

MACQUARIE UNIVERSITY

SYDNEY ~ AUSTRALIA



Annual Report 2012

IMAGE: PAUL WRIGHT



IMAGE: F. J. GAYLOR

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Letter of submission

For the period 1 January 2012 to 31 December 2012

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

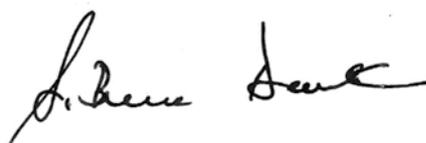
Dear Minister,

The Council of Macquarie University has the honour to submit the Annual Report of Macquarie University for the year ended 31 December 2012. The report has been prepared for presentation to Parliament in accordance with the *Annual Reports (Statutory Bodies) Act 1984* and the *Public Finance and Audit Act 1983*.

Yours faithfully,



The Hon Michael Egan
Chancellor



Professor S Bruce Downton
Vice-Chancellor and President

Message from the Vice-Chancellor



The year 2012 has been an excellent one for Macquarie University. The University continued to grow its research programs and undergraduate enrolments to approximately 38,000 students across its four faculties, the Macquarie Graduate School of Management and the Australian School of Advanced Medicine.

Macquarie continues to be a popular destination for domestic as well as international students, with students given the opportunity to participate in a diverse array of programs on campus, as well as many international experiences. These programs, such as the PACE (Participation and Community Engagement) program, are increasingly popular and enable Macquarie students to build their scholastic, communication, problem-solving and leadership skills.

Students, staff and visitors enjoy Macquarie's open, natural environment as well as the many amenities on campus. There remains considerable opportunity with the land asset endowed to Macquarie University for growth and development of research, education and commercial partnerships. Indeed, the University is working towards greater engagement with the global companies located in the adjoining technology precinct.

The University's researchers, teachers, students and professional staff are well supported by recent investments of more than \$1 billion in facilities and infrastructure. In the closing stages of 2012, the University occupied the Australian Hearing Hub. This facility brings together, some of the

country's best researchers and service providers to advance research, education and innovation around hearing and language disorders. The facility will be officially opened in 2013.

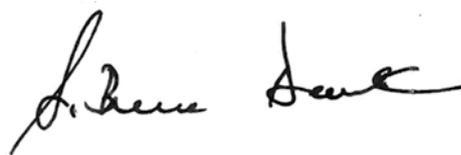
Macquarie had a notable year which recognised its recent research growth. Eighty-five per cent of the University's research activity was rated as being of world standard, or higher, in the Excellence in Research for Australia evaluation. The University's international research profile is one of the reasons that Macquarie was ranked as Australia's top university under the age of 50 in the QS World University Rankings.

The University has several research centres and organisational units that sit alongside the four faculties. These include the highly regarded Macquarie Graduate School of Management, the Australian School of Advanced Medicine and Macquarie is indeed the only University in Australia to operate a private teaching hospital.

In the closing stages of 2012 the University began moving towards a major strategic planning initiative which will run during 2013. This initiative will bring together internal and external stakeholders from the University community to consider Macquarie's long-term future as a leading institution of higher education. The focus will be upon learning, teaching and research as the core missions of the University. The process will include wide and deep consultation within the University community as well as engagement with external constituents. This far horizon planning process will then allow development of detailed, five-year rolling plans for major organisational units of the University as well as annual operating plans.

After joining the University in September 2012, as its fifth Vice-Chancellor, I have been delighted to meet many members of the University community and leaders of stakeholder organisations. This year has been one of further growth of Macquarie's teaching and research domains as well as stability for all internal operating support elements, making the future for Macquarie University exceptionally bright.

I commend the Annual Report for 2012 to all members of Macquarie's community and interested parties.



Professor S Bruce Dowton
Vice-Chancellor and President

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Research

Macquarie is one of the country's leading research universities, bringing the best minds together and enabling them to conduct cutting-edge research without traditional disciplinary boundaries.

Research quality

The Australian Government announced the results of the second Excellence in Research for Australia (ERA) evaluation in December 2012. Macquarie's research strengths were assessed in 20 out of a possible 22 broad fields of research. Of these, three fields of research were again awarded the highest possible rating of 5 which is described as 'outstanding performance well above world standard'. These fields were: Earth sciences, environmental sciences and physical sciences. Biological sciences, communication and culture, language, law and legal studies, history and archaeology, and philosophy and religious studies were all awarded a rating of 4 which is 'above world standard'. Taken together, 40 per cent of Macquarie's research was rated as 'above or well above' world standard, an increase over the 2010 ERA results where 28 per cent of Macquarie's research was rated 4 and above. ERA 2012 also rated 85 per cent of Macquarie's research at world standard and above (5, 4 or 3), an increase of almost 15 per cent over Macquarie's ERA 2010 results. These results reflect the University's strategy to consolidate and strengthen its areas of research excellence and place Macquarie firmly within the top echelon of research intensive universities in Australia.

Five of Macquarie's most eminent researchers were appointed by the Australian Research Council (ARC) to serve on the Research Evaluation Committees which were responsible for assessing the quality of Australian research. Selected from a pool of more than 600 national and international researchers were:

- Professor Sue O'Reilly who served on the Physical, Chemical and Earth Sciences Committee
- Professor Stephen Crain and Professor Martina Möllering who served on the Humanities and Creative Arts Committee
- Professor Igor Shparlinski who served on the Mathematical, Information and Computing Sciences Committee
- Professor Anne Castles who served on the Medical and Health Sciences Committee.

Research publications

Macquarie University researchers increased their output of research publications in 2011 (reported in 2012) by 8 per cent over 2010, with increases of almost 20 per cent in research journal articles and almost 10 per cent in authored research books or monographs. The Faculty of Science continued to contribute strongly to this outcome, producing 46 per cent of the refereed journal articles reported by the University, while

the Faculty of Business and Economics showed the largest increase (23 per cent) in their 2011 HERDC publication profile.

In terms of 2011 weighted research publications per academic FTE, Macquarie again outperformed all non-Group of Eight universities and all but two Group of Eight universities.

Building on its international reputation for outstanding research in environmental science, in 2012 Macquarie University was highly ranked in the world for cited research papers in environment/ecology (*Thomson Reuter's Essential Science Indicators*). This placed Macquarie alongside Princeton, Stanford, NASA and the Smithsonian Institute as the institutions producing the most cited research in environmental science.

Macquarie University researchers actively cooperate with other researchers both nationally and internationally. In 2012, 39 per cent of Macquarie University research articles were co-authored with researchers from another country, while 37 per cent were co-authored with researchers from another Australian university or institution (*SCOPUS*).

Research partnerships

Macquarie's capacity for collaboration extends to its research partnerships. Macquarie holds more than 150 joint research grants with other universities and research organisations both nationally and internationally, boasts 136 jointly supervised PhD students with close to 100 of these being jointly supervised by an international supervisor, and well over 400 active collaborations and partnerships with Australian and overseas industry and other partners.

Macquarie's national highlights in the development of partnerships include the establishment of a partnership with CSIRO and the University of Western Sydney for climate change modelling with funding provided by the Commonwealth Government Science and Industry Endowment Fund (SIEF).

Also in 2012 Macquarie Neurology embarked upon a significant research study as one of 24 official study sites – and the only site in the Southern Hemisphere – for the Parkinson's Progression Markers Initiative (PPMI). PPMI is a landmark observational clinical study sponsored by the Michael J Fox Foundation for Parkinson's Research (MJFF) and the Shake it Up Foundation. Macquarie Neurology has been awarded \$1.2 million to participate in the study using a combination of advanced imaging, biologics sampling and behavioural assessments from sites across the world to validate biomarkers of Parkinson's disease progression.

Macquarie University is partnering with National ICT Australia to undertake a series of projects to further progress Australia's ICT innovation capability. Macquarie is also a major partner in four National eResearch Collaboration Tools and Resources projects: UniCarbKB, Geology from Geodynamics, Humanities Networked Infrastructure and Federated Archaeological Information Management System.

In November the Premier of New South Wales, Barry O'Farrell, awarded prestigious scholarships to two Indian students to study at Macquarie University in Sydney. These are the first of 55 scholarships that will be awarded to Indian students under a unique Memorandum of Understanding between Macquarie University and India@75, an initiative of the Confederation of Indian Industry (CII) for realising an inclusive, sustainable and developed India by the year 2022. Future scholarships will apply to many other areas identified as a focus of the India@75 mission, including arts, education, energy, health, literature, science, sports, sustainable development and transportation.

Higher degree research enrolments and completions

Macquarie's higher degree research (HDR) training program is strategically focused to ensure high achieving applicants receive candidature places and scholarships. The University's targeted HDR scholarships reward candidates and researchers working in priority areas.

The University achieved its highest ever number of HDR completions in 2012 (270), exceeding the University's target of 241. As shown in Figure 1 Macquarie has increased its annual HDR completions by 81 (or 43 per cent) between 2007 and 2012 and the University ranks in the top 10 Australian Universities in (weighted) completions. With a continued focus on improving research training management systems and processes it is expected that the number of completions will continue to increase annually.

As depicted in Figure 1, while Macquarie University's HDR enrolments have been increasing steadily from 2007, the University experienced a decrease in the total number of HDR students enrolled during 2012. While it is likely that this decrease is in part a consequence of the increasing competition both nationally and internationally for high quality HDR students, the University's record completions and implementation of strategies to facilitate on-time completions have also impacted this number.

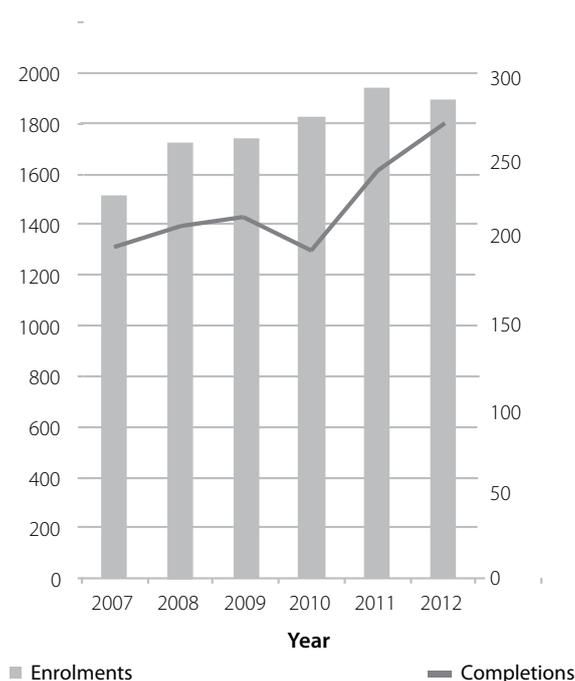
In 2012, the University addressed the issue of HDR candidates who had been enrolled longer than expected. The result was an increase in completions for long-term candidates, and a

number of students discontinuing their candidature. There is now increased confidence that the presently enrolled cohort of HDR students will have a greater likelihood of completing their candidature on time. Data from the 2012 Annual Progress Reports show students and supervisors are increasingly confident of achieving completion by their expected submission date, and there are declining rates of students under review.

A substantial amount of work was undertaken in 2012 to develop Macquarie's innovative Master of Research (MRes), which from 2014 will become the main pathway for students progressing to higher degree research at Macquarie. Over 200 individual units are on offer to MRes students across the University, and the number of applications has exceeded expectations, including a significant proportion of applicants from other Australian universities and overseas.

The University is also currently developing a new, campus-wide program in learning skills for HDR students in the areas of writing, research skills and professional development. A pilot program was run in 2012, with the aim of major expansion in 2013 and beyond.

Figure 1: Higher degree research student enrolments and completions 2007–2012



Research excellence recognised

On 26 January 2012 the Australia Day Honours were announced, including recognition of Macquarie adjunct professors and past staff:

- Dr David Skellern was awarded Officer of the Order of Australia (AO)
- Professor Frank Talbot was awarded Member of the Order of Australia (AM)
- Dr Margaret Stuart was awarded an Order of Australia Medal (OAM) for her service to medical research as a biotechnologist.

Also during 2012, Professor Tim Flannery, 2007 Australian of the Year and Macquarie University Panasonic Chair in Environmental Sustainability, was appointed as a Fellow of the Australian Academy of Science for his research contributions towards understanding living and extinct marsupials and mammals, and his public advocacy of science.

Professor Ron Rapee, Distinguished Professor and Director of the Centre for Emotional Health, was awarded membership of the Academy of the Social Sciences in Australia for his outstanding research in, and professional contribution to, clinical psychology.

In June 2012 Rapee was also awarded an Order of Australia Member (AM) in the general division during the Queen's Birthday Honours for his contribution to psychology and to the mental health of Australian families.

Professor Alanna Maree Nobbs, Deputy Director of the Ancient Cultures Research Centre, was named a Member of the Order of Australia for her service to ancient history and the classics. Professor Dominic Rowe, Founder and Director of Macquarie Neurology and MND Service was named a Member (AM) in the general division of the Order of Australia for his service to neurology and for his tireless work on Motor Neuron Disease.

Professor Ingrid Piller was awarded the Australian Linguistics Society annual Talkley Award, recognising her outstanding commitment to communicate applied sociolinguistics research through 'Language on the Move', her tireless work to promote bilingual education in Australia and her effort to focus public attention on the challenges of language learning in the context of migration and globalisation.

Department of Mathematics Emeritus Professor Ross Street was awarded the prestigious George Szekeres Medal by the Australian Mathematical Society for his outstanding contribution to the mathematical sciences by an Australian

mathematician. Street's internationally renowned expertise lays in category theory, an area of modern mathematics that focuses on the structure of mathematics at their deepest level and which has ramifications in other scientific disciplines, notably computer science and mathematical physics.

Wendy Goldstein was presented with the 2012 Paul F-Brandwein Medal for a lifetime commitment to conservation education. The medal was awarded in partnership between the Brandwein Institute in the US and IUCN Commission on Education and Communication.

Research funding

Macquarie University researchers attract significant funding through competitive research grants. In 2012, the University reported \$45.07 million of competitive external research earned during 2011. In addition, the University was awarded \$28.98 million of research block grants from the Australian Government in 2012. A preliminary analysis of research income received in 2012 indicates that the University will achieve a similar level of funding to that received in 2011.

Macquarie was highly successful in the 2012 Australian Research Council Discovery Projects round with 26 applications awarded more than \$8 million in research funding. The University's success rate (26 per cent) was third highest among the research intensive institutions in Australia. Another very successful round of Future Fellowships awards was announced in July 2012, with nine awards from 16 applications resulting in Macquarie achieving the highest success rate among Australia's research intensive institutions.

National Health and Medical Research Council

Three of Macquarie University's early career researchers were awarded the prestigious NHMRC Early Career Fellowships in 2012 with funding commencing from 2013.

Dr Lisa Iverach's project will investigate the mental health of school-age children who stutter while Dr Blake Dear will examine innovative internet-delivered self-help treatments for chronic pain, and finally, Honorary Associate Dr Trevor Chong will investigate impaired decision-making and the role of dopamine in modulating executive function in Parkinson's Disease.

Australian Research Council

In 2012, nine prestigious ARC Future Fellowships were awarded to Macquarie researchers for projects commencing in 2013. The successful researchers were:

- Associate Professor Amanda Barnier who seeks to test whether remembering everyday information or important events with a long-term partner compensates for, predicts and/or reduces the risk of memory and cognitive decline
- Associate Professor Thomas Carlson who will investigate how humans recognise objects by investigating the neural representation of objects in the brain
- Dr Matthew Finkbeiner who seeks to introduce a new behavioural reach-to-touch paradigm for studying basic cognitive processes such as word recognition
- Professor Lyndsey Nickels who seeks to enable better treatment of people with disorders affecting language such as aphasia, dyslexia and dementia
- Associate Professor Jennifer Hudson who will use her research to explore better identification of children at risk for emotional problems and will identify new ways of tailoring prevention and treatment
- Associate Professor Orsola De Marco who will use computer modelling to assist researchers in the early detection and identification of astronomical events, including coalescing stars
- Dr Helen Pask who aims to develop new approaches for remote sensing of water properties such as temperature and salinity
- Dr Jacob Dorrit who will investigate skeletons of marine organisms that can be used to reconstruct past climates and make predictions for the future
- Dr Heather Handley who will look to advance understanding of the timescales of Earth processes using short-lived (22 to 380,000 years) isotopes to provide better constraints on the timescales of magmatic processes and frequency of large-scale eruptions for volcanic hazard mitigation and also soil production rates for landscape erosion studies.

In addition, three Macquarie researchers were awarded the ARC Discovery Early Career Researcher Award for funding commencing in 2013:

- Dr Kim Curby will study the impact of expertise on visual processing
- Dr Wei Deng will investigate unlocking targeted gene silencing in deep tissue with nanoparticle-based light sources
- Dr Paul Sowman will examine the neural mechanisms of inhibitory control of human speech in stutterers and non-stutterers.



Learning and teaching

Macquarie strives to motivate and inspire students, engender a command of a field of study, foster independent learning, respect students as individuals and encourage participation in scholarly activities to enhance learning and teaching.

In 2012, Macquarie University focused on defining and extending the 'Macquarie Difference' which is focused on four principles – scholarship, ethical practice, sustainability and engagement – and made concrete through People, Planet and Participation units. In 2012 Macquarie developed 46 People units, 33 Planet units and 29 Participation units, while over 2800 students had some form of global experience as part of their Macquarie program.

In 2012 Macquarie also extended its flexible study options for students through a non-compulsory Session 3 where students may either speed their time to completion or catch-up units. Session 3 offers domestic students the ability to study under Commonwealth Supported Places, rather than pay fees. In the first Session 3 held early in 2012, 51 units were offered and 3824 students enrolled; in the second Session 3 held in late 2012 there were 130 units offered with 5255 students enrolled.

Other highlights of 2012 include:

- implementation of the iLearn Project, which entailed the replacement of Blackboard with Moodle as the University's learning management system, increasing the number of units with an online component by 150 per cent
- development of minimum standards for online components of units
- creation of iTeach as the unit creation and enrolment management system for iLearn
- implementation of ECHO360 to replace Lectopia as the system to create, manage and deliver audio and video recordings
- formation of the Education Studio and the Innovation and Scholarship Grants Program
- agreement with Open Universities Australia to supply content on their MOOC platform
- implementation of the Teaching Standards Framework
- commencement of the Delivering Excellence Program.

Teaching excellence

In 2012 Macquarie's academic staff were successful in attaining recognition for their excellence in a significant number of national awards.

National Teaching Fellowships

Dr Lisa Wynn won a fellowship to extend her Macquarie Teaching Fellowship in the ethics approval process for undergraduate student research.

Dr Mitch Parsell won a fellowship to develop standards for online learning to ensure that students studying online,

via distance education or online blended learning, receive a quality experience comparable to that received by face-to-face students.

National Award for Teaching Excellence

Dr Lisa Wynn was one of only 10 academics across Australia awarded a 2012 Award for Teaching Excellence by the Office for Learning and Teaching.

National Award for Programs that Enhance Learning

The Genes to Geoscience Research Enrichment Program was one of only 10 programs nationally that won a program award for their work with higher degree research students.

National Citation for Outstanding Contributions to Student Learning

- Professor John Croucher: for outstanding leadership in the design and implementation of sustainable resources, curricula and services that greatly enhance the overall student experience
- Dr Ulrike Garde: for motivating students to engage with European languages and cultures in an enjoyable and inclusive learning space that fosters critical thinking, analytical and creative skills
- Associate Professor Andrew Gillett: for integrating research skills into first-year assessment, classwork and student reflection, as a foundation for independent learning which embraces the challenges of new fields
- Dr Peter Keegan: for specialist expertise in fostering active, engaging and empowering learning experiences for distance education students enrolled in external, Open Universities Australia and Session 3 ancient history units
- Dr Penny Van Bergen: for enhancing pre-service teachers' passion for learning by promoting a positive learning community and developing opportunities for research engagement.

National Learning and Teaching Grants

- Sharon Kerr: Impact of accessible eBooks on learning outcomes for Indigenous students
- Dr Abhaya Nayak: Academic integrity in Australia
- Dr Mitch Parsell: Inter-institutional standards for distance learning
- Associate Professor Leigh Wood and Associate Professor Ian Solomonides: Practice to academy transition
- Dr Lisa Wynn: Facilitating human research ethics review for student research.

Student enrolments

In 2012, 38,747 students were enrolled at Macquarie University, an increase of 826 (2.2 per cent) over 2011. The increases were mainly in bachelor degrees, but were partly offset by decreases in other undergraduate programs.

The University's total equivalent full-time student load in 2012 was 28,500, an increase of 1416 (5.2 per cent) over 2011. Of the total student load, 21 per cent was in higher degree and 79 per cent in undergraduate programs.

Student enrolments 2012 ¹	
Type of attendance	
Full-time	26,548
Part-time	12,199
Gender	
Female	21,636
Male	17,111
Total	38,747

Enrolments by program level 2012 ¹	
Doctorate by research	1738
Professional doctorate	90
Masters degree by research	71
Masters degree by coursework	7425
Other postgraduate programs	1790
Postgraduate total	11,114
Bachelor degrees (including honours)	26,415
Other undergraduate degrees	207
Non-award and enabling degrees	1011
Undergraduate total	27,633

Enrolments by home location 2012 ¹	
Africa and the Middle East	303
Americas	663
North-East Asia	7905
Northern and Western Europe	442
Oceania and Antarctica	35
South and Central Asia	531
South-East Asia	1366
Southern and Eastern Europe	132
International total	11,377
Domestic total	27,370

Student load ² by discipline 2012 ¹	
Agriculture, environmental and related studies	402
Architecture and building	20
Creative arts	1357
Education	2253
Engineering and related technologies	224
Health	825
Information technology	780
Management and commerce	10,205
Natural and physical sciences	2970
Society and culture	9464
Total	28,500

Student awards 2012 ³	
Higher doctorate	0
Honorary award	6
Non-professional doctorate by research	239
Professional doctorate	22
Masters degree by research	12
Masters degree by coursework	3080
Other postgraduate programs	1031
Postgraduate total	4390
Bachelor degrees (including honours)	6357
Other undergraduate degrees	26
Undergraduate total	6383

1 Source: preliminary calendar year data as at 1 January 2013.

Individual figures may not add up to totals due to rounding.

2 Equivalent full-time student load (EFTSL).

3 Source: AMIS data preliminary as at 9 January 2013.

Note: In this annual report a student with multiple enrolments will be counted only once in the course with the greatest EFTSL which is consistent with the method adopted by the Federal Government.

Student experience: Student feedback and consumer response

The University is engaged in a significant program to develop and improve its service to enhance the student experience. A new portfolio led by the Deputy Vice-Chancellor (Students and Registrar) commenced a significant program of work in 2012 to deliver on the student experience and to develop our people, culture, structures, services and technology, which underpin this important area of life at the University.

Student representation and engagement in institutional governance and management

A new model for student representation at Macquarie University was introduced in 2012, which aims to deliver broader engagement and constructive consultation with the student community on matters affecting them and their student experience. A new Student Advisory Board was created with broad terms of reference to advise on the allocation of Student Services and Amenities Fee income and the broader student experience. The University Council has also created a new sub-committee involving members of the governing body, staff and students with the strategic focus of the student experience.

Academic appeals

The Academic Appeals Committee hears appeals from students against exclusion from enrolment. Despite an increasing population of students, the Committee has received a declining number of appeals each year since 2008.

Academic Appeals Committee determinations

Appeals	2008	2009	2010	2011	2012
Considered	357	304	289	231	158
Successful	141	84	59	52	28*

* Subject to a small number of final appeals under consideration.

Students who are excluded from enrolment now have access to the services of Student Advocacy and Support within Campus Wellbeing and are informed of a range of other support services, including the Student Ombudsman.

Grievances

A new grievance management procedure is in place in accordance with the University's Grievance Management Policy. The management of student grievances falls within the purview of the new Governance Services Unit within the Office of the Deputy Registrar. Since the creation of the Unit in August 2012, 20 formal grievances have been lodged. Of these 11 challenged the impartiality of a University decision maker, whilst nine challenged administrative decisions.

Escalation and the Student Ombudsman

In 2012 the University appointed a new Student Ombudsman. The Student Ombudsman provides a final level of challenge and review where a student is unhappy with the outcome of a University decision or process. Since taking office in July 2012, the Student Ombudsman has received 33 case referrals, which touched on a range of issues.

2012 Student Ombudsman referrals

Type of referral	Number of cases
Exclusion	15
Grade review	7
Grievance	4
Academic advice	3
Academic supervision	2
Other	2

Internationalisation

The continuing strength of the University's international reputation was reflected in QS rankings that placed Macquarie in the world's top 20 universities under 50 years of age. In addition Macquarie's commitment to internationalisation was highlighted in the *Times* rankings, with Macquarie being ranked number two in the world for 'international mix' behind École Polytechnique Fédérale de Lausanne in Switzerland.

There were 10,167 full degree international students studying at Macquarie University North Ryde and City campuses in 2012, equivalent to 26.1 per cent of the student population and representing 107 countries. Of those, 4130 students commenced their studies at Macquarie in 2012. Additionally, 493 students were enrolled in the University's offshore programs in China, Hong Kong, Korea and Singapore in 2012.

In 2012, 167 international students were studying at Macquarie with the financial assistance of full or partial scholarships granted through the Macquarie University International Scholarship Program.

The University continued to encourage a global outlook in its students through the Participation and Community Engagement (PACE) program and Global Leadership Program, which continued its success with over 2500 students enrolled in the program at the end of 2012. Four hundred and fifty Macquarie students went overseas on exchange or short-term overseas study in 2012, and the University welcomed 674 inbound exchange and study abroad students.

Macquarie's world-leading cotutelle program grew, with 25 new agreements: bringing the total to 155. The program provided collaborative research opportunities to 92 students in 2012. Another 10 international agreements were signed in 2012 including the first Erasmus Mundus Joint PhD consortium agreement for an Australian university. These agreements were established with institutions in China, Germany, Israel, Spain and the UK.

The University's position as the number one modern university in Australia was a key message of international marketing in 2012. Additionally, Macquarie's international website was redesigned to align with the University's overall brand and messaging. The University improved prospective students' online experience by establishing a single course search function for international and domestic students and a brand-aligned future international students website.



Community and alumni

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

Macquarie University Foundation

In 2012, the University's leadership transition infused a new enthusiasm for philanthropic outreach and partnerships with the appointment of a Director of the Macquarie University Foundation and review of the organisation's fundraising programs in readiness for the University's 50th anniversary in 2014.

The Foundation Office continued to build relationships with its community, corporate and individual stakeholders and supporters, working in close collaboration with Alumni Relations for the 2012 annual appeal campaign.

The appeal, which focused on Equity Scholarships, was mailed to 14,000 domestic alumni and emailed to more than 22,700 alumni domestically and internationally driving these recipients to a newly designed bespoke online campaign.

Alumni continued to donate generously, providing support for approximately 100 students in need.

In 2012, the University welcomed five new patrons of the Joan and John Lincoln Society at the annual society lunch hosted by Chancellor the Hon Michael Egan and Vice-Chancellor and President Professor S Bruce Downton. The planned giving department confirmed five new bequests in 2012 (value up to \$500,000) with 39 patrons making confirmed bequests of up to \$10 million to date.

Other achievements included a significant three year donation to support a new lecturer position in the archaeology of ancient Israel, within the Faculty of Arts.

Alumni and community relations

With over 145,000 graduates in more than 140 countries, the University continued to find innovative ways to connect with Macquarie alumni. Alumni Relations is the gateway for communications between the University and its alumni community, providing members with enhanced online communications including the refurbished alumni web community, social media platforms, interactive online magazine and newsletters, and access to more than 72 events domestically and internationally.

More than 350 alumni registered for Backpack to Briefcase. Hosted in the Sydney CBD, this event for recent graduates offered insight on professional networking from a panel of industry leaders. Facebook, LinkedIn and Twitter were strongly integrated into this event as part of Alumni Relations'

increased focus on social media. The 2012 panel included social media expert alumna Kate Carruthers, Head of Talent for Cocoa Cola Amatil alumna Ainsley Gilkes and a senior representative from LinkedIn. The panel discussion and ensuing audience discussion was moderated by Executive Dean of the Faculty of Business and Economics Professor Mark Gabbott.

New large scale events were introduced in Shanghai and Beijing, allowing local prospective students and their families personal access to senior Macquarie staff and local alumni. These highly successful events also provided the opportunity to learn more about the University's research excellence through a brief series of informative presentations by key academic staff.

Other events for alumni and the wider community included the Colloquium Series which showcased a selection of the University's top academic talent with more than 700 alumni and community members participating. These well-received lectures featured Professor David Christian, Professor Tim Flannery, Associate Professor Catherine McMahon and Dr Shane Oliver. The Music on a Winter's Sunday concert series continued to be well attended by local community members, as were the Balmain Sinfonia, Macquarie University Singers, Movies@Macquarie and Cinema in the Park events.

Alumni in the Spotlight was launched in 2012. During the year this vibrant online space within the alumni website showcased Macquarie's strong graduate outcomes, enabled further engagement with alumni and supported development activities. The space highlighted outstanding alumni, offered a selection of news articles featuring alumni and allowed all graduates to share their professional and personal experiences. Alumni in the Spotlight was well-received and will continue into 2013.

Additionally, the University issued its alumni and friends magazine, *Macquarie Matters*, solely as an interactive platform, and in December a smaller hardcopy stewardship newsletter was produced by the Joan and John Lincoln Society for the first time and sent to over 9700 alumni within the more mature cohort.

The University's alumni continued to volunteer their time to welcome new graduates into the Macquarie alumni community with 77 volunteering to assist at graduation ceremonies. A highly successful social media campaign was incorporated into graduations, with more than 27,300 Facebook users reading about the University's graduations at the height of the campaign.

