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ANNUAL REPORT 2018

Financial Statements

Volume 2

###### Financial Statements and Independent Audit Reports

Western Sydney University

Western Sydney University Enterprises Pty Limited trading as Western Sydney University The College

Western Unlimited Ltd

Western Sydney University Early Learning Limited Whitlam Institute within Western Sydney University Limited Whitlam Institute within Western Sydney University Trust Western Growth Developments (Westmead)

Western Growth Developments (Innovation Hub Parramatta)

###### Supporting data

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# Western Sydney University

**Consolidated Financial Statements**

## For the year ended 31 December 2018

**Statement by the Members of the Board of** Trustees

For the Year Ended 31 December 2018

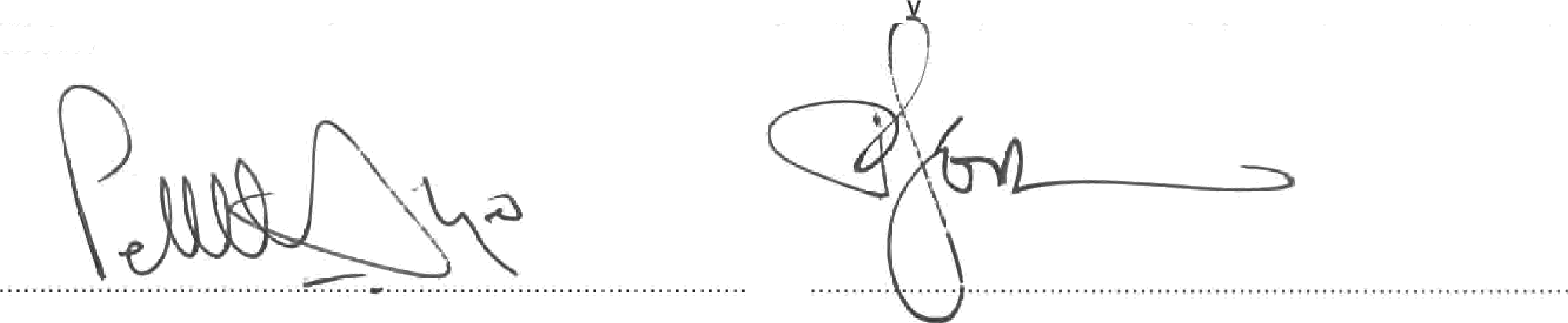
In accordance with a resolution of the Board of Trustees of Western Sydney University dated 10 April 2019 and pursuant to Section 41C (1B) and (1C) of the *Public Finance and Audit Act 1983,* we state that to the best of our knowledge and belief:

1. The financial statements of Western Sydney University and its controlled entities (the Group) present a true and fair view of the Group's financial position as at 31 December 2018 and the financial performance for the year ended.
2. The financial statements have been prepared in accordance with the provisions of the *Public Finance and Audit Act 1983* and Regulation, the *Australian Charities and Not-for-profits Commission Act 2012* and Regulation, and the *Financial Statement Guidelines for the Australian Higher Education Providers for the 2018 Reporting Period* issued by the Department of Education and Training.

tc) The financial statements have been prepared in accordance with Australian Accounting Standards, which include Australian Accounting Interpretations.

1. The amount of Australian Government financial assistance expended during the reporting period was for the purpose(s) for which it was intended and Western Sydney University has complied with applicable legislation, contracts, agreements and programme guidelines in making expenditure.
2. Western Sydney 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 fees was spent strictly in accordance with the Act and only on services and amenities specified in subsection 19-38(4) of the Act.

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



(g) There are reasonable grounds to believe that Western Sydney University will be able to pay its debts as and when they fall due.

Professor Peter Shergold, AC Chancellor

Dated at Sydney 10 April 2Q19

Professor Barney Glover, AO Vice Chancellor and President

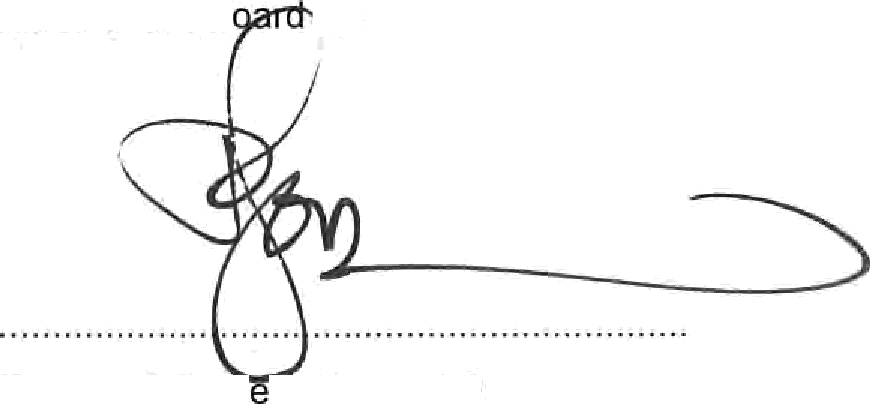
Responsible Entities Declaration

For the year ended 31 December 2018

The responsible persons of the University declare that in the responsible person’s opinion:

* 1. There are reasonable grounds to believe that the registered entity is able to pay all of its debts, as and when they become due and payable; and
  2. The financial statements and notes satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act* 20f2.

Signed in accordance with a resolution of the Board of Trustees of Western Sydney University, and is signed for and on



behalf of the B by:

Professor Barn y Glover, AO

Vice Chancellor and President

Dated at Sydney 10 April 2019







To the Vice Chancellor Western Sydney University

Auditor’s Independence Declaration

As auditor for the audit of the financial statements of Western Sydney University 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.



Margaret Crawford Auditor-General of NSW

April 2019 SYDNEY

Level 15, 1 Margaret Street, Sydney NSW 2000 I GPO Box 12, Sydney NSW 2001 I t02 9275 7101 I f 02 9275 7179 I e [mail@audit.new.gov.au](mailto:mail@audit.new.gov.au) I audit.nsw.gov.au

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Start of Audited Financial Statements

**Western Sydney University**

**Income Statement**

**For the Year Ended 31 December 2018**

**Consolidated Parent**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Income from continuing operations**  Australian Government financial assistance | **Note** | **2018**  **$'000** | **2017**  **$'000** | **2018**  **$'000** | **2017**  **$'000** |
| Australian Government grants | 2 | **331,837** | 334,413 | **331,837** | 334,413 |
| HELP - Australian Government payments | 2 | **234,686** | 218,750 | **234,686** | 218,750 |
| State and Local Government financial assistance | 3 | **128** | 19 | **128** | 19 |
| HECS-HELP - Student Payments |  | **14,075** | 13,700 | **14,075** | 13,700 |
| Fees and charges | 4 | **157,200** | 115,291 | **148,391** | 106,600 |
| Investment revenue | 5 | **2,424** | 14,047 | **2,283** | 13,939 |
| Consultancy and contracts | 6 | **25,342** | 23,074 | **25,334** | 23,068 |
| Share of profit or loss on investments accounted for using the equity method | 7 | **190** | (834) | **-** | - |
| Gain on disposal of assets | 8 | **33,987** | 36,023 | **33,993** | 35,940 |
| Other revenue and income | 9 | **106,265** | 44,622 | **118,542** | 54,060 |
| **Total income from continuing operations** |  | **906,134** | 799,105 | **909,269** | 800,489 |
| **Expenses from continuing operations** |  |  |  |  |  |
| Employee related expenses | 10 | **470,405** | 444,098 | **430,981** | 404,032 |
| Depreciation and amortisation | 11 | **54,950** | 50,525 | **53,802** | 48,835 |
| Repairs and maintenance | 12 | **24,831** | 25,561 | **24,679** | 25,351 |
| Borrowing costs | 13 | **5,056** | 4,276 | **5,290** | 4,476 |
| Impairment of assets | 14 | **(64)** | (62) | **2,521** | 3,872 |
| Other expenses | 15 | **263,245** | 222,643 | **305,225** | 265,461 |
| **Total expenses from continuing operations** |  | **818,423** | 747,041 | **822,498** | 752,027 |
| **Net result from continuing operations** |  | **87,711** | 52,064 | **86,771** | 48,462 |

The accompanying notes form part of these financial statements.

## Statement of Comprehensive Income

###### For the Year Ended 31 December 2018

**Consolidated Parent**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  |  | **2018** | **2017** | **2018** | **2017** |
|  | **Note** | **$'000** | **$'000** | **$'000** | **$'000** |
| **Net result for the period** |  | **87,711** | 52,064 | **86,771** | 48,462 |
| *Items that will be reclassified to Income* |  |  |  |  |  |
| *Statement* |  |  |  |  |  |
| Gain/(loss) on revaluation of available-for-sale financial assets | 27(c) | **-** | 2,733 | **-** | 2,733 |
| **Total** |  | **-** | 2,733 | **-** | 2,733 |
| *Items that will not be reclassified to Income* |  |  |  |  |  |
| *Statement* |  |  |  |  |  |
| Gain/(loss) on revaluation of property, plant and equipment | 27(c) | **69,076** | 200,303 | **69,076** | 200,303 |
| Gain/(loss) on revaluation of art collection | 27(c) | **-** | (3) | **-** | (3) |
| Gain/(loss) on revaluation of livestock | 27(c) | **(93)** | 48 | **(93)** | 48 |
| Net actuarial gains/(losses) recognised in respect of Defined Benefit Plans | 27(c) | **(335)** | (1,447) | **(335)** | (1,447) |
| Change in fair value of equity investments |  |  |  |  |  |
| designated at fair value through other comprehensive income | 27(c) | **7,111** | - | **7,111** | - |
| **Total** |  | **75,759** | 198,901 | **75,759** | 198,901 |
| **Total other comprehensive income** |  | **75,759** | 201,634 | **75,759** | 201,634 |
| **Comprehensive result** |  | **163,470** | 253,698 | **162,530** | 250,096 |
| **Total comprehensive income attributable to:** |  |  |  |  |  |
| **Members of the University** |  | **163,470** | 253,698 | **162,530** | 250,096 |

The accompanying notes form part of these financial statements.

