



2018⁺ ANNUAL REPORT

to the Parliament and the community

**CHARLES STURT UNIVERSITY
ANNUAL REPORT 2018**

Published by: Office of the Vice-Chancellor
The Grange Chancellery
Panorama Avenue
Bathurst NSW 2795

Production by: Office of the Vice-Chancellor

Design by: Division of Marketing and Communication

Printed by: CSU Print

ISSN: 1036-465X

The Commonwealth Register of Institutions and Courses for Overseas Students (CRICOS) Provider Number for Charles Sturt University is 00005F.

© Charles Sturt University 2018. JB C1381.
\$2500.00 were incurred in the production of this Annual Report.

A copy of the 2018 Annual Report is available on the internet at
csu.edu.au/about/publications

Submission letter

FOR THE PERIOD 1 JANUARY 2018 TO 31 DECEMBER 2018

The Hon. Sarah Mitchell MP
Minister for Education
Level 34 Governor Macquarie Tower
1 Farrer Place
SYDNEY NSW 2000

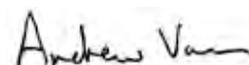
Dear Minister,

In accordance with the provisions of the *Annual Reports (Statutory Bodies) Act 1984* and the *Public Finance and Audit Act 1983*, we have pleasure in presenting to Parliament the Annual Report of Charles Sturt University for the year 2018.

Yours faithfully,



Dr Michele Allan
Chancellor



Professor Andrew Vann
Vice-Chancellor

Contents

Submission letter	1	GOVERNANCE	33
Chancellor's forward	3	Item 11. Risk management and insurance activities	33
About Charles Sturt University	5	Item 12. Consultants	35
University Strategy	6	Item 13. Land disposals	36
PEOPLE AND COMMUNITY	7	Item 14. Major works	37
Item 1. University Council	7	Item 15 Legal change	38
Management and structure	13	Changes in Acts and subordinate legislation and significant judicial decisions affecting the University or users of its services – 2018	38
Item 2. Senior executive performance and remuneration	14	Legislative changes	38
Item 3. Human resources	20	Judicial decisions	39
Employees	20	Item 16. Access to information	40
Employee wage movements	20	Item 17. Privacy and personal information	43
Personnel and industrial relations policies and practices	20	Item 18. Public Interest Disclosures	44
Item 4. Workforce diversity	22	Item 19. Information and Communication Technology (ICT) service delivery	45
Statistical information (data as at 31 March 2018)	22	Digital Information and Security Policy Attestation	45
Achievements in 2018	23	Item 20. Compliance statement	46
Activities planned for 2019	23	FINANCIAL REPORT	49
Item 5. Disability inclusion action plans	23	Item 21. Accounts payment performance	49
Achievements in 2018	23	Item 22. Disclosure of controlled entities and subsidiaries	50
Activities planned for 2019	23	Item 23. Investment performance	51
Item 6. Multicultural Policies and Services Program	24	Item 24. Economic or other factors	52
Programs and services 2018	24	Item 25. Credit card certification	53
Key initiatives in 2018 include:	25	Financials	54
Item 7. Work Health and Safety	26	Budgeted Financial Statements	55
WHS Management Systems	26	AUDITED FINANCIAL STATEMENTS	59
Governance	26	Charles Sturt University	59
Consultation	26	The Charles Sturt University Foundation Trust	130
Health and wellbeing	26	Charles Sturt Campus Services Limited	153
Incident, hazard and Workers Compensation Claims management	26		
Activities Planned for 2019	27		
Item 8. Promotion (Overseas Travel)	28		
Item 9. Funds granted	29		
Item 10. Consumer response	32		



Chancellor's forward



This year has been successful for Charles Sturt University. We have maintained our position of number one in highest full-time employment rates for undergraduates immediately following graduation. This isn't just another statistic, it is proof that Charles Sturt University helps its graduates get jobs. It is also proof that our courses and modes of delivery are producing work-ready graduates through content and on the job learning.

We have refined our strategy and clearly articulated our objectives of successful graduates and vibrant regional communities, while developing a strong university workforce. We commenced working towards these goals in 2017 and in 2018, this work came to life.

We have continued to work with our long-term partners such as the NSW Police Force, to deliver skills for the public good, while forging new partnerships with organisations that align to our values, vision and mission.

An election in 2019 will also shift the higher education policy landscape – a challenge the University has prepared for through its strategic development and forward planning. We will understand the outcome of reimposing caps on the higher education sector. This includes understanding what it means for regional students and managing load to deliver the right range and quantity of graduates to serve the needs of our communities.

There is a lot to be excited about in 2019 and beyond. We will continue to achieve the outcomes in the University Strategy 2022 to ensure we deliver for our students, staff and communities while actively living our ethos, *yindymarra winhanganha*, meaning the wisdom of respectfully knowing how to live well in a world worth living in.

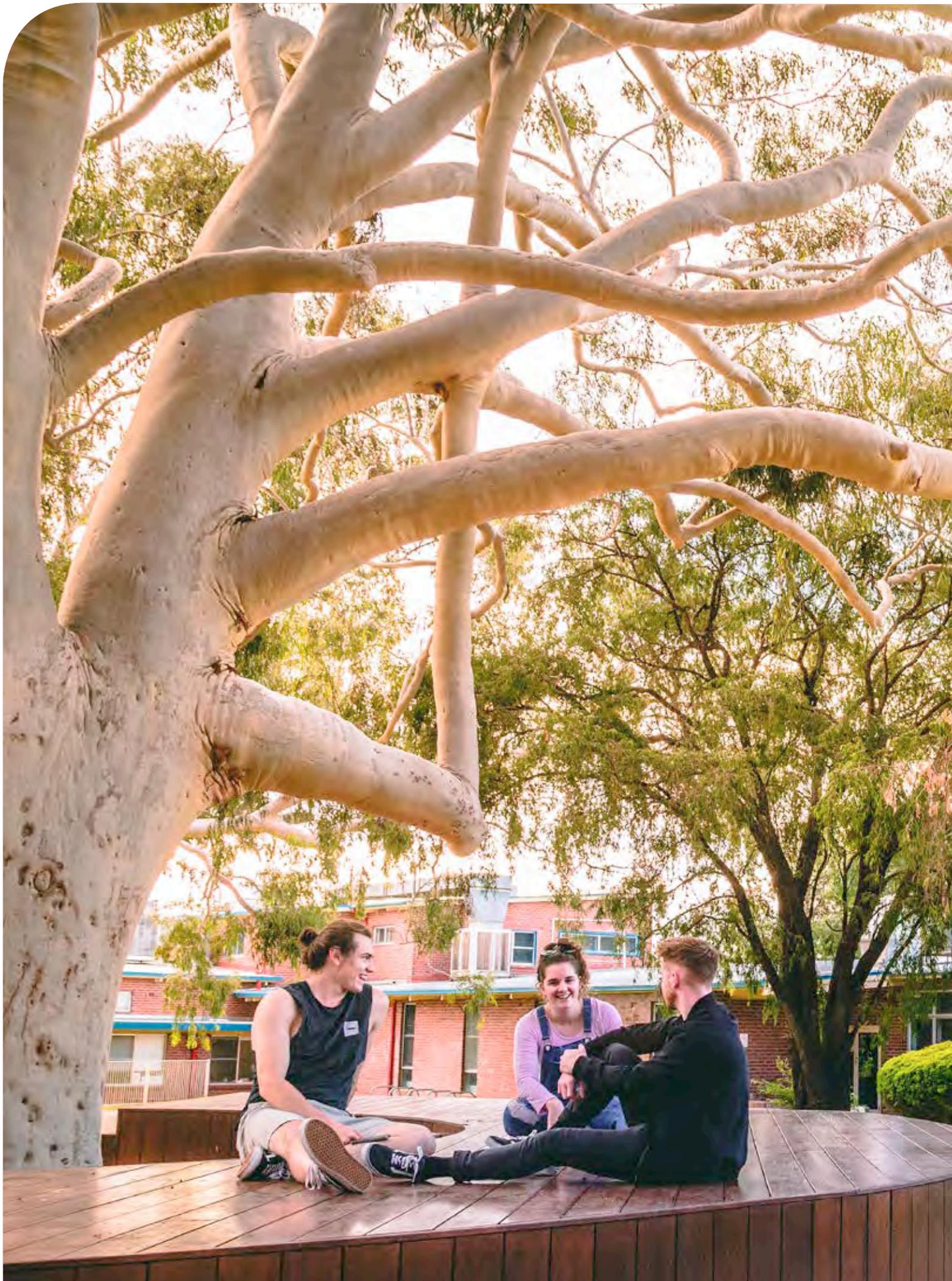
Together with the Council, I commend the staff of Charles Sturt University and the positive impact they are having in producing job-ready graduates, developing research that supports the regions and engaging with our stakeholders in meaningful ways to produce collaborative outcomes.

Dr Michele Allan
Chancellor



I commend the staff of Charles Sturt University and the positive impact they are having in producing job ready graduates.







About Charles Sturt University



Charles Sturt University (CSU) is the largest regionally-based university in Australia, enrolling nearly 46,000 students from across Australia and more than 120 countries around the world. Our courses are delivered through a range of modes to support the professions regionally, domestically and internationally.

Our campuses in Albury-Wodonga, Bathurst, Canberra, Dubbo, Goulburn, Orange, Parramatta, Port Macquarie and Wagga Wagga serve the distinct needs of regional communities from northern New South Wales to central Victoria. Study Centres in Melbourne, Sydney and Brisbane provide on-campus education to international students in a range of undergraduate and postgraduate programs. We also deliver programs internationally in collaboration with leading partner institutions in Europe and Asia, as well as through distance education.

We remain number one in graduate employment outcomes for undergraduate students. We remain number one in not only Indigenous enrolments, but more importantly, Indigenous completions. This means we produce more Indigenous graduates than any other Australian university. We are proud of our students and the impact they are having on their chosen profession. From a newly graduated NSW Police officer to nurses across NSW – we are delivering the professionals our regional communities need and our regions are stronger for it.

Our research is world class – it is impactful in many ways. It supports communities, industries and global populations. The University's researchers work in consultation and collaboration with end-users, industry, the professions and communities for the public good. We believe in making a difference and this is evidenced through our research outputs across many disciplines, including agricultural science, horticultural production, food and wine sciences, crop and pasture production, veterinary science, animal production, education, curriculum and pedagogy, environmental science, applied ethics, philosophy, religious studies, criminology, nursing and marketing.

We are a university of the land and people of our regions. Our ethos, a Wiradjuri phrase, yindy-marra winhanganha, meaning the wisdom of respectfully knowing how to live well in a world worth living in, embodies our drive to deliver on our objectives of successful graduates and vibrant regional communities while ensuring we develop a strong university built on a capable, agile workforce.

Our four guiding values support our aspirations to be Insightful, Inclusive, Impactful and Inspiring. These values are the principles that guide our decision-making and underpin our ways of working. As a university, we strive to understand people and the world, embracing our differences and recognising the strength and value of working together. We aim to make a difference in society through the work we do and lead for a bright and sustainable future.

Professor Andrew Vann
Vice-Chancellor

OUR VALUES



Insightful

Understanding people and the world



Inspiring

Leading for the future



Impactful

Outcome driven



Inclusive

Stronger together

University Strategy

The University's aspirations are elaborated through these enduring and long-term objectives for each of our key stakeholders. The University developed a strategy that commenced in 2017 and was refined in 2018 for delivery through to 2022.

Strategic focus areas

OUR STUDENTS



Objective:
Successful graduates

Our students will have a strong sense of belonging and connectedness to their university. They will receive a high-quality, flexible learning experience that fits around their life and aspirations.

Our students will graduate from CSU with the knowledge, skills, attitudes and professional networks for a meaningful life and successful career.

OUR COMMUNITIES



Objective:
Vibrant regional communities

We are a university of the land and people of our regions.

We have a critical role in building strong, vibrant regional communities with intellectual capital, social capital and infrastructure.

OUR INTERNAL CAPABILITY



Objective:
A strong university

To remain true to our mission and achieve our strategic objectives for our communities, our students and ourselves, we need to evolve our capability and workforce to develop a strong university that has the organisational culture, workplace capability and agility to adapt and thrive in a continually changing environment.

PEOPLE AND COMMUNITY

Item 1. University Council

The Council is constituted to ensure the proper stewardship and strategic direction of the University, and is directly accountable to the stakeholders of the University for creating and delivering value and improved performance through effective governance. During 2018, the membership of the Council reflected the perspectives and capabilities of our various stakeholders – our staff, students, graduates and communities.

Note: References below to sections are references to sections of the Charles Sturt University Act 1989.

Members of the Council during 2018

*Note: Other Directorships are as at 31 December 2018.



Dr Michele Allan

BAppSc (UTS), MMgtTec (Melb), DBA (RMIT), MComLaw (Deakin), FAICD, FATSE

Chancellor (s 8(a))

Term: 3 December 2014 to 2 December 2023

Most recent appointment: 3 December 2018

Chair – Chancellor's Foresighting Committee

Chair – Nomination and Remuneration Committee

Member – Investment Committee

Other Directorships:

- Chair – Apple and Pear Australia Limited
- Chair – Meat and Livestock Australia
- Chair – Council of Rural Research and Development Corporations
- Non-Executive Director – CSIRO
- Non-Executive Director – Grain Growers Limited
- Non-Executive Director – Nuffield Australia
- Non-Executive Director – Food Agility CRC Board
- Member – 2026 Spatial Industry Transformation and Growth Agenda Leadership Group
- Deputy Chair – Wine Australia
- Member – Dairy Food Safety Victoria



Professor Andrew Vann

BEng(Hons), PhD (Bristol), GradCertBusAd (SunshineCoast), FAIM, FAICD, FIEAust, CPEng Eng Exec, AFARLF, FRSN

Vice-Chancellor (s 8(b))

Term: 31 December 2011 to 24 December 2021

Most recent appointment: 1 January 2017

Member – Chancellor's Foresighting Committee

Member – Nomination and Remuneration Committee

Other Directorships:

- President – Executive Committee of Australian Higher Education Industrial Association,
- Member – Talloires Network Steering Committee
- Board Member – World Association for Cooperative Education
- Director – Higher Education Services Board
- Deputy Chair – Universities Australia
- Director – Education Services Australia Limited Board
- Alternate Director – Somerville Collection Board
- Board Member – CSU-DPI Alliance Executive Committee
- Advisor – Australian Festival of Chamber Music Future Fund
- Member – NSW Vice-Chancellors Committee



Mr Peter Hayes AM

BSc (Melb), DipEd (Monash), BAppSc (CSturt), MSc(Hort) (UCD), FASVO

Deputy Chancellor, Graduate member (s 8F(1))

Term: 1 July 2007 to 30 June 2019

Most recent appointment: 1 June 2015

Deputy Chair – Chancellor's Foresighting Committee

Deputy Chair – Nomination and Remuneration Committee

Member – Finance, Audit and Risk Committee

Chair – General Misconduct Appeals Committee

Other Directorships:

- Presiding Member – Wine Australia Selection Committee
- Board Member – Irrigation Australia Pty Ltd
- Member and Fellow – Australian Society of Viticulture and Oenology
- Member – American Society for Enology and Viticulture
- Member – International Society of Horticultural Science (ISHS)



Professor Max Finlayson

BSc(Hons) (UWA), PhD (JCU), GCULM (CSturt)

Acting Presiding Officer, Academic Senate (s 8(c))

Term: 1 January 2018 to 11 July 2018



Emeritus Professor Joyce Kirk

BA, DipEd (USyd), MLitt (UNE), MA (Lib) (UCan), PhD (UTS), GAICD

Presiding Officer, Academic Senate (s 8I(c))

Term: 28 September 2018 to 27 March 2019
Most recent appointment: 28 September 2018

Member – Chancellor’s Foresighting Committee
Member – Nomination and Remuneration Committee

Other Directorships:

- Chair – Academic Board UTS Insearch
- Invited Member – Insearch Limited Board
- Chair – Academic Board Melbourne Polytechnic
- Fellowships Convenor – Australian Federation of University Women NSW Branch
- Member – Fellowships Advisory Committee National Library of Australia



Ms Saranne Cooke

BCom, MBus(Mkt), MComLaw, FCPA, AFAMI, GAICD, CPM

Ministerial appointee (s 8H(1))

Term: 14 September 2013 to 30 June 2021
Most recent appointment: 1 September 2017

Member – Finance, Audit and Risk Committee
Member – Investment Committee

Other Directorships:

- Director – Fisheries Research and Development Corporation
- Board Member – Racing NSW
- Director and Finance and Risk Management (FARM) Committee Chair – Western NSW Primary Health Network
- Trustee Director – Health Employees Superannuation Trust Australia (HESTA)
- Director and Finance and Risk Management (FARM) Committee Chair – Leading Age Services Australia
- Chair – Australian Institute of Company Directors Western Region NSW Committee
- Finance Council Member and Catholic Development Fund / Audit and Investment Committee member – Catholic Diocese of Bathurst



Mr Neville Page

BCom, MCom (UNSW), FCPA, FIPA

Council appointee (s 8G(1))

Term: 1 July 2007 to 30 June 2019
Most recent appointment: 1 July 2017

Chair – Finance, Audit and Risk Committee

Other Directorships:

- President – Australian Native Plants Society
- Executive – Australian Native Plants Association Inc.
- Member – ACT Treasury Investment Advisory Board
- Director – Abels Music Associates Pty Ltd



Dr Kate Cornick

PhD (Melb), BE/BSc (Elec) (NICTA/Melb)

Council appointee (s 8G(1))

Term: 1 February 2018 to 31 January 2022
Most recent appointment: 1 February 2018

Member – Finance, Audit and Risk Committee

Other Directorships:

- Member – Victorian Government Innovation Expert Panel
- Member – Australian Information Industry Association, Victorian Branch
- Member – Advisory Board, Melbourne Networked Society Institute



Mr Graeme Bailey

BCom (UNSW), FCA

Council appointee (s 8G(1))

Term: 19 September 2014 to 30 June 2022
Most recent appointment: 1 July 2018

Chair – Investment Committee

Other Directorships:

- Director – The Simmer Deep Pty Limited
- Director – Taverner Nominees Pty Ltd,
- President and Director – Royal Sydney Golf Club



Mrs Jennifer Hayes

BBus(Acc), MBus (CSturt), CPA, GAICD

Ministerial appointee (s 8H(1)) (previously appointed under s 8F(1))

Term: 1 July 2013 to 30 June 2019

Most recent appointment: 1 July 2015

Member – Finance, Audit and Risk Committee

Other Directorships:

- Director – Hunter Primary Care Ltd
- Executive Director and Chief Financial Officer – Hunter Water Corporation
- Board Member – Regional Development Australia Hunter
- Chair – Hunter Primary Care Ltd Finance, Audit and Risk Committee
- Chair – Cessnock City Council, Audit Committee
- Co-Founder and Member – City2City, Community Foundation for Albury-Wodonga Region Ltd (Border Trust)



Ms Elise McMahon

Elected member (s 8E(2)(c))

Term: 1 July 2016 to 30 June 2018

Most recent appointment: 1 July 2016



Mr Jamie Newman

BHlthSc (Community and PubHlth) (CSturt)

Council appointee (s 8F(1))

Term: 1 July 2013 to 30 June 2021

Most recent appointment: 1 July 2017

Member – Nomination and Remuneration Committee

Other Directorships:

- Chief Executive Officer – Orange Aboriginal Medical Service
- Director – Western Health Alliance Ltd, Non-Executive
- Chair – Orange Local Aboriginal Land Council
- Chair – Bila Muuji Regional Aboriginal Health Service Inc.



Dr Peter Woodgate FSSSI (Hon)

DBA (RMIT), MAppSc (UNSW), BForSc (Melb), DipFor (VicSchFor), GAID

Council appointee (s 8G(1))

Term: 1 February 2018 to 31 January 2022

Most recent appointment: 1 February 2018

Member – Nomination and Remuneration Committee

Other Directorships:

- Member – Global Advisory Board of Geospatial Media
- Co-Chair – Australian Government Space Cross-Sectoral Interest Group
- Board Member – Open Digital Erath Foundation
- Chair – Australian Urban Research Infrastructure Network Board
- Founding Member – Editorial Committee of the International Journal of Digital Earth
- Board Member – AuScope Limited
- Co-Chair – Leadership Group, 2026 Spatial Industry Growth and Transformation Agenda
- Chair – SmartSat CRC (Space Industry) Bid and proposed Board
- Board Member – PSMA Australia Ltd
- Board Member – PSMA Distribution Pty Ltd
- Chair – Audit and Risk Committee, PSMA Australia Ltd



Ms Lisa Schofield

BA(Comm) (CSturt)

Council appointee (s 8F(1))

Term: 1 January 2016 to 31 December 2019

Most recent appointment: 1 January 2016

Member – Investment Committee



Ms Liz Smith

DipT (CSU), BEd (CSturt), GradCertInstDesign (Deakin), GradDipAppSci (Deakin), MEd (USQ)

Elected member (s 8E(2)(b))

Term: 1 July 2016 to 30 June 2018

Most recent appointment: 1 July 2016

Other Directorships:

- Executive Committee Member – University of Southern Queensland, National Association of Enabling Educators of Australia



Dr Susan Wood

DipTeach (STC), BA (CSturt), MA (CSturt),
PhD (RMIT)

Elected member (s 8E(2)(a))

Term: 1 July 2016 to 30 June 2018

Most recent appointment: 1 July 2016



Ms Julie Cleary

BEd (LaTrobe), GradCertMgt (LaTrobe),
MEd (LaTrobe)

Elected member (s 8E(2)(b))

Term: 1 July 2018 to 30 June 2020

Most recent appointment: 1 July 2018

Member – Finance, Audit and Risk Committee



**Associate Professor
Shokoofeh Shamsi**

DipTeach (STC), BA (CSturt), MA (CSturt),
PhD (RMIT)

Elected member (s 8E(2)(a))

Term: 1 July 2018 to 30 June 2020

Most recent appointment: 1 July 2018

Table 1.1: Attendance by members at meetings of University Council

Member	University Council		Nomination and Remuneration Committee		Finance, Audit and Risk Committee		Investment Committee		Chancellor's Foresighting Committee	
	A	B	A	B	A	B	A	B	A	B
Dr Michele Allan	8	8	3	3	-	--	1	1	20	16
Mr Peter Hayes	8	8	3	3	6	4	-	-	20	20
Professor Andrew Vann ¹	8	8	3	3	-	-	-	-	20	19
Emeritus Professor Joyce Kirk	4	4	1	0	-	-	-	-	7	7
Mr Graeme Bailey	8	8	-	-	-	-	4	4	-	-
Mr Jason Beddow	-	-	-	-	-	-	4	2	-	-
Ms Julie Cleary	5	5	-	-	2	1	-	-	-	-
Ms Saranne Cooke	8	8	-	-	1	1	3	3	4	4
Dr Kate Cornick	8	7	-	-	5	5	-	-	-	-
Professor Toni Downes ²	-	-	-	-	-	-	-	-	1	1
Professor Max Finlayson	3	0	2	0	-	-	-	-	11	10
Mrs Jennifer Hayes	8	7	-	-	6	5	-	-	-	-
Professor Philip Hider	-	-	-	-	-	-	-	-	2	2
Dr John Honan	-	-	-	-	-	-	4	4	-	-
Ms Elise McMahon	8	6	-	-	-	-	-	-	-	-
Mr Jamie Newman	8	6	3	3	-	-	-	-	-	-
Dr Rowan O'Hagan	3	3	2	2	3	3	-	-	-	-
Mr Neville Page	8	7	-	-	6	5	-	-	-	-
Professor Jo-Anne Reid	-	-	-	-	-	-	-	-	-	-
Ms Lisa Schofield	8	5	-	-	-	-	4	2	-	-
A/Professor Shokoofeh Shamsi	5	3	-	-	-	-	-	-	-	-
Ms Liz Smith	3	2	-	-	-	-	-	-	-	-
Dr Susan Wood	3	3	2	2	-	-	-	-	-	-
Dr Peter Woodgate	8	7	2	1	-	-	-	-	-	-

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

B = Number of meetings attended.

1. The Vice-Chancellor was an attendee of the Finance, Audit and Risk Committee and Investment Committee meetings.
2. One meeting was attended by the Acting Vice-Chancellor.

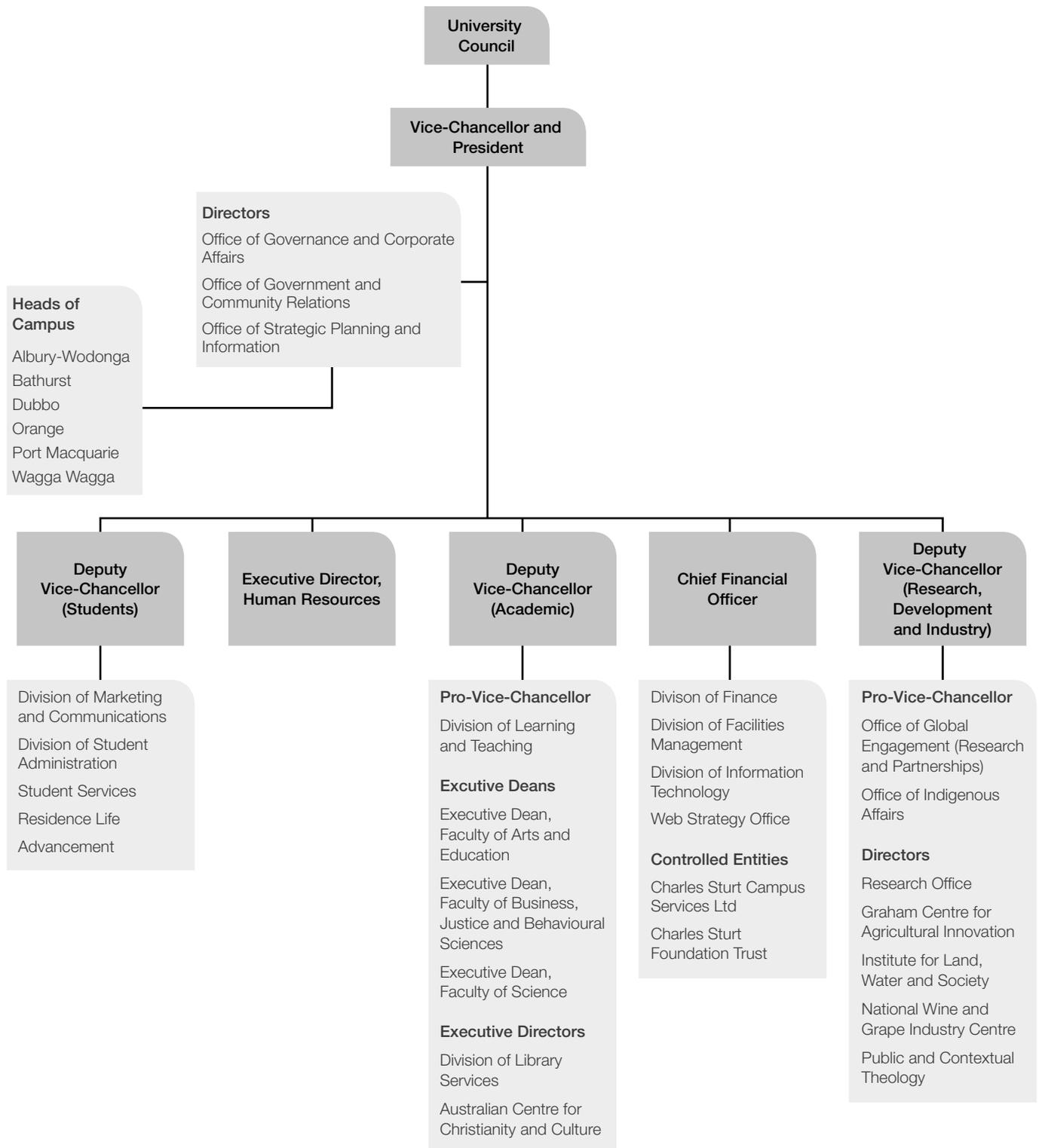
Table 1.2: Council member remuneration

Note: This table does not include any Council and member expenses relating to items such as equipment, data/communications, meeting venue and catering, and associated expenses.

Name	Position	Remuneration		Additional expenses incurred				
		Honorarium	Super	Training and development	Graduations (including Attestation)	University ceremonies and stakeholder events	Official meetings	Other ³
Dr Michele Allan	Chancellor (s 8I(a))	\$45,842.42	\$4,355.00	-	-	\$3,173.17	\$11,144.23	-
Mr Peter Hayes	Deputy Chancellor (s 8F(1))	\$29,897.40	\$2,840.24	-	\$4,819.06	\$820.26	\$12,291.37	-
Professor Andrew Vann	Vice-Chancellor (s 8I(b))		Ineligible ¹	-	-	-	-	-
Emeritus Professor Joyce Kirk	Presiding Officer, Academic Senate (s 8I(c))	Ineligible ¹	-	-	-	\$426.00	-	-
Mr Graeme Bailey	Council appointee (s 8G(1))	\$22,921.34	\$2,177.50	-	-	-	\$5,700.15	-
Mrs Jennifer Hayes	Ministerial appointee (s 8H(1))	\$16,941.86	\$1,609.40	-	-	-	\$3,882.79	-
Ms Saranne Cooke	Ministerial appointee (s 8H(1))	\$16,941.86	\$1,609.40	-	\$1583.11	\$58.42	\$4,258.86	-
Mr Jamie Newman	Graduate member (s 8F(1))	\$16,941.86	\$1,609.40	-	-	-	\$1,193.08	-
Dr Rowan O'Hagan	Graduate member (s 8F(1))	\$8,536.86	\$805.40	-	-	-	\$2,554.26	-
Mr Neville Page	Council appointee (s 8G(1))	\$22,921.34	\$2,177.51	-	-	-	\$779.24	-
Ms Lisa Schofield	Council appointee (s 8G(1))	\$16,941.86	\$1,609.40	-	-	-	\$722.12	-
Dr Kate Cornick	Council appointee (s 8G(1))	\$15,378.00	\$1,461.00	-	-	-	\$5,655.58	-
Dr Peter Woodgate	Council appointee (s 8G(1))	\$15,378.00	\$1,461.00	-	-	-	\$3,613.78	-
Dr Susan Wood	Elected member (s 8E(2)(a))	Ineligible ^{1, 2}	-	-	-	\$883.76	-	-
Associate Professor Shokoofeh Shamsi	Elected member (s 8E(2)(a))	Ineligible ^{1, 2}	\$296.59	-	\$2,232.86	\$2,756.13	-	-
Ms Liz Smith	Elected member (s 8E(2)(b))	Ineligible ¹	-	-	-	\$1,234.45	-	-
Ms Julie Cleary	Elected member (s 8E(2)(b))	Ineligible ¹	\$895.04	-	\$2,224.77	\$914.20	-	-
Ms Elise McMahon	Elected member (s 8E(2)(c))	\$16,941.86	\$1,609.40	-	-	-	\$6,437.96	-
Totals		\$245,584.70	\$23,324.64	\$1,191.63	\$6402.17	\$8,509.48	\$64,447.96	-

1. This Council member is a remunerated member of staff at Charles Sturt University.
2. In accordance with Section 48 of the University Governance Charter, an honorarium amount equivalent to the base honorarium rate may be paid to the elected staff member's Divisional unit to assist that area with the costs of the Council member attending Official Meetings. During the reporting period, \$8,500 was paid to the School of Communications and Creative Industries in lieu of Dr Susan Wood's attendance at Council meetings; and \$8,500 was paid to the School of Animal and Veterinary Sciences in lieu of Associate Professor Shokoofeh Shamsi's attendance at Council meetings.
3. 'Other' includes approved events (i.e. media events, launches, other industry meetings and consultations).
4. All expenses for this official member relate to the position and as such are met by the respective cost centre attached to the position.

Management and structure



Item 2. Senior executive performance and remuneration

VICE-CHANCELLOR AND PRESIDENT

Professor Andrew Vann

BEng(Hons), GradCertBusAd Sunshine, PhD
Bristol, FAIM, FAICD, FIEAust, CPEng Eng Exec,
AFARL, FRSN



The Vice-Chancellor and President, as principal executive officer of the University, is responsible to the University Council for:

- Developing and articulating a clear vision, mission and strategic direction for the University to secure the University's future as a strong and progressive institution
- Fostering excellence of learning and teaching, with a particular emphasis on emerging technologies to support the online education environment
- Building the University's research profile
- Implementing the University's strategic plan as approved by University Council
- Establishing and maintaining relationships with key stakeholders including government, professional bodies, alumni, and community and industry leaders.

Key achievements in the reporting year:

- In line with creating a clear vision, mission and strategic direction for the University, the Vice-Chancellor oversaw the refinements of the University Strategy through to 2022 including developing appropriate budget and resourcing models to support future growth and success.
 - The University has continued to develop its aspiration to be a thought leader for its regions and communities, both nationally and internationally. As part of this, the Vice-Chancellor instigated the pilot of the Carnegie Community Engagement Classification with a number of Australian universities.
 - The University is also pursuing the generation of social and economic value for its communities from its campus network as part of the University Strategy. In particular, a number of new tenants were signed to the AgriPark in Wagga Wagga, contributing to its continued development.
 - After almost ten years of lobbying by the University, the Vice-Chancellor, along with the federal Government, was proud to announce the Joint Program in Medicine with Western Sydney University, to be located in Orange from 2021.
-

**ACTING DEPUTY
VICE-CHANCELLOR AND
VICE-PRESIDENT
(RESEARCH DEVELOPMENT
AND INDUSTRY)**

**Professor Heather MA
Cavanagh**

BSc(Hons), PhD, PGCE, GCULM



In 2018, the role of Deputy Vice-Chancellor (Research, Development and Industry) was undertaken by Mary Kelly (January-September) and Professor Heather Cavanagh (October-December).

The Deputy Vice-Chancellor and Vice-President (Research, Development and Industry) is responsible to the Vice-Chancellor and President for:

- The development, promotion and overall leadership of research
- Research training
- Partnership with industry and end-users to enhance research and maximise research impact
- The commercialisation agenda
- National and international education partnerships
- Research ethics
- Indigenous education and research leadership.

Key achievements in the reporting year:

- Over 10,000 student enrolments through partnerships, representing 22% of total CSU enrolments. All governance and quality assurance processes in relation to third party agreements redesigned to align with the Higher Education Standards Framework (HESF).
 - 43% increase in the number of undergraduate on-campus students (31% of students) participating in an international experience linked to their study, across 55 different countries.
 - Recipients of the Senior Research Fellowships and Research Fellowships commenced their fellowships, with the program representing an investment of more than \$4.5M in our research capacity over the next two years. The Fellowships are specifically focused on achieving growth and increased performance towards securing the future strength of research at CSU, as aligned with the Research Narrative.
 - The University's Excellence in Research Australia (ERA) 2018 submission was finalised and certified in May 2018, with an 18% increase in eligible outputs submitted compared to ERA 2015.
 - The Ethics and Compliance Unit commenced operation on 1 February 2018, bringing together a team dedicated to providing high level education, support and advice in relation to research ethics and compliance.
 - Four CSU researchers were awarded funding under the Discovery Translation Fund (a partnership with Australian National University (ANU) and University of Canberra), to assist them in developing the commercial potential of their invention or discovery.
 - Indigenous Research Training workshops were conducted for both Indigenous and non-Indigenous students and researchers working with Indigenous communities or topics.
 - CSU hosted two national conferences –The Australian Society of Animal Production and Australasian Grain Science Association – and one national conference – Improving University Teaching – which, combined, attracted over 750 delegates to CSU.
 - Several significant research grants were secured, including the \$12.9M *Dung beetle ecosystem engineers – enduring benefits for livestock producers via science and a new community partnership model* (A Rural Research and Development for Profit Project)
-

PROVOST, DEPUTY VICE-CHANCELLOR AND VICE-PRESIDENT (ACADEMIC)

Professor John Germov
BA, MA (Monash), PhD (Newcastle)



In 2018, the role of Deputy Vice-Chancellor (Academic) was undertaken by Professor Toni Downes (January-June) and Professor Robyn McGuiggan (June-November), before Professor John Germov was appointed as Provost, Deputy Vice-Chancellor and Vice-President (Academic) in November.