City of Ryde partnership

The 'town and gown' partnership announced in 2011 continued to enable the City of Ryde to benefit from the world-class research capabilities of the University by providing opportunities for research that will benefit local communities and the City of Ryde Council.

A co-funded review of City of Ryde Council's community relations and engagement strategy was extended by the appointment of a Macquarie PhD scholar whose research will focus on the effectiveness of community engagement programs and utilise the City's innovative MyPlace website (myplaceryde.com.au). Research continued into innovative transport options for short journeys within the Macquarie Park precinct in conjunction with City of Ryde Council, Optus, and Roads and Maritime Services. The City of Ryde also funded research around 'waste to energy conversion' with continued discussions on development of a domestic-scale living laboratory on the Macquarie campus.

Under the Participation and Community Engagement (PACE) program, the University and City of Ryde continued to foster long term student-based relationships by allowing students across faculties to pursue unit based projects alongside Council staff.



Social inclusion

Macquarie University is a vibrant, diverse and innovative university, committed to social inclusion and equality of opportunity. Social inclusion is concerned with creating an accessible and fair university which recognises, values and celebrates the diversity of students and staff.

With the Social Inclusion Plan now integrated into the Macquarie University Academic Plan, 2012 saw many successful initiatives and collaborations as well as the infusion of equity principles into the day-to-day business of the University.

The First Year Experience Unit continued to support a smooth transition into university for new students through expanded and strengthened peer mentoring. At the same time, Macquarie's LEAP (Learning, Education, Aspiration, Participation) program continued to reach out to students from low socio-economic backgrounds to build aspiration to come to university.

Macquarie was once again a finalist in the NSW/ACT Employer Awards in recognition of the University's provision of employment opportunities for people with disability (CRS Australia) and received a Pride in Diversity Award for support of gay, lesbian, bi-sexual, transgender and intersex staff based on the Workplace Equality Index.

Access and inclusion initiatives

Alternative pathways to university

Macquarie's Centre for Open Education continued to offer an entry pathway via non-award courses to all domestic students able to pay tuition fees and who meet the more flexible entry requirements. Applications were assessed on a case-by-case basis with consideration of non-academic factors. In 2012 the University received 292 non-award applications: 74 per cent had no previous tertiary study, 21 per cent had incomplete undergraduate study, 5 per cent held TAFE or other post-secondary study, and 47 per cent were mature age.

The University offered 44 Bachelor of Arts and 31 Bachelor of Science places by direct entry. These students included those with incomplete tertiary study, those living in low socio-economic or regional areas, mature age students and incarcerated students.

Open Universities Australia continued to offer an entry pathway for non-award undergraduate admission, with access to a Bachelor of Arts after successful completion of four units at pass grade (GPA 2.0). In 2012, there were 14,314 unit enrolments in the online program (13,433 undergraduate, 756 postgraduate and 124 non-award). Of these students, 2.8 per cent were Indigenous, 1.3 per cent lived in remote areas, 8 per cent had disability, 5.4 per cent spoke a language other than English and 16.1 per cent had not completed high school.

Macquarie offered a range of other alternative pathways to tertiary education which are not based entirely on academic qualifications, including:

- the Lighthouse Scheme for students whose disadvantage seriously affected their senior schooling
- the Mature Age Jubilee Scheme for applicants over 21 years of age who have not previously undertaken any university study
- Macquarie University Warawara Alternative Entry Program for Indigenous applicants
- uniTEST which supported those who may have experienced disadvantage during their HSC which impacted their final results
- the Special Tertiary Admissions Test for students whose UAI/ATAR rank was not sufficient to gain an offer
- the Rural Bonus Scheme for students from rural and regional Australia.

Scholarships

Macquarie offers a range of generous social inclusion and equity scholarships, awarded on the basis of financial need or other hardship. Most are renewable for up to four years. Since the Equity Scholarship program was introduced in 2008, over 1300 students have received funding. Of all students assisted in 2012, 61 per cent demonstrated geographic disadvantage, 24 per cent had a disability or long-term medical condition, 18 per cent were sole parents and 21 per cent had significant carer responsibilities. Of all 2012 equity scholarship recipients, 14 per cent were from a culturally and linguistically diverse (CALD) background, 1 per cent came from refugee backgrounds, and 4 per cent were mature age students.

Equity related scholarships recipients 2011–2012

Scheme	2011	2012
Accommodation Scholarships	55	55
Education Costs Scholarships	143	150
Indigenous Access Scholarships	8	8
Indigenous Commonwealth Accommodation Scholarships	4	5
Indigenous Commonwealth Education Costs Scholarships	6	7
Macquarie Higher Study Scholarships	41	25
Macquarie University Indigenous Block Grant Program	60	100
Merit Scholarships	35	45
Non Current School Leaver Scholarships	14	18
Refugee Scholarships	1	3

Indigenous engagement

Patyegarang: Macquarie University's Aboriginal and Torres Strait Islander Peoples' Advancement Strategy

Following the review of Indigenous education at Macquarie, the University launched 'Patyegarang' as Macquarie University's Aboriginal and Torres Strait Islander Peoples' Advancement Strategy 2012–2017. The strategy provides an institutional framework to advance educational and employment opportunities of Indigenous people at Macquarie University and covers such areas as community engagement and outreach (building aspiration); access and participation, retention and completion; academic programs and pathways; and research advancement, sustainable employment and wellbeing.

Warawara: Department of Indigenous Studies

Most notably, the new Master of Indigenous Education commenced in 2012 and was a great success with approximately 30 enrolled students. There were 205 Indigenous students enrolled in a variety of programs across the University in 2012 which was a substantial increase from the 176 enrolled in 2011. There were 170 undergraduate students, 31 postgraduate coursework students and four higher degree research (HDR) students.

In 2012, the role of Elder in Residence continued to support students and was expanded to support direct recruitment and new Indigenous staff in collaboration with the Equity and Diversity Unit.

In 2012, Warawara provided support for all Indigenous students at Macquarie. Services included academic advice, induction, referral and pastoral care, and provision of facilities such as the Indigenous student common room and IT access through a dedicated computer laboratory. The Department also coordinated the Indigenous Tutorial Assistance Scheme which provided supplementary individual and small group tutoring to Indigenous students.

Academic staff in Warawara continued to provide excellence in teaching through their Indigenous Studies major and the Bachelor of Community Management. The Director and Deputy-Director also supervised five HDR students.

The Director of Warawara was elected to the inaugural Board of the National Aboriginal and Torres Strait Islander Higher Education Consortium (NATSIHEC). The Indigenous Student Support Officer was seconded to an Associate Lecturer position for a 12 month period. During this time she also

graduated in April with First Class Honours and the University Medal for Academic Excellence, commenced a PhD, and secured a tenured Level A position.

Learning, teaching and research

In 2012, Macquarie continued to forge relationships with a number of schools with strong cohorts of Indigenous students to build aspiration and increase awareness of educational opportunities and campus life. Projects included:

- the Daruganora project
- the Museum of Ancient Cultures Away Program
- the Indigenous Science Education Program.

The University continued to conduct Indigenous research on a wide range of interdisciplinary fields and topics. Areas of research included Australian Aboriginal astronomy, Indigenous art, Indigenous early childhood, Indigenous education, and Indigenous health. In 2012, the Deputy Director of Warawara was part of a large team that successfully secured \$3.2 million in funding from the Australian Research Council (ARC) to establish a National Indigenous Research and Knowledge Network.

Equity and Diversity Unit

The Equity and Diversity Unit undertook a range of activities to raise Indigenous cultural awareness and competency in 2012 including 'Close the Gap Day' and the inaugural Patyegarang Oration held in Reconciliation Week. The Patyegarang strategy was publically launch at this time.

In 2012, Macquarie continued to offer the Indigenous Cadetship program and received funding for 14 positions across the University. Cadets receive professional and pastoral support and attend in-house professional development workshops. Support was also available for the cadet's workplace with the aim of increasing Indigenous cultural competency, knowledge and understanding among non-Indigenous supervisors and colleagues.

Multicultural Policies and Services Program

During 2012 the Equity and Diversity Unit redrafted the Multicultural Services and Programs Plan under the new University guidelines and continued comprehensive collection and analysis of CALD staff and student statistics across a range of parameters, in order to provide robust evidence to back recommendations on equity activities.

Building cross-cultural competency through learning, teaching and research

Students from over 107 countries study at Macquarie and one third of staff are from culturally and linguistically diverse (CALD) backgrounds.

Macquarie's Participation and Community Engagement (PACE) program is an integral part of the curriculum which develops the capabilities of students to actively contribute to the wellbeing of people and the planet. Through Participation units, students have the opportunity to apply academic learning to real-world contexts: locally, regionally and internationally. In doing so, students improve their job prospects and earn academic credit whilst helping Macquarie's partner organisations.

Through PACE Macquarie University produces graduates who are work-ready and equipped with the skills and experience employers are looking for. During the year, Macquarie developed partnerships with a range of government entities, NGOs, private sector companies and community-based organisations to deliver the program.

In 2012, over 1600 students engaged in participation activities with partners in the Sydney region, and 101 students participated in community development projects in eight countries through the PACE International program which is co-managed with Australian Volunteers International (AVI).

During 2012, the Macquarie Global Leadership Program continued to provide a structured 30-hour program for students to develop cross-cultural understanding through elective workshops focusing on global issues and professional skills development. The program attracted 2860 students, with 10 per cent of undergraduate participants from culturally and linguistically diverse backgrounds.

The University continued to conduct multidisciplinary research into a range of topics on cross-cultural issues. Researchers in the Department of International Studies, for example, focused on the nexus between language and culture, with a majority of researchers working in fields of multicultural, intercultural and cross-cultural studies.

Supporting students and staff from culturally and linguistically diverse (CALD) backgrounds

In 2012, Macquarie University continued to increase access and participation of students from diverse backgrounds, including those from migrant and refugee backgrounds. The LEAP Mentoring program continued to actively involve volunteer student mentors to provide weekly support to high school students from refugee backgrounds. The aim of this unique program is to raise school students' aspirations towards further education.

The LEAP – Community of Schools (Auburn) program began in February 2012 to engage with staff and students from the NSW Department of Education and Communities schools in the Auburn area. The program focused on engineering, mathematics, science and technology through school enrichment programs, professional learning support and on-campus programs.

The University continued to provide a range of health, wellbeing and support services to students from diverse backgrounds including medical, counselling, welfare (including financial scholarships advice), disability support, advocacy (including grievances and complaints), careers advice and overseas exchange. There was an increase in demand for these services in 2012. Services were provided to all students with a focus toward assisting commencing and 'at risk' students. Disability Support Services provided direct support to 608 students, counselling to 689 and welfare services to 528 students. A 24 hour help line (MQ-care) provided immediate response to over 1300 students seeking accommodation, medical and risk related wellbeing or safety support.

Macquarie continued to offer mentoring and literacy support to students through the First Year Experience (FYE) Unit. In 2012 the FYE Unit conducted operations along two avenues: academic orientation and peer mentoring, and learning skills and numeracy programs. In 2012 participation in orientation rose 22 per cent above 2011 figures and exceeded 5000 students. The Mentors@Macquarie program continued to raise its profile and established baseline targets to recruit students from disadvantaged backgrounds. Learning Skills and Numeracy offered an expanded range of workshops, and continued their goal of closer alignment with faculty to offer content parallel to student ventures (eg their first assessment). Equity, diversity and cross-cultural awareness became integral to the skills development of FYE staff, as well as to the preparation of mentors, and feedback continued to show that this was having a positive impact.

In addition, Macquarie continued to provide facilities, services and amenities such as a multi-faith prayer room, access to

housing, child care, Women's Room, Queerspace and social spaces. The University Chaplaincy serves 13 faith groups and is guided by a Chaplaincy Advisory Panel assisting the University in relation to spiritual care and operations on campus.

Further initiatives to support students from CALD backgrounds included:

- the SBS Media Mentorship program
- the Lucy Mentor Program which connected disadvantaged female students with high-level mentors in the public, private and non-for-profit sector
- the Postgraduate Certificate in Community Interpreting (Linguistics) which provided a multilingual curriculum to meet the needs of interpreters working in the community
- the Faculty of Business and Economics Conversation group which allowed students to practice their English skills and expand their social networks.

Macquarie University continued to support its employees, including staff from CALD backgrounds, by offering career advancement and wellbeing assistance. This included access to a free and confidential 24/7 counselling service through the Employee Assistance Program; paid education leave for staff from non-English speaking backgrounds undertaking an approved English language course; and access to a range of professional development opportunities including skills development workshops, postgraduate study scholarships and the postgraduate MGSM Scholarship Scheme.

The Equity and Diversity Unit continued to offer free Australian sign language classes to interested staff and students to raise awareness of deaf culture and language. By the end of 2012, 105 staff and students had completed the course.

Engaging with diverse communities

In 2012 Macquarie University launched the Diversity 2012 grants initiative to continue to recognise and celebrate diversity on campus. Grants were available for student and staff to undertake events and projects on awareness raising, community engagement, inclusive practice and dialogue. Examples included the Grandparenting in the 21st century conference; Young Australian and Chinese Cultural Exchange Festival (with keynote guest The Hon Kevin Rudd); Celebrating Diversity Through Music (production and launch of the 'Room for Me' CD by Macquarie music students); and the Human Rights in Latin America film festival.

In 2012, the University once again partnered with the Ethnic Communities' Council of New South Wales, to conduct the Building Inclusive Communities Awards. The awards recognised individuals and groups in New South Wales whose work promoted understanding across cultures, and made

a significant contribution in helping to build a culturally inclusive Australian community. In 2012, 35 nominations were received with the ceremony held at Parliament House.

The University continued its involvement in the Pride in Colour initiative in 2012 – a Sydney-wide network of people from multicultural backgrounds who identify as members of the Sydney gay, lesbian, bisexual, transgender, intersex or queer (GLBTIQ) community. Activities included a community forum/consultation and community awareness raising activities to celebrate sexuality, sex and gender diversity in multicultural communities.

Multicultural Policies and Services Program goals for 2013

- launch the Multicultural Policies and Services Program Plan 2013–2015
- host an inaugural Multicultural Symposium to strengthen cross-cultural understanding and competency and showcase Macquarie's research and programs
- continue the Macquarie outreach program LEAP
- continue successful collaborations with agencies such as the Ethnic Communities' Council New South Wales (the Building Inclusive Communities Awards) and SBS Broadcasting (SBS Media Mentorship program)
- strengthen the mechanisms which allow CALD staff and students to participate fully in academic and campus life, have voice in decision making and their needs identified and addressed
- continue to support career advancement, professional development opportunities and visibility of CALD staff, and monitor equity in human resources processes
- ensure that equity and diversity related policy and procedures support, respect and value CALD staff and students
- provide a range of cultural events and celebrations throughout the year and ensure that equity considerations are inherent in their design
- continue to provide language and literacy programs for CALD students and staff, monitor usage rates and identify specific needs based on direct feedback
- monitor University and student publications to ensure balanced representation for CALD students and staff in content and images.

Sustainability

Educational institutions have a responsibility to ensure that students and staff have the knowledge and experience to contribute to a more sustainable society. Macquarie acknowledges this responsibility through four pillars: leadership and governance; partnership and engagement; learning, teaching and research; and campus operations.

Vision

The University's sustainability vision is to be ecologically sound, socially just and economically viable in all its activities. Macquarie aims to:

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

Leadership and governance

The University's Sustainability Policy and Procedure were reviewed and renewed, strengthening Macquarie's commitment, goals and objectives. Processes also commenced to consider how to best embed sustainability into student focused processes such as recruitment and enrolment: a critical step forward.

Partnership and engagement

Two new training modules – 'Effective Communication Techniques' and 'Influencing stakeholders' – were developed and delivered in conjunction with the Organisational Change Team. The modules better equipped staff for their voluntary roles in the Sustainability Representative Network.

School outreach programs also maintained prominence with sustainability enrichment activities organised for school students visiting campus in conjunction with the University's LEAP program. The school outreach days successfully engaged students and provided an enrichment experience using the campus as a living laboratory.

The Student Sustainability Network entered its first full year in 2012, expanding its reach and impact. With 275 students in the database, the group stayed connected through quarterly meetings, monthly newsletters, facebook and ad hoc advocacy and behaviour change campaigns. Activities in 2012 included the establishment of a sustainability PR and Marketing Group, a Plastic Free Campus mission, sustainability-themed movie nights, a Fair Trade bake sale,

Australia's first ever Project Green Challenge, a staff and student stationery re-use drive, a re-vamp of the Swap Party and one of AYCC's biggest Youth Decide drives.

Now in its fourth year, the Department Sustainability Challenge was run in the latter half of the year. The Challenge encouraged departments to undertake actions in key areas such as participation, energy, waste, governance and transport. A total of 41 departments took part in 2012, with the Centre for Open Education taking out top spot for professional offices and the Faculty of Arts winning the faculty prize. The overall score total of 1435 stars – the highest yet for the challenge – was almost double the score achieved in the first competition in 2009.

The Arboretum continued to attract crowds with 15 tours conducted throughout 2012, including school, corporate and community groups. Staff and students also joined in with dedicated walks on campus. Furthermore, the Arboretum continued to expand with the completion of the Indian Spice Garden, a collaborative project with the Faculty of Arts. Interpretive signs were also installed in the Bush Tucker Garden, the Indian Spice Garden, and by the lake, with 80 individual plant labels installed across campus.

Apart from active involvement with Australasian Campuses Towards Sustainability (ACTS), an international tertiary sustainability non-profit association, Macquarie Sustainability built several new partnerships, including with Pymble Ladies College and the Tertiary Access Group.

Cycle skills workshops were held each quarter to help staff and students develop their confidence and competency in bike maintenance and cycle safety.

Learning, teaching and research

A comprehensive framework to address learning and teaching for sustainability was developed and piloted against People and Planet units across campus. People and Planet unit conveners were actively engaged in the sustainability conversation to better prepare Macquarie students to deal with growing social and environmental issues. The Green Steps program, currently offered as an extracurricular unit, was accepted as a Participation unit commencing 2013.

Campus operations

Energy use and greenhouse emissions

The method of collecting data for Macquarie's energy use, and consequent greenhouse gas emissions, was re-designed enabling the most accurate snapshot for the National Greenhouse and Energy Reporting scheme to date. This

online system was expanded to include data on resource consumption per square meter and per capita. The process and reporting has been provided with limited assurance by Deloitte.

Building energy use and energy targets

During 2012 building audits were undertaken on the Faculty of Science buildings. Over \$300,000 was identified as possible operational savings, including implementation of an annual saving of \$120,000. Building benchmarks and targets were set for all buildings on campus and energy dashboards were created to visualise the University's energy use and targets.

Biodiversity

The first major on-ground project of the Mars Creek Environmental Plan (landscape and storm water) was commissioned in October 2012. Approximately 200 metres of primary creek rehabilitation works were completed by year's end. As in each of the past three years, weeds of local environmental concern were reduced across the campus. Liaison with teaching and learning programs increased in reach during 2012, with field work and class practicals conducted in a number of sustainability project sites on campus in the Mars Creek catchment

Furniture re-use store

In 2012, Macquarie re-used 447 items of furniture including desks, noticeboards, cabinets, bookshelves, drawers and lockers. Over 200 of these items were desks and tables. In addition, the University re-used almost 300 chairs including typist chairs, meeting room chairs, lounge suites and stools.

One Planet

Macquarie University has set up an ecological footprint tool for campus, which will be used to:

- perform detailed ecological footprint assessments throughout the building process including feasibility studies, concept design and final build
- set a campus planet target and capture all non-capital expenditure
- model the Masterplan to see how University growth is impacting the overall footprint and use the results to guide design decision-making processes.

Awards

- Winner Large Business Award in the inaugural Green Lifestyle magazine awards
- Highly commended in the Skills for Sustainability category of the Green Gown Awards Australasia



Staff

Macquarie University invests in its people. Both academic and professional staff benefit from the University's focus on developing staff capability and rewarding excellence.

Staff engagement and development

The University implemented a range of initiatives to support, engage and develop its people in 2012. Through the year Macquarie launched a number of staff development courses including a new experiential leadership course – 'the High Potential Management Development Program' – for identified professional staff. The University also launched a series of staff health and wellbeing programs and connected with staff through charity and social events. This included, for the first time, inviting staff and their families to an event on campus.

Throughout 2012, the University improved and added to the processes and systems supporting staff, launching the recruitment and onboarding modules of the Talent at Macquarie (TAM) system, which have improved efficiency in hiring and the experience for candidates and new staff. Additionally, Human Resources was restructured, creating client teams which provide dedicated support to specific faculties and offices.

In January 2012, the University commenced a series of restructuring initiatives of its professional functions as part of the Delivering Excellence Program. The focus was on implementing efficient and consistent processes across the University, and, in most cases, this was achieved through moving to a more centralised structure.

Policy and procedure

There were no major changes to staff policies in 2012, however there were a number of changes to procedures and processes. The University launched online Performance Development Reviews replacing the old paper-based system. The new system adds a journaling function allowing performance through the year to be recorded, as well as facilitating reviews at the end of the year. The system also records and tracks staff development needs which allow a more targeted approach to the selection and development of training. The launch was supported by both online and face-to-face training programs.

Macquarie also introduced a number of process improvements including the use of systems to replace forms and generate documents. These improvements include: the launch of online academic timesheets, automatic email prompts and messages, and automated processes for the reappointment of casuals and the creation of letters of offer.

In order to improve efficiency, the University payroll subsumed the payroll of a number of wholly owned

subsidiaries. In 2012, Macquarie took on the payrolls for MGSM and Access MQ and has commenced planning for inclusion of U@MQ.

Wage and salary movements

All staff covered by Macquarie University Enterprise Agreements received 2 per cent salary increases at the end of March and at the end of September 2012. The modal increase for senior management employed outside of the Enterprise Agreement was 4 per cent. There have been no significant wage movements outside of these increases.

Industrial relations policies and practices

The University has industrial agreements in place for both academic and professional staff. There have been no enterprise bargaining or changes to employment conditions, and no industrial action through 2012. Enterprise bargaining will recommence in June 2013 when the academic agreement expires.

As a result of changes to organisational structures through the Delivering Excellence Program, 20 professional staff were retrenched in 2012. There has also been a review of staffing requirements in the Department of Statistics resulting in the retrenchment of three academic staff.

Staff statistics

The number of non-casual (full-time and fractional full-time) staff as at 31 March 2012 was 2350, an increase of five (0.21 per cent) over 2011.

There were 201 female academic staff at the level of Level C (Senior Lecturer) or above (44 per cent of all female academic staff), compared to 365 males (59 per cent of all male academic staff).

Of the 1277 professional staff, 471 (37 per cent) were in academic faculties and research centres of the University, 342 (27 per cent) in central administration, 126 (10 per cent) in the library and 83 (6 per cent) in the Students and Registrar Office. The balance of 255 (20 per cent) were in other offices of the University administration.

Staff full-time equivalence

The full-time equivalence (FTE) of non-casual staff as at 31 March 2012 was 2169, an increase of 24 FTE (1.1 per cent) over 2011. The change consisted of an increase of 26 FTE for academic staff and a decrease of 2 FTE for professional staff. In 2012 the FTE of casual staff was 599, including 340 academic and 259 professional.

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

Staff full-time equivalences: 2009–2012 ¹				
Academic classifications	2009	2010	2011	2012
Level A	156	163	175	165
Level B	248	260	275	301
Level C	212	213	222	225
Level D	145	154	158	156
Level E	118	129	134	142
Deputy Vice-Chancellor	4	4	4	4
Vice-Chancellor	1	1	1	1
Casual ²	236	256	320 ³	340
Total academic	1120	1180	1288	1334
Professional classifications ⁴				
HEW Level 1	1	1	1	1
HEW Level 2	31	28	25	14
HEW Level 3	37	37	44	35
HEW Level 4	81	71	74	70
HEW Level 5	173	173	206	193
HEW Level 6	250	254	265	260
HEW Level 7	196	197	231	253
HEW Level 8	104	112	124	131
HEW Level 9	93	106	116	119
HEW Level 10	82	72	85	90
Above HEW Level 10	7	15	7	7
Casual ²	191	223	246 ³	259
Total professional	1245	1289	1423	1434
Full-time/part-time total	1938	1988	2145	2169
Casual total	427	480	566	599
Total University	2365	2468	2711	2768

1 As at 31 March 2012. Figures may not add up to totals due to rounding.

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

3 2011 casual data is derived by 2010 actual casual figures as noted in footnote 2 (273) + estimated pay-once staff from the Faculty of Business and Economics (except staff on consultancy agreements) (47.2) FTE are subject to change due to DEEWR FTE threshold of 1.2 FTE per staff member. Other faculty pay-once staff members have not yet been included in calculations.

4 HEW = Higher Education Worker.

Information regarding Macquarie's Equal Employment Opportunity can be found on pages 26–31.

Health and safety

Macquarie University operates in a wide range of work and risk environments, each adding to the University's risk profile. The following section outlines the University's health and safety performance in 2012.

Incident profile

There was a 15 per cent decrease in the number of incidents reported by employees in 2012. The University's incident type profile remained stable between 2011 and 2012; with most incidents occurring as a result of:

- ergonomic design or a failure to adopt good ergonomic practices
- motor vehicle accidents
- slips, trips or falls.

The following results provide further information regarding employees incidents.

Performance measure	2010	2011	2012
Incidents reported (staff only)	148	166	139
FTE employees	2647	2595	2400
Incidence rate (per 100 employees)	5.59	6.32	5.88
Frequency rate (per million hours worked)	15.83	35.51	41.82
Incidents to claims lodged rate	45%	32%	43%

Incidents	2010	2011	2012
At work incidents			
– manual handling	10	2	0
– maintenance	8	0	0
– undertaking experiments	2	1	3
– moving equipment	6	4	5
– administration	50	58	52
– commuting on campus	40	42	42
– other	1	1	8
At work incidents total	117	108	110
Attending approved break or sporting event	9	20	5
Travelling to and from work	28	36	20
Field trips	0	0	4
Total incidents	154	166	139

Workers' compensation

A total of 61 claims for workers' compensation were lodged in 2012, compared to 52 claims in 2011. The University's claim lodgment rate increased slightly to 2.53 (per 100 FTE). Overall the University's performance on workers' compensation improved and measures continued to show significant reductions in the average cost per claim and in the durations that injured employees remained off work.

There were no fatalities reported in 2012.

Health and Safety Unit

The Unit plans, coordinates and administers the health and safety system across the University and its controlled entities. The Unit consists of seven staff, and works closely with faculty based specialists and over 100 health and safety representatives elected by Macquarie employees.

The Unit's focus in 2012 was to consolidate changes within the University health and safety system to ensure compliance with the legislative changes of 2011. Of particular significance was ensuring all health and safety representatives were trained in accordance with WorkCover NSW requirements, the establishment of a system of health and safety workplace inspections and the development of risk profiles across the University.

Retro Paid Loss Premium model (workers' compensation)

Since 2011, the University Group has been accepted by Workcover NSW as a participant in the Retro Paid Loss Premium model in respect of its workers' compensation insurance requirements. This model is driven largely by claims costs and provides incentives for employers with strong performance in workplace health and safety, injury management and return to work. The University expects substantial savings on premium cost provided that claims costs are maintained at current levels.

Despite Macquarie's strong claims and management practices, the University Group's premium for 2012 rose 18 per cent from \$1,053,804 to \$1,246,328; with the University's premium demonstrating a similar rise from \$635,416 to \$803,410. These rises were due to the estimated annual wages of the University Group provided at re-application. An adjustment in the premium is expected in December 2013 when the group will provide actual wage figures to WorkCover NSW.

Notifiable incidents

There were two notifiable incidents in 2012. Both incidents involved contractors, and one involved a person requiring medical attention. WorkCover NSW was advised of the incidents within the timeframes outlined in the regulations. WorkCover NSW did not formally investigate these matters as they were satisfied with the investigations and controls put in place by the University.

Details as to the University's legal obligations under OHS can be found on pages 45 and 46.

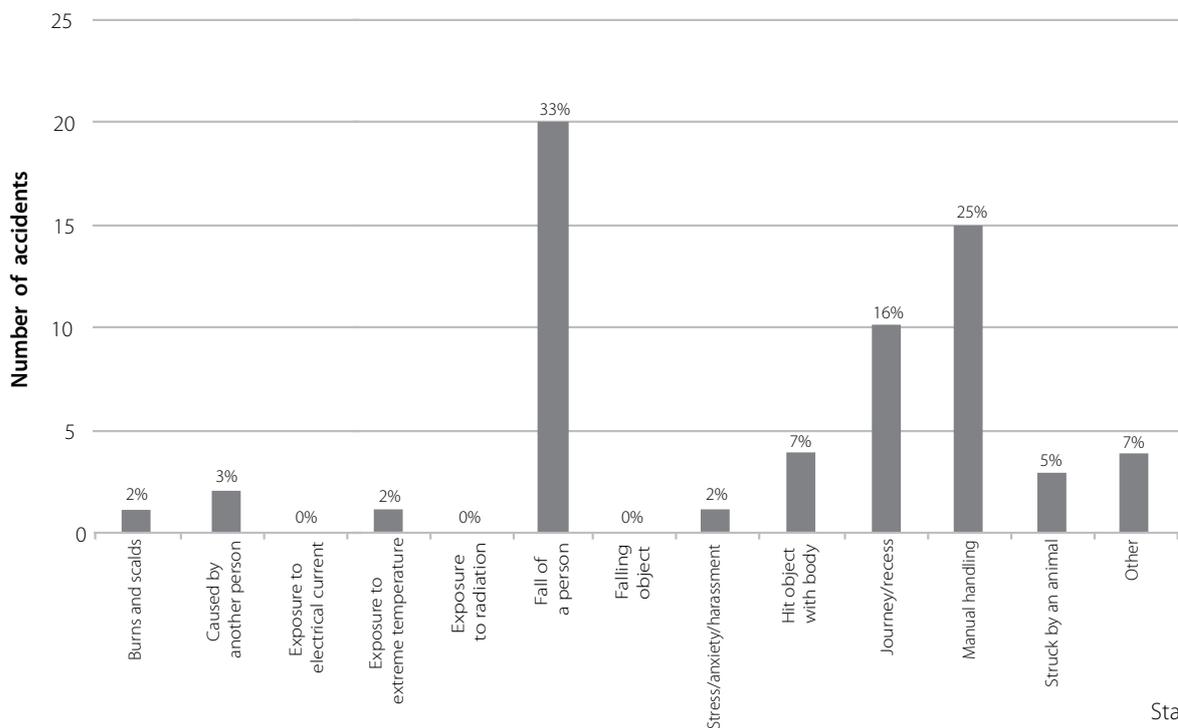
Note: Total staff figures differ slightly from statistics reported on page 23. Page 23 are DEEWR audited. Numbers in this section were sourced from Human Resources in order to enable categorisation and reporting on health and safety.