## Statement of Financial Position

###### As At 31 December 2018

**Consolidated Parent**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Assets Current assets** | **Note** | **2018**  **$'000** | **2017**  **$'000** | **2018**  **$'000** | **2017**  **$'000** |
| Cash and cash equivalents | 16 | **102,290** | 221,748 | **98,753** | 219,554 |
| Receivables | 17 | **54,151** | 56,069 | **50,593** | 54,395 |
| Inventories |  | **30** | 58 | **3** | - |
| Other non-financial assets | 22 | **1,137** | 1,196 | **1,137** | 1,196 |
| Non-current assets held for sale | 18 | **5,867** | 40,358 | **5,867** | 40,358 |
| **Total current assets** |  | **163,475** | 319,429 | **156,353** | 315,503 |
| **Non-current assets** |  |  |  |  |  |
| Receivables | 17 | **392,658** | 388,045 | **415,758** | 388,045 |
| Investments accounted for using the equity method | 7 | **-** | - | **-** | - |
| Property, plant and equipment | 19 | **2,028,043** | 1,841,078 | **2,003,662** | 1,835,517 |
| Other financial assets | 21 | **276,110** | 107,897 | **276,110** | 107,897 |
| Intangible assets | 20 | **21,308** | 14,788 | **21,308** | 14,788 |
| Other non-financial assets | 22 | **4,046** | 5,281 | **4,046** | 5,281 |
| **Total non-current assets** |  | **2,722,165** | 2,357,089 | **2,720,884** | 2,351,528 |
| **Total assets** |  | **2,885,640** | 2,676,518 | **2,877,237** | 2,667,031 |
| **Liabilities** |  |  |  |  |  |
| **Current liabilities** |  |  |  |  |  |
| Trade and other payables | 23 | **59,423** | 56,403 | **58,171** | 55,911 |
| Borrowings | 24 | **-** | - | **12,031** | 9,201 |
| Provisions | 25 | **80,059** | 72,881 | **77,179** | 69,727 |
| Other liabilities | 26 | **53,296** | 50,524 | **51,319** | 48,757 |
| **Total current liabilities** |  | **192,778** | 179,808 | **198,700** | 183,596 |
| **Non-current liabilities** |  |  |  |  |  |
| Trade and other payables | 23 | **3,943** | 3,520 | **3,943** | 3,520 |
| Borrowings | 24 | **162,500** | 163,500 | **162,500** | 163,500 |
| Provisions | 25 | **397,852** | 367,774 | **396,837** | 366,864 |
| Other liabilities | 26 | **47,064** | 49,125 | **47,064** | 49,125 |
| **Total non-current liabilities** |  | **611,359** | 583,919 | **610,344** | 583,009 |
| **Total liabilities** |  | **804,137** | 763,727 | **809,044** | 766,605 |
| **Net assets** |  | **2,081,503** | 1,912,791 | **2,068,193** | 1,900,426 |
| **Equity** |  |  |  |  |  |
| **Parent entity interest** |  |  |  |  |  |
| Reserves | 27 | **916,288** | 865,790 | **916,092** | 861,541 |
| Retained earnings |  | **1,165,215** | 1,047,001 | **1,152,101** | 1,038,885 |
| **Total equity** |  | **2,081,503** | 1,912,791 | **2,068,193** | 1,900,426 |

The accompanying notes form part of these financial statements.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | **Reserves** | **Parent**  **Retained Earnings** | **Total** |
| **Note** | **$'000** | **$'000** | **$'000** |
| **Balance at 1 January 2018** |  | **861,541** | **1,038,885** | **1,900,426** |
| Initial application of Australian Accounting Standards | 1(k) | **6,403** | **(1,166)** | **5,237** |
| **Balance as restated** |  | **867,944** | **1,037,719** | **1,905,663** |
| Net result |  | **-** | **86,771** | **86,771** |
| Gain/(loss) on revaluation of property, plant and equipment | 27(c) | **69,076** | **-** | **69,076** |
| Gain/(loss) on equity investments at fair value through comprehensive income | 27(c) | **7,111** | **-** | **7,111** |
| Gain/(loss) on revaluation of livestock | 27(c) | **(93)** | **-** | **(93)** |
| Remeasurements of Defined Benefit Plans | 27(c) | **(335)** | **-** | **(335)** |
| **Other comprehensive income** |  | **75,759** | **-** | **75,759** |
| **Total comprehensive income** |  | **943,703** | **1,124,490** | **2,068,193** |
| Transfer from property development revaluation reserve on disposal of assets | 27(c) | **(27,611)** | **27,611** | **-** |
| **Balance at 31 December 2018** |  | **916,092** | **1,152,101** | **2,068,193** |
|  |  |  | **Parent** |  |
|  |  |  | **Retained** |  |
|  |  | **Reserves** | **Earnings** | **Total** |
|  | **Note** | **$'000** | **$'000** | **$'000** |
| **Balance at 1 January 2017** |  | 703,755 | 953,702 | 1,657,457 |
| Net result |  | - | 48,462 | 48,462 |
| Gain/(loss) on revaluation of property, plant and equipment | 27(c) | 200,303 | - | 200,303 |
| Gain/(loss) on revaluation of available-for-sale financial assets | 27(c) | 2,733 | - | 2,733 |
| Gain/(loss) on revaluation of art collection | 27(c) | (3) | - | (3) |
| Gain/(loss) on revaluation of livestock | 27(c) | 48 | - | 48 |
| Remeasurements of Defined Benefit Plans | 27(c) | (1,447) | - | (1,447) |
| **Other comprehensive income** |  | 201,634 | - | 201,634 |
| **Total comprehensive income** |  | 905,389 | 1,002,164 | 1,907,553 |
| Transfer from property, plant and equipment reserve on disposal of assets | 27(c) | (43,848) | 43,848 | - |
| **Balance at 31 December 2017** |  | 861,541 | 1,046,012 | 1,907,553 |
| Payroll tax oncost liability on Defined Benefit Plans |  | - | (7,127) | (7,127) |
| **Balance at 31 December 2017 (Restated)** |  | 861,541 | 1,038,885 | 1,900,426 |

The accompanying notes form part of these financial statements.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | **Reserves** | **Consolidated**  **Retained Earnings** | **Total** |
|  | **Note** | **$'000** | **$'000** | **$'000** |
| **Balance at 1 January 2018** |  | **865,790** | **1,047,001** | **1,912,791** |
| Initial application of Australian Accounting Standards | 1(k) | **2,350** | **2,892** | **5,242** |
| **Balance as restated** |  | **868,140** | **1,049,893** | **1,918,033** |
| Net result |  | **-** | **87,711** | **87,711** |
| Gain/(loss) on revaluation of property, plant and equipment | 27(c) | **69,076** | **-** | **69,076** |
| Gain/(loss) on equity investments at fair value through comprehensive income | 27(c) | **7,111** | **-** | **7,111** |
| Gain/(loss) on revaluation of art collection | 27(c) | **-** | **-** | **-** |
| Gain/(loss) on revaluation of livestock | 27(c) | **(93)** | **-** | **(93)** |
| Remeasurements of Defined Benefit Plans | 27(c) | **(335)** | **-** | **(335)** |
| **Other comprehensive income** |  | **75,759** | **-** | **75,759** |
| **Total comprehensive income** |  | **943,899** | **1,137,604** | **2,081,503** |
| Transfer from property, plant and equipment reserve on disposal of assets | 27(c) | **(27,611)** | **27,611** | **-** |
| **Balance at 31 December 2018** |  | **916,288** | **1,165,215** | **2,081,503** |
|  |  |  | **Consolidated** |  |
|  |  |  | **Retained** |  |
|  |  | **Reserves** | **Earnings** | **Total** |
|  | **Note** | **$'000** | **$'000** | **$'000** |
| **Balance at 1 January 2017** |  | 708,004 | 958,216 | 1,666,220 |
| Net result |  | - | 52,064 | 52,064 |
| Gain/(loss) on revaluation of property, plant and equipment | 27(c) | 200,303 | - | 200,303 |
| Gain/(loss) on revaluation of available-for-sale financial assets | 27(c) | 2,733 | - | 2,733 |
| Gain/(loss) on revaluation of art collection | 27(c) | (3) | - | (3) |
| Gain/(loss) on revaluation of livestock | 27(c) | 48 | - | 48 |
| Remeasurements of Defined Benefit Plans | 27(c) | (1,447) | - | (1,447) |
| **Other comprehensive income** |  | 201,634 | - | 201,634 |
| **Total comprehensive income** |  | 909,638 | 1,010,280 | 1,919,918 |
| Transfer from property, plant and equipment reserve on disposal of assets | 27(c) | (43,848) | 43,848 | - |
| **Balance at 31 December 2017** |  | 865,790 | 1,054,128 | 1,919,918 |
| Payroll tax oncost liability on Defined Benefit Plans |  | - | (7,127) | (7,127) |
| **Balance at 31 December 2017 (Restated)** |  | 865,790 | 1,047,001 | 1,912,791 |

The accompanying notes form part of these financial statements.

## Statement of Cash Flows

###### For the Year Ended 31 December 2018

**Consolidated Parent**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Note** | | **2018**  **$'000** | **2017**  **$'000** | **2018**  **$'000** | **2017**  **$'000** |
| **Cash flows from operating** |  |  |  |  |  |
| **activities:** |  |  |  |  |  |
| Australian Government Grants |  | **568,654** | 547,900 | **568,654** | 547,900 |
| State Government Grants |  | **128** | 19 | **128** | 19 |
| HECS-HELP - Student payments |  | **14,075** | 13,700 | **14,075** | 13,700 |
| Receipts from student fees and other customers |  | **315,404** | 233,131 | **297,111** | 233,461 |
| Dividends received |  | **1,529** | 2,041 | **1,529** | 2,041 |
| Payments to suppliers and employees (inclusive of GST) |  | **(773,676)** | (714,378) | **(777,107)** | (716,398) |
| Interest received |  | **13,065** | 11,389 | **12,561** | 11,105 |
| Interest and other costs of finance |  | **(5,056)** | (4,276) | **(5,056)** | (4,277) |
| GST recovered |  | **27,329** | 27,766 | **27,329** | 27,766 |
| **Net cash provided by operating** |  |  |  |  |  |
| **activities** | 36 | **161,452** | 117,292 | **139,224** | 115,317 |
| **Cash flows from investing** |  |  |  |  |  |
| **activities:** |  |  |  |  |  |
| Proceeds from sale of property, plant and equipment |  | **98,414** | 95,076 | **98,349** | 94,841 |
| Payments for property, plant and equipment |  | **(209,295)** | (131,356) | **(189,256)** | (131,268) |
| Payments for financial assets |  | **(169,029)** | (6,989) | **(169,029)** | (6,989) |
| Loans to related parties |  | **-** | - | **(1,754)** | (450) |
| Repayments of loans by related parties |  | **-** | - | **69** | 1,432 |
| **Net cash used in investing** |  |  |  |  |  |
| **activities** |  | **(279,910)** | (43,269) | **(261,621)** | (42,434) |
| **Cash flows from financing** |  |  |  |  |  |
| **activities:** |  |  |  |  |  |
| Proceeds from borrowings |  | **474,000** | 437,500 | **483,596** | 448,159 |
| Repayment of borrowings |  | **(475,000)** | (429,000) | **(482,000)** | (437,885) |
| **Net cash used in financing** |  |  |  |  |  |
| **activities** |  | **(1,000)** | 8,500 | **1,596** | 10,274 |
| **Net increase / (decreased) in cash and cash equivalents** |  | **(119,458)** | 82,523 | **(120,801)** | 83,157 |
| Cash and cash equivalents at beginning of year |  | **221,748** | 139,225 | **219,554** | 136,397 |
| **Cash and cash equivalents at end of financial year** | 16 | **102,290** | 221,748 | **98,753** | 219,554 |

The accompanying notes form part of these financial statements.

## Notes to the Financial Statements

###### For the Year Ended 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 for all years reported unless otherwise stated. The financial statements include separate statements for Western Sydney University as the parent entity (the 'University') and the consolidated entity consisting of Western Sydney University and its subsidiaries (the 'Group').

The principal address of Western Sydney University is Great Western Highway Kingswood NSW 2747.

1. **Basis of Preparation**

The annual financial statements represent the audited general purpose financial statements of Western Sydney University. They have been prepared on an accrual basis and comply with the Australian Accounting Standards and other authoritative pronouncements of the AAS Board.

Western Sydney University applies Tier 1 reporting requirements.

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

* + *Public Finance and Audit Act 1983* and Regulation*;*
  + *Higher Education Support Act 2003* (Financial Statement Guidelines for Australian Higher Education Providers for the 2018 Reporting Period);
  + The *Australian Charities and Not-for-profits Commission Act* and Regulation.

Western Sydney 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 International Financial Reporting Standards (IFRS) requirements.

***Date of authorisation for issue***

The financial statements were authorised for issue by the Board of Trustees of Western Sydney University on 10 April 2019.

***Historical cost convention***

These financial statements have been prepared under the historical cost convention, except for debt and equity financial assets (including derivative instruments) that have been measured at fair value either through other comprehensive income or profit or loss and certain classes of property, plant and equipment.