The Provost is responsible to the Vice-Chancellor for leading the delivery of academic programs, the maintenance of academic standards, the provision of learning and teaching support, and for the operation of the faculties. The Academic portfolio consists of the line management of the Executive Deans, the Pro Vice-Chancellor of Learning and Teaching, and the Executive Director of Library Services.

As the Vice-Chancellor's senior deputy, the Provost supports the Vice-Chancellor in the leadership and management of the University. Strategic responsibilities for 2018 included co-sponsorship of the University's *Our Students* Strategy, with specific responsibility for supporting high-quality learning and teaching, transforming learning environments, and the development of market-oriented courses.

Key achievements in the reporting year:

- Sponsoring the Transform Online Learning project and developing the Roadmap for the Professions framework for market-orientated courses, with the first course delivered in session one 2019.
 - Establishing the partnership between Charles Sturt University and Western Sydney University to deliver the Joint Program in Medicine commencing 2021.
 - Implementing the external review of the Division of Learning and Teaching in the context of the Strategic Plan 2022, to ensure good fit and operational effectiveness. A reorienting of the Division will occur throughout 2019.
 - Embedding the Common Support Model in Faculties in 2018 with post-project evaluation occurring in November and December.
 - Implementing the framework for institutional reporting of the Higher Education Standards and delivery of the first report to Academic Senate in February 2018 (with subsequent reports thereafter).
 - Support for the Academic Governance at CSU Review in July 2018 and assumption of the sponsorship role in December.
 - Oversight of the University's course and subject profile – including implementation of a strategic review of the profile throughout 2018 and securing professional accreditation for a number of courses, including the Bachelor of Dental Science, Bachelor of Medical Radiation Science and provisional accreditation for the Bachelor of Technology (Civil Systems).
 - Recruitment of the Executive Dean, Faculty of Science.
-

DEPUTY VICE-CHANCELLOR AND VICE-PRESIDENT (STUDENTS)

Ms Jenny Roberts

BBusAdmin (CQU), MTertEdMgt (Melb)



The Deputy Vice-Chancellor and Vice-President (Students) is responsible to the Vice-Chancellor and President for leading and driving a student-centred culture across the student lifecycle, from awareness through to graduation and alumni, and assisting the Vice-Chancellor in providing strong and positive leadership and management for the university.

This portfolio supports the university's objectives to provide sector-leading student recruitment and engagement practices, to ensure our students feel well supported on their learning journey, while developing a lifelong connection to the CSU community. This portfolio includes the Divisions of Student Administration, Student Services, Marketing, Residence Life and the Advancement Office.

Specific responsibilities for 2018 included developing the detail of the Student Strategy and commencing implementation with a focus on student safety and wellbeing, improving services and communication to students and refreshing our brand awareness and marketing activities. This is all underpinned by the implementation of a new Customer Relationship Management (CRM) system which, when fully implemented, will be the repository for all student interactions from prospective students through to alumni.

Key achievements in the reporting year:

- Successful graduations – 28 ceremonies across nine locations for 6033 graduates including 114 Indigenous graduates
- Introduced a Whole of Portfolio and in-depth Student Recruitment review and analysis
- Implemented a personalised Orientation Week model
- Introduction of a personalised student timetable
- My e-quals implemented – students benefit from increased mobility and lifetime access to securely stored, digital qualification documents
- Approval of a new Brand Framework to be implemented mid-2019
- More than 100% increase on target of Donor Funding to support student scholarships
- 100% increase in students accessing assignment feedback prior to submission through the Division of Student Services support service
- 14% increase in students registered in the CSU Elite Athlete program
- 35 student graduates from the STRIVE leadership program with 350 ongoing enrolments
- 100 outreach workshops conducted for students in rural and remote areas
- 7.25% increase in Study Link subject completions
- Launched Insight – our new prospective student hub

EXECUTIVE DIRECTOR, HUMAN RESOURCES

Mr Adam Browne

BAAAdminHR (UC)



The Executive Director, Human Resources is responsible to the Vice-Chancellor and President for the provision of strategic human resource advice in the context of the higher education environment and the University Strategy.

The Executive Director, Human Resources, is accountable for the development, implementation and monitoring of policies and procedures relating to human resource management, including organisational culture and capability, leadership development and successfully managed change.

The Executive Director is also responsible for administering the Division of Human Resources and its operations, including the oversight and sponsorship of the *Our Internal Capability Strategic Focus Area* of the 2017-22 University Strategy.

Key achievements in the reporting year:

- Successful negotiation of a new Enterprise Agreement
 - Recipient of Athena SWAN Bronze Award
 - 400+ senior leaders completed Effective Leadership Conversations training
 - Introduction of Change Management Team and Change Management Framework
-

CHIEF FINANCIAL OFFICER

Mr Paul Dowler

BBus Mitchell CAE, MBA CSU, FCPA



The Chief Financial Officer is responsible for providing strategic advice to the Vice-Chancellor, University Council and the Vice-Chancellor Leadership Team across the Portfolio with an emphasis on finance and resource management in the context of the higher education environment and the University Strategy.

The portfolio incorporates the functions of Finance, Information Technology and Facilities Management and focuses on the delivery of professional services and support to the University community, commanding the management and deployment of a significant asset base.

This portfolio has the overarching responsibility and commitment to lead the physical and technological development of the University along with organisational change and development in the areas of service and support as part of the University Strategy 2017-2022 with emphasis on the Campus Futures segment of the Strategy.

Key achievements in the reporting year:

- Implemented changes for a new Investment Strategy
 - Commenced planning, visions and scenarios for developing the University's campuses for the future, including several funding submissions
 - Completed the major renovation to the CSU Riverina Playhouse
 - Progressed the planning for Stage 2A at Port Macquarie campus
 - Commenced the planning for the Joint Program in Medicine facilities at Orange campus
 - Sold a number of surplus realty assets at Bathurst
 - Initiated the five year Major Systems refresh program encompassing Student Management, Integration, Identity, Research, Finance and Human Capital Management systems
 - Sourced and commenced implementation of a new Student CRM system
-

Table 2.1: Executive remuneration

Name	Position	Remuneration for the period	\$	Gender
Professor Andrew Vann	Vice-Chancellor	Salary	563,390	M
		Bonus	93,610	
		Motor vehicle allowance	13,679	
		Superannuation	98,102	
		Total remuneration	768,781	
Professor Toni Downes	Deputy Vice-Chancellor (Academic) ¹	Salary	287,833	F
		Superannuation	31,789	
		Total remuneration	319,622	
Professor Robyn McGuiggan	Acting Deputy Vice-Chancellor (Academic) ²	Salary	165,396	F
		Rent Allowance	8,056	
		Superannuation	15,712	
		Total Remuneration	189,164	
Professor John Germov	Provost and Deputy Vice-Chancellor (Academic) ³	Salary	94,623	M
		Motor vehicle allowance	2,052	
		Superannuation	6,485	
		Total remuneration	103,159	
Professor Ken Dillon	Deputy Vice-Chancellor (Administration) ⁴	Salary	299,691	M
		Motor vehicle allowance	3,262	
		Superannuation	11,221	
		Total remuneration	314,173	
Ms Jenny Roberts	Deputy Vice-Chancellor (Students)	Salary	335,705	F
		Motor vehicle allowance	13,679	
		Superannuation	59,055	
		Total remuneration	408,439	
Professor Mary Kelly	Deputy Vice-Chancellor (Research, Development and Industry) ⁵	Salary	310,594	F
		Motor vehicle allowance	9,786	
		Superannuation	50,528	
		Total remuneration	370,908	
Professor Heather Urwin	Deputy Vice-Chancellor (Research, Development and Industry) ⁶	Salary	94,499	F
		Motor vehicle allowance	3,893	
		Superannuation	16,727	
		Total remuneration	115,119	
Mr Paul Dowler	Chief Financial Officer	Salary	312,234	M
		Motor vehicle allowance	13,679	
		Superannuation	52,437	
		Total remuneration	378,349	
Mr Adam Browne	Executive Director, Human Resources	Salary	286,471	M
		Superannuation	27,215	
		Total remuneration	313,686	

1. Professor Toni Downes – 1 January to 2 July 2018 (includes exit payment)
2. Professor Robyn McGuiggan – 11 June to 3 November 2018 (includes exit payment)
3. Professor John Germov – 4 November to 31 December 2018
4. Professor Ken Dillon – 1 January to 26 March 2018 (includes exit payment)
5. Professor Mary Kelly – 1 January to 14 September 2018 (includes exit payment)
6. Professor Heather Urwin – 17 September to 31 December 2018

Table 2.2: Number of executive staff of the university by gender as at 31.12.18

	2017	2018
Female	3	2
Male	3	4
Total	6	6

Table 2.3: Percentage of total employee-related expenditure as it relates to Senior Executives

	2017	2018
% of total relating to Senior Executives	1.32%	1.25%

Item 3. Human resources

Employees

Table 3.1: Full Time Equivalent (FTE) staff (continuing and fixed term)

	Academic	Professional/General
2016	815.91	1195.20
2017	840.11	1227.69
2018	842.93	1268.68

Table 3.2: Academic staff by classification (FTE)

Position level	2016	2017	2018
Below Lecturer	68.40	71.46	81.86
Lecturer	429.16	429.52	437.33
Senior Lecturer	177.20	184.82	185.08
Above Senior Lecturer	141.15	154.31	138.66
Total	815.91	840.11	842.93

Table 3.3: Professional/general staff by classification (FTE)

	2016	2017	2018
Level 1	22.90	12.29	28.79
Level 2	23.50	20.88	20.22
Level 3	50.90	50.37	55.29
Level 4	238.00	234.88	209.70
Level 5	239.40	271.78	280.71
Level 6	252.00	247.00	246.41
Level 7	163.70	193.78	198.61
Level 8	93.40	90.86	93.10
Level 9	51.00	55.50	66.80
Level 10 and above	60.40	50.35	69.05
Total	1195.20	1227.69	1268.68

Employee wage movements

While enterprise bargaining concluded in October 2018, the Charles Sturt University Enterprise Agreement has not yet been certified by the Fair Work Commission. Academic staff at Levels A-E and professional/general staff at Levels 1-10 covered by the University's Enterprise Agreement received the following salary increases in anticipation of certification:

Increase	Effective Date
\$500 uplift	1 January 2018
0.7% increase	1 January 2018
1.3% increase	19 October 2018

Personnel and industrial relations policies and practices

- Academic Institutional Leadership Positions Policy and Procedure
- Academic Staff Probation Policy, Procedure and Guidelines
- Academic Staff Promotion Policy, Procedure and Guidelines
- Academic Staff Salary Payment Guidelines – Above Salary
- Academic Staff Teaching Qualifications and Equivalent Professional Experience Policy
- Accountability Statements – Senior Management
- Alcohol and Other Drugs Policy
- Anti-Racism Policy
- Attendance at Work Policy
- Balancing Work and Study with Family and Caring Responsibilities Policy
- Breastfeeding Policy
- Children on Campus Policy and Procedure
- Code of Conduct
- Communicating without Bias Guidelines
- Conflict of Interest Procedure
- Coursework Masters Support Scheme Policy and Procedure – Academic Staff
- CSU Excellence Award Guidelines
- CSU Excellence Award Panel – Membership and Terms of Reference
- Disability and Work or Study Adjustment Policy
- Disability – Workplace Adjustment Procedure
- Domestic Violence Policy and Procedure
- Driver Safety Policy and Guidelines
- Employment Equity Plan 2012-2015
- Employment Plan – People with a Disability
- Enrolment of Academic Staff in CSU Courses and Subjects Policy
- Equal Opportunity Policy
- Executive Remuneration and Appointment Policy and Procedure
- First Aid Procedure
- Flexible Hours of Work Scheme Guidelines
- Gifts Guidelines – Receipt by Staff
- Graduate Certificate in University Leadership and Management Guidelines
- Harassment and Bullying Prevention Policy and Guidelines
- Health and Safety Committee – Membership and Terms of Reference
- Human Biological Specimens Laboratory Use Policy
- Indigenous Academic Staff Leadership Development Scheme Guidelines
- Indigenous Employment Strategy 2016-2017
- Indigenous Language Allowance Guidelines
- Indigenous Staff Study Support Scheme Guidelines
- Induction and Development Program Guidelines
- Industrial Action Policy
- Infectious Diseases Policy and Procedure
- Injury Management Procedure
- Leave Manual
- Mentoring Guidelines

- Motor Vehicle Guidelines – Executive Managers
- Personal Allowances Policy and Payment Determination Procedure
- Personal Files Access Policy
- Professional Enhancement Program Procedure
- Recognition of Service Guidelines
- Remote Work Policy
- Return to Work Program Policy
- Safety Management Plan Procedure
- Secondment Appointment Policy and Procedure
- Smoking in the Workplace Policy
- Social Media Use Policy for Staff
- Special Studies Program Policy and Procedure – Academic Staff
- Staff Development Activities Guidelines – Supporting Attendance
- Staff Generic Responsibilities Policy
- Staff Professional Development Support Guidelines
- Staff Recruitment and Selection Policy and Procedure
- Staff Recruitment and Selection Guidelines – Indigenous Staff
- Staff Recruitment and Selection Guidelines – People with a Disability
- Staff Recruitment Guidelines – Targeting Women for Senior Positions
- Staff Who Seek Election to Parliament or Local Government Body Policy
- Standards, Expectations and Qualifications Policy – Academic Staff
- Study Leave Policy
- Study Support Scheme Policy and Procedure – Postgraduate for General Staff
- Teaching and Professional Work Function Policy and Guidelines – Professional Activity Workload
- Traineeships and Apprenticeships Management Guidelines
- University Safety and Health Management Committee – Membership and Terms of Reference
- Visiting and Adjunct Appointments Policy and Procedure
- Work Health and Safety Annual Return Guidelines
- Work Health and Safety Audit Procedure
- Work Health and Safety Legal and Compliance Procedure
- Work Health and Safety Policy
- Work Health and Safety Risk Management Procedure
- Work Health and Safety Roles and Responsibilities Guidelines
- Workforce Planning Guidelines
- Working with Children Check Procedure
- Workplace Adjustment Procedure
- Workplace Inspections and Reports Procedure

Item 4. Workforce diversity

Statistical information (data as at 31 March 2018)

Table 4.1: Trends in Representation of Equal Employment Opportunity (EEO) Groups (Academic Staff – % of total staff)

EEO group	Benchmark or target*	2013	2014	2015	2016	2017	2018
Women	50%	48%	49%	49%	51%	52%	52%
Aboriginal people and Torres Strait Islanders	3%	1.6%	2%	1.9%	2%	2%	1.0%
People whose first language was not English	10%	16%	16%	17%	18%	19%	19%
People with a disability	n/a	3%	3%	3%	2%	2%	2%
People with a disability requiring work-related adjustment	1.1 (2011) 1.3 (2012) 1.5 (2013)	1.3%	1%	0.9%	1%	1%	0.6%

* Benchmark or target is for academic and professional staff combined.

Table 4.2: Trends in Representation of EEO Groups (Professional Staff – % of total staff)

EEO group	Benchmark or target*	2013	2014	2015	2016	2017	2018
Women	50%	67%	69%	69%	69%	69%	70%
Aboriginal people and Torres Strait Islanders	3%	3.1%	3%	3.2%	3%	3%	2.9%
People whose first language was not English	10%	4%	4%	4%	5%	5%	4%
People with a disability	n/a	4%	4%	4%	4%	4%	4%
People with a disability requiring work-related adjustment	1.1 (2011) 1.3 (2012) 1.5 (2013)	1.2%	1%	1.1%	1%	1%	1.2%

* Benchmark or target is for academic and professional staff combined.

Table 4.3: Trends in Distribution of EEO Groups (Academic Staff)

EEO group	Benchmark or target	2013	2014	2015	2016	2017	2018
Women	100	82	82	82	83	86	88
Aboriginal people and Torres Strait Islanders	100	n/a	n/a	n/a	n/a	n/a	n/a
People whose first language was not English	100	97	95	96	97	97	99
People with a disability	100	105	103	98	n/a	n/a	n/a
People with a disability requiring work-related adjustment	100	n/a	n/a	n/a	n/a	n/a	n/a

Table 4.4: Trends in Distribution of EEO Groups (Professional Staff)

EEO group	Benchmark or target	2013	2014	2015	2016	2017	2018
Women	100	87	87	86	86	86	87
Aboriginal people and Torres Strait Islanders	100	94	90	94	90	91	93
People whose first language was not English	100	110	108	109	108	108	108
People with a disability	100	91	93	91	92	91	92
People with a disability requiring work-related adjustment	100	n/a	n/a	n/a	n/a	n/a	n/a

Explanatory notes

1. Staff numbers are as at 31 March 2018.
2. Excludes casual staff.

Achievements in 2018

- CSU made a successful application for Employer of Choice for Gender Equality citation through the Workplace Gender Equality Agency.
- CSU made a successful application for an Athena SWAN Bronze Institutional Award for promoting women's employment in STEM areas.
- Approval of a University-wide Workplace Gender Equity Strategy that aims to improve the current status of the University in the areas including, but not limited to, the gender pay gap, flexible employment, unconscious biases, communication, transparency, visibility, and advocacy.
- On International Women's Day 2018, Professor Andrew Vann announced that he had become a Workplace Gender Equality Agency Pay Equity Ambassador, joining other directors, Vice-Chancellors, Heads of Departments and CEOs in signing the Pay Equity Pledge.
- One of the main action items across the Workplace Gender Equity Strategy 2018-2022 and the Athena SWAN Action Plan is the development and rollout of training around unconscious bias and inclusivity. The Human Resources Leadership Team was trained in October 2018, with all senior staff being trained by the end of 2020.
- Continued negotiations towards a Reconciliation Action Plan. The steering committee has been reworked with new membership and the focus will now move to campus-based consultations and meetings with the working groups and internal/external communities.
- Finalisation of a plan to appoint Indigenous Australian Students at CSU to cadetship positions within the University, with a goal to commence a pilot cadetship program in 2019.

Activities planned for 2019

- Continue to implement Workplace Gender Equity Strategy 2018-2022 including unconscious bias training scheduled on all major campuses.
- Continue to implement Athena SWAN action plan including maintaining an active self-assessment team that, amongst other things, will investigate the causes of CSU's gender pay gap.
- Explore synergies between the Leadership Development for Women Program steering committee, the Senior Women's Forum and the Athena SWAN self-assessment team.
- Finalise and begin the implementation of a new Disability Action Plan.
- Commence drafting a CSU Cultural Safety Policy.
- Finalise the Reconciliation Action Plan.
- Commence a program to appoint CSU's Indigenous Australian Students to cadetship positions within the University.
- Commence work on an aging workforce strategy.
- Continued implementation, monitoring and evaluation of the Anti-Racism Policy.

Item 5. Disability inclusion action plans

Achievements in 2018

Key achievements include:

- In November 2018 the Disability team began using the online appointment booking system for students. This change has increased the ease with which students can book appointments and allows students to select appointment times that suit their schedule.
- The implementation of a communication plan has led to an improved level of awareness of the Disability Service amongst the general student population as well as enhanced communications to those students who register with the service.
- A template was created to collect medical information for students registering with the Disability Service. The introduction of this template has resulted in the service receiving more detailed information from Treating Health Practitioners, ensuring that staff have the required information to recommend reasonable adjustments.
- Conducting the review of the Disability Action Plan in 2018 proved challenging. Consultation continued and progress was made towards a draft but significant negotiations with key stakeholders is still required. In particular, a proactive action plan requiring stakeholder commitment is still in discussion.

Activities planned for 2019

Planned activities include:

- The Disability Service is collaborating with Division of Learning and Teaching (DLT), Imagine team, on a project on accessibility in the online learning environment to create awareness and improve the accessibility of the Interact2 environment. This project will result in the production of resources such as a Top 10 'quick wins' for improving accessibility that can be used by academic staff when producing learning material.
- Drafting, consultation and negotiation for the Disability Action Plan 2020-2025 will conclude in the first six months of 2019. The plan will include proactive measures to genuinely improve the lived experience of staff and students with disabilities at CSU. In particular, the plan will provide access improvements to our physical, electronic and intellectual spaces. The plan will be completed by the end of June 2019.

Item 6. Multicultural Policies and Services Program

At CSU we aim to raise awareness and promote inclusive practice of a culture that values diversity. Ingrained in our ethos is the commitment that 'We value equity and diversity across CSU. We are about creating a fair and inclusive environment in which students and staff of all backgrounds can flourish.'

We have adopted a range of strategies and initiatives to support this approach and this section highlights some of our achievements in this area. Progress in implementing the University's Multicultural Policies and Services Program is divided into four key areas:

- Service delivery – ensuring that people from diverse cultural backgrounds receive high quality services that meet their needs
- Planning – better planning, including using staff and student profile data to better plan services and policies
- Leadership – ensuring that all leaders value and strive to support diversity in its various forms
- Engagement – ensuring that CSU Faculties and Divisions have effective resources and processes in place for engaging with people from culturally diverse communities. These processes then inform service and policy design and provide mechanisms for staff and student feedback.

CSU places inclusion, including cultural and spiritual diversity, as a strategic priority. This is reflected by 'inclusive' being one of the four key CSU values which are used to guide planning and evaluation.

Programs and services 2018

Acknowledging the culture and insight of Indigenous Australians, CSU's ethos is clearly described by the Wiradjuri phrase 'inydymarra winhanganha', translated as 'the wisdom of respectfully knowing how to live well in a world worth living in'. CSU shows leadership amongst other tertiary institutions with their respect towards the First Nations Peoples of Australia and the land where each of our campuses are located, also demonstrating that we are inspiring, insightful as well as inclusive.

Identified as important to multiculturalism are key enduring long-term CSU objectives for our regional and professional communities, students and ourselves. We have a whole-of-university approach to inclusive practice, and in particular to Aboriginal and Torres Strait Islander engagement with tertiary study. Our demonstrated strong commitment to facilitating the success of Aboriginal and Torres Strait Islander people is evidenced through the strategies implemented in education and research, and through our work with communities.

In defining an effective Refugee and Asylum Seeker Student Program at CSU, a multi-pronged approach has been paramount to success by not only taking into account all of the unique needs and requirements of this group, but also to mitigate geographical isolation or challenges that being across multiple campuses can present.

Complementing the CSU Staff Code of Conduct and the Student Charter are a number of key plans that inform our approach to multiculturalism. In 2018, the University continued to develop programs and initiatives that ensure students from a variety of different cultural and linguistically diverse backgrounds are successful. In 2017 and 2018 we further expanded the CSU Refugee and Asylum Seeker Student Program by developing and implementing services and support for identified commencing and continuing students that hold a refugee and asylum seeker visa or humanitarian visa. Our initiatives enhanced the programs and services provided by the Division of Students Services and developed strategies to support refugee and asylum seeker students by enhancing the understanding of the barriers to accessing higher education including:

- Temporary/humanitarian Visa restrictions
- Commonwealth support issues (for those with no option of HECS deferral or Centrelink assistance)
- Financial hardship and employment
- Mental health and wellbeing
- English Language course requirements (IELTS), support and recognition of previous studies in English.
- Advocacy for course progression or access issues
- Providing services through a dedicated Student Liaison Officer to support students on campus and online
- Tailored communication plan where students are empowered to opt in or out as their needs require
- Offering and referring to a range of services and programs at CSU and organisations and groups in our communities to help connect refugees with other migrants and settle into their new home
- CSU has committed \$1.05 million to scholarships for refugees and asylum seekers to access tertiary education in Australia. These have paved the way for those who may not otherwise been able to access tertiary education. The aim of the scholarships is to support CSU undergraduate students with refugee or asylum seeker visas who are commencing or continuing studies, to create a better, safer future for themselves and their families. Continuing throughout the life of their degree, the first recipients of these scholarships commenced in 2017. Other recipients were supported from 2018.

In line with the Multicultural Policies and Services Program, CSU is actively increasing its usage of student data to ensure our programs and services align to a core planning strategy to improve the student experience.

Key initiatives in 2018 include:

- We have continued to strengthen our services for English language and literacy, numeracy and career development support. To enable successful participation, support is offered to students from culturally and linguistically diverse backgrounds. This support includes:
 - a StudyLink subject, SSS030 Academic English for Australian Tertiary Studies, and significant contributions to the DFAT-sponsored International Academic Program for Australia Award students from developing nations.
 - Development of customised resources for international students, including an International Student Career Guide.
 - Custom education session/s for international students seeking casual/part-time employment whilst studying regarding 'International Employability'.
- We have continued to expand the number of weekend and evening services for students from culturally and linguistically diverse backgrounds which has enhanced access for students needing additional support in literacy, numeracy and online learning.
- We launched the CSU International Student Welcome Pack with over 161 international welcome packs sent to commencing on-shore international students on the Albury-Wodonga, Bathurst, Orange, Port Macquarie and Wagga Wagga campuses. The welcome packs include a travel wallet, luggage tag, USB, postcard and welcome certificate to assist with their arrival to Australia.
- We established a tailored communication plan for international students which included dedicated campaigns for students during their pre-departure to commencement for onshore international students on the Albury-Wodonga, Bathurst, Orange, Port Macquarie and Wagga Wagga campuses. The communication included valuable information on the student portal, campus cities, accommodation, living and working in Australia, bringing your family, pre-departure checklist, and Australian culture. Welcome emails from the Student Liaison Officers (International) were also updated and the International Student Support webpages reviewed and updated to provide a more individual approach to studying with CSU.
- The Division of Student Services continues to develop important international student social and cultural events and activities to ensure an inclusive experience while studying at CSU. These events are wide-ranging, but include welcome and farewell events, coffee catch-up meetings, and excursions to places of local interest, such as wildlife parks, the Blue Mountains and whale watching. Student Services and Amenities Fee funding was used for these initiatives in 2018.
- Harmony Day Events were held at CSU campuses on 21 March to celebrate the theme Everyone Belongs, with A Taste of Harmony lunches held on the Port Macquarie and Wagga Wagga campuses.
- Along with the Indigenous Student Centres and local Indigenous Elders across each campus, CSU is working towards the implementation of a cultural Welcome and smoking ceremony and an immersion of local Aboriginal knowledge of country where each of the campuses are located.

Item 7. Work Health and Safety

CSU is committed to providing a workplace that is:

- safe and healthy for all including staff, students, contractors and visitors
- without risk to the environment
- compliant with the Work Health and Safety Act 2011(NSW) and other relevant legislation, regulations, national standards and codes of practice.

The University manages Work Health and Safety (WHS) through the Division of Human Resources, Workplace Relations, Culture and Capability, WHS Unit.

WHS Management Systems

WHS Unit staff members have continued to review and update the Work Health and Safety Management System (WHSMS). The WHSMS Manual, together with an extensive suite of draft procedures and guidelines, has been developed in consultation with staff to minimise risk of injury and illness through the provision of a safe and healthy workplace. WHS staff completed their Lead Auditor training in February 2018 and will commence internal auditing of the system in Q3 of 2019, providing valuable information on the University's health and safety performance. Contractor Management continues to be reviewed as part of this system.

Governance

The Vice-Chancellor's Leadership Team (VCLT) and University Council have oversight of how the University manages health and safety. During 2018, both Council and the VCLT received training on their due diligence responsibilities creating opportunity for important discussion on performance trends and action being taken for continuous improvement.

Information regarding changes in WHS and/or Injury Management legislation that would affect the University and its operations is provided to leaders through safety bulletins and online subscriptions. Updates were also provided to the VCLT and the University's Finance Audit and Risk Committee, wherever changes occurred.

Consultation

The overarching University Safety and Health Management Committee includes representatives from faculties, divisions and campus-based committees. University-wide issues are discussed with members, who provide input to initiatives and communicate messages back to their respective teams.

Health and Safety Committees and Health and Safety Representatives (HSRs) from five designated work groups meet regularly to discuss local issues and activities that affect their members. HSRs participated in Safe Work Month during October as an opportunity to raise their profile in their respective groups.

Health and wellbeing

The WHS team continued to promote and offer a series of health and wellbeing initiatives for all staff and students. CSU's annual 'Wellness & Wellbeing Expo' was held at seven CSU campuses/sites during March 2018. The Expo aimed to improve staff and student attitudes towards their personal health and wellbeing, providing an opportunity for participants to engage with service providers in their local area.

Other activities included:

- Annual flu vaccination program
- Global Challenge – 10,000 step program
- Fitness Passport – Corporate health and fitness program
- Employee Assistance Service – LifeWorks by Morneau Chapel (Previously Optum)
- WHS website offering comprehensive information and links to service providers
- Red Cross Blood Challenge – donor mobile to Bathurst Campus
- Mental health first aid training
- Ergonomic assessments and education
- RUOK Day
- Safe Work Month

Incident, hazard and Workers Compensation Claims management

Early in 2018, work was undertaken to identify and commence the selection process for a new Risk Management and Compliance software solution. This software solution known as Protecht will replace SCRIM for management of WHS incidents, hazards, workplace inspections and WHS audits. The system is scheduled for launch in Q2 2019.

On 1 January 2018, the University entered into a new arrangement for managing Workers Compensation premiums known as Loss Prevention and Recovery. This system is administered by icare NSW (formerly WorkCover NSW) with Employers Mutual Ltd operating as the insurance agent. This has resulted in a reduction of \$800k in our annual premium for 2018. Maintaining these reduced premiums relies on careful and proactive case management. The WHS team has worked closely with icare to improve and implement case management processes that support better outcomes for injured workers and CSU. Lost time injuries have continued to reduce as a result of improved claims management in 2018.

There were no employee, student or visitor fatal incidents during the 2018 reporting period. There were no SafeWork NSW (or similar regulators from other relevant jurisdictions, for example ACT or Victoria) prosecutions during the reporting period.

Table 7.1: Incident and Injury Performance Indicators

Performance Indicator	2018	2017	2016
Number of WC Claims reported	121	116	127
Number of work related medically treated injuries	33	42	28
Number of work related lost time injuries	10	17	21
Lost time injury frequency rate (LTIFR)	2.83 (Industry Av. 3.4)	-	-
Full WC Claims cost	\$190,403	\$386,523	\$1,062,505
WC Wages paid	\$14,157	\$96,063	\$320,490
Number of Hazard Reports submitted	52	77	99
Performance Indicator	2018	2017	2016

Activities Planned for 2019

- Finalise the CSU Work Health and Safety Management System in line with AS: 4801 and commence implementation including the development of training materials to provide practical guidance and clear expectations for our leaders.
- Commence internal WHS audit program with identified work areas.
- Development and consultation on a WHS Strategic plan which prioritises the delivery of programs to improve safety and the mental and physical health and wellness of staff and students.
- Promote and launch the new Protecht Online Incident and Hazard Management System.
- Continued support of injured workers, promotion of early recovery at work programs and management of our Workers Compensation premium.
- Continued focus on our wellness program through the development of a Mental Health and Wellbeing Strategy including targeted staff and student activities aimed at strengthening and supporting their mental and physical health and wellbeing.

Item 8. Promotion (Overseas Travel)

The University paid \$1.98 million for staff overseas travel in 2018 (2017: \$2.3 million). This travel supported a very wide range of activities including attendance and presentation of research papers at international conferences, staff development, meetings and research and teaching at affiliated institutions. There were 490 individual trips made by staff covering most continents.

Item 9. Funds granted

Charles Sturt University makes significant contributions to community activities and initiatives related to its core educational mission. Funding for these programs is drawn from resources made available for regional engagement. \$82,318.45 in funds were granted to initiatives in 2018 as detailed below.

Table 9.1: Funds granted listing

Program name + recipient	Description	Amount / funds granted (\$) 2018
Head of Campus Grants – Albury-Wodonga		
NSW Government Schools – Albury High School, James Fallon High School and Murray High School	Writing enhancement day at Charles Sturt University	\$351.00
Wodonga Middle Years College	Valedictory Scholarship	\$500.00
Cobram Secondary College	Cobram Secondary College Presentation Day	\$100.00
Newmarket Store	Catering for community chess competition	\$124.09
Oaklands Recreation Ground Committee	Defibrillator pad replacement	\$307.00
Chess World (Australia) Pty Ltd	Sponsorship of children's attendance and participation at the Chess World competition	\$1,000.00
		\$2,382.09
Head of Campus Grants – Bathurst		
Abercrombie House	Catering for community stargazing event	\$500.00
Bathurst Regional Council	Bathurst Writers' & Readers' Festival	\$500.00
		\$1,000.00
Head of Campus Grants – Dubbo		
Dubbo Community Garden	Stepping stones to a greener and healthier world program	\$500.00
Condobolin High School	Yabby farming project	\$500.00
Vermont Hill Tennis Club Inc	Playground equipment	\$500.00
		\$1,500.00
Head of Campus Grants – Orange		
Parkes Shire Council	Australian Children's Laureate Tour of the Central West	\$500.00
Orange High School	Senior Merit Awards	\$600.00
		\$1,100.00
Head of Campus Grants – Wagga Wagga		
Woodhaven Aged Care	Residents' Big Day Out – a day trip to Wagga Wagga	\$500.00
Murrumbidgee Local Health District – Urana MPS	Concert by Grant Luhrs for residents of the aged care hostel	\$500.00
Immune Deficiencies Foundation of Australia	Payment for the attendance by children to a charity magic performance	\$218.18
Summer School of Strings	Summer Strings music camp for students	\$3,300.00
		\$4,518.18

Program name + recipient	Description	Amount / funds granted (\$) 2018
Community University Partnerships – Education Development		
Scone and District Pre-School Inc	Arts and craft supplies	\$1,000.00
St Stanislaus College	Microbit class resources	\$1,000.00
Mitchell Early Learning Centre Inc	Sports mats for early learning centre	\$1,000.00
Murray High School	Empowering within through drumming	\$1,000.00
Orana Heights Public School	Special education and community playground	\$1,000.00
Forbes High School	The purchase of resources for the new HSC biology syllabus	\$1,000.00
Holbrook Early Learning Centre Inc	Engaging children in challenging and risky play	\$1,000.00
Uranquinty Pre-School Association Inc	STEAM program	\$1,000.00
Milthorpe Public School	Targeted early numeracy project	\$750.00
St Joseph's Regional College	Strategic planning for increased collaboration in a learning-centred classroom	\$1,000.00
Gooloogong Public School	Building technology through critical and creative thinking programs	\$1,000.00
Catholic Parish of St Agnes Port Macquarie	Study Skills Handbook – Improving students' study skills	\$909.09
Hastings Public School P&C Association	Kindergarten music garden	\$750.00
Hastings Secondary College – Westport Campus	Sensory room equipment	\$1,000.00
Hastings Heroes – Hasting Secondary College	The first robotics competition	\$1,000.00
June North Public School	Purchase of Edison robots	\$1,000.00
The Nature School Inc	Explore, Capture and Present program	\$1,000.00
Zonta Club of Port Macquarie Inc	Birthing kit assembly project	\$750.00
Osborne's Flat Primary School	Group work tables	\$1,000.00
June High School	Using breakout technology to engage secondary student in STEM education	\$1,000.00
St Raphael's Central School	Playground equipment	\$1,000.00
		\$20,159.09
Community University Partnerships – Arts and Culture Grants		
Rotary Club of Orange Inc	Creative poetry workshops in schools	\$1,000.00
Evans Arts Council Inc	Creative arts and crafts weekend workshop	\$1,000.00
Mitchell Conservatorium Inc	Raising the Baton program	\$1,000.00
Promenade Dance School	New York Dance Workshop Tour – 2019	\$1,000.00
Rockley Public School	CAPA Festival preparations and attendance	\$750.00
Verto Pty Ltd on behalf of Glenroi Heights Public School	School Boys Dance Group	\$1,000.00
Uranquinty Pre-School Association Inc	Resident artist	\$1,000.00
Murrumbidgee Magic Chapter	Funds to purchase a video camera for performance and rehearsal sessions	\$750.00
Wagga Wagga Community Band	Music stand banners	\$1,000.00
		\$8,500.00

Program name + recipient	Description	Amount / funds granted (\$) 2018
Community University Partnerships – Sports Development Grants		
Tacking Point Hocking Club Inc	General club sponsorship	\$909.09
St Mary's Central School – Wellington	National primary girls touch football carnival	\$1,000.00
Tacking Point Hocking Club Inc	Participation by team members in the Australian All Schools U17s Girls Hockey Team South African tour	\$1,000.00
Dubbo Basketball Association	Portable rings for rookies program	\$1,000.00
Camden Haven Physical Culture Club	Project physie sound	\$750.00
St Joseph's Regional College	National Schools Cup – Girls touch football	\$1,000.00
Bana Lavine	Attendance at national springboard diving competition	\$1,000.00
Football Mid North Coast	Assist FMNC U12s to compete in annual State Titles	\$1,000.00
Cootamundra Basketball Association	The purchase of 20 Spalding basketballs	\$750.00
Albury Public School P & C Association	Sponsorship of the 2018 School Sports Australia Football National Carnival	\$1,000.00
Wodonga Basketball Association Inc	Wheelies of Wodonga	\$1,000.00
Orange & District Basketball Association	Payment for seven club members to attend the 2019 U15 Australian Regional Championships	\$1,000.00
Buninyong Public School	Girls of the world dance for fitness	\$1,000.00
Hawkesbury City Football Club	Country junior to city senior national premier league – soccer competition	\$1,000.00
Steven Brian Garoni	Attendance and participation at the U 23 National Softball Championships	\$1,000.00
Central West Gymnastics Club Inc	Upgrade and replacement of various landing mats	\$1,000.00
O'Connell Public School	Transport costs for students to attend sporting activities	\$1,000.00
Bathurst Giants JARFC	Standing Tall for the Indigenous Community program	\$750.00
Orange and District Softball Association	Payment for seven club members to attend the 2019 Under 15 Australian Regional Championships	\$4,000.00
Milthorpe Public School	HCS PSSA carnival organisation – computer program	\$1,000.00
Red Bend Catholic College	Participation in the rural and regional sports program	\$1,000.00
Neville Equine Performance Inc	Equestrian sporting and fun day	\$750.00
Warriors - Albury Wodonga Dragon Boats	Purchase of junior paddles	\$1,000.00
Leeton Amateur Swim Club	Swim club timing system	\$1,000.00
Orange Waratahs Cricket Club	Waratahs cricket club player participation assistance	\$1,000.00
The Canobolas Rural Technology High School	Indigenous sports day	\$1,000.00
Macquarie Magpies AFL Club Inc	Purchase of girls football team uniforms	\$1,000.00
		\$28,909.09
Community University Partnerships – Indigenous Engagement Grants		
Newcastle Yowies Sports Association	Financial support of the Newcastle Yowies	\$4,000.00
Birpai Local Aboriginal Land Council	Bearlay Port Macquarie NAIDOC Week	\$1,500.00
Waggonah Combined Public Schools Dance Group	Funding to support the Waggonah Aboriginal Dance group	\$1,500.00
Dunghutti Elders Council	Dunghutti linkages to culture and higher education	\$1,500.00
Condobolin High School	Agricultural (Indigenous) experiences	\$1,250.00
Murray Arts Incorporated	Weaving workshop and exhibition at Buraja Gallery	\$1,500.00
Uranquinty Pre-School Association Inc	Progress Reconciliation with our children, families and wider community	\$1,500.00
Albury-Wodonga Aboriginal Health Service	A seasonal approach to cardiovascular exercise for indigenous men	\$1,500.00
		\$14,250.00

Item 10. Consumer response

The University Ombudsman is responsible for the management, resolution and reporting of complaints and concerns.

