, compulsory compliance training was provided to existing staff on six key policy areas, including Public Interest Disclosures. Furthermore, the electronic Performance Planning Development and Review (PPDR) process requires existing staff to certify that they have completed the compulsory compliance training within the required timeframe.

Table 6: Number of PIDs received and completed

<i>Particulars</i>	<i>1 January to 31 December 2017</i>
Number of public officials who made PIDs	5
Number of PIDs received	5
Of the PIDs received, number primarily about: <ul style="list-style-type: none"> Corrupt conduct 	2

⁵The Information Commissioner does not have the authority to vary decisions, but can make recommendations to the original decision-maker. The data in this case indicates that a recommendation to vary or uphold the original decision has been made.

• Maladministration	3
• Serious and substantial waste	0
• Government information contravention	0
Number of PIDs finalised	4

Legal change

Legal changes with the most direct impact on the University are set out below.

Copyright (Disabilities and Other Measures) Act 2017 (Cth)

Among other things, the Act simplifies statutory licences for education.

Environmental Planning and Assessment Amendment (Universities) Regulation / State Environmental Planning Policy (Educational Establishments and Child Care Facilities) 2017 (SEPP)

Among other things, the SEPP allows universities to pursue planning pathways on land that they manage or lease, in addition to land they own, and provides specific opportunities for exempt developments.

Telecommunications (Interception and Access) Act 1979 (Cth)

The Act requires organisations to retain a particular set of telecommunications data for a prescribed period. There were no significant judicial decisions that required reporting.

Significant judicial decisions affecting agency

There were no significant judicial decisions that affected UNE to report.

Consumer response

The Student Grievance Unit (SGU) received 342 grievances in the reporting period, encompassing 508 separate student-related issues⁶. While the number of complaints received in 2017 decreased from 416 in 2016, the complaints received were more complex. Most related to assessments and examinations, followed by issues relating to unit content, intensive schools, teaching standards and supervision.

The number of student conduct matters decreased from 85 in 2016 to 57 in 2017. Like the complaints received, the student conduct matters were more complex. The decrease in student conduct matters may be attributed to improved complaint-handling processes within business units, closer to the point of origin, with only more complex matters being referred to the SGU. The unit dealt with four matters relating to sexual assault and nine relating to sexual harassment in the reporting period.

Furthermore, the SGU made several business improvement recommendations across the University in 2017 after identifying disparities within policy and procedures. These recommendations have resulted in amendments to the relevant policy documents.

Table 7: Academic assessment and behavioural-related appeals

<i>Academic Assessment Appeals</i>	<i>Total</i>
Appeals related to Unit Assessment	238
Appeals related to Assessment of a Practical and/or Professional Work Experience	4
Appeals against the Application of School Assessment Policies and Procedures	11
Appeals related to Special Assessment Application Outcomes	31
Appeals related to Exclusion for Insufficient Course Progress	128
Appeals related to Bachelor with Honours Assessment of Dissertations/Theses	7
Appeals against Results for Graduate Diploma and Non-Research Master Dissertations and Theses	1

⁶Grievances can contain multiple issues and cover more than one policy/process area.

Leadership

The Vice-Chancellor is the University's Chief Executive Officer (CEO) and is responsible for the management of the University and the implementation of its Strategic Plan. The role of the Vice-Chancellor is determined by the Act and includes official membership of the University's Council.

The Vice-Chancellor has charge of the University's administrative and financial activities. The role manages the direction of the University's corporate planning and budget activities, and implements policy. The Vice-Chancellor reports directly to the Chancellor and the University Council and provides supervision to, and receives support from, a team of senior executives who provide strategic, policy and operational advice relating to their individual portfolios.

Senior executive team

Vice-Chancellor and CEO

- Professor Annabelle Duncan PSM, BSc, DipSc, MSc (Otago), PhD (La Trobe), DSc (Murdoch)

Provost and Deputy Vice-Chancellor

- Professor Sue Thomas⁷, BSc (Hons) (La Trobe), PhD (La Trobe), MBA (Tech Mngt) (APESMA/Deakin), Grad Cert Tert Ed (Flinders)
- Professor Joyce Kirk⁸, BA DipEd (Sydney), MLitt (UNE), MA (Canberra), PhD (UTS), MAICD

Deputy Vice-Chancellor Research

- Professor Heiko Daniel⁹, BSc, MSc (Hannover), PhD (UWA)

Pro Vice-Chancellor Academic

- Professor Joyce Kirk¹⁰, BA DipEd (Sydney), MLitt (UNE), MA (Canberra), PhD (UTS), GAICD

Pro Vice-Chancellor Academic Innovation

- Professor Jonathan Powles¹¹, B Mus (Sydney), D Phil (Oxford)

Chief Legal and Governance Officer

- Mr Brendan Peet, LLB (QUT), Grad Dip ACG, AGIA, ACIS, MAICD

Chief Operating Officer

- Professor Peter Creamer, BSc (Aston), PhD (Nott), CEng, FIMechE, MCFI

Chief Financial Officer

- Mr Kris Kauffmann, BBus (Econ Hons) (USQ), Grad Dip App Fin Inv (FINSIA), MSc (London), MAICD, MFTA

Pro Vice-Chancellor External Relations

- Mr Trevor Goldstone¹², B.App.Sc. (SACAE), GradDipManage (UniSA), FAIM, MAICD
- Professor Mingan Choct¹³, B.Sc. (Inner Mongolia), M.Sc. (UNSW), PhD (Sydney), Grad.Dip. Company Director (AICD)

Organisational chart

⁷Continued in position until 2/7/2017.

⁸Appointed to position 12/6/2017 until 31/12/2017.

⁹Appointed to position 20/9/2017; previously Pro Vice-Chancellor Research.

¹⁰Continued in position until 11/6/2017.

¹¹Appointed to position 5/6/2017.

¹²Continued in position until 6/11/2017.

¹³Appointed to position 12/11/2017.

TRIM reference D14/6204.

Senior Management Remuneration

<i>Band¹⁴</i>	<i>Salary package band</i>	<i>Count and gender</i>
Above Band 3	> \$452,251	1 female
Band 3	\$320,901–\$452,250	2 females, 1 male
Band 2	\$255,051–\$320,900	5 males
Band 1	\$178,850–\$255,050	nil

¹⁴Public Service Sector Senior Executive bands determined by the Statutory and Other Officers Remuneration Tribunal under the Statutory and Other Officers Remuneration Act 1975.

Report on Operations

The University made significant strides towards delivering on its strategic plan throughout 2017. Achievements, as measured against each of the six strategic priorities, are described below.

Strategic Priority 1: Deliver excellent research with high impact

- Our researchers were awarded almost \$2.5 million in funding through Australian Research Council (ARC) grants and fellowships. This funding advances UNE's proud tradition of strong national and international collaborative research that addresses some of the important questions of our time.
- The University strengthened its industry engagement through a major collaborative research partnership agreement signed with Meat and Livestock Australia (MLA), the Commonwealth Scientific and Industrial Research Organisation (CSIRO) and the NSW Department of Primary Industries (DPI). The Livestock Productivity Partnership (LPP) is a five-year research and development partnership aimed at boosting productivity in the livestock industry from 1% to 2.5% per annum, primarily among producers in NSW and Queensland.
- The University introduced an innovative new pathway to the PhD in 2017: the Doctor of Philosophy (Innovation) or PhD.I. This degree cuts across all disciplines and links professional and industry expertise with academic theory through research. The PhD.I recognises the demands of an increasingly competitive workplace and the need for better connection with end-users of research, while sustaining academic rigour.
- Higher Degree Research (HDR) student enrolments were on target in 2017. In addition, 10 early career researchers were offered postdoctoral research fellowships for commencement in early 2018 under the UNE Postdoctoral Fellowship Scheme (UNE-PDF). The areas of research will span disciplines such as sports science, ecology, evolution and palaeontology, human rights, mathematical modelling, zoology and conservation. The next UNE-PDF round is currently underway.
- Both HDR candidates and UNE academics gained enhanced access to large-capacity, secure cloud storage in 2017. This resulted in improved protection of the integrity and value of research data, while meeting growing demands for data visibility from journals, funding agencies and future research performance assessments.

Table 8: Top research grant allocations in 2017

<i>Project</i>	<i>Principal researcher</i>	<i>School</i>	<i>Funding body</i>	<i>Amount</i>
ParaBoss Phase II	Prof. Lewis Kahn	Environment & Rural Science	Meat & Livestock Australia (MLA)	\$1,296,969
Dung beetle ecosystem engineers - enduring benefits for livestock producers via science and a new community partnership model.	A/Prof. Nigel Andrew	Environment & Rural Science	Rural Research & Development for Profit - MLA	\$800,000
E-Technology Hub - utilising technology to improve pest management effectiveness and enhance welfare outcomes.	Dr. Gregory Falzon	Science & Technology	Centre for Invasive Species Solutions	\$690,660
Adoption of precision systems technology in vegetable production.	A/Prof. Andrew Robson (project led by Ian Layden, QDAFF)	Science & Technology	Horticulture Innovation Australia - Vegetable Levy Fund	\$606,900

Supplementation to reduce the impact of mycotoxins and insufficient magnesium.	Prof. Julius Van Der Werf	Environment & Rural Science	MLA	\$590,301
Quicksmart: Improving Numeracy Performance in SA DECD School.	Prof. John Pegg	Education	Department for Education and Child Development	\$203,000
Evaluation of the Quicksmart Numeracy Program.	Prof. John Pegg	Education	Social Ventures Australia Limited T/A as Evidence for Learning E4L	\$500,000
Sensory evaluation of Australian and American briskets, striploins and ribs by Australian and American consumers utilising genomic-tested cattle.	Dr. Peter McGilchrist	Environment & Rural Science	MLA	\$500,000
Effects of pullet-rearing environments on ranging, adaptation to stressors and health in free-range laying hens.	Ms Peta Taylor	Environment & Rural Science	Poultry Hub Australia	\$410,000
Keeping Connected with Home: the Pitcairn Island Language in the Diaspora.	Dr. Joshua Nash	Behavioural, Cognitive & Social Sciences	Australian Research Council - Discovery Early Career Researcher Award (DECRA)	\$381,601
NSW Rugby League Centre of Excellence	Prof. Aron Murphy	Science & Technology	NSW Rugby League	\$360,000
Tuvalu Teacher Professional Learning Project 2018	A/Prof. Penelope Serow	Education	Government of Tuvalu	\$313,360

Strategic Priority 2: Deliver an outstanding student experience

- UNE has retained its five-star student satisfaction rating for the 12th consecutive year. The International Student Barometer also ranked us highest of all Australian universities for the overall experience of our international students.
- In 2017 we developed a distinctive first-year pedagogy that will improve student experiences and enable greater student success. The pedagogy is founded on technology-enabled interaction, peer learning and the development of a suite of skills, including academic skills, leadership, critical thinking and positive values around academic integrity. Implementation of the pedagogy will begin in 2018.
- The Vice-Chancellor's Scholars Program, which recognises outstanding academic achievement, was expanded to include postgraduate coursework students. To be recognised under this program, students must achieve a final grade-point average of 6.7 or higher. This year 36 students were recognised at their graduation ceremonies as Vice-Chancellor's Scholars.
- A new VC initiative is underway to develop a strategy to support the mental health and wellbeing of our students. A working group was established to manage the project and has established a framework for expectations, actions and recommendations.
- In teaching, UNE introduced the Personal Retention Engagement Program (PREP), a student engagement program to reduce attrition for key commencing cohorts in degrees identified as being at significant risk. Changes made in our academic timetable have also resulted in reduced pre-census attrition.

Strategic Priority 3: Diversify and grow income

- Throughout 2017, financial modelling and projections beyond the end of the year remained speculative given the uncertainty surrounding the demand-driven funding system for Commonwealth Supported Grants (CSG). The announcement of the funding freeze to CSG places, as part of the Federal Mid-year Economic and Fiscal Outlook announcements in mid-December 2017, required significant work to be undertaken with regard to modelling and student recruitment activities, and the realignment of budgets and business plans prepared for 2018-2020.
- As part of its new brand campaign, UNE introduced flexible study options for prospective students in early 2017. Bespoke courses appeal to those students who are not attracted to a full degree, and allow them to tailor study according to their interests and needs. The University also established in-country offices in India and Indonesia to help promote education offerings to international students.
- The University also approved a Graduate Certificate in Professional Practice, which will be introduced in 2018. The certificate allows students to tailor units across schools and disciplines to suit their career goals while receiving recognition for their professional work and experience.
- The University signed a partnership agreement with the NSW Rugby League (NSWRL), which is part of the new NSWRL Centre of Excellence at Olympic Park in Sydney. Under this agreement, UNE becomes the education provider of choice for the NSWRL and will partner with the NSWRL to develop high-performance sports programs and educational opportunities across the state, while also promoting the importance of sport in rural and regional communities.

Strategic Priority 4: Digital dominance

- In 2017 the University evolved its standards for online delivery by introducing Online Invigilated Examinations (OLX) for all students. OLX offer improved flexibility for distance students at a reduced cost, without compromising academic integrity. OLX was well received by students and will be rolled out to a bigger cohort in 2018.
- Students gained access to additional online support through Studiosity (formerly Your Tutor). Post-session surveys measuring student satisfaction showed that students who used this service found it very useful, and demand is expected to grow as student and teacher awareness increases.
- The University entered into an agreement with the Universities Admissions Centre (UAC) to process applications to a range of UNE courses. We anticipate this arrangement will lead to an improved application and admission experience for prospective students.
- This year the Dixson Library introduced a Digital Object Identifier Minting service for research datasets, which facilitates sharing and discovery of the University's research data. The library continued to perform well as measured by the bi-annual Library Client Survey, with survey results placing us in the top 50% of libraries surveyed.

Strategic Priority 5: Improve operational resilience

- The overall reliability and resilience of UNE's information technology infrastructure continued to meet client expectations in a robust manner, with an almost 100% up-time of tier-one systems vital to business processes.

- The University's workforce planning strategy was replaced by a new plan, *Workforce Plan 2017-2020*. Activities under the plan are aligned to four broad objectives: workforce planning, operational resilience, valuing and supporting diversity, and having engaged staff who are supported to achieve. These objectives will allow UNE to build on its current performance in pursuit of our strategic objectives.
- In 2017 UNE finalised its Campus Master Plan, which incorporated the redevelopment of residential colleges, including the Robb College accommodation blocks. However, in late 2017 the University was advised that the NSW Heritage Council would not pursue the listing of the Robb College student accommodation blocks. Final advice on this project had been expected in early 2017. The delay compromised the University's ability to proceed with rejuvenation plans for its student accommodation precinct on the Armidale campus. Work to rejuvenate the Robb College accommodation blocks will now begin in 2018. The Campus Master Plan also makes provision for a new 300-bed accommodation precinct.

Strategic Priority 6: Create a bold and innovative culture

- In 2017 the Australian Human Rights Commission released the *Change the Course* report on sexual assault and harassment at Australian universities. In response, UNE established the *Respect. Now. Always.* project to address issues raised by the report and to oversee the implementation of 10 recommendations to improve safety on campus.
- Various leadership development and training programs were offered to staff in 2017. The training fostered organisational leadership throughout the organisation, while also promoting innovation in work processes across campus.
- UNE reviewed its current academic governance and processes in 2017, and proposed a new academic management structure, to be introduced in 2018. Under the proposal, the current 10 academic Schools will be merged into three Faculties, namely:
 - the Faculty of Humanities, Arts & Social Sciences, and Education;
 - the Faculty of Science & Agriculture, Business, and Law; and
 - the Faculty of Medicine and Health.

The new structure will enhance leadership and accountability, and improve collaboration across campus. It puts academics back at the heart of the University's decision-making processes. The structure will support teaching pedagogies and learning frameworks, while also providing academic career pathways.

Workplace

Workforce diversity

UNE continued to roll out its Diversity Framework in 2017, with a number of new initiatives implemented. Key performance indicators, including diversity management, were likewise incorporated into the performance plans of all senior management.

We undertook proactive action to increase the number of women at senior manager and middle manager level positions with the introduction of an early career academic program, of which the majority of participants (77%) were female. Female staff were also encouraged to participate in leadership development opportunities, with 50% of places made available to women. The development of a UNE Core Capability Framework will further assist female staff to develop and manage their careers.

As part of the UNE Disability Awareness Program, the University conducted a staff survey on disability. Gaps that were identified are now being addressed.

The Aboriginal and Torres Strait Islander Employment Strategy was also reviewed and benchmarked against other Australian universities. As a result, additional initiatives were incorporated into the strategy to enable UNE to meet set targets. In 2017, 102 staff members participated in the Cultural Connections staff development program.

Finally, a Diversity Advisory Group, consisting of relevant staff and student members, and chaired externally, was established to provide recommendations to the Vice-Chancellor on how diversity at UNE can be continuously improved.

Table 9: Trends in the representation of EEO groups: academic staff¹⁵

EEO group	NSW benchmark or target	2009	2010	2011	2012	2013	2014	2015	2016	2017
Women	60%	42%	44%	45%	46%	45%	47%	47%	45%	48%
Aboriginal people & Torres Strait Islanders	2.63%	0.5%	1.1%	1%	1%	1%	1%	1%	1%	1%
People whose first language was not English	19%	21%	20%	18%	18%	18%	16%	15%	16%	18%
People with a disability	N/A ¹⁶	8%	7%	6%	5%	5%	4%	4%	3%	3%
People with a disability requiring work-related adjustment (targeted increase)	by 1.1% in 2011 by 1.3% in 2012 by 1.5% in 2013	2%	2.3%	1.8%	2%	n/a	n/a	n/a	n/a	n/a

Table 10: Trends in the representation of EEO groups: general staff

¹⁵All statistics exclude casual staff.

¹⁶Percentage employment levels are reported, but a benchmark level has not been set.

<i>EEO group</i>	<i>NSW benchmark or target</i>	2009	2010	2011	2012	2013	2014	2015	2016	2017
Women	60%	61%	61%	61%	61%	63%	62%	62%	61%	60%
Aboriginal people & Torres Strait Islanders	2.63%	2%	2.2%	2.3%	2%	2%	2%	2%	2%	2%
People whose first language was not English	19%	3%	3%	3%	4%	4%	5%	5%	5%	4%
People with a disability	N/A	7%	6%	6%	6%	5%	5%	5%	4%	5%
People with a disability requiring work-related adjustment (targeted increase)	by 1.1% in 2011 by 1.3% in 2012 by 1.5% in 2013	2%	2.2%	2.3%	3%	n/a	n/a	n/a	n/a	n/a

Table 11: Trends in the distribution¹⁷ of EEO groups: academic staff

<i>EEO group</i>	<i>NSW benchmark or target</i>	2009	2010	2011	2012	2013	2014	2015	2016	2017
Women	100	80	81	81	94	95	95	94	96	94
Aboriginal people & Torres Strait Islanders	100	n/a	n/a	n/a	n/a	84	84	88	87	82
People whose first language was not English	100	96	99	97	99	100	101	103	102	101
People with a disability	100	93	96	101	103	109	107	106	104	100
People with a disability requiring work-related adjustment (targeted increase)	100	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Table 12: Trends in the distribution of EEO groups: general staff

<i>EEO group</i>	<i>NSW benchmark or target</i>	2009	2010	2011	2012	2013	2014	2015	2016	2017
Women	100	86	88	87	88	86	88	89	92	93
Aboriginal people & Torres Strait Islanders	100	n/a	n/a	n/a	83	87	87	80	92	84
People whose first language was not English	100	107	106	110	112	99	101	103	105	103
People with a disability	100	93	92	91	93	99	94	98	101	105
People with a disability requiring work-related adjustment (targeted increase)	100	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

¹⁷A 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.

Multicultural policies and services

The Workforce Diversity Framework 2016-2018 sets out the University's initiatives associated with multiculturalism in the workplace. It is supported by a Multicultural Action Plan that aims to:

- Provide an environment free from harassment and discrimination;
- Meet our obligations as a provider of education to international students;
- Support the needs of students and staff from diverse cultural backgrounds;
- Prepare our students to work effectively in cross-cultural contexts; and
- Enhance connectivity between the University and the local community for the benefit of students and staff.

The following initiatives were introduced to meet the aims of the action plan and to support our diverse student population:

- Formal and informal language support programs that have achieved a 90% student satisfaction rating;
- A community partnership project that has maximised engagement between students and the local community;
- Various health and wellness initiatives; and
- A Student Ambassador Program, which facilitates the development of students' employment-related skills.

The University continued to incorporate diversity into its staff development programs. It recently introduced a program to target unconscious bias by raising self-awareness and understanding of positive workforce management practices and multicultural competence.

Agreements with Multicultural NSW

The University currently has no agreements with Multicultural NSW.

Workplace Health and Safety (WHS)

Workplace Health and Safety (WHS) at UNE comprises risk management and regulatory compliance of the University's diverse research, teaching and administrative operations, including work in remote locations, the use of hazardous substances (biological, chemical and radioactive), plant safety and wellness initiatives.

Performance is closely monitored and incident data for the reporting period did not demonstrate any adverse trends. Performance in 2017 was comparable to that of 2016 and 2015. UNE claims performance of 2.71% was significantly better than the industry average of 4.55%.

In 2017 UNE undertook a number of WHS initiatives to support safety and emergency management preparedness. These included:

- The implementation of a new online reporting system, Skytrust Incident and Hazard, to capture incidents and hazards on campus. This resulted in an increase of 92% in the number of incidents and hazards reported. The increase is attributed to the introduction of the online reporting system, as well as greater awareness of WHS due to ongoing health and safety promotional campaigns run on campus;
- The review, creation, ratification and publication of a range of WHS rules and procedures;
- The review and updating of UNE Properties asbestos and other hazardous materials registers;

- An audit of the infrastructure, equipment and tasks performed by staff of the UNE SMART Farm, to identify potential health and safety risks. Recommendations were made on how to mitigate the risks identified; and
- The implementation of an Emergency Management Plan and development of Business Continuity Plans.

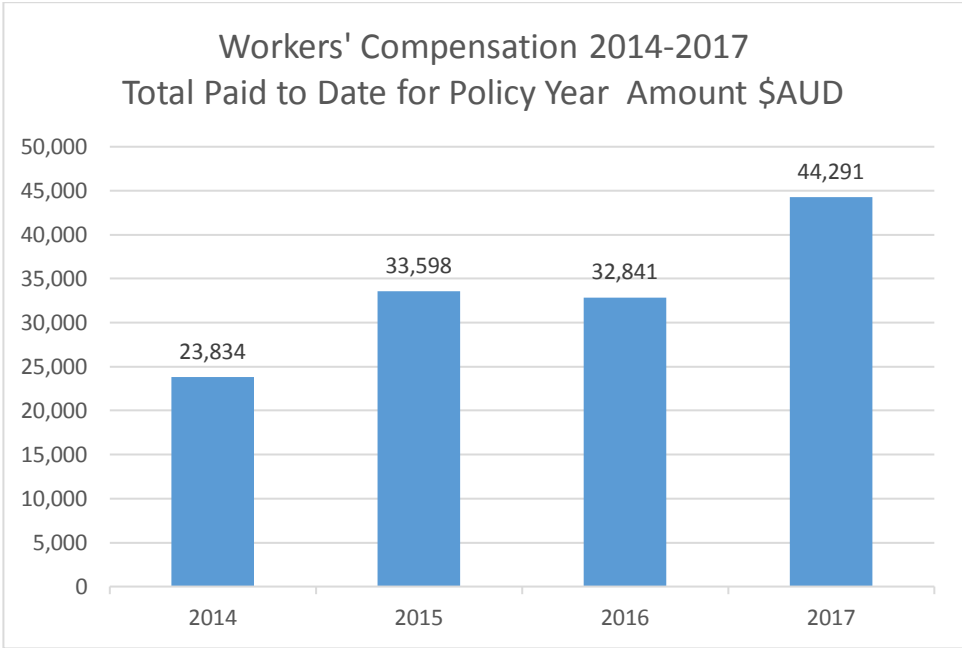
In addition:

- UNE participated in National Safe Work Month during October 2017;
- The University entered 52 teams in the 2017 Stepathlon – a 42-day activity challenge conducted in teams of five;
- Human Resource Services partnered with the UNE Medical Centre to provide free flu vaccinations for staff as part of our Health and Wellbeing Program; and
- A new Health and Safety Strategy was developed and implemented.

Workers' Compensation data for 2017

- Total number of claims: 14
- Total paid to date for policy year 2017: \$44,290.77
- Total paid to date for policy year 2016: \$33,598.62
- Total paid to date for policy year 2015: \$33,968.16
- Total time lost: 1,201.02 hours.