## Notes to the Financial Statements

###### For the Year Ended 31 December 2018

**1 Summary of Significant Accounting Policies (continued)**

1. **Basis of Preparation (continued)**

***Critical accounting estimates***

The preparation of financial statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying Western Sydney University’s accounting policies. The estimates and underlying assumptions are reviewed on an ongoing basis. All significant estimates or assumptions made in the preparation of the financial statements are described in the accounting policy notes.

1. **Basis of Consolidation**
   1. ***Subsidiaries***

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Western Sydney University (''parent entity'') as at 31 December 2018 and the results of all subsidiaries for the year then ended. Western Sydney University and its subsidiaries together are referred to in this financial report as the Group or the Consolidated Entity.

Subsidiaries are all those entities (including structured entities) over which the Group has control. The Group has control over an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Power over the investee exists when the Group has existing rights that give it current ability to direct the relevant activities of the investee. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

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

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

A list of controlled entities is contained in note 32(b).

* 1. ***Joint arrangements***

AASB 11 *Joint Arrangements* defines a joint arrangements as an arrangement of which two or more parties have joint control and classifies these arrangement as either joint operations or joint ventures.

Western Sydney University has determined that it has both joint ventures and joint operations.

***Joint operations***

The University's share of assets, liabilities, revenue and expenses of a joint operation have been incorporated into the financial statements under the appropriate headings. Details of joint operations for the University are set out in note 35.

Details of joint operations between the controlled entities and other parties are set out in their respective financial statements.

## Notes to the Financial Statements

###### For the Year Ended 31 December 2018

**1 Summary of Significant Accounting Policies (continued)**

1. **Basis of Consolidation (continued)**

***Joint ventures***

The interest in a joint venture entity is accounted for in the consolidated financial statements using the equity method and is carried at cost by the parent entity. The University's interests in joint ventures are set out in note 7.

1. **Foreign operations**

Western Sydney University operates a small number of teaching programs in the Asia region. There are no University entities registered overseas.

1. **Foreign currency transactions and balances**

Both the functional and presentation currency of the Group is Australian Dollars.

Transactions in foreign currencies are recorded in the functional currency at the exchange rates prevailing at the date of the transaction. 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.

1. **Income Tax exemption**

The Group is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

1. **Insurance**

Western Sydney University insures externally for all significant areas of risk exposure and accordingly is not a self-insurer and makes no provision in its financial statements for internal coverage.

Workers' Compensation insurance is currently held with Employers Mutual Insurance. Property and liability protections (including General and Products Liability, Professional Liability, Medical Malpractice, Clinical Trials and Directors and Officers) are arranged with Unimutual.

1. **Inventories**

A stocktake of inventories on hand at year end was performed. All inventories are measured at the lower of cost and net realisable value. Retail stock is valued at a weighted average price and other stock is valued at last purchase price.

1. **Rounding of amounts**

Amounts in the financial statements have been rounded off in accordance with *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191* relating to the 'rounding off' of amounts in the financial statements. Amounts have been rounded off to the nearest thousand dollars.

1. **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.

**1 Summary of Significant Accounting Policies (continued)**

1. **Goods and Services Tax (GST) (continued)**

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 Group is a Charitable Institution endorsed to access GST concessions on a range of transactions.

1. **New Accounting Standards and Interpretations**

Certain new Accounting Standards and Interpretations have been published that are not mandatory for 31 December 2018 reporting periods. Western Sydney University's assessment of the impact of these new Standards and Interpretations is set out below:

* 1. ***AASB 15 Revenue from contracts with customers; and AASB 1058 Income of not-for-profit entities***

Australian Accounting Standard AASB 15 'Revenue from contracts with customers' and AASB 1058 'Income of not-for-profit entities' are mandatory from 1 January 2019. The standards replace AASB 118 'Revenue', AASB 111 'Construction Contracts' and AASB 1004 'Contributions'.

AASB 15 establishes a single and comprehensive framework which sets out how and when revenue is recognised. The core principle of AASB 15 is that revenue is recognised when transfers of goods or services to customers occurs 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). Revenue will only be recognised when control over the goods or services is transferred to the customer, which is either over time or at a point in time.

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

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

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

**1 Summary of Significant Accounting Policies (continued)**

1. **New Accounting Standards and Interpretations (continued)**
   1. ***AASB 16 Lease*s**

The Australian Accounting Standard AASB 16 'Leases' is mandatory from 1 January 2019, and replaces AASB 117 'Leases'.

The definition of a lease in AASB 16 is essentially the same as AASB 117. The definition attempts to differentiate between controlling the underlying asset and arrangements that transfer to a lessee the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use (for example, by having exclusive use of the asset throughout that period).

AASB 16 requires all leases to be recognised on balance sheet, as a right of use asset and corresponding liability.

The new standard will have a material impact for the University, with existing arrangements currently recognised through profit and loss as operating leases. The University is in the process of assessing the changes to its lease recognition and measurement policies upon the adoption of AASB 16. Until management completes that process, the University is unable to reasonably quantify the expected financial impacts of the Standard in future periods.

1. **Initial application of Australian Accounting Standards AASB 9 Financial Instruments**

AASB9 *Financial Instruments* replaces AASB 139 *Financial Instruments: Recognition and Measurement* for

annual periods beginning on or after 1 January 2018.

Western Sydney University has applied AASB 9 retrospectively, with the exception of hedge accounting, with an initial application date of 1 January 2018. The University has not restated the comparative information, which continues to be reported under AASB 139. Differences arising from the adoption of AASB 9 have been recognised directly in retained earnings and other components of equity.

The following table summarises the changes on the financial statements upon the adoption of AASB 9.

**1 Summary of Significant Accounting Policies (continued)**

**(k) Initial application of Australian Accounting Standards (continued)**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **AASB 9 Financial Instruments (continued)** |  | | | |
|  | **31-Dec-17** | **Reclassification** | **Re-measurement** | **1-Jan-18** |
| **Consolidated** | **$'000** | **$'000** | **$'000** | **$'000** |
| Provision for impaired receivables | (738) | **-** | (457) | (1,195) |
| Available-for-sale (Listed securities) previously measured under AASB 139 | 80,299 | (80,299) | **-** | **-** |
| Available-for-sale (Unlisted securities) previously measured under AASB 139 | 16,537 | (16,537) | **-** | **-** |
| Held-to-maturity (Amortised cost) | 11,061 | (11,061) | **-** | **-** |
| Financial assets at fair value through profit or loss | **-** | 91,360 | 150 | 95,563 |
| Financial assets at fair value through other comprehensive income \* | **-** | 16,537 | 5,570 | 22,107 |
| Other financial assets previously measured under AASB 139 | **-** | **-** | (21) | (21) |
| **Total effect on assets** | **107,159** | **-** | **5,242** | **116,454** |
| Transfer of investment revaluation reserve |  |  |  |  |
| balance to retained earnings as at 1 |  |  |  |  |
| January 2018 |  |  |  |  |
| Retained earnings | 1,047,001 | 3,220 | (328) | 1,049,893 |
| Investment on revaluation reserve \* | 19,500 | (3,220) | 5,570 | 21,850 |
| **Net effect on equity** | **1,066,501** | **-** | **5,242** | **1,071,743** |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **31-Dec-17** | **Reclassification** | **Re-measurement** | **1-Jan-18** |
| **Parent** | **$'000** | **$'000** | **$'000** | **$'000** |
| Provision for impaired receivables | (738) | **-** | (457) | (1,195) |
| Available-for-sale (Listed securities) previously measured under AASB 139 | 80,299 | (80,299) | **-** | **-** |
| Available-for-sale (Unlisted securities) previously measured under AASB 139 | 16,537 | (16,537) | **-** | **-** |
| Held-to-maturity (Amortised cost) | 11,061 | (11,061) | **-** | **-** |
| Financial assets at fair value through profit or loss | **-** | 91,360 | 150 | 91,510 |
| Financial assets at fair value through other comprehensive income \* | **-** | 16,537 | 5,570 | 22,107 |
| Other financial assets previously measured under AASB 139 | **-** | **-** | (26) | (26) |
| **Total effect on assets** | **107,159** | **-** | **5,237** | **112,396** |
| Transfer of investment revaluation reserve |  |  |  |  |
| balance to retained earnings as at 1 |  |  |  |  |
| January 2018 |  |  |  |  |
| Retained earnings | 1,038,885 | (833) | (333) | 1,037,719 |
| Investment on revaluation reserve \* | 15,447 | 833 | 5,570 | 21,850 |
| **Net effect on equity** | **1,054,332** | **-** | **5,237** | **1,059,569** |

The nature of these adjustments are described in note 21.

**1 Summary of Significant Accounting Policies (continued)**

1. **Initial application of Australian Accounting Standards (continued) AASB 9 Financial Instruments (continued)**

\*On 1 January 2018 the University recognised for the first time its investments in AARNet Pty Ltd, Uniprojects

Pty Ltd and Unisuper Ltd in accordance with the newly effective AASB 9. The three financial instruments have been assessed as Equity Instruments and measured in accordance with AASB 9 at fair value through other comprehensive income (FVOCI). Each of the instruments was independently valued with the following 1 January 2018 balances recognised:

$'000

|  |  |
| --- | --- |
| - AARNet Pty Ltd: | 5,551 |
| - Uniprojects Pty Ltd: | 19 |
| - UniSuper Ltd: | **-** |
|  | 5,570 |

In summary, upon the adoption of AASB 9, Western Sydney University had the following elected reclassifications as at 1 January 2018.

**Consolidated Parent**

**AASB 9 measurement category AASB 9 measurement category**

Fair value Fair value

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | 1 January | through  profit or | Amortised | Fair value  through | 1 January | through  profit or | Amortised | Fair value  through |
| 2018 | loss | cost | OCI | 2018 | loss | cost | OCI |
| $'000 | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 |
| **AASB139 measurement** |  |  |  |  |  |  |  |  |
| **category** |  |  |  |  |  |  |  |  |
| **Loans and receivables** |  |  |  |  |  |  |  |  |
| Trade receivables\*\* | 443,631 | - | 443,631 | - | 441,957 | - | 441,957 | - |
| **Available for sale** |  |  |  |  |  |  |  |  |
| Listed equity investments | 80,299 | 80,299 | - | - | 80,299 | 80,299 | - | - |
| Non-listed equity investments | 22,107 | - | - | 22,107 | 22,107 | - | - | 22,107 |
| Held-to-maturity (Amortised cost) | 11,211 | 11,211 | - | - | 11,211 | 11,211 | - | - |

557,248 91,510 443,631 22,107 555,574 91,510 441,957 22,107

\*\* The change in carrying amount is a result of additional impairment allowance. Refer to note 17 for reconciliation of changes in the provision for impairment of receivables and new accounting policy on impairment.