The University Ombudsman maintains a register of complaints and concerns and provides reports to the Vice-Chancellor's Leadership Team, Faculty Executive Deans and Division Executive Directors, identifying systemic issues and recommendations. The management of formal complaints does not account for first-line management of issues that are dealt with locally (i.e. through Student Central or through the Division of Information Technology Help Desk), in accordance with the University's Complaints Policy.

Several matters were escalated by the complainants to external agencies, such as the Australian Human Rights Commission or the NSW Ombudsman, when they remained dissatisfied with the University's response. No further action has been required of the University as a result of these external agency reviews although one matter was resolved by agreement between the parties without the Australian Human Rights Commission being required to make a finding.

The major themes in complaints continue to reflect concerns with communication difficulties. These difficulties include student concerns about failures to receive timely responses from academic and professional staff and course advice regarding progression and enrolment patterns.

Through review of data, areas within the University that have higher rates of complaints have been identified. This has resulted in improved communication with students that sets expectations and University Policy compliance. We have also continued our work with the Division of Student Administration to finding the right balance between efficiency and adapting our actions to meet the needs of individual students.

The University Ombudsman has actively engaged with various work units of the University and with the student community to address the processes of dealing with complaints and grievances. Presentations have been made at staff meetings and a general communication was made to all student leaders to ensure active engagement with the complaints framework at all levels of the University.

The University Ombudsman has also continued its participation in the review of misconduct policies and processes of the University which is to be introduced in early 2019. The University Ombudsman has continued its work in the implementation of the *Respect, Now, Always* campaign to address complaints and reports of sexual harassment on campus.

Item 11. Risk management and insurance activities

The University has adopted a risk management framework that aligns with the Australian and New Zealand Standard for Risk Management, AS/NZS ISO 31000:2009. The Risk Management Policy establishes the expectations and approach to risk management at the University as part of the institution's governance responsibilities and obligations under the *Charles Sturt University Act 1989* and also in accordance with the Voluntary Code of Best Practice for the Governance of Australian Universities.

Effective risk management, supported by efficient, effective and robust business processes, is necessary to successfully achieve the University's strategic and operational objectives. This allows the University to identify risks to be managed to acceptable levels or capitalise on arising opportunities which support the long-term sustainability and advancement of the University. Strategic and operational risks associated with individual project/initiatives are assessed and managed by staff across all levels of the University in accordance with the Risk Register Procedure, using the Risk Appetite Statement, Risk Ratings and Consequence matrices and Risk Likelihood Ratings Guide.

During 2018, the Principal Risks were re-designed to focus specifically on events that could affect the ongoing sustainability of the University. These risks were endorsed by the Vice-Chancellor's Leadership Team and include the following:

- Changes in Government policy that affect the University
- University Strategy
- Performance Management
- Disruption to University services
- Student Load
- Funding arrangements
- Economic downturn
- University Accreditation
- Reputational impacts
- Research growth and delivery

Following a comprehensive review of the University's risk management framework in 2016, a number of activities were undertaken and processes introduced during 2017 (as previously reported) to aid in continuous improvement and further embed a risk management culture and processes in the University. In 2018 the University has continued to focus on embedding the culture of managing risk throughout the University. There have been a number of activities in the reporting period that continue to support these changes, including:

- An update to the Risk Management standard that occurred mid-year. The University has started work on understanding how this will affect the University Risk Management Framework. As a result of this work, we will see changes to the Risk Framework in 2019.
- More education and review of all University Risks, which has further reduced the number of material tactical (management-level) risks.
- Increased focus on culture change and risk management, with specific focus given to ensuring that all teams include Risk Management as a normal Business As Usual activity (i.e. on all team meeting agendas).
- Ongoing implementation of new Governance, Risk Management and Compliance (GRC) Software that includes multiple modules: Risk Management, Internal Audit, Work Health and Safety and Business Continuity Planning.
- Creation of new Principal Risks for the University (risks specifically aimed at the on-going sustainability of the University).
- Investigating ways to address annual Tertiary Education Quality and Standards Agency accreditation process in terms of risk management process and to identify cross-University Academic risks.

On behalf of the Finance, Audit and Risk Committee of Council, the Internal Auditor conducts an annual program of audits that are prioritised on the basis of risk and the operation of other assurance processes within the University.

Table 11.1: Insurance policy listing

Class of insurance	Insurer/broker	Policy number	Expiry date	Protection/comments
Clinical Trials Protection	Unimutual	CSU 19 CT	31 Oct 2019	\$30 million per claim \$120 million aggregate ¹
General and Products Liability	Unimutual	CSU 19 GPL	31 Oct 2019	\$250 million each claim \$250 in the aggregate for Product Liability
Professional Liability Protection	Unimutual	CSU 19 PL	31 Oct 2019	\$30 million per claim \$120 million aggregate ¹
Malpractice Protection	Unimutual	CSU 19 MM	31 Oct 2019	\$30 million per claim \$120 million aggregate ¹
Cyber Protection	Unimutual	CSU 19 CYB	31 Oct 2019	\$5 million any one claim and in the aggregate
Environmental Liability Protection	Unimutual	CSU 19 ENV	31 Oct 2019	\$2.5 million any one claim and in the aggregate
Liability Terrorism Protection	Unimutual	CSU 19 LT	31 Oct 2019	\$100 million any one occurrence
Property Protection	Unimutual	CSU 19 PR	31 Oct 2019	\$1,500 million any one Event ² . Subject to sub-limits
Property Terrorism Protection	Unimutual	CSU 19 PT	31 Oct 2019	\$1,000 million any event
Active Assailant Protection	Unimutual	CSU AAE	31 Oct 2019	\$2 million any one claim and in the aggregate

Class of insurance	Insurer/broker	Policy number	Expiry date	Protection/comments
NON UNIMUTUAL NON CORE COVERS BELOW				
Contract Works	Allianz/Gow-Gates Insurance Brokers Pty Ltd	99-0106949-CMD	31 Oct 2019	\$25 million any one occurrence any one location. Subject to sub-limits.
Corporate Travel (overseas only)	AIG Australia Ltd/Gow-Gates Insurance Brokers Pty Ltd	2200103601	31 Oct 2019	Staff Capital Benefit up to \$500,000 Weekly max. \$1000 Council Members: Capital Benefit up to \$500,000 Weekly max. \$1000
Expat. Medical & Additional Expenses	CHUBB/Gow-Gates Insurance Brokers Pty Ltd	01PX530477	31 Dec 2019	\$1 million Medical Expenses & Emergency Evacuation
Farm Insurance	Allstate Underwriting Agency Pty Ltd/Peter Brown & Associates	AUS0030110FAR	31 Oct 2019	Grain on farm \$150,000 Farm Buildings \$20,000 Farm Theft \$20,000
Group Personal Accident & Sickness (Council & Committee members)	AIG Australia Ltd/ Gow-Gates Insurance Brokers Pty Ltd	2200103646	1 Nov 2019	Death & Capital max. \$300,000 Weekly max. \$2000
Group Personal Accident & Sickness (Police College)	CHUBB/Gow-Gates Insurance Brokers Pty Ltd	02PO014230	31 Dec 2019	Death & Capital max. \$300,000. Weekly max. \$1300
Group Personal Accident & Sickness (Students)	CHUBB/Gow-Gates Insurance Brokers Pty Ltd	01PO533297	31 Dec 2019	Death & Capital max. \$55,000 Weekly max. \$450
Group Personal Accident & Sickness (Journey)	CHUBB/Gow-Gates Insurance Brokers Pty Ltd	01PJ531368	31 Dec 2019	Death & Capital max. \$500,000 Weekly max. \$4000
Management Liability (D&O)	Chubb Unimutual	93315347	1 Nov 2019	\$10 million any one claim. \$20 million in the aggregate
Marine Transit	NTI/Gow-Gates Insurance Brokers Pty Ltd	47250112	31 Oct 2019	\$400,000 Transit Cover any one loss
Motor Vehicles – Australia	CGU/Gow-Gates Insurance Brokers Pty Ltd/	24F 2045359	31 Oct 2019	Comprehensive market value. Third party Legal Liability \$35 million
Workers Compensation – CSU NSW	icare workers insurance/ AJGallagher	121135701	31 Dec 2019	As per NSW Legislation
Workers Compensation CSCS Ltd – NSW	icare workers insurance/ AJGallagher	124009101	31 Dec 2019	As per NSW Legislation
Workers Compensation – ACT – CSCS Ltd	CGU/AJGallagher	O/16-3523	1 Jan 2020	As per ACT Legislation
Workers Compensation – CSU ACT	QBE/AJGallagher	CA1899851GWC	31 Dec 2019	As per ACT Legislation
Workers Compensation – CSU Northern Territory	Allianz/AJGallagher	TWY0008726	31 Dec 2019	As per NT Legislation
Workers Compensation – CSU Queensland	Workcover Queensland	WCA150569240	30 June 2019	As per Queensland Legislation
Workers Compensation – CSU Tasmania	Allianz/AJGallagher	LWL0007915	31 Dec 2019	As per Tasmanian Legislation
Workers Compensation – CSU Western Australia	Allianz/AJGallagher	WWH0050599	31 Dec 2019	As per WA Legislation
Workers Compensation – CSU Victoria	Victorian Workcover Authority/ Gallagher Bassett	13790637	30 June 2019	As per Vic Legislation
Workers Compensation – CSU South Australia	Returnto WORKSA/ Workcover Corporation of S.A	26407609	30 June 2019	As per SA Legislation

1. The aggregate of \$120 Million refers to a combined single limit across Professional Liability, Malpractice Liability and Clinical Trials Liability.

2. **one Event** means all losses arising out of and directly occasioned by one occurrence or catastrophe.

CTP (Green slip) Insurance is arranged by Fleet, Division of Finance. The insurer currently used is Allianz. Crop and stock insurance is arranged on an 'as needs' basis through reputable brokers.

Item 12. Consultants

Table 12.1: Consultants engagement costing equal to or > \$50,000 – Actual costs for 2018

Consultant	Project	Actual cost
Savills Project Management Pty Ltd	Various land & AgriPark strategy consultancies	\$694,628.15
KPMG	Admin review consultancy & MOO technology consultancy	\$662,524.66
Tanner Kibble Denton Architects Pty Ltd	Multiple architectural consultancies	\$622,897.50
Firesoft Consulting Unit Trust	Multiple IT consultancies including Subject Outline System testing	\$601,916.30
Billard Leece Partnership Pty Ltd	Multiple student housing consultancies	\$510,278.96
The Trustee for The Glencore Trust	Consultancies for TEQSA Registration project and Officer of Government and Community Relationships Stakeholder Engagement System	\$280,991.15
Houston Group	CSU brand strategy project	\$247,320.62
Taylor Nelson Sofres Australia Pty Ltd	CSU brand strategy research & testing	\$240,040.00
CIN Educational Leadership	Consultants for CSU Rural & Remote Project	\$238,812.50
Orgment Business Solutions Pty Ltd	Change management support	\$175,718.71
Blue Rock Software	Project Management Services CourseSpace development	\$160,823.55
DWP Australia Pty Ltd	Multiple construction design consultancies	\$147,432.58
Uniquist Pty Ltd	Telehealth consultancy	\$124,302.24
Matt Cahill Consulting	AgriPark consultancies	\$112,000.00
Minter Ellison Lawyers	Consultancy on leasing options	\$97,713.74
Anatas Pty Ltd	Webmethods development	\$79,575.00
Elementary Holdings Pty Ltd	Graduation review	\$79,509.85
JFE Global Pty Ltd T/A Fisher Leadership	Executive Search consultancies	\$78,595.85
Planit Test Management Solutions	Special Considerations Project	\$73,700.00
The Institute of Executive Coaching	Effective Leadership Conversations Program consultancy	\$73,155.25
ASG Group Limited	Salesforce Stakeholder Management System implementation	\$71,650.00
Millward Brown Pty Ltd	Advertising campaign evaluation	\$68,546.36
Colere Group Pty Ltd	Graham Centre Research Project consultancy	\$63,830.95
Grosvenor Performance	Procurement category management consultancy	\$63,000.00
De Saily Consulting Pty Ltd	Executive Search services	\$53,773.38
		\$5,622,737.30

Consultant engagements < \$50,000

111 vendors for a total cost of \$1,340,791

Item 13. Land disposals

In 2018 there were nil transacted land and property disposals that exceed \$5,000,000.

Access to documents relating to all disposals can be obtained under the *Government Information (Public Access) Act 2009*.

Item 14. Major works

Category	Campus	Project	Budget	Status
Enabling Infrastructure	Wagga Wagga	Building 229 L2 renovations WW (Graham Offices)	\$350,409.52	Completed in 2018
Road Infrastructure	Wagga Wagga	Ag Avenue Stage 2	\$563,600.00	Completed in 2018
Unit Funded	Wagga Wagga	Building 013 Division of Student Administration office refurbishment	\$395,583.92	Completed in 2018
Enabling Infrastructure	Bathurst	Building 1410 Division of Student Administration office refurbishment	\$847,937.00	Completed in 2018
Commercial Services	Wagga Wagga	Building 210 Doman demolition	\$2,000,000.00	Completed in 2018
Commercial Services	Wagga Wagga	Building 230 Dining Hall, Video Conference Room, Tavern refurbish	\$1,200,000.00	Completed in 2018
Research	Wagga Wagga	Building 265 GRDC glasshouse	\$3,000,000.00	Completed in 2018
On Campus Learning and Teaching	Wagga Wagga	Building 560 Riverina Playhouse refurbishment	\$3,500,000.00	Completed in 2018
Commercial Services	Orange	Building 1060-1063 refurbishments	\$929,030.00	Completed in 2018
Minor Works	Bathurst	Building 1292 accessible walkway	\$275,000.00	Completed in 2018
On Campus Learning and Teaching	Bathurst	Building 1292 Lecture Theatre Room 223 refurbishment	\$855,741.80	Completed in 2018
On Campus Learning and Teaching	Dubbo	Building 901 Dubbo Learning Commons revitalisation	\$4,500,000.00	Completed in 2018
Enabling Infrastructure	Wagga Wagga	Building 295 BiobiN	\$300,000.00	Completed in 2018
Enabling Infrastructure	Wagga Wagga	Building 483 refresh for Finance, Stores and Mail	\$300,000.00	Completed in 2018
Enabling Infrastructure	Albury Wodonga	Building 673 lift upgrade	\$450,000.00	Completed in 2018
Enabling Infrastructure	Albury Wodonga	Building 717 ILWS Research Storage (Snowy Hydro 2.0)	\$632,910.00	Completed in 2018
Campus Infrastructure	Wagga Wagga	Wagga single supply HV network	\$400,000.00	Completed in 2018
Campus Infrastructure	Bathurst	Bathurst HV transformer updates	\$1,000,000.00	Completed in 2018
Deferred Maintenance	Wagga Wagga	Building 002 HVAC upgrade	\$277,434.00	Completed in 2018
Energy Initiative	All Campuses	Clean Energy Strategy Program development & implementation	\$400,000.00	Completed in 2018
Energy Initiative	Bathurst & Wagga Wagga	Metering changes Gas and Water	\$302,000.00	Completed in 2018
Deferred Maintenance	Orange	Building 1001, 1004, 1005 and externals maintenance	\$503,000.00	Completed in 2018
Deferred Maintenance	Bathurst	Building 1430 & 1435 HVAC upgrade	\$920,140.00	Completed in 2018
Deferred Maintenance	Dubbo	Multiple roof repairs	\$250,000.00	Completed in 2018
SSAF	Wagga Wagga	PG15 Beres Ellwood Oval lighting upgrade	\$455,400.00	Completed in 2018
Campus Infrastructure	Wagga Wagga	Wagga HV transformer updates	\$425,000.00	Completed in 2018

Item 15 Legal change

Changes in Acts and subordinate legislation and significant judicial decisions affecting the University or users of its services – 2018

Legislative changes

Building and Construction Industry Security of Payment Amendment Act 2018 (NSW) (Amending Act)

The Amending Act amends the *Building and Construction Industry Security of Payment Act 1999* (NSW) (**Principal Act**). It was passed by the NSW Parliament on 21 November 2018 and received assent on 28 November 2018, but has not yet commenced.

The Amending Act seeks to strengthen the security of payments to contractors under a construction contract. Key amendments to the Principal Act include:

- entitlement to receive a progress payment is no longer triggered by a reference date, and instead arise as work is performed or services are supplied under a construction contract; and
- the time for payment from a head contractor to a subcontractor under a construction contract will be reduced from 30 business days to 20 business days following a subcontractor payment claim.

European Union General Data Protection Regulation

In May 2018, the European Union introduced the *General Data Protection Regulation (GDPR)*, which has extra-territorial application. There are significant penalties for non-compliance. The GDPR contains broadly similar concepts to the *Privacy and Personal Information Protection Act 1998* (NSW) (**Privacy Act**) to which the University is subject. The GDPR applies to any Australian organisation (whether private or public sector) if they:

- (a) have an 'establishment' in the EU, and process personal data in the 'context of the activities' of that 'establishment'; or
- (b) do not have an 'establishment' in the EU, but:
 - i. handle personal data relating to EU individuals in the course of offering them goods or services; or
 - ii. monitor the behaviour of individuals in the EU.

If and where the University is captured by the GDPR in respect of individuals who are EU 'data subjects', the University will seek to comply with any GDPR data handling obligations to the extent they are not inconsistent with Australian privacy laws (such as, reporting breaches to the relevant EU authorities). The GDPR may also apply to the University where it provides or obtains services from organisations that are bound by the GDPR, and where the University enters into contracts with those organisations which require the University to comply with the GDPR.

Foreign Influence Transparency Scheme

The *Foreign Influence Transparency Scheme (Scheme)* commenced on 10 December 2018. The Scheme has been designed to ensure anyone exerting such influence on Australian government policies or democratic processes does so in an open and transparent way.

Under the Scheme, organisations and individuals are required by law to register activities which are conducted:

- on behalf of a foreign entity; and
- for the purpose of political or government influence.

The University will need to monitor disciplinary areas involved in academic commentary on politics and government and carefully consider whether any of their collaborative projects, consultancy work or published commentary could be characterised as primarily intended to influence Australian governments and therefore fall within the ambit of the Scheme.

National Code of Practice for Providers of Education and Training to Overseas Students and English Language Intensive Courses for Overseas Students (ELICOS) Standards 2018

The *National Code of Practice for Providers of Education and Training to Overseas Students 2018 (National Code 2018)* made under the *Education Services for Overseas Students Act 2000* (Cth) (**ESOS Act**) commenced from 1 January 2018, replacing the 2017 version of the National Code. The amendments aim, among other things, to:

- address information imbalances for students;
- address areas of risk, especially with regard to welfare arrangements for students under 18 years of age; and
- reduce the administrative burden in relation to the process for assessing student transfers.

The *English Language Intensive Courses for Overseas Students (ELICOS) Standards 2018 (ELICOS Standards)*, also made under the ESOS Act, commenced on 1 January 2018, replacing the 2011 version of the ELICOS Standards. The amendments aim to ensure high standards are applied to ELICOS courses across all sectors of delivery.

Modern Slavery Acts

The *Modern Slavery Act 2018* (NSW) (**NSW Act**) was assented to on 27 June 2018 and is yet to commence. The University is captured by the Act. The *Modern Slavery Act 2018* (Cth) (**Cth Act**) was assented to on 29 November 2018 and commenced 1 January 2019. It appears the University is also captured by the Cth Act.

Among the key impacts these Acts will have on the University under the NSW Act and also if captured by the Cth Act, the University will be required to:

- take reasonable steps to ensure that goods and services procured by and for the agency are not the product of modern slavery; and
- report, amongst other things, steps taken to ensure that goods and services procured by and for the University are not the product of modern slavery. The exact commencement date for reporting obligations under the Cth Act will either be declared by proclamation or will be 11 June 2019.

Copyright Amendment (Services Providers) Act 2018

The *Copyright Amendment (Services Providers) Act 2018* came into force on 29 December 2018 and extends 'safe harbour' protections to universities.

As a result of the changes, universities have the same legal certainty and protection that previously only applied to commercial internet service providers.

Changes to Insolvency Laws

Amendments to the *Corporations Act 2001* (Cth) include reforms to insolvency laws which came into effect on 1 July 2018 and prevent parties relying on certain clauses in contracts which would have enabled them to terminate the contract by reason of:

- the counterparty entering a scheme of arrangement or voluntary administration; or
- the counterparty's financial position, credit rating or possibility that it might be under administration.

The changes generally apply to all contracts entered into from 1 July 2018, meaning a party to a contract entered into (or renewed) from that date will be unable to enforce any right it has merely by reason of the other party experiencing a relevant insolvency event.

Child Protection (Working with Children) Amendment (Statutory Review) Act 2018

The *Child Protection (Working with Children) Amendment (Statutory Review) Act 2018* has introduced a number of changes to the Working with Children scheme. Among other things, the rules around personal information for those cleared to work with children have been strengthened, and it is now an offence for an employer to fail to verify workers in child-related work without a reasonable excuse.

Judicial decisions

There were no judicial decisions to which the University was a party in 2018.

The University continues to monitor other key judicial decisions and determinations that, although not directly involving the University, may have implications for the University or users of its services.

For example, the decision by the Full Federal Court in *WorkPac Pty Ltd v Skene [2018] FCAFC 131* found that a labour hire worker who was characterised as a “casual employee” in his employment contract was, in fact, an employee entitled to annual leave payments under the National Employment Standards (NES) in the *Fair Work Act 2009* (Cth). This decision has potential implications for the higher education sector that use casual employees.

The University also gives due consideration to any changes to by-laws, regulations, rules, procedures or guidelines that may be warranted as a result of change in the law and significant decisions.

Item 16. Access to information

Clause 7A: Details of the review carried out by the agency under section 7 (3) of the Act during the reporting year and the details of any information made publicly available by the agency as a result of the review

Reviews carried out by the agency	Information made publicly available by the agency
3	0

Clause 7B: The total number of access applications received by the agency during the reporting year (including withdrawn applications but not including invalid applications)

Total number of applications received
3

Clause 7C: The total number of access applications received by the agency during the reporting year that the agency refused either wholly or partly, because the application was for the disclosure of information referred to in Schedule 1 to the Act (information for which there is conclusive presumption of overriding public interest against disclosure)

Number of applications	Refused	Wholly partly	Total
0			
% of total	0	0	0

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	Total	% of total
Media	0	0	0	0	0	0	0	0	0	0
Members of Parliament	0	0	0	0	0	0	0	0	0	0
Private sector business	0	0	0	0	0	0	0	0	0	0
Not for profit organisations or community groups	0	0	0	0	0	0	0	0	0	0
Members of the public (application by legal representative)	0	0	0	0	0	0	0	0	0	0
Members of the public (other)	2	1	0	0	0	0	0	0	0	0
Total	2	1	0	0	0	0	0	0	3	100%
% of Total	66.66%	33.33%							100%	100%

* 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	Total	% of total
Personal information applications*	0	0	0	0	0	0	0	0	0	
Access applications (other than personal information applications)	0	3	0	0	0	0	0	0	3	100%
Access applications that are partly personal information applications and partly other	0	0	0	0	0	0	0	0	0	
Total	0	3	0	0	0	0	0	0	0	
% of Total		100%								

* 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	% of total
Application does not comply with formal requirements (section 41 of the Act)	2	66.6%
Application is for excluded information of the agency (section 43 of the Act)		
Application contravenes restraint order (section 110 of the Act)		
Total number of invalid applications received	2	66.6%
Invalid applications that subsequently became valid applications		

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

	Number of times consideration used*	% of total
Overriding secrecy laws	0	0
Cabinet information	0	0
Executive Council information	0	0
Contempt	0	0
Legal professional privilege	0	0
Excluded information	0	0
Documents affecting law enforcement and public safety	0	0
Transport safety	0	0
Adoption	0	0
Care and protection of children	0	0
Ministerial code of conduct	0	0
Aboriginal and environmental heritage	0	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	% of total
Responsible and effective government	0	0
Law enforcement and security	0	0
Individual rights, judicial processes and natural justice	1	33.33%
Business interests of agencies and other persons	0	0
Environment, culture, economy and general matters	0	0
Secrecy provisions	0	0
Exempt documents under interstate Freedom of Information legislation	0	0

Table F: Timeliness

	Number of applications	% of total
Decided within the statutory timeframe (20 days plus any extensions)	3	100%
Decided after 35 days (by agreement with applicant)	0	0
Not decided within time (deemed refusal)	0	0
Total		

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

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

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

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

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

Table I: Applications transferred to other agencies under Division 2 of Part 4 of the Act (by type of transfer)

	Number of applications transferred
Agency-initiated transfers	0
Applicant-initiated transfers	0

Item 17. Privacy and personal information

The University Ombudsman is the University's Privacy Officer.

Four institutional privacy data breaches were reported during the period, three of which related to third party managed services.

The one internal breach was deemed to be human error when a former residential advisor accessed a staff account without authority. Approximately 8 individuals were affected by the breach. Remedial action included improvements to the user access management process.

The data breach with the highest impact was a malicious attack on the human resources system, PageUp. The attack did not specifically target the University and was managed by the third party provider. This breach was reported.

A further breach to a third party that affected the University was the unauthorised access and removing of data from the Marriot hotels guest reservation database. This impacted the University as a result of staff utilising the Marriot hotel chain for work-related travel. An internal review determined that the University's practices were appropriate.

The University continues to address requests for private information from third parties by explaining the University's obligations under the Privacy and Personal Information Protection Act 1998 and written consent being subsequently obtained from the owner of the private information for this information to be disclosed by the University to the third party.

The University continues to monitor the application and effectiveness of the Privacy Management Plan of the University.

Item 18. Public Interest Disclosures

The University Auditor is responsible for the coordination of any Public Interest Disclosures (PID) which relate to the operation of the University.

The University has a PID Policy in place (the University's *Public Interests and Other Disclosures Policy*) and has taken action to ensure staff are aware of the contents of the PID Policy and the protections under the *Public Interest Disclosures Act 1994 NSW* (PIDA) for a person who makes a Public Interest Disclosure. A key objective of the PIDA is to encourage public officials to report serious wrongdoing, and facilitate such reporting. The University's PID Policy outlines the University's commitment to integrity, accountability and good management. It sets out information and procedures to assist all members of the University community (including employees and contractors) with appropriate reporting, subsequent investigation and resolution of suspected wrongdoing that falls under the PIDA. The PID Policy is made available to staff and the public via the University's web page and intranet.

Table 18.1 provides an overview of the Public Interest Disclosures received by the University during 2018 as per the requirements under Section 31 of the PIDA.

1	PIDs made by public officials in performing their day to day functions	1
2	PIDs not covered by (1) that are made under a statutory or other legal obligation	0
3	All other PIDs	0
4	For each PID received by the University (see (1)):	
	Number of public officials who have made a PID to the public authority	1
	Number of PIDs received by the public authority in total and the number of PIDs received by the public authority relating to each of the following:	
	a) corrupt conduct	1
	b) maladministration	0
	c) serious and substantial waste of public or local government money	0
	d) government information contraventions	0
	e) local government pecuniary interest contraventions	0
	Number of PIDs received by the University	0
	Number of PIDs finalised	1

Item 19. Information and Communication Technology (ICT) service delivery

Digital Information and Security Policy Attestation

CSU has managed cyber security risks in a manner consistent with the Core Requirements set out in the NSW Government Digital Information Security Policy.

Risks to the information and systems of CSU have been assessed and are managed. ICT security takes a Defensible Security Program approach, one that is not based on or striving for absolute guarantees but an approach that is able to be defended. The Division of Information Technology Security Risk Assessment Team, the CSU Data Security and Governance Committee, are in place to manage CSU's cyber-security maturity and initiatives with oversight provided by the Finance Audit and Risk Committee. CSU has in place a Privacy Breach Response Process that has been tested during 2018. The Division of Information Technology also has a well-established Critical Incident Response process.

In 2018, with the assistance of an independent cybersecurity partner, CSU continued the implementation of its Information Security Management System (ISMS). Risk assessments were conducted against the 14 systems, applications and the supporting infrastructure identified as the most valuable or operationally vital to CSU. A risk treatment plan has been developed with a number of concurrent projects underway or planned.

During the year, CSU also commissioned two independent security penetration tests to identify exploitable security vulnerabilities in ICT systems. Two critical vulnerabilities were found and immediate steps taken to mitigate those vulnerabilities.

A security awareness programme, including mandatory security awareness training for all CSU staff, was in operation throughout the year. CSU continued to engage with the cyber security community during 2018 with partnerships and memberships with CAUDIT, ACSC, OAIC, AusCert and AARNet.

Item 20. Compliance statement

Statement of Compliance with the Voluntary Code of Best Practice for the Governance of Australian Universities.