Figure 1: Total workers' compensation paid 2014-2017



Staff numbers

Table 13: UNE staff numbers as at 31 March 2017

		Female	Male	Total
<i>Staff in schools</i>				
	Professor (E)	8	50	58
	Associate Professor (D)	29	42	71
	Senior Lecturer (C)	60	67	127
	Lecturer (B)	107	69	176
	Tutor (A)	28	21	49
	<i>Total academics in schools</i>	232	249	481
	HEO 10+	6	7	13
	HEO 09	1	4	
	HEO 08	4	6	10
	HEO 07	26	14	40
	HEO 06	22	14	36
	HEO 05	38	19	57
	HEO 04	29	4	33
	HEO 03	2	1	3
	<i>Total non-academic staff</i>	128	69	197
	<i>Total staff in schools</i>	360	318	678
<i>Staff in management, administration and centres</i>				
	Professor (E) and above	3	3	6
	Associate Professor (D)	3	5	8
	Senior Lecturer (C)	2	4	6
	Lecturer (B)	9	9	18
	Tutor (A)	8	4	12
	<i>Total academics</i>	25	25	50
	HEO 10+	22	29	51
	HEO 09	18	16	34
	HEO 08	32	24	56
	HEO 07	35	45	80
	HEO 06	64	44	108
	HEO 05	81	40	121
	HEO 04	37	20	57
	HEO 03	8	3	11
	HEO 02	3	1	4
	HEO 01+			0
	<i>Total non-academic staff</i>	300	222	522
	<i>Total staff outside schools</i>	325	247	572
	Staff in Controlled Entities ¹⁸	13	19	32
	UNE Total at 31 March, 2017	698	584	1,282
	UNE Total at 31 March, 2016	698	592	1,290

¹⁸ Paid by the University

Finance

UNE budget and structural surplus

Table 14: Budget and structural surplus

UNE Budget			
Comparison to Budget	2017	2017	2018
Parent Entity	Budget	Actual	Budget
University of New England	\$M	\$M	\$M
Teaching Income	220.1	213.8	234.2
Research & Grant Income	62.3	65.2	69.3
Other Income	28.1	26.9	27.9
Total Income	310.4	305.9	331.3
Employee-related Expenses	179.9	174.5	190.4
Non-Payroll Expenses	114.8	103.0	123.7
Underlying Result	15.7	28.4	17.2
Interest Income	3.7	3.9	3.6
Interest Expense	1.2	1.1	1.1
Depreciation & Amortisation	20.5	22.6	23.0
Operating Profit	(2.3)	8.7	(3.2)
One-Off Income	-	-	-
One-Off Expenditure	2.0	4.4	4.0
Operating Result attributable to members of the University of New England	(4.3)	4.3	(7.2)
Structural Surplus			
Description	2017		
	Budget	Actual	Variance
Financials	\$M	\$M	\$M
Teaching Revenue	220.1	213.8	(6.2)
Operating Revenue	310.4	305.9	(4.6)
Payroll Costs	179.9	174.5	5.4
Non-Payroll Costs	114.8	103.0	11.9
Operating Surplus	15.7	28.4	12.7
Interest Inc & Exp & Depreciation	18.0	19.7	(1.7)
Underlying Surplus/(Deficit)	(2.3)	8.7	11.0
Net Result	(4.3)	4.3	8.6

Overseas travel

- The Vice-Chancellor travelled twice in 2017:
 - Early in the year, she travelled to Vietnam, Singapore and Malaysia to further develop research and teaching partnerships, attend events with alumni and pursue philanthropic strategies.

- Later in 2017, the Vice-Chancellor attended meetings with various government departments, alumni and partner universities in Indonesia and Bhutan, and presented a keynote address at the APEC Future Education Forum in Vietnam.
- The Deputy Vice-Chancellor Research travelled to Indonesia in support of the IndoBeef preparatory program developed by the Australian Centre for International Agricultural Research.
- The Chief Operating Officer travelled to San Francisco to attend the Oracle Open World Conference 2017.
- The former Pro Vice-Chancellor External Relations travelled to Amsterdam, London and Cambridge to investigate a partnership with a pathways provider, and travelled to Indonesia to attend Australia Business Week 2017.
- The current Pro Vice-Chancellor External Relations travelled to Dubai and Kuala Lumpur to attend the World Student Scholarship Education Program 2017.

Consultants

In 2017 there were three consultant engagements at less than \$50,000. These consultants provided expert advice and a recommendation paper on:

- The academic structure, at a cost of \$28,000;
- Academic governance, at a cost of \$25,000; and
- The management structure of faculties and schools, at a cost of \$37,800.

There were no consultant engagements for amounts greater than \$50,000 in the reporting period.

Liability management performance

Not applicable, as debt was not greater than \$20 million.

Insurance

The primary areas of the University's insurance program were renewed through Unimutual Limited, Austbrokers Canberra Pty Ltd and icare. Areas included property protection, general products liability, professional indemnity, malpractice, management liability (including directors and officers), clinical trials, cyber, contractors' asbestos liability, and workers' compensation. Other classes of insurance held include, but are not limited to, business travel, student group personal accident, and comprehensive motor vehicle.

Land disposal

There were no land sales in 2017.

UNE investments

The majority of UNE's investments were placed in term deposits for periods of less than 12 months. The weighted average return for 2017 was 2.60%, which outperformed the Hour-Glass Cash Facility of NSW Treasury Corporation benchmark of 2.28%. The Agriculture Business and Research Institute (ABRI) and UNE Foundation placed investments with professional funds manager Russell Investments.

Funds granted to non-governmental community organisations

Table 15: Funds to non-government community organisations

2017 Non-Govt Community Grants				
	Total	66,443	40,300	106,743
Non-Government Community Group	Sponsorship	Event	Total	Event Description
Aboriginal Keeping Place	1,538	-	1,538	
Affinity Intercultural Foundation	2,727	-	2,727	
Anaiwan Language Group	-	1,100	1,100	Anaiwan Language Group Forum
Armidale and New England Show Society	3,000	2,500	5,500	2017 Show
Armidale Tree Group	114	-	114	
Australian Historical Association	-	500	500	Contribution to AHA Survey
Australian Psych Society	990	-	990	
Blackfoot Yowies	672	-	672	
Drummond Memorial Public School	2,727	-	2,727	
Duval High School	-	200	200	School Awards
Farming Futures	5,000	-	5,000	
Fredy Roberto Valenzuela Foundation	3,462	-	3,462	
Guyra & District Chamber of Commerce	3,500	-	3,500	
Healthwise New England North West Health	909	-	909	
Local Land Service QV	913	-	913	
Moree Boomerang Aboriginal Sports Corp.	-	2,000	2,000	Knockout Sponsorship
Narwan Eels Rugby League Sporting Club	-	2,000	2,000	Knockout Sponsorship
New England Regional Art Museum Limited	-	2,500	2,500	Myall Creek project
Northern Nations Football Club	2,000	-	2,000	
Opera North West Ltd	10,000	-	10,000	
Royal Agricultural Society of NSW	-	27,500	27,500	Rural Scholarships
Special Children	-	500	500	Christmas party
State Outlooks QLD Rain	800	-	800	
Tamworth Business Chamber	19,091	-	19,091	
The Crawford Fund Ltd	9,000	-	9,000	
Uralla Central School	-	500	500	Presentations
Wingham Akoostik Music Festival	-	1,000	1,000	Wingham Akoostik Music Festival

Disclosure of Controlled Entities

In addition to our administrative areas and academic schools, UNE has a number of Controlled Entities.

Agricultural Business Research Institute (ABRI)

The ABRI employs agribusiness information specialists, who provide information services to the domestic and international livestock industries.

UNE Life

UNE Life manages a range of operations and facilities across the University. These include SportUNE, a student bar and nightclub, childcare facilities, restaurant facilities, hairdressers, a post office and newsagent, cinema, graduation, and functions and catering services.

UNE Foundation

The UNE Foundation receives donations from individuals, corporations and public entities to fund scholarships that contribute to the University's teaching and research priorities. While it is administratively supported by the University, the Foundation is managed by an independent Board of Directors comprising a group of dedicated professionals who volunteer their time and expertise for the benefit of UNE and its students.

UNE Partnerships

UNE Partnerships (UNEP) is the education and training company of the University. It has designed, developed and delivered customised solutions for both organisations and individuals for more than 30 years. UNEP programs suit those who balance life, work and family commitments with study.

Access arrangements

The UNE website contains a wealth of organisation-specific material and is a key resource for current and prospective staff and students, as well as a reference point for visitors and the media. It can be accessed at www.une.edu.au.

Office hours

Monday to Friday, 9.00am to 5.00pm (AEST)
University's switchboard +61 2 6773 3333 (office hours)

Physical address

The University of New England
Elm Avenue
Armidale NSW 2351

Postal address

The relevant officer or business unit
The University of New England,
Armidale NSW 2351

Other inquiries

The University's Chief Legal and Governance Officer/University Secretary
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legalandgovernance@une.edu.au.

Office of the Secretariat
+61 2 6773 3445
secretariat@une.edu.au

Purpose

The Finance and Infrastructure Committee has endorsed and recommended the Financial Statements of the University of New England for the year ended 31 December 2017 for referral to Council for consideration and approval.

The Audit and Risk Committee, having satisfied itself that the Financial Statements have been reviewed by the external auditor and action has been taken regarding audit recommendations and adjustments, and that the financial statements are supported by appropriate management signoff, have endorsed the referral of the Financial Statements of the University of New England for the year ended 31 December 2017 to Council for consideration and approval.

Origin of report: Scheduled work plan item

Related to authority retained by Council: Authorise certification of the University's annual financial statement and the certificate of compliance for the Annual Report

Recommendation**Finance & Infrastructure Committee**

Council is asked to **APPROVE** the signing of the Financial Statements of the University of New England for the year ending 31 December 2017, report #18115.

In accordance with Section 10(1) of the Annual Reports (Statutory Bodies) Act, 1984, and Sections 34 and 41C (1B) and (1C) of the Public Finance and Audit Act, 1983, Council **AUTHORISES** the Chancellor and the Vice-Chancellor, being Councillors of the University, to sign the Financial Statements and to state on behalf of the University Council that:

- 1) The financial reports represent a true and fair view of the consolidated financial position of the University and its controlled entities at 31 December 2017 and the result of their operations and transactions of the economic entity for the year then ended;
- 2) The financial reports have been prepared in accordance with the provisions of the New South Wales Public Finance and Audit Act 1983, the Public Finance and Audit Regulations 2010 and the "Financial Statement Guidelines for Australian Higher Education Providers for the 2017 reporting period" issued by the Australian Government Department of Education;
- 3) The financial reports have been prepared in accordance with Australian Accounting Standards, including the Australian Accounting Interpretations, and other authoritative pronouncements of the Australian Accounting Standards Board;
- 4) We are not aware of any circumstances which would render any particulars included in the financial reports to be misleading or inaccurate;

- 5) There are reasonable grounds to believe that the University will be able to pay its debts as and when they fall due;
- 6) The amount of Commonwealth financial assistance expended during the reporting period was for the purpose(s) for which it was provided; and
- 7) The University has complied in full with the requirements of various program guidelines that apply to the Commonwealth financial assistance identified in these financial reports.

Executive Summary

The pre-audited financial position of UNE (parent entity) is a surplus of \$4.3 million or 1.4% of revenue, lower than the 2016 result (surplus of \$10.5 million or 3.5% of revenue). The surplus was less than last year due to an increase in total expenditure greater than the increase in revenue. Revenue increased by \$11.3 million and expenditure grew by \$17.5 million.

Income from continuing operations was increased from 2016 mainly due to an increase in HELP Australian Government payments of 9.8% in line with the increase in EFTSL for CSP. Total income increased by 3.8% which was under the predicted increase of 7.0% in the original 2017 budget. EFSTL increased from 2016 by 864 but a shortfall of 320 to the original 2017 budget. Teaching revenue rose by 6.6% year on year and was in line with the 2017 budget of 6.4.

Total expenditure from continuing operations increased year on year. Employee related expense increased by 2.7% which is under the estimated increase of 3.5% in the 2017 original budget. Depreciation and amortisation expense increased by \$1.5 million due to the depreciation of the IAEP building for the full year and the increase in asset values as a result of the 2016 revaluation. Impairment of assets includes \$1.9 million for the UNEP loan as it has been determined to be unlikely to be collected. Other expenditure rose by only 7.2% due to an increase in scholarships and prizes, marketing and advertising, and other teaching and research expenditure.

The consolidated operating result across all entities was \$9.3 million, down from \$13.2 million reported in 2016. Total operating income increased by 3.6% and total expenses increased by 5.1%.

The value of investments, land, buildings and infrastructure was increased by \$8.5 million in line with Australian Accounting Standards contributing to total comprehensive income of \$12.8 million.

Further information in relation to the results, accounts preparation and audit process may be obtained from the CFO's report #18001 to the joint confidential meeting of the Finance & Infrastructure and Audit and Risk Committees on 22 Feb 2018.

The Council is now asked to approve the Financial Statements of the University of New England for the year ending 31 December 2017 (refer Attachment 1) via the resolution above.

Attachments:

Attachment 1: Copy of the Final 2017 Financial Statements for UNE and the controlled entities (for approval)

University of New England



ABN: 75 792 454 315
Annual Financial Report
for the year ended
31 December 2017

University of New England

Report by the Members of the Council

The members of the Council present their report on the consolidated entity consisting of the University of New England and the entities it controlled at the end of, or during, the year ended 31 December 2017.

Members

The following persons were members of the Council of the University of New England during the whole of the year and up to the date of this report:

Mr James Harris - Chancellor
Ms Jan McClelland - Deputy Chancellor
Professor Annabelle Duncan - Vice Chancellor
Professor Nick Reid – Chair Academic Board (reappointed 20/02/2017)
Mr David van Aanholt
Mr Russell Evans
Mr Robert Finch
Mr Charles Hebblewhite
Dr Jack Hobbs
Ms Rosemary Leamon
Ms Catherine Millis
Dr Robyn Muldoon
Ms Anne Myers
Professor Margaret Sims
Ms Meredith Symons

There were no persons who were new members of Council in 2017.

There were no persons whose term on Council concluded in 2017.

Meetings of Members

The number of meetings of the members of the University of New England's Council, the Standing Committee of Council and other relevant Committees reporting to Council held during the year ended 31 December 2017, and the numbers of meetings attended by each member is attached.

Principal Activities

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

- (a) the provision of facilities for education and research;
- (b) the provision of courses of study across a range of disciplines;
- (c) the conferring of degrees at Bachelor, Master and Doctoral levels as well as the awarding of other diplomas and certificates;
- (d) the encouragement, dissemination and advancement of knowledge through free enquiry;
- (e) participation in public discourse;
- (f) administration in support of teaching, learning and research activities; and
- (g) community engagement in cultural, sporting, professional, technical and vocational services.

There were no significant changes in the nature of the activities of the consolidated entity during the year.

Review of Operations

A review of the operations of the University of New England during the year is provided in the Vice-Chancellor's report.

Significant Changes in the State of Affairs

No significant changes in the state of affairs of the consolidated entity occurred during the year.

Matters Subsequent to the End of the Financial Year

There has not been any matter or circumstance, other than that referred to in the financial statements and notes following, that has arisen, significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations, or the state of affairs in future financial years.

Likely Developments and Expected Results of Operations

2018 operations are expected to broadly align with the Strategic Plan and Budget approved by the Council in November 2017. Nonetheless, changes in higher education funding announced by the Commonwealth Government in the Mid-year Economic and Fiscal Outlook, including a freeze of Commonwealth Grant Scheme funding, will impact on the quantum of, and avenues available for achieving planned future revenue growth. The changes to CGS funding will require careful consideration of the allocation of Commonwealth Supported Places to commencing students.

Environmental Regulation

During the year there were no significant changes to environmental regulations of the University other than that referred to in the financial statements and notes following.

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

Aboriginal and Torres Strait Islander Heritage Protection Act 1984 (Cth)
Animal Research Act 1985 (NSW)
Biodiversity Conservation Act 2016 (NSW)
Contaminated Land Management Act 1997 (some amendments made in 2008) (NSW)
Energy and Utilities Administration Act 1987 (NSW)
Environmental Planning and Assessment Act 1979 (NSW)
Environment Protection and Biodiversity Conservation Act 1999 (Cth)
Environmental Trust Act 1998 (NSW)
Environmentally Hazardous Chemicals Act 1985 (NSW)
Heritage Act 1977 (NSW)
Local Government Act 1993 (NSW)
Local Land Services Act 2013 (NSW)
National Greenhouse and Energy Reporting Act 2007 (Cth)
National Parks and Wildlife Act 1974 (NSW)
National Trust of Australia (New South Wales) Act 1990 (NSW)
Pesticides Act 1999 (NSW)
Protection of the Environment Operations Act 1997 (NSW)
Protection of the Environment Operations (Clean Air) Regulation 2010 (NSW)
Protection of the Environment Operations (General) Regulation 2009 (NSW)
Protection of the Environment Operations (Waste) Regulation 2014 (NSW)
Rural Fires Act 1997 (NSW)
Soil Conservation Act 1938 (NSW)
Threatened Species Conservation Act 1995 (NSW)
Waste Avoidance and Resource Recovery Act 2001 (NSW)
Water Management Act 2000 (NSW)
Wilderness Act 1987 (NSW)

Insurance of Officers

The University obtains commercial insurance to indemnify persons who serve on University Boards and Committees and on Boards and Committees of all entities in the Group. The annual premium of \$36,200 for Directors and Officers Insurance covered the period 1 November 2016 to 31 October 2017. Insurance has been renewed for the period 1 November 2017 to 31 October 2018 at a cost of \$42,010. Coverage also extends to University appointees who serve on the Boards of other entities, as designated representatives of the University, and who are not otherwise indemnified.

Proceedings on behalf of the University of New England

There are no material proceedings resulting in claims against the University that are required to be reported in this Report or in the Financial Report.

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

Mr James Harris
Chancellor
Member of Council of the University of New England
Armidale NSW
16 March 2018

Council Meeting Attendance

The numbers of meetings of the members of the University of New England Council and each of the committees held during the year ended 31 December 2017, and the numbers of meetings attended by each Council member were:

Summary of Council Members' Attendance to Committee Meetings 2017

Members of Council (2017)	Council		Finance & Infrastructure		Audit & Risk		Innovation & Development		HDTT*		Remuneration		Nominations	
	A	B	A	B	A	B	A	B	A	B	A	B	A	B
The Chancellor														
Mr James Harris (from 20/11/14)	5	5	8	8			3	3	1	1	6	6	3	3
The Deputy-Chancellor														
Ms Jan McClelland (See below <i>Members appointed by Council</i>)														
Official Members														
Professor Annabelle Duncan, Vice-Chancellor (from 23/03/14)	5	5	8	8	7	7	3	3	1	1	6	6	3	3
Professor Nick Reid, Chair Academic Board (reappointed 20/02/17)	5	5	6	8			2	3	1	1			3	3
Members appointed by the Minister														
Ms Meredith Symons	5	5	5	8										
Mr David van Aanholt	5	5	6	8	5	7	2	3			5	6		
Members appointed by Council														
Ms Jan McClelland	5	5	8	8	7	7	3	3	1	1	6	6	1	3
Ms Anne Myers	3	5			6	7	2	3						
Ms Rosemary Leamon	5	5	7	8	6	7	3	3						
Mr Robert Finch	5	5	8	8	7	7					6	6		
Mr Russell Evans	5	5					1	3						
Members elected by academic staff														
Professor Margaret Sims	4	5												
Members elected by the graduates														
Dr Robyn Muldoon	5	5							0	1	5	6		
Dr Jack Hobbs	4	5							0	1				
Member elected by non-academic staff														
Mr Charles Hebblewhite	5	5												
Member elected by the student body														
Ms Catherine Millis	5	5												

A = Number of meetings attended

B = Number of meetings held during the time the member held office or was a member of the committee during the year

*Honorary Degrees, Titles and Tributes Committee

University of New England

FINANCIAL STATEMENT

In accordance with a resolution of the Council of the University of New England and pursuant to Sections 41C (1B) and (1C) of the Public Finance and Audit Act 1983, we state that:

- 1 The financial reports represent a true and fair view of the consolidated financial position of the University and its controlled entities at 31 December 2017 and the result of their operations and transactions of the economic entity for the year then ended;
- 2 The financial reports have been prepared in accordance with the provisions of the New South Wales Public Finance and Audit Act 1983, the Public Finance and Audit Regulation 2015 and the "Financial Statement Guidelines for Australian Higher Education Providers for the 2017 Reporting Period" issued by the Australian Government Department of Education and Training;
- 3 The financial reports have been prepared in accordance with Australian Accounting Standards, including the Australian Accounting Interpretations, and other authoritative pronouncements of the Australian Accounting Standards Board;
- 4 We are not aware of any circumstances which would render any particulars included in the financial reports to be misleading or inaccurate;
- 5 There are reasonable grounds to believe that the University will be able to pay its debts as and when they fall due;
- 6 The amount of Commonwealth financial assistance expended during the reporting period was for the purpose(s) for which it was provided; and
- 7 The University has complied in full with the requirements of various programme guidelines that apply to the Commonwealth financial assistance identified in these financial reports.

Mr James Harris
Chancellor

Professor Annabelle Duncan
Vice-Chancellor

Being Councillors of the University authorised in accordance with a resolution of Council pursuant to 41C(1C) of the Public Finance and Audit Act 1983, as amended.

University of New England
Armidale, NSW
16 March 2018

Income Statement

for the year ended 31 December 2017

	Note	Consolidated		Parent entity	
		2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Income from continuing operations					
Australian Government financial assistance					
Australian Government grants	3	157,506	156,386	157,506	156,386
HELP - Australian Government payments	3	78,831	71,756	78,831	71,756
State and local government financial assistance	4	3,064	3,947	2,649	3,740
HECS-HELP - Student payments		8,468	8,449	8,468	8,449
Fees and charges	5	41,943	40,194	39,682	38,033
Investment revenue	6	5,872	4,911	4,444	4,108
Royalties, trademarks and licences	7	145	288	150	292
Consultancy and contracts	8	4,198	2,362	995	429
Other revenue	9	30,031	29,796	14,736	12,400
Gains on disposal of assets		-	229	-	89
Other investment income	6	191	169	-	-
Other income	9	137	267	2,312	2,794
Total income from continuing operations		330,386	318,754	309,773	298,476
Expenses from continuing operations					
Employee related expenses	10	186,210	180,727	174,657	170,043
Depreciation and amortisation	11	23,157	21,834	22,551	21,059
Repairs and maintenance	12	7,353	6,841	7,434	6,417
Borrowing costs	13	1,067	879	1,055	875
Impairment of assets	14	667	594	2,158	486
Losses on disposal of assets		316	-	318	-
Deferred superannuation expense	10, 40	242	106	242	106
Other expenses	15	102,085	94,572	97,032	88,981
Total expenses from continuing operations		321,097	305,553	305,447	287,967
Net result before income tax		9,289	13,201	4,326	10,509
Income tax expense		-	-	-	-
Net result attributable to members from continuing operations	29(b)	9,289	13,201	4,326	10,509

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

Statement of Comprehensive Income for the year ended 31 December 2017

	Consolidated		Parent entity	
Note	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Net result after income tax for the period	9,289	13,201	4,326	10,509
Items that may be reclassified to profit or loss				
Gain (loss) on value of available-for-sale financial assets, net of tax	3,508	4,166	3,168	4,174
Total	3,508	4,166	3,168	4,174
Items that will not be reclassified to profit or loss				
Gain (loss) on revaluation of land, buildings and infrastructure, net of tax	5,371	8,150	5,251	8,007
Net Actuarial losses (gains) recognised in respect of defined benefit plans	76	(595)	76	(595)
Reserve transfer relating to controlled entity	3	-	-	-
Total	5,450	7,555	5,327	7,412
Total other comprehensive income	8,958	11,721	8,495	11,586
Total comprehensive income attributable to members of the University of New England	18,247	24,922	12,821	22,095

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

Statement of Financial Position

as at 31 December 2017

	Note	Consolidated		Parent entity	
		2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Assets					
Current assets					
Cash and cash equivalents	16	81,523	83,830	74,748	75,798
Receivables	17	7,114	6,447	5,315	4,366
Inventories	18	450	303	130	98
Other financial assets	19	73,000	60,546	73,000	60,000
Non-current assets classified as held for sale	20	-	1,259	-	-
Other non-financial assets	21	9,938	7,985	9,497	7,974
Biological assets	22	1,217	1,076	1,217	1,076
Total current assets		173,242	161,446	163,907	149,312
Non-current assets					
Receivables	17	320,039	327,386	320,039	327,414
Other financial assets	19	40,271	32,920	17,130	14,962
Property, plant and equipment	23	312,548	315,062	308,188	311,343
Intangible assets	24	1,631	1,939	670	753
Total non-current assets		674,489	677,307	646,027	654,472
Total assets		847,731	838,753	809,934	803,784
Liabilities					
Current liabilities					
Trade and other payables	25	7,663	8,780	5,823	7,165
Borrowings	26	27	7	-	-
Provisions	27	31,045	31,990	29,561	30,495
Other liabilities	28	17,768	17,638	19,240	16,201
Total current liabilities		56,503	58,415	54,624	53,861
Non-current liabilities					
Borrowings	26	20,077	20,029	20,000	20,000
Provisions	27	328,096	335,521	327,913	335,368
Other liabilities	28	99	77	99	77
Total non-current liabilities		348,272	355,627	348,012	355,445
Total liabilities		404,775	414,043	402,636	409,306
Net assets		442,956	424,709	407,298	394,477
Equity					
Reserves	29 (a)	101,870	94,859	99,979	93,431
Retained earnings	29 (b)	341,086	329,850	307,319	301,046
Parent entity interest		442,956	424,709	407,298	394,477
Total equity		442,956	424,709	407,298	394,477