1. **Summary of Significant Accounting Policies (continued)**
2. **Comparative Amounts**

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

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | | **Reported** | **2017**  **Adjustment** | **Revised** |
| **$'000** | **$'000** | **$'000** |
| **Note 24 - Provisions**  Defined benefit obligation |  | 347,795 | 7,127 | 354,922 |
| **Statement of Changes in Equity (extract)**  Balance at 31 December 2017 (Consolidated) |  | 1,054,128 | (7,127) | 1,047,001 |
| Balance at 31 December 2017 (Parent) |  | 1,046,012 | (7,127) | 1,038,885 |
|  | **SASS** | **SANCS** | **SSS** | **Total** |
| **Note 37(d) - Defined Benefits Plans** | **$'000** | **$'000** | **$'000** | **$'000** |
| **Net liability reconciliation - 2017**  Defined benefit obligation | 25,176 | 4,349 | 409,545 | 439,070 |
| Fair value of plan assets | (12,535) | (105) | (78,635) | (91,275) |
| Net liability (reported) | 12,641 | 4,244 | 330,910 | 347,795 |
| Payroll tax oncost estimate on net liability | 259 | 87 | 6,781 | 7,127 |
| Net liability (revised) | 12,900 | 4,331 | 337,691 | 354,922 |
| Reimbursement right | (10,935) | (3,858) | (330,910) | (345,703) |
| Total net liability/(asset) | 1,965 | 473 | 6,781 | 9,219 |

1. **Australian Government financial assistance including Australian Government loan programs (HELP)**

**Consolidated Parent**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Note** | | **2018**  **$'000** | **2017**  **$'000** | **2018**  **$'000** | **2017**  **$'000** |
| Commonwealth Grants Scheme |  |  |  |  |  |
| (CGS) and Other Grants | 37(a) | **298,622** | 300,970 | **298,622** | 300,970 |
| Education Research | 37(c) | **18,362** | 18,255 | **18,362** | 18,255 |
| Australian Research Council | 37(e) | **7,865** | 8,295 | **7,865** | 8,295 |
| **Total CGS and Research Grants** |  | **324,849** | 327,520 | **324,849** | 327,520 |
| Other Australian Government financial |  |  |  |  |  |
| assistance |  | 6,988 | 6,893 | 6,988 | 6,893 |
| **Total Australian Government Grants** |  | **331,837** | 334,413 | **331,837** | 334,413 |
| Higher Education Loan Programs | 37(b) | **234,686** | 218,750 | **234,686** | 218,750 |
| **Total Australian Government** |  |  |  |  |  |
| **financial assistance** | | **566,523** | 553,163 | **566,523** | 553,163 |

**Australian Government Grants received - cash basis**

**Consolidated Parent**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  |  | **2018** | **2017** | **2018** | **2017** |
| **Note** | **$'000** | **$'000** | **$'000** | **$'000** |
| CGS and Other Education Grants | 37(a) | **300,755** | 301,161 | **300,755** | 301,161 |
| Higher Education Loan Programs | 37(b) | **236,524** | 215,418 | **236,524** | 215,418 |
| Education Research | 37(c) | **18,362** | 18,255 | **18,362** | 18,255 |
| ARC Grants - Discovery | 37(e) | **4,711** | 5,484 | **4,711** | 5,484 |
| ARC Grants - Linkages | 37(e) | **881** | 583 | **881** | 583 |
| Other Australian Government financial assistance |  | **6,988** | 6,893 | **6,988** | 6,893 |
| **Total Australian Government** |  |  |  |  |  |
| **grants received - cash basis** |  | **568,221** | 547,794 | **568,221** | 547,794 |
| OS-Help (Net) | 37(f) | **432** | 106 | **432** | 106 |
| **Total Australian Government** |  |  |  |  |  |
| **funding received - cash basis** |  | **568,653** | 547,900 | **568,653** | 547,900 |

1. **Australian Government financial assistance including Australian Government loan programs (HELP) (continued)**

*Accounting Policy*

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

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Group and specific criteria have been met for each of the Group's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement. This applies to revenue items recognised in notes 2 through 9.

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. In practice, Western Sydney University treats operating grants received from Australian Government entities as income in the year of receipt.

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

1. **State and Local Government financial assistance**

**Consolidated Parent**

**Non-capital**

**2018**

**$'000**

**2017**

**$'000**

**2018**

**$'000**

**2017**

**$'000**

NSW Department of Primary Industries **128** 19 **128** 19

**Total Non-capital 128** 19 **128** 19

**Total State and Local Government**

**financial assistance 128** 19 **128** 19

1. **Fees and charges**

**Consolidated Parent**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Course Fees and Charges** | **2018**  **$'000** | **2017**  **$'000** |  | **2018**  **$'000** | **2017**  **$'000** |
| Fee-paying overseas students | **133,600** | 97,937 |  | **132,618** | 96,960 |
| Fee-paying domestic students | **5,745** | 4,128 |  | **4,924** | 3,847 |
| Continuing education | **3,923** | 4,007 |  | **50** | 67 |
| Other domestic course fees and charges | **31** | 47 |  | **31** | 47 |
| **Total Course Fees and Charges** | **143,299** | 106,119 |  | **137,623** | 100,921 |
| **Other Non-Course Fees and Charges**  Student services fees from students | **3,836** | 3,176 |  | **3,836** | 3,176 |
| Deferral fees | **-** | (2) |  | **-** | (2) |
| Library fines | **173** | 180 |  | **173** | 180 |
| Student accommodation | **5,135** | 817 |  | **5,135** | 817 |
| Academic transcripts | **237** | 250 |  | **237** | 250 |
| Graduation fees | **362** | 389 |  | **362** | 389 |
| Academic dress hire | **347** | 357 |  | **347** | 357 |
| Student test fees | **3,006** | 3,266 |  | **-** | - |
| Other | **805** | 739 |  | **678** | 512 |
| **Total Other Fees and Charges** | **13,901** | 9,172 |  | **10,768** | 5,679 |
| **Total Fees and Charges** | **157,200** | 115,291 |  | **148,391** | 106,600 |
| *Accounting Policy* |  |  |  |  |  |

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

1. **Investment income**

**Consolidated Parent**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **2018** | **2017** |  | **2018** | **2017** |
|  | **$'000** | **$'000** |  | **$'000** | **$'000** |
| Interest income | **5,637** | 4,488 |  | **5,496** | 4,380 |
| Distribution from managed funds | **10,402** | 7,018 |  | **10,402** | 7,018 |
| Dividends income | **3,429** | 2,541 |  | **3,429** | 2,541 |
| Realised investment gains/(losses) | **(2,714)** | - |  | **(2,714)** | - |
| Change in fair value of financial assets designated at fair value through profit or loss | **(14,330)** | - |  | **(14,330)** | - |
| **Total investment income** | **2,424** | 14,047 |  | **2,283** | 13,939 |
| *Accounting Policy* |  |  |  |  |  |

Revenue is recognised as the interest income is recorded using the effective interest method. Dividend revenue is recognised when the dividend is declared and the right to receive payment is established.

All other material revenue is accounted for on an accrual basis.

1. **Consultancy and contracts**

**Consolidated Parent**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **2018** | **2017** | **2018** | **2017** |
| **$'000** | **$'000** | **$'000** | **$'000** |
| Consultancy | **1,649** | 2,881 | **1,641** | 2,875 |
| Contract research | **23,693** | 20,193 | **23,693** | 20,193 |
| **Total consultancy and contracts** | **25,342** | 23,074 | **25,334** | 23,068 |
| *Accounting Policy* |  |  |  |  |

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

1. **Investments accounted for using the equity method**
2. **Restrictions**

The Group has nil restrictions from the joint venture with Navitas Ltd.

1. **Individually immaterial joint venture or associate**

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

**Consolidated Joint Ventures**

**2018**

**$'000**

**2017**

**$'000**

|  |  |  |
| --- | --- | --- |
| Profit/(loss) from continuing operations | **190** | (834) |
| Profit/(loss) from continuing operations after income tax | **190** | (834) |
| **Total comprehensive income** | **190** | (834) |

Contingent liabilities arising from the Group's interests in associates and joint arrangements, and capital commitments arising from the Group's interests in joint arrangements are disclosed in notes 30 and 31 respectively.

*Accounting Policy*

Under the equity method, the share of the profits or losses of the entity is recognised in the income statement, and the share of movements in reserves is recognised in reserves in the statement of comprehensive income and the statement of changes in equity. If the venturer's share of losses of a joint venture equals or exceeds its interest in the joint venture, the venturer discontinues recognising its share of further losses.

1. **Gain on disposal of assets**

**Consolidated Parent**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **2018** | **2017** | **2018** | **2017** |
| **$'000** | **$'000** | **$'000** | **$'000** |
| Proceeds from sale | **98,369** | 95,076 | **98,349** | 94,841 |
| Carrying amount of assets sold | **(64,382)** | (59,053) | **(64,356)** | (58,901) |
| **Total gain on disposal of assets** | **33,987** | 36,023 | **33,993** | 35,940 |

1. **Other revenue and income**

**Consolidated Parent**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Other income** | **Note** | **2018**  **$'000** | **2017**  **$'000** | **2018**  **$'000** | **2017**  **$'000** |
| Service income | 32(d) | **71** | 705 | **23,817** | 23,027 |
| Recoveries |  | **12,440** | 6,023 | **12,364** | 5,978 |
| Commercial leases and other rental income |  | **11,894** | 10,799 | **11,705** | 10,577 |
| Childcare centre fees and grants |  | **7,052** | 6,720 | **-** | - |
| Donations and bequests |  | **10,723** | 4,537 | **10,559** | 4,382 |
| Parking fees |  | **3,179** | 3,437 | **3,180** | 3,437 |
| Scholarships and prizes |  | **1,891** | 1,268 | **1,891** | 1,259 |
| Sale of goods |  | **3,603** | 4,694 | **746** | 924 |
| Gain on recognition of student accommodation assets |  | **48,944** | - | **48,944** | - |
| Non-government grants |  | **575** | 62 | **575** | 62 |
| Royalties, trademarks and licences |  | **168** | 263 | **168** | 260 |
| Other |  | **5,725** | 6,114 | **4,593** | 4,154 |
| **Total other revenue and income** |  | **106,265** | 44,622 | **118,542** | 54,060 |

*Accounting Policy*

**Lease income**

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

**Royalties, trademarks and licences**

Revenue from royalties, trademarks and licences are recognised on an accrual basis in accordance with the substance of the relevant agreement.

**Other revenue and income**

Other revenue and income includes donations, bequests, scholarships and prizes and other on-campus non-academic services. Income is recognised when the Group becomes entitled to receive the revenue and the revenue can be reliably measured.

1. **Employee related expenses**

**Consolidated Parent**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Academic** | **2018**  **$'000** | **2017**  **$'000** | **2018**  **$'000** | **2017**  **$'000** |
| Salaries | **196,045** | 186,204 | **175,795** | 166,257 |
| Contributions to superannuation & pension schemes - funded | **28,304** | 26,576 | **25,952** | 24,488 |
| Payroll tax | **12,443** | 11,447 | **11,091** | 10,160 |
| Worker's compensation | **437** | 993 | **336** | 920 |
| Long service leave expense | **7,574** | 2,483 | **7,418** | 2,211 |
| Annual leave | **2,007** | 809 | **2,024** | 754 |
| **Total academic** | **246,810** | 228,512 | **222,616** | 204,790 |
| **Non-academic** |  |  |  |  |
| Salaries | **176,286** | 175,782 | **162,894** | 161,484 |
| Contributions to superannuation & pension schemes - funded | **26,716** | 24,884 | **25,434** | 23,543 |
| Payroll tax | **10,730** | 9,964 | **10,452** | 9,670 |
| Worker's compensation | **497** | 923 | **260** | 810 |
| Long service leave expense | **7,302** | 3,412 | **7,128** | 3,116 |
| Annual leave | **2,064** | 621 | **2,197** | 619 |
| **Total non-academic** | **223,595** | 215,586 | **208,365** | 199,242 |
| **Total employee related expenses** | **470,405** | 444,098 | **430,981** | 404,032 |
| **Total employee related expenses,** |  |  |  |  |
| **including deferred government** |  |  |  |  |
| **employee benefits for superannuation** | **470,405** | 444,098 | **430,981** | 404,032 |

*Accounting Policy*

Refer to note 25 for policies on employee benefits.