No	Item	Compliance
1	A university should have its objectives and/or functions specified in its enabling legislation.	The objects and functions of the university are set out in section 7 of the <i>Charles Sturt University Act 1989</i> . The university complies with this standard.
2	<p>A university's governing body should adopt a statement of its primary responsibilities to include:</p> <p>(a) appointing the Vice-Chancellor as the Chief Executive Officer of the university and monitoring his/her performance;</p> <p>(b) appointing other senior officers of the university as considered appropriate;</p> <p>(c) approving the mission and strategic direction of the university, as well as the annual budget and business plan;</p> <p>(d) overseeing and reviewing the management of the university and its performance;</p> <p>(e) establishing policy and procedural principles, consistent with legal requirements and community expectations;</p> <p>(f) approving and monitoring systems of control and accountability, including general overview of any controlled entities (as defined in s.50AA of the <i>Corporations Act</i>);</p> <p>(g) overseeing and monitoring the assessment and management of risk across the university, including commercial undertakings;</p> <p>(h) overseeing and monitoring the academic activities of the university; and</p> <p>(i) approving significant commercial activities of the university.</p> <p>A university's governing body, while retaining its ultimate governance responsibilities, may have an appropriate system of delegations to ensure the effective discharge of these responsibilities.</p>	<p>The primary responsibilities of the Council are set out in section 19 of the <i>Charles Sturt University Act 1989</i> and the University Governance Charter.</p> <p>The University Governance Charter was first adopted in 2012 and is regularly reviewed to ensure it reflects best practice in governance.</p> <p>The Council appoints the Vice-Chancellor as Principal Executive Officer in accordance with section 12 of the <i>Charles Sturt University Act 1989</i>.</p> <p>The Council appoints key senior officeholders in accordance with the delegations conferred under section 20 of the <i>Charles Sturt University Act 1989</i> and as described in the Delegations and Authorisations Policy approved by the Council.</p> <p>The University complies with this standard.</p>
3	<p>A university should have the duties of the members of its governing body and sanctions for the breach of these duties specified in its enabling legislation. Other than the Chancellor, the Vice-Chancellor and Presiding Member of the Academic Board each member should be appointed or elected ad personam. All members of the governing body should be responsible and accountable to the governing body. When exercising the functions of a member of the governing body, a member of the governing body should always act in the best interests of the university.</p> <p>Duties of members should include the requirements to:</p> <p>(a) act always in the best interests of the university as a whole, with this obligation to be observed in priority to any duty a member may owe to those electing or appointing him or her;</p> <p>(b) act in good faith, honestly and for a proper purpose;</p> <p>(c) exercise appropriate care and diligence;</p> <p>(d) not improperly use their position to gain an advantage for themselves or someone else; and</p> <p>(e) disclose and avoid conflicts of interest (with appropriate procedures for that purpose similar to those for public companies).</p> <p>There should be safeguards, exemptions and protections from members of a university's governing body for matters or things done or omitted in good faith in pursuance of the relevant legislation. Without limitation, this should include safeguards, exemptions and protections as are the equivalent of those that would be available were the member a director under the <i>Corporations Act</i>. A university (with the exception of those subject to the <i>Corporations Act</i>) should have a requirement included in its enabling legislation that its governing body has the power (by a two-thirds majority) to remove any member of the governing body from office if the member breaches the duties specified above. A member should be required, automatically, to vacate the office if he or she is, or becomes disqualified from acting as a Director of a company or managing corporations under Part 2D.6 of the <i>Corporations Act</i>.</p>	<p>The duties of members are specified in section 24F and Schedule 3 of the <i>Charles Sturt University Act 1989</i>. Members are appointed ad personam and this duty is dealt with during induction of all new members.</p> <p>Sanctions for breach of a member's duties are set out in section 24G of the <i>Charles Sturt University Act 1989</i>.</p> <p>The Council may remove a member by a two third majority under clause 24G of the <i>Charles Sturt University Act 1989</i>.</p> <p>Clause 5 of Schedule 1 of the <i>Charles Sturt University Act 1989</i> provides that a member will not be personally liable for any act or omission done in good faith.</p> <p>A member is required to vacate his or her position if he or she is disqualified from acting as a Director of a company or managing a corporation.</p> <p>The University complies with this standard.</p>

No	Item	Compliance
4	<p>If permitted by its enabling legislation, a university should develop procedures;</p> <p>(a) to provide that the Chancellor and Deputy Chancellor hold office subject to retaining the confidence of the governing body; and</p> <p>(b) to deal with removal from office if the governing body determines such confidence is no longer held.</p>	<p>Section 11 A of the <i>Charles Sturt University Act 1989</i> provides for the removal of the Chancellor and/or Deputy Chancellor if they have lost the confidence of the Council.</p> <p>The University complies with this standard.</p>
5	<p>Each governing body should make available a programme of induction and professional development for members to build the expertise of the governing body and to ensure that all members are aware of the nature of their duties and responsibilities.</p>	<p>A comprehensive induction process is undertaken for new members of Council. A number of resources, including an Induction Manual, are provided to members at the induction session for their records and future reference. Opportunities for professional development are identified annually and offered to members via an 'expression of interest' format.</p> <p>The University complies with this standard.</p>
6	<p>On a regular basis, at least once each two years, the governing body should assess its performance, the performance of its members and the performance of its committees. The Chancellor should have responsibility for organising the assessment process, drawing on external resources if required. On an annual basis, the governing body should also review its conformance with this Code of Best Practice and identify needed skills and expertise for the future.</p>	<p>The Council conducts a self-assessment of its performance at least every two years. The Council undertook a comprehensive self-assessment process using the Australian Institute of Company Director's GAT (Governance Analysis Tool) in August 2018. The next review is scheduled for August 2020.</p> <p>The University Council reviews its compliance with the Code of Best Practice on an annual basis.</p> <p>The University has a defined process for identifying needed skills and expertise for the future.</p> <p>The University complies with this standard.</p>
7	<p>The size of the governing body should not exceed 22 members. There should be at least two members having financial expertise (as demonstrated by relevant qualifications and financial management experience at a senior level in the public or private sector) and at least one member with commercial expertise (as demonstrated by relevant experience at a senior level in the public or private sector).</p> <p>Where the size of the governing body is limited to less than 10 members, one member with financial expertise and one with commercial expertise would be considered as meeting the requirements.</p> <p>There should be a majority of external members who are neither enrolled as a student nor employed by the university. There should not be current members of any State or Commonwealth parliament or legislative assembly other than where specifically selected by the governing body itself.</p>	<p>The size of the Council is constituted by a minimum of 11 and maximum of 22 members under the <i>Charles Sturt University Act 1989</i>, and in 2018 comprised of 15 members under the Governance (Constitution) Rule 2012. The Council must have a majority of external members and that two members must possess financial qualifications and expertise and one member must possess commercial expertise in conformance with the Code of Practice. The Council complies with this requirement with respect to its membership.</p> <p>The University complies with this standard.</p>
8	<p>A university should adopt systematic procedures for the nomination of prospective members of the governing body for those categories of members that are not elected. The responsibility for proposing such nominations for the governing body may be delegated to a nominations committee of the governing body that the Chancellor would ordinarily chair.</p> <p>Members so appointed should be selected on the basis of their ability to contribute to the effective working of the governing body by having needed skills, knowledge and experience, an appreciation of the values of a university and its core activities of teaching and research, its independence and academic freedom and the capacity to appreciate what a university's external community needs from it.</p> <p>To provide for the introduction of new members consistent with maintaining continuity and experience, members' terms should generally overlap and governing bodies should establish a maximum continuous period to be served. This should not generally exceed 12 years unless otherwise specifically agreed by the majority of the governing body.</p>	<p>The Council has systematic procedures for the nomination of prospective members to the Council.</p> <p>The Council has adopted selection criteria that require that members should be selected on the basis of their ability to contribute to the effective working of the governing body by having needed skills, knowledge and experience, an appreciation of the values of a university and its core activities of teaching and research, its independence and academic freedom and the capacity to appreciate what a university's external community needs from it.</p> <p>The Act requires that there must be a balance of new and experienced members, and that a member's term must not exceed 12 years unless otherwise specifically agreed by a majority of the Council.</p> <p>The University complies with this standard.</p>

No	Item	Compliance
9	A university should codify its internal grievance procedures and publish them with information about the procedure for submitting complaints to the relevant ombudsman or the equivalent relevant agency.	<p>The University's Complaints Policy sets out the policy for the management of concerns, complaints and grievances and is supported by codified procedures for dealing with such grievances.</p> <p>The Complaints Policy and related procedures are published in the Charles Sturt University Policy Library at www.csu.edu.au/policy.</p> <p>The University complies with this standard.</p>
10	The annual report of a university should be used for reporting on high level outcomes.	<p>The Annual Report details high level objectives and outcomes of the University during the reporting period.</p> <p>The University complies with this standard.</p>
11	The annual report of a university should include a report on risk management within the organisation.	<p>The Annual Report includes a report on risk management within the University.</p> <p>The University complies with this standard.</p>
12	<p>The governing body should oversee controlled entities by:</p> <p>(a) ensuring that the entity's board possesses the skills, knowledge and experience necessary to provide proper stewardship and control of the entity;</p> <p>(b) appointing some directors to the board of the entity who are not members of the governing body or officers or students of the university;</p> <p>(c) ensuring that the board of the entity adopts and regularly evaluates a written statement of its own governance principles;</p> <p>(d) ensuring that the board documents a clear corporate and business strategy which reports on and updates annually the entity's long-term objectives and includes an annual business plan containing achievable and measurable performance targets and milestones; and</p> <p>(e) establishing and documenting clear expectations of reporting to the governing body, such as a draft business plan for consideration and approval before the commencement of the financial year and at least quarterly reports against the business plan.</p>	<p>Section 19A of the Act requires that the Council oversight of controlled entities is consistent with the standards.</p> <p>Reports from the University's controlled entities are provided to the Council through its Finance, Audit and Risk Committee. Financial operations of the entities are also incorporated into reports to the Finance, Audit and Risk Committee.</p> <p>The University complies with this standard.</p>
13	A university should assess the risk arising from its involvement in the ownership of any entity (including an associated company as defined in the Accounting Standards issued by the Australian Accounting Standards Board), partnership and joint venture. The governing body of a university should, where appropriate in light of the risk assessment, use its best endeavours to obtain an auditor's report (including audit certification and management letter) of the entity by a State, Territory or Commonwealth Auditor-General or by an external auditor.	<p>Refer to the Commercial Activities Policy in the Charles Sturt University Policy Library at www.csu.edu.au/policy.</p> <p>Assessment of risk and the value of the controlled entities of the University is monitored through the Council's Finance, Audit and Risk Committee.</p> <p>The Audit Office of NSW is the appointed external auditor of the University and its controlled entities. It provides an audit opinion and certifies the annual financial statements of the University (and its controlled entities). A management report is submitted annually to the University and is reviewed by the Council's Finance, Audit and Risk Committee.</p> <p>The University complies with this standard.</p>
14	A university should disclose in its Annual Report its compliance with this Code of Best Practice and provide reasons for any areas of non-compliance.	The University complies with this standard.

FINANCIAL REPORT

Item 21. Accounts payment performance

Table 21.1: Totals for 2018 (value)

	Paid in 30 days	Paid in 31–60 days	Paid in 61–90 days	Paid in 91+ days	Total
March	\$49,516,470.93	\$4,864,598.86	\$2,475,697.23	\$2,008,410.27	\$58,865,177.29
June	\$73,372,841.67	\$6,106,293.54	\$1,836,452.99	\$1,227,954.33	\$82,543,542.53
September	\$72,637,229.37	\$5,586,592.63	\$999,069.27	\$1,730,458.04	\$80,953,349.31
December	\$64,702,182.17	\$6,499,060.53	\$1,959,282.15	\$2,121,545.68	\$75,282,070.53
TOTAL	\$260,228,724.14	\$23,056,545.56	\$7,270,501.64	\$7,088,368.32	\$297,644,139.66

Table 21.2: Totals for 2018 (invoices)

	Paid in 30 days	Paid in 31–60 days	Paid in 61–90 days	Paid in 91+ days	Total
March	10,461	1,954	418	625	13,458
June	12,932	2,215	437	550	16,134
September	14,457	1,884	398	525	17,264
December	13,092	1,624	440	405	15,561
TOTAL	50,942	7,677	1,693	2,105	62,417

Table 21.3: Accounts paid on time within each quarter (value)

	Target	Actual	Paid in 30 days	Total amount paid
March	85%	84%	\$49,516,470.93	\$58,865,177.29
June	85%	89%	\$73,372,841.67	\$82,543,542.53
September	85%	90%	\$72,637,229.37	\$80,953,349.31
December	85%	86%	\$64,702,182.17	\$75,282,070.53
TOTAL	85%	87%	\$260,228,724.14	\$297,644,139.66

Table 21.4: Accounts paid on time within each quarter (invoices)

	Target	Actual	Paid in 30 days	Total amount paid
March	85%	78%	10,461	13,458
June	85%	80%	12,932	16,134
September	85%	84%	14,457	17,264
December	85%	84%	13,092	15,561
TOTAL	85%	82%	50,942	62,417

Note: There were two payments during 2018 where interest totalling \$1397.63 has been charged for late payment.

Item 22. Disclosure of controlled entities and subsidiaries

Please refer to note 36 of the financial statements (page 125) for details of the University's subsidiaries.

Item 23. Investment performance

The weighted average return on all investments was 4.62% and totalled \$16.19 million, net of fees and gross of unrealised gains and losses. Interest earnings were \$3.54 million while distributions from managed funds totalled \$14.25 million. Realised losses totalled \$1.21 million while the net movement in unrealised losses in the period totalled \$1.08 million.

CSU's investment strategy is overseen by a committee of the University Council. The current strategy has been in place since 2002. Prior to this, funds were generally invested in interest bearing deposits and bank bills.

The University utilises the services of numerous institutional fund managers to administer its medium and long term portfolios, excluding the University's legacy investments and cash products. These fund managers adopt appropriate benchmarking facilities and CSU has accepted these in accordance with its investment strategy requirements.

One-year investment performance

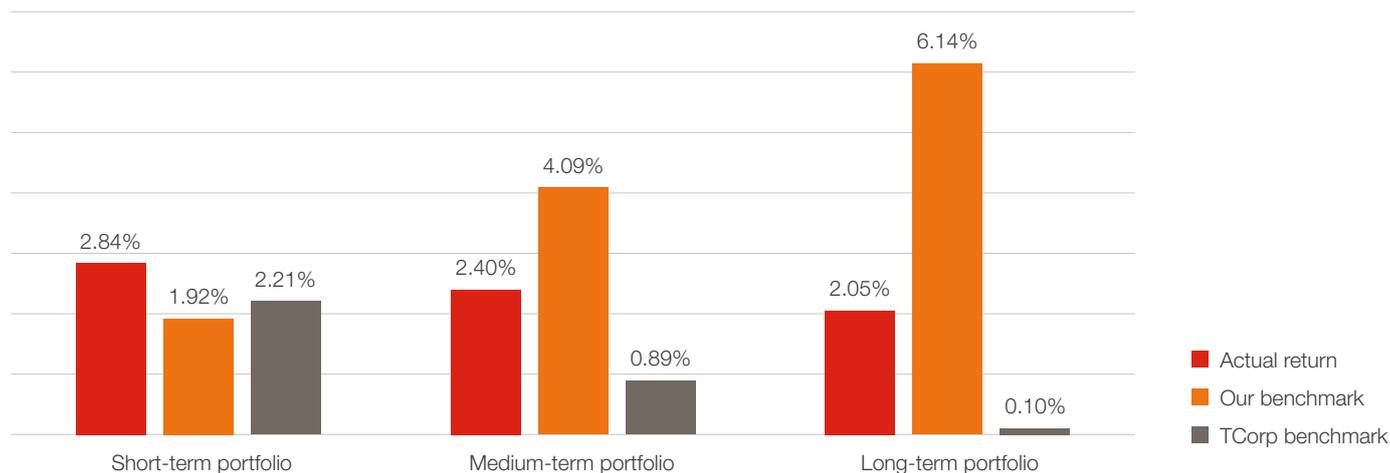


Table 23.1: Benchmarks

Portfolio	Our benchmark	TCorp benchmark
Short-term portfolio	Bloomberg AusBond Bank Bill Index	TCorp Strategic Cash Fund
Medium-term portfolio	90 day BBSW + 2%	TCorp Medium Term Fund
Long-term portfolio	CPI + 5%	TCorp Long Term Fund

Item 24. Economic or other factors

Both domestic and global economic conditions have an impact on CSU in its capacity as an education provider for Australian and international students, and as an employer, investor, borrower and procurer of goods and services.

Domestic economic conditions were subdued during 2018. The growth rate in the Australian economy was 2.8% which was below the expected growth rate forecast of 3.3%. The slowing of the economy is reflected in a fall in housing prices for most of the major capital cities.

The official cash interest rate has remained unchanged at 1.5% for 2018.

The share market (All Ordinaries Index) retreated below 6,000 points during the last two months of the year following concerns around a slowdown of growth in China, rising interest rates in the United States and the trade war between the U.S and China. There is an expectation of continued volatility in global investment markets throughout 2019.

Inflation remains low at 1.8% for 2018 and this is forecast to continue into 2019 or until there is a lift in wages growth and consumer confidence.

Labour market conditions have remained tight, characterised by very low growth in wages across Australia and this is also reflected in global labour markets.

These factors have contributed to a challenging year in a financial sense and the reduction in operating surplus is partially a reflection of these economic conditions despite operational objectives being met in 2018.

Item 25. Credit card certification

The Vice-Chancellor certified that credit card use during 2018 was managed in accordance with established requirements and practices.

Financials

Financial statements

Contents

Charles Sturt University Budgeted Financial Statements for the year ending 31 December 2018	55
Charles Sturt University Audited Statements for the year ending 31 December 2017	59
Independent Auditor's Report	60
Report by the Members of the Council for the year ending 31 December 2018	63
Statement by the Council	66
Income Statement	67
Statement of Comprehensive Income	68
Statement of Changes in Equity	69
Statement of Financial Position	71
Statement of Cash Flows	72
Notes to the Financial Statements	73
The Charles Sturt University Foundation Trust Audited Financial Statements for the year ending 31 December 2018	130
Independent Auditor's Report	131
Trustee's Report	134
Trustee's Declaration	135
Income Statement	136
Statement of Comprehensive Income	137
Statement of Financial Position	138
Statement of Changes in Equity	139
Statement of Cash Flows	140
Notes to the Financial Statements	141
Charles Sturt Campus Services Limited Audited Financial Statements for the year ending 31 December 2018	153
Independent Auditor's Report	154
Directors' Report	157
Auditor's Independence Declaration	160
Statement of Comprehensive Income	161
Statement of Financial Position	162
Statement of Changes in Equity	163
Statement of Cash Flows	164
Notes to the Financial Statements	165

Charles Sturt University

ABN 83 878 708 551

Budgeted Financial Statements for the year ending 31 December 2019

The budgeted financial statements for 2019 do not form part of the audited financial statements.

Charles Sturt University Budgeted Income Statement
For the year ending 31 December 2019

	Consolidated		Parent Entity	
	2019 Budget \$'000	2018 Actual \$'000	2019 Budget \$'000	2018 Actual \$'000
Income from continuing operations				
Australian Government Financial Assistance				
Australian Government grants	218,065	214,336	218,065	214,329
HELP - Australian Government payment	91,737	141,291	91,737	141,291
State and local Government financial assistance	-	1,777	-	1,777
HECS-HELP student payments	14,934	7,905	14,934	7,905
Fees and charges	214,958	209,801	207,023	209,481
Investment revenue	12,422	9,740	11,165	9,888
Royalties, trademarks and licences	-	11	-	11
Consultancies and contracts	2,237	6,946	2,237	6,946
Other revenue	32,252	19,194	31,652	18,048
Gain on disposal of available-for-sale financial investments	-	228	-	176
Total income from continuing operations	586,605	611,229	576,814	609,852
Expenses from continuing operations				
Employee related expenses	288,452	307,315	281,621	301,184
Depreciation and amortisation	42,030	40,584	42,000	40,554
Repairs and maintenance	11,219	9,589	11,219	9,558
Borrowing costs	1,100	978	1,100	978
Impairment of assets	-	2,458	-	2,458
Loss on disposal of property, plant & equipment	-	349	-	276
Deferred Superannuation Expense	-	389	-	389
Other Expenses	250,169	249,311	247,486	253,506
Total expenses from continuing operations	592,970	610,973	583,426	608,903
Operating result for the year	(6,364)	256	(6,612)	949

Charles Sturt University Budgeted Statement of Financial Position
For the year ending 31 December 2019

	Consolidated		Parent Entity	
	2019 Budget \$'000	2018 Actual \$'000	2019 Budget \$'000	2018 Actual \$'000
Assets				
CURRENT ASSETS				
Cash and cash equivalents	9,357	23,179	7,560	21,382
Receivables	29,000	49,891	29,000	49,768
Inventories	4,000	3,016	4,000	3,016
Other financial assets	110,000	75,558	110,000	75,558
Other non-financial assets	312	9,288	312	9,288
Non-current assets held for sale	-	1,859	-	1,859
Total current assets	152,669	162,791	150,872	160,871
NON-CURRENT ASSETS				
Receivables	400,100	390,746	400,100	390,746
Other financial assets	256,955	267,030	240,000	250,185
Property, plant and equipment	889,302	784,364	889,146	784,211
Intangible assets	3,000	2,426	3,000	2,422
Other assets	5,000	4,848	5,000	4,848
Total non-current assets	1,554,357	1,449,414	1,537,246	1,432,412
Total assets	1,707,026	1,612,205	1,688,118	1,593,283
Liabilities				
CURRENT LIABILITIES				
Trade and other payables	30,000	24,818	30,000	24,725
Borrowings	3,300	1,692	3,300	1,692
Provisions	58,220	79,479	57,500	78,641
Other liabilities	39,400	33,012	39,400	33,012
Total current liabilities	130,920	139,001	130,200	138,070
NON-CURRENT LIABILITIES				
Borrowings	31,100	39,767	31,100	39,767
Provisions	420,818	407,274	420,700	407,274
Other liabilities	-	4,182	-	4,182
Total non-current liabilities	451,918	451,223	451,800	451,223
Total liabilities	582,838	590,224	582,000	589,293
Net assets	1,124,189	1,021,981	1,106,118	1,003,990
Equity				
Reserves	391,538	342,464	391,538	342,464
Retained earnings	732,651	679,517	714,580	661,526
Total Equity	1,124,189	1,021,981	1,106,118	1,003,990

Charles Sturt University Budgeted Statement of Cash Flows
For the year ending 31 December 2019

	Consolidated		Parent Entity	
	2019 Budget \$'000	2018 Actual \$'000	2019 Budget \$'000	2018 Actual \$'000
Cash flows from operating activities				
Australian Government Grants	309,802	355,627	309,802	355,620
State Government Grants	-	1,777	-	1,777
HECS-HELP Student payments	14,934	7,905	14,934	7,905
Receipts from students fees and other customers	227,439	225,513	218,912	224,040
Distributions Received	10,201	15,336	8,944	14,249
Interest Received	2,221	3,567	2,221	3,539
GST recovered	22,000	21,088	22,000	21,088
Payments to suppliers	(251,710)	(272,858)	(249,026)	(277,048)
Payments to employees	(280,737)	(289,264)	(273,906)	(283,240)
Interest paid	(1,100)	(978)	(1,100)	(978)
Net cash provided by operating activities	53,052	67,713	52,782	66,952
Cash flows from investing activities				
Proceeds from sale of property, plant and equipment	2,298	3,538	1,859	3,555
Payments for property, plant and equipment	(80,124)	(41,806)	(80,124)	(41,734)
Proceeds from sale of financial assets	203,351	198,891	203,351	195,355
Payments for financial assets	(191,943)	(224,777)	(191,690)	(219,910)
Net cash used in investing activities	(66,418)	(64,154)	(66,604)	(62,734)
Cash flows from financing activities				
Increase in finance lease commitments	-	(1,496)	-	(1,496)
Net increase in borrowings		1,744		1,744
Net cash used in financing activities	-	248	-	248
Net increase / (decrease) in cash and cash equivalents	(13,366)	3,807	(13,822)	4,466
Cash and cash equivalents at the beginning of the financial year	22,723	19,372	21,382	16,916
Cash and cash equivalents at the end of the financial year	9,357	23,179	7,560	21,382

Charles Sturt University

ABN 83 878 708 551

Audited Financial Statements for the year ending 31 December 2018



INDEPENDENT AUDITOR'S REPORT

Charles Sturt University

To Members of the New South Wales Parliament

Opinion

I have audited the accompanying financial statements of Charles Sturt University (the University), which comprise the Income Statement, Statement of Comprehensive Income, and the Statement of Changes in Equity For the Year Ended 31 December 2018, the Statement of Financial Position As at 31 December 2018, and the Statement of Cash Flows for the year then ended, Notes to the Financial Statements comprising a Summary of Significant Accounting Policies and other explanatory information of the University and consolidated entity. The consolidated entity comprises the University and the entities it controlled at the year's end or from time to time during the financial year.

In my opinion, the financial statements:

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

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

Basis for Opinion

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

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

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

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

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

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

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

Other Information

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

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

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

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

I have nothing to report in this regard.

University Council's Responsibilities for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

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

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

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

My opinion does *not* provide assurance:

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



Margaret Crawford
Auditor-General of NSW

15 April 2019
SYDNEY

Report by the Members of the Council For the Year Ended 31 December 2018

The members of the University Council present their report on the consolidated entity consisting of Charles Sturt University and the entities (the Group) it controlled at the end of, or during, the year ended 31 December 2018.

Meetings of Members

For the year ended 31 December 2018, the number of meetings of the University Council and committees, as well as these meetings attended by each member were:

	University Council		Nomination and Remuneration Committee		Finance, Audit and Risk Committee		Investment Committee		Chancellor's Foresighting Committee	
	A	B	A	B	A	B	A	B	A	B
Dr Michele Allan	8	8	3	3	-	-	1	1	20	16
Mr Peter Hayes AM	8	8	3	3	6	4	-	-	20	20
Professor Andrew Vann*	8	8	3	3	-	-	-	-	20	19
Ms Saranne Cooke	8	8	-	-	1	1	3	3	4	4
Mrs Jennifer Hayes	8	7	-	-	6	5	-	-	-	-
Mr Graeme Bailey	8	8	-	-	-	-	4	4	-	-
Mr Neville Page	8	7	-	-	6	5	-	-	-	-
Professor Max Finlayson	3	-	2	-	-	-	-	-	11	10
Mr Jamie Newman	8	6	3	3	-	-	-	-	-	-
Ms Lisa Schofield	8	5	-	-	-	-	4	2	-	-
Dr Susan Wood	3	3	2	2	-	-	-	-	-	-
Ms Liz Smith	3	2	-	-	-	-	-	-	-	-
Dr Kate Cornick	8	7	-	-	6	5	-	-	-	-
Ms Julie Cleary	5	5	-	-	2	1	-	-	-	-
Dr Rowan O'Hagan	3	3	2	2	3	3	-	-	-	-
Associate Professor Shokoofeh Shamsi	6	3	-	-	-	-	-	-	-	-
Ms Elise McMahon	8	6	-	-	-	-	-	-	-	-
Mr Peter Woodgate	8	7	2	1	-	-	-	-	-	-
Professor Jo-Anne Reid**	-	-	-	-	-	-	-	-	-	-
Emeritus Professor Joyce Kirk	4	4	1	-	-	-	-	-	7	7
Professor Phillip Hider	-	-	-	-	-	-	-	-	2	2
Mr John Honan	-	-	-	-	-	-	4	4	-	-
Professor Toni Downes	-	-	-	-	-	-	-	-	1	1
Mr Jason Beddow	-	-	-	-	-	-	4	2	-	-

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

* The Vice-chancellor was an attendee of the Finance, Audit and Risk committee and the Investment Committee meetings

** Professor Jo-Anne Reid was on leave until her term ended on 30/06/2018

Members

The following persons were members of the University Council of Charles Sturt University during the year and up to the date of this report:

Names	Position	Appointed/End of Term
Dr Michele Allan	Chancellor	(IC) Term ended 1/3/2018
Mr Peter Hayes	Deputy Chancellor	
Professor Andrew Vann	Vice-Chancellor	
Emeritus Professor Joyce Kirk	Presiding Officer, Academic Senate	(CNL) Term commenced 28 September 2018 (NRC) Term commenced 28 September 2018 (CFC) Term commenced 28 September 2018
Ms Saranne Cooke	Ministerial appointee (s 8H(1))	(FARC) Term ended 1/3/2018 (IC) Term commenced 1/3/2018
Ms Jennifer Hayes	Ministerial appointee (s 8H(1))	
Mr Graeme Bailey	(Council appointee (s 8G(1)))	
Dr Kate Cornick	(Council appointee (s 8G(1)))	(CNL) Term commenced 1/2/2018 (FARC) Term commenced 1/3/2018
Mr Neville Page	(Council appointee (s 8G(1)))	
Dr Peter Woodgate	(Council Appointee (s 8G(1)))	(CNL) Term commenced 1/2/2018 (NRC) term commenced 1/5/2018
Mr Jamie Newman	(Council appointee (s 8F(1)))	
Ms Lisa Schofield	(Council appointee (s 8F(1)))	
Associate Professor Shokoofeh Shamsi	Elected (Academic Staff) Member (s 8E(2)(a))	(CNL) Term commenced 1/7/2018
Ms Julie Cleary	Elected (General Staff) Member (s 8E(2)(b))	(CNL) Term commenced 1/7/2018 (FARC) Term commenced 9/8/2018
Ms Elise McMahan	Elected (Student) Member (s 8E(2)(c))	(CNL) Term commenced (re-elected) 1/7/2018
Associate Professor Sue Wood	Elected (Academic Staff) Member (s 8E(2)(a))	(CNL) Term ended 30/06/2018
Ms Liz Smith	Elected (General Staff) Member (s 8E(2)(b))	(CNL) Term ended 30/06/2018
Dr Rowan O'Hagan	Council appointee (s 8F(1))	(CNL) Term ended 30/06/2018
Professor Max Finlayson	Acting Presiding Officer, Academic Senate	(CNL) Term ended 30/06/2018
Mr Jason Beddow	External appointee	
Mr John Honan	External appointee	
Professor Jo-Anne Reid	Presiding Officer, Academic Senate	(CNL) Term ended 30/06/2018

Principal Activities

The University's strategic direction is to deliver successful graduates, build vibrant regional communities and strengthen its capabilities

During the year, the principal continuing activities of the University and its controlled entities consisted of:

- The provision of distinctive education programs and the preparation of students for work and successful careers, a meaningful life and as contributing and caring citizens.
- Strategic and applied research activities that impact our local communities.
- Building strong, vibrant regional communities with intellectual capital, social capital and infrastructure. The University strives to enhance communities of inland Australia, indigenous Australia and national and international institutions to which our staff and students are linked.
- The continued enhancement of its capability and its workforce to develop a strong and engaged university.

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

Review of Operations

The Group recorded a net result from continuing operations of \$0.256 million for the year ended 31 December 2018, compared to \$31.0 million in 2017. Total assets as at 31 December 2018 were \$1,620 million compared to \$1,559 million as at December 2017.

Significant Changes in the State of Affairs

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

Matter Subsequent to the End of the Financial Year

No matters or circumstances arose since the end of the financial year which significantly affected or could significantly affect the past results of the operations of the Group, or the future operating results or the state of affairs of the Group.

Likely Developments and Expected Results of Operations

There are no expected developments as at the reporting date that would likely impact the expected results of the operation for the University and its subsidiaries.

Environmental Regulation

Charles Sturt University has an obligation to report its scope 1 and 2 greenhouse gas emission and energy consumption to the Clean Energy Regulator under the National Greenhouse and Energy Reporting Act 2007.

The University is working towards the implementation of a series of voluntary environmental sustainability targets as part of its University Strategy. In 2018, the University commenced a program to expand on its existing collection of roof-mounted solar energy systems at its Albury-Wodonga, Bathurst, Dubbo and Orange Campuses. These works form a significant component of the University's target of a financially-viable Clean Energy Strategy - to be delivered by 2030 – which will ideally see the University eliminate all scope 1 and 2 emissions at the source by transitioning to 100% renewable energy. In addition to these strategies to improve the organisation's operational efficiencies, the University is also working on the integration of sustainability content into all courses to contribute towards the Graduate Learning Outcomes. The University proactively seeks opportunities to partner with its local and regional communities to build a more sustainable future.

Insurance of Officers

Members of Council are covered by the following insurance policies:

- Management Liability Policy
- Chubb Insurance Company of Australian Limited - Policy No. 93315347 - Expiry date 1 November 2019
- Group Personal Accident Policy
- AIG Australia Limited - Policy number: 2200103646 - Expiry date 1 November 2019

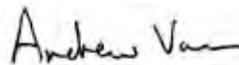
Proceedings on Behalf of Charles Sturt University

The University is not aware of any legal proceedings at the date of this report.

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



.....
Dr Michele Allan
Chancellor



.....
Professor Andrew Vann
Vice-Chancellor

Bathurst, New South Wales, Australia

11 April 2019

Charles Sturt University

ABN: 83 878 708 551

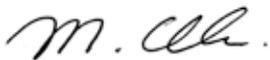
Statement by the Council For the year ended 31 December 2018

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

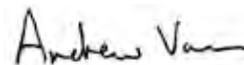
1. The financial reports present a true and fair view of the financial position of the University and its controlled entities at 31 December 2018 and the results of its operations and transactions of the Group for the year then ended;
2. The financial reports have been prepared in accordance with the provisions of the New South Wales Public Finance and Audit Act 1983, the Public Finance and Audit Regulation 2015, the Australian Charities and Not-for-profits Commission Act 2012 and the Financial Statement Guidelines for Australian Higher Education Providers for the 2015 Reporting Period;
1. The financial reports have been prepared in accordance with Australian Accounting Standards and Interpretations; and
2. We are not aware of any circumstances which would render any particulars included in the financial reports to be misleading or inaccurate.

In addition to the above, we state that:

1. There are reasonable grounds to believe that the Group will be able to pay its debts as and when they fall due;
2. The University charged Student Services and Amenities Fees strictly in accordance with the Higher Education Support Act 2003 and the Administration Guidelines made under the Act. Revenue from the fee was spent strictly in accordance with the Act and only on services and amenities specified in subsection 19-38(4) of the Act; and
3. The amount of Commonwealth financial assistance expended during the reporting period was for the purposes for which it was granted.



.....
Dr Michele Allan
Chancellor



.....
Professor Andrew Vann
Vice-Chancellor

Dated 11 April 2019

Income Statement

For the Year Ended 31 December 2018

	Notes	Consolidated		Parent	
		2018	2017	2018	2017
		\$'000	\$'000	\$'000	\$'000
Income from continuing operations					
Australian Government financial assistance					
Australian Government grants	2	214,336	211,845	214,329	211,835
HELP - Australian Government Payment	2.b	141,291	132,655	141,291	132,655
State and local Government financial assistance	3	1,777	3,525	1,777	3,525
Fees and charges	4	209,801	201,083	209,481	200,705
HECS-HELP - Student Payments		7,905	10,907	7,905	10,907
Consultancy and contracts	7	6,946	7,719	6,946	7,719
Investment revenue	5	9,740	13,360	9,888	12,277
Royalties, Trademarks and Licences	6	11	14	11	14
Other revenue	8	19,194	16,715	18,048	15,900
Gains on disposal of assets		228	1351	176	859
Total income from continuing operations		611,229	599,174	609,852	596,396
Expenses from continuing operations					
Employee Related Expenses	9	307,315	288,527	301,184	283,056
Depreciation and amortisation	10	40,584	40,779	40,554	40,767
Repairs and maintenance	11	9,589	9,453	9,558	9,427
Borrowing costs	12	978	988	978	988
Impairment of assets	13	2,458	1,840	2,458	1,770
Loss on disposal of assets		349	87	276	-
Deferred Superannuation expense	9	389	(139)	389	(139)
Other expenses	14	249,311	226,611	253,506	230,609
Total expenses from continuing operations		610,973	568,146	608,903	566,478
Net result from continuing operations		256	31,028	949	29,918

The accompanying notes form part of these financial statements.

Statement of Comprehensive Income For the Year Ended 31 December 2018

	Note	Consolidated		Parent	
		2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Net result for the period		256	31,028	949	29,918
Items that may be reclassified to profit or loss					
Gain on value of available for sale financial assets		-	9,331	-	9,018
Items that will not be reclassified to profit or loss					
Gain on revaluation of land, buildings and infrastructure		24,972	12,616	24,972	12,616
Transfer in - Joint Operation		-	-	599	-
Transfer to asset - amortised cost (AASB 9)		(509)	-	(504)	-
Transfer to retained earnings (AASB 9)		13,231	-	10,827	-
Transfer from reserves (AASB 9)		(13,199)	-	(10,795)	-
Revaluation of financial assets		6,823	-	6,823	-
Total		31,318	12,616	31,922	12,616
Total other comprehensive income		31,318	21,947	31,922	21,634
Total comprehensive income		31,574	52,975	32,871	51,552

The accompanying notes form part of these financial statements.

Charles Sturt University

ABN: 83 878 708 551

Statement of Changes in Equity For the Year Ended 31 December 2018

2018		Parent		
	Notes	Reserves \$'000	Retained Earnings \$'000	Total \$'000
Balance at 1 January 2018		321,968	649,151	971,119
Transfers to asset - amortised cost (AASB 9)		(504)	-	(504)
Net result		-	949	949
Revaluation of Property, plant and equipment		24,972	-	24,972
Revaluation of Financial Assets		6,823	-	6,823
Transfers in - Joint Operation		-	599	599
Transfers to retained earnings (AASB 9)		(10,795)	10,827	32
Total comprehensive income		20,496	12,375	32,871
Balance at 31 December 2018		342,464	661,526	1,003,990

2017		Parent		
	Notes	Reserves \$'000	Retained Earnings \$'000	Total \$'000
Balance at 1 January 2017		300,334	619,233	919,567
Net result		-	29,918	29,918
Gain on revaluation of land, buildings and infrastructure		12,616	-	12,616
Gain on value of available for sale financial assets		9,018	-	9,018
Total comprehensive income		21,634	29,918	51,552
Balance at 31 December 2017		321,968	649,151	971,119

The accompanying notes form part of these financial statements.

Charles Sturt University

ABN: 83 878 708 551

Statement of Changes in Equity For the Year Ended 31 December 2018

2018		Consolidated		
	Note	Reserves \$'000	Retained Earnings \$'000	Total \$'000
Balance at 1 January 2018		324,377	666,030	990,407
Net result		-	256	256
Gain on revaluation of Financial Assets		6,823	-	6,823
Transfers to retained earnings (AASB 9)		(13,199)	-	(13,199)
Transfers to asset - amortised cost (AASB 9)		(509)	-	(509)
Revaluation of property, plant and equipment		24,972	-	24,972
Reclassification from available for sale to amortised cost investment		-	13,231	13,231
Total comprehensive income		18,087	13,487	31,574
Balance at 31 December 2018		342,464	679,517	1,021,981

2017		Consolidated		
	Note	Reserves \$'000	Retained Earnings \$'000	Total \$'000
Balance at 1 January 2017		302,430	635,002	937,432
Net result		-	31,028	31,028
Gain on revaluation of land, buildings and infrastructure		12,616	-	12,616
Gain on value of available for sale financial assets		9,331	-	9,331
Total comprehensive income		21,947	31,028	52,975
Balance at 31 December 2017		324,377	666,030	990,407

The accompanying notes form part of these financial statements.