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 2017

	Consolidated			Parent Entity		
	Reserves \$'000	Retained earnings \$'000	Total \$'000	Reserves \$'000	Retained earnings \$'000	Total \$'000
Balance at 1 January 2016	82,543	317,372	399,915	81,249	291,354	372,603
Retrospective changes		94	94	-	-	-
Balance as restated	<u>82,543</u>	<u>317,466</u>	<u>400,009</u>	<u>81,249</u>	<u>291,354</u>	<u>372,603</u>
Net result	-	13,201	13,201	-	10,509	10,509
Gain/(loss) on revaluation of land, buildings and infrastructure, net of tax	8,150	-	8,150	8,007	-	8,007
Gain/(loss) on revaluation of available-for-sale financial assets	4,166	-	4,166	4,174	-	4,174
Remeasurements of Defined Benefit Plans	-	(595)	(595)	-	(595)	(595)
Total comprehensive income	<u>12,316</u>	<u>12,605</u>	<u>24,921</u>	<u>12,181</u>	<u>9,914</u>	<u>22,095</u>
Work in progress adjustment	-	(222)	(222)	-	(222)	(222)
Balance at 31 December 2016	<u>94,859</u>	<u>329,850</u>	<u>424,709</u>	<u>93,431</u>	<u>301,046</u>	<u>394,477</u>
Balance at 1 January 2017	94,859	329,850	424,709	93,431	301,046	394,477
Retrospective changes	-	-	-	-	-	-
Balance as restated	<u>94,859</u>	<u>329,850</u>	<u>424,709</u>	<u>93,431</u>	<u>301,046</u>	<u>394,477</u>
Net result	-	9,289	9,289	-	4,326	4,326
Gain/(loss) on revaluation of land, buildings and infrastructure, net of tax	5,371	-	5,371	5,251	-	5,251
Gain/(loss) on revaluation of available-for-sale financial assets	3,508	-	3,508	3,168	-	3,168
Remeasurements of Defined Benefit Plans	-	76	76	-	76	76
Transfers from revaluation reserves to retained surplus for asset sales	(1,868)	1,871	3	(1,871)	1,871	-
Total comprehensive income	<u>7,011</u>	<u>11,236</u>	<u>18,247</u>	<u>6,548</u>	<u>6,273</u>	<u>12,821</u>
Balance at 31 December 2017	<u>101,870</u>	<u>341,086</u>	<u>442,956</u>	<u>99,979</u>	<u>307,319</u>	<u>407,298</u>

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

Statement of Cash Flows

for the year ended 31 December 2017

	Note	Consolidated		Parent entity	
		2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Cash flows from operating activities					
Australian Government grants	3(h)	233,399	231,198	233,399	231,198
OS-HELP (net)	3(h)	(160)	323	(160)	323
Superannuation supplementation	3(h)	19,832	19,663	19,832	19,663
State Government Grants		2,070	2,740	2,070	2,740
HECS-HELP - Student payments		9,395	9,160	8,980	8,953
Receipts from student fees and other customers		81,056	77,775	64,021	58,283
Dividends received		144	131	34	16
Interest received		4,241	4,616	3,975	4,134
Payments to suppliers and employees (inclusive of GST)		(326,755)	(311,281)	(309,386)	(294,908)
Interest and other costs of finance		(1,055)	(875)	(1,055)	(875)
GST recovered		4,727	6,023	5,269	6,107
Net cash provided by / (used in) operating activities	36	26,894	39,473	26,979	35,634
Cash flows from investing activities					
Proceeds from sale of property, plant and equipment		76	591	3	284
Payments for property, plant and equipment		(15,159)	(19,563)	(14,132)	(19,184)
Proceeds from sale of financial assets		62,794	65,462	60,000	57,000
Payments for financial assets		(76,559)	(75,488)	(73,000)	(60,000)
Loans to related parties		-	-	(900)	(1,000)
Other investing outflows		(360)	-	-	-
Net cash provided by / (used in) investing activities		(29,208)	(28,998)	(28,029)	(22,900)
Cash flows from financing activities					
Proceeds from borrowings		9	-	-	-
Repayment of borrowings		(2)	-	-	-
Other financing inflows		-	144	-	-
Other financing outflows		-	(1,275)	-	-
Net cash provided by / (used in) financing activities		7	(1,131)	-	-
Net increase / (decrease) in cash and cash equivalents					
Cash and cash equivalents at the beginning of the financial year		83,830	74,486	75,798	63,064
Cash and cash equivalents at the end of the financial year		81,523	83,830	74,748	75,798

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

Notes to the financial statements

Note		Page
1	Summary of significant accounting policies	11
2	Disaggregated information	19
	Income	
3	Australian Government financial assistance including Australian Government loan programs (HELP)	19
4	State and Local Government financial assistance	20
5	Fees and charges	20
6	Investment revenue and other investment income	20
7	Royalties, trademarks and licences	20
8	Consultancy and contracts	20
9	Other revenue and income	21
	Expenses	
10	Employee related expenses	21
11	Depreciation and amortisation	21
12	Repairs and maintenance	22
13	Borrowing costs	22
14	Impairment of assets	22
15	Other expenses	22
	Assets	
16	Cash and cash equivalents	22
17	Receivables	23
18	Inventories	23
19	Other financial assets	24
20	Non-current assets classified as held for sale	24
21	Other non-financial assets	24
22	Biological assets	24
23	Property, plant and equipment	25
24	Intangible assets	29
	Liabilities	
25	Trade and other payables	30
26	Borrowings	30
27	Provisions	30
28	Other liabilities	31
	Equity	
29	Reserves and retained earnings	31
	Note Disclosures	
30	Key management personnel disclosures	32
31	Remuneration of auditors	33
32	Contingencies	33
33	Commitments	34
34	Related parties	34
35	Subsidiaries	36
36	Reconciliation of net result after income tax to net cash provided by / (used in) operating activities	36
37	Events occurring after the end of the reporting period	36
38	Financial risk management	37
39	Fair value measurements	40
40	Defined benefits plans	44
41	Acquittal of Australian Government financial assistance	51

Notes to and forming part of the Financial Statements

Note 1. Summary of significant accounting policies

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

The principal address of the University is: University of New England, Armidale NSW 2351, Australia.

(a) Basis of preparation

The annual financial statements represent the audited general purpose financial statements of the University and its subsidiaries. They have been prepared on an accrual basis and comply with Australian Accounting Standards.

Additionally the statements have been prepared in accordance with the following statutory requirements:

- Higher Education Support Act 2003 (Financial Statement Guidelines), and
- Public Finance and Audit Act 1983 and the Public Finance and Audit Regulation 2015.

The University of New England is a not-for-profit entity and these statements have been prepared on that basis. Some of the Australian Accounting Standards requirements for not-for-profit entities are inconsistent with the IFRS requirements.

Date of authorisation for issue

The financial statements were authorised for issue by the members of the University Council on 16 March 2018.

Historical cost convention

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

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 University's accounting policies. The estimates and underlying assumptions are reviewed on an ongoing basis. There were no areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements.

(b) Basis of consolidation

(i) Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of the University as at 31 December 2017 and the results of all subsidiaries for the year then ended. The University and its subsidiaries together are referred to in the financial statements as the Group or the consolidated entity.

Subsidiaries are all those entities (including special purpose 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 that give it current ability 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. Returns are not necessarily monetary and can be only positive, only negative, or both positive and negative.

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.

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

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

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.

(ii) Associates

Associates are all entities over which the Group has significant influence but not control. Investments in associates are accounted for in the parent entity 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 investment in associates includes goodwill (net of any accumulated impairment loss) identified on acquisition (refer to note 24).

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.

Note 1. Summary of significant accounting policies (continued)

(b) Basis of consolidation (continued)

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.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

(iii) Collaborations

The Group has interests in Cooperative Research Centres (CRC) which requires the Group to contribute in cash and in-kind based on the proportion of the interest the Group has in the CRC.

Contributions in cash and in-kind are expensed and included in the income statement. The Group's share of contributions are not included in the statement of financial position.

(c) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Australian dollars, which is the University'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. Qualifying cash flow hedges and qualifying net investment hedges in a foreign operation shall be accounted for by recognising the portion of the gain or loss determined to be an effective hedge in other comprehensive income and the ineffective portion in profit or loss.

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 profit and loss, translation gains or losses are also recognised in profit or loss.

(d) Revenue recognition

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

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Group and specific criteria have been met for each of the Group's activities as described below. In some cases this may not be probable until consideration is received or an uncertainty is removed. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue is recognised for the major business activities as follows:

(i) Government grants

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

(ii) HELP payments

Revenue from HELP is categorised into those received from the Australian Government and those received directly from students. Revenue is recognised and measured in accordance with the above disclosure.

(iii) Student fees and charges

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

(iv) Royalties, trademarks and licences

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

(v) Consultancy and Contracts/ Fee for Service

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

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

(vi) Investment income

Interest income is recognised as it accrues. Dividend income is recognised when the dividend is declared by the investee.

(vii) Other revenue

Represents miscellaneous income and other grant income not derived from core business and is recognised when it is earned.

Note 1. Summary of significant accounting policies (continued)

(e) Income tax

The University of New England and its controlled entities do not provide for Australian income tax as the University of New England is exempt under the provisions of Division 50 of the Income Tax Assessment Act 1997.

(f) Leases

Leases of property, plant and equipment where the Group, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at lease's inception at the lower of the fair value of the leased property and the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other short-term and long-term payables. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases are depreciated over the shorter of the asset's useful life and the lease term.

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases (note 33). Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis, over the period of the lease.

The Group does not receive any interest income from operating leases.

(g) Impairment of assets

Goodwill and 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. Other assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows which are largely independent of the cash inflows from other assets or groups of assets (cash generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date. Alternatively, intangible assets are carried at a revalued amount after initial recognition and are revalued by reference to an active market on a regular basis, so that the carrying amount of the asset does not differ materially from its fair value at reporting date.

(h) Cash and cash equivalents

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

(i) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Trade receivables are due for settlement no more than 120 days from the date of recognition for land development and resale debtors, and no more than 30 days for other debtors.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for impairment of receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (debt remains unpaid 90 days after invoice date) are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. Cash flows relating to short-term receivable are not discounted if the effect of discounting is immaterial. The amount of the provision is recognised in the income statement.

(j) Inventories and work in progress

Inventories and work in progress are stated at the lower of cost and net realisable value. Costs comprises direct materials and direct labour. Costs are assigned to individual items of inventory on the basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(k) Non-current assets (or disposal groups) held for sale and discontinued operations

Non-current assets (or disposal groups) 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 (or disposal group) 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 (or disposal group), 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 (or disposal group) is recognised at the date of derecognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Note 1. Summary of significant accounting policies (continued)

(k) Non-current assets (or disposal groups) held for sale and discontinued operations (continued)

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the statement of financial position. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the statement of financial position.

(l) Investments and other financial assets

Classification

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

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

Financial assets at fair value through profit or loss include financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are classified as held for trading unless designated as hedges. Assets in this category are classified as current assets.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the end of the reporting period which are classified as non-current assets. Loans and receivables are included in receivables in the statement of financial position.

(iii) Held-to-maturity investments

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

(iv) Available-for-sale financial assets

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

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

When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in other comprehensive income are included in the income statement as gains and losses from investment securities.

Subsequent measurement

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

Changes in the fair value of a monetary security denominated in a foreign currency and classified as available-for-sale are analysed between translation differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security (other than interest). The translation differences related to changes in the amortised cost are recognised in profit or loss, and other changes in carrying amount (other than interest) are recognised in equity. Changes in the fair value of other monetary and non-monetary securities classified as available-for-sale are recognised in equity.

Fair Value

The fair values of investments and other financial assets are based on quoted prices in an active market. If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value by using valuation techniques that maximise the use of relevant data. These include reference to the estimated price in an orderly transaction that would take place between market participants at the measurement date. Other valuation techniques used are the cost approach and the income approach based on the characteristics of the asset and the assumptions made by market participants.

Impairment

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

(m) Fair value measurement

The fair value of assets and liabilities must be measured for recognition and disclosure purposes.

The Group classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements.

Note 1. Summary of significant accounting policies (continued)

(m) Fair value measurement (continued)

The fair value of assets or liabilities traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices for identical assets or liabilities at the end of the reporting period (level 1). The quoted market price used for assets held by the Group is the most representative of fair value in the circumstances within the bid-ask spread.

The fair value of assets or liabilities that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments (level 2) are used for long-term debt instruments held. Other techniques that are not based on observable market data (level 3) such as estimated discounted cash flows, are used to determine fair value for the remaining assets and liabilities. The fair value of interest-rate swaps is calculated as the present value of the estimated future cash flows. The fair value of forward exchange contracts is determined using forward exchange market rates at the end of the reporting period. The level in the fair value hierarchy is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety.

Fair value measurement of non-financial assets is based on the highest and best use of the asset. The Group considers market participants use of, or purchase price of the asset, to use it in a manner that would be highest and best use.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short-term nature. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

(n) Biological assets

Biological assets are measured at fair value less costs to sell, with any change therein recognised in profit or loss. Cost to sell includes all cost that would be necessary to sell the assets.

(o) Property, infrastructure, plant and equipment

Land and buildings and Infrastructure are shown at fair value based on periodic, but at least triennial, valuations by external independent valuers less subsequent depreciation for buildings and infrastructures. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. All other property, plant and equipment, including Works of Art and Museum assets, are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. The University holds assets for scientific or research purposes that are not recognised in the statement of financial position because the University is unable to reliably measure the value for these assets. The Herbarium, Zoological and Geological collections have nil balance recorded in the University's asset register. The changing scientific value over time, the uniqueness of the time of collection and the changing nature of the physical characteristics of the original collection sites (for example, changes due to climate change or habitat destruction) result in these collections not being capable of a reliable valuation.

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

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

Land, buildings under construction, rare books, works of art and museum assets are not subject to depreciation. Depreciation on other assets is calculated using the straight line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives, as follows:

	2017	2016
Buildings	2 - 40 years	2 - 40 years
Infrastructure	5 - 20 years	5 - 20 years
Vehicles	5 years	5 years
Furniture and fittings	7 - 20 years	7 - 20 years
Library collection	n/a	n/a
Information technology equipment and software	5 - 15 years	5 - 15 years
Plant and equipment	5 - 15 years	5 - 15 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 1(g)).

Gains and losses on disposals are determined by comparing proceeds with carrying amounts. These are included in the income statement. When revalued assets are sold, it is Group policy to transfer the amounts included in other reserves in respect of those assets to retained earnings.

Land, buildings and infrastructure assets controlled by the University were revalued as at 31 December 2017 by Global Valuation Services Pty Ltd.

Note 1. Summary of significant accounting policies (continued)

(p) Repairs and Maintenance

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.

(q) Intangible assets

(i) Research

Expenditure on research activities is recognised in the income statement as an expense, when it is incurred.

(ii) Development

Expenditure on development activities is capitalised when incurred. The capitalised amount comprises all directly attributable costs, including costs of materials, services, direct labour and a proportion of overheads. The capitalised amount is stated at cost less accumulated amortisation. Amortisation is calculated using the straight line method to allocated cost over the life of the expected benefit.

(iii) Goodwill

Goodwill represents the excess of the aggregate of the fair value measurement of the consideration transferred in an acquisition, the amount of any non-controlling interest and any previously held equity interest in the acquiree, over the fair value of the Group's share of the net identifiable assets of the acquiree at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisitions of associates is included in investments in associates. Goodwill is not amortised, instead it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

(iv) Licences

Licences have an indefinite useful life and are not amortised. They are assessed for impairment annually and, whenever there is an indication that the licences may be impaired, an impairment is recognised in accordance with note 1(g).

(v) Leasehold improvements

Leasehold improvements are capitalised and amortised over the shorter of their useful life or the remaining life of the lease.

(r) Trade and other payables

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

(s) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the income statement over the period of the borrowings using the effective interest method. 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 balance date and does not expect to settle the liability for at least 12 months after the balance date.

(t) Borrowing costs

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.

(u) Provisions

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

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

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the balance date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as a finance cost.

Note 1. Summary of significant accounting policies (continued)

(v) 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 12 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 are not expected to be settled wholly before twelve months after the end of the annual reporting period. Other long-term employee benefits include such things as annual leave and long service leave liabilities.

It is measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date 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, provisions made in respect of employee benefits are classified as a current liability, unless there is an unconditional right to defer the settlement of the liability for at least 12 months after the reporting date, in which case it would be classified as a non-current liability.

(iii) Retirement benefit obligations

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

A liability or asset in respect of defined benefit superannuation plans is recognised in the statement of financial position, and is measured as the present value of the defined benefit obligation at the reporting date less the fair value of the superannuation fund's assets at that date. The present value of the defined benefit obligation is based on expected future payments which arise from membership of the fund to the reporting date, calculated annually by independent actuaries using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service.

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

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in 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 section of the University's superannuation fund and other independent defined contribution superannuation funds are recognised as an expense as they become payable.

(w) Deferred government benefit for superannuation

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

The unfunded liabilities recorded in the Statement of Financial Position under Provisions have been determined by Pillar Administration and relate to the defined benefit superannuation plan's of State Superannuation Scheme (SSS), State Authorities Superannuation Scheme (SASS), State Authorities Non-Contributory Superannuation Scheme (SANCS) and the UNE Professorial Superannuation Fund. For details relating to methodology of measurement by the actuary and treatment of actuarial gains and losses, refer note 40.

Deferred government benefits for superannuation are the amounts recognised as reimbursement rights as they are the amounts expected to be received from the Australian Government for the emerging costs of the superannuation funds for the life of the liability.

(x) Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date or when an employee accepts an offer of benefits in exchange for the termination of employment. The Group recognises termination benefits either when it can no longer withdraw the offer of those benefits or when it has recognised costs for restructuring within the scope of AASB137 that involves the payment of termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. 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.

Note 1. Summary of significant accounting policies (continued)

(y) 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 cost acquisition 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.

(z) Key Management Personnel

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

(aa) Rounding of amounts

Amounts in the financial statements have been rounded off in accordance with Class Order 98/100 issued by the Australian Securities and Investment Commission (ASIC), relating to the rounding off of amounts in the financial statements. Amounts have been rounded off to the nearest thousand dollars.

(ab) Comparative amounts

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

(ac) New accounting standards and interpretations not yet adopted

Certain new Accounting Standards and Interpretations became mandatory for the 31 December 2017 reporting period. These new requirements have not had a material impact on either the results or disclosure of the University. Certain new Accounting Standards and Interpretations have been published that are not mandatory for 31 December 2017 reporting period. The University has elected not to early adopt any of these standards.

Australian Accounting Standard AASB 15 'Revenue from Contracts with Customers' and AASB 1058 'Income of Not-for-Profit Entities' are mandatory from 1 January 2019. The standards replace AASB 118 'Revenue', AASB 111 'Construction Contracts' and AASB 1004 'Contributions'.

AASB 15 establishes a single and comprehensive framework which sets out how and when revenue is recognised. The core principle of AASB 15 is that revenue is recognised when transfers of goods or services to customers occur in exchange for consideration which the vendor expects to be entitled to in exchange for the provision of these goods or services. Revenue is only recognised when control over the goods or services is transferred to the customer, which is either over time or at a point in time.

Furthermore, AASB 1058 amends the income recognition requirements that apply to not-for-profit entities and establishes principles for not-for-profit

- (a) transactions where the consideration to acquire an asset is significantly less than the fair value principally to enable a not-for-profit entity to further its objectives;
- (b) the receipt of volunteer services; and
- (c) transfers made to enable an entity to acquire or construct a non-financial asset for its own use.

The University is in the process of assessing the changes, if any, to its revenue recognition policies upon the adoption of AASB 15 and AASB 1058. Until this process is complete, the University is unable to reasonably quantify the expected financial impacts of those standards in future periods.

Australian Accounting Standard AASB 16 'Leases' is mandatory from 1 January 2019 and replaces the current standard AASB 117 'Leases'. The University is in the process of assessing the changes, if any, to its recognition of leases upon the adoption of AASB 16. Until this process is complete, the University is unable to reasonably quantify the expected financial impacts of those standards in future periods.

Note 2. Disaggregated information

Geographical [Consolidated Entity]	Revenue		Results		Assets	
	2017	2016	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Australia	329,122	317,478	9,247	13,158	847,731	838,753
US/Canada	717	711	24	24	-	-
Unallocated	547	565	18	19	-	-
Total	330,386	318,754	9,289	13,201	847,731	838,753

Note	Consolidated		Parent entity	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000

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

(a) Commonwealth Grant Scheme and Other Grants	41a				
Commonwealth Grant Scheme #1		111,929	110,521	111,929	110,521
Promotion of Excellence in Learning and Teaching		10	111	10	111
Higher Education Participation Program		2,345	4,529	2,345	4,529
Disability Performance Funding #2		114	135	114	135
Indigenous Student Success Program #3		2,070	1,303	2,070	1,303
Total Commonwealth Grant Scheme and Other Grants		116,468	116,599	116,468	116,599
(b) Higher Education Loan Programs	41b				
HECS-HELP		72,840	65,582	72,840	65,582
FEE-HELP #4		5,681	5,875	5,681	5,875
SA-HELP		311	299	311	299
Total Higher Education Loan Programs		78,832	71,756	78,832	71,756
(c) Scholarships	41c				
Research Training Program #5		8,912	3,093	8,912	3,093
Total Scholarships		8,912	3,093	8,912	3,093
(d) EDUCATION Research	41c				
Research Support Program #6		7,420	12,966	7,420	12,966
Total EDUCATION Research Grants		7,420	12,966	7,420	12,966
(e) Other Capital Funding	41e				
Education Investment Fund		-	2,626	-	2,626
Total Other Capital Funding		-	2,626	-	2,626
(f) Australian Research Council	41f				
Discovery		1,414	1,310	1,414	1,310
Linkages #7		421	224	421	224
Total ARC		1,835	1,534	1,835	1,534
(g) Other Australian Government financial assistance					
Non-capital					
Co-operative Research Centres		5,856	4,784	5,856	4,784
Other Research Financial Assistance		13,748	11,002	13,748	11,002
Non-Research Financial Assistance		3,267	3,782	3,267	3,782
Total other Australian Government financial assistance		22,871	19,568	22,871	19,568
Total Australian Government financial assistance		236,338	228,142	236,338	228,142

#1 Includes the basic CGS grant amount, Regional Loading, Enabling Loading, Medical Student Loading, Allocated Places and Non Designated Courses.

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

#3 Indigenous Student Success Program has replaced the Indigenous Commonwealth Scholarships Program and the Indigenous Support Program as of 1 January 2017. Prior year programs should be combined and reported in Indigenous Student Success Program for 2016.

#4 Program is in respect of FEE-HELP for Higher Education only and excludes funds received in respect of VET FEE-HELP.

#5 Research Training Program has replaced Australian Postgraduate Awards, International Postgraduate Research Scholarships and Research Training Scheme as of 1 January 2017.

#6 Research Support Program has replaced Joint Research Engagement, JRE Engineering Cadetships, Research Block Grants and Sustainable Research Excellence in Universities as of 1 January 2017.

#7 ARC Linkage Infrastructure, Equipment and Facilities grants should be reported in (e) Capital.