1. **Depreciation and amortisation**

**Consolidated Parent**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Depreciation** | **2018**  **$'000** | **2017**  **$'000** | **2018**  **$'000** | | **2017**  **$'000** |
| Buildings and infrastructure | **29,074** | 26,358 | **29,074** | | 26,358 |
| Plant and equipment | **12,024** | 11,994 | **11,912** | | 11,878 |
| Library collection | **2,171** | 2,569 | **2,171** | | 2,569 |
| **Total depreciation** | **43,269** | 40,921 | **43,157** | | 40,805 |
| **Amortisation** |  |  |  | |  |
| Leasehold property | **6,761** | 7,136 | **5,725** | | 5,716 |
| Intangible assets | **4,920** | 2,468 | **4,920** | | 2,314 |
| **Total amortisation** | **11,681** | 9,604 | **10,645** | | 8,030 |
| **Total depreciation and** |  |  |  | |  |
| **amortisation** | **54,950** | 50,525 |  | **53,802** | 48,835 |
| *Accounting Policy* |  |  |  |  |  |

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

|  |  |  |
| --- | --- | --- |
| **Depreciable assets** | **2018** | **2017** |
| Audio Visual | **10 years** | 10 years |
| Buildings (except where a limit of useful life of a building has been identified) | **5-60 years** | 5-60 years |
| Computing (Mainframe & Networking) | **4 years** | 4 years |
| Computing (Other) | **3 years** | 3 years |
| Leasehold Improvements | **2-6 years** | 2-6 years |
| Library Collections | **5 years** | 5 years |
| Printing | **10 years** | 10 years |
| Scientific | **10 years** | 10 years |
| Software | **3-10 years** | - |
| Vehicles | **6-7 years** | 6-7 years |
| Other | **10-20 years** | 10-20 years |

Leasehold improvements are depreciated over the shorter of the unexpired period of the lease or the estimated life of the improvements.

Refer to note 19 for policies on depreciation and note 20 for policies on amortisation.

1. **Repairs and maintenance**

**Consolidated Parent**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **2018** | **2017** | **2018** | **2017** |
| **$'000** | **$'000** | **$'000** | **$'000** |
| Buildings | **19,792** | 19,836 | **19,739** | 19,788 |
| Plant and equipment | **4,594** | 5,116 | **4,529** | 5,029 |
| Motor vehicles | **443** | 564 | **409** | 489 |
| Information technology | **2** | 45 | **2** | 45 |
| **Total repairs and maintenance** | **24,831** | 25,561 | **24,679** | 25,351 |
| *Accounting Policy* |  |  |  |  |

Repairs and maintenance costs are recognised as expenses as incurred, except where they relate to the replacement of a component of an asset, in which case the carrying amount of those parts that are replaced is derecognised and the cost of the replacing part is capitalised if the recognition criteria are met. Other routine operating maintenance, repair and minor renewal costs are also recognised as expenses, as incurred.

1. **Borrowing costs**

**Consolidated Parent**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Interest expense | **2018**  **$'000**  **5,056** | **2017**  **$'000**  4,276 |  | **2018**  **$'000**  **5,290** | **2017**  **$'000**  4,476 |
| **Total borrowing costs expensed** | **5,056** | 4,276 |  | **5,290** | 4,476 |
| *Accounting Policy* |  |  |  |  |  |

Borrowing costs are expensed in the period in which they are incurred. Refer to note 24 for policies on borrowings.

1. **Impairment of assets**

**Consolidated Parent**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  |  | **2018** | **2017** | **2018** | **2017** |
| **Note** | **$'000** | **$'000** | **$'000** | **$'000** |
| Bad debts | 32(e) | **87** | (205) | **75** | 3,722 |
| Doubtful debts |  | **(151)** | 143 | **2,446** | 150 |
| **Total impairment of assets** |  | **(64)** | (62) | **2,521** | 3,872 |

1. **Impairment of assets (continued)**

*Accounting Policy*

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Other assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows which are largely independent of the cash inflows from other assets or groups of assets (cash generating units).

1. **Other expenses**

**Consolidated Parent**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **2018** | **2017** | **2018** | **2017** |
| **$'000** | **$'000** | **$'000** | **$'000** |
| Fees for service\* | **106,206** | 84,023 | **152,213** | 132,088 |
| Minimum lease payments on operating lease | **31,178** | 27,235 | **30,780** | 26,838 |
| Scholarships, grants and prizes | **26,764** | 22,868 | **26,537** | 22,445 |
| Consumables | **18,935** | 19,293 | **17,411** | 16,735 |
| Overheads | **17,807** | 14,789 | **17,764** | 14,782 |
| Advertising, marketing and promotional expenses | **16,280** | 13,682 | **15,653** | 13,253 |
| Cleaning and waste removal | **9,633** | 8,830 | **9,389** | 8,582 |
| Travel and entertainment | **9,227** | 7,931 | **9,164** | 7,841 |
| Security costs | **5,339** | 3,965 | **5,299** | 3,906 |
| Student education support | **4,994** | 3,689 | **4,994** | 3,689 |
| Non-capitalised equipment | **3,234** | 3,151 | **3,110** | 3,021 |
| Staff development | **2,580** | 2,097 | **2,521** | 2,007 |
| Other expenses **11,068** 11,090 **10,390** 10,274 | | | | |
| **Total other expenses** | **263,245** | 222,643 | **305,225** | 265,461 |

\*Audit remuneration included in amount and disclosed under note 29.

*Accounting Policy*

**Operating leases**

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

Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis, over the period of the lease.

1. **Cash and cash equivalents**

**Consolidated Parent**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | Cash at bank and on hand | **2018**  **$'000**  **71,123** | **2017**  **$'000**  124,030 |  | **2018**  **$'000**  **68,006** | **2017**  **$'000**  122,246 |
| Short-term deposits | **31,167** | 97,718 |  | **30,747** | 97,308 |
| **Total cash and cash equivalents in statement of financial position and statement of cash flows** | **102,290** | 221,748 |  | **98,753** | 219,554 |
| **(a)** | **Cash at bank and on hand** |  |  |  |  |  |

The average interest rate during 2018 on bank accounts included in cash at bank and on hand was 2.10% (2017: 2.05%).

**(b) Short-term deposits**

The deposits are at fixed interest rates ranging between 2.25% and 2.81%.

*Accounting Policy*

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 six months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

1. **Trade and other receivables**

**Consolidated Parent**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Current** | **Note** | **2018**  **$'000** | **2017**  **$'000** |  | **2018**  **$'000** | **2017**  **$'000** |
| Student fees |  | **5,979** | 4,496 |  | **5,801** | 4,345 |
| Trade receivables |  | **31,634** | 22,330 |  | **30,847** | 20,845 |
| Less: Provision for impaired receivables |  | **(1,091)** | (770) |  | **(3,648)** | (738) |
| Prepayments |  | **16,569** | 21,656 |  | **16,533** | 21,586 |
| Other |  | **1,060** | 8,357 |  | **1,060** | 8,357 |
| **Total current receivables** |  | **54,151** | 56,069 |  | **50,593** | 54,395 |
| **Non-current** |  |  |  |  |  |  |
| Trade receivables |  | **-** | - |  | **23,100** | - |
| Deferred government benefit for superannuation | 38 | **369,942** | 345,703 |  | **369,942** | 345,703 |
| Prepayments |  | **22,716** | 24,227 |  | **22,716** | 24,227 |
| Finance lease receivables |  | **-** | 18,115 |  | **-** | 18,115 |
| **Total non-current receivables** |  | **392,658** | 388,045 |  | **415,758** | 388,045 |
| **Total receivables** |  | **446,809** | 444,114 |  | **466,351** | 442,440 |
| **(a)** | **Leasing Arrangements** |  |  |  |  |  |  |

In 2018, the University, as lessor, ceased the leasing arrangement with Campus Living Villages Pty Limited to manage student residence accommodation. This resulted in the University recognising land and building student accommodation assets (totalling $106.5M) reflected as additions in note 19 and a $48.9M gain on recognition shown in note 9.

1. **Reconciliation of changes in the provision for impairment of receivables is as follows:**

**Consolidated Parent**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Balance at beginning of the year (calculated | **2018**  **$'000** | **2017**  **$'000** |  | **2018**  **$'000** | **2017**  **$'000** |
| in accordance with AASB 139) | **770** |  | 618 | **738** | 586 |
| Amount restated through opening retained earnings on adoption of AASB 9 | **457** |  | - | **457** | - |
| **Opening impairment allowance calculated** |  |  |  |  |  |
| **under AASB 9** | **1,227** |  | 618 | **1,195** | 586 |
| Additional impairment loss recognised | **(223)** |  | 118 | **2,378** | 4,061 |
| Amounts written off as uncollectible | **87** |  | 34 | **75** | 26 |
| Related party loan forgiven | **-** |  | - | **-** | (3,935) |
| **Balance at end of the year** | **1,091** |  | 770 | **3,648** | 738 |

1. **Trade and other receivables (continued)**
2. **Amounts receivable under finance leases**

**Minimum lease payments Present value of minimum**

**lease payments**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| * not later than one year * between one year and five years | **2018**  **$'000** | **2017**  **$'000**  **-** -  **-** - | **2018**  **$'000** | **2017**  **$'000**  **-** -  **-** - |
| - later than five years |  | **-** 42,990 |  | **-** 18,115 |
| **Amounts receivable under** |  |  |  |  |
| **finance leases** |  | **-** 42,990 |  | **-** 18,115 |
| Less: unearned finance income |  | **-** (24,875) |  | **-** - |
| Allowance for uncollectable lease payments |  | **-** - |  | **-** - |
| **Finance lease receivable** |  | **-** 18,115 |  | **-** 18,115 |
| *Accounting Policy* |  |  |  |  |
| **Trade receivables** |  |  |  |  |

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. The Group's standard terms of trade is 14 days from the date of recognition with the exception of the deferred government contribution for superannuation.

Collectability of trade receivables is reviewed on an ongoing basis. The adoption of AASB 9 has fundamentally changed the Western Sydney University’s accounting for impairment losses for trade receivables by replacing AASB139’s incurred loss approach with a forward-looking expected credit loss (ECL) approach. Western Sydney University measures the loss allowance for trade receivables at an amount equal to lifetime expected credit loss (ECL). The ECL on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor’s current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

When a trade receivable is uncollectable the amount of the loss is recognised in the income statement within 'impairment of asset'. Subsequent recoveries of amounts previously written off are credited to 'other revenue' in the income statement.

Refer to note 21 for policies on the classification of Loans and receivables.

**Prepayments**

Payments for goods and services which are to be provided in future years are recognised as prepayments. Prepayments are recorded in trade and other receivables in the statement of financial position.

1. **Non-current assets classified as held for sale**

**Consolidated Parent**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **2018**  **$'000** | | **2017**  **$'000** | **2018**  **$'000** | **2017**  **$'000** |
| **Non-current assets held for sale** |  |  |  |  |
| Land | **5,867** | 39,671 | **5,867** | 39,671 |
| Buildings | **-** | 687 | **-** | 687 |
| **Total non-current assets or disposal groups classified as held for sale** | **5,867** | 40,358 | **5,867** | 40,358 |

In 2017, the University entered into a sales agreement to sell land at its Nirimba campus. Settlement was deferred until April 2019. A gain on settlement of $3.8M will be recognised in 2019. A gain on revaluation of $4.5M was recognised in 2017 in the property development reserve and will be transferred to retained earnings in 2019 when the asset is de- recognised.