Statement of Financial Position As at 31 December 2018

	Note	Consolidated		Parent	
		2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	15	23,179	19,372	21,382	16,916
Receivables	16	49,891	31,759	49,768	31,630
Inventories	17	3,016	2,975	3,016	2,975
Other financial assets	18	75,558	66,500	75,558	66,500
Other non-financial assets	21	9,288	9,690	9,288	9,690
Non-current assets held for sale		1,859	2,298	1,859	2,298
TOTAL CURRENT ASSETS		162,791	132,594	160,871	130,009
NON-CURRENT ASSETS					
Trade and other receivables	16	390,746	398,113	390,746	398,113
Other financial assets	18	267,030	256,192	250,185	238,785
Property, plant and equipment	19	784,364	763,997	784,211	763,881
Intangible assets	20	2,426	2,549	2,422	2,549
Other non-financial assets	21	4,848	5,554	4,848	5,554
TOTAL NON-CURRENT ASSETS		1,449,414	1,426,405	1,432,412	1,408,882
TOTAL ASSETS		1,612,205	1,558,999	1,593,283	1,538,891
LIABILITIES					
CURRENT LIABILITIES					
Trade and other payables	22	24,818	20,715	24,725	20,627
Borrowings	23	1,692	1,753	1,692	1,753
Provisions	24	79,479	63,787	78,641	63,055
Other liabilities	25	33,012	32,850	33,012	32,850
TOTAL CURRENT LIABILITIES		139,001	119,105	138,070	118,285
NON-CURRENT LIABILITIES					
Borrowings	23	39,767	39,458	39,767	39,458
Provisions	24	407,274	405,795	407,274	405,795
Other liabilities	25	4,182	4,234	4,182	4,234
TOTAL NON-CURRENT LIABILITIES		451,223	449,487	451,223	449,487
TOTAL LIABILITIES		590,224	568,592	589,293	567,772
NET ASSETS		1,021,981	990,407	1,003,990	971,119
EQUITY					
Reserves	26	342,464	324,377	342,464	321,968
Retained Earnings	26	679,517	666,030	661,526	649,151
TOTAL EQUITY		1,021,981	990,407	1,003,990	971,119

The accompanying notes form part of these financial statements.

Charles Sturt University

ABN: 83 878 708 551

Statement of Cash Flows For the Year Ended 31 December 2018

	Note	Consolidated		Parent	
		2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES:					
Australian Government Grants	2.g	355,627	344,500	355,620	344,490
OS-HELP (net)	2.g	-	(257)	-	(257)
State Government Grants		1,777	3,525	1,777	3,525
HECS-HELP - Student payments		7,905	10,907	7,905	10,907
Receipts from student fees and other customers		225,513	201,944	224,040	200,753
Dividend received		15,336	9,370	14,249	8,357
Interest received		3,567	3,890	3,539	3,837
GST recovered		21,088	19,034	21,088	19,034
Payments to suppliers		(272,858)	(255,296)	(277,048)	(259,327)
Interest paid		(978)	(988)	(978)	(988)
Payments to employees		(289,264)	(269,338)	(283,240)	(263,899)
Net cash provided by / (used in) operating activities	35	67,713	67,291	66,952	66,432
CASH FLOWS FROM INVESTING ACTIVITIES:					
Proceeds from sale of plant and equipment		3,538	5,485	3,555	5,516
Proceeds from sale of investment		198,891	282,070	195,355	278,536
Purchase of property, plant and equipment		(41,806)	(33,927)	(41,734)	(33,890)
Payments for financial assets		(224,777)	(356,598)	(219,910)	(351,863)
Net cash provided by / (used in) investing activities		(64,154)	(102,970)	(62,734)	(101,701)
CASH FLOWS FROM FINANCING ACTIVITIES:					
Repayment & proceeds from borrowings		1,744	(82)	1,744	(82)
Net increase (decrease) in finance lease commitments		(1,496)	(1,487)	(1,496)	(1,487)
Net cash provided by / (used in) financing activities		248	(1,569)	248	(1,569)
Net increase (decrease) in cash and cash equivalents held		3,807	(37,248)	4,466	(36,838)
Cash and cash equivalents at beginning of year		19,372	56,620	16,916	53,754
Cash and cash equivalents at end of financial year		23,179	19,372	21,382	16,916

The accompanying notes form part of these financial statements.

Charles Sturt University

ABN: 83 878 708 551

Notes to the Financial Statements

31 December 2018

1 Summary of Significant Accounting Policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years reported, unless otherwise stated. The financial statements include separate statements for Charles Sturt University as the parent and the consolidated entity consisting of Charles Sturt University and its subsidiaries. Charles Sturt University applies Tier 1 reporting requirements.

The principal address of Charles Sturt University is Panorama Avenue, Bathurst, New South Wales, Australia.

The financial statements are financial statements for the consolidated entity comprising the Charles Sturt University and its controlled entities. Separate financial statements for the Charles Sturt University as the parent entity have not been included as the consolidated financial statements do not differ materially from those of the parent entity. They are presented in Australian dollars.

a) Basis of Preparation

The annual financial statements are the general purpose financial statements of Charles Sturt University. They have been prepared on an accrual basis and comply with Australian Accounting Standards, the requirements of the Higher Education Support Act 2003 (Financial Statement Guidelines), the Public Finance and Audit Act 1983, and the Public Finance and Audit Regulation 2015.

Charles Sturt University is a not-for-profit entity and these statements have been prepared on that basis. Some of the Australian Accounting Standards requirements for not-for-profit entities are inconsistent with the IFRS requirements. The financial statements were authorised for issue by the members of Charles Sturt University Council on 11 April 2019.

- (i) Compliance with International Financial reporting Standards (IFRS)
- (ii) Historical cost convention

These financial statements have been prepared under the historical cost convention, but modified by the revaluation of financial assets, financial assets and liabilities which are stated at fair value (and adjusted through profit or loss), and the revaluation of certain classes of property, plant and equipment.

Notes to the Financial Statements

31 December 2018

1 Summary of Significant Accounting Policies

a) Basis of Preparation

(iii) Critical accounting estimates

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying Charles Sturt University's accounting policies. The estimates and underlying assumptions are reviewed on an ongoing basis.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed below:

- Estimated useful life assessments of property, plant and equipment assets (note 19)
- Measurement and recognition of employee benefits provisions (note 24)
- Impairment of trade and other receivables (note 16)
- Measurement of financial assets (note 28)

(iv) Rounding amounts

Amounts in the financial statements and notes to the financial statements have, unless otherwise stated, been rounded to the nearest thousand dollars.

(v) Comparative amounts

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

(vi) Foreign currency transactions and balances

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

(vii) Income Tax

The University is exempt from income tax under Division 50 of the Income Tax assessment Act 1997.

b) Principles of Consolidation

(i) Subsidiaries

The consolidated financial statements represent the financial statements of the parent entity, being the Charles Sturt University; and the assets, liabilities and results of all entities it controlled in accordance with AASB10 'Consolidated Financial Statements' at the end of or during the financial year, and are together referred to as the consolidation entity. Control is established when the parent is exposed to or has rights to variable returns from the involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity.

Intercompany transactions, balances and unrealised gains on transactions between group entities are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

A list of controlled entities is contained in Note 36 to the financial statements.

c) Goods and Services Tax (GST)

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

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

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

Notes to the Financial Statements

31 December 2018

1 Summary of Significant Accounting Policies

d) New Accounting Standards and Interpretations

The following standards have been issued but are not mandatory for 31 December 2018 reporting periods. The Charles Sturt University has elected not to early adopt any of these standards. The Charles Sturt University's assessment of the impact of these new Standards and Interpretations is set out below:

Standard	Application date	Implications
AASB2016-8	1 Jan 2019 (early adoption not permitted)	Provides guidance in implementing AASB9
AASB2017-1	1 Jan 2019 (early adoption permitted)	Minimal impact
AASB15	1 Jan 2019 (early adoption not permitted by the department)	See comments below
AASB16	1 Jan 2019 (early adoption not permitted by the department)	See comments below
AASB1058	1 Jan 2019 (early adoption not permitted by the department)	See comments below
AASB1059	1 Jan 2020 (early adoption not permitted by the department)	See comments below
AASB 2017-6	1 Jan 2019 [early adoption permitted]	Very minimal impact
AASB 2017-7	1 Jan 2019 [early adoption permitted]	Very minimal impact
AASB 2018-2	1 Jan 2019 [early adoption permitted]	Very minimal impact
AASB 2018-3	1 Jan 2019 [early adoption not permitted by the department]	Very minimal impact

In addition, at the date of authorisation of the financial statements the following IASB Standards and IFRIC Interpretations were on issue but not yet effective, but for which Australian equivalent Standards and Interpretations have not yet been issued: Amendments to References to the Conceptual Framework in IFRS Standards – 1 January 2020.

AASB1058 Income of Not-for-Profit Entities

The new standard requires the University to examine all forms of consideration received and categorise as either contract revenue (AASB 15), lease liability (AASB 16), financial Liability (AASB 9), provision, or decreases in other assets. All forms of consideration which do not meet these categories are recognised immediately as income.

In preparation for this new standard, the University has examined each of its income categories and has identified the items which fit the various broad categories identified above. In a number of instances, items which have previously been recognised as income will no longer meet the definition in the new standard and will have alternative accounting treatments. Whilst it is not possible to accurately predict the dollar amount impact on the financial reports, the overall impact on reporting is substantial and is further detailed over the page:

Notes to the Financial Statements

31 December 2018

1 Summary of Significant Accounting Policies

d) New Accounting Standards and Interpretations

The following items that have previously been recognised on receipt as income will require alternative accounting treatments as detailed in the table below:

Item	Estimated \$ Amount for 2019	New accounting treatment	Estimated Net Impact on Income Statement	Estimated impact on Statement of Financial Position
Research Scholarship Programs	\$0.4M	Treat as a liability as per AASB 9	A decrease in both income and expense – Nil net impact	A likely increase in liabilities depending on the timing of payments.
Research collaborator payments where the University is the lead organisation	\$6M	Treat as a liability as per AASB 9	A decrease in both income and expense – Nil net impact	A likely increase in liabilities depending on the timing of payments
NSW Police Constable Education – Scholarship Program	\$6M	Treat as a liability as per AASB 9	A decrease in both income and expense – Nil net impact	Nil. Scholarship payments are normally received and paid within the same financial year.
Grants & Contributions for creating a new asset	\$7.2M	Initially treated as a liability on receipt as per AASB 9 and recognised as revenue when the asset is ready for use.	Income will be recognised when the asset is constructed.	An increase in liabilities during the construction period.
Indigenous Student Success Program – Pool A funding – Scholarships	\$0.5M	Treat as a liability as per AASB 9	A decrease in both income and expense – Nil net impact	A likely increase in liabilities depending on the timing of payments
University Department of Rural Health - Scholarships	\$0.7M	Treat as a liability as per AASB 9	A decrease in both income and expense – Nil net impact	A likely increase in liabilities depending on the timing of payments

AASB15 Revenue from Contracts with Customers

AASB 15 requires the University to identify revenue resulting from contracts where there are specific performance obligations to customers in the delivery of programs or activities. This will include revenue from student fees and grants which contain sufficiently specific performance obligations.

Income is recognised when the performance obligation is satisfied. The portion of the payment received for which the performance obligation has not been met will be treated as a liability.

The new standard represents a change in accounting treatment for many of the revenue sources of the University including specific purpose grants and research contracts where revenues recognised will be more closely aligned with expenditure.

The financial impact is going to be dependent on the timing and level of grants and other contact revenue received and the rate at which these funds are expended during the financial year. As there are many variables some of which are outside the direct control of the university, it is not possible to predict the impact on the financial result of these changes.

AASB16 Leases

AASB16 introduces a significant change to the way lessees recognise leases. It provides a single lease model that recognises most types of leases on the balance sheet. The new standard also outlines a number of points of judgment including 'assessing reasonable certainty' for determining the lease term and 'identifying if a lease exists' in circumstances where control over a site is non-exclusive.

The University has assessed each lease in accordance with the criteria contained within AASB16 and the choices available for recognition.

Notes to the Financial Statements

31 December 2018

1 Summary of Significant Accounting Policies

d) New Accounting Standards and Interpretations

The value of assets is likely to increase by approximately \$38.5M on 1 January (principally Port Macquarie student Accommodation and Parramatta leases) and the value of liabilities will increase by \$38.4M.

The University will apply the modified retrospective adoption at the time of adoption. This means that the cumulative effect of initially applying the standards will be initially recognised as an adjustment to the opening balance of retained earnings on 1 January 2019 and will not result in the restatement of FY 2018 comparative financial information.

Charles Sturt University has implemented the following new and revised standards and interpretations that are relevant to its operations and effective for the current reporting period;

e) Initial application of AASB 9 Financial Instruments

AASB 9 Financial Instruments

Initial application of AAS

Adoption of AASB9 and Interpretation 22 is made in accordance with the transitional provisions. The nature and effect of the changes as a result of adoption of these new accounting standards and interpretations are described below.

AASB9 Financial Instruments

AASB9 Financial Instruments replaces AASB139 Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

The University has applied AASB9 retrospectively with an initial application date of 1 January 2018. The University has not restated the comparative information, which continues to be reported under AASB139. Differences arising from the adoption of AASB9 have been recognised directly in retained earnings, other components of equity, and other financial assets. The nature and effect of the changes as a result of adoption of AASB9 are described below:

Impact on the statement of financial position (increase/(decrease)):

	Consolidated		Parent entity	
	Ref adjustments	1 January 2018 \$'000	Ref adjustments	1 January 2018 \$'000
Assets				
Other financial assets	(i)	(509)	(i)	(504)
Total assets		(509)		(504)
Liabilities				
Total liabilities		-		-
Total adjustments on equity				
Retained earnings	(i)	13,199	(i)	10,795
Financial assets revaluation reserve		(13,708)		(11,299)

(i) Classification and measurement

Under AASB9, debt instruments are subsequently measured at fair value through profit or loss, amortised cost, or fair value through OCI. The classification is based on two criteria: the University's business model for managing the assets; and whether the instruments' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding.

The assessment of the University's business model was made as of the date of initial application, 1 January 2018.

The assessment of whether contractual cash flows on debt instruments are solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.

The classification and measurement requirements of AASB9 did not have a significant impact to the university. The University continued measuring at fair value all non-debt financial assets previously held at fair value under AASB139.

The following are the changes in the classification of the University's financial assets:

Notes to the Financial Statements

31 December 2018

1 Summary of Significant Accounting Policies

e) Initial application of AASB 9 Financial Instruments

AASB 9 Financial Instruments

- Trade receivables and other non-current financial assets (i.e., Loan to an associate and Loan to a director) classified as Loans and receivables as at 31 December 2017 are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. These are classified and measured as Debt instruments at amortised cost beginning 1 January 2018.
- Quoted debt instruments classified as Available-for-sale (AFS) financial assets as at 31 December 2017 are classified and measured as Debt instruments through OCI beginning 1 January 2018. Quoted debt instruments are regular government and corporate bonds that passed the SPPI test. The university expects to hold the assets to collect contractual cash flows.
- Equity investments in non-listed companies classified as AFS financial assets as at 31 December 2017 are classified and measured as Equity instruments designated at fair value through OCI beginning 1 January 2018. The University elected to classify irrevocably its non-listed equity investments under this category at the date of initial application as it intends to hold these investments for the foreseeable future. There were no impairment losses recognised in profit or loss for these investments in prior periods.
- All remaining investments classified as AFS financial assets as at 31 December 2017 are classified and measured as Financial assets at fair value through profit or loss beginning 1 January 2018.

As a result of the change in classification of the university's investments, the AFS reserve of \$29,818,248 related to those investments that were previously presented under accumulated OCI, was reclassified to retained earnings (\$13,199,456) and other financial assets (\$509,292) as at 1 January 2018. The remaining amount of AFS reserve of \$16,110,000 was reclassified to fair value reserve of financial assets at fair value through OCI.

The University has not designated any financial liabilities as at fair value through profit or loss. There are no changes in classification and measurement for the University's financial liabilities.

In summary, upon the adoption of AASB9, the University had the following required or elected reclassifications as at 1 January 2018.

AASB9 measurement category

	\$'000	Fair value through profit or loss	Amortised cost	Fair value through OCI
AASB139 measurement category				
Available for sale	-	-	-	-
Listed equity investments	229,876	229,876	-	-
Non-listed equity investments	16,109	-	-	16,109
Quoted debt instruments	2,206	-	2,206	-
Held to Maturity	74,500	-	74,500	-
Equity Reserve	(509)	-	(509)	-
	322,182	229,876	76,197	16,109

(ii) Impairment

The adoption of AASB9 has fundamentally changed the University's accounting for impairment losses for financial assets by replacing AASB139's incurred loss approach with a forward-looking expected credit loss (ECL) approach.

AASB9 requires the university to recognise an allowance for ECLs for all debt instruments not held at fair value through profit or loss and contract assets.

Notes to the Financial Statements

31 December 2018

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

a) Commonwealth Grants Scheme and Other Grants

	Note	Consolidated		Parent	
		2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Commonwealth Grants Scheme #1		174,897	174,109	174,897	174,109
Indigenous Student Success Program #3		3,965	3,181	3,965	3,181
Disability Support Program #2		97	118	97	118
Partnership and Participation Program		5,932	6,316	5,932	6,316
Total Commonwealth Grants Scheme and Other Grants	38.a)	184,891	183,724	184,891	183,724

b) Higher Education Loan Programs

HECS - HELP		98,941	93,295	98,941	93,295
FEE - HELP #4		40,608	37,587	40,608	37,587
SA-HELP		1,742	1,773	1,742	1,773
Total Higher Education Loan Programmes	38.b)	141,291	132,655	141,291	132,655

c) Education Research Grants

Research Support Program		3,604	3,722	3,604	3,722
Research Training Scheme		6,469	6,159	6,469	6,159
Total Education Research Grants	38.c)	10,073	9,881	10,073	9,881

d) Australian Research Council Grants

(i) Discovery Grants

Project		138	65	138	65
Indigenous Researchers Development		106	133	106	133
DECRA		237	128	237	128
Total Discovery Grants	38.e(i)	481	326	481	326

(ii) Linkages Grants

Linkages Project		(25)	177	(25)	177
Total ARC	38.e)	456	503	456	503

Notes to the Financial Statements

31 December 2018

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

e) Other Australian Government Financial Assistance

Note	Consolidated		Parent	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Non-capital				
ATAS and AFB Schemes	313	329	313	329
University Dept of Rural Health Grants	4,008	4,302	4,008	4,302
Other assistance	14,595	13,106	14,588	13,096
Total Other Australian Government Financial Assistance	18,916	17,737	18,909	17,727

f) Total Australian Government Financial Assistance

Reconciliation

Australian Government Grants (a + c + d + e)	214,336	211,845	214,329	211,835
HECS - HELP	98,941	93,295	98,941	93,295
FEE - HELP	40,608	37,587	40,608	37,587
SA-HELP payments	1,742	1,773	1,742	1,773
Total Australian Government Financial Assistance	355,627	344,500	355,620	344,490

g) Australian Government Grants received - cash basis

CGS and Other Education Grants	38.a)	184,891	183,723	184,891	183,723
Higher Education Loan Programs	38.b)	134,104	131,088	134,104	131,088
Education research	38.c)	10,072	9,881	10,072	9,881
ARC grants - Discovery	38.e(i)	481	193	481	193
ARC grants - Linkages	38.e(ii)	(25)	310	(25)	310
Other Australian Government financial assistance	2.e)	18,916	17,736	18,909	17,726
Total Australian Government Grants received - cash basis		348,440	342,931	348,432	342,921
OS-Help (Net)	38.f)	1,869	1,583	1,869	1,583
Total Australian Government funding received - cash basis		350,309	344,514	350,301	344,504

(i) Government Grants

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

Notes to the Financial Statements

31 December 2018

3 State government financial assistance

Government grants were received during the reporting period for the following purposes:

	Consolidated		Parent	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Non-capital				
NSW State Government	1,777	3,525	1,777	3,525
Total State Government Financial Assistance	1,777	3,525	1,777	3,525

4 Fees and charges

Course Fees and Charges

Fee-paying onshore overseas students	148,185	140,403	148,185	140,403
Fee-paying offshore overseas students	10,286	8,197	10,286	8,197
Continuing education	1,086	1,387	1,086	1,387
Fee-paying domestic postgraduate students	11,680	12,338	11,680	12,017
Fee-paying domestic undergraduate students	1,376	1,515	1,376	1,515
Total Course Fees and Charges	172,613	163,840	172,613	163,519

Other Non-Course Fees and Charges

Student accommodation	16,904	19,404	16,904	19,404
Conferences / function charges	1,091	1,218	1,091	1,218
Other student fees	1,735	1,869	1,735	1,869
Fees for services rendered	11,400	9,082	11,080	9,025
Parking fees	5	6	5	6
Memberships	223	249	223	249
Other fees	1,509	1,319	1,509	1,319
Student Services and Amenities Fees from students	4,321	4,096	4,321	4,096
Total Other Fees and Charges	37,188	37,243	36,868	37,186
Total Fees and Charges	209,801	201,083	209,481	200,705

Fees and charges are recognised as income in the year of receipt, as long as the courses to which the fees relate have been delivered. If the fees and charges relate to courses to be held in future periods, the revenue received is treated as income in advance (because it is unearned). Fees and charges relating to debtors are recognised as revenue in the year to which the prescribed course relates.

Notes to the Financial Statements

31 December 2018

5 Investment revenue and income

Investment revenue

	Consolidated		Parent	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Fair Value losses	(9,163)	-	(7,900)	-
Interest income	3,567	3,890	3,539	3,837
Dividend income	15,336	9,370	14,249	8,357
Reversal of impairment losses on available for sale investments in debt instruments	-	100	-	83
Total investment revenue	9,740	13,360	9,888	12,277

6 Royalties, trademarks and licences

Royalties, trademarks and licences	11	14	11	14
Total royalties, trademarks and licences	11	14	11	14

7 Consultancy and contracts

Consultancy	305	446	305	446
Contract research	945	1,890	945	1,890
Other contract revenue	88	378	88	378
NSW Police contract scholarship	5,608	5,005	5,608	5,005
Total consultancy and contracts	6,946	7,719	6,946	7,719

Consultancy and contract revenue is recognised in the period in which the service is provided, having regard to the stage of completion of the services.

8 Other revenue and income

Donations and bequests	1,194	778	585	657
Scholarships and prizes	1,980	2,049	1,452	1,358
Non-government grants	5,331	3,176	5,331	3,176
Other revenue	711	471	711	471
Sale of trading stock	4,422	4,798	4,422	4,798
Commissions	226	215	226	215
Rental	1,801	1,694	1,801	1,694
Reimbursements	1,486	1,437	1,477	1,434
Miscellaneous sales	1,966	1,942	1,966	1,942
Subscriptions	77	155	77	155
Total other revenue and income	19,194	16,715	18,048	15,900

Other revenue is brought to account as it is earned and is recognised when the goods or services are provided

Notes to the Financial Statements

31 December 2018

9 Employee related expenses

	Note	Consolidated		Parent	
		2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Academic staff					
Salaries		101,933	98,763	101,933	98,763
Contributions to superannuation and pension schemes		17,140	16,735	17,140	16,735
Payroll tax		10,080	6,286	10,080	6,286
Worker's compensation		236	511	236	511
Long service leave expense		3,135	2,578	3,135	2,578
Annual leave		6,079	6,649	6,079	6,649
Total academic staff		138,603	131,522	138,603	131,522
Non-academic staff					
Salaries		122,511	116,778	117,924	112,575
Contributions to superannuation and pension schemes		20,146	18,549	19,631	18,082
Payroll tax		13,160	8,975	12,858	8,705
Worker's compensation		690	923	417	705
Long service leave expense		4,482	3,552	4,411	3,511
Annual leave		7,723	8,228	7,340	7,957
Total non-academic staff		168,712	157,005	162,581	151,534
Total employee related expenses		307,315	288,527	301,184	283,056
Deferred superannuation expense	34	389	(139)	389	(139)
Total employee related expenses, including deferred Benefits for Superannuation		307,704	288,388	301,573	282,917

Notes to the Financial Statements

31 December 2018

10 Depreciation and amortisation

	Consolidated		Parent	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
Depreciation				
Buildings	28,926	28,212	28,926	28,212
Library collection	501	590	501	590
Plant and equipment	7,111	8,028	7,081	8,016
Infrastructure	2,230	2,042	2,230	2,042
Motor vehicles	1,148	1,225	1,148	1,225
Total depreciation	39,916	40,097	39,886	40,085
Amortisation				
Computer software	668	682	668	682
Total amortisation	668	682	668	682
Total depreciation and amortisation	40,584	40,779	40,554	40,767

11 Repairs and maintenance

Other repairs and maintenance	9,589	9,453	9,558	9,427
Total repairs and maintenance	9,589	9,453	9,558	9,427

12 Borrowing costs

Interest expense	977	979	977	979
Other borrowing costs	1	9	1	9
Total borrowing costs expensed	978	988	978	988

13 Impairment of assets

Impairment of investments	-	70	-	-
Impairment of receivables	2,458	1,770	2,458	1,770
Total impairment of assets	2,458	1,840	2,458	1,770

Notes to the Financial Statements

31 December 2018

14 Other expenses

	Consolidated		Parent	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Advertising, marketing and promotional expenses	6,497	7,366	6,497	7,366
Audit fees, bank charges, legal costs, insurance and taxes	4,133	3,049	4,092	3,024
Cleaning	6,362	6,437	6,362	6,434
Conferences and seminars	355	265	355	264
Consultants	8,131	7,143	8,058	7,061
Consumables and administration	3,185	3,324	3,040	3,245
Contract tuition services	116,868	106,124	116,868	106,124
Contracts	10,311	6,484	10,311	6,484
Cost of goods sold	6,288	7,338	6,288	7,338
Electronic information resources	5,999	5,660	5,999	5,660
Equipment services	1,793	1,312	1,792	1,312
Membership fees	1,685	1,218	1,684	1,218
Non-capitalised equipment	5,667	4,539	5,644	4,517
Operating lease and rental expenses	5,306	2,857	5,290	2,838
Other expenses	17,361	16,785	16,934	16,243
Printing and stationery	487	429	487	429
Publications and general resources	719	885	719	885
Scholarships, grants and prizes	24,278	21,006	22,910	19,789
Services rendered	2,270	4,533	8,560	10,522
Telecommunications	2,867	2,653	2,867	2,653
Travel, staff development and entertainment	10,064	10,157	10,062	10,157
Utilities	8,684	7,045	8,684	7,045
Other expenses	1	2	3	1
Total other expenses	249,311	226,611	253,506	230,609

Notes to the Financial Statements

31 December 2018

15 Cash and cash equivalents

	Consolidated		Parent	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Cash at bank	969	6,298	(828)	3,842
Cash on hand	59	74	59	74
Deposits at call	22,151	13,000	22,151	13,000
Total cash and cash equivalent	23,179	19,372	21,382	16,916

a) Cash at bank and on hand

Cash in operating accounts earns interest at the rate of 0.50% to 2.00% (2017: 0.85% to 1.40%). The University maintains cash equivalents of \$6,252,137 (2017: \$4,940,539) held under trust, which can only be used for the specific purpose of the external organisations that provide these funds.

b) Deposits at call

The deposits are at floating interest rates between 0.50% and 2.00% (2017: 0.00% and 2.00%).

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

Charles Sturt University

ABN: 83 878 708 551

Notes to the Financial Statements

31 December 2018

16 Receivables

		Consolidated		Parent	
		2018	2017	2018	2017
		\$'000	\$'000	\$'000	\$'000
	Note				
Current					
Non-Student debtors		9,068	12,883	9,068	12,883
Student debtors		3,366	1,616	3,366	1,616
Less: provision for impairment		(362)	(250)	(362)	(250)
		12,072	14,249	12,072	14,249
Accrued income		11,158	4,384	11,134	4,346
Government Contributions for Superannuation	34	21,951	9,390	21,951	9,390
Other debtors		4,710	3,736	4,611	3,645
Total current receivables		49,891	31,759	49,768	31,630
Non-current					
Deferred Government Contributions for Superannuation	34	390,746	398,113	390,746	398,113
Total non-current receivables		390,746	398,113	390,746	398,113
Total receivables		440,637	429,872	440,514	429,743

Notes to the Financial Statements

31 December 2018

16 Receivables

a) Impaired receivables

As at 31 December 2018 current receivables of the Group with a value of \$362,385 (2017: \$250,186) were impaired. The amount of the provision was \$362,385 (2017: \$250,186). The ageing of these receivables is as follows:

	Consolidated		Parent	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Current Receivables				
0-3 months	32	4	32	4
3 to 6 months	13	18	13	18
Over 6 months	316	228	316	228
	361	250	361	250

As at 31 December 2018 trade receivables of \$11,645,359 (2017: \$9,320,000) were past due but not impaired. These relate to a number of independent customers. The ageing analysis of these receivables is as follows:

Trade Receivables				
Between 0 to 3 months	9,492	7,711	9,492	7,711
Between 3 to 6 months	799	675	799	675
Over 6 months	1,354	934	1,354	934
	11,645	9,320	11,645	9,320

Movements in the provision for impaired receivables are as follows:

At 1 January	250	708	250	708
Provision for impairment recognised during the year	2,458	1,770	2,458	1,770
Receivables written off during the year as uncollectible	(2,346)	(2,228)	(2,346)	(2,228)
As at 31 December	362	250	362	250

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Trade receivables are due for settlement 30 days from the date of recognition.

The collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for impairment of receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. The significant financial difficulties of the debtor, the probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial. The amount of the provision is recognised in the income statement.

Notes to the Financial Statements

31 December 2018

17 Inventories

	Consolidated		Parent	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Current				
Winery stock held for sale	96	72	96	72
Mixed farm stock held for distribution	1,922	2,117	1,922	2,117
Other stock on hand held for distribution	998	786	998	786
Total inventories	3,016	2,975	3,016	2,975

(i) Raw materials and stores, work in progress and finished goods

Raw materials and stores, work in progress and finished goods are stated at the lower of cost and net realisable value. Cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Costs are assigned to individual items of inventory on the basis of their weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(ii) Inventories held for distribution

Charles Sturt University holds inventories for distribution in the future for no or nominal consideration. The future economic benefit or service potential of the inventory is reflected by the amount Charles Sturt University would need to pay to acquire the economic benefit or service potential if it were necessary to achieve Charles Sturt University's objectives. Where the economic benefit or service potential cannot be acquired in a market, the replacement cost is estimated. If the purpose of the inventory changes it will be measured as per (i)

Notes to the Financial Statements

31 December 2018

18 Other financial assets

	Consolidated		Parent	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Current				
Amortised cost financial assets	75,558	-	75,558	-
Held to Maturity	-	66,500	-	66,500
Non-current				
Financial assets at fair value through OCI	22,933	-	22,933	-
Available for sale	-	248,192	-	230,785
Financial assets at fair value through P&L	232,259	-	215,752	-
Held to Maturity	-	8,000	-	8,000
Amortised cost financial assets	11,838	-	11,500	-
Total non-current other financial assets	267,030	256,192	250,185	238,785
Total other financial assets	342,588	322,692	325,743	305,285

The university fully adopted AASB 9 'Financial Instruments' in 2018.

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

Financial assets comprising bonds, unit trusts, and marketable securities are included in this category unless they meet the definition of financial assets at amortised cost or financial assets at fair value through other comprehensive income. They are included in non-current assets unless the maturity date of the asset is within twelve months of the reporting date. Financial assets at fair value through profit or loss are initially recognised at fair value, with subsequent increases or decreases in fair value recognised in profit or loss.

(ii) Financial assets at amortised cost

Financial assets held for the objective of collecting contractual inflows on specific dates and those cash flows are generally in the form of principal and/or interest are measured at amortised cost. They are included in current assets, except for those with maturities greater than 12 months after the reporting date which are classified as non-current assets.

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

Financial Assets comprising debt or equity instruments that are not held for trading are included in this category. This includes the university's investment in Education Australia Ltd. Financial assets at fair value through other comprehensive income are initially recognised at fair value, with subsequent increases or decreases in fair value recognised in other comprehensive income.

(iv) Impairment of financial assets

The University assesses at each reporting date, whether there is objective evidence that a financial asset is impaired. An impairment exists if one or more events that has occurred since the initial recognition of the asset that has an impact on the estimated future cash flows of the financial assets that can be reliably estimated. Evidence of impairment may include, but is not limited to, indications that the debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments.

The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognised in the statement of profit or loss. Loans, together with the associated allowance, are written off when there is no realistic prospect of future recovery, if in a subsequent year, the amount of the estimated impairment loss changes, the allowance account is adjusted. If a write-off is later recovered, the recovery is credited to financial costs in the statement of profit or loss.

Notes to the Financial Statements

31 December 2018

19 Property, plant and equipment

Parent	Construction in progress \$'000	Land \$'000	Buildings \$'000	Plant and Equipment * \$'000	Other Plant and Equipment ** \$'000	Library \$'000	Infrastructure \$'000	Total \$'000
At 1 January 2018								
- Cost	7,264	-	-	75,542	11,765	30,653	643	125,867
- Valuation	-	58,373	606,755	-	-	-	64,259	729,387
Accumulated depreciation & impairment	-	-	-	(56,538)	(3,314)	(29,468)	(2,053)	(91,373)
Net book amount	7,264	58,373	606,755	19,004	8,451	1,185	62,849	763,881
Year ended 31 December 2018								
Opening net book amount	7,264	58,373	606,755	19,004	8,451	1,185	62,849	763,881
Additions	26,845	1,247	718	5,579	2,523	266	265	37,443
Assets disposals	-	-	(562)	(3)	(1,571)	-	-	(2,136)
Transfers	(24,452)	-	21,401	-	-	-	3,051	-
Depreciation expense	-	-	(28,926)	(7,084)	(1,148)	(501)	(2,230)	(39,889)
								24,973
Revaluation surplus/(deficit)	-	2,943	15,861	-	-	-	6,169	
Transfer to profit & loss	(61)	-	-	-	-	-	-	(61)
Closing net book amount	9,596	62,563	615,247	17,496	8,255	950	70,104	784,211
At 31 December 2018								
- Cost	9,596	-	-	80,565	11,639	30,919	-	132,719
- Valuation	-	62,563	671,993	-	-	-	74,386	808,942
Accumulated depreciation and impairment	-	-	(56,746)	(63,069)	(3,384)	(29,969)	(4,282)	(157,450)
Net book amount	9,596	62,563	615,247	17,496	8,255	950	70,104	784,211

Notes to the Financial Statements

31 December 2018

19 Property, plant and equipment

Consolidated	Construction in progress \$'000	Land \$'000	Buildings \$'000	Plant and Equipment * \$'000	Other Plant and Equipment ** \$'000	Library \$'000	Infrastructure \$'000	Total \$'000
At 1 January 2018								
- Cost	7,264	-	1,455	75,610	11,825	-	642	96,796
- Valuation	-	58,373	633,235	-	-	30,653	64,259	786,520
Accumulated depreciation and impairment	-	-	(27,934)	(56,538)	(3,326)	(29,468)	(2,053)	(119,319)
Net book amount	7,264	58,373	606,756	19,072	8,499	1,185	62,848	763,997
Year ended 31 December 2018								
Opening net book amount	7,264	58,373	606,756	19,072	8,499	1,185	62,848	763,997
Additions	26,845	1,247	718	5,646	2,523	266	265	37,510
Disposals	-	-	(562)	(3)	(1,571)	-	-	(2,136)
Transfers	(24,452)	-	21,401	-	-	-	3,051	-
Depreciation expense	-	-	(28,926)	(7,102)	(1,160)	(501)	(2,230)	(39,919)
Transfer to profit & loss	(61)	-	-	-	-	-	-	(61)
Revaluation surplus/ (deficit)	-	2,943	15,861	-	-	-	6,169	24,973
Closing net book amount	9,596	62,563	615,248	17,613	8,291	950	70,103	784,364
At 31 December 2018								
- Cost	9,596	-	-	80,700	11,699	30,920	-	132,915
- Valuation	-	62,563	671,994	-	-	-	74,385	808,942
Accumulated depreciation and impairment	-	-	(56,746)	(63,087)	(3,408)	(29,970)	(4,282)	(157,493)
Net book amount	9,596	62,563	615,248	17,613	8,291	950	70,103	784,364

* Plant and equipment includes all operational assets. **Other plant and equipment includes non-operational assets such as artworks and motor vehicles.