Workers' compensation results

Performance	2009	2010	2011	2012
Claim numbers	71	66	52	61
Claims (per 100 FTE)	3.42	2.49	2.00	2.53
Total claims costs	\$214,154.00	\$222,058.43	\$284,931.37	\$116,025.00
Average cost of claim	\$3,016.25	\$3,364.52	\$3,372.00	\$1,902.00
Premium as a percentage of payroll	0.43%	0.61%	0.20%	0.39%

Claims by accident type	2009	2010	2011	2012
Burns and scalds	2	1	0	1
Caused by another person	1	0	0	2
Exposure to electrical current	0	0	0	0
Exposure to extreme temperature	1	0	0	1
Exposure to radiation	0	0	0	0
Fall of a person	17	0	16	20
Falling object	0	0	0	0
Stress/anxiety/harassment	2	5	2	1
Hit object with body	7	11	10	4
Journey/recess	12	7	11	10
Manual handling	22	21	9	15
Struck by an animal	0	2	0	3
Other	8	1	4	4

Figure 4: Claims by accident type 2012



Employment equity and diversity

Gender equity

In 2012, women represented 54.5 per cent of all staff (1303 women from a total of 2390 continuing and fixed-term staff) exceeding the 50 per cent government benchmark.

The representation of women on the three key University decision-making bodies in 2012 was as follows:

- 25 per cent on University Executive (two out of eight members)
- 47.4 per cent on University Council (nine out of 19 members)
- 31.5 per cent on Academic Senate (12 out of 38 members)

Representation of academic women in 2012 was 42.2 per cent which was marginally below the higher education sector average¹ of 43 per cent.

Representation of women in the professoriate was 37.2 per cent for Level D (Associate Professor) and 27.3 per cent at Level E (Professor). Both of these figures are above the sector averages, which are 32 per cent and 23 per cent respectively. There has been a marginal 1.2 per cent increase in the representation of women at Level D since 2011. Representation of women at Level E, which had been increasing between 2008 and 2010, decreased by 1.7 per cent in the 2012 reporting year.

In terms of distribution of academic women across salary levels, data shows that in 2012 more academic women were concentrated at lower salary levels than men. The Group Distribution Index (GDI)² shows a decrease from 80 in 2010 to 78 in 2012.

In 2012, women held 40.9 per cent of all continuing academic positions, a figure which has remained steady over the past five reporting years. Of all academic women in continuing roles, a significant majority worked full-time (90.5 per cent) with only marginal fluctuations of the full-time to part-time ratio over the past five years.

The overall rate at which academic women left the Macquarie workforce in 2012 was 39.1 per cent (36 out of 92). This rate has been steady since 2010 and is below the 2012 workforce participation rate for academic women (42.2 per cent). The majority of all academic women separations from the University in 2012 was due to the end of contracts (58.3 per cent) followed by separations due to resignations or

retirements (38.9 per cent). There was one forced separation but no voluntary redundancies of academic women in 2012.

As at 31 March 2012, women represented 27.4 per cent of the 51 Concentration of Research Excellence (CORE) appointments. As CORE appointments are at senior Levels C, D and E, this appointment rate is significantly below women's workforce representation at Levels C and D and on par with the Level E participation rate.

The percentage of women applying to participate in the Outside Studies Program in 2012 was 43.2 per cent (32 out of 74). Women's success rate was 100 per cent. Women represented 55.6 per cent of all applicants for New Staff and Staff Returning from Parental Leave Research Grants in 2012. Of all successful applicants, 60.7 per cent were women.

In 2012, 51.9 per cent of all applications for academic promotion³ were from women (42 out of 81).

- For Level B, 75 per cent of all applications (12 out of 16) and 76.9 per cent of all promotions (10 out of 13) were women. Of all female applicants 83.3 per cent (10 out of 12) were promoted. Both the application and promotion rates are significantly higher than women's workforce participation rate (47.9 per cent) and the sector average (51 per cent).
- For Level C, 50 per cent of all applications (13 out of 26) and 50 per cent of promotions (10 out of 20) were women. Of all female applicants 76.9 per cent (10 out of 13) were promoted. Both the application and promotion rates are significantly higher than women's workforce participation rate (42.5 per cent) and the sector average (41 per cent).
- For Level D, 48.1 per cent of applications (13 out of 27) and 43.8 per cent of promotions (seven out of 16) were women. Of all female applicants 53.8 per cent (seven out of 13) were promoted. Both the application and promotion rates are significantly higher than women's workforce representation (36 per cent) and the sector average (32 per cent).
- For Level E, 33.3 per cent of all applications (four out of 12) and 50 per cent of all promotions (four out of eight) were women. Of all female applicants 100 per cent (four out of four) were promoted. Both the application and promotion rates are significantly higher than women's workforce participation rate (27.3 per cent) and the sector average (23 per cent).

1 Selected Inter-Institutional Gender Equity Statistics, Australia-wide statistics 2006–2010, QUT Equity Services, November 2011

2 GDI values of less than 100 indicate that the EEO group is concentrated at a lower salary level than other staff, the lower the index, the more pronounced the tendency.

3 Academic promotion data includes data from October 2011, February 2012 and June 2012 rounds.

In 2012, the workforce participation rate of women on professional staff was 64.4 per cent. Women remained clustered in mid-range employment levels. Their GDI² during the reporting period was 92, slightly lower than 2011 (93).

Women held 63.1 per cent of all continuing professional staff positions in 2012, a figure which has remained steady over the past five reporting years. The majority of these women were employed in full-time roles (80 per cent) which has been similarly consistent over time. Women on professional staff remained over-represented in part-time contract positions (78.2 per cent).

In 2012, professional women left Macquarie University at a rate of 68.8 per cent (132 of 192), a significant 3.2 per cent increase over the 2011–2012 reporting year and higher than their 2012 workforce participation rate of 64.4 per cent. In 2012 the majority (61.4 per cent) of professional women separated from the University due to retirement or resignation. This was 9.7 per cent higher than the previous year. There was a 15.8 per cent decrease in women taking voluntary redundancies over the reporting year (74.6 in 2011 to 58.8 in 2012). Of all forced separations in 2012, 69.2 per cent were women.

The University continued to offer generous parental leave provisions allowing four weeks' paid leave on a child's birth (for birth mother and partner) and up to 22 weeks of paid leave for the primary carer. The University recognises same sex parents, adoption and fostering of children. In 2012 the University granted its first request for surrogacy parenting. In 2012, 134 staff (70 per cent of whom were women) took parental leave. Of the number of days taken, 9.4 per cent were taken by men, a 1 per cent decrease since 2011.

In 2012, as part of the EO Management Plan for Women, the University continued to offer gender targeted professional development opportunities for staff, including: sponsorship of women from each faculty to attend the Women in Research Leadership residential program; sponsorship for up to 20 women to attend the Macquarie Women, Work and Management Conference; Executive Women Workshop series; and a range of networking events on campus.

In 2012 the University refurbished four parenting rooms on campus and completed the process to become accredited as a Breastfeeding Friendly Workplace through the Australian Breastfeeding Association. In 2012 Macquarie University agreed to be one of 12 organisations nationally to participate in the White Ribbon Workplace Accreditation Pilot, as an extension of Australia's largest anti-violence towards women campaign.

Indigenous Australians⁴

According to voluntary responses, the representation of Aboriginal and Torres Strait Islander Peoples in the Macquarie workforce remained below the government benchmark of 2.6 per cent.

For academic staff the data shows Indigenous representation at 0.7 per cent.

In 2012, anecdotally, there were five academic staff at Levels A, B, C and D. The University is yet to appoint an Indigenous Professor. The voluntary 2012 data reflects Indigenous professional staff representation at 1 per cent. Anecdotally, there were 15 Indigenous professional staff employed at Macquarie.

In 2012, the University continued to strengthen targeted Indigenous employment initiatives, such as the Indigenous cadetship program, and introduced a direct recruitment strategy. Four undergraduate Indigenous students were employed as cadets in professional contract roles at HEW 2. Cadetships continue for the duration of study (undergraduate and postgraduate), contingent on academic success.

In 2012, the University continued to administer the Indigenous Staff Development Fund which provides financial support and supplements faculty funding for a range of developmental activities such as attendance at national and international conferences, courses and programs.

People with disability⁴

In 2012, Macquarie launched its first Disability Action Plan 2012–2017 and established the Disability Action Plan Reference Group. The University recognises that employment equity for people with disability requires targeted interventions on a number of fronts. During the reporting year the University continued to work in partnership with CRS Australia to provide work experience placements for people with disability across the University. By the end of 2012, 10 people with disability had undertaken voluntary work placements at Macquarie with 50 per cent resulting in paid employment (four within Macquarie and one external). Raising awareness of disability issues, rights and responsibilities in the Macquarie workforce is a key part of professional development.

According to voluntary responses, people with disability represented 4.8 per cent of academic and 4.9 per cent of professional staff. Representation of academic and professional staff with disability requiring work-related adjustments was 1.4 and 1.2 per cent respectively (the

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

government target for 2011–2012 is 1.3 per cent). These figures have been steadily increasing since 2010.

According to the voluntary data, staff with disability were primarily employed at Level C (42.9 per cent of all academic staff with disability) and in mid-range professional staff positions HEW 5–7 (highest being HEW 7 at 26.7 per cent).

Of all academic staff with disability, 78.6 per cent were in continuing and 21.4 per cent in fixed-term roles. Of these continuing roles the majority (91.8 per cent) were full-time. Of all professional staff with disability, 80 per cent were continuing and 20 per cent were fixed-term employees. Of these continuing roles 83 per cent were full-time.

During the reporting year, there were no voluntary redundancies or forced separations for academic staff with disability. There was one voluntary redundancy and no forced separations among professional staff with disability.

People from non-English speaking backgrounds⁵

Macquarie University's staff body is highly diverse, comprising staff from 71 countries, who speak 57 different languages including English. In 2012, based on voluntary responses, the representation of staff from non-English speaking backgrounds (NESB) was 28.8 per cent in the academic and 35.8 per cent in the professional workforce. These rates have been steadily increasing for both cohorts since 2008 and are significantly higher than the NSW government benchmark of 19 per cent.

In 2012 the highest representation of academic NESB staff was at Level C (26 per cent of all NESB academics) and for NESB professional staff it was at HEW 7 (25.1 per cent).

NESB staff represented 8 per cent of all academic and 3.6 per cent of all professional employees externally recruited in 2012. External recruitment of NESB staff was to academic Levels A and B and to professional levels 5 and 8.

In separations from the Macquarie workforce, NESB staff represented 6.5 per cent of all academic and 10.9 per cent of all professional staff separations in 2012. There were no voluntary redundancies of NESB academic and four voluntary redundancies for NESB professional staff.

Of all NESB academic staff, 74.7 per cent held continuing and 25.2 per cent fixed-term positions. Of the continuing roles, 96 per cent were full-time which is similar to the rates for all academic staff. Of all NESB professional staff, 90.9 per cent were employed in continuing and 9.1 per cent in fixed-term

roles. Of these continuing roles, 91.8 per cent were full-time which is 11.8 per cent higher than for all professional staff.

The GDI for both academic and professional NESB staff remained below the government benchmark of 100 (93 and 92 respectively).

Employment equity goals for 2013

- implement the employment equity recommendations in the University's report to the Equal Opportunity for Women in the Workplace Agency
- implement the employment related recommendations of the Patyegarang: Macquarie University's Aboriginal and Torres Strait Islander Peoples' Advancement Strategy 2012–2017
- monitor the implementation of the Disability Action Plan 2012–2017 and develop local area operational plans and strategies which promote and support employment for people with disability
- strengthen the Indigenous Cadetship program, including increasing numbers of cadets, professional development workshops and events to build a stronger sense of community for Indigenous and non-Indigenous staff
- implement a direct recruitment strategy to increase the employment of Indigenous Australians at Macquarie
- continue to provide equity observers for all academic promotion rounds
- continue to improve human resources policy, processes and professional development with regard to reviews and restructures, succession planning, and talent and leadership strategies (academic and professional) to ensure that equity and diversity principles are embedded in strategic and operational responses
- continuously improve staff and student understanding of legislation, rights and responsibilities around discrimination, with a focus on inclusive leadership and the prevention of bullying and harassment.

Total staff figures differ slightly from statistics reported on page 23 which are DEEWR audited. Numbers in this section were sourced from Human Resources to enable reporting on equity.

⁵ This section refers to data on staff whose first language is not English, as per NSW Government reporting requirements. More broadly Macquarie uses the term CALD to refer to people who identify as culturally and linguistically diverse

EEO group representation (2008–2012) – benchmark comparison at 31 March 2012¹

Professional staff

	2008	2009	2010	2011	2012	Government benchmark or target
Women ²	63.0%	61.1%	62.9%	64.9%	64.4%	50%
Aboriginal people and Torres Strait Islanders ³	0.9%	0.5%	0.5%	1.1%	1.0%	2.6%
People whose first language was not English ³	27.0%	31.8%	32.2%	32.5%	35.8%	19%
People with disability ³	6.0%	4.9%	4.6%	4.1%	4.9%	N/A
People with disability requiring work-related adjustment ³	1.0%	0.7%	1.1%	1.1%	1.2%	1.3% (2012)

Academic staff

	2008	2009	2010	2011	2012	Government benchmark or target
Women ²	43.0%	42.1%	42.1%	41.1%	42.2%	50%
Aboriginal people and Torres Strait Islanders ³	0.9%	0.9%	0.8%	0.8%	0.7%	2.6%
People whose first language was not English ³	23.0%	26.0%	25.6%	25.6%	28.8%	19%
People with disability ³	5.0%	4.6%	4.4%	4.6%	4.8%	N/A
People with disability requiring work-related adjustment ³	0.8%	0.8%	1.1%	1.2%	1.4%	1.3% (2012)

1 Continuing and fixed-term staff numbers are as at 31 March 2012

2 Actual persons

3 Based on voluntary responses to EO questions

EEO Group Distribution Index¹ (2008–2012) – benchmark comparison at 31 March 2012²

Professional staff

	2008	2009	2010	2011	2012	Government benchmark
Women	95	94	93	93	92	100
Aboriginal people and Torres Strait Islanders	N/A	N/A	N/A	N/A	N/A	100
People whose first language was not English	94	97	98	96	92	100
People with disability	95	93	93	92	101	100
People with disability requiring work-related adjustment	N/A	N/A	N/A	N/A	N/A	100

Academic staff

	2008	2009	2010	2011	2012	Government benchmark
Women	78	82	80	83	78	100
Aboriginal people and Torres Strait Islanders	N/A	N/A	N/A	N/A	N/A	100
People whose first language was not English	87	93	96	95	93	100
People with disability	102	99	102	97	90	100
People with disability requiring work-related adjustment	N/A	N/A	N/A	N/A	N/A	100

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

2 Continuing and fixed-term staff numbers are as at 31 March 2012

EEO group representation (FTE) within Levels at 31 March 2012^{1,2}

Professional staff

Level	Total staff	Women ²	Aboriginal people and Torres Strait Islanders ³	People whose first language was not English ³	People with disability ³	People with disability requiring adjustment ³
Level 1	1	100%	0.0%	0.0%	100%	100%
Level 2	14	41.9%	0.0%	25.6%	21.6%	0.0%
Level 3	35	55.8%	0.0%	35.7%	5.3%	0.0%
Level 4	70	64.5%	0.0%	24.8%	3.1%	0.0%
Level 5	193	66.1%	1.6%	43.8%	6.2%	0.0%
Level 6	260	75.9%	1.4%	39.2%	4.1%	1.3%
Level 7	253	66.0%	0.6%	38.6%	5.1%	1.3%
Level 8	131	56.1%	1.4%	34.3%	5.1%	2.5%
Level 9	119	47.1%	0.0%	31.7%	2.7%	0.0%
Level 10 +	97	46.0%	1.9%	27.5%	5.6%	2.0%
TOTAL	1175	62.9%	1.0%	36.4%	4.9%	1.2%

Academic staff

Level	Total staff	Women ²	Aboriginal people and Torres Strait Islanders ³	People whose first language was not English ³	People with disability ³	People with disability requiring adjustment ³
Level A	165	48.2%	2.2%	42.9%	6.4%	1.1%
Level B	301	47.9%	0.0%	33.4%	3.5%	1.3%
Level C	225	42.5%	1.2%	26.1%	6.5%	2.5%
Level D	156	37.2%	0.8%	27.4%	0.8%	0.0%
Level E ⁴	147	27.3%	0.0%	26.4%	5.9%	1.0%
TOTAL	994	42.0%	0.7%	29.5%	4.4%	1.3%

1 FTE: Full-time equivalences

2 Continuing and fixed-term staff

3 Based on the responses to equity questions

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

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

Governance and management

Report by Members of Council

The members of the Council present their report on the consolidated entity consisting of Macquarie University and the entities it controlled at the end of, or during, the year ended 31 December 2012.

Members

The following persons were members of the Macquarie University Council during 2012:

The Hon Michael Egan – Chancellor
Elizabeth Crouch – Deputy Chancellor
Professor S Bruce Dowton – Vice-Chancellor and President
Professor Steven Schwartz – Vice-Chancellor and President
Professor Julie Fitness – Vice-President, Academic Senate
Andrew Bissett
Dr Wylie Bradford
Maxine Brodie
Gemma Brooks
Professor Linda Cupples
Chum Darvall
The Hon Patricia Forsythe
Greg Jones
Professor Deb Kane
Greg Lindsay, AO
Edwin Nelson
The Hon Sandra Nori
Steven Rubic
Dr Kerry Schott
Greg Ward
John Wigglesworth

Meetings of members

Information about the numbers of meetings of the members of Macquarie University's Council in 2012, and the number of meetings attended by each member, appears on page 36.

Principal activities

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

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

- (e) the conferring of degrees, including those of bachelor, master and doctor, and the awarding of diplomas, certificates and other awards
- (f) the provision of teaching and learning that engage with advanced knowledge and enquiry
- (g) the development of governance, procedural rules, admission policies, financial arrangements and quality assurance processes that are underpinned by the values and goals referred to in the functions set out in the *Macquarie University Act (1989)*, and that are sufficient to ensure the integrity of the University's academic programs.

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

Review of operations

The activities of the Council of Macquarie University during 2012 included:

- recruitment of Vice-Chancellor Professor S Bruce Dowton
- receipt of the Vice-Chancellor's report to each meeting of Council, covering major strategic items, external developments and general issues of note, including selected projects and goals related to the objectives contained in key performance indicators
- receipt of regular reports on health and safety across campus
- review of Council's performance
- adoption of a new framework for student representation including the creation of a Student Advisory Board and a new Committee of Council to focus on the student experience
- approval of an English language proficiency project
- adoption of standard governing body provisions of the *Universities Governing Bodies Act 2011 (NSW)*
- approval of new terms of reference for Academic Senate
- approval of the Master of Research and discontinuation of the one-year add on honours program
- approval of key compliance reports including the *Macquarie University 2011 Annual Report*
- approval of the *2013 Consolidated Budget* and *2013 Capital Management Plan*.

Matters subsequent to the end of the financial year

There have been no subsequent events of significance announced by the University since the end of 2012.

Likely developments and expected results of operations

There have been no developments of significance since the end of 2012.

Environmental regulation

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

- *Environment Protection and Biodiversity Conservation Act 1999* (Cth)
- *Environmental Planning and Assessment Act 1979* (NSW)
- *Environmental Trust Act 1998* (NSW)
- *Environmentally Hazardous Chemicals Act 1985* (NSW)
- *Heritage Act 1977* (NSW)
- *National Greenhouse and Energy Reporting Act 2007* (Cth)
- *Native Vegetation Act 2003* (NSW)
- *Noxious Weeds Act 1993* (NSW)
- *Ozone Protection Act 1989* (NSW)
- *Threatened Species Conservation Act 1995* (NSW)
- *Waste Avoidance and Resource Recovery Act 2001* (NSW)
- *Water Management Act 2000* (NSW)
- *Water Management Amendment Act 2010* (NSW).

Insurance of officers

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

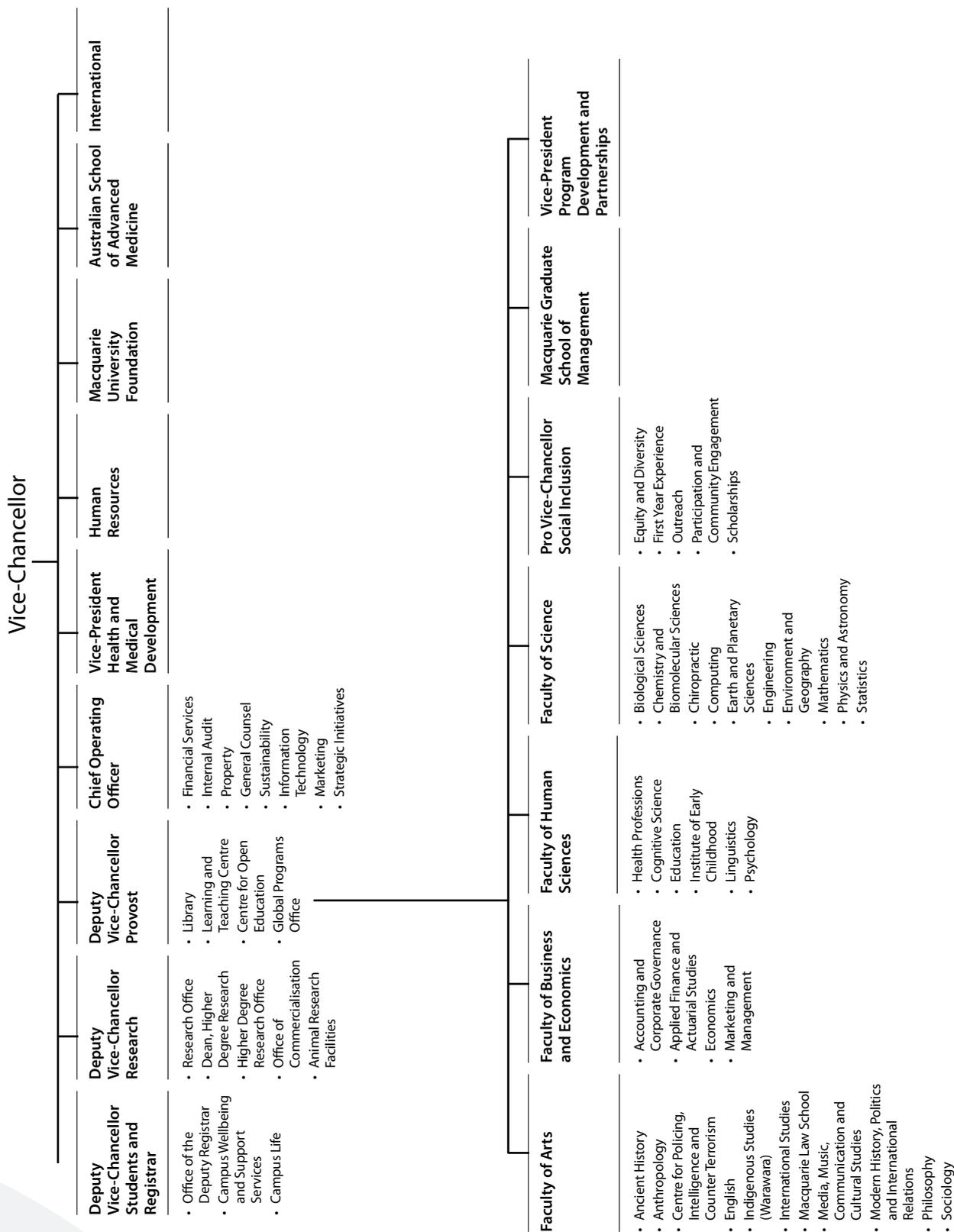
- Professional Liability Protection Insurance: covers professional, consulting, research and teaching activities (and any activities associated therewith), undertaken by the University or its affiliates, including the provision of and/or the facilitation of all recognised student activities.
- Directors and Officers Liability Insurance: covers University and affiliate persons for their legal liability arising out of their conduct as officers of the University. It includes any Chancellor, Deputy Chancellor, Vice-Chancellor, Deputy Vice-Chancellor, Registrar, Bursar, Member of Council, Member of Senate, Member of a Regulatory Board or Committee, University Secretary and any employee who is concerned in, or takes part in, the management of the University.

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



Michael Rueben Egan
Chancellor
18 April 2013





Principal office bearers

Visitor

Her Excellency the Governor of New South Wales

Chancellor

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

Deputy Chancellor

Elizabeth Crouch, BEc *Macq.*, FAICD

Vice-Chancellor and President

Professor S Bruce Downton, MB BS MD FACMG FRACP
From 3 September 2012

Vice-Chancellor and President

Professor Steven Schwartz, BA *C.U.N.Y.*, MS *Syr.*, PhD *Syr.*, FASSA
Until 31 August 2012

Deputy Vice-Chancellor and Provost

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

Deputy Vice-Chancellor (Research)

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

Acting Chief Operating Officer

Jeff Stewart, BCom *Syd.*, MBA *Columbia*
From 13 September 2012

Deputy Vice-Chancellor, Chief Operating Officer

Dr Peter Dodd, BCom *NU*, MCom *Qld.*, MSc *Rochester*,
PhD *Rochester*
Until 13 September 2012

Deputy Vice-Chancellor (Students and Registrar)

Deidre Anderson, BAarts, MA *VU*, PGCert Athlete
Counselling *AIS*, PGDipSocSc *Latrobe*

Chief Financial Officer

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

Director, Human Resources

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

Vice-President (International and Strategy)

David Wright, B Com *UC*, LLB *UC*, GDLP *ANU*
Until 30 October 2012

Macquarie University Council

(Membership as at 31 December 2012)

Macquarie University Council is the governing authority of the University, established under Part 3 of the *Macquarie University Act 1989*. Under Part 4 of the Act, the Council acts for and on behalf of the University in the exercise of the University's functions, has the control and management of the affairs and concerns of the University, and may act in all matters concerning the University in such manner as appears to the Council to be best calculated to promote the objectives and interests of the University.

Members of Council

The Chancellor

Elected pursuant to Section 9(1)(a)(i) of the Act

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

The Vice-Chancellor

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

Professor S Bruce Downton, MB BS MD FACMG FRACP
Appointed 3 September 2012, ex officio

Professor Steven Schwartz, BA *C.U.N.Y.*, MS *Syr.*, PhD *Syr.*, FASSA
Term ended 31 August 2012

The Chair of the Academic Senate

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

Professor Julie Fitness, BA *Canterbury*, MA(Hons) *Canterbury*
PhD *Canterbury*

Appointed by the Minister for Education and Training

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

The Hon Patricia Forsythe, BA DipEd *Newcastle (NSW)*
Current term to 31 December 2016

Dr Kerry Schott, BA(Hons) *UNE*, MA *UBC*, PhD *Oxford*
Current term to 31 December 2016

Appointed by Council

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

Elizabeth Anne Crouch, BEc *Macq.*, FAICD
Current term to 31 December 2016

Gregory Mackenzie Jones, BA *Macq.*, MA *Macq.*
Current term to 31 December 2016

The Hon Sandra Christine Nori, BEc *Syd.*
Current term to 31 December 2016

Greg Ward, BEc *Macq.*, MEc *Macq.*, FCA, F Fin
Current term to 31 December 2013

John Wigglesworth, BEc *Macq.*, CA
Current term to 31 December 2016

Elected by and from the academic staff

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

Dr Wylie Bradford, BEc(Hons) *Newcastle* (NSW),
MPhil *Cambridge*, PhD *Cambridge*
Current term to 31 December 2013

Professor Linda Cupples, BSc(Hons) *Monash and Melbourne*,
PhD *Melbourne*
Current term to 31 December 2013

Professor Deb Kane, BSc(Hons) *Otago*, PhD *St Andrews*
Current term to 31 December 2013

Elected by and from the non-academic staff

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

Maxine Brodie, BA DipEd *Syd.*, DipLib *NSW*,
MBA *Macq.* AALIA
Current term to 31 December 2012

Elected by and from the students of the University

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

Gemma Brooks
Current Term to 31 May 2013

Edwin Nelson
Term ended 31 May 2012

Appointed by Council

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

Andrew Bissett, BCom *Macq.*, MCom *Macq.*, MBA *Macq.*, CA.,
GAICD., CISA.
Current term to 30 June 2015

Chum Darvall BA *Macq.* F Fin and FAICD
Current term to 31 December 2016

Gregory John Lindsay, AO BA *Macq.*, DipTchg STC
Current term to 31 December 2013

Steven Rubic, BHealthAdmin *NSW*, MBA *MGSM*, FAICD
Current term to 31 December 2016

Members' attendance at meetings

	Council	
	A	B
The Hon Michael Egan	7	7
Elizabeth Crouch	7	7
Professor S Bruce Dowton	2	2
Professor Steven Schwartz	5	5
Professor Julie Fitness	6	7
Andrew Bissett	6	7
Dr Wylie Bradford	6	7
Maxine Brodie	7	7
Gemma Brooks	3	3
Professor Linda Cupples	6	7
Chum Darvall	2	7
The Hon Patricia Forsythe	6	7
Greg Jones	6	7
Professor Deb Kane	7	7
Greg Lindsay AO	4	7
Edwin Nelson	2	4
The Hon Sandra Nori	7	7
Steven Rubic	4	7
Dr Kerry Schott	6	7
Greg Ward	3	7
John Wigglesworth	6	7

A Number of meetings attended.