In 2016, the University entered into a sales agreement to sell land at its Westmead campus. Settlement of Lot 4 occurred in January 2018, with a gain on settlement of $15.5M recognised in the Statement of Comprehensive Income. The remaining gain on revaluation of $27.6M recognised in 2016 in the property development reserve was transferred to retained earnings in 2018 when the asset was de-recognised.

*Accounting Policy*

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

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

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

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

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **19** | **Property, plant and equipment** |  | | | | | | | | | |
|  |  | **Construction** | **Freehold** |  |  |  | **Plant and** | **Leasehold** | **Library** |  |  |
|  |  | **in Progress** | **Land** | **Crown Land** | **Buildings** | **Infrastructure** | **Equipment** | **Improvements** | **Collection** | **Artwork** | **Total** |
|  | **Consolidated** | **$'000** | **$'000** | **$'000** | **$'000** | **$'000** | **$'000** | **$'000** | **$'000** | **$'000** | **$'000** |
|  | **At 1 January 2017** |  |  |  |  |  |  |  |  |  |  |
|  | - Cost | 85,044 | - | - | 47,788 | 2,518 | 148,577 | 27,865 | 81,139 | - | 392,931 |
|  | - Valuation | - | 204,632 | 162,335 | 920,514 | 90,256 | - | - | 1,712 | 4,204 | 1,383,653 |
|  | Accumulated depreciation and impairment | - | - | - | (7,545) | (1,425) | (82,412) | (10,994) | (74,142) | - | (176,518) |
|  | **Net book amount** | 85,044 | 204,632 | 162,335 | 960,757 | 91,349 | 66,165 | 16,871 | 8,709 | 4,204 | 1,600,066 |
|  | **Year ended 31 December 2017** |  |  |  |  |  |  |  |  |  |  |
|  | Opening Net book amount | 85,044 | 204,632 | 162,335 | 960,757 | 91,349 | 66,165 | 16,871 | 8,709 | 4,204 | 1,600,066 |
|  | Revaluation Surplus | - | 107,122 | 59,405 | 19,269 | 14,507 | - | - | - | - | 200,303 |
|  | Additions | 91,531 | - | - | - | - | 8,359 | - | 1,991 | 87 | 101,968 |
|  | Disposals | (6,803) | - | - | - | - | (240) | - | (285) | (13) | (7,341) |
|  | Depreciation Charge | - | - | - | (23,179) | (3,179) | (11,994) | (7,136) | (2,569) | - | (48,057) |
|  | Non-Cash Adjustments | - | - | - | - | - | 7 | - | (1) | - | 6 |
|  | Assets capitalised from Construction in Progress | (88,821) | - | - | 25,364 | 6,358 | 1,369 | 55,598 | - | 132 | - |
|  | Transfers to Held for Sale Assets | - | (5,180) | - | (687) | - | - | - | - | - | (5,867) |
| **Closing net book amount** | | 80,951 | 306,574 | 221,740 | 981,524 109,035 63,666 65,333 7,845 4,410 1,841,078 | | | | | | |
| **At 31 December 2017** | |  |  |  |  |  |  |  |  |  |  |
| - Cost | | 80,951 | - | - | 7,576 | 18 | 147,465 | 82,283 | 77,877 | - | 396,170 |
| - Valuation | | - | 306,574 | 221,740 | 983,669 | 110,808 | - | - | 1,742 | 4,410 | 1,628,943 |
| Accumulated depreciation and impairment | | - | - | - | (9,721) | (1,791) | (83,799) | (16,950) | (71,774) | - | (184,035) |
| **Net book amount** | | 80,951 | 306,574 | 221,740 | 981,524 | 109,035 | 63,666 | 65,333 | 7,845 | 4,410 | 1,841,078 |

1. **Property, plant and equipment (continued)**

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Construction Freehold in Progress Land** | | | **Crown Land** | **Buildings** | **Infrastructure** | **Plant and Equipment** | **Leasehold Improvements** | **Library Collection** | **Artwork** | **Total** |
| **Consolidated $'000 $'000** | | | **$'000** | **$'000** | **$'000** | **$'000** | **$'000** | **$'000** | **$'000** | **$'000** |
| **Year ended 31 December 2018** |  |  |  |  |  |  |  |  |  |  |
| Opening net book amount | 80,951 | 306,574 | 221,740 | 981,524 | 109,035 | 63,666 | 65,333 | 7,845 | 4,410 | 1,841,078 |
| Revaluation Surplus | **-** | 23,501 | 11,120 | 27,289 | 7,166 | **-** | **-** | **-** | **-** | 69,076 |
| Additions | 62,469 | 29,935 | 1,130 | 94,944 | **-** | 6,791 | **-** | 1,791 | 222 | 197,282 |
| Disposals | (21,410) | **-** | **-** | **-** | **-** | (679) | (7,226) | (45) | (3) | (29,363) |
| Depreciation Charge | **-** | **-** | **-** | (25,445) | (3,629) | (12,024) | (6,761) | (2,171) | **-** | (50,030) |
| Non-Cash Adjustments | **-** | **-** | **-** | **-** | 10 | (10) | **-** | **-** | **-** | **-** |
| Transfers to Freehold Buildings and Plant and Equipment | (53,756) | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | (53,756) |
| Transfers from Construction in Progress | **-** | **-** | **-** | 49,439 | 3,915 | 215 | 187 | **-** | **-** | 53,756 |
| **Closing net book amount** | **68,254** | **360,010** | **233,990** | **1,127,751** | **116,497** | **57,959** | **51,533** | **7,420** | **4,629** | **2,028,043** |
| **At 31 December 2018** |  |  |  |  |  |  |  |  |  |  |
| - Cost | 68,254 | **-** | **-** | 9,996 | **-** | 144,158 | 72,273 | 78,739 | **-** | 373,420 |
| - Valuation | **-** | 360,010 | 233,990 | 1,126,274 | 117,742 | **-** | **-** | 1,778 | 4,629 | 1,844,423 |
| Accumulated depreciation and impairment | **-** | **-** | **-** | (8,519) | (1,245) | (86,199) | (20,740) | (73,097) | **-** | (189,800) |
| **Net book amount** | **68,254** | **360,010** | **233,990** | **1,127,751** | **116,497** | **57,959** | **51,533** | **7,420** | **4,629** | **2,028,043** |

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **19** | **Property, plant and equipment (continued)**  **Construction in Progress** | | **Freehold Land** | **Crown Land** | **Buildings** | **Infrastructure** | **Plant and Equipment** | **Leasehold Improvement s** | **Library Collection** | **Artwork** | **Total** |
|  | **Parent $'000** | | **$'000** | **$'000** | **$'000** | **$'000** | **$'000** | **$'000** | **$'000** | **$'000** | **$'000** |
|  | **At 1 January 2017** | |  |  |  |  |  |  |  |  |  |
|  | - Cost 84,171 | | - | - | 47,788 | 2,518 | 147,150 | 19,122 | 81,139 | - | 381,888 |
|  | - Valuation - | | 204,632 | 162,335 | 920,514 | 90,256 | - | - | 881 | 4,192 | 1,382,810 |
|  | Accumulated depreciation and  impairment - | | - | - | (7,545) | (1,425) | (81,400) | (7,152) | (74,142) | - | (171,664) |
|  | **Net book amount** 84,171 | | 204,632 | 162,335 | 960,757 | 91,349 | 65,750 | 11,970 | 7,878 | 4,192 | 1,593,034 |
|  | **Year ended 31 December 2017** | |  |  |  |  |  |  |  |  |  |
|  | Opening net book amount 84,171 | | 204,632 | 162,335 | 960,757 | 91,349 | 65,750 | 11,970 | 7,878 | 4,192 | 1,593,034 |
|  | Revaluation Surplus - | | 107,122 | 59,405 | 19,269 | 14,507 | - | - | - | - | 200,303 |
|  | Additions 91,528 | | - | - | - | - | 8,316 | - | 1,960 | 87 | 101,891 |
|  | Disposals (6,803) | | - | - | - | - | (223) | - | (285) | (13) | (7,324) |
|  | Depreciation Charge - | | - | - | (23,179) | (3,179) | (11,878) | (5,716) | (2,569) | - | (46,521) |
|  | Non-Cash Adjustments - | | - | - | - | - | - | 1 | - | - | 1 |
|  | Assets capitalised from Construction in  Progress (88,356) | | - | - | 25,364 | 6,358 | 1,368 | 55,134 | - | 132 | - |
|  | Transfers to Held for Sale Assets - | | (5,180) | - | (687) | - | - | - | - | - | (5,867) |
| **Closing net book amount** | | 80,540 | 306,574 | 221,740 | 981,524 109,035 63,333 61,389 6,984 4,398 1,835,517 | | | | | | |
| **At 31 December 2017** | |  |  |  |  |  |  |  |  |  |  |
| - Cost | | 80,540 | - | - | 7,576 | 18 | 146,268 | 74,257 | 77,877 | - | 386,536 |
| - Valuation | | - | 306,574 | 221,740 | 983,669 | 110,808 | - | - | 881 | 4,398 | 1,628,070 |
| Accumulated depreciation and impairment | | - | - | - | (9,721) | (1,791) | (82,935) | (12,868) | (71,774) | - | (179,089) |
| **Net book amount** | | 80,540 | 306,574 | 221,740 | 981,524 | 109,035 | 63,333 | 61,389 | 6,984 | 4,398 | 1,835,517 |

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **19** | **Property, plant and equipment (continued)** |  | | | | | | | | |
|  |  |  |  |  |  |  | **Leasehold** |  |  |  |
|  | **Construction** | **Freehold** |  |  |  | **Plant and** | **Improvement** | **Library** |  |  |
|  | **in Progress** | **Land** | **Crown Land** | **Buildings** | **Infrastructure** | **Equipment** | **s** | **Collection** | **Artwork** | **Total** |
|  | **Parent $'000** | **$'000** | **$'000** | **$'000** | **$'000** | **$'000** | **$'000** | **$'000** | **$'000** | **$'000** |
|  | **Year ended 31 December 2018** |  |  |  |  |  |  |  |  |  |
|  | Opening net book amount 80,540 | 306,574 | 221,740 | 981,524 | 109,035 | 63,333 | 61,389 | 6,984 | 4,398 | 1,835,517 |
|  | Revaluation Surplus **-** | 23,501 | 11,120 | 27,289 | 7,166 | **-** | **-** | **-** | **-** | 69,076 |
|  | Additions 62,556 | 9,935 | 1,130 | 94,944 | **-** | 6,746 | **-** | 1,755 | 222 | 177,288 |
|  | Disposals (21,410) | **-** | **-** | **-** | **-** | (677) | (7,202) | (45) | (3) | (29,337) |
|  | Depreciation Charge **-** | **-** | **-** | (25,445) | (3,629) | (11,912) | (5,725) | (2,171) | **-** | (48,882) |
|  | Non-Cash Adjustments **-** | **-** | **-** | **-** | 10 | (10) | **-** | **-** | **-** | **-** |
|  | Transfers to Freehold Buildings and  Plant & Equipment (53,756) | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | (53,756) |
|  | Transfers from Construction in Progress **-** | **-** | **-** | 49,439 | 3,915 | 215 | 187 | **-** | **-** | 53,756 |
|  | **Closing net book amount 67,930** | **340,010** | **233,990** | **1,127,751** | **116,497** | **57,695** | **48,649** | **6,523** | **4,617** | **2,003,662** |
|  | **At 31 December 2018** |  |  |  |  |  |  |  |  |  |
|  | - Cost 67,930 | **-** | **-** | 9,996 | **-** | 143,017 | 64,567 | 78,739 | **-** | 364,249 |
|  | - Valuation **-** | 340,010 | 233,990 | 1,126,274 | 117,742 | **-** | **-** | 881 | 4,617 | 1,823,514 |
|  | Accumulated depreciation and  impairment **-** | **-** | **-** | (8,519) | (1,245) | (85,322) | (15,918) | (73,097) | **-** | (184,101) |
|  | **Net book amount 67,930** | **340,010** | **233,990** | **1,127,751** | **116,497** | **57,695** | **48,649** | **6,523** | **4,617** | **2,003,662** |

**19 Property, plant and equipment (continued)**

*Accounting Policy*

Land, buildings and the art collection are capitalised and shown at fair value, based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the carrying amount is adjusted to the revalued amount of the asset.