Land and buildings are shown at fair value, based on periodic, but at least quinquennial, valuations by external independent valuers, less subsequent depreciation for buildings. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. All other property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include gains or losses that were recognised in other comprehensive income on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

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

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

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Freehold land, buildings and works of art are valued at least every five years with assessments performed annually to ensure there are

Notes to the Financial Statements

31 December 2018

19 Property, plant and equipment

not material movements in the intervening years between full valuations in line with AASB116. Details of these valuations are as follows: Freehold land and buildings and Self Generating and Regenerating Assets (SGARA) were revalued as at 31 December 2018 by independent valuation of AssetVal Pty Ltd, and Works of Art were revalued as at 31 December 2015 by independent valuation of Digby Hayles Fine Art Service, who is approved to value objects for the Australian Government's Cultural Gifts and Bequests Programs.

The depreciation rates categories used for library collection are shown above under library collections. In calculating the depreciation charge half of the rate is used in the first year of acquisition.

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

	2018 Years	2017 Years
Buildings	10-80	10-80
Infrastructure	20-300	20-300
Computer software and equipment, commercial vehicles and small buses	4	4
Telephone installations, furniture and fittings, catering equipment and appliance, passenger vehicles, farm equipment and large buses	10	10
Library Collections		
Periodicals	5	5
Monographs and audio visual materials	5	5

Notes to the Financial Statements

31 December 2018

20 Intangible Assets

	Note	Consolidated		Parent	
		2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Computer software					
Cost		9,609	9,068	9,605	9,068
Accumulated amortisation and impairment		(7,183)	(6,519)	(7,183)	(6,519)
Net carrying value		2,426	2,549	2,422	2,549
Total Intangibles		2,426	2,549	2,422	2,549
Total Intangibles		2,426	2,549	2,422	2,549

a) Details of Intangible Assets

	Consolidated	Computer software \$'000	Total \$'000
Year ended 31 December 2018			
Opening net book amount		2,549	2,549
Additions		545	545
Amortisation		(668)	(668)
Closing value at 31 December 2018		2,426	2,426
	Consolidated		
Year ended 31 December 2017			
Opening net book amount		2,876	2,876
Additions		386	386
Disposals		(31)	(31)
Amortisation		(682)	(682)
Closing value at 31 December 2017		2,549	2,549

(i) Research and development

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

(ii) Computer Software

Internal-use software is capitalised only when the amounts are greater than the Group's capitalisation threshold and they satisfy the conditions for capitalisation. Internal-use software is recognised at cost and amortised over the useful life of four years.

Notes to the Financial Statements

31 December 2018

21 Other non-financial assets

	Consolidated		Parent	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Current				
Prepaid lease	304	304	304	304
Prepaid Salaries	6	10	6	10
Prepaid Expenses - Other	8,978	9,376	8,978	9,376
Total current other non-financial assets	9,288	9,690	9,288	9,690
Non-current				
Prepaid lease	4,429	4,733	4,429	4,733
Prepaid Expenses - Other	419	821	419	821
Total non-current other non-financial assets	4,848	5,554	4,848	5,554
Total other non-financial assets	14,136	15,244	14,136	15,244

22 Trade and other payables

Current				
Trade creditors	6,392	4,342	6,299	4,254
Other accrued expenses	14,034	13,476	14,034	13,476
Accrued salaries	3,091	1,827	3,091	1,827
OS-HELP liability to Australian Government	1,301	1,070	1,301	1,070
Total current trade and other payables	24,818	20,715	24,725	20,627

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

Notes to the Financial Statements

31 December 2018

23 Borrowings

	Consolidated		Parent	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Current				
Secured				
Finance lease obligations	1,420	1,496	1,420	1,496
Bank Loan	272	257	272	257
Total current borrowings	1,692	1,753	1,692	1,753
Non-current				
Secured				
Finance lease obligations	7,190	8,610	7,190	8,610
Secured bank loan	2,577	2,848	2,577	2,848
Unsecured				
Unsecured bank loan	30,000	28,000	30,000	28,000
Total non-current borrowings	39,767	39,458	39,767	39,458
Total borrowings	41,459	41,211	41,459	41,211

All borrowings are interest bearing, except for a finance lease on property which has no interest payable under the agreement.

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

a) Assets pledged as security

The carrying amounts of assets pledged as security for current and non-current borrowings are:

Note

Bank Loan

Plant and Equipment Other	2,914	3,105	2,914	3,105
	2,914	3,105	2,914	3,105

Finance lease

Plant and equipment	3,315	4,456	3,315	4,456
Buildings	5,650	5,650	5,650	5,650
	8,965	10,106	8,965	10,106

Total assets pledged as security

	11,879	13,211	11,879	13,211
--	---------------	---------------	---------------	---------------

b) Financing arrangements

Unrestricted access was available at reporting date to a \$6,650,000 business card limit facility, with a balance used of \$779,154 at 31 December 2018 (2017: \$861,000).

Notes to the Financial Statements

31 December 2018

23 Borrowings

c) Class of borrowings

The unsecured loan outstanding with interest payable at 90 day BBSW (Bank Bill Swap Rate) plus a margin is payable in full on 21 December 2019. Student residences are constructed as an enterprise and it is proposed that the future income stream of the enterprise will meet the liability and interest expense.

d) Fair value

	Consolidated		2018		2017	
			Carrying amount	Fair value	Carrying amount	Fair value
	\$'000	\$'000	\$'000	\$'000		
On-balance sheet						
Non-traded financial liabilities	41,459	41,459	41,211	41,211		
	41,459	41,459	41,211	41,211		

(i) On-balance sheet

The fair value of current borrowings equals their carrying amount, as the impact of discounting is not significant.

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

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

Notes to the Financial Statements

31 December 2018

24 Provisions

	Consolidated		Parent	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Current provisions expected to be settled within 12 months				
Employee benefits				
Defined benefit superannuation obligations	21,951	9,390	21,951	9,390
Long service leave	5,573	5,121	5,131	4,940
Employee entitlement oncost	4,446	4,311	4,446	4,311
Payroll Tax Defined Benefits Superannuation obligation	429	-	429	-
Annual Leave	12,145	11,412	11,749	11,143
Short-term provisions				
Other provisions	441	691	441	691
	44,985	30,925	44,147	30,475
Current provisions expected to be settled after more than 12 months				
Employee benefits				
Annual leave	4,009	4,193	4,009	4,094
Long service leave	24,480	22,932	24,480	22,749
Employee entitlement oncost	6,005	5,737	6,005	5,737
	34,494	32,862	34,494	32,580
Total current provisions	79,479	63,787	78,641	63,055
Non-current provisions				
Employee benefits				
Long service leave	6,522	6,162	6,522	6,162
Defined benefit superannuation obligations	391,798	398,411	391,798	398,411
Employee entitlement oncost	1,288	1,222	1,288	1,222
Payroll Tax Defined Benefits Superannuation obligation	7,666	-	7,666	-
Total non-current provisions	407,274	405,795	407,274	405,795
Total provisions	486,753	469,582	485,915	468,850

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

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

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

Annual Leave

The liability for annual leave is recognised in current provisions for employee benefits as it is due to be settled within 12 months after the end of the report period. It is measured at the amount expected to be paid when the liability is settled. Regardless of the expected timing of settlements, provisions made in respect to annual leave are classified as a current liability.

Notes to the Financial Statements

31 December 2018

24 Provisions

Long Service Leave

The liability for long service leave (LSL) 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 predicted 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. The provision for LSL was assessed by KPMG for the year ended 31 December 2018.

Defined Benefit Obligations

The estimate of the superannuation liability is calculated on the basis of information provided by Mercer Consulting (Australia) Pty Ltd in respect of the State Superannuation Scheme (SSS), the State Authorities Superannuation Scheme (SASS) and the State Authorities Non-Contributory Superannuation Scheme (SANCS). The provision for deferred superannuation of \$413,749,088 (2017: \$407,800,672) is net unfunded liability of all schemes i.e. the gross liability less the funded liability and balances held in reserve accounts.

Details of the deferred superannuation liability (where applicable), and the increase / (decrease) in unfunded liability are set in Note 34 for each superannuation scheme. During 2014 the Australian Government confirmed recoverability of all three Superannuation Schemes from both the Australian Government and State Government except for the portion related to excess salaries of fund members. In 2018, the university was advised in writing by the Trustees of the Defined Benefits Scheme that it will be required to make a payment of \$21,950,702 in order to maintain its asset buffer of a level of one year. This amount has been recognised as both a current payable and receivable in the Statement of Financial Position at 31 December 2018.

(i) Short-term obligations

Liabilities for short-term obligations including wages and salaries and non-monetary benefits are measured at the amount expected to be paid when the liability is settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates payable.

The liability for annual leave is recognised in current provisions for employee benefits as it is due to be settled within 12 months after the end of the report period. It is measured at the amount expected to be paid when the liability is settled. Regardless of the expected timing of settlements, provisions made in respect to annual leave are classified as a current liability

(ii) Other long-term obligations

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

These liabilities are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to predicted 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.

The estimate of the superannuation liability is calculated on the basis of information provided by Mercer Consulting (Australia) Pty Ltd in respect of the State Superannuation Scheme (SSS), the State Authorities Superannuation Scheme (SASS) and the State Authorities Non-contributory Superannuation Scheme (SANCS). The provision for deferred superannuation of \$413,749,088 (2017: \$407,800,672) is net unfunded liability of all schemes i.e. the gross liability less the funded liability and balances held in reserve accounts.

Details of the deferred superannuation liability (where applicable), and the increase / (decrease) in unfunded liability are set out in Note 34 for each superannuation scheme. During 2014 the Australian Government confirmed recoverability of all three Superannuation Schemes from both the Australian Government and State Government except for the portion related to excess salaries of fund members. In 2018, the university was advised in writing by the Trustees of the Defined Benefits Scheme that it will be required to make a payment of \$21,950,702 in order to maintain its asset buffer of a level of one year. This amount has been recognised as both a current payable and receivable in the Statement of Financial Position at 31 December 2018.

All employees of the Group are entitled to benefits on retirement, disability or death from the Group's superannuation plan. The University has a defined benefit section and 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.

Notes to the Financial Statements

31 December 2018

25 Other liabilities

	Consolidated		Parent	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Current				
Income in advance	33,012	32,850	33,012	32,850
Non-current				
Income in advance	4,182	4,234	4,182	4,234
Total non-current other liabilities	4,182	4,234	4,182	4,234
Total other liabilities	37,194	37,084	37,194	37,084

26 Reserves and retained earnings

a) Reserves

Reserves and retained earnings

Financial assets revaluation reserve	22,933	29,818	22,933	27,409
Property, plant and equipment revaluation reserve	319,531	294,559	319,531	294,559
Total reserves	342,464	324,377	342,464	321,968

b) Movements in reserves

Financial assets revaluation reserve

Balance 1 January	29,818	20,488	27,409	18,392
Revaluation of financial assets	6,823	11,041	6,823	10,380
Transfers to retained earnings (AASB 9)	(13,199)	-	(10,795)	-
Transfers out to gain/loss on disposal	-	(1,719)	-	(1,363)
Recycling of existing impaired items	-	8	-	-
Transfers to asset - amortised cost (AASB 9)	(509)	-	(504)	-
Balance 31 December	22,933	29,818	22,933	27,409

Property, plant and equipment revaluation reserve

Balance 1 January	294,559	281,942	294,559	281,942
Revaluation of property, plant and equipment	24,972	12,617	24,972	12,617
Balance 31 December	319,531	294,559	319,531	294,559
Total reserves	342,464	324,377	342,464	321,968

Notes to the Financial Statements

31 December 2018

26 Reserves and retained earnings

c) Movements in retained earnings

	Consolidated		Parent	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Retained earnings at 1 January	666,030	635,002	649,151	619,233
Net result for the period	256	31,028	949	29,918
Transfers in - Joint Operation	-	-	599	-
AASB9 AFS to FVPL	13,231	-	10,827	-
Retained earnings at 31 December	679,517	666,030	661,526	649,151

d) Nature and purpose of reserves

(i) *Financial assets revaluation reserve - changes in fair value arising on revaluation of investments classified as available-for-sale financial assets are taken to the financial assets revaluation reserve. Amounts are recognised in the income statement when the associated asset are sold or impaired.*

(ii) *Property, plant and equipment revaluation reserve - the property, plant and equipment revaluation reserve is used to record any increment/(decrement) on the revaluation of non-current assets.*

Notes to the Financial Statements

31 December 2018

27 Financial Risk Management

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

Risk management is carried out under policies approved by the Council. The Council provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

a) Market risk

(i) Foreign exchange risk

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

The University has a potential foreign exchange risk exposure due to its operations in China, in which the Group collaborates with four partner institutions.

(ii) Price risk

The Group is exposed to equity securities price risk from investments in the Treasury Corporation and other direct equity holdings, held for trading purposes and designated as available-for-sale financial assets.

To manage its price risk arising from investments in equity securities, the Group has retained investment advisors, and delegated the risk management to external fund managers and has also diversified its portfolio. Diversification of the portfolio is achieved in accordance with the limits set by the University Investment Policy.

The impact of the increase/decrease of the ASX 300 index on the Group's equity is disclosed at 27(a)(iv). The analysis is based on the assumption that the ASX 300 index increased / decreased by 10%, with all other variables held in constant, and the Group's equity portfolio moves according to the historical correlation with the index.

(iii) Cash flow and fair value interest rate risk

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

The Group's interest rate risk arises primarily from investments in long term interest bearing financial instruments, due to the potential fluctuations in interest rates. In order to minimise exposure to this risk, the Group invests in a diverse range of instruments with varying degrees of potential returns. The purpose of this strategy is to ensure that any potential interest rate losses are counteracted by guaranteed interest payments.

As at 31 December 2018 if interest rates decreased/ increased by 1% with all other variables held constant, equity would have been \$280,000 higher/ \$280,000 lower (2017: \$280,000/ \$280,000) as a result of an increase/ decrease in the fair value of the debt security. In regards to the movement of the investment interest rate of 1%, equity would have been \$2,682,000 higher/ \$2,682,000 lower (2017: \$2,482,000/ \$2,482,000) as a result of an increase/ decrease in the fair value of the investment security.

(iv) Summarised sensitivity analysis

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

Notes to the Financial Statements

31 December 2018

27 Financial Risk Management

a) Market risk

31 December 2018

	Interest rate risk				Other price risk				
	-1%		+1%		-10%		+10%		
	Carrying amount	Result	Equity	Result	Equity	Result	Equity	Result	Equity
\$'000s	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets									
Cash and Cash Equivalents at Bank	23,120	(231)	(231)	231	231	-	-	-	-
Accrued Interest	11,158	(112)	(112)	112	112	-	-	-	-
Amortised cost	87,396	(874)	(874)	874	874	(8,740)	(8,740)	8,740	8,740
Financial assets at fair value through profit or loss	232,259	(2,323)	(2,323)	2,323	2,323	(23,226)	(23,226)	23,226	23,226
Financial assets at fair value through other comprehensive income	22,933	(229)	(229)	229	229	(2,293)	(2,293)	2,293	2,293
Financial liabilities									
Borrowings	30,000	300	300	(300)	(300)	3,000	3,000	(3,000)	(3,000)
Total increase/(decrease)		(3,469)	(3,469)	3,469	3,469	(31,259)	(31,259)	31,259	31,259

31 December 2017

	Interest rate risk				Other price risk				
	-1%		+1%		-10%		+10%		
	Carrying amount	Result	Equity	Result	Equity	Result	Equity	Result	Equity
\$'000s	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets									
Cash and Cash Equivalents - at bank	19,298	(193)	(193)	193	193	-	-	-	-
Accrued Interest	4,384	(435)	(435)	435	435	-	-	-	-
Available-for-sale financial assets	248,192	(2,482)	(2,482)	2,482	2,482	(24,819)	(24,819)	24,819	24,819
Held to maturity financial assets	74,500	(745)	(745)	745	745	-	-	-	-
Financial liabilities									
Borrowings	28,000	280	280	(280)	(280)	-	-	-	-
Total increase/(decrease)		(3,575)	(3,575)	3,575	3,575	(24,819)	(24,819)	24,819	24,819

Notes to the Financial Statements

31 December 2018

27 Financial Risk Management

b) Credit risk

Credit risk is the risk that a contracting party will not complete its obligations under a financial instrument, leading to financial loss for the Group. Credit risk arises largely from outstanding receivables and to a lesser degree from cash and cash equivalents. To assist in managing risk, the Group assesses the credit quality of a potential non-student debtor, based on information obtained during the credit application process. Despite not being a material value, a credit assessment is performed on the guarantor for a student loan prior to the loan being granted by the University. The carrying amount of financial assets (as contained in the table in subnote 27.c) below represents the University's maximum exposure to credit risk.

c) Liquidity risk

Liquidity risk arises when a member of the Group experiences one of the following from its normal operations: it will not have sufficient funds to settle a transaction on the due date; it will be forced to sell financial assets at a value which is less than their worth; or it may be unable to settle or recover a financial asset at all.

To mitigate these risks, the Group has in its investment policy targets for minimum and average levels of cash and cash equivalents to be maintained, and a business card facility limited of \$5 million. The University generally uses instruments that are tradable in highly liquid markets and have readily accessible standby facilities in place. The following tables summarise the maturity of the University's financial assets and financial liabilities:

	Average interest rate		Variable interest rate		Less than 1 year		1 - 5 years		5+ years		Non-Interest		Total	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
			\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial Assets:														
Cash and cash equivalents	1.74	1.42	23,120	19,298	-	-	-	-	-	-	59	74	23,179	19,372
Receivables	-	-	-	-	-	-	-	-	-	-	23,288	18,792	23,288	18,792
Other financial assets	2.88	2.73	-	-	75,559	66,500	11,837	8,000	232,259	232,082	22,933	16,110	342,588	322,692
Total Financial Assets			23,120	19,298	75,559	66,500	11,837	8,000	232,259	232,082	46,280	34,976	389,055	360,856
Financial Liabilities:														
Bank loans and overdrafts	2.73	3.15	30,000	28,000	272	392	1,582	1,569	995	1,831	-	-	32,849	31,792
Leases	-	-	-	-	1,420	1,496	7,190	8,610	-	-	-	-	8,610	10,106
Payables	-	-	-	-	-	-	-	-	-	-	24,818	20,714	24,818	20,714
Total Financial Liabilities			30,000	28,000	1,692	1,888	8,772	10,179	995	1,831	24,818	20,714	66,277	62,612

Notes to the Financial Statements

31 December 2018

28 Fair Value Measurement

a) Fair value measurements

The fair value of financial assets and financial liabilities must be estimated for recognition, measurement and disclosure purposes. Due to the short-term nature of the current receivables and payables, their carrying values are assumed to approximate their fair value.

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

	Carrying Amount		Fair Value	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Financial assets				
Cash and cash equivalents	23,179	19,372	23,179	19,372
Trade and other receivables	27,940	22,370	27,940	22,370
Financial assets	342,588	322,692	342,588	322,692
Total financial assets	393,707	364,434	393,707	364,434
Financial Liabilities				
Payables	24,818	20,720	24,818	20,720
Borrowings	41,459	41,211	41,459	41,211
Total financial liabilities	66,277	61,931	66,277	61,931

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

- Financial assets at fair value through profit or loss
- Financial assets at fair value through other comprehensive income
- Land, buildings and infrastructure

Notes to the Financial Statements

31 December 2018

28 Fair Value Measurement

b) Fair value hierarchy

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

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

(i) Recognised fair value measurements

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

Fair value measurements at 31 December 2018

	2018	Level 1	Level 2	Level 3
	\$'000	\$'000	\$'000	\$'000
Recurring fair value measurements				
Financial assets				
Financial assets	-	-	-	-
Equity securities	255,192	39,402	192,857	22,933
Non-financial assets				
Land and buildings				
Land	62,563	-	-	62,563
Buildings	615,247	-	-	615,247
Infrastructure	70,104	-	-	70,104
Other Property, Plant & Equipment	8,291	-	8,291	-
Land held for sale	1,859	-	-	1,859
Total non-financial assets	758,064	-	8,291	749,773
Payables	24,818	24,818	-	-
Borrowings	41,459	41,459	-	-
Total liabilities	66,277	66,277	-	-

Notes to the Financial Statements

31 December 2018

28 Fair Value Measurement

b) Fair value hierarchy

Fair value measurements at 31 December 2017

		2017	Level 1	Level 2	Level 3
		\$'000	\$'000	\$'000	\$'000
Recurring fair value measurements					
Financial assets					
Available-for-sale financial assets	18				
Equity securities		246,629	60,536	169,983	16,110
Debt securities		1,563	-	1,563	-
Total financial assets		248,192	60,536	171,546	16,110
Non-financial assets					
Land and buildings	19				
Land		51,905	-	17,075	34,830
Buildings		601,309	-	774	600,535
Other property, plant & equipment		2,459	-	2,459	-
Infrastructure		62,461	-	-	62,461
Total non-financial assets		718,134	-	20,308	697,826
Payables		20,720	20,720	-	-
Borrowings		41,211	41,211	-	-
Total liabilities		61,931	61,931	-	-

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

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

(ii) Disclosed fair values

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

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

The fair value of non-current borrowings disclosed in note 23 is estimated by discounting the future contractual cash flows at the current market interest rates that are available to the group for similar financial instruments. For the period ending 31 December 2018, the borrowing rates were determined to be between 3% and 6%, depending on the type of borrowing. The fair value of current borrowings approximates the carrying amount, as the impact of discounting is not significant (level 2).

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

Notes to the Financial Statements

31 December 2018

28 Fair Value Measurement

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

(i) Recurring fair value measurements

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

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

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

- The use of quoted market prices or dealer quotes for similar instruments;
- Other techniques, such as discounted cash flow analysis where an asset's new cash flows over an appropriate timeframe, including its estimated terminal or salvage value (at the end of the forecast period), are discounted back to the measurement date, resulting in a net present value for the asset.

All of the resulting fair value estimates are included in level 2 except for unlisted equity securities are explained in d) below.

Freehold land and buildings (classified as property, plant and equipment) are valued by an independent valuer at least every five years. At the end of each reporting period, the Group reassesses the fair value of each property, taking into account the most recent independent valuations. The Charles Sturt University determines the property's value within a range of reasonable fair value estimates.

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

- current prices in an active market for properties of different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences; and
- depreciated replacement cost which is the amount a market participant would be prepared to pay to acquire or construct a substitute asset of comparable utility, adjusted for obsolescence.

All resulting fair value estimates for land are included in level 2 and buildings and infrastructure in level 3. Sale prices of comparable land in close proximity are adjusted for any differences in key attributes such as property size and restrictions on use. The most significant input into this valuation approach is price per square metre.

Notes to the Financial Statements

31 December 2018

28 Fair Value Measurement

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

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

Level 3 Fair Value Measurement 2018	Unlisted equity securities \$'000	Other financial assets \$'000	Land, buildings & infrastructure \$'000	Total \$'000
Opening balance	16,110	-	697,826	713,936
Acquisitions	-	-	51,948	51,948
Recognised in other comprehensive income	6,823	-	-	6,823
Closing balance	22,933	-	749,774	772,707

Level 3 Fair Value Measurement 2017	Unlisted equity securities \$'000	Other financial assets \$'000	Buildings & Infrastructure \$'000	Total \$'000
Opening balance	11,027	3,007	704,431	718,465
Acquisitions	-	-	15,381	15,381
Disposals	-	(3,000)	(5,714)	(8,714)
Recognised in profit or loss*	-	-	(29,707)	(29,707)
Recognised in other comprehensive income	5,083	(7)	13,435	18,511
Closing balance	16,110	-	697,826	713,936

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

(i) Valuation inputs, processes and relationships to fair value

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements. See 29(c) above for the valuation techniques adopted.

Notes to the Financial Statements

31 December 2018

28 Fair Value Measurement

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

Description	Valuation technique	Key inputs	Sensitivity to change in unobservable inputs
Equity securities	Net assets and capitalisation of maintainable earnings method.	Comparable market transactions' data adjusted for factors including complexity of an instrument, market liquidity, credit risk profiles, impairment indicators	The estimated fair value increases (decreases) as the market liquidity increases (decreases).
	The Group engages a qualified valuer to conduct an annual valuation of all level 3 financial assets owned by the University at the end of each reporting period. The valuations are generally based on market transactions for comparable assets that exist in the secondary financial markets. Minimal adjustments are applied in respect of unobservable inputs for these assets.	Discount factors	The estimated fair value increases (decreases) as the estimated net asset value increases (decreases); and the estimated fair value increases (decreases) as the estimated discount factor decreases (increases).
Land, buildings & infrastructure	Depreciated replacement cost approach:	Current replacement costs	The estimated fair value increases (decreases) as the estimated replacement cost per square metre increases (decreases).
	Assets are valued by adopting and adjusting the written down value provided by AssetVal Pty Ltd as at 31 December 2018, with adjustments made including capital improvements and remaining useful lives.	Adjustments including capital improvements, remaining useful lives	The estimated fair value increases (decreases) as the estimated consumed economic benefit decreases (increases).
	Assets are valued based on comparable property sales transactions and where identical properties are not available, adjustments have been made to reflect the following characteristics of the asset, including condition, location, restrictions on use.	Comparable property sales values	
	Market approach.	Adjustments including condition, location, restrictions on use or comparability of the asset.	
	The Group also engages a qualified valuer annually to undertake a desktop review to determine the fair value movements for each asset class for the 12 months ended at each reporting date.		

Notes to the Financial Statements

31 December 2018

29 Key Management Personnel Disclosures

a) Names of responsible persons and executive officers

The following persons were responsible persons and executive officers of Charles Sturt University during the financial year:

(i) Names of University council members

-Dr Michele Allan	-Professor Andrew Vann	-Professor Jo-Anne Reid
-Ms Saranne Cooke	-Mrs Jennifer Hayes	-Mr Graeme Bailey
-Mr Neville Page	-Mr Peter Hayes	-Mr Jamie Newman
-Dr Rowan O'Hagan	-Ms Lisa Schofield	-Dr Susan Wood
-Ms Liz Smith	-Ms Elise McMahon	-Dr Kate Cornick
-Ms Julie Cleary	-Dr Peter Woodgate	-Emeritus Professor Joyce Kirk
-Professor Phillip Hider	-Mr John Honan	
-Mr Jason Beddow	-Professor Max Finlayson	
-Associate Professor Shokoofeh Shamsi		

(ii) Names of Executive Officers

-Professor Andrew Vann	-Professor Toni Downes	-Professor Mary Kelly
-Professor Ken Dillon	-Mr Paul Dowler	-Mr Adam Browne
-Professor Heather Urwin	-Ms Jenny Roberts	-Professor John Germov
-Professor Robyn McGuiggan		

b) Remuneration of board members and executives

	Consolidated		Parent	
	2018 Number	2017 Number	2018 Number	2017 Number
Remuneration of Board Members #1				
Nil to \$14,999	9	3	9	3
\$15,000 to \$29,999	9	9	9	9
\$30,000 to \$44,999	1	1	1	1
\$45,000 to \$59,999	1	1	1	1
Remuneration of Executive Officers #2				
\$30,000 to \$44,999	-	1	-	1
\$90,000 to 104,999	1	1	1	1
\$105,000 to \$119,999	1	-	-	-
\$175,000 to \$189,999	-	1	-	1
\$285,000 to \$299,999				
\$300,000 to \$314,999	1	-	1	-
\$315,000 to \$329,999	1	-	1	-
\$345,000 to \$359,999	1	-	1	-
\$375,000 to \$389,999	2	-	2	-
\$390,000 to \$404,999	-	1	-	1
\$405,000 to \$419,999	1	1	1	1
\$420,000 to \$434,999	-	1	-	1
\$765,000 to \$779,999	1	1	1	1

Notes to the Financial Statements

31 December 2018

29 Key Management Personnel Disclosures

b) Remuneration of board members and executives

#1 The remuneration of board members includes that amount paid as a consequence of their University Council and associated Sub-Committees. It excludes amounts paid as a consequence of employment as a staff member.

#2 Included in the above is remuneration paid to the Vice-Chancellor for the year ended 31 December 2018 of \$768,761 (2017: \$757,791).

c) Key management personnel compensation

	Consolidated		Parent	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Short-term employee benefits	3,221	3,251	3,221	3,251
Post-employment benefits	423	471	423	471
Total key management personnel compensation	3,644	3,722	3,644	3,722

d) Other transactions with key management personnel

During the year ended 31 December 2018, the Charles Sturt University Foundation Trust received \$32,321 (2017 \$12,434) in donations from Key Management Personnel. Charles Sturt University also received payments of \$1,042 (2017 \$4,325) for various services provided to Key Management Personnel during 2018 and \$31,883 for the sale of a motor vehicle. Travel allowances paid for domestic and international travel by key management personnel was \$31,507. A scholarship payment of \$11,000 was made during 2018 to a key management personnel member.

30 Remuneration of Auditors

During the year, the following fees were paid for services provided by the Audit Office of NSW, as the auditor of the consolidated entity and other firms for services unrelated to the audit of financial statements:

a) Assurance Service

	Consolidated		Parent	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Audit of the Financial Statements				
Fees paid to NSW Audit Office	383	330	348	293
Total	383	330	348	293
Consulting and assurance services	3	17	3	17
Total	3	17	3	17

The consolidated entity's financial statements are audited by the Audit Office of NSW pursuant to the Public Finance and Audit Act 1983.

Notes to the Financial Statements

31 December 2018

31 Contingencies

a) Contingent assets

Recoverable amount from Commonwealth & NSW Governments – Payroll tax on top-up contributions to defined benefit superannuation schemes.

The University has recognised a liability of \$8,095,208 for provision for payroll tax on the expected future funding shortfall on a number of closed defined benefit superannuation schemes. Under an MOU between the Commonwealth and the NSW Government, the shortfall contributions are reimbursed to NSW universities under a 78:22 split. The decision not to recognise a corresponding receivable in relation to this liability is based on the wording of AASB 137.53 which states that "Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, it is virtually certain that reimbursement will be received if the entity settles the obligation". The agreed terms of the MOU cover the other items including payroll taxes and other taxes payable to the top-up contributions. In choosing not to recognise a receivable the University notes that to date, neither the Commonwealth or the NSW Government have confirmed that they will reimburse the University for the payroll tax. While there is ongoing discussion between the university sector and the state and federal government in relation to this, Charles Sturt University believes there is currently no evidence that such amounts will not be recovered from this discussion process.

b) Contingent liabilities

(i) Bank guarantee and credit facility

The University currently has bank guarantee facility up to a limit of \$600,000 of which \$372,108 was used as at 31 December 2018. The bank guarantees given primarily relate to security for work undertaken in Port Macquarie on a road reserve.

Notes to the Financial Statements

31 December 2018

32 Commitments

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

	Consolidated		Parent	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Property, plant and equipment				
Within one year	16,898	12,050	16,898	12,050
Total	16,898	12,050	16,898	12,050

a) Lease commitments

(i) Operating Leases

This item represents the Group's contracted and future obligations for operating leases for property:

Within one year	2,397	3,212	2,397	3,212
Between one year and five years	10,067	12,198	10,067	12,198
Later than five years	43,493	32,136	43,493	32,136
Total future minimum lease payments	55,957	47,546	55,957	47,546

(ii) Finance Leases

The Group leases plant and equipment under non-cancellable finance leases expiring in five years. Commitments in relation to finance leases are payable as follows:

Within one year	1,420	1,496	1,420	1,496
Between one year and five years	1,540	2,960	1,540	2,960
Later than five years	5,650	5,650	5,650	5,650
Total future minimum lease payments	8,610	10,106	8,610	10,106
Future finance charges	-	(1)	-	(1)
Recognised as a liability	8,610	10,105	8,610	10,105
Representing lease liabilities				
Current	1,420	1,496	1,420	1,496
Non-current	7,190	8,609	7,190	8,609
Total	8,610	10,105	8,610	10,105

The weighted average interest rate implicit in the finance leases is 1.30% (2017: 1.01%)

Charles Sturt University

ABN: 83 878 708 551

Notes to the Financial Statements

31 December 2018

33 Related Parties

a) Parent entities

The ultimate parent entity within the Group is Charles Sturt University, established under the Charles Sturt University Act 1989.

b) Subsidiaries

Interests in subsidiaries are set out in note 36.

c) Key management personnel

Disclosures relating to directors and specified executives are set out in note 29

d) Transactions with related parties

The following material transactions occurred with related parties:

	Parent	
	2018 \$'000	2017 \$'000
Cleaning and maintenance services (Charles Sturt Campus Services Limited)	6,851	6,519
Charles Sturt University Trust. Administrative expense contribution	50	50

Notes to the Financial Statements

31 December 2018

34 Defined Benefits Plan

a) Fund specific disclosure

The Group contributes to the following superannuation schemes:

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

The Group incurs an obligation for deferred contributions which become payable on and after retirement of staff. The deferred liability at 31 December 2018 was estimated based on actuarial assumptions by Pillar Administration for the State Schemes. An arrangement exists between the Australian Government and the State Government to meet most of the unfunded liability for the Group's beneficiaries of the State Superannuation Scheme on an emerging cost basis. This Memorandum of Understanding (MoU) is evidenced by the Higher Education Funding Act 1988 and subsequent amending legislation.

Accordingly the unfunded liabilities have been recognised in the Statement of Financial Position under Provisions with a corresponding asset recognised under Receivables. The MoU has restrictions in the form of limitations on excess salaries paid to members. Information relating to the SSS, SASS and SANCS funds based on the latest actuarial assessment and the financial statements for the Funds for the year ended 31 December 2018 is set out below.

The Charles Sturt University expects to make a contribution of \$9,991,933 (2017: \$1,247,069) to the defined benefit plan during the next financial year.