Note	Consolidated		Parent entity	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Note 4. State and Local Government financial assistance				
Non-capital				
Research grants	2,070	2,740	2,070	2,740
Non research grants	994	1,207	579	1,000
Total State and Local Government financial assistance	3,064	3,947	2,649	3,740

Note 5. Fees and charges

Course fees and charges				
Fee-paying onshore overseas students	20,362	17,673	20,362	17,673
Fee-paying domestic postgraduate students	2,057	3,331	2,057	3,331
Fee-paying domestic undergraduate students	316	322	316	322
Fee-paying domestic non-award students	428	293	428	293
Other domestic course fees and charges	2,527	1,720	809	372
Total course fees and charges	25,690	23,339	23,972	21,991
Other non-course fees and charges				
Student services and amenities fees from students	512	504	512	504
Parking fees	425	435	425	436
Conference income	338	151	339	152
College residential rental	13,539	13,976	13,539	13,976
Other non course fees and charges	1,439	1,789	895	974
Total other fees and charges	16,253	16,855	15,710	16,042
Total fees and charges	41,943	40,194	39,682	38,033

Note 6. Investment revenue and other investment income

Investment revenue				
Interest income:				
Bank deposits	4,241	4,376	3,876	3,984
Other loans and receivables	63	108	35	108
Dividend from equity investments	1,568	427	533	16
Total investment revenue	5,872	4,911	4,444	4,108
Other investment income				
Other investment gains and losses:				
Cumulative gain/(loss) reclassified from equity on disposal of available-for-sale investments				
	-	74	-	-
Net gain/(loss) arising on financial assets designated at fair value through profit or loss				
	191	95	-	-
Total other investment income	191	169	-	-

Note 7. Royalties, trademarks and licences

Royalties, trademarks and licences	145	288	150	292
Total royalties, trademarks and licences	145	288	150	292

Note 8. Consultancy and contracts

Consultancy	4,000	2,295	797	362
Contract research	198	67	198	67
Total consultancy and contracts	4,198	2,362	995	429

Note	Consolidated		Parent entity	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Note 9. Other revenue and income				
Other revenue				
Donations and bequests	2,042	4,356	426	414
Non-government grants	7,913	5,947	7,947	5,947
Sundry trading income	20,076	19,490	6,363	6,036
Foreign exchange gains	-	3	-	3
Total other revenue	30,031	29,796	14,736	12,400
Other income				
Other income	137	267	2,312	2,794
Total other income	137	267	2,312	2,794
Total other revenue and income	30,168	30,063	17,048	15,194

Note 10. Employee related expenses

Academic				
Salaries	66,476	63,457	66,476	63,457
Contributions to superannuation and pension schemes				
Contributions to funded schemes	11,813	10,826	11,813	10,826
Payroll tax	4,772	4,458	4,772	4,458
Worker's compensation	240	287	240	287
Long service leave expense	2,057	2,018	2,057	2,018
Annual leave	4,816	5,195	4,816	5,195
Other	186	43	186	43
Total academic	90,360	86,284	90,360	86,284
Non-academic				
Salaries	70,585	69,596	60,857	60,631
Contributions to superannuation and pension schemes				
Contributions to funded schemes	12,000	11,175	11,051	10,289
Payroll tax	4,842	4,740	4,308	4,207
Worker's compensation	282	334	218	281
Long service leave expense	1,919	1,988	1,883	1,968
Annual leave	4,949	5,645	4,751	5,438
Other	1,273	965	1,228	945
Total non-academic	95,850	94,443	84,297	83,759
Total employee related expenses	186,210	180,727	174,657	170,043
Deferred superannuation expense	40	242	242	106
Total employee related expenses, including deferred government employee benefits for superannuation	186,452	180,833	174,899	170,149

Note 11. Depreciation and amortisation

Depreciation				
Buildings	12,235	11,499	12,154	11,416
Infrastructure	2,416	2,331	2,412	2,327
Plant and equipment	8,123	7,658	7,902	7,233
Total depreciation	22,774	21,488	22,468	20,976
Amortisation				
Leasehold improvements	73	75	-	-
Intangibles	310	271	83	83
Total amortisation	383	346	83	83
Total depreciation and amortisation	23,157	21,834	22,551	21,059

Note	Consolidated		Parent entity	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Note 12. Repairs and maintenance				
Buildings	1,843	1,613	1,843	1,608
Infrastructure	3,151	2,907	3,434	2,907
Plant, furniture and equipment	962	976	760	615
Grounds	279	404	279	346
Computer service costs	1,118	941	1,118	941
Total repairs and maintenance	7,353	6,841	7,434	6,417

Note 13. Borrowing costs

Interest expense	1,067	879	1,055	875
Total borrowing costs expensed	1,067	879	1,055	875

Note 14. Impairment of assets

Bad debts	226	357	188	278
Doubtful debts	79	230	70	198
Impairment of investments	362	7	-	10
Impairment of related party loans	-	-	1,900	-
Total impairment of assets	667	594	2,158	486

Note 15. Other expenses

Scholarships, grants and prizes	11,748	10,032	11,767	10,027
Non-capitalised equipment	2,885	2,283	2,865	2,082
Advertising, marketing and promotional expenses	14,577	12,255	14,381	12,100
Utilities	4,420	4,278	4,086	3,759
Consumables and materials	5,889	4,921	2,755	2,576
Telecommunications	1,296	1,646	843	1,175
Travel, entertainment and staff development	8,553	7,120	8,280	6,897
Books, serials and other library media	5,029	4,598	4,962	4,552
Printing and Stationery	1,566	1,342	1,530	1,321
Consultants and professional fees	15,147	14,607	11,723	11,744
External contributions	4,630	8,130	9,088	10,455
Catering services	2,208	2,161	2,186	2,201
Property and facilities	6,473	6,115	6,287	5,897
Foreign exchange loss	64	-	64	-
Information technology	8,214	8,981	8,210	8,949
Inter entity transfer	-	-	-	-
Miscellaneous expenses	9,386	6,103	8,005	5,246
Total other expenses	102,085	94,572	97,032	88,981

Note 16. Cash and cash equivalents

1(h)

Cash at bank and on hand	13,745	14,573	11,748	11,798
Short-term deposits at call	67,778	69,257	63,000	64,000
Total cash and cash equivalents	81,523	83,830	74,748	75,798

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

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

Balances as above	81,523	83,830	74,748	75,798
Less: Bank overdrafts	-	-	-	-
Balance per statement of cash flows	81,523	83,830	74,748	75,798

(b) Cash at bank and on hand

Cash on hand is non-interest bearing. Cash at bank earns floating interest rates being between 1.00% and 1.60% (2016: 1.00% and 1.85%).

Note	Consolidated		Parent entity	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000

Note 16. Cash and cash equivalents (continued)

(c) Deposits at call

The deposits are bearing floating interest rates between 2.40% and 2.65% (2016: 2.45% and 3.00%). These deposits have an average maturity date of 190 days (2016: 183 days).

Note 17. Receivables

Current

Trade and other debtors	1(i)	8,702	7,941	6,824	5,805
Less: Provision for impaired receivables		(1,588)	(1,494)	(1,509)	(1,439)
Total current receivables		7,114	6,447	5,315	4,366

Non-current

Other receivables		49	49	49	77
Deferred government benefit for superannuation	40	319,990	327,337	319,990	327,337
Total non-current receivables		320,039	327,386	320,039	327,414

Total receivables		327,153	333,833	325,354	331,780
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As of 31 December 2017, there were no amounts in current receivables that were taken up as past due but not impaired (2016: \$0.396m).

3 to 6 months		-	292	-	288
6 to 12 months		-	178	-	108
Over 12 months		-	-	-	-
Total past due but not impaired current receivables		-	470	-	396

(a) Impaired receivables

As at 31 December 2017 current receivables of the Group with a nominal value of \$1.588 million (2016: \$2.197 million) were impaired. The amount of the provision was \$1.58 million (2016: \$1.494 million). It was assessed that all receivables would be impaired. The impaired receivables for the parent entity in 2017 was \$1.509 million (2016: \$1.768 million).

The ageing of these receivables is as follows:

3 to 6 months		772	649	762	486
6 to 12 months		331	1,145	263	884
Over 12 months		485	403	484	398
Total current impaired receivables		1,588	2,197	1,509	1,768

Movements in the provision for impaired receivables are as follows:

As at 1 January		(1,494)	(1,263)	(1,439)	(1,242)
Provision for impairment recognised during the year		(716)	(1,254)	(654)	(1,137)
Receivables written off during the year as uncollectible		226	300	188	222
Unused amount reversed		396	723	396	718
At 31 December		(1,588)	(1,494)	(1,509)	(1,439)

The creation and release of the provision for impaired receivables has 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.

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

Note 18. Inventories

1(j)

Current

Fodder and produce		130	98	130	98
Other stocks		320	205	-	-
Total current inventories		450	303	130	98

	Note	Consolidated		Parent entity	
		2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Note 19. Other financial assets	1(i)				
Current					
Held-to-maturity		73,000	60,546	73,000	60,000
Total current other financial assets		73,000	60,546	73,000	60,000
Non-current					
Loans to related parties		-	-	1,900	1,000
Less: Provision for impairment loans to related parties		-	-	(1,900)	-
Held-to-maturity		4,691	3,891	-	-
Available for sale		35,580	29,029	17,130	13,962
Total non-current other financial assets		40,271	32,920	17,130	14,962
Note 20. Non-current assets classified as held for sale					
Available for sale investments		-	1,259	-	-
Total non-current assets classified as held for sale		-	1,259	-	-
Note 21. Other non-financial assets					
Current					
Accrued income		4,228	1,194	3,798	1,147
Prepaid expenses		4,512	4,628	4,501	4,589
Other non-financial assets		1,198	2,163	1,198	2,239
Total current other non-financial assets		9,938	7,985	9,497	7,974
Note 22. Biological assets					
Livestock		1,217	1,076	1,217	1,076
Total biological assets		1,217	1,076	1,217	1,076
Reconciliation of changes in the carrying amount of biological assets					
Livestock - Balance as at 1 January		1,076	927	1,076	927
Purchases		185	146	185	146
Natural increases		606	553	606	553
Sales		(650)	(552)	(650)	(552)
Increment/(decrement) in fair value of biological assets		-	2	-	2
Balance as at 31 December		1,217	1,076	1,217	1,076
Total biological assets		1,217	1,076	1,217	1,076

At 31 December 2017 livestock held for sale comprised 249 cattle and 7,416 sheep (2016: 233 cattle and 7,558 sheep).

Note 23. Property, plant and equipment

Consolidated	Infrastructure \$'000	Land \$'000	Buildings \$'000	Plant and equipment* \$'000	Leasehold improvements \$'000	Leased plant & equipment \$'000	Library rare books \$'000	Other** \$'000	Work in Progress \$'000	Total \$'000
At 1 January 2016										
- Cost	2,254	-	41,305	58,131	795	2,756	-	2,097	19,497	126,835
- Valuation	19,695	20,012	177,544	-	-	-	1,769	-	-	219,020
Accumulated depreciation and impairment	(417)	-	(1,886)	(30,709)	(565)	(2,756)	-	-	-	(36,333)
Net book amount	21,532	20,012	216,963	27,422	230	-	1,769	2,097	19,497	309,522
Year ended 31 December 2016										
Opening net book amount	21,532	20,012	216,963	27,422	230	-	1,769	2,097	19,497	309,522
Depreciation written back on disposal	-	-	-	1,338	-	-	-	-	-	1,338
Transfers	-	-	16,757	(210)	-	-	-	-	(17,224)	(677)
Derecognition	-	-	-	(164)	-	-	-	-	-	(164)
Disposals	-	-	-	(1,486)	-	-	-	-	-	(1,486)
Revaluation surplus	531	225	7,396	-	-	-	-	-	-	8,152
Additions	2,309	-	3,428	7,229	-	37	-	107	6,829	19,939
Impairment losses	-	-	-	-	-	-	-	-	-	-
Depreciation charge	(2,331)	-	(11,499)	(7,657)	(75)	(1)	-	-	-	(21,563)
Closing net book amount	22,041	20,237	233,045	26,472	155	36	1,769	2,204	9,102	315,061
At 31 December 2016										
- Cost	4,563	-	31,052	64,687	796	37	1,769	2,204	9,102	114,210
- Valuation	18,132	20,237	202,825	-	-	-	-	-	-	241,194
Accumulated depreciation and impairment	(653)	-	(832)	(38,216)	(641)	(1)	-	-	-	(40,343)
Net book amount	22,041	20,237	233,045	26,472	155	36	1,769	2,204	9,102	315,061

Note 23. Property, plant and equipment (continued)

Consolidated	Infrastructure \$'000	Land \$'000	Buildings \$'000	Plant and equipment* \$'000	Leasehold improvements \$'000	Leased plant & equipment \$'000	Library rare books \$'000	Other** \$'000	Work in Progress \$'000	Total \$'000
Year ended 31 December 2017										
Opening net book amount	22,041	20,237	233,045	26,472	155	36	1,769	2,204	9,102	315,061
Depreciation written back on disposal	-	-	14	911	-	-	-	-	-	925
Transfers	(1,712)	-	(557)	6,082	-	-	-	11	(3,824)	-
Derecognition	-	-	-	(2)	-	-	-	-	(120)	(122)
Disposals	-	-	(118)	(1,144)	-	-	-	-	-	(1,262)
Revaluation surplus	529	380	4,462	-	-	-	-	-	-	5,371
Additions	412	-	2	2,389	-	82	-	52	12,236	15,173
Donations	-	-	-	-	-	-	-	250	-	250
Impairment losses	-	-	-	-	-	-	-	-	-	-
Depreciation charge	(2,416)	-	(12,235)	(8,101)	(73)	(22)	-	-	-	(22,847)
Closing net book amount	18,854	20,617	224,613	26,607	82	96	1,769	2,517	17,394	312,549
At 31 December 2017										
- Cost	591	-	723	73,436	796	116	1,769	2,517	17,394	97,342
- Valuation	18,283	20,617	223,929	-	-	-	-	-	-	262,829
Accumulated depreciation and impairment	(20)	-	(39)	(46,829)	(714)	(20)	-	-	-	(47,622)
Net book amount	18,854	20,617	224,613	26,607	82	96	1,769	2,517	17,394	312,549

Note 23. Property, plant and equipment (continued)

Parent entity	Infrastructure \$'000	Land \$'000	Buildings \$'000	Plant and equipment* \$'000	Leased plant & equipment \$'000	Library rare books \$'000	Other** \$'000	Work in Progress \$'000	Total \$'000
At 1 January 2016									
- Cost	2,254	-	41,305	56,327	2,756	-	2,097	19,497	124,236
- Valuation	19,615	19,612	175,124	-	-	1,769	-	-	216,120
Accumulated depreciation and impairment	(413)	-	(1,803)	(29,839)	(2,756)	-	-	-	(34,811)
Net book amount	21,456	19,612	214,626	26,488	-	1,769	2,097	19,497	305,545
Year ended 31 December 2016									
Opening net book amount	21,456	19,612	214,626	26,488	-	1,769	2,097	19,497	305,545
Depreciation written back on disposal	-	-	-	1,291	-	-	-	-	1,291
Transfers	-	-	16,757	243	-	-	-	(17,224)	(224)
Derecognition	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	(1,486)	-	-	-	-	(1,486)
Revaluation surplus	527	225	7,258	-	-	-	-	-	8,010
Additions	2,309	-	3,428	6,511	-	-	107	6,829	19,184
Depreciation charge	(2,327)	-	(11,417)	(7,233)	-	-	-	-	(20,977)
Closing net book amount	21,965	19,837	230,652	25,814	-	1,769	2,204	9,102	311,343
At 31 December 2016									
- Cost	4,563	-	31,052	61,594	-	1,769	2,204	9,102	110,284
- Valuation	18,055	19,837	200,432	-	-	-	-	-	238,324
Accumulated depreciation and impairment	(653)	-	(832)	(35,780)	-	-	-	-	(37,265)
Net book amount	21,965	19,837	230,652	25,814	-	1,769	2,204	9,102	311,343

Note 23. Property, plant and equipment (continued)

Parent entity	Infrastructure \$'000	Land \$'000	Buildings \$'000	Plant and equipment \$'000	Leased plant & equipment \$'000	Library rare books \$'000	Other** \$'000	Work in Progress \$'000	Total \$'000
Year ended 31 December 2017									
Opening net book amount	21,965	19,837	230,652	25,814	-	1,769	2,204	9,102	311,343
Depreciation written back on disposal	-	-	14	910	-	-	-	-	924
Transfers	(1,712)	-	(557)	6,082	-	-	11	(3,824)	-
Derecognition	-	-	-	-	-	-	-	(120)	(120)
Disposals	-	-	(118)	(1,133)	-	-	-	-	(1,251)
Revaluation surplus	529	330	4,393	-	-	-	-	-	5,252
Additions	412	-	2	1,556	-	-	52	12,236	14,258
Donations	-	-	-	-	-	-	250	-	250
Impairment losses	-	-	-	-	-	-	-	-	-
Depreciation charge	(2,412)	-	(12,154)	(7,902)	-	-	-	-	(22,468)
Closing net book amount	18,782	20,167	222,232	25,327	-	1,769	2,517	17,394	308,188
At 31 December 2017									
- Cost	591	-	723	69,543	-	1,769	2,517	17,394	92,537
- Valuation	18,211	20,167	221,548	-	-	-	-	-	259,926
Accumulated depreciation and impairment	(20)	-	(39)	(44,216)	-	-	-	-	(44,275)
Net book amount	18,782	20,167	222,232	25,327	-	1,769	2,517	17,394	308,188

* Plant & equipment includes all operational assets.

** Other includes non-operational assets such as Museum & Collections and Artworks. A change in policy in 2015 has seen Museums and Artwork restated at cost and not valuation.

A valuation of land, buildings and infrastructure was conducted during 2017 by Global Valuations Pty Ltd and the valuation results are reflected in the above table.

Note	Software		Goodwill	Course		Total
	Development	Licences		Development		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Note 24. Intangible assets	1(q)					
Consolidated						
At 1 January 2016						
Cost	11,987	525	477	209		13,198
Accumulated amortisation and impairment	(11,431)	-	(86)	(140)		(11,657)
Net book amount	556	525	391	69		1,541
Year ended 31 December 2016						
Opening net book amount	556	525	391	69		1,541
Additions - internal development	112	-	-	641		753
Additions - Separately acquired	46	-	-	-		46
Disposals	(49)	-	-	-		(49)
Amortisation charge	(193)	-	(29)	(49)		(271)
Work in progress movement	-	-	-	(81)		(81)
Closing net book amount	472	525	362	580		1,939
At 31 December 2016						
Cost	11,992	525	1,269	650		14,436
Accumulated amortisation and impairment	(11,520)	-	(907)	(70)		(12,497)
Net book amount	472	525	362	580		1,939
Year ended 31 December 2017						
Opening net book amount	472	525	362	580		1,939
Additions - internal development	27	-	-	518		545
Additions - Separately acquired	4	-	-	-		4
Impairment losses	-	-	(362)	-		(362)
Amortisation charge	(174)	-	-	(137)		(311)
Work in progress movement	-	-	-	(184)		(184)
Closing net book amount	329	525	-	777		1,631
At 31 December 2017						
Cost	11,026	525	1,269	984		13,804
Accumulated amortisation and impairment	(10,697)	-	(1,269)	(207)		(12,173)
Net book amount	329	525	-	777		1,631

Note	Software		Total
	Development	Licences	
	\$'000	\$'000	\$'000
Intangible assets	1(q)		
Parent			
At 1 January 2016			
Cost	11,635	500	12,135
Accumulated amortisation and impairment	(11,299)	-	(11,299)
Net book amount	336	500	836
Year ended 31 December 2016			
Opening net book amount	336	500	836
Additions - internally developed	-	-	-
Disposals	-	-	-
Amortisation charge	(83)	-	(83)
Closing net book amount	253	500	753
At 31 December 2016			
Cost	11,635	500	12,135
Accumulated amortisation and impairment	(11,382)	-	(11,382)
Net book amount	253	500	753
Year ended 31 December 2017			
Opening net book amount	253	500	753
Additions	-	-	-
Disposals	-	-	-
Amortisation charge	(83)	-	(83)
Closing net book amount	170	500	670
At 31 December 2017			
Cost	10,718	500	11,218
Accumulated amortisation and impairment	(10,548)	-	(10,548)
Net book amount	170	500	670

	Note	Consolidated		Parent entity	
		2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Note 25. Trade and other payables					
Current					
Trade payables	1(r)	6,437	7,390	4,597	5,775
Refundable receipts		-	4	-	4
OS-HELP Liability to Australian Government		1,226	1,386	1,226	1,386
Total current trade and other payables		7,663	8,780	5,823	7,165

a) Foreign currency risk

The carrying amounts of the Group's and parent entity's trade and other payables are denominated in the following currencies:

Australian dollars	7,663	8,780	5,823	7,165
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For an analysis of the sensitivity of trade and other payables to foreign currency risk refer to note 38.

Note 26. Borrowings

Current					
Finance lease liabilities		27	7	-	-
Inter entity loan		-	-	-	-
Total current borrowings		27	7	-	-
Non-current					
Finance lease liabilities		77	29	-	-
Unsecured bank loans		20,000	20,000	20,000	20,000
Total non-current borrowings		20,077	20,029	20,000	20,000
Total borrowings		20,104	20,036	20,000	20,000

(a) Assets pledged as security

The Group and parent entity had no assets pledged as security in 2017.

(b) Financing arrangements

The University has a floating rate debt facility for \$20m with the National Australia Bank which is 100% swapped to fixed rate with a 5 year forward start interest rate swap. Both expire in 2019.

(c) Specify class of borrowings

The \$20m was fully utilised in 2015 to complete the construction of the student accommodation facility.

(d) Fair value

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

(e) Risk exposure

Information about the Group and the parent entity's exposure to interest changes and contractual repricing dates is provided in note 38.

Note 27. Provisions

1(u)

Current provisions expected to be settled within 12 months

Employee benefits					
Annual leave		10,455	10,237	9,972	9,750
Long service leave		3,426	3,312	3,330	3,191
Staffing		-	325	-	325
Other		3	4	-	-
Subtotal		13,884	13,878	13,302	13,266

Current provisions expected to be settled after more than 12 months

Employee benefits					
Annual leave		4,336	5,197	3,985	4,814
Long service leave		12,825	12,915	12,274	12,415
Subtotal		17,161	18,112	16,259	17,229
Total current provisions		31,045	31,990	29,561	30,495

	Note	Consolidated		Parent entity	
		2017	2016	2017	2016
		\$'000	\$'000	\$'000	\$'000
Note 27. Provisions (continued)	1(u)				
Non-current provisions					
Employee benefits					
Long service leave		5,615	5,382	5,432	5,229
Deferred government benefits for superannuation		321,339	328,385	321,339	328,385
Professorial superannuation		1,142	1,754	1,142	1,754
Total non-current provisions		328,096	335,521	327,913	335,368
Total provisions		359,141	367,511	357,474	365,863

Note 28. Other liabilities

Current

(i) Accrued liabilities

Salary related		4,280	4,524	4,241	4,396
Other accrued expenditure		2,574	1,832	5,323	1,909
		6,854	6,356	9,564	6,305

(ii) Monies received in advance

Australian Government unspent financial assistance		1,930	2,727	1,930	2,727
Fees in advance		7,966	7,660	6,728	6,274
		9,896	10,387	8,658	9,001

(iii) Trust funds

Security deposits		34	25	34	25
Employee deduction clearing accounts		774	687	774	687
Associated entities		36	11	36	11
Other		174	172	174	172
		1,018	895	1,018	895

Total current other liabilities

		17,768	17,638	19,240	16,201
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Non Current

Fees in advance		99	-	99	-
Other non-current liabilities		-	77	-	77
Total non current other liabilities		99	77	99	77

Total other liabilities

		17,867	17,715	19,339	16,278
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Note 29. Reserves and retained earnings

(a) Reserves

Revaluation reserve - investments		17,536	14,025	17,072	13,905
Revaluation reserve - buildings		59,399	56,808	58,374	55,853
Revaluation reserve - land		12,266	11,886	11,896	11,566
Revaluation reserve - infrastructure		12,669	12,140	12,636	12,107
Total reserves		101,870	94,859	99,978	93,431

Movements

Asset revaluation reserve - investments					
Balance 1 January		14,025	9,859	13,904	9,730
Transfer from reserves		2	-	-	-
Increment/(decrement) on revaluation		3,509	4,166	3,168	4,174
Balance 31 December		17,536	14,025	17,072	13,904
Asset revaluation reserve - buildings					
Balance 1 January		56,808	49,415	55,853	48,598
Increment/(decrement) on revaluation		4,463	7,396	4,393	7,258
Transfer to/(from) retained earnings on disposal		(1,872)	(3)	(1,872)	(3)
Balance 31 December		59,399	56,808	58,374	55,853

Note	Consolidated		Parent entity	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000

Note 29. Reserves and retained earnings (continued)

(a) Reserves (continued)

Movements (continued)

Asset revaluation reserve - land				
Balance 1 January	11,885	11,661	11,566	11,342
Increment/(decrement) on revaluation	381	224	330	224
Balance 31 December	12,266	11,885	11,896	11,566

Asset revaluation reserve - infrastructure				
Balance 1 January	12,140	11,608	12,107	11,579
Increment/(decrement) on revaluation	529	532	529	528
Balance 31 December	12,669	12,140	12,636	12,107

(b) Retained earnings

Movements in retained earnings were as follows:

Retained earnings at 1 January	329,850	317,372	301,046	291,354
Actuarial changes for defined benefit superannuation schemes	76	(595)	76	(595)
Other	(1)	(131)	(1)	(225)
Transfer to\ retained earnings on disposal of revalued assets	1,872	3	1,872	3
Net result for the year	9,289	13,201	4,326	10,509
Retained earnings at 31 December	341,086	329,850	307,319	301,046

(c) Nature and purpose of reserves

(i) Asset revaluation reserve - land, buildings and infrastructure

The reserve reflects the difference between the valuation assessment amount and the carrying cost. It records increments and decrements on the revaluation of non-current assets, as described in accounting policy note 1(o).

(ii) Asset revaluation reserve - investments

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

Note 30. Key management personnel disclosures

(a) Names of responsible persons

A list of the Members of the University Council are included in the University's Annual Report.

(b) Names of executive officers

The following persons also had authority and responsibility for planning, directing and controlling the activities of the University of New England during the financial year.

Professor Annabelle Duncan	Professor Peter Creamer
Professor Joyce Kirk (until 31 December 2017)	Mr Kris Kauffmann
Professor Jonathan Powles (from 5 June 2017)	Mr Brendan Peet
Professor Heiko Daniel	Professor Sue Thomas (until 12 June 2017)
Professor Mingan Choct (from 13 November 2017)	Mr Trevor Goldstone (until 6 November 2017)

Note	Consolidated		Parent entity	
	2017	2016	2017	2016

(c) Remuneration of Council Members and Executives

i) Remuneration of council members

	Number	Number	Number	Number
Nil to \$9,999	27	25	4	4
\$10,000 to \$19,999	9	8	9	8
\$20,000 to \$29,999	1	1	1	1
\$30,000 to \$39,999	1	1	1	1
	38	35	15	14

Members of staff serving as Members of Council receiving remuneration as per their employment conditions are excluded.