The Group undertakes regular reviews of its land holdings in light of the future economic footprint of the University. Re- evaluation may be undertaken from time to time on land originally designated for educational use with a view to realising monies via sale or joint development, following appropriate rezoning of the land to allow for alternate uses.

The fair value of land is the amount for which the land could be exchanged between willing parties in an arms length transaction, based on market prices for similar properties, with similar zoning, in comparable locations and condition. The Group expects that the fair value of land already rezoned to allow for alternate use shall be different to land available for educational use only. Valuers engaged to determine the fair value of the land have taken into account the intended use and ultimate disposal of the land, as applicable.

Valuation for land and new or refurbished buildings was undertaken as at 31 August 2018 by external experts in accordance with AASB 13. Land and buildings were revalued on the basis of highest and best use.

For non-completed assets, construction costs totalling $9.996M incurred up to the reporting date were capitalised subsequent to the buildings revaluation. The scope of the valuation did not include revaluation of these buildings. The value of these refurbished buildings is based on the 31 August 2017 revaluation by the Valuer plus the construction costs capitalised in 2018. Due to the specialised nature of buildings and the lack of directly comparable sales evidence, the 31 August 2018 valuation for new and refurbished buildings was undertaken utilising the Summation Valuation approach, whereby the cost to construct improvements as new is estimated and that amount depreciated, after taking into consideration the nature and design of the improvements, their age and the current condition. In determining the value of each building, the exterior dimensions of each building were calculated from the detailed room specifications maintained by the University and extrapolated by the valuer's knowledge of current building rates on a square metre basis. The resultant value as at reporting date was then adjusted for the estimated remaining useful life of each building. The depreciated replacement cost of the improvements was then added to the underlying land value, which was derived after analysis of comparable sales evidence.

In valuing the art collection, the Valuer utilised certain historical facts and relevant market data available up to the date of the valuation. The most recent valuation was completed as at 31 December 2016.

All other property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition and installation 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 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 or loss. Decreases that reverse previous increases of the same asset class are also recognised in other comprehensive income to the extent of the remaining reserve attributable to the asset class. All other decreases are charged to the income statement.

**19 Property, plant and equipment (continued)**

*Accounting Policy (continued)*

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.

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

**Finance leases**

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

The property, plant and equipment acquired under finance leases are depreciated over the shorter of the asset’s useful life and the lease term.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **20** | **Intangible Assets** | **Software** | **Development costs** | **Licences** | **Electronic Materials** | **Total** |
|  | **Consolidated** | **$'000** | **$'000** | **$'000** | **$'000** | **$'000** |
|  | **At 1 January 2017** |  |  |  |  |  |
|  | - Cost | - | 264 | 331 | 11,425 | 12,020 |
|  | - Accumulated amortisation and impairment | - | (110) | (110) | (1,506) | (1,726) |
|  | **Net book amount at 1 January 2017** | - | 154 | 221 | 9,919 | 10,294 |
|  | **Year ended 31 December 2017** |  |  |  |  |  |
|  | Opening net book amount | - | 154 | 221 | 9,919 | 10,294 |
|  | Additions | - | - | - | 6,962 | 6,962 |
|  | Amortisation charge | - | (154) | (30) | (2,284) | (2,468) |
|  | **Net book amount at 31 December 2017** | - | - | 191 | 14,597 | 14,788 |
|  | **At 31 December 2017** |  |  |  |  |  |
|  | - Cost | - | 264 | 316 | 18,387 | 18,967 |
|  | - Accumulated amortisation and impairment | - | (264) | (125) | (3,790) | (4,179) |
|  | **Net book amount at 31 December 2017** | - | - | 191 | 14,597 | 14,788 |
|  | **Year ended 31 December 2018** |  |  |  |  |  |
|  | Opening net book amount | **-** | **-** | **191** | **14,597** | **14,788** |
|  | Additions | **3,637** | **-** | **-** | **7,803** | **11,440** |
|  | Amortisation charge | **(1,212)** | **-** | **(29)** | **(3,679)** | **(4,920)** |
|  | **Net book amount at 31 December 2018** | **2,425** | **-** | **162** | **18,721** | **21,308** |
|  | **At 31 December 2018** |  |  |  |  |  |
|  | - Cost | **3,637** | **-** | **250** | **26,189** | **30,076** |
|  | - Accumulated amortisation and impairment | **(1,212)** | **-** | **(88)** | **(7,468)** | **(8,768)** |
|  | **Net book amount at 31 December 2018** | **2,425** | **-** | **162** | **18,721** | **21,308** |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **20** | **Intangible Assets (continued)** | **Software** | **Development costs** | **Licences** | **Electronic Materials** | **Total** |
|  | **Parent** | **$'000** | **$'000** | **$'000** | **$'000** | **$'000** |
|  | **At 1 January 2017** |  |  |  |  |  |
|  | - Cost | - | - | 250 | 11,425 | 11,675 |
|  | - Accumulated amortisation and impairment | - | - | (29) | (1,506) | (1,535) |
|  | **Net book amount at 1 January 2017** | - | - | 221 | 9,919 | 10,140 |
|  | **Year ended 31 December 2017** |  |  |  |  |  |
|  | Opening net book amount | - | - | 221 | 9,919 | 10,140 |
|  | Additions | - | - | - | 6,962 | 6,962 |
|  | Amortisation charge | - | - | (30) | (2,284) | (2,314) |
|  | **Net book amount at 31 December 2017** | - | - | 191 | 14,597 | 14,788 |
|  | **At 31 December 2017** |  |  |  |  |  |
|  | - Cost | - | - | 250 | 18,387 | 18,637 |
|  | - Accumulated amortisation and impairment | - | - | (59) | (3,790) | (3,849) |
|  | **Net book amount at 31 December 2017** | - | - | 191 | 14,597 | 14,788 |
|  | **Year ended 31 December 2018** |  |  |  |  |  |
|  | Opening net book amount | **-** | **-** | **191** | **14,597** | **14,788** |
|  | Additions | **3,637** | **-** | **-** | **7,803** | **11,440** |
|  | Amortisation charge | **(1,212)** | **-** | **(29)** | **(3,679)** | **(4,920)** |
|  | **Net book amount at 31 December 2018** | **2,425** | **-** | **162** | **18,721** | **21,308** |
|  | **At 31 December 2018** |  |  |  |  |  |
|  | - Cost | **3,637** | **-** | **316** | **26,189** | **30,142** |
|  | - Accumulated amortisation and impairment | **(1,212)** | **-** | **(154)** | **(7,468)** | **(8,834)** |
|  | **Net book amount at 31 December 2018** | **2,425** | **-** | **162** | **18,721** | **21,308** |
|  | *Accounting Policy* |  |  |  |  |  |
|  | **Trademarks and licences** |  |  |  |  |  |

Trademarks and licences have a finite useful life and are carried at cost less accumulated amortisation and impairment losses. Amortisation is calculated using the straight-line method to allocate the cost of trademarks and licences over their estimated useful lives, which vary from 3-5 years.

**Leasehold improvements**

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

**21 Other financial assets**

**Consolidated Parent**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Non-current**  Financial assets at fair value through | **2018**  **$'000** | **2017**  **$'000** | **2018**  **$'000** | **2017**  **$'000** |
| profit or loss | **246,893** | - | **246,893** | - |
| Financial assets at fair value through other comprehensive income | **29,217** | - | **29,217** | - |
| Available-for-sale | **-** | 96,836 | **-** | 96,836 |
| Held-to-maturity (Amortised cost) | **-** | 11,061 | **-** | 11,061 |
| **Total non-current other financial** |  |  |  |  |
| **assets** | **276,110** 107,897 **276,110** 107,897 | | | |

*Accounting Policy*

**Classification and measurement**

From 1 January 2018, the University classifies its investments into the following categories: financial assets at fair value through profit or loss, amortised cost, or fair value through other comprehensive income in accordance with the newly effective AASB 9. 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 Western Sydney University’s business model was made as of the date of initial application, 1 January 2018.

1. ***Financial assets at fair value through profit or loss***

This classification applies from 1 January 2018.

Financial assets which do not meet the criteria of the objective of the Group's business model for managing financial assets or the characteristics of the contractual cash flows, are measured at fair value through profit or loss.

The fair values of quoted investments are based on current bid prices. 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.

1. ***Financial assets at fair value through other comprehensive income***

This classification applies from 1 January 2018.

On initial recognition of an equity instrument obtained for purposes other than simply a financial return, the Group irrevocably adopts to recognise changes in the fair value of the instrument in other comprehensive income. The Group does not define any other financial assets as not held for trading. Gains or losses on these financial assets are never recycled to the profit or loss.

**21 Other financial assets (continued)**

*Accounting Policy (continued)*

1. ***Financial assets at amortised cost***

This classification applies from 1 January 2018.

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

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 costs are assessed for evidence of impairment at the end of each reporting period.

1. ***Held-to-maturity investments***

This classification applies to 31 December 2017.

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

The Group has designated as held-to-maturity investments its investment in a fixed income portfolio managed by JBWere Limited.

1. ***Loans and receivables***

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

1. ***Available-for-sale financial assets***

This classification applies to 31 December 2017.

Available-for-sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category.

The Group has designated as available-for-sale:

* units held in Acadian Australian Equity High Yield Fund, a managed investment fund; and
* unlisted securities

The Acadian Australian Equity High Yield Fund units and unlisted securities are included as non-current assets in the statement of financial position.

Unrealised gains and losses arising from changes in the fair value of financial assets classified as available-for-sale are recognised in equity in the available-for-sale investments revaluation reserve (note 27).

1. **Other financial assets (continued)**

*Accounting Policy (continued)*

**Impairment**

The adoption of AASB9 has fundamentally changed the Group’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 Group to recognise an allowance for ECLs for all debt instruments not held at fair value through profit or loss and contract assets. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

1. **Other non-financial assets**

**Consolidated Parent**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Current** | **2018**  **$'000** | **2017**  **$'000** |  | **2018**  **$'000** | **2017**  **$'000** |
| Lease incentives | **1,137** | 1,196 |  | **1,137** | 1,196 |
| **Total current other non- financial assets** | **1,137** | 1,196 |  | **1,137** | 1,196 |
| **Non-current** |  |  |  |  |  |
| Lease incentives | **3,567** | 4,670 |  | **3,567** | 4,670 |
| Livestock holdings | **479** | 611 |  | **479** | 611 |
| **Total non-current other non- financial assets** | **4,046** | 5,281 |  | **4,046** | 5,281 |
| **Total other non-financial assets** | **5,183** | 6,477 |  | **5,183** | 6,477 |
| *Accounting Policy* |  |  |  |  |  |
| **Livestock** |  |  |  |  |  |

The University maintains livestock for research, teaching and commercial purposes. Livestock is valued on the fair value basis based on current market price. A stocktake of livestock holdings was undertaken at year end.