B Number of meetings eligible to attend.

Executive performance summary

Vice-Chancellor and President

Professor S Bruce Dowton

\$262,921 (part year)

Was in the role from September 2012 of the reporting period. Reviewed the structure of the Executive committee. Commenced a University wide strategy development process named 'Our University – A Framing of Futures'.

**Vice-Chancellor and President
Professor Steven Schwartz**

\$524,948 (part year)

Bonus \$168,730

Long term bonus \$200,000

Benefits \$292,502

Was in the role to September 2012 of the reporting period. Achieved all learning, teaching, research and financial goals. Pro-actively managed all areas of risk and improved the University profile.

**Deputy Vice-Chancellor (Provost)
Professor Judyth Sachs**

\$451,306

Bonus \$74,241

Has been in the role for the full reporting period. Delivered review of postgraduate coursework with 50 new awards to be offered in 2012. Established new DVC (Students and Registrar) portfolio and completed review of student administrative processes with outcome implementation in progress.

**Deputy Vice-Chancellor (Research)
Professor Jim Piper**

\$480,983

Bonus \$64,767

Has been in the role for the full reporting period. Improved research performance through increased activity and quality, increased HDR completions and enhanced HDR programs. Delivered capital projects on time, within budget and aligned to strategic goals.

**Acting Chief Operating Officer
Jeff Stewart**

\$144,000 (part year)

Was in the role from September 2012. Managed and improved the budgetary processes and reviewed the effectiveness of major projects.

**Deputy Vice-Chancellor and Chief Operating Officer
Dr Peter Dodd**

\$266,032 (part year)

Bonus \$69,888

Pro rata bonus for 2012 \$51,142

Benefits \$3374

Was in the role to September 2012 of the reporting period. Delivered major capital projects on time, on budget. Improved opportunity for student participation through implemented restructure of Campus Experience and Student

Services. Successfully appointed a new CEO at Macquarie University Hospital, increased the number of accredited doctors and achieved budget.

**Deputy Vice-Chancellor (Students and Registrar)
Deidre Anderson**

\$365,242

Bonus \$62,000

Has been in the role since September 2011. Delivered strategic plan and academic fraud and risk audits. Improved governance through a comprehensive review of the senate and committees structure. Enhanced student experience through the successful implementation of a suite of projects.

**Chief Financial Officer
John Gorman**

\$413,762

Bonus \$65,068

Has been in the role for the full reporting period. Improved reporting and budget processes and timelines. Delivered a formalised process for the investment of surplus funds.

**Director, Human Resources
Tim Sprague**

\$342,574

Bonus \$56,187

Has been in the role for the full reporting period. Implementation of a new workers' compensation model and final year of the HR Renewal program. Completion of Academic Enterprise Bargaining. Delivered the Capability Framework and programs to develop leadership within University.

**Vice-President International and Strategy
David Wright**

\$256,838 (part year)

Bonus \$42,312

Pro rata bonus for 2012 \$46,800

Benefits \$177,165

Was in the role to October 2012 of the reporting period. Comprehensive review of International Operations including the creation of the Global Programs Team and establishment of Strategy Development and Implementation Team.

Notes: Bonus payments paid in 2012 relate to 2011 performance. Professor S Bruce Dowton and Jeff Stewart commenced during 2012, therefore a statement of performance has been provided for their period of employment during 2012.

Remuneration includes superannuation.

Infrastructure

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

Australian Hearing Hub

In the Australian Hearing Hub, Macquarie University brings together some of the country's best researchers, educators and service providers to improve the lives of people who experience hearing and language disorders.

The Australian Hearing Hub was established to enhance research, education and training capacity in hearing and speech sciences through collaboration. The building is sited on University Avenue, opposite Cochlear Ltd, and forms the western gateway into the University.

By 2013, the Australian Hearing Hub will house some of the University's leading research teams (language sciences, cognitive sciences and nanofabrication) and clinical research/professional training teams (audiology and speech language pathology), as well as partners Australian Hearing, the National Acoustic Laboratories, Cochlear Ltd, the Royal Institute for Deaf and Blind Children, The Shepherd Centre, SCIC (Sydney Cochlear Implant Centre) and the ARC Centre of Excellence in Cognition and its Disorders.

The building has approximately 24,000m² of gross floor area over six levels plus two basements for parking. Construction commenced in early 2011. The project budget is estimated at \$110 million and reached practical completion in December 2012.

Master Plan

The University's Master Plan follows the successful approval of the University Concept Plan in 2009. In 2012, the Master Plan was further developed to accommodate flexible growth over the next 30–50 years and define how the University will build a leading Australian campus. It is nearing completion and is expected to be adopted by mid 2013, following a full strategic planning exercise.

Macquarie and Lotus Theatres

The refurbishment of Macquarie Theatre commenced in December 2011, to transform the venue from a 1970s traditional theatre into a modern, sustainable teaching and learning facility allowing large group teaching alongside small group active learning. It was formally opened by the Chancellor The Hon Michael Egan in October 2012, which preceded an inaugural address by the Vice-Chancellor Professor S Bruce Dowton.

The project was initiated by an Australian Government Teaching and Learning Capital Fund grant of \$4.23 million, with the remaining funding provided by the University. Part of the grant was used in the establishment of the Lotus Theatre, a \$3.5 million 500-seat theatre sustainably constructed with a steel frame and tensile fabric covering.

The Lotus Theatre, which was opened in early 2012, provided replacement teaching space while Macquarie Theatre was undergoing refurbishment, and will be used as additional teaching space for the remainder of its lifespan.

Other infrastructure and refurbishment projects

Other significant refurbishments undertaken in 2012 included an upgrade to E5A teaching facilities on Levels 1, 2 and 3 as part of a Learning and Teaching Capital Fund grant, and the upgrade and installation of accessible amenities in a number of buildings across campus.

Macquarie University also acquired 75 Talavera Road, partly as an investment and partly as space for the expansion of the Australian School of Advanced Medicine and the postgraduate physiotherapy facilities, and 162 Herring Road as a long-term strategic investment.

Operations

Freedom of information

Macquarie University actively makes information available on its website and through press releases, and seeks at all times to provide information in a manner which is consistent with the *Government Information (Public Access) Act 2009* (GIPA Act).

Information held by the University is available by either searching the University's website or by contacting the University. The University then assesses the request and decides whether the information requested is readily available, could be disclosed as part of a proactive release of information, could be disclosed through informal release, or that a formal access application was required. The fee for a formal GIPA Act application in 2012 was \$30.

During the period 1 January 2011 to 31 December 2011 an application was received which the University viewed as not complying with the formal requirements of Section 41 of the Act and was therefore not reported. The applicant sought a review of the University's decision by the Information Commissioner. This review was determined on 11 January 2012 with the Information Commissioner recommending that the University reconsider the application by way of internal review.

During the period 1 January 2012 to 31 December 2012 Macquarie University received 13 formal access applications for information. Two formal applications for third party consultation under the GIPA Act were received from the State Super SAS Trustee Corporation and the University of Technology, Sydney. One of the access applications was found to concern information that was publically available, one was the subject of advanced deposit notice where the applicant withdrew their request, nine were determined within statutory timeframes, one was decided after 35 days by agreement with the applicant, and one while received in 2012 is due for determination in January 2013.

Finally, two access applications involved the University determining to refuse access in full. The applicants subsequently sought review via the Information Commissioner and then through proceedings at the Administrative Decisions Tribunal. On 23 November 2012 the University announced that it would release the information covered by these two access applications. The applicants then withdrew their access applications ending the proceedings at the Administrative Decisions Tribunal.

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

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



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

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

	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/deny whether information is held	Application withdrawn
Media	0	0	0	0	0	0	0	0
Members of Parliament	0	0	0	0	0	0	0	0
Private sector business	0	0	0	0	1	0	0	0
Not-for-profit organisations or community groups	0	1	2	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)	4	0	2	0	1	1	0	1

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

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

	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/deny whether information is held	Application withdrawn
Personal information applications*	0	0	0	1	0	2	0	0
Access applications (other than personal information applications)	4	3	1	0	1	0	0	0

	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/deny whether information is held	Application withdrawn
Access applications that are partly personal information applications and partly other	0	0	0	0	0	0	0	1

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

Table C: Invalid applications

Reason for invalidity	Number of applications
Application does not comply with formal requirements (Section 41 of the Act)	0
Application is for excluded information of the agency (Section 43 of the Act)	0
Application contravenes restraint order (Section 110 of the Act)	0
Total number of invalid applications received	0
Invalid applications that subsequently became valid applications	1

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

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

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

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

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

Table F: Timeliness

	Number of applications
Decided within the statutory timeframe (20 days plus any extensions)	10
Decided after 35 days (by agreement with applicant)	1
Not decided within time (deemed refusal)	0
Total	11

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

	Decision varied	Decision upheld	Total
Internal review	0	0	0
Review by Information Commissioner*	2	0	2
Internal review following recommendation under section 93 of Act	1	0	1
Review by ADT	0	0	0
Total	3	0	3

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

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

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

Credit card certification

During the 2012 financial year, credit card use was in accordance with both the University's credit card policy and purchasing policy. These policies are themselves based on the requirements of the New South Wales Treasury.

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

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

Insurance

The University ensures that a cost effective insurance program that sufficiently protects the University's investment in assets and protects against liabilities arising from the conduct of its business activities is in place at all times. Following an exhaustive tendering process in 2010, Marsh Limited was appointed as the University's insurance brokers for a three year term. All insurances in respect of the November 2011 to October 2012 insurance year were brokered by Marsh. The open market approach adopted by the University resulted in the University securing the best available terms from its existing insurer.

During 2012, the University engaged FTB Consulting Pty Ltd to review the University's current insurance program and provide recommendations where appropriate. FTB Consulting Pty Ltd recommended that the University engage a broker with specialist expertise in the placement of medical malpractice and related insurance.

Resulting from this review it was decided to group all of the University's medical and allied health insurance risks with respect to medical malpractice and clinical trials. This process grouped together these risks for the Macquarie University Hospital, the Australian School of Advanced Medicine and the various clinics operated by the University. The University subsequently engaged Strathearn Insurance brokers to broker



IMAGE: PAUL WRIGHT

these insurances for the November 2012 to October 2013 insurance year. The remaining insurances for the November 2012 to October 2013 insurance year were brokered by Marsh under their existing contract.

Internal audit and risk management

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

The University re-appointed Deloitte to the internal audit and risk management function in 2009, following an exhaustive tendering process conducted by the University's Audit and Risk Committee for the 2010–2012 period. During 2012 the Audit and Risk Committee extended the contract with Deloitte to December 2014.

The internal audit and risk management function is primarily concerned with evaluating the accuracy and effectiveness of internal controls and assessing risks which may impact on the University's ability to achieve its objectives.

During 2012 internal audit and risk management activities were completed in line with the three-year internal audit and risk management plan approved by the Audit and Risk Committee for 2010–2012.

The Committee acknowledges the changing nature of the University's business and the change in the external business environment. The University has a program of major capital developments which are funded by a mix of cash reserves, debt and government contributions. Each of these projects imports new and different levels of risk into the University.

In addition to the business risk assessment, internal audits undertaken in 2012 involved assessments of internal controls and associated risks, and compliance with University policies and procedures and government guidelines.

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

Legal affairs

The University is required to report on changes in acts and subordinate legislation and significant judicial decisions affecting the statutory body or users of the services provided by the body pursuant to the *Annual Report (Statutory Bodies) Regulation 2010* (NSW).

Legislative changes in 2012

Tertiary Education Quality and Standards Agency Act 2011 (Cth)

Higher education providers have had to comply with the standards-based framework established under the *Tertiary Education Quality and Standards Agency Act 2011* (Cth) since 29 January 2012.

The Tertiary Education Quality and Standards Agency (TEQSA) registers and evaluates the performance of higher education providers against the Higher Education Standards Framework, including the Higher Education Threshold Standards (Threshold Standards) made on 4 January 2012.

Macquarie University is registered as a self-accrediting authority which gives it authorisation to self-accredit its courses. The University must renew its registration by 31 May 2016.

The University must maintain the Threshold Standards and has put in place appropriate processes to ensure it meets and continues to meet its obligations under those standards.

TEQSA is empowered to undertake compliance monitoring to assess whether a higher education provider continues to meet the Threshold Standards. It has wide investigative powers including powers to compel the provision of information and search and seizure powers.

Australian Charities and Not-for-profits Commission Act 2012 (Cth)

The *Australian Charities and Not-for-profits Commission Act 2012* (Cth) commenced on 3 December 2012. The Act establishes the Australian Charities and Not-for-profits Commission (ACNC), and charges the ACNC with registering entities as not-for-profit entities according to their type and subtype. Registration with the ACNC is a necessary precondition for access to certain Commonwealth taxation concessions. Previously this process was managed by the Australian Taxation Office.

The Act provides for the powers of the ACNC Commissioner in relation to the regulation of registered entities and sets out the obligations and responsibilities of registered entities. Section 180 of the Act provides that certain obligations, liabilities and offences of a registered entity may also be deemed to be the obligation liability or offence of the

directors, individuals or trustees of that entity, subject to exemptions. These provisions are particularly important for officers on governing bodies of unincorporated associations and trusts, who are registered with the ACNC.

The University was automatically registered under the Act as a charitable institution. From 1 July 2013, the government plans to introduce governance standards that will apply to all registered charities such as the University and external conduct standards that will apply to all registered charities that send funds or engage in activities overseas.

Defence Trade Controls Act 2012 (Cth)

The *Defence Trade Controls Act 2012* (Cth) was passed on 13 November 2012. The purpose of the Act is to give effect to a Defense Trade Cooperation Treaty between the US and Australia and to strengthen export controls for defence and strategic goods, technology and services. The main provisions of the Act affecting the University refer to the Defence and Strategic Goods List (DSGL), which is a list of goods and technology which may not be exported out of Australia without permission.

The Act creates offences for persons who supply DSGL technology without a permit or arrange for others to engage in dealings relating to goods listed in the DSGL or to DSGL technology without a permit. It is also an offence for a person to publish or otherwise disseminate DSGL technology to the public without approval.

The legislation has significance for the University because of the breadth of goods and technology covered in the DSGL some of which may be used or researched in higher degree research programs, particularly in the field of science. The legislation affects agreements and exchanges which the University has with overseas Universities in specialised areas and/or publications made in relation to DSGL technology, which now require scrutiny to ensure compliance with the Act. The offence provisions of the Act come into effect two years from the date when the Treaty comes into force which is unlikely to be before early 2015.

Work Health and Safety Act 2011 (NSW)

The *Work Health and Safety Act 2011* (NSW) commenced on 1 January 2012, replacing the *Occupational Health and Safety Act 2000* (NSW). One of the key changes for the University in the new Act was the extension of the obligations currently applicable in respect of employees, to cover other workers including contractors, subcontractors and their respective employees and voluntary workers. These changes mean that every person conducting business at the University must fulfil their health and safety duties to anyone who may be affected by their operations, including volunteers.



'Other persons at the workplace', which would include students and visitors, are required to take reasonable care to ensure that their acts or omissions do not adversely affect the health and safety of themselves or others and to comply with reasonable instructions given to ensure health and safety.

The University has refreshed its policies and procedures to ensure compliance with the Act.

Privacy

The *Annual Report (Statutory Bodies) Regulation 2010* (NSW) requires the University to report on the action taken in complying with the requirements of the *Privacy and Personal Information Protection Act 1998* (NSW) (PPIPA) and the statistical details of any review conducted by or on behalf of the University under Part 5 of that Act.

The steps that the University has taken during 2012 to ensure compliance with PPIPA include: updating privacy collection notices for sections of the University, developing a privacy compliance framework for publication on the University website, monitoring and improving security systems across University sites and providing privacy advice and information to members of the University community. The University's Privacy Management Plan which is published on the University website, sets out the University's privacy practices including for the collection, handling, use, storage and disclosure of personal information. The Plan has been under review in 2012 which will continue in 2013, before being formally updated.

The role of Privacy Officer is assigned to the General Counsel and the role of Right to Information Officer is assigned to the Manager, Records and Archives.

During 2012, the University received seven formal requests for review of the University's handling of personal information under Part 5 of PPIPA. All seven applications related to the same issue and the University responded to the applications together and conducted one internal review. The applications related to the disclosure of staff personal information to a third party in order to enable the provision of optional banking facilities on the University campus card. The University communicated with Office of the Privacy Commissioner in relation to the applications during the review process. Following the review the University and the applicants reached agreement on action to be taken by the University to achieve a satisfactory resolution for all parties.

Statement of attitude to fraud and corruption

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

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

Travel

The University spent \$14.8 million on travel and related staff development and training in 2012 (2011:\$15.7 million). The travel was for a wide range of purposes including the promotion and marketing of the University and specific programs, visits to overseas partners and the development of new partner relationships, the attendance and presentation of research papers at international conferences and research and teaching at affiliated universities.

Payment of accounts

The University's terms of credit in respect of its creditors is 30 days. In 2012, 90 per cent of invoices were paid in accordance with these terms. During 2012 98 per cent of Australian dollar transactions were made by EFT and 2 per cent were made by cheque. The University commenced the implementation of an automated invoice approval system to enhance the capture of invoices and improve the timeliness of the invoice approval process. This will further improve the University's ability to pay invoices within payment terms.

Aged analysis at the end of each quarter

Quarter	Within due date \$'000	Less than 30 days overdue \$'000	Between 30 and 60 days overdue \$'000	Between 61 and 90 days overdue \$'000	More than 90 days overdue \$'000
March	2875	74	12	48	26
June	3027	406	4	35	4
September	2992	202	12	45	74
December	2391	188	72	192	46

Accounts due or paid within each quarter

Measure	March	June	September	December
Number of accounts due for payment	10,389	12,535	11,979	13,823
Number of accounts paid on time	9132	11,253	10,851	12,537
Actual percentage of accounts paid on time (based on number of accounts)	88%	90%	91%	91%
Dollar amount of accounts due for payment	67,475,029	85,572,894	92,813,424	95,611,589
Dollar amount of accounts paid on time	60,724,248	79,576,571	86,944,931	87,233,919
Actual percentage of accounts paid on time (based on value)	90%	93%	94%	91%
Number of payments for interest on overdue accounts	–	–	–	–
Interest paid on overdue accounts	–	–	–	–

Financial performance

Statements in this chapter are unaudited.

The operating result for the year for Macquarie University and its subsidiaries was a surplus of \$69.3 million. The surplus for the consolidated University represented 8.5 per cent of income.

State superannuation schemes

The University's liability under the State Superannuation Scheme (SSS) and State Authorities Superannuation Scheme (SASS) was \$397.5 million as at 31 December 2012 (\$362.5 million in 2011). This is matched by an asset based on future funding expected from the Australian Government.

Consolidated income analysis

Income totaled \$814.6 million, an increase of 10.3 per cent. This increase has been driven by a number of factors:

- income from Australian Government grants increased by \$30.6 million and HECS-HELP revenue increased by \$22.7 million owing to increased student load in Commonwealth Supported Places, which was partially offset by a decline of \$14.2 million in fee paying overseas students due to a slight reduction in enrolments
- Macquarie University Hospital service revenue increased \$23.3 million, reflecting continued growth in operations
- an increase in gain on disposal of assets of \$17 million.

Consolidated expense analysis

Expenses totaled \$745.3 million, an increase of 5.4 per cent. This increase has occurred over several expense categories:

- employee related expenses increased by \$25 million (6.5 per cent) due to salary increases and the appointment of additional staff for the Macquarie University Hospital operations
- other expenses have increased by \$10.5 million, driven by increases in Macquarie University Hospital related expenditure.

Consolidated balance sheet

Net assets increased by \$63.4 million from 2011 to 2012 with total assets increasing by \$236.6 million and total liabilities increasing by \$173.2 million. This includes an increase of \$153.5 in property, plant and equipment and \$119 million increase in borrowings for the purchase of property and construction of the Australian Hearing Hub.

Risk analysis

The following ratios are provided in respect of the financial risk assessment of the University at 31 December 2012.

Indicator	Result	Risk
Income growth	10.3%	Low
Proportion of revenue from Australian Government grants	25.1%	Low
Growth in Australian Government funding from prior year	17.6%	High
Proportion of revenue from overseas student fees	26.4%	High
Consecutive deficits recorded	0	Low
Number of weeks income cash and investments is equivalent to	14	Low
Current ratio	1.6	Low
Adjusted current ratio ¹	2	Low
Gearing ratio ²	12.4%	Medium

1 The current liability of long service leave entitlements is determined as all leave that was unconditional as at 31 December 2012. The University expects that \$28.8 million of this current liability will be settled after 12 months and the current ratio has been adjusted to reflect this.

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

Returns on University investments

Indicator	Actual returns	Benchmark	Actual returns	Benchmark
	2011	2011	2012	2012
Cash and cash equivalent	5.24%	5.16%	3.72%	3.54%
Australian equities	(9.54%)	(10.98%)	10.71%	19.74%
International equities	23.46%	(7.07%)	n/a	n/a
Debt securities	7.23%	11.36%	5.4%	7.72%
Property	(5.42%)	(1.56%)	34.53%	32.79%

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

Note 2 benchmarks:

Cash and cash equivalent: UBS Australia Bank Bill Index

Australian equities: ASX 300 Accumulation Index

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

Debt Securities: UBSWA Composite Bond Index (all maturity)

Properties: ASX Property Accumulation Index

Budgets

The following is a summary of financial performance against budget for 2012.

Income statement

Indicator	Budget 2012 \$'000	Actual 2012 \$'000
Income from continuing operations	771,057	814,571
Expenses from continuing operations	748,978	745,268
Operating result from continuing operations	22,079	69,303

Balance sheet

Indicator	Budget 2012 \$'000	Actual 2012 \$'000
Current assets	181,705	268,978
Non-current assets	2,055,576	2,163,689
Total assets	2,237,281	2,432,667
Current liabilities	175,693	164,823
Non-current liabilities	634,875	823,796
Total liabilities	810,568	988,619
Net assets	1,426,713	1,444,048

Cash flow statement

Indicator	Budget 2012 \$'000	Actual 2012 \$'000
Net cash provided by operating activities	78,073	122,710
Net cash used in investing activities	(160,348)	(156,721)
Net cash provided by financing activities	81,500	118,860
Net increase/(decrease) in cash and cash equivalents	(755)	84,849

Macquarie University has consolidated the following controlled entities:

- Access Macquarie Ltd (AccessMQ)
- Australian Proteome Analysis Facility Ltd (APAF)
- CMBF Ltd
- COH Property Trust
- LAMS Foundation Ltd
- LAMS International Pty Ltd (LAMS Intl)
- Macquarie Education South Africa NPC
- Macquarie Graduate School of Management Pty Ltd (MGSM)
- Macquarie University Property Investment Company Pty Ltd
- Macquarie University Property Investment Company No 2 Pty Ltd
- Macquarie University Property Investment Company No 3 Pty Ltd
- Macquarie University Property Investment Trust (MUPIT)
- MGSM Ltd
- MU Hospital Pty Ltd
- MUH Operations Pty Ltd
- MUH Operations No 2 Ltd
- MUPH Clinic Pty Ltd
- MUPH Hospital Pty Ltd
- Risk Frontiers Flood (Australia) Pty Ltd
- Risk Frontiers Group Pty Ltd
- U@MQ Ltd

The following 11 controlled entities were trading in 2012.

Access Macquarie Ltd

Access Macquarie Ltd (AccessMQ) is a not-for-profit public company limited by guarantee and wholly owned by Macquarie University. AccessMQ provided English language training to students from over 40 countries and IELTS testing for over 15,000 candidates in 2012. Its quality teaching resulted in students achieving 15 per cent higher grades in their first year at Macquarie University. Its continued management of research and consulting projects serves as a vital link between academics and researchers from Macquarie University and industry. In 2012, the AccessMQ research and consulting practice attracted in excess of \$10 million in research and consulting engagements.

Australian Proteome Analysis Facility Ltd

Australian Proteome Analysis Facility Ltd (APAF) is a not-for-profit public company limited by guarantee and wholly owned by Macquarie University. APAF was the birthplace of the term proteomics in 1995 and was the world's first dedicated high throughput proteomics laboratory. APAF has over 17 years of experience in providing proteomic services, and combined with leading-edge infrastructure and expertise provides total solutions for proteomic research needs.

CMBF Ltd

CMBF Ltd (CMBF) is a not-for-profit public company limited by guarantee and wholly owned by Macquarie University. CMBF administers the delivery of the University's Master of Applied Finance in Sydney and other locations, domestically and internationally. The program has approximately 1000 students enrolled and is internationally recognised in the global banking and finance industry.

LAMS International Pty Ltd

LAMS International Pty Ltd (LAMS) is a for-profit private company limited by shares. Macquarie University owns 77 per cent of the entity. LAMS is an eLearning system that allows teachers to author and structure learning activities for students in any age group. AccessMQ provides administrative and technical support for LAMS. LAMS sponsored a successful LAMS Conference in 2012 in Sydney, Australia.

Macquarie Graduate School of Management Pty Ltd

Macquarie Graduate School of Management Pty Ltd is a not-for-profit, private company limited by shares and wholly owned by Macquarie University. On 1 April 2012, the activities and operations of Macquarie Graduate School of Management Pty Ltd were transferred to MGSM Ltd. All assets and liabilities of Macquarie Graduate School of Management Pty Ltd were transferred to MGSM Ltd, through an asset transfer agreement. This transfer brought to an end trading by Macquarie Graduate School of Management Pty Ltd.

Macquarie University Property Investment Trust

Macquarie University Property Investment Trust (MUPIT) is a trust wholly owned by Macquarie University. The Trust was established in 2007 for the purpose of investing in the construction of two new buildings, entering into lease agreements, and issuing new units to related entities under the control of the Trustee Company.

Macquarie University Property Investment Company Pty Ltd

Macquarie University Property Investment Company Pty Ltd is a for-profit, private company limited by shares and wholly owned by Macquarie University. The Company acts as the Trustee for Macquarie University Property Investment Trust.

MGSM Ltd

MGSM Ltd is a not-for-profit, public company limited by guarantee and wholly owned by Macquarie University. Since 1 April 2012 the company has been the trading entity for the Macquarie Graduate School of Management. The three primary divisions of MGSM are Award Programs, Research and Executive Education, which are supported by the MGSM's conference centre on the main campus. MGSM was again ranked among the world's top 100 MBA programs (*The Economist, Full time MBA ranking, 2012*). It also ranked number one in New South Wales, number four in Australia, and number six in the Asia-Pacific region in the same study.

MUH Operations No 2 Ltd

MUH Operations No 2 Ltd (MUH) is a not-for-profit, public company limited by guarantee and wholly owned by Macquarie University. Macquarie University Hospital's objectives are to provide evidenced-based care of the highest quality to every one of its patients; to provide education to its scholars by supporting University-based learning and actively supporting the professional development of its staff; and to support innovation in clinical care by providing the most advanced hospital facilities, links to research space and

better information systems. Performance of the Company's operations is measured in terms of occupancy levels, patient days, average length of stay, patient revenue per patient day, labour work hours per patient day, and clinical and pharmaceutical supplies costs per patient day. The Hospital's Board reviews the Company's performance at each of its meetings.

Risk Frontiers Flood (Australia) Pty Ltd

Risk Frontiers Flood (Australia) Pty Ltd (Risk Frontiers) is a for-profit private company limited by shares and ultimately wholly owned by Macquarie University. Risk Frontiers is a research centre sponsored by the insurance industry to aid better understanding and pricing of natural hazard risks in the Asia-Pacific region. Its aims are to undertake risk assessment and research into natural hazards, develop databases of natural hazards and their impact on communities and insured assets, and develop loss models to improve the pricing of natural hazard catastrophe risks. It is the preferred provider of research to the New South Wales State Emergency Service and works with various government agencies and a number of corporate and utility organisations on risk-related issues.

U@MQ Ltd

U@MQ is a not-for-profit public company limited by guarantee and wholly owned by Macquarie University. The principal activities of U@MQ are to provide products, services and facilities to the members of the University community – including staff and students – that complement and support the academic activities of the University. Those services and facilities include sporting and recreational facilities; food, beverage and retail services; and childcare. The company's operations are measured in terms of number of transactions per outlet, average outlet transactions revenue, sports membership numbers, child care utilisation rates, customer satisfaction rates, per cent of cost of goods sold against revenue, per cent of wages, and per cent of direct expenses against revenue.

The financial statements for those controlled entities required to produce financial statements are available in the second volume to this Annual Report which is available at mq.edu.au/about/how_mq_works/reports.

Financial statements

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Independent auditor's report



INDEPENDENT AUDITOR'S REPORT

Macquarie University

To Members of the New South Wales Parliament

I have audited the accompanying financial statements of Macquarie University (the University), which comprise the statement of financial position as at 31 December 2012, the income statement, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information of the University and the consolidated entity. The consolidated entity comprises the University and the entities it controlled at the year's end or from time to time during the financial year.