Note 30. Key management personnel disclosures (continued)

	Note	Consolidated		Parent entity	
		2017	2016	2017	2016
(c) Remuneration of Council Members and Executives (continued)					
ii) Remuneration of executive officers					
		Number	Number	Number	Number
\$130,000 to \$139,999		2	1	-	-
\$150,000 to \$159,999		-	2	-	1
\$160,000 to \$169,999		-	1	-	-
\$170,000 to \$179,999		1	-	1	-
\$180,000 to \$189,999		-	1	-	-
\$200,000 to \$209,999		1	1	-	-
\$230,000 to \$239,999		1	1	-	1
\$240,000 to \$249,999		1	-	1	-
\$260,000 to \$269,999		1	-	1	-
\$270,000 to \$279,999		1	-	1	-
\$300,000 to \$309,999		1	3	1	3
\$310,000 to \$319,999		2	1	2	1
\$320,000 to \$329,999		1	-	1	-
\$450,000 to \$459,999		-	1	-	1
\$720,000 to \$729,999		-	1	-	1
\$730,000 to \$739,999		1	-	1	-
		<u>13</u>	<u>13</u>	<u>9</u>	<u>8</u>
(d) Key management personnel compensation					
		\$'000	\$'000	\$'000	\$'000
Short-term employee benefits		3,705	4,033	2,603	2,648
Post-employment benefits		393	370	376	349
Termination benefits		-	-	-	-
Total key management personnel compensation		<u>4,098</u>	<u>4,403</u>	<u>2,979</u>	<u>2,997</u>

(e) Loans to key management personnel

The University has not made any loans to key management personnel.

Note 31. Remuneration of auditors

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

Audit the Financial Statements

Fees paid to the Audit Office of NSW	<u>387</u>	<u>374</u>	<u>271</u>	<u>262</u>
Total paid for audit services	<u>387</u>	<u>374</u>	<u>271</u>	<u>262</u>

Other audit and assurance services

The Institute of Internal Auditors	<u>10</u>	<u>-</u>	<u>10</u>	<u>-</u>
Total paid for audit and assurance services	<u>10</u>	<u>-</u>	<u>10</u>	<u>-</u>

Total audit fees	<u><u>397</u></u>	<u><u>374</u></u>	<u><u>281</u></u>	<u><u>262</u></u>
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Note 32. Contingencies

As at 31 December 2017 there are no legal proceedings pending against the University that would represent a material contingent liability.

Note	Consolidated		Parent entity	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000

Note 33. Commitments

(a) Capital commitments

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

Property, plant and equipment

Within one year	5,852	6,241	5,852	6,241
Between one and five years	44	-	44	-
Later than five years	-	-	-	-
Total Property, plant and equipment commitments	5,896	6,241	5,896	6,241

(b) Lease commitments

(i) Operating leases

Operating leases for multi-functional devices and property contracted for at the reporting date but not recognised as liabilities is as follows:

Within one year	1,115	1,247	961	1,047
Between one and five years	1,289	2,219	1,192	1,982
Later than five years	-	-	132	-
Total operating leases	2,404	3,466	2,285	3,029

(ii) Finance Leases

Commitments in relation to finance leases are payable as follows:

Within one year	27	7	-	-
Between one and five years	70	29	-	-
Later than five years	-	-	-	-
Total finance leases	97	36	-	-
Total lease commitments	2,501	3,502	2,285	3,029

No lease arrangement existing as at 31 December 2017 contain contingent rental payments, purchase options, escalation clauses or restrictions imposed by lease arrangements including dividends, additional debt or further leasing.

Note 34. Related parties

(a) Parent entities

The ultimate parent entity within the Group is the University of New England.

(b) Subsidiaries

Interest in subsidiaries are set out in note 35.

(c) Key management personnel

Disclosures relating to directors and specified executives are set out in note 30.

	Note	Parent entity	
		2017	2016
		\$'000	\$'000

(d) Transactions with related parties

The following transactions occurred with related parties:

Sale of goods and services		3,130	2,347
Purchase of goods and services		856	772
Contributions to related parties		4,202	2,128
Total		8,188	5,247

Note	Parent entity	
	2017	2016
	\$'000	\$'000

Note 34. Related parties (continued)

(e) Loans to related parties

Loans to subsidiaries		
Beginning of the year	1,028	-
Loans advanced	900	1,000
Loan repayment received	-	-
Impairment of loan	(1,900)	-
Interest charged	-	28
Interest written off	(28)	-
End of year	-	1,028

(f) Outstanding balances

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

Current receivables		
Subsidiaries (sale of goods)	455	188
Total current receivables	455	188
Non-current receivables		
Subsidiaries (loans to related parties)	1,900	1,000
Subsidiaries (provision for impairment of loans to related parties)	(1,900)	-
Total non-current receivables	-	1,000
Current payables		
Subsidiaries (purchases of goods)	5	-
Subsidiaries (contributions)	3,070	-
Total current payables	3,075	-

(g) Terms and conditions of outstanding balances

A loan to a related party was impaired by the parent entity in 2017. The loan remained as a payable in the related party financial statements.

No provisions for doubtful debts have been raised in relation to any outstanding balances.

(h) Guarantees

In a letter of comfort to the controlled entities, the University of New England has undertaken to support the controlled entities to ensure they can operate as a going concern.

Note 35. Subsidiaries

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

Name of entity	Principal place of business	Ownership interest	
		2017 %	2016 %
UNE Partnerships Pty Ltd	Armidale, NSW	100	100
Agricultural Business Research Institute	Armidale, NSW	100	100
UNE Life Pty Ltd	Armidale, NSW	100	100
UNE Foundation Ltd as Trustee for UNE Foundation	Armidale, NSW	100	100
Sport UNE for 2016	Armidale, NSW	-	100

Sport UNE ceased trading on 30 November 2016 and all operations after that date were conducted by UNE Life Pty Ltd.

Note 36. Reconciliation of net result after income tax to net cash provided by / (used in) operating activities

	Consolidated		Parent entity	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Net result for the period	9,289	13,201	4,326	10,509
Depreciation and amortisation	23,158	21,383	22,551	21,059
Impairment of assets	362	56	-	10
Provision for impaired receivables	100	229	70	197
Provision for impaired related party loans	-	-	1,900	-
Actuarial gain / (loss) on deferred superannuation	76	(595)	76	(595)
Capitalisation and reinvestment of dividend	(1,027)	(352)	-	-
Gain on transfer	-	(74)	-	-
Gain/(loss) on revaluation of investments	(198)	-	-	-
Non-cash items other (income) / expenditure	(250)	-	(250)	-
Loss / (gain) on asset derecognition	-	(294)	-	-
Net (gain) / loss on disposal of non-current assets	321	(227)	318	(89)
Increase / (decrease) in payables and prepaid income	1,050	2,917	963	1,690
Increase / (decrease) in provision for employee entitlements	(8,434)	(16,299)	(8,389)	(16,140)
Increase / (decrease) in other provisions	-	15	-	-
Increase / (decrease) in trust funds	613	(322)	613	(322)
(Increase) / decrease in receivables and prepaid expenses	1,982	19,795	4,833	19,281
(Increase) / decrease in inventories	(148)	40	(32)	34
Net cash provided by / (used in) operating activities	26,894	39,473	26,979	35,634

Note 37. Events occurring after the end of the reporting period

As at 31 March 2018, the University will relinquish management of the Newling Campus in Armidale back to the NSW State Government. The University will write-off property assets with a written down value of approximately \$8.8 million in the year ending 31 December 2018 due to the relinquishment of the control of these assets.

Note 38. Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks and ageing analysis for credit risk.

The economic entity's accounting policies, including the terms and conditions of each class of financial asset and financial liability, both recognised and unrecognised at balance date, are as follows:

Terms and conditions

Recognised Financial Instruments	Balance Sheet Note	Accounting Policies	Terms and Conditions
Financial assets			
Receivables	17	Receivables are carried at nominal amounts due less any provision for impairment.	Accounts receivable credit terms are 30 days.
Deposits at call	16	Term deposits are stated at cost.	Bank call deposit interest rate is determined by the official money market.
Term deposits	16	Term deposits are stated at cost.	Term deposits are for a period of up to one year. Interest rates are between 2.40 % and 3.00%. Average maturity of 189 days.
Listed shares	19	Available-for-sale financial assets carried at bid price.	
Unlisted shares	19	These are carried at fair value.	
Financial liabilities			
Borrowings	26	Borrowings are initially recognised at fair value net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. In 2015 UNE entered into a 5 year forward start interest rate swap to hedge against the fluctuations in future interest payments on a \$20m loan which expires in 2019.	
Finance leasing	26	The lease liability is accounted for in accordance with AASB 117.	
Creditors and accruals	25 & 28(i)	Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not invoiced to the economic entity.	Creditors are normally settled on 30 day terms.

(a) Market risk

(i) Foreign exchange risk

Foreign exchange risk arises when future commercial transactions and recognised financial assets and financial liabilities are denominated in a currency that is not the Group functional currency.

The Group undertakes certain transactions denominated in foreign currencies. These transactions expose the Group to exchange rate fluctuations. To minimise the risk, the Group recognises all transactions, assets and liabilities in Australian dollars only. Foreign currency deposits are recorded at cost and revalued at balance date.

(ii) Price risk

Price risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market prices. To manage the price risk arising from investments in equity securities, the Group diversifies its portfolio. For the parent entity, diversification of the portfolio is done in accordance with the limits set by the University Finance Committee.

(iii) Cash flow and fair value interest rate risk

The Group invests in term deposits with various financial institutions and is exposed to interest rate risk arising from normal interest rate variations.

The Group's interest rate risk arises primarily from investments in long term interest bearing financial instruments due to the potential fluctuation in interest rates. In order to minimise exposure to this risk, the Group invests in a range of financial instruments with varying degrees of potential returns.

Note 38. Financial risk management (continued)

(iv) Summarised sensitivity analysis

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

31 December 2017	Carrying amount \$'000	Interest rate risk				Foreign exchange risk				Other price risk			
		-1%		+1%		-10%		+10%		-1%		+1%	
		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 and on hand	13,745	(137)	(137)	137	137	-	-	-	-	-	-	-	-
Short term deposits - at call	67,778	(678)	(678)	678	678	-	-	-	-	-	-	-	-
Receivables	7,114	-	-	-	-	-	-	-	-	-	-	-	-
Held-to-maturity - current	73,000	(730)	(730)	730	730	-	-	-	-	-	-	-	-
Held-to-maturity - non-current	4,691	(47)	(47)	47	47	-	-	-	-	-	-	-	-
Listed shares	35,580	-	-	-	-	-	-	-	-	(356)	(356)	356	356
Unlisted shares	-	-	-	-	-	-	-	-	-	-	-	-	-
Financial liabilities													
Payables	7,663	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings	20,077	-	-	-	-	-	-	-	-	-	-	-	-
Other liabilities	7,871	-	-	-	-	-	-	-	-	-	-	-	-
Total increase / (decrease)	-	(1,592)	(1,592)	1,592	1,592	-	-	-	-	(356)	(356)	356	356

Comparative figures for the previous year are as follows:

31 December 2016	Carrying amount \$'000	Interest rate risk				Foreign exchange risk				Other price risk			
		-1%		+1%		-10%		+10%		-1%		+1%	
		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 and on hand	14,573	(146)	(146)	146	146	-	-	-	-	-	-	-	-
Short term deposits - at call	69,257	(693)	(693)	693	693	-	-	-	-	-	-	-	-
Receivables	6,447	-	-	-	-	-	-	-	-	-	-	-	-
Held-to-maturity - current	60,546	(605)	(605)	605	605	-	-	-	-	-	-	-	-
Held-to-maturity - non-current	3,891	(39)	(39)	39	39	-	-	-	-	-	-	-	-
Listed shares	29,029	-	-	-	-	-	-	-	-	(290)	(290)	290	290
Unlisted shares	-	-	-	-	-	-	-	-	-	-	-	-	-
Financial liabilities													
Payables	8,780	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings	20,029	-	-	-	-	-	-	-	-	-	-	-	-
Other liabilities	7,251	-	-	-	-	-	-	-	-	-	-	-	-
Total increase / (decrease)	-	(1,483)	(1,483)	1,483	1,483	-	-	-	-	(290)	(290)	290	290

Note 38. Financial risk management (continued)

(b) Credit Risk

Credit risk is the risk of financial loss arising from another party to a contract or financial position failing to discharge a financial obligation there under. The Group's maximum exposure to credit rate risk is represented by the carrying amounts of the financial assets included in the consolidated statement of financial position.

For the parent entity, the only material exposure exists in related entity debtors.

For the controlled entities, no material exposure exists to any individual creditor or class of financial asset.

(c) Liquidity risk

Liquidity risk refers to the risk that, as a result of operational liquidity requirements, the Group:

- will not have sufficient funds to settle a transaction on the due date,
- will be forced to sell financial assets at a value which is less than their worth, or
- may be unable to settle or recover a financial asset at all.

For the parent entity, the Finance Committee monitors the actual and forecast cash flow of the University on a regular basis ensuring sufficient cash reserves are held to meet the ongoing operations and obligations of the University as they fall due.

The following tables summarise the maturity of the Group's financial assets and financial liabilities:

31 December 2017	Average interest rate %	Variable interest rate \$'000	Less than 1 year \$'000	1 to 5 years \$'000	5+ years \$'000	Non-interest Bearing \$'000	Total \$'000
Financial assets							
Cash at bank and on hand	1.30%	13,745	-	-	-	-	13,745
Short term deposits - at call	2.50%	-	67,778	-	-	-	67,778
Receivables	-	-	-	-	-	7,114	7,114
Held-to-maturity - current	2.48%	-	73,000	-	-	-	73,000
Held-to-maturity - non-current	-	-	-	4,691	-	-	4,691
Listed shares	-	-	-	-	-	35,580	35,580
Unlisted shares	-	-	-	-	-	-	-
Total financial assets		13,745	140,778	4,691	-	42,694	201,908
Financial liabilities							
Payables	-	-	-	-	-	7,663	7,663
Borrowings	-	-	-	20,077	-	-	20,077
Other liabilities	-	-	-	-	-	7,871	7,871
Total financial liabilities		-	-	20,077	-	15,534	35,611

Comparative figures for the previous year are as follows:

31 December 2016	Average interest rate %	Variable interest rate \$'000	Less than 1 year \$'000	1 to 5 years \$'000	5+ years \$'000	Non-interest Bearing \$'000	Total \$'000
Financial assets							
Cash at bank and on hand	1.24%	14,573	-	-	-	-	14,573
Short term deposits - at call	2.75%	-	69,257	-	-	-	69,257
Receivables	-	-	-	-	-	6,447	6,447
Held-to-maturity - current	2.67%	-	60,546	-	-	-	60,546
Held-to-maturity - non-current	-	-	-	3,891	-	-	3,891
Listed shares	-	-	-	-	-	29,029	29,029
Unlisted shares	-	-	-	-	-	-	-
Total financial assets		14,573	129,803	3,891	-	35,476	183,743
Financial liabilities							
Payables	-	-	-	-	-	8,780	8,780
Borrowings	-	-	-	20,029	-	-	20,029
Other liabilities	-	-	-	-	-	7,251	7,251
Total financial liabilities		-	-	20,029	-	16,031	36,060

Note 39. Fair Value Measurements

(a) Fair value measurements

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

Due to the short-term nature of the current receivables, their carrying value approximates their fair value and based on credit history it is expected that the receivables that are neither past due nor impaired will be received when due.

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

Consolidated	Notes	Carrying amount		Fair value	
		2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Financial assets					
<i>Other financial assets</i>					
Held-to-maturity	19	77,691	64,437	77,691	64,437
Available for sale	19	35,580	29,029	35,580	29,029
Total financial assets		113,271	93,466	113,271	93,466
Non-financial assets					
Non-current assets held for sale	20	-	1,259	-	1,259
<i>Other non-financial assets</i>					
Accrued income	21	4,228	1,194	4,228	1,194
Prepaid expenses	21	4,512	4,628	4,512	4,628
Other non-financial assets	21	1,198	2,163	1,198	2,163
Total non-financial assets		9,938	9,244	9,938	9,244
Financial liabilities					
Payables	25	7,663	8,780	7,663	8,780
Borrowings	26	20,104	20,029	20,104	20,029
Total financial liabilities		27,767	28,809	27,767	28,809

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
- Available-for-sale financial assets
- Land and buildings
- Infrastructure

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

Fair value measurement of non-financial assets is based on highest and best use of the asset. The Group considers market participants use of or purchase price of the asset to use it in a manner that would be highest and best use.

(i) Disclosed fair values

The Group has a number of assets and liabilities which are not measured at fair value, but for which the fair values are disclosed in the notes.

The fair value of assets or liabilities traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices for identical assets or liabilities at the end of the reporting period (level 1). This is the most representative of fair value in the circumstances.

The carrying value less impairment provision of trade receivables and payables is a reasonable approximation of their fair values due to the short-term nature of trade receivables. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments (level 3).

The fair value of non-current borrowings disclosed in note 26 is estimated by discounting the future contractual cash flows at the current market interest rates that are available to the Group for similar financial instruments.

The fair value of current borrowings approximates the carrying amount, as the impact of discounting is not significant (level 2).

Derivative contracts classified as held for trading are fair valued by comparing the contracted rate to the current market rate for a contract with the same remaining period to maturity.

Note 39. 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 measurement:

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities,

Level 2 - inputs other than quoted prices 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 2017:

Fair value measurements at 31 December 2017

Recurring fair value measurements	Note	Consolidated			
		2017	Level 1	Level 2	Level 3
Financial assets		\$'000	\$'000	\$'000	\$'000
Available-for-sale financial assets					
Equity securities		35,580	35,580	-	-
Other financial assets					
Held-to-maturity - current		73,000	73,000	-	-
Held-to-maturity - non-current		4,691	4,691	-	-
Total financial assets		113,271	113,271	-	-

Fair value measurements at 31 December 2017

Recurring fair value measurements	Note	Consolidated			
		2017	Level 1	Level 2	Level 3
Non-financial assets		\$'000	\$'000	\$'000	\$'000
Land		20,617	-	20,617	-
Buildings		224,613	-	31,882	192,731
Infrastructure		18,854	-	2,081	16,773
Total non-financial assets		264,084	-	54,580	209,504
Financial liabilities					
Payables		7,663	-	7,663	-
Borrowings		20,077	-	20,077	-
Total liabilities		27,740	-	27,740	-

Fair value measurements at 31 December 2016

Recurring fair value measurements	Consolidated			
	2016	Level 1	Level 2	Level 3
Financial assets	\$000	\$000	\$000	\$000
Available-for-sale financial assets				
Equity securities	29,029	29,029	-	-
Other financial assets				
Held-to-maturity - current	60,546	60,546	-	-
Held-to-maturity - non-current	3,891	3,891	-	-
Total financial assets	93,466	93,466	-	-
Non-financial assets				
Land	20,237	-	20,237	-
Buildings	233,044	-	34,003	199,041
Infrastructure	22,042	-	2,775	19,267
Total non-financial assets	275,323	-	57,015	218,308
Financial liabilities				
Payables	8,780	-	8,780	-
Borrowings	20,029	-	20,029	-
Total financial liabilities	28,809	-	28,809	-

There were no transfers between levels 1 and 2 for recurring fair value measurements during the year. For details of transfers in and out of level 3 measurements, see (d) below.

During 2017, a revaluation was conducted on the Group's land, buildings and infrastructure assets. Consistent with previous valuations, these asset classes are recorded as level 2 and level 3 assets.

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

Note 39. 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) is determined using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

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 unlisted equity securities.

The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance 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 as the present value of the estimated future cash flows based on observable yield curves,
- the fair value of forward foreign exchange contracts is determined using forward exchange rates at the end of the reporting period, and
- other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

The independent valuer has assessed the assets based on observable market transactions or market information when available (Sales Comparison Approach and Income Capitalisation Approach). These items are generally the 'Off Campus' land and building assets which have established and relatively liquid markets. These are referred to as Level 2 inputs.

For the building and infrastructure assets, market information is not observable, and other valuation techniques (DRC) that maximise the use of relevant observable inputs and minimises the use of unobservable inputs were utilised. These are referred to as Level 3 inputs.

(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 2017 and 2016:

Level 3 fair value measurements 2017	Unlisted equity securities \$000	Buildings \$000	Other financial assets \$000	Infrastructure \$000	Financial liabilities \$000	Total \$000
Opening balance	-	199,041	-	19,266	-	218,307
Acquisitions	-	(555)	-	(1,300)	-	(1,855)
Depreciation written back on disposal	-	14	-	-	-	14
Revaluation surplus	-	4,650	-	883	-	5,533
Disposals	-	(12)	-	-	-	(12)
Recognised in profit or loss	-	(10,408)	-	(2,075)	-	(12,483)
Recognised in other comprehensive income	-	-	-	-	-	-
Closing balance	-	192,730	-	16,774	-	209,504
Level 3 fair value measurements 2016						
Opening balance	-	183,027	1	18,536	-	201,565
Acquisitions	-	20,152	-	2,309	-	22,461
Impaired assets disposed	-	-	(1)	-	-	(1)
Total gains / (losses)	-	5,639	-	461	-	6,100
Recognised in profit or loss	-	(9,777)	-	(2,040)	-	(11,817)
Recognised in other comprehensive income	-	-	-	-	-	-
Closing balance	-	199,041	-	19,266	-	218,307

Note 39. Fair Value Measurements (continued)

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

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

There have been no transfers between level 2 and 3 during 2017. Works of art and museums were restated at cost not valuation in 2015.

(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	Fair value at 31 Dec 2017 \$000	Unobservable inputs	Range of inputs	Relationship of unobservable inputs to fair value
Land	20,617	Global Valuations	+-5%	Increase in value of land by 5% would increase value by \$1 million. Decrease in value of land by 5% would decrease value by \$1 million. Increase in replacement cost of buildings by 5% would increase value by \$11.2 million. Decrease in replacement cost of buildings by 5% would decrease value by \$11.2 million. Increase in replacement cost of infrastructure by 5% would increase value by \$0.9 million. Decrease in replacement cost of infrastructure by 5% would decrease value by \$0.9 million.
Buildings	223,929	Global Valuations	+-5%	
Infrastructure	18,283	Global Valuations	+-5%	
Buildings	684	Value of transfers from WIP	n/a	
Infrastructure	571	Value of additions from WIP	n/a	

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

(iii) Valuation processes

In assessing fair value, Global Valuations has determined current replacement cost of the assets based on actual costs for similar assets for the Group and similar organisations. This includes references to Global Valuations database of construction cost and other databases such as the Rawlinsons Construction Handbook.

Note 40. Defined Benefit Plans

a) Fund specific disclosure

Most employees are entitled to benefits from superannuation plans on retirement, disability or death. Superannuation plans have 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 pooled fund holds in trust the investments of the closed NSW public sector superannuation schemes:

State Authorities Superannuation Scheme (SASS),
State Authorities Non-contributory Superannuation (SANCS), and
State Superannuation Scheme (SSS).

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. Actuarial gains and losses are recognised immediately in profit and loss in the year in which they occur.

These schemes are closed to new members.

Professional superannuation scheme

The fund is closed to new members and provides active members with a combination of accumulation benefits and defined benefits. Pensioner members receive pension payments from the fund.

The defined benefits section of the fund provides members with an optional Voluntary Spouse Pension (VSP) that allows members to provide an income benefit to their spouse in the event of their death, funded by the member and the University; an optional Additional Contributory Pension (ACP) payable from age 60, funded by the member and the University; and an unfunded Non-Contributory Pension (NCP) payable from age 60.

Previously the benefits provided under the defined benefit section were substantially unfunded with pension payments met by the University on a "pay-as-you-go" basis (except as described above). However, in 2006 the University commenced funding the unfunded NCP payable from age 60. This is in addition to previous funding arrangements in relation to the VSP and ACP benefits provided to some members.

Benefits under the accumulation section of the fund are provided through endowment assurance policies effected with life assurance companies and managed fund accounts maintained with investment managers. These benefits are fully funded by contributions from fund members and the University.

The University made a contribution of \$0.471 million in 2017, (2016: \$0.457million) to the defined benefit plan during the year.

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

	Less than 1 year \$'000	Between 1 and 2 years \$'000	Between 2 and 5 years \$'000	Over 5 years \$'000	Total \$'000
Defined benefit obligation - 31 Dec 2017	20,324	20,270	60,250	304,474	405,318
Defined benefit obligation - 31 Dec 2016	20,978	20,666	62,120	340,014	443,778

b) Categories of plan assets

For the closed NSW Public Sector Superannuation Schemes pooled fund assets are invested by SAS Trustee Corporation (STC) at arms length through independent fund managers, assets are not separately invested for each entity and it is not possible or appropriate to disaggregate and attribute fund assets to individual entities. As such, the disclosures below relate to total assets of the Pooled Fund.