The weighted average duration of the defined benefit obligation is 11.7 years (2017: 11.8 years). The expected maturity analysis of undiscounted benefit payments is as follows:

	Less than 1 year \$'000	Between 1 and 2 years \$'000	Between 2 and 5 years \$'000	Over 5 years \$'000	Total \$'000
Defined benefit obligations - 31 December 2018	22,879	22,749	69,122	388,365	503,115
Defined benefit obligations - 31 December 2017	22,780	22,875	69,150	414,996	529,801

b) Categories of plan assets

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

	2018 (%)		2017 (%)	
	Active Market	No Active Market	Active Market	No Active Market
Cash and Cash Equivalents	19.00	-	19.00	-
Equity instruments	46.00	-	52.00	-
Debt instruments	16.00	10.00	10.00	10.00
Property	4.00	5.00	4.00	5.00
Total	85.00	15.00	85.00	15.00

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

	2018	2017
Discount rate(s)	2.33%	2.65%
Expected rate(s) of salary increase	2.7% for 2018/19 then 3.2% thereafter.	2.5% to 30 Jun 2019, then 3.5% to 30 Jun 2021, then 3% to 30 Jun 2026, then 3.5% pa thereafter
Rate of CPI increase	2% for 2018/19. 2.25% for 2019/20 then 2.5% thereafter.	2.25% to 30 Jun 2020, then 2.5% pa thereafter

Notes to the Financial Statements

31 December 2018

34 Defined Benefits Plan

c) Actuarial assumptions and sensitivity

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

	Change in assumption	Impact on defined benefit obligation	
		Increase in assumption	Decrease in assumption
Discount rate	1.00%	decrease by 10.25%	increase by 12.35%
Salary Growth Rate	0.50%	increase by 0.2%	decrease by 0.2%

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

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

Notes to the Financial Statements

31 December 2018

34 Defined Benefits Plan

d) Statement of financial position amounts

Amounts recognised in the statement of financial position - 2018

Liabilities

Provision for deferred government benefits for superannuation

Assets

Receivable for deferred government benefit for superannuation

Net liability recognised in the statement of financial position

Net liability reconciliation - 2018

Defined benefit obligation

Fair value of plan assets

Net liability

Reimbursement right

Total net liability/(asset)

Note	\$'000	\$'000	\$'000	\$'000
	SASS	SANCS	SSS	Total
	11,809	4,885	397,055	413,749
	10,870	4,772	397,055	412,697
	939	113	-	1,052
	35,280	5,299	413,143	453,722
	(23,471)	(414)	(16,088)	(39,973)
24	11,809	4,885	397,055	413,749
16	(10,870)	(4,772)	(397,055)	(412,697)
	939	113	-	1,052

Notes to the Financial Statements

31 December 2018

34 Defined Benefits Plan

d) Statement of financial position amounts

	\$'000	\$'000	\$'000	\$'000
	SASS	SANCS	SSS	Total
Reimbursement rights - 2018				
Opening value of reimbursement right	8,334	6,119	393,050	407,503
Return on reimbursement rights	1,305	346	10,568	12,219
Remeasurements	1,231	(1,693)	(6,563)	(7,025)
Closing value of reimbursement right	10,870	4,772	397,055	412,697
Present value of obligation - 2018				
Opening defined benefit obligation	37,134	6,149	408,257	451,540
Current service cost	788	198	286	1,272
Contributions by participants	421	-	185	606
Interest expense	937	149	10,548	11,634
	39,280	6,496	419,276	465,052
Remeasurements				
Actuarial losses/(gains) arising from changes in demographic assumptions	(114)	(52)	1,926	1,760
Actuarial losses/(gains) arising from changes in financial assumptions	561	86	14,270	14,917
Experience (gains)/losses	1,471	101	(4,096)	(2,524)
	1,918	135	12,100	14,153
Payments from plan				
Benefits paid	(5,836)	(1,234)	(18,003)	(25,073)
Taxes, premiums & expenses	(82)	(98)	(230)	(410)
	(5,918)	(1,332)	(18,233)	(25,483)
Closing defined benefit obligation	35,280	5,299	413,143	453,722

Note

16

Notes to the Financial Statements

31 December 2018

34 Defined Benefits Plan

d) Statement of financial position amounts

Present value of plan assets - 2018

Opening fair value of plan assets

Interest (income)

Remeasurements

Return on plan assets, excluding amounts included in net interest expense

Contributions

Employers

Plan participants

Payments from plan

Benefits paid

Tax, premiums & expenses paid

Closing fair value of plans assets

Liabilities

Provision for deferred government benefits for superannuation

Total liabilities

Assets

Receivable for deferred government benefit for superannuation

Net liability recognised in the statement of financial position

Net liability reconciliation - 2017

Defined benefit obligation

Fair value of plan assets

Net liability

Reimbursement right

Total net liability/(asset)

	\$'000 SASS	\$'000 SANCS	\$'000 SSS	\$'000 Total
Opening fair value of plan assets	28,548	(15)	15,207	43,740
Interest (income)	709	9	380	1,098
	29,257	(6)	15,587	44,838
Return on plan assets, excluding amounts included in net interest expense	(289)	(7)	(113)	(409)
Employers	-	1,760	18,662	20,422
Plan participants	420	-	185	605
	420	1,760	18,847	21,027
Benefits paid	(5,836)	(1,234)	(18,002)	(25,072)
Tax, premiums & expenses paid	(83)	(98)	(230)	(411)
	(5,919)	(1,332)	(18,232)	(25,483)
	23,469	415	16,089	39,973
Provision for deferred government benefits for superannuation	8,586	6,164	393,050	407,800
	8,586	6,164	393,050	407,800
Receivable for deferred government benefit for superannuation	8,334	6,119	393,050	407,503
	252	45	-	297
Defined benefit obligation	37,018	6,415	407,524	450,957
Fair value of plan assets	(29,202)	(894)	(28,223)	(58,319)
	7,816	5,521	379,301	392,638
Reimbursement right	(8,334)	(6,119)	(393,050)	(407,503)
	(518)	(598)	(13,749)	(14,865)

Note

24

16

Notes to the Financial Statements

31 December 2018

34 Defined Benefits Plan

d) Statement of financial position amounts

Reimbursement rights - 2017

Opening value of reimbursement right

Return on reimbursement rights

Remeasurements

Closing value of reimbursement right

Present value of obligation - 2017

Opening defined benefit obligation

Current service cost

Interest expense

Remeasurements

Actuarial losses/(gains) arising from changes in financial assumptions

Experience (gains)/losses

Payments from plan

Benefits paid

Settlements

Closing defined benefit obligation

Note	\$'000	\$'000	\$'000	\$'000
	SASS	SANCS	SSS	Total
	7,468	5,449	379,279	392,196
	(291)	193	10,630	10,532
	1,157	477	3,141	4,775
16	8,334	6,119	393,050	407,503
Note				
	37,018	6,415	407,524	450,957
	951	221	561	1,733
	981	167	11,088	12,236
	38,950	6,803	419,173	464,926
	234	41	4,577	4,852
	923	436	(1,436)	(77)
	1,157	477	3,141	4,775
	(3,315)	(736)	(17,326)	(21,377)
	462	-	239	701
	(2,853)	(736)	(17,087)	(20,676)
	37,254	6,544	405,227	449,025

Notes to the Financial Statements

31 December 2018

34 Defined Benefits Plan

d) Statement of financial position amounts

	Note	\$'000 SASS	\$'000 SANCS	\$'000 SSS	\$'000 Total
Present value of plan assets - 2017					
Opening fair value of plan assets		29,202	894	28,223	58,319
Interest (income)		775	17	547	1,339
Taxes, premiums & expenses		(119)	(396)	3029	2,514
		29,858	515	31,799	62,172
Remeasurements					
Return on plan assets, excluding amounts included in net interest expense		736	(7)	254	983
Contributions					
Employers		806	213	241	1,260
Plan participants		462	-	239	701
		1,268	213	480	1,961
Payments from plan					
Benefits paid		(3,315)	(736)	(17,326)	(21,377)
		29,441	398	12,725	42,564

e) Amounts recognised in other statements

Amounts recognised in the Income Statement - 2018

The amounts recognised in the income statement are restricted to the SASS, SANCS and SSS schemes in accordance with note 24. The amounts are included in the Income Statement.

	Note	\$'000 SASS	\$'000 SANCS	\$'000 SSS	\$'000 Total
Amounts recognised in the Income Statement - 2018					
Current service cost		788	198	286	1,272
Interest expense		228	140	10,169	10,537
Total expense recognised in the Income Statement	9	1,016	338	10,455	11,809

Amounts recognised in other comprehensive income – 2018

The amounts recognised in the statement of comprehensive income are restricted to the SASS, SANCS and SSS schemes in accordance with note 24. The amounts are included in retained earnings (note 26).

	Note	\$'000 SASS	\$'000 SANCS	\$'000 SSS	\$'000 Total
Remeasurements					
Actuarial losses (gains) on liabilities		1,918	135	12,100	14,153
Remeasurement of reimbursement right		(1,886)	(74)	(12,213)	(14,173)
Actual return on plan assets less interest income		289	7	113	409
Total remeasurements in OCI		321	68	-	389

Notes to the Financial Statements

31 December 2018

34 Defined Benefits Plan

e) Amounts recognised in other statements

Amounts recognised in the Income Statement - 2017

The amounts recognised in the income statement are restricted to the SASS, SANCS and SSS schemes in accordance with note 24. The amounts are included in the Income Statement.

Amounts recognised in the Income Statement - 2017	\$'000	\$'000	\$'000	\$'000
	SASS	SANCS	SSS	Total
Current service cost	951	221	561	1,733
Interest expense	206	151	10,541	10,898
Total expense recognised in the Income Statement	1,157	372	11,102	12,631

9

Amounts recognised in other comprehensive income - 2017

The amounts recognised in the statement of comprehensive income are restricted to the SASS, SANCS and SSS schemes in accordance with note 24. The amounts are included in retained earnings (note 26).

Note	\$'000	\$'000	\$'000	\$'000
	SASS	SANCS	SSS	Total
Remeasurements				
Actuarial losses (gains) arising from changes in demographic assumptions	1,157	477	3,141	4,775
Remeasurement of reimbursement right	(536)	(459)	(2,887)	(3,882)
Actual return on plan assets less interest income	(736)	7	(254)	(983)
Total remeasurements in OCI	(115)	25	-	(90)

Notes to the Financial Statements

31 December 2018

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

	Note	Consolidated		Parent	
		2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Net result for the period		256	31,028	949	29,918
Depreciation and amortisation		40,584	40,779	40,554	40,767
Gain on disposal of available-for-sale financial investments		9,163	(100)	7,900	(83)
(Gain)/loss on disposal of property, plant and equipment		121	(1,264)	100	(859)
Impairment of assets		2,458	1,840	2,458	1,770
Other non-cash movements		-5	3	-219	-
Change in operating assets and liabilities, net of effects from purchase of controlled entity:					
(Increase) / decrease in trade debtors		8,787	1,557	,8,793	1,559
(Increase) / decrease in accrued revenue		(12,561)	(3,550)	(12,346)	(3,550)
(Increase) / decrease in other accrued income		(6,774)	(9,390)	(6,788)	(9,390)
(Increase) / decrease in prepaid salaries		4	(4)	4	(4)
(Increase) / decrease in other prepayments		1,108	(1,952)	1,108	(1,952)
(Increase) / decrease in inventories		(41)	653	(41)	653
Increase / (decrease) in fees received in advance		110	(13,188)	110	(13,188)
Increase / (decrease) in accrued salaries		1,264	1,823	1,264	1,823
Increase/ (decrease) in trade payables		5,509	(428)	5,252	(484)
Increase / (decrease) in accrued expenses		558	430	789	430
Increase / (decrease) in provision for leave and other employee entitlements		17,172	19,054	17,065	19,022
Net cash provided by / (used in) operating activities		67,713	67,291	66,952	66,432

Charles Sturt University

ABN: 83 878 708 551

Notes to the Financial Statements

31 December 2018

36 Subsidiaries

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

Name of Entity	Principal place of business	Controlling interest (%)	
		2018	2017
Charles Sturt Campus Services Limited (CSCS)	Panorama Avenue Bathurst NSW	100.00	100.00
The Charles Sturt University Foundation Trust	Panorama Avenue Bathurst NSW	100.00	100.00

The Group accounts for the above investments using the full consolidation method in the parent's separate financial statements. The investments are recognised at cost in the parent financial statements. There are no known significant restrictions on the Group's ability to access or use the assets and settle the liabilities of the Group.

37 Joint Operations

The University has a joint operation, which is detailed below:

Name of joint operation	Nature of relationship	Principal place of business	Ownership interest/ voting rights held (%)	
			2018	2017
Australian Graduate Management Consortium	Unincorporated strategic alliance for post graduate education	NSW, Australia	50.00	50.00

Charles Sturt University's share of assets held jointly is \$634,221(2017: \$597,625) and liabilities held jointly is \$Nil (2017: \$Nil). The amounts are included in the financial statements under their respective categories.

Notes to the Financial Statements

31 December 2018

38 Acquittal of Australian Government financial assistance

a) Education - CGS and Other Education Grants

	Commonwealth Grants Scheme#1		Indigenous Student Success Program		Partnership & Participation Program #2	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Parent Entity (University) Only						
Financial assistance received in CASH during the reporting period (total cash received from Australian Government for the program)	174,052	174,109	3,965	3,181	5,932	6,315
Net accrual adjustments	845	-	-	-	-	-
Revenue for the period	174,897	174,109	3,965	3,181	5,932	6,315
Surplus/(deficit) from the previous year	-	-	1,152	921	86	1,122
Total revenue including accrued revenue	174,897	174,109	5,117	4,102	6,018	7,437
Less expenses including accrued expenses	174,897	174,109	3,534	2,950	5,935	7,351
Surplus/(deficit) for the reporting period	-	-	1,583	1,152	83	86

	Disability Support Program		Promotion of Excellence in Learning and Teaching		Total	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Parent Entity (University) Only						
Financial assistance received in CASH during the reporting period (total cash received from Australian Government for the program)	97	118	-	10	184,046	183,733
Net accrual adjustments	-	-	-	-	845	-
Revenue for the period	97	118	-	10	184,891	-
Surplus/(deficit) from the previous year	-	-	-	49	1,238	2,092
Total revenue including accrued revenue	97	118	-	59	186,129	185,825
Less expenses including accrued expenses	334	118	-	59	184,700	184,587
Surplus/(deficit) for the reporting period	(237)	-	-	-	1,429	1,238

#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.

Notes to the Financial Statements

31 December 2018

38 Acquittal of Australian Government financial assistance

b) Higher Education Loan Programs (excl OS-HELP)

	Note	HECS-HELP (Aust. Government payments only)		FEE-HELP #4		SA-HELP		Total	
		2018	2017	2018	2017	2018	2017	2018	2017
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Parent Entity (University) Only									
Cash Payable/(Receivable) at beginning of year		(1,568)	-	-	3	-	-	(1,568)	3
Financial assistance received in cash during the reporting period		93,466	91,727	40,608	37,584	1,742	1,773	135,816	131,084
Cash available for the period		91,898	91,727	40,608	37,587	1,742	1,773	134,248	131,087
Revenue earned	2.b)	98,941	93,295	40,608	37,587	1,742	1,773	141,291	132,655
Cash Payable/(Receivable) at end of year	2.b)	(7,043)	(1,568)	-	-	-	-	(7,043)	(1,568)

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

c) Education Research

	Note	Research Training Program #6		Research Support Program		Total	
		2018	2017	2018	2017	2018	2017
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Parent Entity (University) Only							
Financial assistance received in CASH during the reporting period (total cash received from Australian Government for the program)		6,469	6,159	3,604	3,722	10,073	9,881
Revenue for the period	2.c)	6,469	6,159	3,604	-	10,073	6,159
Surplus/(deficit) from the previous year		2,240	1,654	-	-	2,240	1,654
Total revenue including accrued revenue		8,709	7,813	3,604	3,722	12,313	11,535
Less expenses including accrued expenses		6,699	5,573	3,604	3,722	10,303	9,295
Surplus/(deficit) for the reporting period		2,010	2,240	-	-	2,010	2,240

d) Education Research Domestic/overseas break-up

Parent Entity (University) Only	Note	Total domestic students	Total overseas students
Research Training Program fees offsets		2,953	132
Research Training Program stipends		2,769	324
Research Training Programs allowances		321	201
Total for all types of support		6,043	657

Notes to the Financial Statements

31 December 2018

38 Acquittal of Australian Government financial assistance

e) Australian Research Council Grants

	Projects		Fellowships		Indigenous Researchers Development		DECRA		Total Discovery	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
(i) Discovery										
Parent Entity (University) Only										
Financial assistance received in CASH during the reporting period (total cash received from Australian Government for the program)	138	65	-	-	106	133	237	128	481	326
Surplus/(deficit) from the previous year	489	649	93	-	87	-	23	-	692	649
Total revenue including accrued revenue	627	714	93	93	193	133	260	128	1,173	1,068
Less expenses including accrued expenses	161	225	-	-	193	46	200	105	554	376
Surplus/(deficit) for the reporting period	466	489	93	93	-	87	60	23	619	692

(ii) Linkages

Parent Entity (University) Only

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

Surplus/(deficit) from the previous year

Total revenue including accrued revenue

Less expenses including accrued expenses

Surplus/(deficit) for the reporting period

Industrial Transformation Research Program		Projects		Total Linkages	
2018	2017	2018	2017	2018	2017
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
-	-	(25)	177	(25)	177
813	1,353	263	215	1,076	1,568
813	1,353	238	392	1,051	1,745
543	540	157	129	700	669
270	813	81	263	351	1,076

Charles Sturt University

ABN: 83 878 708 551

Notes to the Financial Statements

31 December 2018

38 Acquittal of Australian Government financial assistance

f) OS-HELP

Parent Entity (University) Only

Cash received during the reporting period

Cash spent during the reporting period

Net cash received

Cash surplus/(deficit) from the previous period

Cash surplus/(deficit) for the reporting period

Note	OS - HELP	
	2018 \$'000	2017 \$'000
	1,869	1,583
	(1,638)	(1,840)
	231	(257)
	1,070	1,327
22	1,301	1,070

g) Superannuation supplementation

Parent Entity (University) Only

Cash received during the reporting period

Cash available

Cash surplus / (deficit) from the previous period

Cash available for current period

Contributions to specified defined benefit funds

Cash surplus/(deficit) for this period

Superannuation Supplementation	
2018 \$'000	2017 \$'000
15,102	-
15,102	-
-	-
15,102	-
(15,102)	-
-	-

h) Student Services and Amenities Fee

Parent Entity (University) Only

Unspent/(overspent) revenue from previous period

SA - HELP Revenue Earned

Student Services Fees direct from Students

Total revenue expendable in period

Student services expenses during period

Unspent/(overspent) student services revenue

	SA - HELP	
	2018 \$'000	2017 \$'000
	8,511	6,041
2.b)	1,742	1,999
	4,320	3,780
	14,799	11,820
	2,966	3,083
	11,833	8,737

39 Events Occurring After the Reporting Date

The Group has not identified any events after reporting date that would require adjustment to the amounts recognised or disclosures in the financial statements.

End of audited financial statements

The Charles Sturt University Foundation Trust

ABN 31 158 135 157

Audited Financial Statements for the year ending 31 December 2018



INDEPENDENT AUDITOR'S REPORT

The Charles Sturt University Foundation Trust

To Members of the New South Wales Parliament

Opinion

I have audited the accompanying financial statements of The Charles Sturt University Foundation Trust (the Trust), which comprise the Income Statement, and the Statement of Comprehensive Income For The Year Ended 31 December 2018, the Statement of Financial Position As at 31 December 2018, the Statements of Changes in Equity and the Statement of Cash Flows for the year then ended, Notes to the Financial Statements comprising a Summary of Significant Accounting Policies and other explanatory information.

In my opinion, the financial statements:

- give a true and fair view of the financial position of the Trust as at 31 December 2018, and of their financial performance and cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (PF&A Act) and the Public Finance and Audit Regulation 2015
- have been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* and Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013.

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

Basis for Opinion

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

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

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

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

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

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

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

Other Information

Other information comprises the information included in the Trust's annual report for the year ended 31 December 2018, other than the financial statements and my Independent Auditor's Report thereon. The Trustees are responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the Trustee's Report and the Trustee's Declaration.

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

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

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

I have nothing to report in this regard.

The Trustees' Responsibilities for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

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

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

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

My opinion does *not* provide assurance:

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



Margaret Crawford
Auditor-General of NSW

15 April 2019
SYDNEY

The Charles Sturt University Foundation Trust

31 158 135 157

Trustee's Report

31 December 2018

Trustee

The Trust was established by Deed dated 17th March 1994. Under that Deed, the Charles Sturt Foundation Limited was appointed as Trustee until 2010. Since 2010 Charles Sturt University has been Trustee. Governance is administered through the University using delegations and procedures in place at the University, including a Foundation Governance Committee.

Review of operations

The surplus / (deficit) of the Trust amounted to \$ (553,104) (2017: \$859,652).

Significant changes in the state of affairs

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

Principal activities

The principal activities of The Charles Sturt University Foundation Trust during the financial year were:

- to attract and encourage donations, gifts, bequests, endowments, trusts and other forms of financial assistance to, or for the benefit of, Charles Sturt University ('the University') through fundraising activities;
- to invest and deal with money of the Trust; and
- to make contributions for tertiary scholarships, academic staff positions and infrastructure to the University.

There were no significant changes in the nature of The Charles Sturt University Foundation Trust's principal activities during the financial year.

Events after the reporting date

The Trustee is not aware of any matter or circumstance that has arisen since the end of the financial year and that has or may significantly affect:

- The operation of the Trust;
- The results of those operations; and
- The state of affairs of the Trust in subsequent years.

By resolution of the Charles Sturt University, as Trustee of the Charles Sturt University Foundation Trust

Name: Dr Michele Allan

Signed: _____

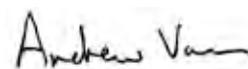
Date: 11th April 2019



Name: Professor Andrew Vann

Signed: _____

Date: 11th April 2019



The Charles Sturt University Foundation Trust

31 158 135 157

Trustee's Declaration

for the year ended 31 December 2018

In the opinion of the Trustee of the Charles Sturt University Foundation Trust:

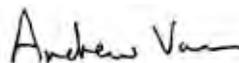
1. The financial statements and notes present a true and fair view of the financial position of the Trust at 31 December 2018 and the results of its operations for the year then ended;
2. The financial statements and notes have been prepared in accordance with the provisions of the Public Finance and Audit Act 1983 and the Public Finance and Audit Regulation 2015;
3. The financial statements and notes have been prepared in accordance with Australian Accounting Standards and Interpretations;
4. The financial statements and notes have been prepared in accordance with the Australian Charities and Not-for-profits Commission Act 2012;
5. We are not aware of any circumstances which would render any particulars included in the financial statements to be misleading or inaccurate; and
6. There are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable.

This statement is in accordance with a resolution of the Trustee made on 11th April 2019.

By resolution of Charles Sturt University, as Trustee of the Charles Sturt University Foundation Trust



Signed
Dr Michele Allan



Signed
Professor Andrew Vann

Date: 11th April 2019

The Charles Sturt University Foundation Trust

31 158 135 157

Income Statement

For the Year Ended 31 December 2018

		2018	2017
	Note	\$	\$
Revenue			
Fundraising revenue	2	1,138,462	810,512
Investment income	3	(169,790)	1,487,956
Total revenue		968,672	2,298,468
Expenses			
Administrative expenses		153,968	152,383
Contributions	4	1,367,808	1,216,308
Impairment of available-for-sale financial asset		-	70,125
Total expenses		1,521,776	1,438,816
Surplus / (Deficit) for the Year		(553,104)	859,652

The accompanying notes form part of these financial statements.

The Charles Sturt University Foundation Trust

31 158 135 157

Statement of Comprehensive Income

For the Year Ended 31 December 2018

	2018	2017
Note	\$	\$
Surplus / (Deficit) for the Year		
Items that may be reclassified to profit or loss		
Net fair value gains / (losses) on available-for-sale financial assets	-	312,935
Total comprehensive income for the year	(553,104)	1,172,587

The accompanying notes form part of these financial statements.

The Charles Sturt University Foundation Trust

31 158 135 157

Statement of Financial Position

As at 31 December 2018

	Note	2018 \$	2017 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	487,286	463,104
Trade and other receivables		109,933	128,060
TOTAL CURRENT ASSETS		<u>597,219</u>	<u>591,164</u>
NON-CURRENT ASSETS			
Other financial assets	6	16,844,774	17,406,862
TOTAL NON-CURRENT ASSETS		<u>16,844,774</u>	<u>17,406,862</u>
TOTAL ASSETS		<u>17,441,993</u>	<u>17,998,026</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables		26,400	25,000
TOTAL CURRENT LIABILITIES		<u>26,400</u>	<u>25,000</u>
TOTAL LIABILITIES		<u>26,400</u>	<u>25,000</u>
NET ASSETS		<u>17,415,593</u>	<u>17,973,026</u>
EQUITY			
Reserves		-	2,408,928
Retained Earnings		17,415,593	15,564,098
TOTAL EQUITY		<u>17,415,593</u>	<u>17,973,026</u>

The accompanying notes form part of these financial statements.

The Charles Sturt University Foundation Trust

31 158 135 157

Statement of Changes in Equity

For the Year Ended 31 December 2018

2018

	Note	Accumulated Funds	Available-for-sale financial assets Reserve	Total
		\$	\$	\$
Balance at 1 January 2018		15,564,098	2,408,928	17,973,026
Retrospective changes	1(h)	2,404,599	(2,408,928)	(4,329)
Balance as restated		17,968,697	-	17,968,697
Surplus / (Deficit) for the year		(553,104)	-	(553,104)
Balance at 31 December 2018		17,415,593	-	17,415,593

2017

	Note	Accumulated Funds	Available-for-sale financial assets Reserve	Total
		\$	\$	\$
Balance at 1 January 2017		14,704,446	2,095,993	16,800,439
Surplus / (Deficit) for the year		859,652	-	859,652
Other comprehensive income				
Net fair value gains/(losses) on available-for-sale financial assets		-	669,243	669,243
Transfer from reserve to profit or loss		-	(356,308)	(356,308)
Total Comprehensive income for the period		859,652	312,935	1,172,587
Balance at 31 December 2017		15,564,098	2,408,928	17,973,026

The accompanying notes form part of these financial statements.

The Charles Sturt University Foundation Trust

31 158 135 157

Statement of Cash Flows

For the Year Ended 31 December 2018

	2018	2017
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Fundraising receipts	1,138,462	810,512
Interest received	27,727	52,820
Dividends and distributions received	1,104,800	1,008,038
Contribution payments	(1,367,807)	(1,216,308)
Payments to suppliers	(162,036)	(147,792)
GST recovered/(paid)	9,467	5,556
Net cash provided by/(used in) operating activities	<u>750,613</u>	<u>512,826</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of financial assets	2,589,440	3,536,471
Purchase of financial assets	(3,315,871)	(4,735,211)
Net cash used by investing activities	<u>(726,431)</u>	<u>(1,198,740)</u>
Net increase/(decrease) in cash and cash equivalents held	24,182	(685,914)
Cash and cash equivalents at beginning of year	463,104	1,149,018
Cash and cash equivalents at end of financial year	5 <u>487,286</u>	<u>463,104</u>

The accompanying notes form part of these financial statements.

The Charles Sturt University Foundation Trust

31 158 135 157

Notes to the Financial Statements

For the Year Ended 31 December 2018

1 Summary of Significant Accounting Policies

(a) Reporting Entity

The Charles Sturt University Foundation Trust ('Trust') is a reporting entity and was established by a Deed of Settlement on 17th March 1994 and is recognised as a not-for-profit organisation. Charles Sturt University acts as Trustee of the Trust which operates for the benefit of Charles Sturt University. Charles Sturt University is the ultimate controlling entity of the Trust.

The financial statements have been authorised for release by the Trustee on the 11th April 2019.

(b) Basis of Preparation

The annual financial statements represent the audited general purpose financial statements of the Trust. They have been prepared on an accrual basis and comply with the AAS's and other authoritative pronouncements of the AAS Board.

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

- *Public Finance and Audit Act 1983, and Public Finance and Audit Regulation 2015; and*
- Section 60.40 of the *Australian Charities and Not-for-profit Commission Regulation 2013* (ACNC Regulation).

The Trust is a not-for-profit entity and these statements have been prepared on that basis. Some of the AAS requirements for not-for-profit entities are inconsistent with the IFRS requirements.

Judgements, key assumptions and estimates made by management are disclosed in the relevant notes to the financial statements. The financial statements have been prepared under the historical cost convention, except for certain financial assets that have been measured at fair value through profit or loss.

The accounting policies are consistent with those of the previous year unless otherwise specified.

(c) Income Tax

Designated as a registered charity, the Trust is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

(d) Goods and Services Tax (GST)

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

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the statement of financial position. Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

The Charles Sturt University Foundation Trust

31 158 135 157

Notes to the Financial Statements

For the Year Ended 31 December 2018

1 Summary of Significant Accounting Policies Continued

(e) Trade receivables

Trade receivables are recognised on an accrual basis initially at fair value and they are subsequently measured at amortised cost using the effective interest method, less any applicable provision for impairment.

(f) Trade and other payables

These amounts represent unpaid liabilities for goods and services provided to the Trust prior to the end of the financial year. The amounts are unsecured and are usually paid within 30 days of recognition. Payables are carried at amortised cost and due to their short-term nature are not discounted.

(g) New Accounting Standards and Interpretations

The following standards have been issued but are not mandatory for 31 December 2018 reporting periods. The Trust has elected not to early adopt any of these standards. The Trust's assessment of the impact of these new Standards and Interpretations is set out below:

Standard	Application date	Implications
AASB2014-5 Amendments to Australian Accounting Standards arising from AASB15	1 Jan 2019 (early adoption not permitted by the department)	AASB2014-5 gives effect to the consequential amendments to the Australian Accounting Standards (including Interpretations) arising from the issuance of AASB15. The impact on the Trust's financial statements is expected to be insignificant.
AASB2016-8 Amendments to Australian Accounting Standards - Australian Implementation Guidance for Not-for-Profit Entities	1 Jan 2019 (early adoption not permitted)	AASB2016-8 inserts Australian requirements and authoritative implementation guidance for not-for-profit entities into AASB9 and AASB15. The impact on the Trust's financial statements is expected to be insignificant.
AASB15 Revenue from Contracts with Customers	1 Jan 2019 (early adoption not permitted by the department)	AASB15 establishes a single comprehensive framework which sets out how and when revenue is recognised. The core principle of AASB15 is that revenue is recognised when transfers of goods or services to customers occur in exchange for consideration which the vendor expects to be entitled to in exchange for the provision of those goods or services (i.e. fulfilment of performance obligations). The impact on the Trust's financial statements is expected to be insignificant.
AASB1058 Income of Not-for-Profit Entities	1 Jan 2019 (early adoption not permitted by the department)	AASB1058 clarifies and simplifies the income recognition requirements that apply to not-for-profit entities, in conjunction with AASB15. The impact on the Trust's financial statements is expected to be insignificant.
AASB2018-3 Amendments to Australian Accounting Standards – Reduced Disclosure Requirements	1 Jan 2019 [early adoption not permitted by the department]	AASB2018-3 makes amendments to AASB16 and AASB1058 to establish reduced disclosure requirements for entities preparing general purpose financial statements under Australian Accounting Standards. The impact on the Trust's financial statements is expected to be insignificant.

In addition, at the date of authorisation of the financial statements the following IASB Standards and IFRIC Interpretations were on issue but not yet effective, but for which Australian equivalent Standards and Interpretations have not yet been issued:

Amendments to References to the Conceptual Framework in IFRS Standards – 1 January 2020.

The Charles Sturt University Foundation Trust

31 158 135 157

Notes to the Financial Statements

For the Year Ended 31 December 2018

1 Summary of Significant Accounting Policies Continued

(h) Initial application of AAS

Adoption of AASB9 and Interpretation 22 is made in accordance with the transitional provisions. The nature and effect of the changes as a result of adoption of these new accounting standards and interpretations are described below.

AASB 9 Financial Instruments

AASB9 *Financial Instruments* replaces AASB139 *Financial Instruments: Recognition and Measurement* for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

The Trust applied AASB9 retrospectively, with an initial application date of 1 January 2018. The Trust has not restated the comparative information, which continues to be reported under AASB139. Differences arising from the adoption of AASB9 have been recognised directly in retained earnings, other components of equity, and other financial assets. The nature and effect of the changes as a result of adoption of AASB9 are described below.

Impact on the statement of financial position (increase/(decrease):

	Ref. adjustments	1 January 2018 \$
Assets		
Other financial assets	(i)	(4,329)
Total assets		(4,329)
Liabilities		
Total adjustments on equity		
Retained earnings	(i)	2,404,599
Other components of equity		(2,408,928)

(i) Classification and measurement

Under AASB9, debt instruments are subsequently measured at fair value through profit or loss, amortised cost, or fair value through OCI. The classification is based on two criteria: the Trust's business model for managing the assets; and whether the instruments' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding.

The assessment of the Trust's business model was made as of the date of initial application, 1 January 2018.

The assessment of whether contractual cash flows on debt instruments are solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.

The Trust continued measuring at fair value all non-debt financial assets previously held at fair value under AASB139.

The classification and measurement requirements of AASB9 did not have a significant impact to the Trust.

The Charles Sturt University Foundation Trust

31 158 135 157

Notes to the Financial Statements

For the Year Ended 31 December 2018

1 Summary of Significant Accounting Policies Continued

(h) Initial application of AAS Continued

AASB 9 Financial Instruments Continued

The following are the changes in the classification of the Trust's financial assets:

- (a) Trade receivables and Other non-current financial assets classified as Loans and receivables as at 31 December 2017 are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. These are classified and measured as Debt instruments at amortised cost beginning 1 January 2018.
- (b) Quoted debt instruments classified as AFS financial assets as at 31 December 2017 are classified and measured as Debt instruments at amortised cost beginning 1 January 2018. Quoted debt instruments are regular government and corporate bonds that passed the SPPI test. The Trust expects to hold the assets to collect contractual cash flows.
- (c) All remaining investments classified as Available-for-sale (AFS) financial assets as at 31 December 2017 are classified and measured as Financial assets at fair value through profit or loss beginning 1 January 2018.

As a result of the change in classification of the Trust's investments, the AFS reserve value of \$2,408,928 that was previously presented under accumulated OCI, was reclassified to retained earnings (\$2,404,599) and other financial asset (\$4,329) as at 1 January 2018.

The Trust has not designated any financial liabilities as at fair value through profit or loss. There are no changes in classification and measurement for the Trust's financial liabilities.

In summary, upon the adoption of AASB9, the Trust had the following required or elected reclassifications as at 1 January 2018.

	AASB9 measurement category		
		Fair value through profit or loss	Amortised cost
	\$	\$	\$
AASB139 measurement category			
Available for sale			
Listed investments	8,183,939	8,183,939	-
Unlisted investments	8,580,375	8,580,375	-
Quoted debt instruments	638,218	-	638,218
	<u>17,402,532</u>	<u>16,764,314</u>	<u>638,218</u>

(ii) Impairment

The adoption of AASB9 has fundamentally changed the Trust's accounting for impairment losses for financial assets by replacing AASB139's incurred loss approach with a forward-looking expected credit loss (ECL) approach. AASB9 requires the Trust to recognise an allowance for ECL's for all debt instruments not held at fair value through profit or loss and contract assets.

The Charles Sturt University Foundation Trust

31 158 135 157

Notes to the Financial Statements

For the Year Ended 31 December 2018

2 Revenue

	2018	2017
	\$	\$
Fundraising revenue		
Contributions to corpus	634,806	348,231
Annually funded scholarships	503,656	462,281
Total fundraising revenue	1,138,462	810,512

Revenue is measured at the fair value of the consideration received or receivable.

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

The Trust receives a principal part of its income from donations by way of cheques, direct deposits and electronic funds transfers. Amounts donated are recognised as revenue when the Trust gains control of the donated amount, the economic benefits are probable and the amounts can be measured reliably; generally the recognition of revenue occurs when the donation is received.

3 Investment Income

	2018	2017
	\$	\$
Investment Revenue		
Interest income	27,727	52,820
Dividends	425,779	453,169
Distributions	660,895	560,214
Total investment revenue	1,114,401	1,066,203
Other investment gains/(losses)		
Net gains/(losses) on sale of investments	(21,734)	421,753
Change in fair value of financial assets designated as at fair value through profit & loss	(1,262,457)	-
Total other investment gains/(losses)	(1,284,191)	421,753
Total Investment income	(169,790)	1,487,956

Interest revenue is recognised on an accrual basis. Dividends and distributions are recognised as revenue when the Trust's right to receive payment is established. Refunds of imputation credits, arising from investment income received, are recognised as revenue when the dividend or distribution is declared.

Gains and losses realised on sale of investments are taken to the income statement. The gain or loss is the difference between the net proceeds of the disposal and the carrying value of the investment at the time of its disposal.

The Charles Sturt University Foundation Trust

31 158 135 157

Notes to the Financial Statements

For the Year Ended 31 December 2018

4 Contributions

	2018	2017
	\$	\$
Scholarships - annually funded	483,167	538,087
Scholarships - corpus	880,928	671,713
Grants	3,712	6,508
Total contributions	1,367,807	1,216,308

5 Cash and cash equivalents

	2018	2017
	\$	\$
Cash at bank and in hand	487,286	463,104
	487,286	463,104

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments with original maturities of three months or less which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

6 Other financial assets

	2018	2017
	\$	\$
Non-current		
Financial assets at fair value through profit or loss	16,507,514	-
Financial assets at amortised cost	337,260	-
Available-for-sale financial assets	-	17,406,862
Total non-current other financial assets	16,844,774	17,406,862

Investments and other financial assets of the Trust are classified into two categories:

Financial assets at amortised cost

Where the main objective of the Trust holding an asset or portfolio of assets is to collect contractual cash flows on specific dates and those cash flows are generally in the form of principal and/or interest, they are measured at amortised cost using the effective interest method and net of any impairment loss.

When a financial asset at amortised cost is reclassified, its fair value at the reclassification date becomes its new gross carrying amount. Financial assets at amortised cost are assessed for evidence of impairment at the end of each reporting period.

Financial assets at fair value through profit or loss

Financial assets which do not meet the criteria of contractual cash flows, are measured at fair value through profit or loss.