Opinion

In my opinion, the financial statements:

- give a true and fair view of the financial position of the University and the consolidated entity, as at 31 December 2012, and of the financial performance and cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2010
- comply with the 'Financial Statement Guidelines for Australian Higher Education Providers for the 2012 Reporting Period' (the Guidelines), issued by the Australian Government Department of Industry, Innovation, Science, Research and Tertiary Education, pursuant to the *Higher Education Support Act 2003*, the *Higher Education Funding Act 1988* and the *Australian Research Council Act 2001*.

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

University Council's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

My opinion does *not* provide assurance:

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

Independence

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

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



A T Whitfield
Deputy Auditor-General

22 April 2013
SYDNEY

Statement of appointed officers

Macquarie University
Statement of Appointed Officers
For the year ended 31 December 2012

Statement of Appointed Officers

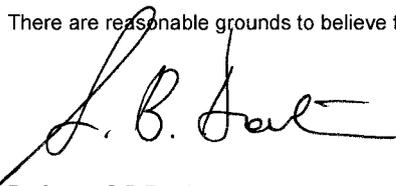
In accordance with a resolution of the Council of Macquarie University, pursuant to Section 41C (1B) and (1C) of the *Public Finance and Audit Act 1983*, we state that to the best of our knowledge and belief:

1. The financial statements present a true and fair view of the financial position of the University at 31 December 2012 and the results of its operations and transactions of the University for the year then ended.
2. The financial statements have been prepared in accordance with the provisions of the *Public Finance and Audit Act 1983*, the *Public Finance and Audit Regulation 2010* and the Financial Statement Guidelines for Australian Higher Education Providers for the 2012 Reporting Period issued by the Australian Government (Department of Industry, Innovation, Science, Research and Tertiary Education).
3. The financial statements have been prepared in accordance with Australian Accounting Standards, which include Australian Accounting Interpretations.

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

In accordance with the Higher Education Support Act, the amount of Australian government financial assistance expended during the reporting period was for the purposes for which it was intended and Macquarie University has complied with applicable legislation, contracts, agreements and programme guidelines in making expenditure.

There are reasonable grounds to believe that the University will be able to pay its debts as and when they fall due.



Professor S B Dowton
Vice-Chancellor



J Wigglesworth
Chair Audit and Risk Committee



E A Crouch
Chair Finance and Facilities Committee

Sydney
18 April 2013

Income statement

Macquarie University Income Statement For the year ended 31 December 2012

	Notes	Consolidated		Parent	
		2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Income from continuing operations					
Australian Government financial assistance					
Australian Government grants	2	204,726	174,097	204,672	174,043
Higher Education Loan Programs	2(b)	127,489	104,767	127,489	104,767
State and Local Government financial assistance	3	1,218	4,241	1,218	4,241
HECS-HELP - Student payments		21,243	19,532	21,243	19,532
Fees and charges	4	280,238	291,913	272,849	280,095
Investment revenue	5	11,052	15,395	13,780	16,319
Royalties, trademarks and licences	6	575	655	413	604
Consultancy and contract research	7	19,513	22,798	13,147	16,152
Other revenue	8	131,334	104,876	49,488	48,695
Total revenue from continuing operations		797,388	738,274	704,299	664,448
Gains on disposal of assets	9	17,183	208	17,183	208
Total income from continuing operations		814,571	738,482	721,482	664,656
Expenses from continuing operations					
Employee related expenses	10	409,420	384,383	331,959	314,187
Depreciation and amortisation	11	53,388	50,343	52,183	48,949
Repairs and maintenance	12	5,712	8,521	2,645	6,175
Borrowing costs	13	22,443	25,624	22,443	25,624
Impairment of assets	14	9,628	1,101	58,305	883
Losses on disposal of assets	15	321	1,640	219	1,337
Deferred superannuation expense	10/40	655	637	655	637
Consultants and contractors		34,294	36,625	60,694	54,472
Scholarships and grants		40,246	39,696	39,804	39,414
Other expenses	16	169,161	158,632	106,348	107,817
Total expenses from continuing operations		745,268	707,202	675,255	599,495
Operating result before income tax		69,303	31,280	46,227	65,161
Income tax expense		-	-	-	-
Operating result from continuing operations		69,303	31,280	46,227	65,161
Operating result after income tax for the period		69,303	31,280	46,227	65,161
Operating result attributable to members of Macquarie University	28(b)	69,303	31,280	46,227	65,161

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

Statement of comprehensive income

Macquarie University
Statement of Comprehensive Income
For the year ended 31 December 2012

	Notes	Consolidated		Parent	
		2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Operating result after income tax for the period		69,303	31,280	46,227	65,161
Gain(loss) on revaluation of property, plant and equipment	22	877	(14,057)	868	(14,299)
(Loss) on value of available for sale investments	28(a)	(5,763)	(11,745)	(5,763)	(11,745)
Gain on value of patents		-	270	-	270
Net Actuarial (losses) recognised in respect of Defined Benefit Plans	28(b)	(1,012)	(4,219)	(1,012)	(4,219)
Total comprehensive income		63,405	1,529	40,320	35,168
Total comprehensive income attributable to members of Macquarie University		63,405	1,529	40,320	35,168

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

Statement of financial position

Macquarie University
Statement of Financial Position
As at 31 December 2012

	Notes	Consolidated		Parent	
		2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Assets					
Current assets					
Cash and cash equivalents	17	164,049	79,200	133,089	54,989
Receivables	18	40,052	33,168	24,378	22,544
Inventories	19	4,510	3,749	200	207
Other financial assets	20	47,369	36,134	26,869	19,464
Other non-financial assets	21	12,998	10,637	11,868	9,312
Total current assets		268,978	162,888	196,404	106,516
Non-current assets					
Receivables	18	427,744	401,906	427,019	401,906
Other financial assets	20	8,299	58,091	57,353	126,007
Property, plant and equipment	22	1,710,675	1,557,157	1,706,635	1,552,577
Intangible assets	23	766	667	766	667
Other non-financial assets	21	16,205	15,363	18,470	18,364
Total non-current assets		2,163,689	2,033,184	2,210,243	2,099,521
Total assets		2,432,667	2,196,072	2,406,647	2,206,037
Liabilities					
Current liabilities					
Trade and other payables	24	59,803	49,846	34,347	34,352
Borrowings	25	1,242	1,152	1,045	971
Provisions	26	69,355	60,876	61,852	55,672
Other liabilities	27	34,423	33,877	33,379	34,043
Total current liabilities		164,823	145,751	130,623	125,038
Non-current liabilities					
Borrowings	25	396,980	277,958	396,596	277,377
Provisions	26	416,124	382,291	415,650	381,427
Other liabilities	27	10,692	9,429	10,692	9,429
Total non-current liabilities		823,796	669,678	822,938	668,233
Total liabilities		988,619	815,429	953,561	793,271
Net assets		1,444,048	1,380,643	1,453,086	1,412,766
Equity					
Parent entity interest					
Reserves	28(a)	453,600	458,486	453,340	458,235
Retained earnings	28(b)	990,448	922,157	999,746	954,531
Parent entity interest		1,444,048	1,380,643	1,453,086	1,412,766
Total equity		1,444,048	1,380,643	1,453,086	1,412,766

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

Statement of cash flows

Macquarie University
Statement of Cash Flows
For the year ended 31 December 2012

	Notes	Consolidated		Parent	
		2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Cash flows from operating activities					
Australian Government Grants	2(h)	330,597	283,477	330,597	283,477
State and Local Government Grants received		1,218	4,151	1,218	4,151
OS - HELP (net)	2(h)	(246)	(55)	(246)	(55)
HECS-HELP - Student Payments		21,243	19,532	21,243	19,532
Receipts from student fees and other customers		484,938	493,756	385,982	357,813
Dividends received		1,977	4,512	1,977	4,512
Interest received		9,068	10,835	6,957	8,591
Payments to suppliers and employees (inclusive of GST)		(739,282)	(735,162)	(631,914)	(572,454)
GST recovered		35,225	23,300	28,325	18,946
Interest and other costs of finance		(22,028)	(19,962)	(21,953)	(19,943)
Net cash provided by / (used in) operating activities	37	122,710	84,384	122,186	104,570
Cash flows from investing activities					
Proceeds from sale of property, plant and equipment		165	411	144	208
Payments for property, plant and equipment	22	(197,504)	(95,040)	(196,688)	(93,596)
Proceeds from sale of financial assets		83,909	5,984	46,558	5,984
Payment for financial assets		(43,291)	(16,846)	(2,042)	(300)
Loans to related parties	33	-	-	(11,100)	(19,700)
Net cash provided by / (used in) investing activities		(156,721)	(105,491)	(163,128)	(107,404)
Cash flows from financing activities					
Proceeds from borrowings		120,000	20,000	120,000	20,000
Repayment of borrowings		(958)	(965)	(958)	(965)
Repayment of finance leases		(182)	(153)	-	-
Net cash provided by / (used in) financing activities		118,860	18,882	119,042	19,035
Net increase / (decrease) in cash and cash equivalents		84,849	(2,225)	78,100	16,201
Cash and cash equivalents at the beginning of the financial year		79,200	81,425	54,989	38,788
Cash and cash equivalents at the end of the financial year	17	164,049	79,200	133,089	54,989
Financing arrangements	25				

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

Notes to the financial statements

Macquarie University
Notes to the financial statements
31 December 2012

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1 Summary of significant accounting policies

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

(a) Basis of preparation

The financial statements are general purpose financial statements which have been prepared on an accrual basis in accordance with Australian Accounting Standards, AASB Interpretations, the requirements of the Department of Industry, Innovation, Science, Research and Tertiary Education (DIISRTE) and the New South Wales Public Finance and Audit Act 1983 and the Public Finance and Audit Regulations 2010.

Macquarie University is a not-for-profit entity, and these statements have been compiled on this basis. Some of the Australian Accounting Standards requirements for not-for-profit entities are inconsistent with IFRS requirements.

Date of authorisation for issue

The financial statements for the year ended 31 December 2012 have been authorised for issue by the Macquarie University Council on 18 April 2013.

Historical cost convention

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

Critical accounting estimates

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

(b) Basis of consolidation

(i) *Subsidiaries*

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Macquarie University ("parent entity") as at 31 December 2012 and the results of all subsidiaries for the year then ended. Macquarie University and its subsidiaries together are referred to in these financial statements as the Group or the consolidated entity.

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

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

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

A list of the subsidiaries appear in Note 34.

(ii) *Common control transactions*

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

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

1 Summary of significant accounting policies (continued)

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

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

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

(iii) *Joint ventures, associates and minority interests*

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

(c) **Foreign currency translation**

(i) *Functional and presentation currency*

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

(ii) *Transactions and balances*

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

(d) **Comparative amounts**

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

(e) **Revenue recognition**

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

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

Revenue is recognised for the major business activities as follows:

(i) *Government grants*

The University treats operating grants received from Australian Government entities as income in the year of receipt.

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) *Student fees and charges*

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

1 Summary of significant accounting policies (continued)

(iii) Interest Revenue

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

(iv) Lease income

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

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

(v) Consultancy and contract research revenue

Contract and consultancy revenue is recognised when the service is provided. Where appropriate, stage of completion is measured by reference to labour hours incurred to date as a percentage of estimated total labour hours for each contract.

(f) Income Tax Exemption

Macquarie University and its controlled entities has received an endorsement by the Australian Taxation Office to access the income tax exemption from 1st July 2000 under the Income Tax Assessment Act 1997, with the exception of LAMS International Pty Ltd, Risk Frontiers Flood (Australia) Pty Ltd and Macquarie University Property Investment Group. LAMS International Pty Ltd has no income tax liability as at 31 December 2012.

(g) Leases

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

The University is lessor in a number of long term leases of land to commercial organisations. Where substantially all the risks and rewards incidental to ownership are transferred to the lessee at inception, these leases are classified as finance leases. Finance leases are recognised at the lease's inception at the lower of the fair value of the lease property and the present value of the minimum lease payments. The corresponding rent receivables, net of finance lease income, are included in other short term and long term receivables. Each lease receipt is allocated between the receivable and finance lease income. The finance lease income is recognised in the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the receivable for each period.

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

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

(h) Impairment of assets

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

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 other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

(i) Cash and cash equivalents

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

1 Summary of significant accounting policies (continued)

(j) Trade receivables

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

A provision for impairment of receivables has been created based on a review of all outstanding amounts at 31 December 2012. Bad debts are written off in the period in which they are identified.

(k) Inventories

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

(l) Investments and other financial assets

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

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

Available-for-sale financial assets (Note 20)

Held to maturity investments (Note 20)

Other financial assets (Note 20)

Reserves and retained earnings (Note 28)

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

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

Financial assets at fair value through income statement include financial assets held for trading. No such assets were held in 2012 or 2011.

(ii) *Loans and receivables*

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

(iii) *Held-to-maturity investments*

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

(iv) *Available-for-sale financial assets*

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

1 Summary of significant accounting policies (continued)

Purchases and sales of financial assets are recognised on trade-date - the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets that are not carried at fair value through income statement. Financial assets 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 available-for-sale assets are sold, the accumulated fair value adjustments recognised in other comprehensive income are included in the income statements as gains and losses from investment securities.

Subsequent measurement

Available-for-sale financial assets are subsequently carried at fair value where this can be reliably measured, or at historical cost where no reliable fair value measurement is available. Loans and receivables and held-to-maturity investments are carried at historical cost, which approximates to fair value calculated using the effective interest method.

Unrealised gains and losses arising from changes in the fair value of non monetary securities classified as available-for-sale are recognised in equity in the available-for-sale investments revaluation surplus. 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 quoted investments are based on current bid prices. If the market for a financial asset is not active, the Group establishes fair value by using valuation techniques. These include reference to the fair values of recent arm's length transactions involving the same instruments or other instruments that are substantially the same and discounted cash flow analysis. If fair value cannot be determined, the investment is measured at cost.

Impairment

The Group assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered in determining whether the security is impaired.

In the case of unlisted securities measured at cost, reference to the percentage stake in the net assets of the investment 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) Derivatives

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

(i) Fair value hedge

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

(ii) Cash flow hedge

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

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

1 Summary of significant accounting policies (continued)

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

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

(iii) Derivatives that do not qualify for hedge accounting

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

(n) Property, plant and equipment

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

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

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

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

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

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

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

Land, Building and Infrastructure were revalued with dates of inspection between 13 August 2012 to 1 December 2012 and valuation date as at 1 December 2012. The valuation was provided by Mr. Ben Hill AAPI, Registered Valuer No. 024135 of Global Valuations Services Pty Ltd.

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

1 Summary of significant accounting policies (continued)

Works of Art are valued at fair value and are revalued every five years. Fair value has been assessed on the basis of market value for existing use. The works of art were valued as at 31 December 2011 by Mr W Caruana for the indigenous works, and by Ms S Downer and Ms S Hewitt for the non-indigenous works, including works in the University's Sculpture Park. The valuers are approved valuers under the Australian Government Cultural Gifts Program.

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

The following asset collections are measured at fair value and are revalued every five years:

- The Library Special Collection was revalued as at 30 November 2009. The valuation was provided by Mr S Taaffe, an approved valuer under the Australian Government Cultural Gifts Program.
- Artefacts contained in the Lachlan Macquarie Room located at Macquarie University were revalued on 1 December 2008. The valuation was provided by Mr Simon Hollington M.A.V.A.A, Registered Valuer No. 255 of Hollington Fine Art Valuation.
- Artefacts owned by Macquarie University in the Museum of Ancient Cultures were revalued on 16 February 2008. The valuation was provided by Mr James Ede from Charles Ede Limited, an approved valuer under the Australian Government Cultural Gifts Program.
- The collections of papyri held by the Museum of Ancient Cultures were revalued on 14 February 2008. The valuation was provided by Mr James Ede from Charles Ede Limited, an approved valuer under the Australian Government Cultural Gifts Program.
- Coins held in the Museum of Ancient Cultures located at Macquarie University were revalued on 5 February 2008. The valuation was provided by Mr Walter Holt ANA, ANS, ASAN.

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

Asset	Expected useful life
- Patents	20 years
- Buildings	40 years
- Infrastructure	30.3 years
- Assets under construction	Nil
Plant and Equipment	
- Computer Equipment	3.3 years
- Other Equipment	10 years
- Science Equipment	5 years
- Motor Vehicles	6.7 years
- Medical Equipment	5 - 10 years
Library Collections: General	5 years
Library Collections: Special	Nil
Works of Art and Museum Collections	Nil

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

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

(o) Intangible assets

(i) Research and development

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

1 Summary of significant accounting policies (continued)

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

(ii) Patents

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

The University conducts an internal review of patents to gain assurance that the product or service continues to be technically and commercially feasible.

(p) IT capital projects

IT software relating to capital projects which is purchased, developed or implemented, is recorded at historical cost and amortised over its useful life.

(q) Unfunded superannuation

Refer to notes 39 and 40 for details of amounts owing by Commonwealth / State Governments for unfunded deferred liabilities for superannuation schemes.

(r) Trade and other payables

Trade accounts payable are recognised when the University becomes obliged to make future payments as a result of purchases. Trade accounts payable are measured at original cost, which is not materially different to amortised cost due to the short term nature of liabilities.

(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 interest bearing liabilities using the effective interest method.

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

(t) Borrowing costs

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

(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.

1 Summary of significant accounting policies (continued)

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

(v) Employee benefits

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

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

(i) Wages and salaries, annual leave

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

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.

(ii) Long service leave

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

(iii) Retirement benefit obligations

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

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

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

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

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

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

1 Summary of significant accounting policies (continued)

(iv) Termination benefits

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

(w) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

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

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(x) Rounding of amounts

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

(y) New accounting standards and Interpretations

Certain new Accounting Standards and Interpretations became mandatory for the 31 December 2012 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 2012 reporting periods. The University has elected not to early adopt any of these standards. The University has assessed the impact of these future Standards and Interpretations and considers the impact to be insignificant for the year ending December 2013.

(z) Reclassification of comparative information

During 2012 the University undertook a review of the classification of material items in the financial statements, in order to ensure the presentation of results continues to provide information that is reliable and relevant to users.

The following material items were reclassified in 2012 and have been restated in the 2011 results:

Item	Location in 2011 accounts	Location in 2012 accounts	2011 balance \$,000	Rational for reclassification
Consultants and contractors	Other expenses	Face of Income Statement	36,625	Cost type is material for disclosure on face of primary statement
Scholarships and grants	Other expenses	Face of Income Statement	39,696	Cost type is material for disclosure on face of primary statement
Hospital services revenue	Fees and charges	Other revenue	45,025	Reclassification ensures Fees and Charges note relates solely to student related fees and charges.
Gain on disposal of assets	Other expenses	Face of Income Statement	208	Material gains of \$17,183k in 2012 warrant disclosure on face of primary statement.

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

Notes	Consolidated		Parent	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
(a) Commonwealth Grants Scheme and Other Grants				
41.1				
	134,080	96,533	134,080	96,533
	544	544	544	544
	1,519	1,549	1,519	1,549
	856	863	856	863
	-	1,086	-	1,086
	36	98	36	98
	619	-	619	-
	584	-	584	-
	<u>138,238</u>	<u>100,673</u>	<u>138,238</u>	<u>100,673</u>
(b) Higher Education Loan Programs				
41.2				
	96,732	77,706	96,732	77,706
	29,439	27,061	29,439	27,061
41.8	1,318	-	1,318	-
	<u>127,489</u>	<u>104,767</u>	<u>127,489</u>	<u>104,767</u>
(c) Scholarships				
41.3				
	5,225	4,424	5,225	4,424
	448	431	448	431
	134	727	134	727
	93	135	93	135
	101	(109)	101	(109)
	<u>6,001</u>	<u>5,608</u>	<u>6,001</u>	<u>5,608</u>
(d) DIISRTE Research				
41.4				
	5,841	5,524	5,841	5,524
	12,813	12,077	12,813	12,077
	2,650	2,725	2,650	2,725
	(250)	-	(250)	-
	2,002	1,869	2,002	1,869
	<u>23,056</u>	<u>22,195</u>	<u>23,056</u>	<u>22,195</u>
(e) Other Capital Funding				
41.5				
	-	16,000	-	16,000
	<u>-</u>	<u>16,000</u>	<u>-</u>	<u>16,000</u>

2 Australian Government financial assistance including Australian Government loan programs (HELP) (continued)

	Notes	Consolidated		Parent	
		2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
(f) Australian Research Council	41.6				
(i) Discovery	41.6(a)				
Project		9,331	8,904	9,331	8,904
Fellowships		6,482	2,511	6,482	2,511
Indigenous Researchers Development		73	-	73	-
Total Discovery		<u>15,886</u>	<u>11,415</u>	<u>15,886</u>	<u>11,415</u>
(ii) Linkages	41.6(b)				
Infrastructure		809	750	809	750
International		(7)	-	(7)	-
Projects		2,018	2,352	2,018	2,352
Total Linkages		<u>2,820</u>	<u>3,102</u>	<u>2,820</u>	<u>3,102</u>
(iii) Networks and Centres	41.6(c)				
Research Networks		-	(5)	-	(5)
Centres		5,169	6,126	5,169	6,126
Total Networks and Centres		<u>5,169</u>	<u>6,121</u>	<u>5,169</u>	<u>6,121</u>
Total Australian Research Council		<u>23,875</u>	<u>20,638</u>	<u>23,875</u>	<u>20,638</u>
(g) Other Australian Government financial assistance					
Non-capital					
Commonwealth Parliament		54	54	-	-
Agriculture, Fisheries and Forestry		45	131	45	131
Attorney-General		108	60	108	60
Education, Employment and Workplace Relations		1,233	1,531	1,233	1,531
Environment, Water, Heritage and the Arts		29	192	29	192
Foreign Affairs and Trade		1,851	865	1,851	865
Health and Ageing		4,297	2,483	4,297	2,483
Innovation, Industry, Science and Research		3,298	3,138	3,298	3,138
Prime Minister and Cabinet		7	111	7	111
Other		1,123	268	1,123	268
Total		<u>12,045</u>	<u>8,833</u>	<u>11,991</u>	<u>8,779</u>
Capital					
Education, Employment and Workplace Relations		20	-	20	-
Health and Ageing		219	32	219	32
Innovation, Industry, Science and Research		1,272	105	1,272	105
Other		-	13	-	13
Total		<u>1,511</u>	<u>150</u>	<u>1,511</u>	<u>150</u>
Total other Australian Government financial assistance		<u>13,556</u>	<u>8,983</u>	<u>13,502</u>	<u>8,929</u>
Total Australian Government financial assistance		<u>332,215</u>	<u>278,864</u>	<u>332,161</u>	<u>278,810</u>

- #1 Includes the basic CGS grant amount, CGS - Regional Loading, CGS - Enabling Loading, Maths and Science Transition Loading and Full Fee Places Transition Loading.
#2 Includes Equity Support Program
#3 Includes Grandfathered Scholarships, National Priority and National Accommodation Priority Scholarships respectively.
#4 Includes Institutional Grants Scheme.

2 Australian Government financial assistance including Australian Government loan programs (HELP) (continued)

(g) Other Australian Government financial assistance (continued)

Notes	Consolidated		Parent	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Reconciliation				
Australian Government grants [(a) + (c) + (d) + (e) + (f) + (g)]	204,726	174,097	204,672	174,043
HECS-HELP payments	96,732	77,706	96,732	77,706
FEE-HELP payments	29,439	27,061	29,439	27,061
SA-HELP payments	1,318	-	1,318	-
Total Australian Government financial assistance	332,215	278,864	332,161	278,810

	Notes	Consolidated		Parent	
		2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
(h) Australian Government Grants received - cash basis					
CGS and Other DIISRTE Grants	41.1	136,044	100,673	136,044	100,673
Higher Education Loan Programmes	41.2	127,687	109,134	127,687	109,134
Scholarships	41.3	6,001	5,608	6,001	5,608
DIISRTE Research	41.4	23,306	22,195	23,306	22,195
Other Capital Funding	41.5	-	16,000	-	16,000
ARC grants - Discovery	41.6(a)	16,082	11,665	16,082	11,665
ARC grants - Linkages	41.6(b)	2,806	3,148	2,806	3,148
ARC grants - Networks and Centres	41.6(c)	5,169	6,121	5,169	6,121
Other Australian Government Grants		13,502	8,933	13,502	8,933
Total Australian Government Grants received - cash basis		330,597	283,477	330,597	283,477
OS-Help (Net)	41.7	(246)	(55)	(246)	(55)
Total Australian Government funding received - cash basis		330,351	283,422	330,351	283,422

3 State and Local Government financial assistance

	Consolidated		Parent	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Non-Capital				
State and Local Government research	719	2,539	719	2,539
Other State and Local Government financial assistance	499	914	499	914
Total	<u>1,218</u>	<u>3,453</u>	<u>1,218</u>	<u>3,453</u>
Capital				
State and Local Government research	-	788	-	788
Total	<u>-</u>	<u>788</u>	<u>-</u>	<u>788</u>
Total State and Local Government financial assistance	<u>1,218</u>	<u>4,241</u>	<u>1,218</u>	<u>4,241</u>

4 Fees and charges

	Notes	Consolidated		Parent	
		2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Course fees and charges					
Fee-paying overseas students		215,000	229,234	210,849	220,079
Continuing education		783	832	783	832
Fee-paying domestic postgraduate students		16,292	12,449	13,308	12,386
Fee-paying domestic undergraduate students		7,422	5,838	7,422	7,718
Fee-paying domestic non-award students		2,311	7,293	2,311	3,062
English language programs		3,133	2,043	3,133	1,595
Income from Sydney Institute of Business and Technology (SIBT)		18,842	20,655	18,570	20,381
Total course fees and charges		<u>263,783</u>	<u>278,344</u>	<u>256,376</u>	<u>266,053</u>
Other non-course fees and charges					
Parking fees		3,824	3,841	3,836	3,857
Student accommodation		3,037	4,899	3,037	4,899
Student services and amenities fees	41.8	2,875	-	2,875	-
Other service fees		5,787	3,771	5,793	4,228
Miscellaneous non-course fees and charges		932	1,058	932	1,058
Total other fees and charges		<u>16,455</u>	<u>13,569</u>	<u>16,473</u>	<u>14,042</u>
Total fees and charges		<u>280,238</u>	<u>291,913</u>	<u>272,849</u>	<u>280,095</u>

5 Investment revenue

	Consolidated		Parent	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Dividends	2,285	4,944	2,285	4,944
Interest	8,767	10,451	11,495	11,375
Total investment revenue	11,052	15,395	13,780	16,319

6 Royalties, trademarks and licences

	Consolidated		Parent	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Royalties	575	655	413	604
Total royalties, trademarks and licences	575	655	413	604

7 Consultancy and contract research

	Consolidated		Parent	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Consultancy	8,670	9,761	2,304	3,643
Contract research	10,843	13,037	10,843	12,509
Total consultancy and contract research	19,513	22,798	13,147	16,152

8 Other revenue

	Consolidated		Parent	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Donations and bequests	1,316	2,975	1,314	2,975
Scholarships and prizes	425	377	425	401
Rental charges	22,437	13,504	13,702	6,632
Project research	988	1,542	-	-
Hospital services revenue	68,324	45,025	-	-
Recoveries	2,615	8,466	29,931	33,130
Publication sales	784	917	879	1,078
Management fees	910	1,154	-	-
Food sales, hotel & retail	9,951	10,368	-	-
Room, academic dress hire	1,332	1,281	-	-
Child care fees	3,840	3,581	-	-
Sports and recreation income	475	467	-	-
Members' fees	6,750	5,226	-	-
Other revenue and income	11,187	9,993	3,237	4,479
Total other revenue	131,334	104,876	49,488	48,695

9 Gains on disposal of assets

	Consolidated		Parent	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
(a) Sale of shares, managed funds and fixed income securities				
Gain on disposal of assets	17,039	-	17,039	-
(b) Disposal of property, plant and equipment				
Gain on disposal of assets	144	208	144	208
Total of net gain on disposal of assets	17,183	208	17,183	208

10 Employee related expenses

	Consolidated		Parent	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Academic				
Salaries	148,812	137,331	146,467	133,279
Contributions to superannuation & pension schemes	20,445	18,347	19,934	17,915
Payroll tax	9,587	8,647	9,265	8,368
Worker's compensation	470	342	468	329
Long service leave	6,445	6,435	6,747	6,418
Annual leave	113	938	1,114	923
Total academic	185,872	172,040	183,995	167,232
Non-academic				
Salaries	182,385	173,782	119,486	119,031
Contributions to superannuation & pension schemes	22,150	21,283	16,262	16,000
Payroll tax	8,850	8,646	7,559	7,473
Worker's compensation	875	346	319	264
Long service leave	4,206	3,873	3,820	3,615
Annual leave	5,082	4,413	518	572
Total non-academic	223,548	212,343	147,964	146,955
Total employee related expenses	409,420	384,383	331,959	314,187
Deferred superannuation expense ¹	655	637	655	637
Total employee related expenses, including deferred employee benefits for superannuation	410,075	385,020	332,614	314,824

¹Includes \$473k (2011: \$386k) of Professorial Superannuation Scheme and \$182k (2011: \$251k) of State Authorities Non-Contributory Scheme.