As at 30 November 2017

	Quoted prices in active markets for identical assets		Significant observable inputs	Unobservable inputs
	Total (A\$'000)	Level 1 (A\$'000)	Level 2 (A\$'000)	Level 3 (A\$'000)
Short term securities	3,882,212	1,859,162	2,023,050	-
Australian fixed interest	2,824,790	21,937	2,802,853	-
International fixed interest	1,477,710	9,233	1,468,477	-
Australian equities	9,183,595	8,739,598	443,972	25
International equities	12,135,582	9,159,066	2,975,726	790
Property	3,551,499	867,863	606,475	2,077,161
Alternatives	7,926,781	391,892	3,611,120	3,923,769
Total	40,982,169	21,048,751	13,931,673	6,001,745

* Actual asset allocation as at 31 December 2017 is not yet available, the latest available as at 30 November 2017 has been used.

As at 30 November 2016

	Quoted price in active markets for identical assets		Significant observable inputs	Unobservable inputs
	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Short term securities	2,229,551	1,900,292	329,259	-
Australian fixed interest	2,166,439	(22,099)	2,188,538	-
International fixed interest	734,274	28	734,246	-
Australian equities	9,637,533	9,158,485	479,024	24
International equities	12,111,060	8,529,666	2,556,169	1,025,225
Property	3,517,903	926,206	592,386	1,999,311
Alternatives	8,600,716	347,149	4,487,130	3,766,437
Total	38,997,476	20,839,727	11,366,752	6,790,997

Level 1 - quoted prices in active markets for identical assets or liabilities. The assets in this level are listed shares; listed unit trusts.

Level 2 - inputs other than quoted prices observable for the asset or liability either directly or indirectly. The assets in this level are cash; notes; government, semi-government and corporate bonds; unlisted trusts where quoted prices are available in active markets for identical assets and liabilities.

Level 3 - inputs for the asset or liability that are not based on observable market data. The assets in this level are unlisted property; unlisted shares; unlisted infrastructure;

Note 40. Defined Benefit Plans (continued)

b) Categories of plan assets (continued)

Derivatives, including futures and options, can be used by investment managers. However, each manager's investment mandate clearly states that derivatives may only be used to facilitate efficient cashflow management or to hedge the portfolio against market movements and cannot be used for speculative purposes or gearing of the investment portfolio. As such managers make limited use of derivatives.

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

	2017 (%)	2016 (%)
State schemes (SASS, SANCS, SSS)		
Discount rate(s)		
Expected return on plan assets	7.4	6.4
Expected rate(s) of salary increase	2.7% to 30 June 2019 then 3.2% pa thereafter	2.7% to 30 June 2019 then 3.2% thereafter
Expected return on reimbursement rights	6.4	7.4
Rate of CPI Increase	2.2	2.2
Professorial Superannuation Fund		
Discount rate(s) (gross of tax)	2.3	2.3
Discount rate(s) (net of tax)	n/a	n/a
Expected return on fund assets	2.3	2.3
Expected rate(s) of salary increase	3.0	3.0

c) Actuarial assumptions and sensitivity

The sensitivity of the defined benefit obligation to changes in the significant assumptions is:

Impact on defined benefit obligation

	Base case	Scenario A -1.0% discount rate	Scenario B +1.0% discount rate
Discount rate	2.78%	1.78%	3.78%
Rate of CPI increase	as above	as above	as above
Salary inflation rate	as above	as above	as above
Defined benefit obligation (A\$)	355,347,847	395,431,153	321,699,238
	Base case	Scenario C +0.5% rate of CPI increase	Scenario D -0.5% rate of CPI increase
Discount rate	as above	as above	as above
Rate of CPI increase	as above	above rates plus 0.5% pa	above rates less 0.5% pa
Salary inflation rate	as above	as above	as above
Defined benefit obligation (A\$)	355,347,847	374,873,891	337,319,976
	Base case	Scenario E +0.5% salary increase rate	Scenario F -0.5% salary increase rate
Discount rate	as above	as above	as above
Rate of CPI increase	as above	as above	as above
Salary inflation rate	as above	above rates plus 0.5% pa	above rates less 0.5% pa
Defined benefit obligation (A\$)	355,347,847	356,127,170	354,601,686
	Base case	Scenario G lower mortality*	Scenario H higher mortality**
Defined benefit obligation (A\$)	355,347,847	359,526,683	351,485,654

* Assumes the short term pensioner mortality improvement factors for years 2016-2021 also apply for years after 2021.

** Assumes the long term pensioner mortality improvement factors for years post 2021 also apply for years 2016 to 2021.

The defined benefit obligation has been recalculated by changing the assumptions as outlined above, whilst retaining all other assumptions.

The methods and types of assumptions used in the preparation of the sensitivity analysis did not change compared to the prior period.

31 December 2017	
Discount rate	2.65%
Salary increase rate (exclude promotional increases)	2.50% 2017/2018 and 2018/2019; 3.50% 2019/2020 and 2020/2021; 3.00% pa 2021/2022 to 2025/2026; 3.50% pa thereafter
Rate of CPI increase	2.25% 2017/2018 to 2019/2020; 2.50% pa thereafter
Pensioner mortality	The pensioner mortality assumptions are as per the 2015 Actuarial Investigation of the Pooled Fund. These assumptions are disclosed in the actuarial investigation report available from the trustee's website. The report shows the pension mortality rates for each age.

Note 40. Defined Benefit Plans (continued)

c) Actuarial assumptions and sensitivity (continued)

	31 December 2016
Discount rate	2.78% p.a.
Salary increase rate (exclude promotional increases)	2.50% 2016/2017 to 2018/2019; 3.50% 2019/2020 and 2020/2021; 3.00% pa 2021/2022 to 2025/2026; 3.50% pa thereafter
Rate of CPI increase	1.75% 2016/2017; 2.25% 2017/2018; 2.50% pa thereafter
Pensioner mortality	The pensioner mortality assumptions are as per the 2015 Actuarial Investigation of the Pooled Fund. These assumptions are disclosed in the actuarial investigation report available from the trustee's website. The report shows the pension mortality rates for each age.

The above sensitivity analyses are based on a change in an assumption while holding all the other assumptions constant. In practice this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method has been applied as when calculating the defined benefit liability recognised in the statement of financial position.

The methods and types of assumptions used in the preparation of the sensitivity analysis did not change compared to the prior period.

d) Statement of financial position amounts

Amounts recognised in the statement of financial position - 2017

	\$'000 SASS	\$'000 SANCS	\$'000 SSS	\$'000 PSF	\$'000 Total
Liabilities					
Provision for deferred government benefits for superannuation	24,057	4,221	327,070	7,261	362,609
Provision for pension entitlements	-	-	-	-	-
Total liabilities	24,057	4,221	327,070	7,261	362,609
Add: on-costs on pension entitlements	-	-	-	-	-
Total pension entitlements (including on-costs)	-	-	-	-	-
Total liabilities recognised in statement of financial position	24,057	4,221	327,070	7,261	362,609
Assets					
Receivable for deferred government contribution for superannuation	16,284	(121)	17,846	6,119	40,128
Total assets recognised in statement of financial position	16,284	(121)	17,846	6,119	40,128
Net liability recognised in the statement of financial position	(7,773)	(4,342)	(309,224)	(1,142)	(322,481)

Net liability reconciliation - 2017

	SASS	SANCS	SSS	PSF	Total
Defined benefit obligation	24,057	4,221	327,070	7,261	362,609
Fair value of plan assets	16,284	(121)	17,846	6,119	40,128
Net liability	7,773	4,342	309,224	1,142	322,481
Reimbursement right	-	-	-	-	-
Total net liability/(asset)	7,773	4,342	309,224	1,142	322,481

Reimbursement rights - 2017

	SASS	SANCS	SSS	PSF	Total
Opening value of reimbursement right	6,049	4,611	316,677	-	327,337
Return on reimbursement rights	934	(497)	(7,784)	-	(7,347)
Remeasurements	-	-	-	-	-
Closing value of reimbursement right	17 6,983	4,114	308,893	-	319,990

Present value of obligations - 2017

	SASS	SANCS	SSS	PSF	Total
Opening defined benefit obligation	24,056	4,646	331,892	7,957	368,551
Current service cost	720	157	254	244	1,375
Past service cost	-	-	-	-	-
Interest expense	630	119	8,952	133	9,834
Remeasurements					
Return on plan assets, excluding amounts included in net interest expense	-	-	-	-	-
Actuarial losses/(gains) arising from changes in demographic assumptions	-	-	-	-	-
Actuarial losses/(gains) arising from changes in financial assumptions	125	31	3,208	-	3,364
Actuarial losses/(gains) arising from liability experience	1,158	334	(468)	81	1,105
Experience (gains)/losses	-	-	-	-	-
Exchange differences on foreign plans	-	-	-	-	-
Contributions					
Plan participants	320	-	157	-	477
Payments from plan					
Benefits paid	(2,834)	(748)	(15,842)	(1,154)	(20,578)
Taxes, premiums & expenses paid	(120)	(317)	(1,082)	-	(1,519)
Closing defined benefit obligation	24,055	4,222	327,071	7,261	362,609

Present value of plan assets - 2017

	SASS	SANCS	SSS	PSF	Total
Opening fair value of plan assets	17,407	(132)	14,933	6,203	38,411
Interest (income)	453	1	408	135	997

Note 40. Defined Benefit Plans (continued)

d) Statement of Financial Position amounts (continued)

	\$'000 SASS	\$'000 SANCS	\$'000 SSS	\$'000 PSF	\$'000 Total
Remeasurements					
Return on plan asset, excluding amounts included in net interest expense	481	(2)	62	-	541
Actuarial (loss)/gain on fund assets	-	-	-	464	464
Exchange differences on foreign plans	-	-	-	-	-
Contributions					
Employers	575	1,078	19,211	471	21,335
Plan participants	320	-	157	-	477
Payments from plan					
Benefits paid	(2,834)	(748)	(15,842)	(1,154)	(20,578)
Settlements	-	-	-	-	-
Taxes, premiums and expenses paid	(120)	(317)	(1,082)	-	(1,519)
Assets acquired in a business combination	-	-	-	-	-
Closing fair value of plan assets	16,282	(120)	17,847	6,119	40,128
Amounts recognised in the statement of financial position - 2016					
	SASS	SANCS	SSS	PSF	Total
Liabilities					
Provision for deferred government benefits for superannuation	24,056	4,646	331,892	7,957	368,551
Provision for pension entitlements	-	-	-	-	-
Total liabilities	24,056	4,646	331,892	7,957	368,551
add: on-costs on pension entitlements	-	-	-	-	-
Total pension entitlements (including on-costs)	-	-	-	-	-
Total liabilities recognised in statement of financial position	24,056	4,646	331,892	7,957	368,551
Assets					
Receivable for deferred government contribution for superannuation	17,407	(132)	14,933	6,203	38,411
Total assets recognised in statement of financial position	17,407	(132)	14,933	6,203	38,411
Net liability recognised in the statement of financial position	(6,649)	(4,778)	(316,959)	(1,754)	(330,140)
Net liability reconciliation - 2016					
	SASS	SANCS	SSS	PSF	Total
Defined benefit obligation	24,056	4,646	331,892	7,957	368,551
Fair value of plan assets	17,407	(132)	14,933	6,203	38,411
Net liability	6,649	4,778	316,959	1,754	330,140
Reimbursement right	-	-	-	-	-
Total net liability /(asset)	6,649	4,778	316,959	1,754	330,140
Reimbursement rights - 2016					
	SASS	SANCS	SSS	PSF	Total
Opening value of reimbursement right	4,685	5,537	332,357	-	342,579
Return on reimbursement rights	1,364	(926)	(15,680)	-	(15,242)
Remeasurements	-	-	-	-	-
Closing value of reimbursement right	6,049	4,611	316,677	-	327,337
Present value of obligations - 2016					
	SASS	SANCS	SSS	PSF	Total
Opening defined benefit obligation	28,771	5,578	343,707	8,133	386,189
Current service cost	888	191	357	123	1,559
Past service cost	-	-	-	-	-
Interest expense	791	148	9,682	131	10,752
Remeasurements					
Return on plan assets, excluding amounts included in net interest expense	0	0	0	0	0
Actuarial losses/(gains) arising from changes in demographic assumptions	0	-	0	-	0
Actuarial losses/(gains) arising from liability experience	362	(171)	(6,160)	515	(5,454)
Actuarial losses/(gains) arising from changes in financial assumptions	122	31	740	116	1,009
Contributions					
Plan participants	396	-	202	-	598
Payments from plan					
Benefits paid	(7,146)	(1,076)	(15,686)	(1,061)	(24,969)
Taxes, premiums & expenses paid	(128)	(55)	(950)	-	(1,133)
Closing defined benefit obligation	24,056	4,646	331,892	7,957	368,551
Present value of plan assets - 2016					
	SASS	SANCS	SSS	PSF	Total
Opening fair value of plan assets	23,695	(67)	11,153	6,248	41,029
Interest (income)	639	0	326	148	1,113
Remeasurements					
Return on plan assets, excluding amounts included in net interest expense	276	(3)	65	-	338
Actuarial losses/(gains) on fund assets	-	-	-	411	411
Contributions					
Employers	(325)	1,069	19,823	457	21,024
Plan participants	396	-	202	-	598
Payments from plan					
Benefits paid	(7,146)	(1,076)	(15,686)	(1,061)	(24,969)
Settlements	-	-	-	-	-
Taxes, premiums & expenses paid	(128)	(55)	(950)	-	(1,133)
Closing fair value of plan assets	17,407	(132)	14,933	6,203	38,411

Note 40. Defined Benefit Plans (continued)

e) Amounts recognised in other statements

	\$'000 SASS	\$'000 SANCS	\$'000 SSS	\$'000 PSF	\$'000 Total
Amounts recognised in the Income Statement – 2017					
The amounts recognised in the Income Statement are restricted to the 4 schemes and pension in accordance with note 1(v). The amounts are included in employee related expenses (note 10).					
Current service cost	720	157	254	244	1,375
Past service cost	0	0	0	0	0
Net interest	177	118	8,544	-2	8,837
Interest income	-	-	-	-	-
Total expense recognised in the Income Statement	897	275	8,798	242	10,212

Amounts recognised in the Statement of Comprehensive Income - 2017

The amounts recognised in the Statement of Comprehensive Income are restricted to the 2 schemes and pension in accordance with note 1(v). The amounts are included in reserves (note 29).

Remeasurements

Actuarial losses (gains) arising from changes in financial assumptions	-	-	-	-	-
Actuarial losses (gains) arising from experience adjustments	-	-	-	81	81
Actual return on plan assets less interest income	-	-	-	(464)	(464)
Total remeasurements in other comprehensive income	-	-	-	(383)	(383)
Total remeasurements recognised in the Statement of Comprehensive Income	-	-	-	(383)	(383)

Amounts recognised in the Income Statement – 2016

The amounts recognised in the Income Statement are restricted to the 4 schemes and pension in accordance with note 1(v).
The amounts are included in employee related expenses (note 10).

Current service cost	888	191	357	123	1,559
Net interest	152	148	9,357	(17)	9,640
Interest income	-	-	-	-	-
Total expense recognised in the Income Statement	1,040	339	9,714	106	11,199

Amounts recognised in the Statement of Comprehensive Income - 2016

The amounts recognised in the Statement of Comprehensive Income are restricted to the 2 schemes and pension in accordance with note 1(v). The amounts are included in reserves (note 29).

Remeasurements

Actuarial losses (gains) arising from changes in financial assumptions	-	-	-	116	116
Actuarial losses (gains) arising from experience adjustments	-	-	-	515	515
Actual return on plan assets less interest income	-	-	-	(411)	(411)
Total remeasurements in other comprehensive income	-	-	-	220	220
Total amounts recognised in the Statement of Comprehensive Income	-	-	-	220	220

f) Financial impact for other funds

UniSuper

This is a defined benefit superannuation scheme with the entitlements of the scheme being fully met by UniSuper from contributions paid by the University and its employees.

UniSuper is not considered to be controlled by the University and therefore the surplus has not been included in the University's accounts.

The UniSuper Defined Benefit Division (DBD) is a defined benefit plan under Superannuation Law but is considered to be a defined contribution plan under Accounting Standard AASB 119.

As at 30 June 2017, the assets of the DBD in aggregate were estimated to be \$2,797 million above vested benefits, after allowing for various reserves. The Vested Benefit Index based on funding assumptions was 114.5%. 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 2017, the assets of the DBD in aggregate were estimated to be \$4,258 million above accrued benefits, after allowing for various reserves. The Accrued Benefit Index based on best estimate assumptions was 123.9%. 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 1 July 2017. The financial assumptions used were:

	Vested Benefits	Accrued Benefits
Gross of tax investment return – DBD pensions	5.3% p.a.	6.6% p.a.
Gross of tax investment return – commercial rate indexed pensions	2.9% p.a.	2.9% p.a.
Net of tax investment return - non pensioner members	4.7% p.a.	5.8% p.a.
Consumer Price Index	2.0% p.a.	2.0% p.a.
Inflationary salary increases long term	3.0% p.a.	3.0% p.a.

Assets have been included at their net market value; that is, after allowing for realisation costs.

A Clause 34 monitoring period was initiated following the 30 June 2013 actuarial investigation.

Following the end of the monitoring period on 30 June 2017, the Fund's actuary advised that the Trustee is not required to take any further action, and that monitoring period is now ceased.

Note 41. Acquittal of Australian Government financial assistance

41a Education - CGS and Other Education Grants	Note	Commonwealth Grant		Parent entity (University) only				Disability Performance	
		Scheme # ¹		Indigenous Student Success		Access and Participation Fund		Funding # ²	
		2017	2016	2017	2016	2017	2016	2017	2016
		\$'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)		110,046	112,053	2,138	1,303	2,345	4,529	114	135
Net accrual adjustments		1,883	(1,533)	(68)	-	-	-	-	-
Revenue for the period	3(a)	111,929	110,520	2,070	1,303	2,345	4,529	114	135
Surplus / (deficit) from the previous year		(959)	(575)	95	311	1,508	1,186	(106)	(88)
Total revenue including accrued revenue		110,970	109,945	2,165	1,614	3,853	5,715	8	47
Less expenses including accrued expenses		111,893	110,904	1,918	1,519	3,853	4,207	8	153
Surplus / (deficit) for reporting period		(923)	(959)	247	95	-	1,508	-	(106)

1 Includes 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.

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

3 Indigenous Student Success Program has replaced the Indigenous Commonwealth Scholarships Program and the Indigenous Support Program as of 1 January 2017. Prior year programs should be combined and reported in Indigenous Student Success Program for 2016.

	Note	Parent entity (University) only			
		Promotion of Excellence in Learning and Teaching		Total	
		2017	2016	2017	2016
		\$'000	\$'000	\$'000	\$'000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the program)		20	111	114,663	118,131
Net accrual adjustments		(10)	-	1,805	(1,533)
Revenue for the period	3(a)	10	111	116,468	116,598
Surplus / (deficit) from the previous year		444	559	982	1,393
Total revenue including accrued revenue		454	670	117,450	117,991
Less expenses including accrued expenses		454	226	118,126	117,009
Surplus / (deficit) for reporting period		-	444	(676)	982

41b Higher Education Loan Programs (excl OS-HELP)	Note	Parent entity (University) only							
		HECS-HELP (Australian Government payments only)		FEE-HELP # ⁴		SA-HELP		Total	
		2017	2016	2017	2016	2017	2016	2017	2016
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash Payable / (Receivable) at beginning of year		1,270	338	497	(100)	2	8	1,769	246
Financial assistance received in Cash during the reporting period		72,156	66,514	5,305	6,472	314	293	77,775	73,279
Cash available for the period		73,426	66,852	5,802	6,372	316	301	79,544	73,525
Revenue earned	3(b)	72,840	65,582	5,681	5,875	311	299	78,832	71,756
Cash Payable / (Receivable) at end of year		586	1,270	121	497	5	2	712	1,769

#4 Program is in respect of FEE-HELP for Higher Education only and excludes funds received in respect of VET FEE-HELP.

Note 41. Acquittal of Australian Government financial assistance (continued)

Parent entity (University) only

41c Department of Education and Training Research

	Note	Research Training Program		Research Support Program		Total	
		2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the program)		8,912	8,910	7,420	6,864	16,332	15,774
Net accrual adjustments		-	-	-	-	-	-
Revenue for the period	3(c)(d)	8,912	8,910	7,420	6,864	16,332	15,774
Surplus / (deficit) from the previous year		386	428	-	-	386	428
Total revenue including accrued revenue		9,298	9,338	7,420	6,864	16,718	16,202
Less expenses including accrued expenses		9,298	8,952	7,420	6,864	16,718	15,816
Surplus / (deficit) for reporting period		-	386	-	-	-	386

41d Total Higher Education Provider Research Training Program expenditure^{#5}

	Total Domestic Students \$'000	Total Overseas Students \$'000
Research Training Program Fees offsets	3,740	-
Research Training Program Stipends	4,862	696
Research Training Program Allowances	-	2
Total for all types of support	8,602	698

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

Parent entity (University) only

41e Other Capital Funding

	Note	Education Investment Fund	
		2017 \$'000	2016 \$'000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the program)		-	2,626
Net accrual adjustments		-	-
Revenue for the period	3(e)	-	2,626
Surplus / (deficit) from the previous year		-	-
Total revenue including accrued revenue		-	2,626
Less expenses including accrued expenses		-	2,626
Surplus / (deficit) for reporting period		-	-

Note 41. Acquittal of Australian Government financial assistance (continued)

41f Australian Research Council Grants	Note	Parent entity (University) only					
		Discovery		Linkages		Total	
		2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the program)		1,414	1,310	421	224	1,835	1,534
Net accrual adjustments		-	-	-	-	-	-
Revenue for the period	3(f)(i)(ii)	<u>1,414</u>	<u>1,310</u>	<u>421</u>	<u>224</u>	<u>1,835</u>	<u>1,534</u>
Surplus / (deficit) from the previous year		837	1,017	430	529	1,267	1,546
Total revenue including accrued revenue		<u>2,251</u>	<u>2,327</u>	<u>851</u>	<u>753</u>	<u>3,102</u>	<u>3,080</u>
Less expenses including accrued expenses		1,416	1,490	515	323	1,931	1,813
Surplus / (deficit) for reporting period		<u>835</u>	<u>837</u>	<u>336</u>	<u>430</u>	<u>1,171</u>	<u>1,267</u>

41g Other Australian Government Financial Assistance		
Note	2017 \$'000	2016 \$'000
Cash Received during the reporting period	22,871	19,568
Cash Spent during the reporting period	<u>(22,871)</u>	<u>(19,568)</u>
Net Cash received	-	-
Cash Surplus / (deficit) from the previous period	-	-
Cash Surplus / (deficit) for the reporting period	<u>-</u>	<u>-</u>

41h OS-HELP		
Note	2017 \$'000	2016 \$'000
Cash Received during the reporting period	1,163	1,515
Cash Spent during the reporting period	<u>(1,323)</u>	<u>(1,192)</u>
Net Cash received	(160)	323
Cash Surplus / (deficit) from the previous period	1,386	1,063
Cash Surplus / (deficit) for the reporting period	<u>1,226</u>	<u>1,386</u>

Note 41. Acquittal of Australian Government financial assistance (continued)

41i Higher Education Superannuation Program

	Note	2017	2016
		\$'000	\$'000
Cash Received during the reporting period		19,832	19,663
University contribution in respect of current employees		-	-
Cash available		<u>19,832</u>	<u>19,663</u>
Cash Surplus / (deficit) from the previous period		-	-
Cash available for current period		<u>19,832</u>	19,663
Contributions to specified defined benefit funds		<u>(19,832)</u>	<u>(19,663)</u>
Cash Surplus / (deficit) this period	17,40	<u>-</u>	<u>-</u>

41i Student Services and Amenities Fee

	Note	2017	2016
		\$'000	\$'000
Unspent / (overspent) revenue from previous period		756	1,433
SA-HELP Revenue Earned	3(b)	311	299
Student Services and Amenities Fees direct from Students	5	<u>512</u>	<u>504</u>
Total revenue expendable in period		<u>1,579</u>	2,236
Student Services expenses during period		<u>1,243</u>	1,480
Unspent / (overspent) Student Services Revenue		<u><u>336</u></u>	<u>756</u>

End of Audited Financial Statements

Agricultural Business Research Institute



Agricultural Business Research Institute

ABN: 59 781 301 088
Annual Financial Report
for the year ended
31 December 2017

Agricultural Business Research Institute

Directors' Report

Your Directors submit their report, together with the financial statements of the company for the year ended 31 December 2017 and the Auditors Report thereon.