The Charles Sturt University Foundation Trust

31 158 135 157

Notes to the Financial Statements

For the Year Ended 31 December 2018

6 Other financial assets Continued

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

If the Trust reclassifies these assets, their fair value is determined at reclassification date. Any gain or loss arising from a difference between the previous carrying amount and fair value is recognised in profit or loss.

Prior Period - 2017

Financial Assets

Financial assets are divided into the following categories which are described in detail below:

- available-for-sale financial assets; and
- held-to-maturity investments.

Financial assets are assigned to the different categories on initial recognition, depending on the characteristics of the instrument and its purpose. A financial instrument's category is relevant to the way it is measured and whether any resulting income and expenses are recognised in profit or loss or in other comprehensive income.

(i) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity. Investments are classified as held-to-maturity if it is the intention of the Trust's management to hold them until maturity.

Held-to-maturity investments are subsequently measured at amortised cost using the effective interest method, with revenue recognised on an effective yield basis. In addition, if there is objective evidence that the investment has been impaired, the financial asset is measured at the present value of estimated cash flows. Any changes to the carrying amount of the investment are recognised in profit or loss.

(ii) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that do not qualify for inclusion in any of the other categories of financial assets or which have been designated in this category. The Trust's available-for-sale financial assets comprise listed and unlisted securities.

All available-for-sale financial assets are measured at fair value, with subsequent changes in value recognised in other comprehensive income.

Gains and losses arising from financial instruments classified as available-for-sale are only recognised in the income statement when they are sold or when the investments is impaired.

In the case of impairment or sale, any gain or loss previously recognised in equity is transferred to profit or loss.

Losses recognised in a prior period income statement resulting from the impairment of debt securities are reversed through the income statement, if the subsequent increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss.

The Charles Sturt University Foundation Trust

31 158 135 157

Notes to the Financial Statements

For the Year Ended 31 December 2018

6 Other financial assets Continued

Impairment of financial assets

At the end of the reporting period the Trust assesses whether there is any 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 fair value of a security below its cost is considered in determining whether the security is impaired.

If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss - is removed from equity and recognised in the Income Statement. Impairment losses recognised in the Statement of Comprehensive Income on equity instruments are not reversed through the Statement of Comprehensive Income.

7 Remuneration of Auditors

Fees payable to the Audit Office of New South Wales for the audit of the financial statements for the Trust for the financial year ended 31 December 2018 was \$26,400 including GST (2017: \$27,500). The auditors did not receive any other benefits.

8 Key Management Personnel Disclosures

The following persons were responsible persons and executive officers of the Trust during the financial year.

Charles Sturt University is the Trustee. The University Council has delegated responsibility to the Vice Chancellor to act as Trustee on behalf of the University. The University paid the remuneration of all Charles Sturt University management staff in their roles as employees and there is no reasonable basis to apportion the remuneration between the Trust and the University.

(i) Council members who held office at the University during the year were:

Dr Michele Allan	Professor Andrew Vann	Professor Jo-Anne Reid
Ms Saranne Cooke	Mr Graeme Bailey	Mr Neville Page
Mr Peter Hayes	Mrs Jennifer Hayes	Mr Jamie Newman
Dr Rowan O'Hagan	Ms Lisa Schofield	Dr Susan Wood
Ms Liz Smith	Ms Elise McMahon	Dr Kate Cornick
Dr Peter Woodgate	Ms Julie Cleary	Associate Professor Shokoofeh Shamsi
Emeritus Professor Joyce Kirk		

(ii) Names of Executive Officers:

Professor Andrew Vann	Professor John Germov	Professor Heather Cavanagh
Mrs Jenny Roberts	Mr Paul Dowler	Mr Adam Browne
Ms Linda Breen	Mr David Bedwell	Mr Peter Fraser

The responsible persons and executive officers of the Trustee of the Trust did not receive any income from the Trust in connection with the management of the affairs of the Trust during the financial period. During the year ended 31 December 2018, the Trust received \$32,321 in donations from Key Management Personnel (2017: \$12,434).

The Charles Sturt University Foundation Trust

31 158 135 157

Notes to the Financial Statements

For the Year Ended 31 December 2018

9 Related Parties

(a) Controlling entity

The ultimate Australian parent entity of the Trust is Charles Sturt University, which at 31 December 2018 controls 100.00% (2017: 100.00%) of the Trust. Charles Sturt University is the Trustee of the Trust.

(b) Key management personnel

Disclosures relating to directors and specified executives are set out in note 8.

(c) Transactions with related parties

The following transactions occurred with related parties:

	2018	2017
	\$	\$
Charles Sturt University		
Administrative expense contribution to Trustee	50,000	50,000

Charles Sturt University provided the Trust with a range of administrative support services. The value of the following services cannot be measured reliably and have not been recognised in the financial statements:

- office administration facilities
- accounting, fundraising support and administration services
- electricity and other utility services
- personnel services

10 Financial Risk Management

The Trust's principal financial instruments and the main risks arising are outlined below. These financial instruments arise directly from the Trust's operations.

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

Risk management is carried out by the University's Investment Committee. The Trust's Investment Policy provides written principles for overall risk management. Specific areas such as foreign exchange risk and the use of derivative and non-derivative financial instruments are not covered as the nature of the Trust's investment activities does not expose the Trust to such risks. The Trust does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

(a) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

The Charles Sturt University Foundation Trust

31 158 135 157

Notes to the Financial Statements

For the Year Ended 31 December 2018

10 Financial Risk Management Continued

(a) Market risk Continued

(i) Price risk

The Trust is exposed to the price risks of equity securities for the majority of items investments classified as financial assets.

To manage its price risk arising from investments in equity securities, the Trust actively engages with its investment advisor. The portfolio is diversified across a variety of investment asset classes consistent with the risk/return/timeframe objectives of the portfolio and the broader investment management objectives of the Trust.

(ii) Cash flow and fair value interest rate risk

Interest rate risk is the risk that the value of the financial instrument will fluctuate due to changes in market interest rates. The Trust's interest rate risk arises primarily from investments in long term interest bearing financial instruments. In order to minimise exposure to this risk, the Trust invests in a diverse range of financial instruments with varying degrees of potential return. The purpose of this approach is to ensure that any potential interest losses are counteracted by guaranteed interest rate payments.

(iii) Summarised sensitivity analysis

The following tables summarise the sensitivity of Trust's financial assets and financial liabilities to interest rate risk and other price risk. There is no interest rate risk or price risk associated with the Trust's trade and other payables, and trade and other receivables.

31 December 2018	Carrying amount \$	Interest rate risk				Other price risk			
		-1%		+1%		-10%		+10%	
		Result \$	Equity \$	Result \$	Equity \$	Result \$	Equity \$	Result \$	Equity \$
Financial assets									
Cash and Cash Equivalents - at bank	487,286	(4,873)	(4,873)	4,873	4,873	-	-	-	-
Trade and other receivables	109,933	(1,099)	(1,099)	1,099	1,099	-	-	-	-
Financial assets - Fair value through profit or loss	16,507,514	(165,075)	(165,075)	165,075	165,075	(1,650,751)	(1,650,751)	1,650,751	1,650,751
Financial assets - Amortised cost	337,260	(3,373)	(3,373)	3,373	3,373	(33,726)	(33,726)	33,726	33,726
Total increase/(decrease)	17,441,993	(174,420)	(174,420)	174,420	174,420	(1,684,477)	(1,684,477)	1,684,477	1,684,477

31 December 2017	Carrying amount \$	Interest rate risk				Other price risk			
		-1%		+1%		-10%		+10%	
		Result \$	Equity \$	Result \$	Equity \$	Result \$	Equity \$	Result \$	Equity \$
Financial assets									
Cash and Cash Equivalents - at bank	463,104	(4,631)	(4,631)	4,631	4,631	-	-	-	-
Trade and other receivables	128,060	(128)	(128)	128	128	-	-	-	-
Financial assets - Available for sale	17,406,862	(174,069)	(174,069)	174,069	174,069	(1,740,686)	(1,740,686)	1,740,686	1,740,686
Total increase/(decrease)	17,998,026	(178,828)	(178,828)	178,828	178,828	(1,740,686)	(1,740,686)	1,740,686	1,740,686

The Charles Sturt University Foundation Trust

31 158 135 157

Notes to the Financial Statements

For the Year Ended 31 December 2018

10 Financial Risk Management Continued

(b) Credit risk

Credit risk is the risk of financial loss arising from another party failing to comply with the terms of a contract. The Trust's maximum exposure to credit risk is represented by the carrying amount of the financial assets and liabilities included in the Statement of Financial Position.

11 Fair Value Measurement

(a) Recognised fair value measurements

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

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

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

Fair value measurements at 31 December 2018

	Note	2018 \$	Level 1 \$	Level 2 \$	Level 3 \$
Financial assets					
Financial assets at fair value through profit or loss	6	-	-	-	-
Listed investments		8,242,240	8,242,240	-	-
Unlisted investments		8,265,274	-	8,265,274	-
Total financial assets		<u>16,507,514</u>	<u>8,242,240</u>	<u>8,265,274</u>	<u>-</u>

Fair value measurements at 31 December 2017

	Note	2017 \$	Level 1 \$	Level 2 \$	Level 3 \$
Financial assets					
Available-for-sale financial assets	6				
Listed Investments		8,826,486	8,826,486	-	-
Unlisted investments		8,580,375	-	8,580,375	-
Total financial assets		<u>17,406,861</u>	<u>8,826,486</u>	<u>8,580,375</u>	<u>-</u>

The Charles Sturt University Foundation Trust

31 158 135 157

Notes to the Financial Statements

For the Year Ended 31 December 2018

11 Fair Value Measurement Continued

(a) Recognised fair value measurements Continued

There were no transfers between levels 1 and 2 for recurring fair value measurements during the year.

Quoted market price represents the fair value determined based on active markets as at the reporting date without any deductions for transaction costs. The fair value of the listed equity investments and unlisted managed funds is based on quoted market prices.

Recurring fair value measurements

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

The Trust uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Specific valuation techniques used to value financial instruments include the use of quoted market prices or dealer quotes for similar instruments.

12 Reconciliation of net result for the year to net cash provided by / (used in) operating activities

	2018	2017
	\$	\$
Net result for the period	(553,104)	859,652
Unrealised (gain)/loss in fair value of financial instruments at fair value through profit or loss	1,262,457	-
Realised (gain)/loss in fair value of financial asset transferred to profit or loss	21,734	(421,753)
Impairment of assets	-	70,125
Change in operating assets and liabilities:		
(Increase) / decrease in debtors	18,126	(5,345)
Increase / (decrease) in creditors	1,400	10,147
Net cash provided by / (used in) operating activities	750,613	512,826

13 Commitments

The Trust did not have any outstanding commitments as at 31 December 2018 (2017: \$Nil).

14 Contingent Assets and Liabilities

There were no contingent assets or liabilities as at 31 December 2018 (2017: \$Nil).

15 Events Occurring After the Reporting Date

The Trustee of the Trust has not identified any events after the reporting date that would require adjustment to the amounts recognised or disclosed in the financial statements.

End of audited financial statements

Charles Sturt Campus Services Limited

ABN 37 063 446 864 (a company limited by guarantee)

Audited Financial Statements for the year ending 31 December 2018



INDEPENDENT AUDITOR'S REPORT

Charles Sturt Campus Services Limited

To Members of the New South Wales Parliament and Members of Charles Sturt Campus Services Limited

Opinion

I have audited the accompanying financial statements of Charles Sturt Campus Services Limited (the Company), which comprises the Statement of Comprehensive Income For the Year Ended 31 December 2018, the Statement of Financial Position As at 31 December 2018, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, Notes to the Financial Statements comprising a Summary of Significant Accounting Policies and other explanatory information.

In my opinion, the financial statements:

- is in accordance with section 41B of the *Public Finance and Audit Act 1983* (PF&A Act) and the Public Finance and Audit Regulation 2015, including
 - giving a true and fair view of the Company's financial position as at 31 December 2018 and its performance for the year ended on that date
 - complying with Australian Accounting Standards
- has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* and Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013.

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

Basis for Opinion

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

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

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

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

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

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

I confirm the independence declaration, required by the *Corporations Act 2001*, provided to the directors of the Company on 29 March 2019, would be in the same terms if provided to the directors as at the time of this Independent Auditor's Report.

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

Other Information

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

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

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

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

I have nothing to report in this regard.

Directors' Responsibilities for the Financial Statements

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

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

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

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

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: www.auasb.gov.au/auditors_responsibilities/ar4.pdf. The description forms part of my auditor's report.

My opinion does not provide assurance:

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



Margaret Crawford
Auditor-General of NSW

15 April 2019
SYDNEY

Charles Sturt Campus Services Limited

37 063 446 864

Directors' Report

For the Year Ended 31 December 2018

The directors present their report on Charles Sturt Campus Services Limited (the Company) for the financial year ended 31 December 2018.

1. General information

Information on directors

The names of each person who has been a director during the year and to the date of this report are:

Mr P Dowler	
Qualifications	BBus Mitchell CAE, CPA, MBA Charles Sturt University, Chief Financial Officer, appointed to the Board 18 May 2011
Mr J Kelly	
Qualifications	Resigned as a Director on 13 September 2018.
Mr J Hamilton	
Qualifications	BBus(Acc) Charles Sturt University, CPA, Accountant, appointed to the Board on 12 March 2013
Mr A Crowl	
Qualifications	BBus (HR/Economics), Charles Sturt University, Manager Employee Relations and Policy, appointed to the Board on 30 October 2014
Mr D Pyke	
Qualifications	ACA, Accountant, appointed to the Board on 15 July 2015
Mr C Richardson	
Qualifications	BBus (Acc), CPA, Grad Dip Local Government Management, Charles Sturt University - Director Corporate Finance, appointed to the Board on 4 August 2017.
Mrs N Harris	
Qualifications	BBus(Acc) Charles Sturt University, Accountant, appointed to the Board on 13 September 2018.

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Company Secretary

Ms Kathrine Watt, Executive Assistant, appointed to the position on 13 September 2018.

Company details

Charles Sturt Campus Services Limited, a not-for-profit entity, was incorporated in Australia as a company limited by guarantee on 11 February 1994 (ABN: 37 063 446 864). In accordance with the Constitution, the liability for each member, in the event of the company winding up, is limited to \$20.00. There are six members/directors of the Company.

Charles Sturt Campus Services Limited

37 063 446 864

Directors' Report

For the Year Ended 31 December 2018

1. General information

Principal activities

During the financial year, the principal activities of Charles Sturt Campus Services Limited were the provision of cleaning, courier and laundry services to Charles Sturt University (the University). No significant changes in the nature of the Company's activities occurred during the financial year.

Long term and short term objectives

The Company's objectives are to provide quality cleaning, courier and laundry services to Charles Sturt University in a cost-effective manner. In order to achieve this objective, the company has implemented controls to monitor its services provided to the University through monthly reporting to the Board of Directors of its financial and operational performances. The financial and operating performances are assessed against an approved budget and the quality and timeliness of services provided are assessed against the requirements and expectations of a service level agreement as well as the nature of complaints and feedback received from the University and users of the Company's services. The Board of the Company is accountable to the University which is the parent of the Company.

Review of operations

The net surplus/(deficit) of the Company was \$ (139,066) in 2018 (2017: \$183,179). Any profits earned are available to help provide for liabilities to creditors and employees, and they are derived only in the process of achieving the purpose of the Company.

Significant changes in state of affairs

No significant operating or other changes in the Company's state of affairs occurred during the financial year.

Likely developments

There are no likely developments or changes in the Company's operations which have been proposed for the immediate future.

Legal proceedings

The Company has not been involved in legal proceedings of any type during the year.

2. Other items

Dividends paid or recommended

As a company limited by guarantee, the Company is prohibited from paying dividends.

Events after the reporting date

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the future operations of the Company, the results of those operations or the state of affairs of the Company in future financial years excepting as stated under significant developments above.

Environmental issues

There are no known environmental issues affecting the Company.

Charles Sturt Campus Services Limited

37 063 446 864

Directors' Report

For the Year Ended 31 December 2018

2. Other items

Benefits received directly or indirectly by officers

From 1 January 2016, the external Directors of Charles Sturt Campus Services Limited are entitled to an agreed salary in respect to their contribution to the governance of the Company. The Directors and officeholders are covered by the following insurance policy:

Management Liability Policy
Chubb Policy No: 93315347
Expiry Date: 1 November 2019

Meetings of Directors

During the financial year, six (6) meetings of Directors were held. Attendances by each Director during the year were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Mr P Dowler	6	6
Mr J Kelly	5	5
Mr J Hamilton	6	5
Mr A Crowl	6	5
Mr D Pyke	6	3
Mr C Richardson	6	6
Mrs N Harris	1	1

Indemnification and insurance of officers and auditors

An insurance policy is held by Charles Sturt University which provides the Board with insurance coverage as described under 'Benefits received directly or indirectly by officers' above.

Auditor's independence declaration

The Auditor's Independence Declaration as required under section 60-40 of the *Australian Charities and Not-for-profits Commission Regulation 2013* (ACNC Regulation) is attached.

Signed in accordance with a resolution of the Board of Directors:

Director: 
Mr P Dowler

Director: 
Mr C Richardson

Dated this 2nd day of April 2019



To the Directors
Charles Sturt Campus Services Limited

Auditor's Independence Declaration

As auditor for the audit of the financial statements of Charles Sturt Campus Services Limited for the year ended 31 December 2018, I declare, to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature in black ink, appearing to read 'Margaret Crawford'.

Margaret Crawford
Auditor-General of NSW

29 March 2019
SYDNEY

Charles Sturt Campus Services Limited

37 063 446 864

Statement of Comprehensive Income

For the Year Ended 31 December 2018

		2018	2017
	Note	\$	\$
Revenue	2	6,859,095	6,565,744
Other income		18,064	22,262
Total revenue		6,877,159	6,588,006
Employee related expenses	3	(6,131,315)	(5,468,474)
Depreciation expense		(29,605)	(12,000)
Other expenses	4	(855,305)	(924,353)
Total expenses		(7,016,225)	(6,404,827)
Profit from continuing operations		(139,066)	183,179
Profit for the year		(139,066)	183,179
Other comprehensive income			
Other comprehensive income for the year		-	-
Total comprehensive income for the year		(139,066)	183,179

The accompanying notes form part of these financial statements.

Charles Sturt Campus Services Limited

37 063 446 864

Statement of Financial Position

As at 31 December 2018

	Note	2018 \$	2017 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		1,310,060	1,394,926
Trade and other receivables		11,775	2,122
TOTAL CURRENT ASSETS		<u>1,321,835</u>	<u>1,397,048</u>
NON-CURRENT ASSETS			
Property, plant and equipment	5	153,269	116,243
Intangible assets	6	3,397	-
TOTAL NON-CURRENT ASSETS		<u>156,666</u>	<u>116,243</u>
TOTAL ASSETS		<u>1,478,501</u>	<u>1,513,291</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	7	65,587	67,564
Employee benefits	8	719,924	603,728
TOTAL CURRENT LIABILITIES		<u>785,511</u>	<u>671,292</u>
NON-CURRENT LIABILITIES			
Employee benefits	8	118,036	127,980
TOTAL NON-CURRENT LIABILITIES		<u>118,036</u>	<u>127,980</u>
TOTAL LIABILITIES		<u>903,547</u>	<u>799,272</u>
NET ASSETS		<u>574,954</u>	<u>714,019</u>
EQUITY			
Retained earnings		<u>574,954</u>	<u>714,019</u>
TOTAL EQUITY		<u>574,954</u>	<u>714,019</u>

The accompanying notes form part of these financial statements.

Charles Sturt Campus Services Limited

37 063 446 864

Statement of Changes in Equity

For the Year Ended 31 December 2018

2018

	Retained Earnings
Note	\$
Balance 1 January 2018	<u>714,020</u>
Total comprehensive income for the year	<u>(139,066)</u>
Balance at 31 December 2018	<u><u>574,954</u></u>

2017

	Retained Earnings
Note	\$
Balance 1 January 2017	<u>530,839</u>
Total comprehensive income for the year	<u>183,179</u>
Balance at 31 December 2017	<u><u>714,019</u></u>

The accompanying notes form part of these financial statements.

Statement of Cash Flows

For the Year Ended 31 December 2018

	2018	2017
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	6,960,040	6,689,055
Payments to employees	(6,025,063)	(5,437,161)
Payments to suppliers	(942,813)	(966,028)
Net cash provided by (used in) operating activities	14 <u>(7,836)</u>	<u>285,866</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	<u>(77,031)</u>	(75,066)
Net cash used by investing activities	<u>(77,031)</u>	<u>(75,066)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net cash used by financing activities	<u>-</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents held	(84,867)	210,800
Cash and cash equivalents at beginning of year	<u>1,394,926</u>	<u>1,184,126</u>
Cash and cash equivalents at end of financial year	<u>1,310,060</u>	<u>1,394,926</u>

The accompanying notes form part of these financial statements.

Charles Sturt Campus Services Limited

37 063 446 864

Notes to the Financial Statements

For the Year Ended 31 December 2018

The financial statements are presented for Charles Sturt Campus Services Limited as an individual entity, which is incorporated and domiciled in Australia. Charles Sturt Campus Services Limited is a not-for-profit Company limited by guarantee.

1 Summary of Significant Accounting Policies

(a) Reporting Entity

Charles Sturt Campus Services Limited is a not for profit entity, incorporated in Australia as a company limited by guarantee on 11 February 1994 (ABN: 37 063 446 864).

The registered office for Charles Sturt Campus Services Limited is The Grange Chancellery, Charles Sturt University, Panorama Avenue, Bathurst. The principal activities of Charles Sturt Campus Services Limited in the course of the financial reporting period were cleaning, courier and laundry services to Charles Sturt University at the Bathurst Campus, Albury-Wodonga Campus, Orange Campus and Wagga Wagga Campus.

There are six directors of Charles Sturt Campus Services Limited (2017: six directors). If upon the winding up or dissolution of the Company, and after satisfaction of all its debts and liabilities, any remaining property whatsoever shall be paid or transferred to the University.

(b) Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with:

- (i) Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board
- (ii) *Public Finance and Audit Act 1983*
- (iii) *Public Finance and Audit Regulation 2015*
- (iv) Section 60.40 of the *Australian Charities and Not-for-profit Commission Regulation 2013* (ACNC Regulation)

These financial statements and notes comply with the Australian Accounting Standards as issued by the Australian Accounting Standards Board.

The significant accounting policies used in the preparation and presentation of these financial statements are provided below and are consistent with the policies used in prior reporting periods unless otherwise stated. The financial statements are based on historical costs, except for the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Date of authorisation for issue

The financial statements were authorised for issue by the member of Charles Sturt Campus Services Limited on 2nd April 2019.

Functional and presentation currency

The functional and presentation currency of Charles Sturt Campus Services Limited is Australian dollars.

(c) Statement of Compliance

Critical accounting estimates

Notes to the Financial Statements

For the Year Ended 31 December 2018

1 Summary of Significant Accounting Policies

(c) Statement of Compliance

The preparation of financial statements in accordance 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 Company's accounting policies. The areas involving a higher degree of judgement and complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed where applicable in the relevant note to the financial statements, specifically, provision for long service leave.

Note 8: Provisions

The Company's provision for long service was assessed by KPMG for the year ended 31 December 2018. Key assumptions used in the calculation are detailed in note 1(f).

(d) Going concern

The financial statements have been prepared on the going concern basis. This basis has been adopted as the Company has received a guarantee of continuing financial support from Charles Sturt University (the University) to allow the Company to meet its liabilities. The Company believes that such financial support will continue to be made available. The Company fully recovers all expenses on a monthly basis from the University through a Service Level Agreement with the University that expires on 6 February 2022.

(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 Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Company and specific criteria have been met for each of the Company'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 Company 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) Rendering of Services

Revenue from employment services is recognised by reference to the stage of completion. Stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours for each contract. When the contract outcome cannot be measured reliably, revenue is recognised only to the extent that the expenses incurred are eligible to be recovered.

(f) Employee benefits

(i) Short-term obligations

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

(ii) Other long-term obligations

Notes to the Financial Statements

For the Year Ended 31 December 2018

1 Summary of Significant Accounting Policies

(f) Employee benefits

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

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

Regardless of the expected timing of settlements, provisions made in respect of employee benefits are classified as a current liability, unless there is an unconditional right to defer the settlement of the liability for at least twelve months after the reporting date, in which case it would be classified as a non-current liability.

(iii) Termination Benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts an offer of benefits in exchange for the termination of employment. The Company recognises the expense and liability for termination benefits either when it can no longer withdraw the offer of those benefits or when it has recognised costs for restructuring within the scope of AASB 137 that involves the payment of termination benefits. The expense and liability are recognised when the Company is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without the possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy.

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

(g) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits with financial institutions, 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.

(h) Trade receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are recognised on an accrual basis and measured at fair values which are not discounted due to their short term nature. The Company assesses whether objective evidence of impairment exists on an ongoing basis.

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 Company will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, the probability that the debtor will enter bankruptcy or financial reorganisation, and the default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate.

Charles Sturt Campus Services Limited

37 063 446 864

Notes to the Financial Statements

For the Year Ended 31 December 2018

1 Summary of Significant Accounting Policies

(h) Trade receivables

Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial. The amount of the adjustment provision, if any, is recognised in the statement of profit or loss and other comprehensive income.

(i) Income Tax

No provision for income tax has been raised as the Company is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

(j) Goods and Services Tax (GST)

Revenue, 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).

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

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

(k) Property, Plant and Equipment

Property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

Depreciation is calculated using the straight line method to allocate their cost over their estimated useful lives, as follows:

Depreciable assets	2018
Plant and Equipment	5 years
Motor Vehicles	5 years
Computer Software	5 years

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

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

Charles Sturt Campus Services Limited

37 063 446 864

Notes to the Financial Statements

For the Year Ended 31 December 2018

1 Summary of Significant Accounting Policies

(l) Trade and other payables

Payables represent unpaid liabilities for goods and services provided to the Company prior to the end of the financial year. These amounts are unsecured and are usually paid on creditor payment terms. After initial measurement at fair value, they are subsequently measured at amortised cost. Due to their short term nature they are not discounted.

(m) New Accounting Standards and Interpretations

Certain new Accounting Standards and Interpretations have been published that are not mandatory for 31 December 2018 reporting periods. Charles Sturt Campus Services Limited's assessment of the impact of relevant new Standards and Interpretations is set out below:

Standard	Application date	Impact
AASB 2016-8 Amendments to Australian Accounting Standards - Australian Implementation Guidance for Not-for-Profit Entities	1 Jan 2019	The impact on the Company's financial statements is expected to be insignificant.
AASB 15 Revenue from Contracts with Customers	1 Jan 2019	The impact on the Company's financial statements is expected to be insignificant.
AASB 1058 Income of Not-for-Profit Entities	1 Jan 2019	The impact on the Company's financial statements is expected to be insignificant.
AASB 16 Leases	1 Jan 2019	Nil impact as the company has no lease assets or liabilities.

AASB 9 Financial Instruments

The initial implementation of AASB 9 (from 1 January 2018) has not had any material impact on the financial statements of the company for 2018.

2 Revenue

	2018	2017
	\$	\$
Revenue		
Fees	6,851,186	6,556,335
Government Grants	7,909	9,409
Total revenue	6,859,095	6,565,744
Other income		
Reimbursements	18,064	22,262
Total other income	18,064	22,262

Fee revenue

Fees for services rendered are largely derived from services provided to Charles Sturt University in respect to cleaning, maintenance and courier services (refer to 1(e)).

Charles Sturt Campus Services Limited

37 063 446 864

Notes to the Financial Statements

For the Year Ended 31 December 2018

3 Employee related expenses

	2018	2017
	\$	\$
Salaries	4,586,539	4,200,806
Superannuation		
- Defined contribution	515,621	467,629
Payroll tax	301,159	270,121
Workers' compensation	272,891	217,811
Long service leave expense	70,122	41,470
Annual leave	384,982	270,636
Total employee related expenses	6,131,314	5,468,473

4 Other expenses

	2018	2017
	\$	\$
Auditors fees	11,000	12,300
Advertising	-	299
Buildings, grounds and services	1,734	3,720
Communications	7,012	8,550
Fees for services rendered	377,410	470,146
Maintenance of equipment	37,616	46,404
Motor vehicle expenses	23,073	24,140
Scholarships, grants and prizes	-	152
Stores and provisions	362,475	310,165
Travel	34,966	48,473
Other expenses	19	4
Total other expenses	855,305	924,353

Charles Sturt Campus Services Limited

37 063 446 864

Notes to the Financial Statements

For the Year Ended 31 December 2018

5 Property, plant and equipment

	Plant and Equipment	Motor Vehicles	Total
	\$	\$	\$
At 1 January 2018			
Cost	68,243	60,000	128,243
Accumulated depreciation and impairment	-	(12,000)	(12,000)
Net book amount	68,243	48,000	116,243
Year ended 31 December 2018			
Opening net book amount	68,243	48,000	116,243
Additions	66,631	-	66,631
Depreciation expense	(17,605)	(12,000)	(29,605)
Closing net book amount	117,269	36,000	153,269
At 31 December 2018			
Cost	134,874	60,000	194,874
Accumulated depreciation and impairment	(17,605)	(24,000)	(41,605)
Net book amount	117,269	36,000	153,269

6 Intangible Assets

	2018	2017
	\$	\$
Computer software		
Cost	3,397	-
Net carrying value	3,397	-
Total Intangibles	3,397	-

(a) Details of Intangible Assets

	Computer software	Total
	\$	\$
Year ended 31 December 2018		
Additions	3,397	3,397
Closing value at 31 December 2018	3,397	3,397

7 Trade and other payables

	2018	2017
	\$	\$
Current		
Other payables	65,588	67,564
Total current trade and other payables	65,588	67,564

Charles Sturt Campus Services Limited

37 063 446 864

Notes to the Financial Statements

For the Year Ended 31 December 2018

8 Provisions

	2018	2017
	\$	\$
Current provisions expected to be settled wholly within 12 months		
Employee benefits		
Annual leave	298,481	269,563
Long service leave	69,288	52,873
	<u>367,769</u>	<u>322,436</u>
Current provisions expected to be settled wholly after more than 12 months		
Employee benefits		
Annual leave	96,907	98,427
Long service leave	255,249	182,865
	<u>352,156</u>	<u>281,292</u>
Total current provisions	<u>719,925</u>	<u>603,728</u>
Non-current provisions		
Employee benefits		
Long service leave	118,036	127,980
Total non-current provisions	<u>118,036</u>	<u>127,980</u>
Total provisions	<u>837,961</u>	<u>731,708</u>

Annual leave

The liability for annual leave is recognised in current provisions for employee benefits as it is due to be settled within 12 months after the end of the report period. It is measured at the amount expected to be paid when the liability is settled. Regardless of the expected timing of settlements, provisions made in respect to annual leave are classified as a current liability.

Long service leave

The liability for long service leave (LSL) 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 predicted 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.

The provision for LSL was assessed by KPMG for the year ended 31 December 2018. Key assumptions for this calculation are detailed in note 1(f).

Charles Sturt Campus Services Limited

37 063 446 864

Notes to the Financial Statements

For the Year Ended 31 December 2018

9 Key Management Personnel

The Company determined that all external Directors would be entitled to receive a set rate remuneration in connection with the management of the affairs of the Company to improve the professionalism and quality of the Board of Directors membership. All other key management personnel were employed by Charles Sturt University except the Company executive officer who was employed by the Company.

(a) Remuneration of board members and executive officers

	2018 Number	2017 Number
Remuneration of Board Members		
Nil to \$9,999	2	2

	2018 Number	2017 Number
Remuneration of executive officers		
\$105,000 to \$119,999	1	1

(b) Totals of remuneration paid

The totals of remuneration paid to the key management personnel of Charles Sturt Campus Services Limited during the year are as follows:

	2018 \$	2017 \$
Short-term employee benefits	123,382	129,171
Total remuneration	123,382	129,171

10 Remuneration of Auditor

	2018 \$	2017 \$
Audit and review of the Financial Statements		
- Fees paid to NSW Audit Office	11,000	12,300
Total	11,000	12,300

It is the entity's policy to engage NSW Audit Office to perform the statutory audit duties pursuant to the Public Finance and Audit Act 1983. In 2018 there were no fees paid to other firms for consulting and assurance services (2017: Nil).

11 Contingencies

The Company did not have any contingent assets and liabilities as at 31 December 2018 (31 December 2017: Nil).

12 Commitments

The Company has agreed to fund two scholarships with a combined value of \$6,000 for eligible CSU students in 2019 (2017: Nil).

Charles Sturt Campus Services Limited

37 063 446 864

Notes to the Financial Statements

For the Year Ended 31 December 2018

13 Related Parties

(a) Entities exercising control over the Group

The ultimate parent entity, which exercises control over the Company, is Charles Sturt University.

(b) Key management personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity is considered key management personnel.

For details of disclosures relating to key management personnel, refer to Note 9: Key Management Personnel.

(c) Transactions with related parties

The University meets the expenses of the Company principally in return for services provided to the University under the service level agreement (expiration: 6 February 2022). All transactions are processed through inter-entity accounts with the University in a manner similar to a bank account. These are treated as payments and receipts for the purposes of the statement of cash flows.

The following transactions occurred with related parties:

	2018	2017
	\$	\$
Sale of goods and services		
Charles Sturt University	6,540,330	6,518,519

(d) Related party services not recognised

Charles Sturt University provides Charles Sturt Campus Services Limited with a range of administrative support services. The value of the services which have not been recognised in the financial statements include:

- provision of advisory services
- office accommodation facilities
- accounting and administrative services
- electricity and other utility services

Charles Sturt Campus Services Limited

37 063 446 864

Notes to the Financial Statements

For the Year Ended 31 December 2018

14 Cash Flow Information

(a) Reconciliation of result for the year to cash flows from operating activities

Reconciliation of net income to net cash provided by operating activities:

	2018	2017
	\$	\$
Operating result for the period	(139,066)	183,179
Add back depreciation	29,605	12,000
(Increase) /decrease in trade and other receivables	(2,650)	8,614
Increase/(decrease) in other payables	(1,977)	50,760
Increase/(decrease) in provision for annual leave	27,398	(17,743)
Increase/(decrease) in provision for long service leave	78,855	49,056
Cash flow from operating activities	<u>(7,836)</u>	<u>285,866</u>

15 Events Occurring After the Reporting Date

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

16 Change in Presentation

End of audited financial statements

CONTACT DETAILS

CHARLES STURT UNIVERSITY IN AUSTRALIA

Head Office
Charles Sturt University
The Grange Chancellery
Panorama Avenue
BATHURST NSW 2795

Telephone (Australia):
1800 334 733
(International): +61 2 6338 6077
Facsimile: +61 2 6338 6001
Web enquiry:
csu.edu.au/contacts

Albury-Wodonga
Elizabeth Mitchell Drive
THURGOONA NSW 2640

Bathurst
Panorama Avenue
BATHURST NSW 2795

Canberra
15 Blackall Street
BARTON ACT 2600

10–12 Brisbane Avenue
BARTON ACT 2600

Dubbo
Tony McGrane Place
DUBBO NSW 2830

Goulburn
NSW Police College
McDermott Drive
GOULBURN NSW 2580

Orange
Leeds Parade
ORANGE NSW 2800

Port Macquarie
7 Major Innes Road
PORT MACQUARIE NSW 2444

Sydney
102 Bennelong Parkway
SYDNEY OLYMPIC PARK NSW 2127

16 Masons Drive
NORTH PARRAMATTA NSW 2151

Wagga Wagga
Boorooma Street
NORTH WAGGA WAGGA NSW 2650

CHARLES STURT UNIVERSITY STUDY CENTRES

Brisbane
119 Charlotte Street,
BRISBANE QLD 4000

Melbourne
30 Church Lane
MELBOURNE VIC 3000

Sydney
Level 1, 63 Oxford Street
SYDNEY NSW 2010

OTHER CSU LOCATIONS

Manly
Australian Graduate School of
Policing and Security
Collins Beach Road
MANLY NSW 2095

Wangaratta
GOTAFE Rural Industries Campus
218 Tone Road
WANGARATTA VIC 3677