11 Depreciation and amortisation

	Consolidated		Parent	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Depreciation				
Buildings ¹	22,420	22,444	22,416	22,234
Plant and equipment ²	20,357	18,085	19,156	16,901
Infrastructure	3,687	3,297	3,687	3,297
Library Collection - General	6,906	6,500	6,906	6,500
Total depreciation	53,370	50,326	52,165	48,932
Amortisation				
Patents and trademarks	18	17	18	17
Total amortisation	18	17	18	17
Total depreciation and amortisation	53,388	50,343	52,183	48,949

¹Includes leasehold improvements

²Includes motor vehicles

12 Repairs and maintenance

	Consolidated		Parent	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Buildings and infrastructure	5,712	8,521	2,645	6,175
Total repairs and maintenance	5,712	8,521	2,645	6,175

13 Borrowing costs

	Consolidated		Parent	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Bank loans	2,968	2,234	2,968	2,234
Bond interest	17,154	17,048	17,154	17,048
Interest rate swap and financing costs	2,321	6,342	2,321	6,342
Total borrowing costs expensed	22,443	25,624	22,443	25,624

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

The costs shown above are net of \$1.0m (2011: \$Nil) of capitalised interest relating to qualifying assets (Hearing Hub).

14 Impairment of assets

	Consolidated		Parent	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Third party receivables	285	919	114	701
Available for sale financial assets	7,320	182	7,320	182
Controlled entity loan and investments	-	-	50,871	-
Associate investment and receivables	2,023	-	-	-
Total impairment of assets	9,628	1,101	58,305	883

During 2012 the University made an impairment provision of \$50.2m against a loan to a controlled entity, MUH Operations No. 2 Limited. Refer to note 20 for further details.

During 2012 the University made an impairment provision of \$0.7m against the investment in a controlled entity, LAMS International Pty Ltd.

During 2012 the Group made an impairment provision of \$2.0m against the investment and receivables of an associate, Macquarie Medical Imaging Pty Ltd. Refer to note 20 for further details.

15 Losses on disposal of assets

	Consolidated		Parent	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
(a) Disposal of property, plant and equipment				
Loss on disposal of assets	321	1,640	219	1,337
Total of net loss on disposal of assets	321	1,640	219	1,337

16 Other expenses

	Consolidated		Parent	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Non-capitalised equipment	8,464	9,183	6,458	7,034
Advertising, marketing and promotions	6,389	6,666	3,433	3,918
Audit fees, bank charges, legal costs and insurance expenses	8,393	9,714	6,322	7,487
General consumables and materials	55,965	44,581	14,024	14,612
Printing, postage and stationery	2,426	2,846	1,564	1,948
Security	3,061	2,626	2,415	1,988
Utilities	9,222	9,776	7,135	7,983
Rental, hire and other leasing fees	10,666	10,569	9,242	9,059
Telecommunications	1,363	1,571	1,080	1,068
Travel and related staff development and training	14,811	15,718	13,983	15,113
Maintenance contracts	7,980	7,376	7,980	7,349
Subscriptions	1,777	1,938	1,603	1,812
Agents commission	10,510	7,766	6,740	5,520
Copyright charges	1,128	1,023	1,129	1,023
Tuition Services	18,458	16,753	18,458	16,753
Cleaning	3,198	3,216	3,200	3,216
Miscellaneous expenses	5,350	7,310	1,582	1,934
Total other expenses	169,161	158,632	106,348	107,817

17 Cash and cash equivalents

	Consolidated		Parent	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Cash at bank and on hand	43,711	23,047	35,785	15,510
Deposits at call	23,034	16,674	-	-
NSW T-Corp Hour Glass Investment Facility	96,382	38,601	96,382	38,601
UBS Cash Plus	922	878	922	878
Total cash and cash equivalents	164,049	79,200	133,089	54,989

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

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

	Consolidated		Parent	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Balances as above	164,049	79,200	133,089	54,989
Balances per cash flow statement	164,049	79,200	133,089	54,989

(b) Cash at bank and on hand

The National Australia Bank Corporate Cheque Account is interest bearing between 0% and 3.75% (2011 between 0% to 4.50%)

(c) Deposits at call

Included in the cash at bank and on hand is an amount of \$201k as at 31 December 2012 (2011: \$220k) for the purpose of meeting the objectives of the estate of the late F.J. Walsh bequest.

Included in the cash at bank and on hand is an amount of \$157k as at 31 December 2012 (2011: \$285k) for the purpose of meeting the objectives of the Nippon Fellowship Fund.

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

18 Receivables

	Consolidated		Parent	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Current				
Related parties	-	-	5,073	4,514
Student and other debtors	27,366	24,350	11,218	13,005
Less: provision for impaired receivables	(971)	(1,363)	(812)	(1,283)
Total net receivables	26,395	22,987	15,479	16,236
Accrued income	13,256	9,799	8,498	5,926
Finance lease receivables	401	382	401	382
Total current receivables	40,052	33,168	24,378	22,544
Non-current				
Deferred government contribution for superannuation	397,482	362,467	397,482	362,467
Finance lease	29,537	39,439	29,537	39,439
Associates - MMI	1,748	-	-	-
Less: provision for associates - MMI	(1,023)	-	-	-
Total non-current receivables	427,744	401,906	427,019	401,906
Total receivables	467,796	435,074	451,397	424,450

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

Deferred government contribution for superannuation

Refer to note 39 for details of the government contribution for superannuation.

Refer to note 40 for details of the individual defined benefit plans.

Finance Leases - Macquarie University Village

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

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

Finance Leases - Macquarie University Research Park

During 2011, the University reclassified several long term land leases issued to commercial organisations from operating leases to finance leases. During 2012, two of these land leases were relinquished by the lessee and control of the land reverted to the University. The finance lease asset for these land leases at the date of relinquishment of the lease was \$9.5m; this asset was reclassified as Land on that date (see note 22).

Public Private Partnerships (PPP)

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

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

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

18 Receivables (continued)

(a) Impaired receivables

As of 31 December 2012 current receivables of the University with a nominal value of \$0.8 million (2011: \$1.3 million) were impaired.

Consolidated receivables of \$2.0 million (2011: \$1.4 million) were impaired. The impairment includes \$1.0m relating to receivables from an associate, MMI. See note 20 for further details.

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

The ageing analysis of these receivables is as follows:

	Consolidated		Parent	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
< 3 months	13	383	13	241
3 to 6 months	190	385	37	79
Over 6 months	1,791	595	762	963
	<u>1,994</u>	<u>1,363</u>	<u>812</u>	<u>1,283</u>

As of 31 December 2012, University receivables of \$3.49 million (2011: \$3.44 million) were past due but not impaired. Consolidated receivables of \$4.13 million (2011: \$4.67 million) were past due but not impaired.

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

The ageing analysis of these receivables is as follows:

	Consolidated		Parent	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
< 3 months	3,208	1,203	1,256	1,203
3 to 6 months	1,997	2,119	1,319	1,483
Over 6 months	918	1,348	918	758
	<u>6,123</u>	<u>4,670</u>	<u>3,493</u>	<u>3,444</u>

Movements in the provision for impaired receivables are as follows:

	Consolidated		Parent	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
At 1 January	1,364	908	1,283	664
Provision for impairment recognised during the year	1,548	563	92	718
Receivables written off during the year as uncollectible	(944)	(112)	(590)	(109)
Unused amount reversed	26	4	27	10
At 31 December	<u>1,994</u>	<u>1,363</u>	<u>812</u>	<u>1,283</u>

The creation and release of the provision for impaired receivables has been included in note 14 of the income statement. Amounts charged to the provision account are generally written off when there is no expectation of recovering additional cash.

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

19 Inventories

	Consolidated		Parent	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Current				
<i>Printery</i>				
- at net realisable value	62	77	37	46
- at cost	-	-	-	-
- at net realisable value	78	81	-	-
<i>Other Inventories</i>				
- at cost	276	-	-	-
- at net realisable value	163	161	163	161
<i>Medical supplies</i>				
- at cost	3,346	2,729	-	-
<i>Services store</i>				
- at cost	50	117	-	-
- at net realisable value	535	584	-	-
Total current Inventories	<u>4,510</u>	<u>3,749</u>	<u>200</u>	<u>207</u>
Total Inventories	<u>4,510</u>	<u>3,749</u>	<u>200</u>	<u>207</u>

20 Other financial assets

	Consolidated		Parent	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Current				
Available-for-sale - listed investments	22,232	-	22,232	-
Held-to-maturity - term deposits	25,137	36,134	4,637	19,464
Total current other financial assets	<u>47,369</u>	<u>36,134</u>	<u>26,869</u>	<u>19,464</u>
Non-current				
<i>Available for sale: listed investments</i>				
- investment	9,752	56,659	9,752	57,571
- impairment	(5,864)	-	(5,864)	-
<i>Available for sale: unlisted investments</i>				
- investment	5,492	-	6,404	-
- impairment	(1,456)	-	(2,108)	-
<i>Investment in associate - MMI</i>				
- investment	1,000	1,000	-	-
- impairment	(1,000)	-	-	-
<i>Loans to controlled entities</i>				
- investment	-	-	99,387	68,436
- impairment	-	-	(50,218)	-
Held-to-maturity - term deposits	375	432	-	-
Total non-current other financial assets	<u>8,299</u>	<u>58,091</u>	<u>57,353</u>	<u>126,007</u>
Total other financial assets	<u>55,668</u>	<u>94,225</u>	<u>84,222</u>	<u>145,471</u>

20 Other financial assets (continued)

Loans to Related Parties

Non-current loans to related parties represent advances to MUH Operations No. 2 Limited, the operator of the Macquarie University Hospital and Clinic, that commenced operations in June 2010.

As at 31 December 2012, the 10 year evergreen facility was \$120 million, of which \$99.4 million has been drawn down. At 31 December 2012 \$20.6 million remained available to be drawn. On 5 December 2012, Macquarie University Council resolved that funds would continue to be lent to MUH Operations No. 2 Ltd to enable MUH Operations No. 2 Ltd to meet its obligations.

The loan has been assessed for impairment in accordance with AASB 139 Financial Instruments: Recognition and Measurement, and an impairment provision of \$50.2 million was made in 2012. The impairment test utilised the present value of estimated future cash flows over a 10 year period discounted at the loan's original effective interest rate of 6.37%.

Investment in Associate

The Group holds \$1.0m of Series A Preference Shares in an associate, Macquarie Medical Imaging Pty Ltd (MMI) (see note 35 for details).

This investment, and \$1.7m of receivables owing from MMI was assessed for impairment in accordance with AASB 139 and an impairment provision of \$2.0m was made in 2012. The impairment was applied fully against the \$1.0m of Preference Shares; the remaining provision was applied against the receivable (see note 18 for details).

Restricted Assets

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

Included in held-to-maturity term deposits is an amount of \$2.64 million (2011: \$2.46 million) held by the University solely for the purposes of meeting the objectives of the Nippon Foundation and \$2.0 million (2011: \$2.0 million) for the Numismatic Fund.

Bank Guarantees

The University has been accepted into the Retro Paid Loss Premium Model Workers' Compensation Insurance Scheme. A bank guarantee for \$5.98 million has been issued to WorkCover in respect of the 2011 insurance period (with a duration of 6 years) and a bank guarantee for \$6.15 million has been issued to WorkCover in respect of the 2012 insurance period (with a duration of 6 years) totalling \$12.13 million (2011: \$5.98 million). Other bank guarantees of \$0.76 million (2011: \$0.62 million) have been issued. As at 31 December 2012 there is an unused bank guarantee facility of \$5.09 million.

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

21 Other non-financial assets

	Consolidated		Parent	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Current				
Prepayments - Library	3,612	3,457	3,612	3,457
Prepayments - Other	9,253	7,180	7,965	5,693
Lease Asset	133	-	291	162
Total current other non-financial assets	<u>12,998</u>	<u>10,637</u>	<u>11,868</u>	<u>9,312</u>
Non-current				
Lease Asset	16,205	15,363	18,470	18,364
Total non-current other non-financial assets	<u>16,205</u>	<u>15,363</u>	<u>18,470</u>	<u>18,364</u>
Total other non-financial assets	<u>29,203</u>	<u>26,000</u>	<u>30,338</u>	<u>27,676</u>

Macquarie University
Notes to the financial statements
31 December 2012
(continued)

22 Property, plant and equipment

Consolidated	Construction in progress ¹ \$'000	Land \$'000	Buildings \$'000	Plant and equipment ² \$'000	Leasehold improvements \$'000	Library General \$'000	Library Special \$'000	Works of Arts \$'000	Infrastur e \$'000	Total \$'000
At 1 January 2011										
- Cost	115,378	-	-	9,238	2,339	-	-	-	-	126,955
- Valuation	-	424,650	784,942	133,341	-	32,126	5,619	22,553	67,092	1,470,323
Accumulated depreciation	-	-	(1,324)	(50,552)	(1,289)	(15,609)	-	-	(253)	(69,037)
Net book amount	<u>115,378</u>	<u>424,650</u>	<u>783,618</u>	<u>92,027</u>	<u>1,050</u>	<u>16,517</u>	<u>5,619</u>	<u>22,553</u>	<u>66,829</u>	<u>1,528,241</u>
Year ended 31 December 2011										
Opening net book amount	115,378	424,650	783,618	92,027	1,050	16,517	5,619	22,553	66,829	1,528,241
Additions	69,507	-	3,330	14,129	473	6,981	-	145	782	95,347
Revaluation increase / (decrease)	-	30,555	(37,399)	242	-	-	-	(3,899)	-	(14,057)
Assets included in a disposal group classified as held for sale and other disposals	(255)	-	(836)	(955)	(2)	-	-	-	-	(2,048)
Depreciation charge	-	-	(21,966)	(18,085)	(478)	(6,500)	-	-	-	(50,326)
Transfer between asset classes	(114,856)	10,345	91,398	8,862	460	-	-	-	3,791	-
Closing net book amount	<u>69,774</u>	<u>465,550</u>	<u>818,145</u>	<u>96,220</u>	<u>1,503</u>	<u>16,998</u>	<u>5,619</u>	<u>18,799</u>	<u>64,549</u>	<u>1,557,157</u>
At 31 December 2011										
- Cost	69,774	-	-	8,292	2,969	-	-	-	-	81,035
- Valuation	-	465,550	819,970	150,439	-	33,630	5,619	18,799	64,847	1,558,854
Accumulated depreciation	-	-	(1,825)	(62,511)	(1,466)	(16,632)	-	-	(298)	(62,732)
Net book amount	<u>69,774</u>	<u>465,550</u>	<u>818,145</u>	<u>96,220</u>	<u>1,503</u>	<u>16,998</u>	<u>5,619</u>	<u>18,799</u>	<u>64,549</u>	<u>1,557,157</u>

¹Construction in progress includes WIP for patents and other expenses for property and equipment

²Plant & equipment includes motor vehicles

22 Property, plant and equipment (continued)

Consolidated	Construction ¹ in progress ¹ \$'000	Land \$'000	Buildings \$'000	Plant and equipment ² \$'000	Leasehold improvements \$'000	Library General \$'000	Library Special \$'000	Works of Arts \$'000	Infrastructur e \$'000	Total \$'000
Year ended 31 December 2012										
Opening net book amount	69,774	465,550	818,145	96,220	1,503	16,998	5,619	18,799	64,549	1,557,157
Additions	18,744	-	156,578	12,109	1,146	7,605	-	153	1,169	197,504
Revaluation increase / (decrease)	-	(503)	1,116	9	-	-	-	-	255	877
Assets classified as held for sale and other disposals	(19)	-	-	(559)	(417)	-	-	-	-	(995)
Depreciation charge	-	-	(21,945)	(20,357)	(475)	(6,906)	-	-	(3,687)	(53,370)
Transfer between asset classes	(67,530)	-	48,220	8,944	(11)	-	-	-	10,377	-
Transfer from finance lease (see note 22c)	-	9,503	-	-	(1)	-	-	-	-	9,502
Closing net book amount	<u>20,969</u>	<u>474,550</u>	<u>1,002,114</u>	<u>96,366</u>	<u>1,745</u>	<u>17,697</u>	<u>5,619</u>	<u>18,952</u>	<u>72,663</u>	<u>1,710,675</u>
At 31 December 2012										
- Cost	20,969	-	-	8,287	2,355	-	-	-	-	31,611
- Valuation	-	474,550	1,004,308	165,567	-	35,446	5,619	18,952	73,012	1,777,454
Accumulated depreciation	-	-	(2,194)	(77,488)	(610)	(17,749)	-	-	(349)	(98,390)
Net book amount	<u>20,969</u>	<u>474,550</u>	<u>1,002,114</u>	<u>96,366</u>	<u>1,745</u>	<u>17,697</u>	<u>5,619</u>	<u>18,952</u>	<u>72,663</u>	<u>1,710,675</u>

¹Construction in progress includes WIP for patents and other expenses for property and equipment

²Plant and equipment includes motor vehicles

Macquarie University
Notes to the financial statements
31 December 2012
(continued)

22 Property, plant and equipment (continued)

Parent	Construction in progress ¹ \$'000	Land \$'000	Buildings \$'000	Plant and equipment ² \$'000	Leasehold improvements \$'000	Library General \$'000	Library Special \$'000	Works of Arts \$'000	Infrastructure \$'000	Total \$'000
At 1 January 2011										
- Cost	115,283	-	-	-	1,234	-	-	-	-	116,517
- Valuation	-	424,650	784,942	133,341	-	32,126	5,619	22,553	67,092	1,470,323
Accumulated depreciation	-	-	(1,324)	(45,814)	(247)	(15,609)	-	-	(263)	(63,257)
Net book amount	115,283	424,650	783,618	87,527	987	16,517	5,619	22,553	66,829	1,523,583
Year ended 31 December 2011										
Opening net book amount	115,283	424,650	783,618	87,527	987	16,517	5,619	22,553	66,829	1,523,583
Additions	69,266	-	3,330	12,684	409	6,981	-	145	782	93,597
Revaluation increase / (decrease)	-	30,555	(37,399)	-	-	-	-	(3,899)	(3,556)	(14,299)
Assets classified as held for sale and other disposals	-	-	(836)	(536)	-	-	-	-	-	(1,372)
Depreciation charge	-	-	(21,966)	(16,901)	(268)	(6,500)	-	-	(3,297)	(48,932)
Transfer between asset classes	(114,856)	10,345	91,398	8,960	362	-	-	-	3,791	-
Closing net book amount	69,693	465,550	818,145	91,734	1,490	16,998	5,619	18,799	64,549	1,552,577
At 31 December 2011										
- Cost	69,693	-	-	-	2,005	-	-	-	-	71,698
- Valuation	-	465,550	819,970	150,439	-	33,630	5,619	18,799	64,847	1,558,854
Accumulated depreciation	-	-	(1,825)	(68,705)	(515)	(16,632)	-	-	(298)	(77,975)
Net book amount	69,693	465,550	818,145	91,734	1,490	16,998	5,619	18,799	64,549	1,552,577

¹Construction in progress includes WIP for patents and other expenses for property and equipment

²Plant and equipment includes motor vehicles

22 Property, plant and equipment (continued)

Parent	Construction in progress \$'000	Land \$'000	Buildings \$'000	Plant and equipment ² \$'000	Leasehold improvements \$'000	Library General \$'000	Library Special \$'000	Works of Arts \$'000	Infrastructur e \$'000	Total \$'000
Year ended 31 December 2012										
Opening net book amount	69,693	465,550	818,145	91,734	1,490	16,998	5,619	18,799	64,549	1,552,577
Additions	18,509	-	156,574	11,532	1,146	7,605	-	153	1,169	196,688
Revaluation increase / (decrease)	-	(503)	1,116	-	-	-	-	-	255	868
Assets classified as held for sale and other disposals	-	-	-	(419)	(417)	-	-	-	-	(836)
Depreciation charge	-	-	(21,941)	(19,156)	(475)	(6,906)	-	-	(3,687)	(52,165)
Transfer between asset classes	(67,233)	-	48,220	8,636	-	-	-	-	10,377	-
Transfer from finance lease (see note 22c)	-	9,503	-	-	-	-	-	-	-	9,503
Closing net book amount	20,969	474,550	1,002,114	92,327	1,744	17,697	5,619	18,952	72,663	1,706,635
At 31 December 2012										
- Cost	20,969	474,550	1,004,308	165,567	2,151	35,446	5,619	18,952	73,012	23,120
- Valuation	-	-	(2,194)	(73,240)	(407)	(17,749)	-	-	(349)	(93,939)
Accumulated depreciation	-	-	-	-	-	-	-	-	-	-
Net book amount	20,969	474,550	1,002,114	92,327	1,744	17,697	5,619	18,952	72,663	1,706,635

¹Construction in progress includes WIP for patents and other expenses for property and equipment

²Plant and equipment includes motor vehicles

22 Property, plant and equipment (continued)

(a) Land and Buildings

As at 31 December 2012, the University is not aware of any land or native title claims against University owned land.

In late 2012 the Hearing Hub building was completed. This development is recorded in Land and Buildings, and has been occupied by the University and leased to tenants since January 2013.

(b) Leased non-current assets

The University has issued several long term land leases to third party organisations. Whilst legal ownership rests with the University, as lessor, control has been transferred to the lessee, and finance leases have been recognised for these leases (see note 18).

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

During 2012 two land leases were relinquished by their commercial lessees, upon purchase by the University of the properties residing on these land lots. Control of the land reverted to the University, leading to the derecognition of associated finance leases of \$9.5m and recognition of the land within this note. The land was subsequently included in the revaluation assessment noted above.

23 Intangible assets

Consolidated and Parent	Patents, trademarks and other rights \$'000	Total \$'000
At 1 January 2011		
Cost	532	532
Accumulated amortisation and impairment	(17)	(17)
Net book amount	<u>515</u>	<u>515</u>
Year ended 31 December 2011		
Opening net book amount	515	515
Additions - Internal development	235	235
Impairment losses	(66)	(66)
Amortisation charge	(17)	(17)
Closing net book amount	<u>667</u>	<u>667</u>
At 31 December 2011		
Cost	701	701
Accumulated amortisation and impairment	(34)	(34)
Net book amount	<u>667</u>	<u>667</u>
Consolidated and Parent		
	Patents, trademarks and other rights \$'000	Total \$'000
Year ended 31 December 2012		
Opening net book amount	667	667
Additions - Internal development	288	288
Impairment losses	(171)	(171)
Amortisation charge	(18)	(18)
Closing net book amount	<u>766</u>	<u>766</u>
At 31 December 2012		
Cost	818	818
Accumulated amortisation and impairment	(52)	(52)
Closing net book amount	<u>766</u>	<u>766</u>

24 Trade and other payables

	Consolidated		Parent	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Current				
Related parties	-	-	2,006	1,064
Other entities	32,623	14,622	10,749	8,389
Accrued expense	27,180	35,224	21,592	24,899
Total current trade and other payables	<u>59,803</u>	<u>49,846</u>	<u>34,347</u>	<u>34,352</u>
Total trade and other payables	<u>59,803</u>	<u>49,846</u>	<u>34,347</u>	<u>34,352</u>

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

(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:

	Consolidated		Parent	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Australian dollar (AUD)	59,249	49,314	33,793	33,820
US dollar (USD)	265	369	265	369
UK pound (GBP)	143	23	143	23
Singapore dollar (SGD)	74	-	74	-
Swiss Franc (CHF)	30	-	30	-
Euro (EUR)	29	136	29	136
Chinese Yuan (CNY)	9	-	9	-
Canadian dollar (CAD)	4	4	4	4
	<u>59,803</u>	<u>49,846</u>	<u>34,347</u>	<u>34,352</u>

For an analysis of the sensitivity of trade and other payables to foreign currency risk refer to note 38.

25 Borrowings

	Consolidated		Parent	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Current				
Secured				
Lease liabilities	197	-	-	-
Total current secured borrowings	<u>197</u>	<u>-</u>	<u>-</u>	<u>-</u>
Unsecured				
Bank loans	1,045	1,152	1,045	971
Total current unsecured borrowings	<u>1,045</u>	<u>1,152</u>	<u>1,045</u>	<u>971</u>
Total current borrowings	<u>1,242</u>	<u>1,152</u>	<u>1,045</u>	<u>971</u>
Non-current				
Secured				
Lease liabilities	384	762	-	-
Total non-current secured borrowings	<u>384</u>	<u>762</u>	<u>-</u>	<u>-</u>
Unsecured				
Bank Loans	148,518	29,368	148,518	29,549
Bonds	248,078	247,828	248,078	247,828
Total non-current unsecured borrowings	<u>396,596</u>	<u>277,196</u>	<u>396,596</u>	<u>277,377</u>
Total non-current borrowings	<u>396,980</u>	<u>277,958</u>	<u>396,596</u>	<u>277,377</u>
Total borrowings	<u>398,222</u>	<u>279,110</u>	<u>397,641</u>	<u>278,348</u>

(a) Borrowings in respect of assets

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

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

The balance of the loan outstanding as at 31 December 2012 was \$9.56 million (in 2011 \$10.52 million).

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

(b) Assets pledged as security

The Group and parent entity had no assets pledged as security in 2012 and 2011.

(c) Financing arrangements

In August 2010, the University received approval from the Treasurer of New South Wales to borrow a maximum of \$450 million, by way of bank facilities and/or bond issue in the capital market, with a maximum term of 10 years. In September 2010 the University issued Medium Term Notes (MTN) to the value of \$250 million. The bond coupon rate is 6.75% fixed for 10 years.

The University has entered into bank facilities of \$100 million each with Australia and New Zealand Banking Group (ANZ) and the Commonwealth Bank of Australia (CBA). The interest rates on both facilities are variable. At 1 January 2012, \$20 million had been drawn down (\$10 million each from ANZ and CBA). During 2012, an additional \$120 million was drawn down (\$60 million each from ANZ and CBA). As at 31 December 2012 \$60 million remained available to be drawn.

25 Borrowings (continued)

(d) Fair value

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

(e) Risk exposures

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

26 Provisions

	Consolidated		Parent	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Current provisions expected to be settled within 12 months				
Employee benefits				
Annual leave	20,854	16,997	18,497	14,948
Long service leave	11,285	9,181	9,523	8,209
Other employee related costs	1,757	2,067	1,594	1,723
Other provisions	846	-	-	-
Subtotal	<u>34,742</u>	<u>28,245</u>	<u>29,614</u>	<u>24,880</u>
Current provisions expected to be settled after more than 12 months				
Employee benefits				
Annual leave	5,816	7,997	3,911	6,373
Long service leave	28,797	24,634	28,327	24,419
Subtotal	<u>34,613</u>	<u>32,631</u>	<u>32,238</u>	<u>30,792</u>
Total current provisions	<u>69,355</u>	<u>60,876</u>	<u>61,852</u>	<u>55,672</u>
Non-current provisions				
Employee benefits				
Long service leave	8,778	7,885	8,391	7,233
Deferred government benefits for superannuation	401,350	366,048	401,350	366,048
Deferred non-government benefits for superannuation	5,675	6,912	5,675	6,912
Make Good	321	1,446	234	1,234
Total non-current provisions	<u>416,124</u>	<u>382,291</u>	<u>415,650</u>	<u>381,427</u>
Total provisions	<u>485,479</u>	<u>443,167</u>	<u>477,502</u>	<u>437,099</u>

See note 39 for an explanation of the deferred government benefits for superannuation. Note 40 provides details of the deferred government benefits by plan.

27 Other liabilities

	Consolidated		Parent	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Current				
Advances - other	263	293	173	182
Prepaid income	33,785	33,584	32,831	33,861
Lease incentive	375	-	375	-
Total current other liabilities	34,423	33,877	33,379	34,043
Non-current				
Interest rate swap liability	10,168	9,429	10,168	9,429
Lease incentive	524	-	524	-
Total non-current other liabilities	10,692	9,429	10,692	9,429
Total other liabilities	45,115	43,306	44,071	43,472

Prepaid income includes \$29.8m (2011: \$30.5m) received from students in advance. Refer to note 38 for details of the interest rate swap liability.

28 Reserves and retained earnings

	Consolidated		Parent	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
(a) Reserves				
Property, plant and equipment revaluation surplus	444,105	443,228	443,845	442,977
Available-for-sale investments revaluation surplus	9,495	15,258	9,495	15,258
Balance at 31 December	453,600	458,486	453,340	458,235

	Consolidated		Parent	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Movements:				
<i>Property, plant and equipment revaluation surplus</i>				
Balance 1 January	443,228	457,285	442,977	457,276
Revaluation - gross	877	(14,057)	868	(14,299)
Balance 31 December	444,105	443,228	443,845	442,977
<i>Available-for-sale investments revaluation surplus</i>				
Balance 1 January	15,258	27,003	15,258	27,003
Revaluation - gross	(5,763)	(11,745)	(5,763)	(11,745)
Balance 31 December	9,495	15,258	9,495	15,258

28 Reserves and retained earnings (continued)

(b) Retained earnings

Movements in retained earnings were as follows:

	Consolidated		Parent	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Retained earnings at 1 January	922,157	876,072	954,531	874,565
Adjustment on adoption of AASB 117	-	19,024	-	19,024
Adjusted Retained earnings at 1 January	<u>922,157</u>	<u>895,096</u>	<u>954,531</u>	<u>893,589</u>
Operating result for the period	69,303	31,280	46,227	65,161
Actuarial (loss) on defined benefit plans recognised directly in retained earnings	<u>(1,012)</u>	<u>(4,219)</u>	<u>(1,012)</u>	<u>(4,219)</u>
Retained earnings at 31 December	<u>990,448</u>	<u>922,157</u>	<u>999,746</u>	<u>954,531</u>

(c) Nature and purpose of reserves

(i) Property, plant and equipment revaluation reserve

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

(ii) Available-for-sale investments revaluation reserve

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

29 Key management personnel disclosures

(a) Names of responsible persons and executive officers

The following persons were responsible persons and executive officers of Macquarie University and its controlled entities during the financial year:

All members of the University Council were appointed or elected under the provisions of the Macquarie University Act 1989. Council members include University employees who may be ex-officio members or elected staff members.