Director details

The following persons were Directors of the company during or since the end of the financial year:

Qualifications and Experience

Name and Occupation:	Ian Michael LOCKE
Qualifications:	B. Agric. Econ.
Experience:	Mr Locke worked as a agricultural business consultant in Poolmans Pty Ltd and in the Centre for Agricultural Risk Management Pty Ltd before returning to the family property in Holbrook in 1994. Is a principal of the Wiruna Poll Hereford Stud which has won State and National Seedstock Producers of the Year Awards.
Special Responsibilities	Chairman, IBRS Sub-Committee, Finance and Admin Sub-Committee Board member since June 2002.
Name and Occupation:	Hugh Peter NIVISON
Qualifications:	B.V.Sc. MAICD FARL
Experience:	Mr Nivison has a Veterinary Science degree from Sydney University and is Adjunct Associate Professor in the School of Veterinary Science at the University of Queensland. He has a high level of corporate experience as a Director of Australian Wool Innovation, a board member of the Australian Sheep Industry Co-operative Research Centre, Chairman of UNE Rural Properties, Director and CEO of Australasian Rural Investments Pty Ltd and he is currently Chairman of Australian Farmers Fighting Fund (AFF). Hugh is a principal of "Mirani" at Walcha, which is recognised as a leading progressive Merino stud and commercial Angus cattle enterprise.
Special Responsibilities	Managing Director Board member since October 2015.
Name and Occupation:	Robert Anthony BARWELL
Experience:	Mr Barwell is a sheep and cattle producer who is involved in cattle industry matters through NSW Farmers and the Cattle Council of Australia. Mr Barwell is a member of the Australian Meat Industry Language and Standards Committee, and represents Cattle Council of Australia on Safemeat, a Government and Industry partnership, where he Chairs a number of committees dealing with food safety and trade access matters. Previously he was the National Co-ordinator of the CATTLECARE and Flockcare programs. He has also been a Director and General Manager of a diverse agricultural company with properties throughout rural New South Wales, New Zealand and Fiji.
Special Responsibilities	IBRS Sub-Committee Board member since May 2004.
Name and Occupation:	Professor Heiko DANIEL
Experience:	Professor Daniel is the Deputy Vice-Chancellor (Research) (DVCR). In this role, Professor Daniel provides strategic leadership for all aspects of the University's research activities, oversight of the UNE Research Strategic Plan and oversees the strategies and operations of the Research Services Directorate.
Special Responsibilities	IBRS Sub-Committee Board member since June 2015.
Name and Occupation:	Peter Brett COOMBE
Qualifications:	Bachelor of Business (Rural Management), from Gatton College
Experience:	Mr Coombe is General Manager of THF Agribusiness Pty Ltd which operates five Central Queensland properties running 10,000 head in a breeding, backgrounding and finishing operation. He has extensive experience in the use of genetic technologies in his own Brahman herd and was a member of the Animal Genetics and Breeding Unit Consultative Committee from 2007 to 2014. Brett has been a member of the Australian Brahman Breeders' Association Council since 1991 and served as President from 1999 to 2001. He is currently Treasurer, a member of the Executive Committee and Chairman of the Association's Technical Committee.
	Board Member since July 2014.
Name and Occupation:	Morris George MCINNES
Qualifications:	Certificate in Animal Husbandry, Emerald College
Experience:	Mr McInnes manages a 450 cow dairy in South East Queensland. Prior experience on local and regional catchment/land care bodies and on Queensland Irrigators Council.
Special Responsibilities	Dairy Express Sub-Committee Board member since November 2009.
Name and Occupation:	Kris KAUFFMANN
Experience:	Kris Kauffmann was appointed as member of the Agricultural Business Institute Board in May 2017. Kris is the Chief Financial Officer of UNE and previously held the role of Executive Director Policy, Planning and External Relations at UNE. Kris has extensive experience in strategic planning and resource management in public institutions both in Australia and abroad. Mr Kauffmann has completed a Masters of Public Policy and Management (London), a Graduate Diploma in Applied Finance and a Bachelor of Business (Economic Hons). He is a member of the Australian Institute of Company Directors and is a Certified Finance and Treasury Professional.
Special Responsibilities	Finance and Admin Sub-Committee Board member since May 2017.

Name and Occupation: James Sebastian NEAL
Qualifications: B Ag Sci (Hon 1) PhD MAICD
Experience: James Neal has a PhD in Veterinary Science from the University of Sydney and Agricultural science degree from the University of Adelaide. He has worked as a research Scientist for New South Wales Department of Primary Industries for 8 years and Adelaide University for 2 years. He has been a director of the Australian Dairy Herd Improvement Scheme. James currently runs a 700 cow dairy farm on Oxley Island Taree NSW.
Board member since May 2017.

Name and Occupation: Karen DADO
Qualifications: BSc (UNSW), MBA (London), Certificate Governance & Risk Management
Experience: Experienced management consultant and company director. Former Director at PricewaterhouseCoopers in their London and Sydney offices. Advises on governance and risk matters, strategy, financial and operational performance improvement. Provides corporate advisory assistance to technology start-ups including in the agricultural sector and to organisations commercialising internet of things business solutions and data-analytics software. Experienced management consultant and company director. Former Director at PricewaterhouseCoopers in their London and Sydney offices. Advises on governance and risk matters, strategy, financial and operational performance improvement. Provides corporate advisory assistance to technology start-ups including in the agricultural sector and to organisations commercialising internet of things business solutions and data-analytics software.
Board member since November 2017.

Name and Occupation: Barry John PAFF
Experience: Mr Paff has previous experience as a dairy farmer at Raleigh, milking 300 cows for many years and on the Board of Norco Co-operative and Norco Pauls JV Board, prior involvement in NSW Dairy Farmer's Association Dairy Committee, currently a lucerne farmer near Tamworth.
Special Responsibilities Dairy Express Sub-Committee
Board member since October 2005 Resigned May 2017.

Name and Occupation: Sue THOMAS
Qualifications: BSc(Hons), PhD, MBA (Tech Mgt), Grad Cert Tert Ed.
Experience: Professor Sue Thomas is the Provost & Deputy Vice-Chancellor of the University of New England. Her scientific background is in Microbiology. Her role is to provide advice on strategy and planning matters, TEQSA and TAFE relationships and leadership to the academic Schools at UNE. Sue's professional career has seen her establishing research programs, commercial projects, responsible for research and teaching activities, liaison with external research consortia, and central involvement in government compliance processes.

Board member since April 2016 Resigned May 2017.

Company Secretary

The following person held the position of corporate secretary at the end of the financial year:

Name and Occupation: Coenraad Hendrik Mouton (Manager/Accountant)
Qualifications: B Econ(Accounting), BS (Computer Science)

Principal Activities

The principal activities of the company in the course of the year were to provide data processing services, computer software products and educational services to improve productivity and efficiency of Australian and overseas agribusiness and rural-based industries.

There have been no significant changes in the nature of these activities during the year.

Company Objectives

The ABRI's Constitution records the objects for which the company was established as follows:

- (a) To promote Australian primary production industries.
- (b) To conduct research into Australian primary production industries.
- (c) To provide genetic evaluation services aimed at improving the productivity of Australian livestock industries.
- (d) To develop software beneficial to members of Australian primary production industries.
- (e) To provide seminars, workshops and field days beneficial to members of Australian primary production industries.

Strategy for achieving these objectives

Object (a) – the ABRI provides an office environment that allows industry groups to set up their national headquarters and promote their sector of agriculture. Twenty two organisations have already done this. ABRI is also active in promoting Australia's cattle genetics in overseas countries. ABRI provides a service for accreditation of cattle for export as breeding stock.

Object (b) – ABRI provides research, particularly in beef cattle breeding, that assists beef cattle breeders increase the rate of genetic progress in their herds. ABRI is a Registered Research Agency with the Australian Government's Department of Innovation Industry, Science and Research.

Object (c) – ABRI provides the BREEDPLAN® genetic evaluation service to the beef cattle industry nationally. The average weighted production index of cows recorded by ABRI in southern Australia has improved from an index of \$10/cow to \$55/cow in the time ABRI has been offering a selection system.

Object (d) – ABRI has developed a range of software products to help Australia's primary producers:

ILR2 – new generation breed register software for all species.
BREEDPLAN – beef cattle genetic evaluation system.
Dairy Express – a comprehensive herd recording system for the dairy industry.
HerdMASTER – a PC-based herd management system for beef cattle breeders.

Object (e) ABRI has established two projects which provide seminars, workshops and field days to primary producers namely:

Southern Beef Technology Services (in Southern Australia).
Tropical Beef Technology Services (in Northern Australia).

Together these two projects provide a national field extension service.

How entity measures performance

KPI's revolve around:

- Rate of genetic progress being achieved,
- The number of animals being recorded,
- Members participating in the services,
- Number of attendees to various workshops and seminars,
- Financial returns.

Directors' meetings

During the financial year ended 31 December, 2017 four directors' meetings were held. Attendance at the meeting was as follows:

Directors' Name	Directors' Meetings	
	Eligible to	Number
Hugh Peter NIVISON	4	4
Robert Anthony BARWELL	4	3
Ian Michael LOCKE	4	4
Barry John PAFF	2	2
Sue THOMAS	2	2
Peter Brett COOMBE	4	4
Morris George MCINNES	4	3
Heiko DANIEL	4	2
Kris Kauffmann	2	2
James Sebastian NEAL	2	2
Karen DADO	0	0

Contribution in winding up

The company is incorporated under the Corporations Act 2001 and is an entity limited by guarantee. There is only one class of member who has a \$100 liability should the company be wound up. At 31 December 2017, the collective liability of members was \$700 (\$100 per member, maximum number of members 7).

Review of Operations

The operating surplus of the company was \$275,448.99 (2016 = \$267,133) and the surplus after fair value adjustments on the financial assets was \$394,319 (2016 = \$267,133)

The operating surplus is deemed by the Directors to be a satisfactory result in the nineteenth year of trading as a distinct company.

Significant Changes in the State of Affairs

No significant changes in the company's state of affairs occurred during the financial year.

Events Subsequent to the End of the Reporting Period

There are no reportable events occurring after the balance date.

Likely Developments and Expected Results of Operations

Likely developments in the operations of the company and expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the company.

Environmental Regulations

The company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or a state or territory.

Indemnification of Officers

The company obtains insurance as part of the University of New England's commercial insurance to indemnify persons who serve on University Boards and Committees and on Boards and Committees of all entities in the Group. The annual premium for the Group of \$36,200 for Directors and Officers Insurance covered the period 1 November 2016 to 31 October 2017. Insurance has been renewed for the Group for the period 1 November 2017 to 31 October 2018 at a cost of \$42,010. Coverage also extends to the Group's appointees who serve on the Boards of other entities, as designated representative of the University and controlled entities and who are not otherwise indemnified.

Legal proceedings on behalf of the Company

There were no legal proceedings brought against the company during the financial year. At the date of this report, the directors are not aware of any legal proceedings which have arisen since the end of the financial year and up to the date of this report.

AUDITOR'S INDEPENDENCE DECLARATION

The Auditor's Independence Declaration as required under section 307C of the Corporations Act is set out on the next page and forms part of the directors' report for the financial year ended 31 December 2017.

The report is signed on behalf of the directors in accordance with a resolution of the directors made pursuant to the Corporations Act 2001.



H P Nivison
Director

Date: 7th March, 2018



R A Barwell
Director



To the Directors
Agricultural Business Research Institute

Auditor's Independence Declaration

As auditor for the audit of the financial statements of the Agricultural Business Research Institute for the year ended 31 December 2017, I declare, to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the audit
- any applicable code of professional conduct in relation to the audit.

S Bond .

Sally Bond
Director, Financial Audit Services

2 March 2018
SYDNEY

Directors' Declaration

The directors declare that:

1. the financial statements and notes comply with Australian Accounting Standards (including Australian Accounting Interpretations);
2. the financial statements and notes give a true and fair view of the financial position and performance of the company for the financial year ended 31 December 2017;
3. the financial statements and notes are in accordance with the Corporations Act 2001; and
4. there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors made pursuant to s295(5) of the Corporations Act, 2001.


.....
H P Nivison
Director


.....
R A Barwell
Director

Date: 7th March 2018


Directors' Statement Pursuant to Section 41C(1B) and (1C) of the Public Finance and Audit Act 1983

In accordance with a resolution of the directors and pursuant to Section 41C (1B) and 1(C) of the *Public Finance and Audit Act 1983*, we state that:

1. The attached general purpose financial statements and notes present a true and fair view of the financial position and performance of the Company at 31 December 2017 and the results of its operations and transactions of the Company for the year then ended;
2. The financial statements and notes have been prepared in accordance with the provisions of the *Public Finance and Audit Act 1983* and *Public Finance and Audit Regulation 2015*;
3. The financial statements and notes have been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and authoritative pronouncements of the Australian Accounting Standards Board;
4. We are not aware of any circumstances which would render any particulars included in the financial statements to be misleading or inaccurate; and
5. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors.


.....
H P Nivison
Director


.....
R A Barwell
Director

Date: 7th March 2018

Statement of Profit or Loss

For the Period ended 31 December 2017

	Notes	2017 \$	2016 \$
Income from continuing operations			
Investment revenue	2	220,328	275,913
Trading revenue	4	8,090,612	7,693,762
Total income from continuing operations		8,310,940	7,969,675
Expenses from continuing operations			
Employee related expenses	5	5,261,027	5,236,737
Depreciation and amortisation	6	244,916	235,456
Repairs and maintenance	7	40,324	105,078
Borrowing costs	9	11,990	801
Impairment of assets	8	22,230	5,456
Investment losses	3	-	-
Other expenses	9	2,651,581	2,214,386
Total expenses from continuing operations		8,232,068	7,797,914
Net result from continuing operations		78,872	171,761
Other Gains/(Losses)			
Other investment gain/(loss)	3	190,950	88,766
Gain/(Loss) on sale of assets	3	5,627	6,606
Net result attributable to the ABRI	20(b)	275,449	267,133

The above statement of profit or loss should be read in conjunction with the accompanying notes.

Statement of Comprehensive Income

For the Period ended 31 December 2017

	Notes	2017 \$	2016 \$
Net result for the period		275,449	267,133
Items that will not be reclassified to profit or loss			
Gain/(loss) on revaluation of land, buildings and infrastructure		118,870	143,143
Total other comprehensive income		118,870	143,143
Total comprehensive income for the period		394,319	410,276

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

Statement of Financial Position

As at 31 December 2017

	Notes	2017 \$	2016 \$
ASSETS			
Current assets			
Cash and cash equivalents	10	5,057,252	5,589,025
Receivables	11	1,890,036	1,608,434
Other assets	13	289,331	44,379
Total current assets		7,236,619	7,241,838
Non-current assets			
Other financial assets	12	4,504,607	4,259,793
Property, plant and equipment	14	3,632,298	3,112,134
Intangible assets	15	36,931	91,159
Total non-current assets		8,173,836	7,463,086
Total assets		15,410,455	14,704,924
LIABILITIES			
Current liabilities			
Trade and other payables	16	536,987	229,362
Borrowings	17	27,102	7,209
Provisions	18	1,109,324	1,154,897
Other liabilities	19	670,218	688,164
Total current liabilities		2,343,631	2,079,632
Non-current liabilities			
Borrowings	17	70,098	28,884
Provisions	18	90,000	84,000
Total non-current liabilities		160,098	112,884
Total liabilities		2,503,729	2,192,516
Net assets		12,906,726	12,512,408
EQUITY			
Asset revaluation reserve	20(a)	1,427,909	1,309,039
Retained earnings	20(b)	11,478,817	11,203,369
Total equity attributable to equity holders of the company		12,906,726	12,512,408

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

Statement of Changes in Equity

For the Period ended 31 December 2017

	Notes	Reserves	Retained Earnings	Total
Balance at 1 January 2016		1,165,896	10,936,235	12,102,131
Net result			267,133	267,133
Revaluation of Land, Buildings and Infrastructure		143,143	-	143,143
Total comprehensive income		<u>143,143</u>	<u>267,133</u>	<u>410,276</u>
Balance at 31 December 2016	20(a)	<u>1,309,039</u>	<u>11,203,368</u>	<u>12,512,407</u>
Balance at 1 January 2017		1,309,039	11,203,368	12,512,407
Net result			275,449	275,449
Revaluation of Land, buildings and infrastructure		118,870	-	118,870
Total comprehensive income		<u>118,870</u>	<u>275,449</u>	<u>394,319</u>
Balance at 31 December 2017	20(a)	<u>1,427,909</u>	<u>11,478,817</u>	<u>12,906,726</u>

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

Statement of Cash Flows

Total comprehensive income for the period

	Notes	2017 \$	2016 \$
Cash flows from operating activities			
Receipts from customers		8,373,119	8,674,886
Dividends received		-	81,540
Interest received		220,328	243,368
Payments to suppliers and employees		(7,896,487)	(8,099,051)
GST recovered/paid		(588,513)	(540,882)
Net cash provided by operating activities	26	<u>108,447</u>	<u>359,861</u>
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		-	-
Payments for property, plant and equipment		(710,853)	(136,547)
Proceeds from sale of financial assets		70,633	2,306,627
Payments for financial assets		-	(4,140,000)
Proceeds from sales of investments		-	-
Net cash used in investing activities		<u>(640,220)</u>	<u>(1,969,920)</u>
Cash flows from financing activities			
Repayment of finance leases		-	782
Net cash provided by / (used in) financing activities		<u>-</u>	<u>782</u>
Net increase in cash and cash equivalents		(531,773)	(1,609,277)
Cash and cash equivalents at the beginning of the financial year		<u>5,589,025</u>	<u>7,198,302</u>
Cash and cash equivalents at the end of the financial year	10	<u>5,057,252</u>	<u>5,589,025</u>

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

Contents of the notes to the financial statements

Note		Page
1	Summary of significant accounting policies	13
	Income	
2	Investment revenue and income	17
3	Gains and losses	17
4	Trading revenue	17
	Expenses	
5	Employee related expenses	17
6	Depreciation and amortisation	17
7	Repairs and maintenance	17
8	Impairment of assets	17
9	Other expenses	17
	Assets	
10	Cash and cash equivalents	18
11	Receivables	18
12	Other financial assets	19
13	Other assets	19
14	Property, plant and equipment	19
15	Intangible assets	20
	Liabilities	
16	Trade and other payables	20
17	Borrowings	
18	Provisions	20
19	Other Liabilities	21
	Equity	
20	Reserves and retained earnings	21
21	Key management personnel disclosures	22
22	Remuneration of auditors	22
23	Contingencies	22
24	Commitments	23
25	Related parties	23
26	Reconciliation of operating result after income tax to net cash flows	23
27	Events subsequent to reporting period	23
28	Financial risk management	24
29	Fair value measurements	27

Notes to and forming part of the Financial Statements

Note 1. Summary of significant accounting policies

Agricultural Business Research Institute, an income tax exempt entity, was incorporated in Australia on 11 January 1993 as a company limited by guarantee and is domiciled in Australia. The amount of the guarantee is limited to \$100 per member, which can be called upon in the event of winding up. At December 31, 2017 membership of the company stood at seven.

The company is a controlled entity of the University of New England and as such is considered to be a reporting entity as defined in Australian Accounting Standard AASB 127 "Consolidated and Separate Financial Statements".

The principal address of ABRI is: C/o UNE, The Short Run, Armidale, NSW 2351

The financial statements for the year ended 31 December 2017 was authorised for issue in accordance with a resolution of the Board on 13 February 2018

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied unless otherwise stated.

(a) Basis of preparation

The Financial Statements are general purpose financial statements that have been prepared on an accrual basis in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board (AASB), Australian Accounting Interpretations, the Public Finance and Audit Act 1983 and the Public Finance and Audit Regulations 2015, and the Corporations Act of 2001.

The Financial Statements has been prepared in accordance with the historical cost convention, as modified by the revaluation of financial assets and liabilities at fair value through profit or loss and certain classes of property, plant and equipment.

(b) Foreign currency translation

(i) Functional and presentation currency

The financial statements are presented in Australian dollars which is the Entity's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions have been translated to Australian currency at the exchange rates ruling on the date of the respective transactions and losses and gains arising are taken directly to the income statement. Balances existing at balance date have been translated at the exchange rates ruling at that date.

(c) Revenue recognition

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

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

Revenue is recognised for the major business activities as follows:

(i) Trading revenue

Revenue from fees and charges, which is predominantly rendering of services, is recognised in proportion to the level of service provided under the sales contract.

(ii) Investment income

Interest income is recognised as it accrues. Dividend income is recognised when the dividend is declared by the investee.

(d) Income tax

Agricultural Business Research Institute has been granted exemption from paying tax under the provisions of Section 50-B of the Income Tax Assessment Act 1997. The company does not anticipate adverse impacts arising from the current review of the taxation status of not-for-profit entities, since the company does not deliver 'unrelated trading activities' as defined in the scope of the current review.

(e) Leases

Leases of property, plant and equipment where the Entity, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the lower of the fair value of the leased property and the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other short-term and long-term payables. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases are depreciated over the shorter of the asset's useful life and the lease term.

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (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.

(f) Impairment of assets

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. Other assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows which are largely independent of the cash inflows from other assets or groups of assets (cash generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

Note 1. Summary of significant accounting policies (continued)

(g) Cash and cash equivalents

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

(h) Receivables

Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Receivables are due for settlement no more than 30 days from the date of recognition .

Collectability of receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for impairment of receivables is established when there is objective evidence that the Entity will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. Cash flows relating to short-term receivable are not discounted if the effect of discounting is immaterial. The amount of the provision is recognised in the income statement.

The carrying amount of the asset is reduced through the use of an expense account and the amount of the loss is recognised in the income statement under note 8. When a receivable is uncollectible, it is written off against the allowance account for receivables. Subsequent recoveries of amounts previously written off are credited to Bad Debts Recovered in the income statement.

(i) Investments and other financial assets

Classification

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

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

Financial assets at fair value through profit or loss include financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Assets in this category are classified as current assets.

The entity subsequently measures investments classified as 'held for trading' or designated upon initial recognition 'at fair value through profit or loss' at fair value. Financial assets are classified as 'held for trading' if they are acquired for the purpose of selling in the near term. Derivatives are also classified as held for trading. Gains or losses on these assets are recognised in the net result for the year.

The company's investments are designated at fair value through profit and loss using the second leg of the fair value option; i.e. these financial assets are managed and their performance is evaluated on a fair value basis, in accordance with a risk management strategy, and information about these assets is provided internally on that basis to the entity's key management personnel.

The movement in the fair value of the investment facilities incorporates distributions received as well as unrealised movements in fair value and is reported in the line item 'Investment revenue'.

(ii) Loans and receivables

Loans and receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the balance date which are classified as non-current assets. Loans and receivables are included in receivables in the statement of financial position.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Entity's management has the positive intention and ability to hold to maturity. At balance date, the Entity held no assets in this category.

(iv) Available-for-sale financial assets

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

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

When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in equity are included in the income statement as gains and losses from investment securities.

Subsequent measurement

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

Note 1. Summary of significant accounting policies (continued)

(i) Investments and other financial assets (continued)

Fair Value

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

Impairment

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

(j) Fair value estimation

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

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Entity is the current bid price.

The carrying value less impairment provision of receivables and payables are assumed to approximate their fair values due to their short-term nature. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Entity for similar financial instruments.

(k) Property, infrastructure, plant and equipment

Land and buildings are shown at fair value, based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. All other property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

Increases in the carrying amounts arising on revaluation of land and buildings are credited to other reserves in equity. To the extent that the increase reverses a decrease previously recognised in profit or loss, the increase is first recognised in profit and loss. Decreases that reverse previous increases of the same asset are first charged against revaluation reserves directly in equity, to the extent of the remaining reserve attributable to the asset; all other decreases are charged to the income statement.

Land is not subject to depreciation. Depreciation on other assets is calculated using the straight line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives, as follows:

Buildings 3 - 60 yrs,	Furniture and Fittings - 7-20 yrs,
Computing Equipment / Software - 4 - 15 yrs,	Other Plant and Equipment - 4 - 15 yrs,
Motor Vehicles - 5 yrs,	Intangible 3 - 5yrs
Infrastructure - 10 yrs.	

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 1(f)).

Gains and losses on disposals are determined by comparing proceeds with carrying amounts. These are included in the income statement. When revalued assets are sold, it is Entity policy to transfer the amounts included in other reserves in respect of those assets to retained earnings.

Land, Buildings and Infrastructure controlled by the Entity were revalued as at 31 December 2017 by Global Valuation Services.

(l) Intangible assets

(i) Research and development

Expenditure on research activities is recognised in the income statement as an expense, when it is incurred.

Expenditure on development activities, relating to the design and testing of new or improved products, are recognised as intangible assets when it is probable that the project will, after considering its commercial and technical feasibility, be completed and generate future economic benefits and its costs can be measured reliably. 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 when incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. Capitalised development expenditure is recorded as intangible assets and amortised from the point at which the asset is ready for use. Amortisation is calculated using the straight-line method to allocate the cost over the period of the expected benefit, which varies from 3 to 5 years.

(ii) Licences

Licences have an infinite useful life and are not amortised. They are assessed for impairment annually and whenever there is an indication that the licences may be impaired, in accordance with Note 1(f).

Note 1. Summary of significant accounting policies (Continued)

(m) Trade and other payables

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

(n) Provisions

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

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the balance date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as a finance cost.

(o) Employee benefits

(i) Wages and salaries

Liabilities for short-term employee benefits including wages and salaries, non-monetary benefits and profit-sharing bonuses due to be settled within 12 months after the end of the period are measured at the amount expected to be paid when the liability is settled and are recognised in other payables. Liabilities for non-accumulating sick leave are recognised when the leave is taken and is measured at the rates paid or payable.

(ii) Annual leave and sick leave

The liability for long-term employee benefits such as annual leave and accumulating sick leave is measured at the amount expected to be paid when the liability is settled. Regardless of the expected timing of settlements, provisions made in respect of employee benefits are classified as a current liability, unless there is an unconditional right to defer the settlement of the liability for at least 12 months after the reporting date, in which case it would be classified as a non-current liability.