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

(i) Executive officers

Anderson, D
Dodd, P (until September 2012)
Dowton, B (from September 2012)
Gorman, PJ
Piper, J
Sachs, J
Schwartz, S (until September 2012)
Sprague, T
Stewart, J (from September 2012)
Wright, D (until November 2012)

(ii) University Council members

Bissett, A
Bradford, W
Brodie, M (until December 2012)
Brooks, G (from May 2012)
Crouch, E
Cupples, L
Darvall, C
Dowton, B (from September 2012)
Egan, MR
Fitness, J (until December 2012)
Forsythe, P
Jones, G
Kane, D
Lindsay, GJ
Nelson, E (until May 2012)
Nori, S
Rubic, S
Schott, K (from January 2012)
Schwartz, S (until September 2012)
Ward, G
Wigglesworth, J

29 Key management personnel disclosures (continued)

(b) Remuneration of Board/ Council Members and Executives

	2012	Parent Number		2011
Nil to \$9,999	21			20
	2012	Parent Number		2011
Remuneration of executive officers				
\$140,000 to \$149,999	1			-
\$220,000 to \$229,999	-			1
\$260,000 to \$269,999	1			-
\$350,000 to \$359,999	-			1
\$370,000 to \$379,999	-			1
\$380,000 to \$389,999	-			1
\$390,000 to \$399,999	2			-
\$420,000 to \$429,999	1			-
\$430,000 to \$439,999	-			1
\$440,000 to \$449,999	-			1
\$470,000 to \$479,999	1			-
\$500,000 to \$509,999	-			1
\$520,000 to \$529,999	2			-
\$540,000 to \$549,999	1			-
\$660,000 to \$669,999	-			1
\$1,180,000 to \$1,189,999	1			1
	10			9

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

(c) Key management personnel compensation

	2012	Parent		2011
	\$'000			\$'000
Short-term employee benefits	4,210			3,938
Other long-term benefits	200			300
Termination benefits	473			345
	4,883			4,583

Short-term employee benefits include salary, superannuation and short-term bonus payments.

(d) Loans to key management personnel

No loans exist between Macquarie University and key management personnel.

30 Remuneration of auditors

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

	Consolidated		Parent	
	2012	2011	2012	2011
	\$'000	\$'000	\$'000	\$'000
Audit and review of the Financial Statements				
Fees paid to Audit Office of NSW				
Audit fees for parent entity	568	540	271	273
Audit fees for subsidiaries paid by parent entity	9	13	-	-
Audit fees for Restricted Funds	4	4	4	4
Total	<u>581</u>	<u>557</u>	<u>275</u>	<u>277</u>
Other audit and assurance services				
Fees paid to Audit Office of NSW				
Audit of regulatory returns	10	10	10	10
Total	<u>10</u>	<u>10</u>	<u>10</u>	<u>10</u>
Total remuneration for audit and assurance related services	<u>591</u>	<u>567</u>	<u>285</u>	<u>287</u>

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

31 Contingencies

(a) Contingent liabilities

The Group does not have any contingent liabilities or contingent assets as at 31 December 2012.

32 Commitments

(a) Capital commitments

Capital expenditure contracted for various building capital projects at the reporting date but not recognised as liabilities as at 31 December 2012 is as follows:

Notes	Consolidated		Parent	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Property, plant and equipment				
Within one year	12,496	85,254	12,462	85,233
Later than one year	-	-	-	-
	<u>12,496</u>	<u>85,254</u>	<u>12,462</u>	<u>85,233</u>

(b) Lease commitments

(i) Operating leases- as lessee

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

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

Notes	Consolidated		Parent	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Within one year	8,268	6,612	6,570	5,261
Between one and five years	14,057	9,873	10,502	9,719
Later than five years	2,894	23	2,894	23
Total future minimum lease payments	<u>25,219</u>	<u>16,508</u>	<u>19,966</u>	<u>15,003</u>

(ii) Finance leases- as lessee

Future minimum lease payments by the University under non-cancellable equipment finance leases:

Notes	Consolidated		Parent	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Within one year	236	236	-	-
Between one and five years	413	649	-	-
Later than five years	-	-	-	-
Total future minimum lease payments	<u>649</u>	<u>885</u>	<u>-</u>	<u>-</u>
Future finance charges	<u>(68)</u>	<u>(123)</u>	<u>-</u>	<u>-</u>
Recognised as finance lease liabilities	<u>581</u>	<u>762</u>	<u>-</u>	<u>-</u>
Lease incentives on non-cancellable operating leases included in lease liabilities	-	-	-	-
Total lease liabilities	<u>581</u>	<u>762</u>	<u>-</u>	<u>-</u>
Representing lease liabilities:				
Current	197	-	-	-
Non-current	<u>384</u>	<u>762</u>	<u>-</u>	<u>-</u>
	581	762	-	-

The weighted average interest rate implicit in the leases is 8.03% (2011: 8.03%).

32 Commitments (continued)

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

(i) *Operating leases- as lessor*

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

Notes	Consolidated		Parent	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Within one year	17,844	9,902	31,850	24,601
Later than one year and not later than five years	68,811	38,038	119,621	93,779
Later than five years	110,682	79,169	186,233	163,794
	<u>197,337</u>	<u>127,109</u>	<u>337,704</u>	<u>282,174</u>

Rental income is shown undiscounted, and net of any GST liability.

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

(ii) *Finance leases- as lessor*

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

Notes	Consolidated		Parent	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Within one year	2,297	2,806	2,297	2,806
Later than one year and not later than five years	9,187	11,225	9,187	11,225
Later than five years	78,689	122,490	78,689	122,490
Less: Future finance charge	(60,234)	(96,700)	(60,234)	(96,700)
	<u>29,939</u>	<u>39,821</u>	<u>29,939</u>	<u>39,821</u>

The University has entered into a finance lease with Campus Living Pty Ltd to manage and operate the student accommodation known as Macquarie University Village Stage 1. See Note 18 for further details.

Additionally, the University has issued several long term land leases to third party organisations. During 2011 these leases were recognised as finance leases. See Note 18 for further details.

The Parent also leases out certain properties to controlled entities within the Group.

33 Related parties

(a) Parent entities

The ultimate parent entity within the Group is Macquarie University, an entity incorporated in Australia.

(b) Subsidiaries

Interests in subsidiaries are set out in note 34.

(c) Transactions with related parties

The following material transactions occurred with related parties:

	2012 \$'000	2011 \$'000
MUH - Rental, Interest & Other Charges (P/L)	19,607	17,264
MUH - Loan (B/S)	99,387	68,436
MGSM - Student fees and other charges (P/L)	16,734	16,562

(d) Loans to related parties

		Parent 2012 \$'000	2011 \$'000
<i>Loans to subsidiaries</i>			
Beginning of the year	20	68,436	31,582
Capitalisation of rental charges		14,843	13,541
Loans advanced		11,100	19,700
Loan repayments received		-	-
Interest charged		5,008	3,613
Interest received		-	-
End of year	20	<u>99,387</u>	<u>68,436</u>

The loan detailed above represents advances to MUH Operations No. 2 Limited. See note 20 for further details.

34 Subsidiaries

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

Name of entity	Country of incorporation	Class of shares	Equity holding	
			2012 %	2011 %
Access Macquarie Ltd (AccessMQ)	Australia	Limited by Guarantee	100	100
Australian Proteome Analysis Facility Ltd (APAF)	Australia	Limited by Guarantee	100	100
Centre for Money, Banking and Finance Limited (CMBF)	Australia	Limited by Guarantee	100	100
COH Property Trust	Australia	Units	100	100
LAMS Foundation Limited	Australia	Limited by Guarantee	100	100
LAMS International Pty Ltd (LAMS Intl)	Australia	Ordinary	77	77
Macquarie Education South Africa NPC	South Africa	Ordinary	100	-
Macquarie Graduate School of Management Pty Ltd (MGSM)	Australia	Ordinary	100	100
MGSM Limited (formerly ACN 153 973 481)	Australia	Limited by Guarantee	100	100
Macquarie University Property Investment Company No. 2 Pty Ltd	Australia	Ordinary	100	100
Macquarie University Property Investment Company No. 3 Pty Ltd	Australia	Ordinary	100	100
Macquarie University Property Investment Company Pty Ltd	Australia	Ordinary	100	100
Macquarie University Property Investment Trust (MUPIT)	Australia	Units	100	100
MU Hospital Pty Ltd	Australia	Ordinary	100	100
MUH Operations No.2 Ltd	Australia	Limited by Guarantee	100	100
MUH Operations Pty Ltd	Australia	Ordinary	100	100
MUPH Clinic Pty Ltd	Australia	Ordinary	100	100
MUPH Hospital Pty Ltd	Australia	Ordinary	100	100
Risk Frontiers Flood (Australia) Pty Ltd	Australia	Ordinary	100	100
Risk Frontiers Group Pty Ltd	Australia	Ordinary	100	100
U@MQ Ltd	Australia	Limited by Guarantee	100	100

34 Subsidiaries (continued)

(a) The result of the operations of the related parties

	Centre for Money, Banking and Finance Ltd \$'000	Australian Proteome Analysis Facility Ltd \$'000	MGSM*** \$'000	Access Macquarie Ltd* \$'000	LAMS International Pty Ltd \$'000	U@MQ Ltd \$'000	Macquarie University Property Investment Trust \$'000	MUH Operations No.2 Ltd** \$'000	Total*** \$'000
For the year ended 31 December 2011									
Operating income	3,569	1,050	25,422	25,267	246	24,662	99	49,764	130,079
Operating expense	(3,165)	(1,035)	(24,262)	(21,937)	(227)	(26,653)	(92)	(85,764)	(163,135)
Operating result	404	15	1,160	3,330	19	(1,991)	7	(36,000)	(33,056)
For the year ended 31 December 2012									
Operating income	3,847	1,382	24,709	26,341	461	28,463	-	74,616	159,819
Operating expense	(3,637)	(1,360)	(21,679)	(26,992)	(297)	(28,021)	-	(106,024)	(188,010)
Operating result	210	22	3,030	(651)	164	442	-	(31,408)	(28,191)

*Includes Risk Frontiers Flood (Australia) Pty Ltd

**The University Council confirmed at their meeting of 5th December 2012 to continue to provide funds to MUH Operations No.2 Ltd to meet its ongoing obligations.

***Comprises the combined results of Macquarie Graduate School of Management Pty Ltd and MGSM Limited. On 1 April 2012 the activities and operations of Macquarie Graduate School of Management Pty Ltd were transferred to MGSM Limited. All assets and liabilities of the Company were transferred to MGSM Limited on that date through an Asset Transfer Agreement.

****Other controlled entity balances are nil and have not been separately identified.

34 Subsidiaries (continued)

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

	Centre for Money, Banking and Finance Ltd \$'000	Australian Proteome Analysis Facility Ltd \$'000	MGSM** \$'000	Access Macquarie Ltd* \$'000	LAMIS International Pty Ltd \$'000	U@MQ Ltd \$'000	Macquarie University Property Investment Trust \$'000	MUH Operations No.2 Ltd \$'000	Total \$'000
As at 31 December 2011									
Current assets	2,100	1,001	20,857	13,259	242	7,961	7	15,987	61,414
Non-current assets	22	-	884	346	11	3,749	-	1,000	6,012
Total assets	2,122	1,001	21,741	13,605	253	11,710	7	16,987	67,426
Current liabilities	278	742	4,866	7,256	79	3,163	7	17,306	33,697
Non-current liabilities	-	-	306	332	-	807	-	63,182	64,627
Total liabilities	278	742	5,172	7,588	79	3,970	7	80,488	98,324
Net assets	1,844	259	16,569	6,017	174	7,740	-	(63,501)	(30,898)
Represented by:									
Reserves	1,844	259	16,569	6,017	174	7,740	-	(63,501)	(30,898)
Retained profit/(losses)	1,844	259	16,569	6,017	174	7,740	-	(63,501)	(30,898)
Net equity	1,844	259	16,569	6,017	174	7,740	-	(63,501)	(30,898)

Macquarie University
Notes to the financial statements
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(continued)

34 Subsidiaries (continued)

	Centre for Money, Banking and Finance Ltd \$'000	Australian Proteome Analysis Facility Ltd \$'000	MGSM** \$'000	Access Macquarie Ltd* \$'000	LAMS International Pty Ltd \$'000	U@MQ Ltd \$'000	Macquarie University Property Investment Trust \$'000	MUH Operations No.2 Ltd \$'000	Total \$'000
As at 31 December 2012									
Current assets	2,843	1,021	23,155	15,709	420	12,814	-	23,795	79,757
Non-current assets	17	-	806	602	1	2,989	-	1,500	5,915
Total assets	2,860	1,021	23,961	16,311	421	15,803	-	25,295	85,672
Current liabilities	806	739	4,040	10,664	83	7,259	-	17,980	41,571
Non-current liabilities	-	-	179	295	-	384	-	102,226	103,084
Total liabilities	806	739	4,219	10,959	83	7,643	-	120,206	144,655
Net assets	2,054	282	19,742	5,352	338	8,160	-	(94,911)	(58,983)
Represented by:									
Reserves	-	-	-	-	-	261	-	-	261
Retained profit/(losses)	2,054	282	19,742	5,352	338	7,899	-	(94,911)	(59,244)
Net equity	2,054	282	19,742	5,352	338	8,160	-	(94,911)	(58,983)

*Includes Risk Frontiers Flood (Australia) Pty Ltd

**Comprises the combined results of Macquarie Graduate School of Management Pty Ltd and MGSM Limited.

35 Joint ventures, associates and minority interests

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

1. Sydney Educational Broadcasting Limited

The University has a 50% joint venture interest in the F.M. radio station, 2SER-FM. The University of Technology, Sydney (UTS) holds the remaining 50% interest in the station. The University's contribution to the operations of the company in 2012 was \$0.25 million (2011: \$0.24 million). The company is independently audited by the Auditor-General of New South Wales and its Financial Statements are not included in the Consolidated Financial Statements of the University.

2. Sydney Institute Marine Science Limited

Sydney Institute Marine Science Limited (SIMS) is a partnership between Macquarie University, University of New South Wales (UNSW), the University of Sydney and the University of Technology, Sydney (UTS). SIMS is a joint venture, research facility based on Sydney Harbour's North Shore at Chowder Bay. It will bring together key researchers to form cross-disciplinary teams of leading scientists working on issues that are critical for the sustainable management of our coastal and oceanic environments. The University holds a 25% interest in the company.

3. Macquarie Medical Imaging (MMI) Pty Ltd

Macquarie Medical Imaging (MMI) Pty Ltd provides radiology services to Macquarie University Hospital and external patients. The Group holds a 30% stake in the ordinary share capital of MMI, and hold 1,000,000 of Series A Preference Shares. During 2012, the Preference Shares were impaired in full; refer to note 20 for details.

36 Events occurring after the end of the reporting period

There has not occurred in the period between the end of the financial year and the date of this report any item, transaction or event of a material nature to significantly affect the financial position of the University.

37 Reconciliation of operating result after income tax to net cash provided/(used in) operating activities

	Consolidated		Parent	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Operating result for the period	69,303	31,280	46,227	65,161
Depreciation and amortisation	53,387	50,287	52,183	48,950
Net (gain) / loss on sale of non-current assets	11	297	(6)	(5)
(Gain)/ loss on disposal of fixed assets	(73)	(208)	(144)	(208)
(Increase) / decrease in trade debtors	(66,762)	(105,238)	(14,991)	(99,591)
(Increase) / decrease in inventories	(565)	(116)	7	(16)
(Increase)/ decrease in prepayments	(2,556)	1,221	(2,556)	1,221
(Increase) / decrease in other operating assets	422	(18,027)	1,075	(18,793)
Increase / (decrease) increase in other operating liabilities	185	(91)	849	(156)
Increase / (decrease) in trade creditors	28,201	9,467	(861)	(5,837)
(Increase)/ decrease in provision for employee entitlements	42,027	113,844	41,403	113,844
Increase / (decrease) in other provisions	(870)	1,668	(1,000)	-
Net cash provided by / (used in) operating activities	<u>122,710</u>	<u>84,384</u>	<u>122,186</u>	<u>104,570</u>

38 Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest risk and price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses derivative financial instruments such as foreign exchange contracts and interest rate swaps to hedge certain risk exposures. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks, ageing analysis for credit risk and beta analysis in respect of investment portfolios to determine market risk.

The Group's Finance and Facilities Committee reviews the University's Financial Risk at each of its bi-monthly meetings. The Group's Investment Policy and Strategy has been determined by the Finance and Facilities Committee and is also reviewed against performance by senior University management. The Group has minimal exposure to Foreign Exchange risk.

(a) Market risk

(i) Foreign exchange risk

The Group is exposed to fluctuations in foreign currencies arising from the purchase of goods and services in currencies other than the Group's functional currency. The Group used foreign currency derivative products.

(ii) Price risk

The University is exposed to equity securities price risk. This arises from investments held by the University and classified on the statement of financial position as available-for-sale. The University has no direct exposure to commodity price risk.

(iii) Cash flow and fair value interest rate risk

Although the University carries debt, the majority of debt is at a fixed rate of interest. Interest rate risk relates to investments. All other financial assets and liabilities are non-interest bearing.

(iv) Summarised sensitivity analysis

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

Consolidated	Carrying amount \$'000	Interest rate risk				Foreign exchange risk				Other price risk			
		-1%		+1%		-10%		+10%		-10%		+10%	
31 December 2012	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	
Financial assets													
Cash and cash equivalents	164,049	(1,640)	-	1,640	-	(1,508)	-	1,508	-	-	-	-	
Receivables	437,858	-	-	-	-	-	-	-	-	-	-	-	
Finance lease receivable	29,938	-	(299)	-	299	-	-	-	-	(2,994)	-	2,994	
Other financial assets	25,512	-	(255)	-	255	-	-	-	-	(2,551)	-	2,551	
Listed investments	26,120	-	(261)	-	261	-	-	-	-	(2,612)	-	2,612	
Unquoted investments	4,036	-	(40)	-	40	-	-	-	-	(404)	-	404	
Financial liabilities													
Trade payables	(59,803)	-	-	-	-	56	-	(56)	-	-	-	-	
Borrowings	(398,222)	3,982	-	(3,982)	-	-	-	-	-	-	-	-	
Interest Rate Swap	(10,168)	-	102	-	(102)	-	-	-	-	-	-	-	
Total increase/ (decrease)		2,342	(753)	(2,342)	753	(1,452)	-	1,452	-	(8,561)	-	8,561	

38 Financial risk management (continued)

Consolidated	Carrying amount \$'000	Interest rate risk				Foreign exchange risk				Other price risk			
		-1%		+1%		-10%		+10%		-10%		+10%	
31 December 2011	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	
Financial assets													
Cash and cash equivalents	79,200	(792)	-	792	-	(1,116)	-	1,116	-	-	-	-	
Receivables	395,683	-	-	-	-	-	-	-	-	-	-	-	
Finance lease receivable	39,821	-	(398)	-	398	-	-	-	-	(3,982)	-	3,982	
Other financial assets	36,566	-	(366)	-	366	-	-	-	-	(3,657)	-	3,657	
Listed investments	47,386	-	(474)	-	474	-	-	-	-	(4,739)	-	4,739	
Unquoted investments	10,273	-	(103)	-	103	-	-	-	-	(1,027)	-	1,027	
Financial liabilities													
Trade payables	(47,223)	-	-	-	-	-	-	-	-	-	-	-	
Borrowings	(279,110)	2,791	-	(2,791)	-	-	-	-	-	-	-	-	
Interest rate swap	(9,429)	-	94	-	(94)	-	-	-	-	-	-	-	
Total increase/ (decrease)		1,999	(1,247)	(1,999)	1,247	(1,116)	-	1,116	-	(13,405)	-	13,405	

Parent	Carrying amount \$'000	Interest rate risk				Foreign exchange risk				Other price risk			
		-1%		+1%		-10%		+10%		-10%		+10%	
31 December 2012	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	
Financial assets													
Cash and cash equivalents	133,089	(1,331)	-	1,331	-	(1,508)	-	1,508	-	-	-	-	
Receivables	421,460	-	-	-	-	-	-	-	-	-	-	-	
Finance lease receivable	29,938	-	(299)	-	299	-	-	-	-	(2,994)	-	2,994	
Other financial assets	53,806	-	(538)	-	538	-	-	-	-	(5,381)	-	5,381	
Listed investments	26,120	-	(261)	-	261	-	-	-	-	(2,612)	-	2,612	
Unquoted investments	4,296	-	(43)	-	43	-	-	-	-	(430)	-	430	
Financial liabilities													
Trade payables	(34,347)	-	-	-	-	56	-	(56)	-	-	-	-	
Borrowings	(397,641)	3,976	-	(3,976)	-	-	-	-	-	-	-	-	
Interest Rate Swap	(10,168)	-	102	-	(102)	-	-	-	-	-	-	-	
Total increase/ (decrease)		2,645	(1,039)	(2,645)	1,039	(1,452)	-	1,452	-	(11,417)	-	11,417	

Parent	Carrying amount \$'000	Interest rate risk				Foreign exchange risk				Other price risk			
		-1%		+1%		-10%		+10%		-10%		+10%	
31 December 2011	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	
Financial assets													
Cash and cash equivalents	54,989	(550)	-	550	-	(1,116)	-	1,116	-	-	-	-	
Receivables	384,629	-	-	-	-	-	-	-	-	-	-	-	
Finance lease receivable	39,821	-	(398)	-	398	-	-	-	-	(3,982)	-	3,982	
Other financial assets	87,900	-	(879)	-	879	-	-	-	-	(1,946)	-	1,946	
Listed investments	47,386	-	(474)	-	474	-	-	-	-	(4,739)	-	4,739	
Unquoted investments	10,185	-	(102)	-	102	-	-	-	-	(1,019)	-	1,019	
Financial liabilities													
Trade payables	(34,569)	-	-	-	-	-	-	-	-	-	-	-	
Borrowings	(278,348)	2,783	-	(2,783)	-	-	-	-	-	-	-	-	
Interest rate swap	(9,429)	-	94	-	(94)	-	-	-	-	-	-	-	
Total increase/ (decrease)		2,233	(1,759)	(2,233)	1,759	(1,116)	-	1,116	-	(11,686)	-	11,686	

38 Financial risk management (continued)

(b) Credit risk

The maximum exposure to credit risk at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of these assets, as disclosed in the statement of financial position and notes to the financial statements. The University has no credit risk for derivative financial instruments.

Credit Risk Exposures

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

2012 Consolidated	Governments \$'000	Financial Institutions \$'000	Students \$'000	Others \$'000	Total \$'000
Financial assets					
Cash and cash equivalents	96,382	67,667	-	-	164,049
Receivables	397,482	-	2,386	37,990	437,858
Finance lease receivables	-	-	-	29,938	29,938
Other financial receivables	-	25,512	-	-	25,512
Listed investments	-	26,120	-	-	26,120
Unquoted investments	-	4,036	-	-	4,036
Total financial assets	493,864	123,335	2,386	67,928	687,513

2011 Consolidated	Governments '000	Financial institutions \$'000	Students \$'000	Others \$'000	Total \$'000
Financial assets					
Cash and cash equivalents	38,601	40,591	-	8	79,200
Receivables	384,548	403	1,916	8,816	395,683
Finance lease receivables	-	-	-	39,821	39,821
Other financial assets	-	36,440	-	126	36,566
Listed investments	-	6,436	-	40,950	47,386
Unquoted investments	-	-	-	10,273	10,273
Total financial assets	423,149	83,870	1,916	99,994	608,929

2012 Parent	Governments \$'000	Financial Institutions \$'000	Students \$'000	Related parties \$'000	Others \$'000	Total \$'000
Financial assets						
Cash and cash equivalents	96,382	36,707	-	-	-	133,089
Receivables	397,482	-	2,386	5,073	16,519	421,460
Finance lease receivables	-	-	-	-	29,938	29,938
Other financial receivables	-	4,638	-	49,168	-	53,806
Listed investments	-	26,120	-	-	-	26,120
Unquoted investments	-	4,162	-	134	-	4,296
Total financial assets	493,864	71,627	2,386	54,375	46,457	668,709

38 Financial risk management (continued)

2011 Parent	Governments '000	Financial institutions \$'000	Students \$'000	Others \$'000	Total \$'000
Financial assets					
Cash and cash equivalents	38,601	16,385	-	3	54,989
Receivables	382,714	-	1,916	-	384,630
Finance lease receivables	-	-	-	39,821	39,821
Other financial assets	-	19,464	-	68,436	87,900
Listed investments	-	6,436	-	40,950	47,386
Unquoted investments	-	-	-	10,185	10,185
Total financial assets	421,315	42,285	1,916	159,395	624,911

In 2012, Macquarie University does not have any significant exposure to any individual customer or counterparty.

Financing facilities

There was no formal overdraft facility in place as at 31 December 2012. There were unused credit card facilities with ANZ with total of \$4.58 million at the year-end.

In January 1999 the University received approval from the Treasurer of New South Wales to borrow funds to the maximum of \$18 million towards the construction of student accommodation. Such approval is required under Section 16.1(d) of the Macquarie University Act 1989. The interest rate of the loan was fixed at 7.035% for the period of the loan and the final drawn down amount was \$17.769 million. This loan is unsecured. The balance of the loan outstanding after allowing for amortised cost adjustment as at 31 December 2012 was \$9.56 million (in 2011 was \$10.52 million).

In July 2010, the University received approval from the Treasurer of New South Wales to borrow a maximum of \$450 million, either by way of bank facilities and/or bond issue in the capital market, with a maximum term of 10 years. In September 2010 the University issued Medium term notes (MTN) to the value of \$250 million. The bond coupon rate is 6.75% fixed for 10 years. The University has entered into bank facilities of \$100 million each with Australia and New Zealand Banking Group and the Commonwealth Bank of Australia. The interest rates on both facilities are variable. At 1 January 2012, \$20 million had been drawn down (\$10 million each from ANZ and CBA). During 2012, an additional \$120 million was drawn down on the loan (\$60 million each from ANZ and CBA). As at 31 December 2012 \$60 million was available to be drawn.

(c) Liquidity risk

The University manages liquidity risk by monitoring forecast cash flows and maintains sufficient cash to maintain short-term flexibility and enable the University to meet financial commitments in a timely manner.

Interest Rate Risk Exposures

The consolidated entity's exposure to interest rate risk and the effective weighted average interest rate by maturity periods is set out in the following table. For interest rates applicable to each class of asset or liability refer to individual notes to the financial statements.

Exposures arise predominantly from assets and liabilities bearing variable interest rates as the consolidated entity intends to hold fixed rate assets and liabilities to maturity.

38 Financial risk management (continued)

Consolidated - 31 December 2012	Average Interest Rate %	Variable Interest Rate \$'000	Less than 1 Year \$'000	1 to 5 Years \$'000	5+ Years \$'000	Non Interest \$'000	Total \$'000
Financial assets							
Cash and cash equivalents	3.19	134,058	23,034	-	-	6,957	164,049
Receivables	-	-	-	-	-	437,858	437,858
Finance lease receivable	-	-	-	-	-	29,938	29,938
Other financial assets	5.36	-	25,137	375	-	-	25,512
Listed investments	-	-	-	-	-	26,120	26,120
Unquoted investments	-	-	-	-	-	4,036	4,036
Total financial assets		<u>134,058</u>	<u>48,171</u>	<u>375</u>	<u>-</u>	<u>504,909</u>	<u>687,513</u>
Financial liabilities							
Payables	-	-	-	-	-	(59,803)	(59,803)
Borrowings	5.87	-	(1,242)	(5,225)	(391,755)	-	(398,222)
Interest Rate Swap	-	(10,168)	-	-	-	-	(10,168)
Total financial liabilities		<u>(10,168)</u>	<u>(1,242)</u>	<u>(5,225)</u>	<u>(391,755)</u>	<u>(59,803)</u>	<u>(468,193)</u>
Consolidated - 31 December 2011	Average Interest Rate %	Variable Interest Rate \$'000	Less than 1 Year \$'000	1 to 5 Years \$'000	5+ Years \$'000	Non Interest \$'000	Total \$'000
Financial assets							
Cash and cash equivalents	5.62	64,403	13,562	1,232	-	3	79,200
Receivables	-	10,497	-	-	-	385,186	395,683
Finance lease receivable	-	-	-	-	-	39,821	39,821
Other financial assets	6.20	-	36,134	432	-	-	36,566
Listed investments	-	697	-	-	-	46,689	47,386
Unquoted investments	-	-	-	-	-	10,273	10,273
Total financial assets		<u>75,597</u>	<u>49,696</u>	<u>1,664</u>	<u>-</u>	<u>481,972</u>	<u>608,929</u>
Financial liabilities							
Payables	-	(6,855)	-	-	-	(40,368)	(47,223)
Borrowings	6.77	-	(1,152)	(30,130)	(247,828)	-	(279,110)
Interest rate swap	-	(9,429)	-	-	-	-	(9,429)
Total financial liabilities		<u>(16,284)</u>	<u>(1,152)</u>	<u>(30,130)</u>	<u>(247,828)</u>	<u>(40,368)</u>	<u>(335,762)</u>

38 Financial risk management (continued)

Parent - 31 December 2012	Average Interest Rate %	Variable Interest Rate \$'000	Less than 1 Year \$'000	1 to 5 Years \$'000	5+ Years \$'000	Non Interest \$'000	Total \$'000
Financial assets							
Cash and cash equivalents	3.07	126,203	-	-	-	6,886	133,089
Receivables	-	-	-	-	-	421,460	421,460
Finance lease receivable	-	-	-	-	-	29,938	29,938
Other financial assets	5.03	-	4,638	-	49,168	-	53,806
Listed investments	-	-	-	-	-	26,120	26,120
Unquoted investments	-	-	-	-	-	4,296	4,296
Total financial assets		126,203	4,638	-	49,168	488,700	668,709
Financial liabilities							
Payables	-	-	-	-	-	(34,347)	(34,347)
Borrowings	5.27	-	(1,045)	(5,225)	(391,371)	-	(397,641)
Interest Rate Swap	-	(10,168)	-	-	-	-	(10,168)
Total financial liabilities		(10,168)	(1,045)	(5,225)	(391,371)	(34,347)	(442,156)

Parent - 31 December 2011	Average Interest Rate %	Variable Interest Rate \$'000	Less than 1 Year \$'000	1 to 5 Years \$'000	5+ Years \$'000	Non Interest \$'000	Total \$'000
Financial assets							
Cash and cash equivalents	4.96	54,986	-	-	-	3	54,989
Receivables	-	-	-	-	-	384,629	384,629
Finance lease receivable	-	-	-	-	-	39,821	39,821
Other financial assets	6.24	68,436	19,464	-	-	-	87,900
Listed investments	-	697	-	-	-	46,689	47,386
Unquoted investments	-	-	-	-	-	10,185	10,185
Total financial assets		124,119	19,464	-	-	481,327	624,910
Financial liabilities							
Payables	-	-	-	-	-	(34,569)	(34,569)
Borrowings	6.77	-	(971)	(29,550)	(247,827)	-	(278,348)
Interest Rate Swap	-	(9,429)	-	-	-	-	(9,429)
Total financial liabilities		(9,429)	(971)	(29,550)	(247,827)	(34,569)	(322,346)

Interest rate swap contracts - cash flow hedges

It is policy to protect part of the loans from exposure to increasing interest rates. Accordingly, the Group has entered into interest rate swap contracts under which it is obliged to receive interest at variable rates and to pay interest at fixed rates.