Annual leave is not expected to be settled within 12 months after the end of the annual reporting period in which the employees render the related service. As such it is measured at nominal value, which is not materially different to present value.

(iii) Long service leave

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

(p) 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 cost acquisition 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.

(q) Comparative amounts

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

(r) New standards and interpretations issued but not yet adopted.

Certain new Accounting Standards and Interpretations became mandatory for the 31 December 2017 reporting period. These new requirements have not had a material impact on either the results or disclosure of the Entity. Certain new Accounting Standards and Interpretations have been published that are not mandatory for 31 December 2017 reporting period. The Entity has elected not to early adopt any of these standards. The Entity has assessed the impact of these future Standards and Interpretations and considers the impact to be insignificant for the year ending December 2017.

Notes to the financial statements
 (continued)
 31 December 2017

Notes	2017 \$	2016 \$
Note 2. Investment revenue		
Interest	220,328	194,373
Dividend Income	-	81,540
Total investment revenue	220,328	275,913
Note 3. Gains and losses		
Other investment gains/(losses)	190,950	88,766
Gain on sale of assets	5,627	6,606
Total gains and losses	196,577	95,372
Note 4. Trading revenue		
Fees and charges	8,090,612	7,693,762
Total trading revenue	8,090,612	7,693,762
Note 5. Employee related expenses		
Salaries	4,610,062	4,548,158
Contribution to funded superannuation and pension schemes	426,569	418,062
Payroll tax	235,967	228,929
Worker's compensation	12,712	11,789
Leave accrual expense	(34,573)	18,234
Other (Allowances, penalties and fringe benefits tax)	10,289	11,565
Total employee related expenses	5,261,026	5,236,737
Note 6. Depreciation and amortisation		
Depreciation		
Buildings	81,320	82,572
Infrastructure	3,850	4,000
Furniture and Fittings	22,399	20,060
Plant and Equipment	56,216	35,328
Motor Vehicles	19,528	12,635
Leased assets	7,375	1,147
Total depreciation	190,688	155,742
Amortisation		
Intangibles	54,228	79,714
Total amortisation	54,228	79,714
Total depreciation and amortisation	244,916	235,456
Note 7. Repairs and maintenance		
Plant/furniture/equipment	40,324	105,078
Total repairs and maintenance	40,324	105,078
Note 8. Impairment of assets		
Bad Debts	22,230	5,456
Total impairment of assets	22,230	5,456
Note 9. Other expenses		
Non-capitalised equipment	17,774	13,874
Advertising, marketing and promotional expenses	20,996	31,620
Utilities	31,631	30,375
Postal and Telecommunications	422,970	425,355
Travel and Entertainment	158,875	125,507
Operating Lease Rental Charges	42,447	44,376
Consultants	880,013	809,042
Royalties	135,575	124,740
Computer and Office Supplies	373,876	198,614
Other Expenditure	567,424	410,883
Total other expenses	2,651,581	2,214,386

Notes to the financial statements
 (continued)
 31 December 2017

Notes	2017 \$	2016 \$
Note 9. Other expenses (continued)		
Borrowing costs	<u>11,990</u>	<u>801</u>
Reconciliation of Finance costs		
Finance lease interest	11,990	801
Less : amount capitalised	<u>-</u>	<u>-</u>
Total borrowing costs expensed	<u>11,990</u>	<u>801</u>
Note 10. Cash and cash equivalents		
Cash at bank	313,182	892,916
At call investments	<u>4,744,070</u>	<u>4,696,109</u>
Total cash and cash equivalents	<u>5,057,252</u>	<u>5,589,025</u>

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

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

Balances as above	5,057,252	5,589,025
Less: Bank Overdrafts	<u>-</u>	<u>-</u>
Balance per cash flow statement	<u>5,057,252</u>	<u>5,589,025</u>

(b) Deposits at call

The deposits are bearing floating interest rates between 2.5% and 2.75% (2016: 2.5% and 2.8%). These deposits have an average maturity of 288 days.

Note 11. Receivables

Current

Trade and Other Debtors		1,927,632	1,626,489
Less: Provision for impaired receivables	1(h)	<u>(37,596)</u>	<u>(18,055)</u>
Total receivables		<u>1,890,036</u>	<u>1,608,434</u>

(a) Impaired receivables

As at 31 December 2017 current receivables of the entity with a nominal value of \$37,596 (2016: \$18,055) were impaired. The amount of the provision was \$37,596 (2016: \$18,055).

The ageing of these receivables is as follows:

3 to 6 months	-	-
Over 6 months	37,596	18,055
	<u>37,596</u>	<u>18,055</u>

As of 31 December 2017, trade receivables of \$358,654 (2016: \$247,124) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these receivables as follows:

3 to 6 months	276,562	24,884
Over 6 months	82,091	222,240
	<u>358,654</u>	<u>247,124</u>

Movements in the provision for impaired receivables are as follows:

As at 1 January		18,055	16,379
Provision for impairment recognised during the year		41,771	8,632
Receivables written off during the year as uncollectible		<u>(22,230)</u>	<u>(6,956)</u>
		<u>37,596</u>	<u>18,055</u>

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

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

Notes to the financial statements
(continued)
31 December 2017

Note 12. Other financial assets

Non-current

Summary of portfolio as at 31 December:
Fair value through profit and loss

Total non-current other financial assets

Notes	2017 \$	2016 \$
1(i)	4,504,607	4,259,793
	4,504,607	4,259,793

Note 13. Other assets

Current

Accrued Income

Prepaid Expenses

Total current other non-financial assets

278,475	17,189
10,856	27,190
289,331	44,379

Note 14. Property, plant and equipment

	Freehold land \$	Freehold buildings \$	Infrastructure \$	Plant and equipment \$	Motor vehicle \$	Leased assets \$	Furniture & fittings \$	Total \$
Year ended 31 December 2016								
Opening net book amount	400,000	2,337,429	76,000	62,053	45,889	-	66,814	2,988,185
Additions	-	-	-	81,586	-	36,875	18,088	136,548
Revaluation increment/(decrement)	-	(27,000)	(3,000)	-	-	-	-	(30,000)
Adjustment to accumulated depreciation on revaluation	-	165,143	8,000	-	-	-	-	173,143
Assets classified as held for sale and other disposals	-	-	-	-	-	-	-	-
Depreciation charge	-	(82,572)	(4,000)	(35,328)	(12,635)	(1,147)	(20,060)	(155,742)
Closing net book amount	400,000	2,393,000	77,000	108,311	33,254	35,728	64,842	3,112,134
At 31 December 2016								
- Cost	-	-	-	1,574,391	82,365	36,875	275,789	1,969,420
- Valuation	400,000	2,393,000	77,000	-	-	-	-	2,870,000
Accumulated depreciation	-	-	-	(1,486,080)	(49,112)	(1,147)	(210,947)	(1,727,286)
Net book amount	400,000	2,393,000	77,000	108,311	33,254	35,728	64,842	3,112,134
Year ended 31 December 2017								
Opening net book amount	400,000	2,393,000	77,000	108,310	33,253	35,729	64,841	3,112,133
Additions	-	-	-	505,569	0	80,639	16,705	602,912
Revaluation increment/(decrement)	50,000	69,520	(650)	-	-	-	-	118,870
Adjustment to accumulated depreciation on revaluation	-	-	-	-	0	-	-	-
Assets classified as held for sale and other disposals	-	-	-	-	(10,930)	-	-	(10,930)
Depreciation charge	-	(81,320)	(3,850)	(56,216)	(6,088)	(20,815)	(22,399)	(190,688)
Closing net book amount	450,000	2,381,200	72,500	557,663	16,235	95,553	59,147	3,632,298
At 31 December 2017								
- Cost	-	-	-	2,079,959	50,775	116,368	292,493	2,539,595
- Valuation	450,000	2,381,200	72,500	-	-	-	-	2,903,700
Accumulated depreciation	-	-	-	(1,522,296)	(34,539)	(20,815)	(233,347)	(1,810,997)
Net book amount	450,000	2,381,200	72,500	557,663	16,235	95,553	59,147	3,632,298

Notes to the financial statements
 (continued)
 31 December 2017

Note 15. Intangible assets	Notes	2017	2016
	1(l)	\$	\$
At 1 January			
Cost		2,474,137	2,474,137
Accumulated amortisation and impairment		<u>(2,437,206)</u>	<u>(2,382,978)</u>
Net book amount		<u>36,931</u>	<u>91,159</u>
Year ended 31 December			
Opening net book amount		91,159	170,873
Amortisation charge		<u>(54,228)</u>	<u>(79,714)</u>
Closing net book amount		<u>36,931</u>	<u>91,159</u>
Note 16. Trade and other payables			
Current			
Trade Payables		364,793	68,284
Other Payables		172,194	161,078
Total current trade and other payables		<u>536,987</u>	<u>229,362</u>
Note 17. Borrowings			
Current			
Finance Lease (i)			
ALP Automotive		27,102	7,209
Total current borrowings		<u>27,102</u>	<u>7,209</u>
Non-current			
Finance Lease			
ALP Automotive		70,098	28,884
Total non-current borrowings		<u>70,098</u>	<u>28,884</u>
Note 18. Provisions			
Current provisions expected to be settled within 12 months			
Annual leave		309,724	323,296
Long service leave		84,000	77,000
Make good provision		3,600	3,600
Total Current Provision		<u>397,324</u>	<u>403,896</u>
Current provisions expected to be settled wholly after more than 12 Months			
Employee benefits			
Annual leave		315,000	327,000
Long service leave		397,000	424,000
Make good provision		-	-
Subtotal		<u>712,000</u>	<u>751,000</u>
Total Current Provision		<u>1,109,324</u>	<u>1,154,896</u>
Non-current provisions			
Employee benefits			
Long service leave		90,000	84,000
Total non-current provision		<u>90,000</u>	<u>84,000</u>
Total provisions		<u>1,199,324</u>	<u>1,238,896</u>
Note 19. Other Liabilities			
Current			
Accrued Liabilities			
Accrued Expenses		373,603	298,528
Fees in Advance		241,087	284,266
GST Payable		55,529	105,370
Total current other liabilities		<u>670,219</u>	<u>688,164</u>
Note 20. Reserves and retained earnings			
a) Reserves			
Revaluation Reserve			
- Land		370,000	320,000
- Buildings		1,024,530	955,010
- Infrastructure		33,379	34,029
		<u>1,427,909</u>	<u>1,309,039</u>

	2017	2016
	\$	\$
Note 20. Reserves and retained earnings (continued)		
Movements in reserves were as follows:		
Reserves at 1 January - Land	320,000	320,000
Increment/(decrement) on revaluation	50,000	-
Reserves at 31 December	370,000	320,000
Reserves at 1 January - Buildings	955,010	955,010
Increment/(decrement) on revaluation	69,520	-
Reserves at 31 December	1,024,530	955,010
Reserves at 1 January - Infrastructure	34,029	34,029
Increment/(decrement) on revaluation	(650)	-
Reserves at 31 December	33,379	34,029
b) Retained earnings		
Movements in retained earnings were as follows:		
Retained earnings at 1 January	11,203,368	10,936,234
Net Operating Result for the year	275,449	267,134
Retained Earnings at 31 December	11,478,817	11,203,368
Total Equity	12,906,726	12,512,407

Note 21. Key management personnel disclosures

Remuneration of Board Members

The Directors of the company act in an honorary capacity and receive only a nominal amount to cover costs for their services as Directors. The Directors did not receive benefits and fees from a related body corporate except for H.P. Nivison in his capacity as Managing Director of ABRI.

	No.	No.
Nil to \$9,999	8	8
	8	8

Aggregate Remuneration of Board Members

	\$	\$
Total Aggregate Remuneration	6,000	6,000

Remuneration of executive officers

	No.	No.
\$100,000 to \$129,999	2	4
\$130,000 to \$159,999	3	1
\$160,000 to 240,000	1	1
	6	6

Aggregate Remuneration of executive officers

Total Aggregate Remuneration	919,102	823,552
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Note 22. Remuneration of auditors

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

Audit and review of the Financial Statements

Fees paid to The Audit Office of NSW:	26,000	25,000
Total remuneration for audit services	26,000	25,000

Note 23. Contingencies

At balance date, no legal proceeding had been identified as being progressed against or on behalf of the company.

At balance date, no contingent liabilities or contingent assets of a material nature to the company had been identified.

Notes to the financial statements
 (continued)
 31 December 2017

Note 24. Commitments	2017	2016
	\$	\$
Operating Leases		
Within one year	34,860	29,880
Between one and five years	-	34,860
Total future minimum lease payments	<u>34,860</u>	<u>64,740</u>
(II) Finance Leases		
Within one year	27,102	7,209
Between one and five years	70,098	28,884
Total future minimum lease payments	<u>97,200</u>	<u>36,093</u>
Total lease commitments	<u>132,060</u>	<u>100,833</u>

No lease arrangements, existing as at 31 December 2017, contain contingent rental payments, purchase options, escalation clauses or restrictions imposed by lease arrangements including dividends, additional debt or further leasing.

Note 25. Related parties

(a) Parent entities

The ultimate parent entity within the group is the University of New England which is incorporated in Australia.

(b) Subsidiaries

The entity does not have any interest in a subsidiary.

(c) Key management personnel

Disclosures relating to directors and specified executives are set out in note 21.

(d) Transactions with related parties

Transactions with related parties are on normal terms no more favourable than those available to other parties unless otherwise stated.

The following transactions occurred with related parties:

Transactions during the period

University of New England

Income received from	-	-
Payments made to	123,231	(159,736)
Net	<u>123,231</u>	<u>(159,736)</u>

Outstanding balances

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

University of New England

Payables to	81,861	226
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(e) Guarantees

There have been no guarantees given.

(f) Terms and conditions

Related party outstanding balances are unsecured and have been provided on interest-free terms.

Note 26. Reconciliation of operating result after income tax to net cash flows from operating activities

	2017	2016
	\$	\$
Operating result for the period	275,449	171,760
Depreciation and amortisation	244,916	235,456
Provision for impaired receivables	22,230	1,676
(Gain)/Loss on revaluation of investments	(190,950)	-
Gain on sale	(5,627)	-
Increase/(Decrease) in Payables and Prepaid Income	264,446	(325,677)
Increase/(Decrease) in Provision for Employee Entitlements	(14,000)	4,000
Increase/(Decrease) in Provision for Annual Leave	(25,572)	14,234
Increase/(Decrease) in Other Provisions	-	-
(Increase)/Decrease in Receivables and Prepaid Expenses	(462,445)	258,412
(Increase)/Decrease in Inventories	-	-
Net cash provided by / (used in) operating activities	<u>108,447</u>	<u>359,861</u>

Note 27. Events subsequent to reporting period

There are no reportable events occurring after balance date.

Note 28. Financial risk management

The economic entity's accounting policies, including the terms and conditions of each class of financial asset and financial liability, both recognised and unrecognised at balance date, are as follows:

(a) Market Risk

(i) Terms and conditions

Recognised Financial Instruments	Note	Accounting Policies	Terms and Conditions
Financial Assets			
Receivables and Accrued Income	11 & 18	Receivables are carried at nominal amounts due less any provision for impairment	Accounts Receivable credit terms are 30 days
Deposits at Call	10(c)	Term Deposits are stated at cost	Bank Call Deposits interest rate is determined by the official Money Market
Term Deposits	10(c)	Term Deposits are stated at cost	Term deposits are for a period of up to one year. Interest rates are between 2.5% and 2.57%. Average maturity of 288 days
Listed Shares	12	Listed Shares are carried at bid price	
Financial Liabilities			
Creditors and Accruals	16 & 18	Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not invoiced to the economic entity.	Creditors are normally settled on 30 day terms

(ii) Foreign exchange risk

Foreign exchange risk arises when future commercial transactions and recognised financial assets and financial liabilities are denominated in a currency that is not the Group's functional currency.

The economic entity undertakes certain transactions denominated in foreign currencies. These transactions expose the economic entity to exchange rate fluctuations. As the company recognises all transactions, assets and liabilities in Australian dollars only, it has some exposure to foreign exchange risk.

(iii) Price risk

Price risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market prices.

The entity is not exposed to commodity price risk. To manage its price risk arising from investments in equity securities, the entity diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the entity's Investment Committee.

(iv) Cash flow and fair value interest rate risk

The economic entity invests in term deposits with various financial institutions and is exposed to interest rate risk arising from normal interest rate variations.

The company interest rate risk arises primarily from investments in long term interest bearing financial instruments, due to the potential fluctuation in interest rates. In order to minimise exposure to this risk, the company invests in a diverse range of financial instruments with varying degrees of potential returns.

(v) Summarised sensitivity analysis

The table on the last page of the financial report summarises the sensitivity of the economic entity's financial assets and liabilities to interest rate risk.

(b) Credit Risk

Credit risk is the risk of financial loss, arising from another party, to a contract or financial position failing to discharge a financial obligation thereunder. The Economic Entity's maximum exposure, to credit rate risk, is represented by the carrying amounts of the financial assets included in the statement of financial position.

Financial risk management (continued)

(c) Liquidity Risk

Liquidity risk refers to the risk that, as a result of operational liquidity requirements, the company:

- will not have sufficient funds to settle a transaction on the due date
- will be forced to sell financial assets at a value which is less than their worth
- may be unable to settle or recover a financial asset at all

The finance committee monitors the actual and forecast cash flow of the economic entity on a regular basis, ensuring that sufficient cash reserves are held to meet the ongoing operations and obligations of the economic entity as they fall due.

The following tables summarise the maturity of the Entity's financial assets and financial liabilities:

31 December 2017	Average Interest Rate	Variable Interest Rate	Less than 1 Year	1 to 5 Years	5+ Years	Non Interest	Total
	%	\$	\$	\$	\$	\$	\$
Financial Assets							
Cash & cash equivalents	1.10	313,182					313,182
Investments-Term Deposits	2.60		4,744,070				4,744,070
Receivables						1,890,036	1,890,036
Listed Shares						4,504,607	4,504,607
Accrued Income						278,475	278,475
Total Financial Assets		313,182	4,744,070			6,673,118	11,730,370
Financial Liabilities							
Payables						364,793	364,793
Total Financial Liabilities						364,793	364,793
Net Financial Assets(Liabilities)		313,182	4,744,070			6,308,325	11,365,577

Comparative figures for the previous year are as follows:

31 December 2016	Average Interest Rate	Variable Interest Rate	Less than 1 Year	1 to 5 Years	5+ Years	Non Interest	Total
	%	\$	\$	\$	\$	\$	\$
Financial Assets							
Cash and cash equivalents	1.10	892,916					892,916
Investments - Term Deposits	2.70		4,696,109				4,696,109
Receivables						1,608,434	1,608,434
Listed Shares						4,259,793	4,259,793
Accrued Income						17,189	17,189
Total Financial Assets		892,916	4,696,109	-	-	5,885,416	11,474,441
Financial Liabilities							
Borrowings							
Payables						68,284	68,284
Total Financial Liabilities						68,284	68,284
Net Financial Assets(Liabilities)		892,916	4,696,109			5,817,132	11,406,157

Financial risk management (continued)

Summarised sensitivity analysis

The following table summarises the sensitivity of the Entity's financial assets and financial liabilities to interest rate and other price risk.

31 December 2017	Carrying amount	Interest rate risk				Other price risk			
		-1%		+1%		-1%		+1%	
		Result	Equity	Result	Equity	Result	Equity	Result	Equity
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Financial Assets									
Cash and cash equivalents	313,182	(3,132)	(3,132)	3,132	3,132	N/A	N/A	N/A	N/A
Investments-Term Deposits	4,744,070	(47,441)	(47,441)	47,441	47,441	N/A	N/A	N/A	N/A
Receivables	1,890,036								
Listed Shares	4,504,607					(45,046)	(45,046)	45,046	45,046
Accrued Income	278,475								
Total Financial Assets	11,730,370	(50,573)	(50,573)	50,573	50,573	(45,046)	(45,046)	45,046	45,046
Financial Liabilities									
Creditors	536,987	(5,370)	(5,370)	5,370	5,370	N/A	N/A	N/A	N/A
Total Financial Liabilities	536,987	(5,370)	(5,370)	5,370	5,370				
Total increase / (decrease)	11,193,383	(45,203)	(45,203)	45,203	45,203	(45,046)	(45,046)	45,046	45,046

Comparative figures for the previous year are as follows:

31 December 2016	Carrying amount	Interest rate risk				Other price risk			
		-1%		+1%		-1%		+1%	
		Result	Equity	Result	Equity	Result	Equity	Result	Equity
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Financial Assets									
Cash and cash equivalents	892,916	(8,929)	(8,929)	8,929	8,929	N/A	N/A	N/A	N/A
Investments-Term Deposits	4,696,109	(46,961)	(46,961)	46,961	46,961	N/A	N/A	N/A	N/A
Receivables	1,608,434								
Listed Shares	4,259,793					(42,598)	(42,598)	42,598	42,598
Accrued Income	17,189								
Total Financial Assets	11,474,441	(55,890)	(55,890)	55,890	55,890	(42,598)	(42,598)	42,598	42,598
Financial Liabilities									
Creditors	68,284	(683)	(683)	683	683	N/A	N/A	N/A	N/A
Total Financial Liabilities	68,284	(683)	(683)	683	683				
Total increase / (decrease)	11,406,157	(55,207)	(55,207)	55,207	55,207	(42,598)	(42,598)	42,598	42,598

Note 29 Fair value measurements

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

The fair value of financial instruments traded in active markets (such as available for sale securities) is based on quoted market prices at the balance date. The quoted market price used for financial assets held by the Entity is the current bid price.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques. The Entity uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market exit prices declared by fund managers are used to estimate fair value for unlisted unit trusts.

The carrying value less impairment provision of trade receivables and payables is a reasonable approximation of their fair values due to the short-term nature of trade receivables. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Entity for similar financial instruments.

Due to the short-term nature of the current receivables, their carrying value is assumed to approximate their fair value and based on credit history it is expected that the receivables that are neither past due nor impaired will be received when due.

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

- Financial assets at fair value through profit or loss
- Land and buildings
- Infrastructure

A full revaluation of Land, Buildings and Infrastructure was conducted in October 2017.

Fair value measurements recognised in the balance sheet are categorised into the following levels by valuation method:

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 (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3- inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Listed securities

Fair values have been determined by reference to their quoted bid prices at the reporting date.

Recognised fair value measurements

Fair value measurements recognised in the statement of financial position are categorised into the following levels at 31 December 2017.

	31 Dec 2017	Level 1	Level 2	Level 3
	\$	\$		
Financial assets				
Other financial assets	4,504,607	4,504,607	-	-
Total	4,504,607	4,504,607	-	-
Non financial assets				
Land	450,000	-	450,000	-
Buildings	2,381,200	-	-	2,381,200
Infrastructure	72,500	-	-	72,500
Total	2,903,700	-	450,000	2,453,700
	31 Dec 2016	Level 1	Level 2	Level 3
	\$	\$		
Financial assets				
Other financial assets	4,259,793	4,259,793	-	-
Total	4,259,793	4,259,793	-	-
Non financial assets				
Land	400,000	-	400,000	-
Buildings	2,393,000	-	-	2,393,000
Infrastructure	77,000	-	-	77,000
Total	2,870,000	-	400,000	2,470,000

Valuation techniques used to derive level 3

Land, buildings and infrastructure are valued independently at least every three years. At the end of each reporting period, the Entity updates the assessment of the fair value of each property, 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 Entity considers information from a variety of sources, including:

- current prices in an active market for properties of different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences
- discounted cash flow projections based on reliable estimates of future cash flows
- capitalised income projections based on a property's estimated net market income, and a capitalisation rate derived from an analysis of market evidence

All resulting fair value estimates for properties are included in level 3 except for vacant land.

Note 29 Fair value measurements (continued)

Fair value measurements using significant unobservable inputs (level 3)

Level 3 Fair value measurements 2017	Land	Buildings	Infrastructure	Total
Opening balance	400,000	2,393,000	77,000	2,870,000
Adoption of AASB 13	0	0	0	0
Total gains /(losses)	0	0	0	0
Recognised in profit or loss *	0	(81,320)	(3,850)	(85,170)
Recognised in other comprehensive income	50,000	69,520	-650	118,870
Closing balance	450,000	2,381,200	72,500	2,903,700

Level 3 Fair value measurements 2016	Land	Buildings	Infrastructure	Total
Opening balance	400,000	2,337,429	76,000	2,813,429
Recognised in profit or loss *	0	(82,572)	(4,000)	(86,572)
Recognised in other comprehensive income	0	138,143	5,000	143,143
Closing balance	400,000	2,393,000	77,000	2,870,000

*change in unrealised gains/(losses) recognised in profit or loss attributable to assets held at the end of the reporting period

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	Fair value at 31 Dec	Unobservable inputs	Range of inputs	Relationship of unobservable inputs to fair value
Land	450,000	Global Valuation	2	For land, buildings and infrastructure, market date is not observable. These are valued using a discounted recovery approach.
Buildings	2,381,200	Global Valuation	3	
Infrastructure	72,500	Global Valuation	3	

END OF AUDITED FINANCIAL STATEMENTS