The Group has entered into an interest rate swap starting on 20 October 2010, for a term of 5 years. This amounts to \$98.25 million at an average interest rate of 6.6%. The contracts require settlement of net interest receivable or payable each 30 days. At 31 December 2012 the interest rate swap liability had a market value of \$10.17 million. This liability is recorded in Other Liabilities (note 27).

38 Financial risk management (continued)

Any gain or loss from remeasuring the hedging instruments at fair value is deferred in equity in the hedging reserve, to the extent that the hedge is effective, and reclassified to income statement when the hedged interest expense is recognised. The ineffective portion is recognised in the income statement immediately.

(d) Fair value estimation

The fair value of financial instruments traded in active markets (such as publicly traded derivatives) is based on quoted market prices at the statement of financial position date. The quoted market price used for financial assets held by the University is the current bid prices.

The fair value of financial instruments that are not traded in an active market over the counter is determined using valuation techniques.

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

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

Consolidated	Carrying Amount		Fair Value	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Financial assets				
Cash and cash equivalents	164,049	79,200	164,049	79,200
Receivables	437,858	395,683	437,858	395,683
Finance lease receivable	29,938	39,821	29,938	39,821
Other financial assets	25,512	36,566	25,512	36,566
Listed investments	26,120	47,386	26,120	47,386
Unquoted investments	4,036	10,273	4,036	10,273
Total financial assets	<u>687,513</u>	<u>608,929</u>	<u>687,513</u>	<u>608,929</u>
Financial liabilities				
Payables	(59,803)	(47,223)	(59,803)	(47,223)
Borrowings	(398,222)	(279,110)	(398,222)	(279,110)
Interest Rate Swap	(10,168)	(9,429)	(10,168)	(9,429)
Total financial liabilities	<u>(468,193)</u>	<u>(335,762)</u>	<u>(468,193)</u>	<u>(335,762)</u>
Parent	Carrying Amount		Fair Value	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Financial assets				
Cash and cash equivalents	133,089	54,989	133,089	54,989
Receivables	421,460	384,629	421,460	384,629
Finance lease receivable	29,938	39,821	29,938	39,821
Other financial assets	53,806	145,471	53,806	145,471
Listed investments	26,120	-	26,120	-
Unquoted investments	4,296	-	4,296	-
Total financial assets	<u>668,709</u>	<u>624,910</u>	<u>668,709</u>	<u>624,910</u>
Financial liabilities				
Payables	(34,347)	(34,569)	(34,347)	(34,569)
Borrowings	(397,641)	(278,348)	(397,641)	(278,348)
Interest rate swap	(10,168)	(9,429)	(10,168)	(9,429)
Total financial liabilities	<u>(442,156)</u>	<u>(322,346)</u>	<u>(442,156)</u>	<u>(322,346)</u>

38 Financial risk management (continued)

Consolidated 2012	31 December		
	2012 \$'000	Level 1 \$'000	Level 2 \$'000
Financial assets			
Cash and cash equivalents	164,049	164,049	-
Receivables	437,858	-	437,858
Finance lease receivable	29,938	-	29,938
Other financial assets	25,512	-	25,512
Listed investments	26,120	26,120	-
Unquoted investments	4,036	-	4,036
Total	<u>687,513</u>	<u>190,169</u>	<u>497,344</u>
Financial liabilities			
Payables	(59,803)	-	(59,803)
Borrowings	(398,222)	-	(398,222)
Interest Rate Swap	(10,168)	-	(10,168)
Total	<u>(468,193)</u>	<u>-</u>	<u>(468,193)</u>

Consolidated 2011	31 December		
	2011 \$'000	Level 1 \$'000	Level 2 \$'000
Financial assets			
Cash and cash equivalents	79,200	79,200	-
Receivables	395,683	-	395,683
Finance lease receivable	39,821	-	39,821
Other financial assets	36,566	-	36,566
Other financial assets - non current listed	47,386	47,386	-
Other financial assets - non current unlisted	10,273	-	10,273
Total	<u>608,929</u>	<u>126,586</u>	<u>482,343</u>
Financial liabilities			
Payables	47,223	-	47,223
Borrowings	279,110	-	279,110
Additional Disclosure	9,429	-	9,429
Total	<u>335,762</u>	<u>-</u>	<u>335,762</u>

39 Employee Benefits - Unfunded Defined Benefit Superannuation Liabilities

In accordance with the 1998 instructions issued by the Department of Education, Training and Youth Affairs (DETYA) now known as the Department of Industry, Innovation, Science, Research and Tertiary Education (DIISRTE), the effects of the unfunded defined benefit superannuation liabilities have been recognised in the Statement of Financial Position under Provisions with a corresponding asset recognised under Receivables.

This arrangement is supported by Division 41 of the Commonwealth Higher Education Support Act 2003 and section 20 of the Higher Education Funding Act 1988.

The unfunded defined benefit superannuation liabilities for the University determined by the actuary at 31 December 2012 was \$397.5 million (2011: 362.5 million) as reflected in note 18.

The recognition of both the asset and liability does not affect the year end net position of the University and its controlled entities.

40 Defined Benefit Plans

(a) Fund specific disclosure

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

- State Authorities Superannuation Scheme (SASS)
- State Authorities Non-contributory Superannuation Scheme (SANCS)
- State Superannuation Scheme (SSS)
- The Professorial Superannuation Fund (PSF) is a combination of an accumulation benefit and a defined benefit.

The Professorial Superannuation Scheme was an alternative superannuation arrangement to the State Superannuation Scheme that was available to professors of the University, until its closure to new entrants in 1988. The scheme provides active members with a combination of accumulation benefits and defined benefits. Pensioner members receive pension payments from the scheme. The University commenced its funding of the previously unfunded "non-contributory pension" during the 2006 year.

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

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

	2012 (%)	2011 (%)
State schemes (SASS, SANCS, SSS)		
Discount rate(s)	3.30	3.70
Expected return on plan assets	8.60	8.60
Expected rate(s) of salary increase	2.50	2.50
Expected rate of CPI increase	2.50	2.50
Professorial Superannuation Fund		
Discount rate(s)	3.20	3.60
Expected return on plan assets	3.20	5.30
Expected rate(s) of salary increase	3.50	3.50
Expected rate of CPI increase	-	-

The analysis of the plan assets and the expected rate of return at the statements of financial position date is as follows:

	2012 (%)	2011 (%)
State schemes (SASS, SANCS, SSS)		
Equity instruments	55.30	61.10
Debt instruments	8.60	8.20
Property	8.70	9.50
Cash and other	27.40	21.20
Professorial Superannuation Fund		
Equity instruments	32.60	41.90
Debt instruments	2.50	5.10
Property	7.90	10.20
Cash and other	57.00	42.80

The overall expected rate of return is a weighted average of the expected returns of the various categories of plan assets held. The Group's assessment of the expected returns is based on historical return trends and actuarial predictions of the market for the asset in the next twelve months.

40 Defined Benefit Plans (continued)

The history of experience adjustments is as follows:

	2012 \$'000	2011 \$'000	2010 \$'000	2009 \$'000	2008 \$'000
State schemes (SASS, SANCS, SSS)					
Fair value of plan assets	(100,329)	(112,928)	(136,368)	(151,602)	(155,092)
Present value of defined benefit obligation	501,679	478,976	397,327	384,733	424,935
(Deficit)	(401,350)	(366,048)	(260,959)	(233,131)	(269,843)
Experience adjustments on plan liabilities	31,322	84,404	15,105	(38,135)	94,627
Experience adjustments on plan assets	(4,459)	10,277	3,384	(3,384)	49,617
Professorial Superannuation Fund					
Fair value of plan assets	(12,835)	(11,673)	(11,197)	(10,746)	(8,900)
Present value of defined benefit obligation	18,510	18,585	16,438	17,179	20,538
(Deficit)	(5,675)	(6,912)	(5,241)	(6,433)	(11,638)
Experience adjustments on plan liabilities	510	462	414	(131)	1,951
Experience adjustments on plan assets	(513)	408	495	(1,306)	4,881

(b) Financial impact for funds guaranteed by Commonwealth Government

	\$'000 SASS	\$'000 SANCS	\$'000 SSS	\$'000 PSF	\$'000 Total
Present value obligations - 2012					
Opening defined benefit obligation	35,160	7,178	436,638	18,585	497,561
Current service cost	1,118	277	285	769	2,449
Interest cost	1,209	241	15,714	324	17,488
Contributions from plan participants	490	-	727	-	1,217
Actuarial losses	1,895	505	28,922	1,083	32,405
Benefits paid	(5,891)	(1,552)	(21,237)	(1,486)	(30,166)
Expenses paid	-	-	-	(765)	(765)
Closing defined benefit obligation	<u>33,981</u>	<u>6,649</u>	<u>461,049</u>	<u>18,510</u>	<u>520,189</u>
Present value of plan assets - 2012					
Opening fair value of plan assets	26,754	3,597	82,577	11,673	124,601
Expected return on plan assets	2,087	336	6,075	620	9,118
Actuarial gains	658	63	3,737	513	4,971
Contributions from the employer	1,053	337	518	2,280	4,188
Contributions from plan participants	490	-	727	-	1,217
Benefits paid	(5,891)	(1,552)	(21,237)	(1,486)	(30,166)
Expenses paid	-	-	-	(765)	(765)
Closing fair value of plans assets	<u>25,151</u>	<u>2,781</u>	<u>72,397</u>	<u>12,835</u>	<u>113,164</u>
Reimbursement rights - 2012					
Opening value of reimbursement right	8,406	-	354,061	-	362,467
Actuarial (gains)/losses	1,237	-	25,185	-	26,422
Employer contributions	(1,053)	-	(518)	-	(1,571)
Expected return on reimbursement rights	240	-	9,924	-	10,164
Closing value of reimbursement right	<u>8,830</u>	<u>-</u>	<u>388,652</u>	<u>-</u>	<u>397,482</u>

40 Defined Benefit Plans (continued)

	\$'000 SASS	\$'000 SANCS	\$'000 SSS	\$'000 PSF	\$'000 Total
Net liability - 2012					
Defined benefit obligation	33,981	6,649	461,049	18,510	520,189
Fair value of plan assets	<u>(25,151)</u>	<u>(2,781)</u>	<u>(72,397)</u>	<u>(12,835)</u>	<u>(113,164)</u>
Total liability in statements of financial position	<u>8,830</u>	<u>3,868</u>	<u>388,652</u>	<u>5,675</u>	<u>407,025</u>

Expense recognised 2012

Current service cost	1,118	277	285	769	2,449
Interest on obligation	1,209	241	15,714	324	17,488
Expected return on plan assets	(2,087)	(336)	(6,075)	(620)	(9,118)
Expected return on reimbursement rights	<u>(240)</u>	<u>-</u>	<u>(9,924)</u>	<u>-</u>	<u>(10,164)</u>
Expense	<u>-</u>	<u>182</u>	<u>-</u>	<u>473</u>	<u>655</u>

Actual returns - 2012

Actual return on plan assets	2,997	399	9,069	1,133	13,598
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Other comprehensive income - 2012

Actuarial (gains) on defined benefit	(1,895)	(505)	(28,922)	(1,083)	(32,405)
Actuarial gains on plan assets	658	63	3,737	513	4,971
Actuarial gains in reimburse rights	<u>1,237</u>	<u>-</u>	<u>25,185</u>	<u>-</u>	<u>26,422</u>
Recognised in other comprehensive income	<u>-</u>	<u>(442)</u>	<u>-</u>	<u>(570)</u>	<u>(1,012)</u>

Cumulative total net actuarial (losses)	<u>-</u>	<u>(4,063)</u>	<u>-</u>	<u>(10,747)</u>	<u>(14,810)</u>
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Cumulative total net actuarial losses shown above date from 2008 onwards.

Present value obligations - 2011

Opening defined benefit obligation	35,681	7,110	354,536	16,438	413,765
Current service cost	1,162	287	202	632	2,283
Interest cost	1,854	359	19,173	563	21,949
Contributions from plan participants	496	-	773	-	1,269
Actuarial losses	1,346	339	82,717	3,003	87,405
Benefits paid	(5,379)	(917)	(20,763)	(1,460)	(28,519)
Expenses paid	<u>-</u>	<u>-</u>	<u>-</u>	<u>(591)</u>	<u>(591)</u>
Closing defined benefit obligation	<u>35,160</u>	<u>7,178</u>	<u>436,638</u>	<u>18,585</u>	<u>497,561</u>

Present value of plan assets - 2011

Opening fair value of plan assets	30,496	4,221	101,651	11,197	147,565
Expected return on plan assets	2,406	394	7,749	809	11,358
Actuarial (losses)	(2,387)	(468)	(7,422)	(408)	(10,685)
Contributions from the employer	1,122	367	589	2,126	4,204
Contributions from plan participants	496	-	773	-	1,269
Benefits paid	(5,379)	(917)	(20,763)	(1,460)	(28,519)
Expenses paid	<u>-</u>	<u>-</u>	<u>-</u>	<u>(591)</u>	<u>(591)</u>
Closing fair value of plans assets	<u>26,754</u>	<u>3,597</u>	<u>82,577</u>	<u>11,673</u>	<u>124,601</u>

40 Defined Benefit Plans (continued)

	\$'000	\$'000	\$'000	\$'000	\$'000
	SASS	SANCS	SSS	PSF	Total
Reimbursement rights - 2011					
Opening value of reimbursement right	5,185	-	252,885	-	258,070
Actuarial (gains)/losses	3,733	-	90,139	-	93,872
Employer contributions	(1,122)	-	(589)	-	(1,711)
Expected return on reimbursement rights	610	-	11,626	-	12,236
Closing value of reimbursement right	<u>8,406</u>	<u>-</u>	<u>354,061</u>	<u>-</u>	<u>362,467</u>
Net liability - 2011					
Defined benefit obligation	35,160	7,178	436,638	18,585	497,561
Fair value of plan assets	<u>(26,754)</u>	<u>(3,597)</u>	<u>(82,577)</u>	<u>(11,673)</u>	<u>(124,601)</u>
Total liability in Statements of financial position	<u>8,406</u>	<u>3,581</u>	<u>354,061</u>	<u>6,912</u>	<u>372,960</u>
Expense recognised 2011					
Current service cost	1,162	287	202	632	2,283
Interest on obligation	1,854	359	19,173	563	21,949
Expected return on plan assets	(2,406)	(395)	(7,749)	(809)	(11,359)
Expected return on reimbursement rights	(610)	-	(11,626)	-	(12,236)
Expense	<u>-</u>	<u>251</u>	<u>-</u>	<u>386</u>	<u>637</u>
Actual returns - 2011					
Actual return on plan assets	(537)	(74)	(1,876)	401	(2,086)
Other comprehensive income - 2011					
Actuarial (gains) on defined benefit	(1,346)	(340)	(82,717)	(3,003)	(87,406)
Actuarial (losses) on plan assets	(2,387)	(468)	(7,422)	(408)	(10,685)
Actuarial gains in reimburse rights	3,733	-	90,139	-	93,872
Recognised in other comprehensive income	<u>-</u>	<u>(808)</u>	<u>-</u>	<u>(3,411)</u>	<u>(4,219)</u>
Cumulative total net actuarial (losses)	<u>-</u>	<u>(3,621)</u>	<u>-</u>	<u>(10,177)</u>	<u>(13,798)</u>

Cumulative total net actuarial losses shown above date from 2008 onwards.

(c) Unisuper

The University also contributes to UniSuper Defined Benefit Plan ('UniSuper') (formerly Superannuation Scheme for Australian Universities) (SSAU) for academic staff appointed since 1 March 1988 and all other staff from 1 July 1991. The Unisuper is a post employment defined contribution plan into which the University pays fixed contributions.

The UniSuper Defined Benefit Division (DBD) is a defined benefit plan under Superannuation Law but, as a result of Clause 34 of the UniSuper Trust Deed, a defined contribution plan under Accounting Standard AASB 119. UniSuper is not considered to be controlled by the University and therefore the excess/shortfall of assets over accrued benefits has not been included in the University's accounts.

41 Acquittal of Australian Government financial assistance

41.1 DIISTRE - CGS and Other DIISRTE Grants

Parent entity (UNIVERSITY) ONLY	Notes	Commonwealth Grants Scheme ¹		Indigenous Support Program		Partnership & Participation Program ²		Disability Support Program		Capital Development Pool		Transitional Cost Program		Diversity & Structural Adjustment Fund ³	
		2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the Programmes)	2(h)	131,886	96,533	544	544	1,519	1,549	866	863	-	1,086	36	98	-	-
Net accrual adjustments		2,194	-	-	-	-	-	-	-	-	-	-	-	-	-
Revenue for the period	2(a)	<u>134,080</u>	<u>96,533</u>	<u>544</u>	<u>544</u>	<u>1,519</u>	<u>1,549</u>	<u>866</u>	<u>863</u>	<u>-</u>	<u>1,086</u>	<u>36</u>	<u>98</u>	<u>-</u>	<u>-</u>
Surplus / (deficit) from the previous year		-	-	-	-	776	397	-	-	-	-	-	-	-	-
Total revenue including accrued revenue		<u>134,080</u>	<u>96,533</u>	<u>544</u>	<u>544</u>	<u>2,295</u>	<u>1,946</u>	<u>866</u>	<u>863</u>	<u>-</u>	<u>1,086</u>	<u>36</u>	<u>98</u>	<u>-</u>	<u>3</u>
Less expenses including accrued expenses		<u>(134,080)</u>	<u>(96,533)</u>	<u>(544)</u>	<u>(544)</u>	<u>(2,275)</u>	<u>(1,170)</u>	<u>(856)</u>	<u>(863)</u>	<u>-</u>	<u>(1,086)</u>	<u>(36)</u>	<u>(98)</u>	<u>-</u>	<u>(3)</u>
Surplus / (deficit) for reporting period		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20</u>	<u>776</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

41 Acqittal of Australian Government financial assistance (continued)

41.1 DIISTRE - CGS and Other DIIRSTE Grants (continued)

Parent entity (UNIVERSITY) ONLY

Notes	Promotion of Excellence in Learning & Teaching		Reward Funding		Total	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
2(h)	619	-	584	-	136,044	100,673
2(a)	619	-	584	-	2,194	-
					138,238	100,673
					776	400
	619	-	584	-	139,014	101,073
	(145)	-	(584)	-	(138,520)	(100,297)
	474	-	-	-	494	776

Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the Programmes)
Net accrual adjustments
Revenue for the period

Surplus / (deficit) from the previous year
Total revenue including accrued revenue
Less expenses including accrued expenses
Surplus / (deficit) for reporting period

¹Includes the basic CGS grant amount, CGS-Regional Loading, CGS-Enabled Loading, Maths and Science Transition Loading and Full Fee Places Transition Loading.

²Includes Equity Support Program

³Includes Collaboration and Structural Adjustment Program

41 Acqittal of Australian Government financial assistance (continued)

41.2 Higher Education Loan Programs (excl OS-HELP)

Parent entity (UNIVERSITY) ONLY

Notes	HECS-HELP - (Australian Government payments only)		FEE-HELP		SA-HELP		Total	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
2(h)	(1,673)	(7,267)	(834)	393	-	-	(2,507)	(6,874)
2(b)	97,332	83,300	29,205	25,834	1,150	-	127,687	109,134
	<u>95,659</u>	<u>76,033</u>	<u>28,371</u>	<u>26,227</u>	<u>1,150</u>	<u>-</u>	<u>125,180</u>	<u>102,260</u>
	<u>(96,732)</u>	<u>(77,706)</u>	<u>(29,439)</u>	<u>(27,061)</u>	<u>(1,318)</u>	<u>-</u>	<u>(127,489)</u>	<u>(104,767)</u>
	<u>(1,073)</u>	<u>(1,673)</u>	<u>(1,068)</u>	<u>(834)</u>	<u>(168)</u>	<u>-</u>	<u>(2,309)</u>	<u>(2,507)</u>

Cash Payable/(Receivable) at beginning of year
Financial assistance received in Cash during the reporting period
Cash available for period

Revenue earned
Cash Payable/(Receivable) at end of year

41 Acquittal of Australian Government financial assistance (continued)

41.3 Scholarships

Parent entity (UNIVERSITY) ONLY	Australian Postgraduate Awards		International Postgraduate Research Scholarship		Commonwealth Education Cost Scholarships ⁴		Commonwealth Accommodation Scholarships ⁴		Indigenous Access Scholarships		Total
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	
Notes	5,225	4,424	448	431	134	727	93	135	101	(109)	6,001
	<u>5,225</u>	<u>4,424</u>	<u>448</u>	<u>431</u>	<u>134</u>	<u>727</u>	<u>93</u>	<u>135</u>	<u>101</u>	<u>(109)</u>	<u>6,001</u>
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the Programmes)	1,793	880	(240)	(195)	140	(373)	72	36	(5)	136	1,760
Net accrual adjustments	7,018	5,304	208	236	274	354	165	171	96	27	7,761
Revenue for the period	<u>2,840</u>	<u>1,793</u>	<u>-</u>	<u>(240)</u>	<u>172</u>	<u>140</u>	<u>113</u>	<u>72</u>	<u>38</u>	<u>(5)</u>	<u>3,163</u>
Surplus / (deficit) from the previous year											484
Total revenue including accrued revenue											6,092
Less expenses including accrued expenses											(4,332)
Surplus / (deficit) for reporting period											1,760

⁴Includes Grandfathered Scholarships, National Priority and National Accommodation Priority Scholarships respectively

41 Acquitment of Australian Government financial assistance (continued)

41.4 DIIRTE Research⁵

Parent entity (UNIVERSITY) ONLY

Notes	Joint Research Engagement Program ⁵		Research Training Scheme		Research Infrastructure Block Grants		Commercialisation Training Scheme		Sustainable Research Excellence in Universities		Total
	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2(h)	5,841	5,524	12,813	12,077	2,650	2,725	-	-	1,869	1,869	23,306
2(d)	-	-	-	-	-	-	(250)	-	-	-	(250)
	5,841	5,524	12,813	12,077	2,650	2,725	(250)	-	2,002	1,869	23,056
	-	-	-	-	-	-	250	250	-	-	250
	5,841	5,524	12,813	12,077	2,650	2,725	-	250	2,002	1,869	23,306
	(5,816)	(5,524)	(12,813)	(12,077)	(2,650)	(2,725)	-	-	(2,002)	(1,869)	(23,281)
	25	-	-	-	-	-	-	250	-	-	25
	25	-	-	-	-	-	-	250	-	-	250

⁵Includes Institutional Grants Scheme

⁶The reported surpluses for Joint Research Engagement of \$25,000 for 2012 are expected to be rolled over for future use by Macquarie University and the surpluses for Commercialisation Training Scheme of \$250,000 for 2012 are expected to be returned to DIIRTE.

41 Acquittal of Australian Government financial assistance (continued)

41.5 Other Capital Funding

Parent entity (UNIVERSITY) ONLY

Notes	Teaching and Learning Capital Fund		Education Investment Fund		Total	
	2012	2011	2012	2011	2012	2011
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2(h)	-	-	-	16,000	-	16,000
2(e)	-	-	-	16,000	-	16,000
	1,215	10,702	12,909	16,663	14,124	27,365
	1,215	10,702	12,909	32,663	14,124	43,365
	(1,215)	(9,487)	(12,909)	(19,754)	(14,124)	(29,241)
	-	1,215	-	12,909	-	14,124

Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the Programmes)
Net accrual adjustments
Revenue for the period

Surplus / (deficit) from the previous year
Total revenue including accrued revenue
Less expenses including accrued expenses
Surplus / (deficit) for reporting period

41 Acqittal of Australian Government financial assistance (continued)

41.6 Australian Research Council Grants

(a) Discovery

Parent entity (UNIVERSITY) ONLY

Notes	Projects		Fellowships		Indigenous Researchers Development		Total	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
2(h)	9,242	8,989	6,767	2,676	73	-	16,082	11,665
	89	(85)	(285)	(165)	-	-	(196)	(250)
2(f)(i)	9,331	8,904	6,482	2,511	73	-	15,886	11,415
	3,809	3,373	1,686	856	-	-	5,495	4,229
	13,140	12,277	8,168	3,367	73	-	21,381	15,644
	(9,145)	(8,468)	(4,212)	(1,681)	(16)	-	(13,373)	(10,149)
	3,995	3,809	3,956	1,686	57	-	8,008	5,495

Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the Programmes)
Net accrual adjustments
Revenue for the period

Surplus / (deficit) from the previous year
Total revenue including accrued revenue
Less expenses including accrued expenses
Surplus / (deficit) for reporting period

41 Acqittal of Australian Government financial assistance (continued)

41.6 Australian Research Council Grants (continued)

(b) Linkages

Parent entity (UNIVERSITY) ONLY

Notes	Infrastructure		International		Projects		Total	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
2(h)	809	750	(7)	-	2,004	2,398	2,806	3,148
	-	-	-	-	14	(46)	14	(46)
2(f)(ii)	<u>809</u>	<u>750</u>	<u>(7)</u>	<u>-</u>	<u>2,018</u>	<u>2,352</u>	<u>2,820</u>	<u>3,102</u>
	54	735	7	7	479	118	540	860
	863	1,485	-	7	2,497	2,470	3,360	3,962
	(889)	(1,431)	-	-	(2,010)	(1,991)	(2,899)	(3,422)
	<u>(26)</u>	<u>54</u>	<u>-</u>	<u>7</u>	<u>487</u>	<u>479</u>	<u>461</u>	<u>540</u>

Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the Programmes)
Net accrual adjustments
Revenue for the period

Surplus / (deficit) from the previous year
Total revenue including accrued revenue
Less expenses including accrued expenses
Surplus / (deficit) for reporting period

41 Acquitment of Australian Government financial assistance (continued)

41.6 Australian Research Council Grants (continued)

(c) Networks and Centres

Parent entity (UNIVERSITY) ONLY

Notes	Research Networks		Centres		Total	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
2(h)	-	(5)	5,169	6,126	5,169	6,121
2(f)(iii)	-	(5)	5,169	6,126	5,169	6,121
	-	5	2,077	-	2,077	5
	-	-	7,246	6,126	7,246	6,126
	-	-	(5,124)	(4,049)	(5,124)	(4,049)
	-	-	2,122	2,077	2,122	2,077

Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the Programmes)
Net accrual adjustments
Revenue for the period

Surplus / (deficit) from the previous year
Total revenue including accrued revenue
Less expenses including accrued expenses
Surplus / (deficit) for reporting period

41 Acquittal of Australian Government financial assistance (continued)

41.7 OS-HELP

		Parent entity Macquarie University ONLY	
		2012	2011
		\$'000	\$'000
Notes			
	Cash Received during the reporting period	1,064	1,180
	Cash Spent during the reporting period	<u>(1,310)</u>	<u>(1,235)</u>
	Net Cash received	2(h) <u>(246)</u>	<u>(55)</u>
	Cash Surplus / (deficit) from the previous period	<u>134</u>	<u>189</u>
	Cash Surplus / (deficit) for reporting period	<u>(112)</u>	<u>134</u>

41.8 Student Services and Amenities Fee

		Parent entity Macquarie University ONLY	
		2012	2011
		\$'000	\$'000
Notes			
	Unspent/(overspent) revenue from previous period	-	-
	SA-HELP Revenue Earned	2(b) 1,318	-
	Student Services Fees direct from Students	4 <u>2,875</u>	<u>-</u>
	Total revenue expendable in period	<u>4,193</u>	<u>-</u>
	Student Services expenses during period	<u>(4,193)</u>	<u>-</u>
	Unspent/(overspent) Student Services Revenue	<u>-</u>	<u>-</u>

42 Disaggregated information

(a) Geographical - Consolidated

	Revenue		Results		Assets	
	2012	2011	2012	2011	2012	2011
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Australia	812,789	729,159	69,096	30,452	2,432,667	2,196,072
Asia	1,782	8,977	207	828	-	-
Other	<u>-</u>	<u>346</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>814,571</u>	<u>738,482</u>	<u>69,303</u>	<u>31,280</u>	<u>2,432,667</u>	<u>2,196,072</u>

END OF AUDITED FINANCIAL STATEMENTS

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