1. **Trade and other payables**

**Consolidated Parent**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Current** | **2018**  **$'000** | **2017**  **$'000** | **2018**  **$'000** | **2017**  **$'000** |
| Payables | **58,991** | 56,297 | **57,739** | 55,805 |
| OS-HELP Liability to Australian Government | **432** | 106 | **432** | 106 |
| **Total current payables** | **59,423** | 56,403 | **58,171** | 55,911 |
| **Non-current** |  |  |  |  |
| Payables | **3,943** | 3,520 | **3,943** | 3,520 |
| **Total non-current payables** | **3,943** | 3,520 | **3,943** | 3,520 |
| **Total trade and other payables** | **63,366** | 59,923 | **62,114** | 59,431 |

Total trade and other payables include $3.181M (2017: $5.686M) denominated in currencies other than Australian dollars. For an analysis of the sensitivity of trade and other payables to foreign currency risk refer to note 33.

*Accounting Policy*

Trade and other payables are carried at amortised cost and due to their short term nature they are not discounted. They represent liabilities for goods and services provided to the Group prior to the end of the financial year, that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. The Group's standard terms of payment are 30 days from date of recognition. The Group applies 14 day terms for invoices received under the Building and Construction Industry Security of Payment Act (1999) NSW.

1. **Borrowings**

**Consolidated Parent**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Current**  Unsecured other financial liabilities (i) | **2018**  **$'000**  **-**  **-** | **2017**  **$'000**  -  - | **2018**  **$'000**  **- 12,031** | **2017**  **$'000**  - 9,201 |
| **Total current borrowings** | **-** | - | **12,031** | 9,201 |
| **Non-Current**  Unsecured bank loans (ii) | **162,500** | 163,500 | **162,500** | 163,500 |
| **Total non-current borrowings** | **162,500** | 163,500 | **162,500** | 163,500 |
| **Total borrowings** | **162,500** | 163,500 | **174,531** | 172,701 |

* 1. Relates to the transfer of Western Sydney University Enterprises Pty Limited trading as Western Sydney University The College and Western Sydney University Early Learning Limited surplus funds to the University.
  2. The University has borrowing facilities of $298M used for the construction of new facilities, other infrastructure and working capital purposes. The balance of the loan outstanding as at 31 December 2018 was $162.5M (2017:

$163.5M).

**24 Borrowings (continued)**

The interest rate of the loan is variable being based on the BBSY bid rate plus a margin. The interest rate averaged 3.09% during 2018 and is not benchmarked for liability management performance. The loan facilities are unsecured.

The fair value of borrowings equals their carrying amount, as the impact of discounting is not significant. Refer to note 33 for an analysis of the sensitivity of borrowings to interest rate risk.

**(a) Financing arrangements**

Unrestricted access was available at reporting date to the following lines of credit:

**Consolidated Parent**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Credit standby arrangements Total facilities** | **2018**  **$'000** | **2017**  **$'000** | **2018**  **$'000** | **2017**  **$'000** |
| Bank guarantees | **2,000** | 2,000 | **2,000** | 2,000 |
| Credit cards | **4,500** | 4,500 | **4,500** | 4,500 |
| Leasing facilities | **34,000** | 31,000 | **34,000** | 31,000 |
| **Total credit standby arrangements** | **40,500** | 37,500 | **40,500** | 37,500 |
| **Used at balance date** |  |  |  |  |
| Bank guarantees | **1,707** | 1,715 | **1,707** | 1,715 |
| Credit cards | **282** | 442 | **282** | 442 |
| Leasing facilities | **15,717** | 17,818 | **15,717** | 17,818 |
| **Total used at balance date** | **17,706** | 19,975 | **17,706** | 19,975 |
| **Unused at balance date** |  |  |  |  |
| Bank guarantees | **293** | 285 | **293** | 285 |
| Credit cards | **4,218** | 4,058 | **4,218** | 4,058 |
| Leasing facilities | **18,283** | 13,182 | **18,283** | 13,182 |
| **Total unused at balance date** | **22,794** | 17,525 | **22,794** | 17,525 |
| **Bank loan facilities** |  |  |  |  |
| Total facilities | **298,000** | 298,000 | **298,000** | 298,000 |
| Used at balance date | **(162,500)** | (163,500) | **(162,500)** | (163,500) |
| **Total unused at balance date** | **135,500** | 134,500 | **135,500** | 134,500 |
| **Financial guarantee contracts** |  |  |  |  |

Financial guarantee contracts are recognised as a liability at the time the guarantee is issued. The fair value of financial guarantees is determined as the present value of the difference in net cash flows between the contractual payments under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

Where guarantees in relation to loans or other payables of subsidiaries or associates are provided for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of the investment.

1. **Borrowings (continued)**

*Accounting Policy*

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

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

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

1. **Provisions**

**Consolidated Parent**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  |  | **2018** | **2017** | **2018** | **2017** |
| **Note** | **$'000** | **$'000** | **$'000** | **$'000** |
| **Current provisions expected to be settled within 12 months** |  |  |  |  |  |
| Employee benefits |  |  |  |  |  |
| Annual leave |  | **22,530** | 22,707 | **20,852** | 20,876 |
| Long service leave |  | **6,509** | 9,517 | **6,234** | 8,987 |
|  |  | **29,039** | 32,224 | **27,086** | 29,863 |
| **Current provisions expected to be settled after more than 12 months** |  |  |  |  |  |
| Employee benefits |  |  |  |  |  |
| Annual leave |  | **10,699** | 6,831 | **10,479** | 6,582 |
| Long service leave |  | **40,321** | 33,826 | **39,614** | 33,282 |
|  |  | **51,020** | 40,657 | **50,093** | 39,864 |
| **Total current provisions 80,059** | | | 72,881 | **77,179** | 69,727 |
| **Non-current provisions** |  |  |  |  |  |
| Employee benefits |  |  |  |  |  |
| Long service leave |  | **16,933** | 12,026 | **15,918** | 11,116 |
| Defined benefit obligation | 38(d) | **380,027** | 354,922 | **380,027** | 354,922 |
| **Total non-current employee benefit provisions** |  | **396,960** | 366,948 | **395,945** | 366,038 |
| Long-term provisions |  |  |  |  |  |
| Make good on leases |  | **892** | 826 | **892** | 826 |
| **Total non-current long-term provisions** |  | **892** | 826 | **892** | 826 |
| **Total non-current provisions** |  | **397,852** | 367,774 | **396,837** | 366,864 |
| **Total provisions** |  | **477,911** | 440,655 | **474,016** | 436,591 |

**25 Provisions (continued)**

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

**Parent & Consolidated**

**Total**

**$'000**

**Make good on leases Non-current**

|  |  |
| --- | --- |
| Carrying amount at start of year | **826** |
| Additional provisions | **66** |
| **Balance at 31 December 2018** | **892** |

The University has an obligation to make good on leased premises at the end of certain rental agreements. A provision has been made factoring in the cost of bringing the premises back to the conditions specified in the lease agreements.

*Accounting Policy*

Provisions for legal claims and service warranties are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation and the amount 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 end of the reporting period. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as a finance cost.

**Employee benefits**

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave when it is probable that settlement will be required and they are capable of being measured reliably. The calculation of employee benefits includes all relevant on-costs and is calculated as follows at reporting date.

1. ***Wages and salaries***

Liabilities for short-term employee benefits including wages and salaries and non-monetary benefits are measured at the amount expected to be paid when the liability is settled, if it is expected to be settled wholly before 12 months after the end of the reporting period, and is recognised in other payables.

**25 Provisions (continued)**

*Accounting Policy (continued)*

1. ***Annual leave and sick leave***

Annual leave is measured at the amount expected to be paid when the liability is settled.

Sick leave is cumulative but not vesting and therefore is not recognised in employee provisions. Liabilities for sick leave are recognised when the leave is taken and measured at the rates paid or payable.

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

Regardless of the expected timing of settlements, provisions made in respect of employee benefits are classified as a current liability, unless there is an unconditional right to defer the settlement of the liability for at least 12 months after the reporting date, in which case it would be classified as a non-current liability.

1. ***Long service leave***

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

Regardless of the expected timing of settlements, provisions made in respect of employee benefits are classified as a current liability, unless there is an unconditional right to defer the settlement of the liability for at least 12 months after the reporting date, in which case it would be classified as a non-current liability.

1. ***Retirement benefit obligations***

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

Refer to note 38 for specific treatment and policies on defined benefit superannuation plans.

1. **Provisions (continued)**

*Accounting Policy (continued)*

1. ***Termination benefits***

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts an offer of benefits in exchange for the termination of employment. The Group recognises the expense and liability for termination benefits either when it can no longer withdraw the offer of those benefits or when it has recognised costs for restructuring within the scope of AASB 137 that involves the payment of termination benefits. The expense and liability are recognised when the Group is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy.

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

1. **Other liabilities**

**Consolidated Parent**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Current** | **2018**  **$'000** | **2017**  **$'000** |  | **2018**  **$'000** | **2017**  **$'000** |
| Deferred income | **23,105** | 23,052 |  | **23,086** | 23,028 |
| Fees received in advance | **23,668** | 20,924 |  | **22,220** | 19,744 |
| Lease incentives | **2,170** | 2,227 |  | **2,170** | 2,227 |
| Other | **4,353** | 4,321 |  | **3,843** | 3,758 |
| **Total current other liabilities** | **53,296** | 50,524 |  | **51,319** | 48,757 |
| **Non-current**  Deferred income | **2,668** | 2,619 |  | **2,668** | 2,619 |
| Lease incentives | **44,396** | 46,506 |  | **44,396** | 46,506 |
| **Total non-current other liabilities** | **47,064** | 49,125 |  | **47,064** | 49,125 |
| **Total other liabilities** | **100,360** | 99,649 |  | **98,383** | 97,882 |
| *Accounting Policy* |  |  |  |  |  |

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

1. **Reserves and retained earnings**

**(a) Reserves**

**Consolidated Parent**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **Reserves** | **2018**  **$'000** | **2017**  **$'000** |  | **2018**  **$'000** | **2017**  **$'000** |
| Deferred superannuation reserve | **(2,428)** | (2,093) |  | **(2,428)** | (2,093) |
| Property development revaluation reserve | **4,547** | 32,158 |  | **4,547** | 32,158 |
| Property, plant and equipment revaluation surplus | **882,348** | 813,272 |  | **882,152** | 813,076 |
| Investment revaluation reserve | **28,961** | 19,500 |  | **28,961** | 15,447 |
| Art collection revaluation reserve | **2,417** | 2,417 |  | **2,417** | 2,417 |
| Livestock revaluation reserve | **193** | 286 |  | **193** | 286 |
| Licences revaluation reserve | **250** | 250 |  | **250** | 250 |
| **Total Reserves** | **916,288** | 865,790 |  | **916,092** | 861,541 |
| **(b)** | **Nature and purpose of reserves** |  |  |  |  |  |

The property development revaluation reserve represents the gain on revaluation of land held for sale at date of transfer. The gain on revaluation will be transferred to retained earnings when the sale is completed, and the asset is de-recognised.

The asset revaluation reserve for property, plant and equipment reflects revaluation of all Group land, buildings and the rare library collection. The reserve is the difference between the valuation and the book value as at valuation date.

The deferred superannuation reserve represents an emerging liability for the University in respect of any excess salary component relating to continuing members of SASS or SSS State Superannuation funds. Such a liability will arise where a continuing member of SASS or SSS has received a salary increase that causes their actual salary to be greater than their notional salary. The Commonwealth and State will guarantee to fund the State Superannuation Fund defined benefit obligation of each university, except to the extent that there is an excess salary component.

The investment revaluation reserve is equal to the unrealised gains/(losses) on investments with the University's Fund Managers and unlisted securities for 2018 together with accumulated prior years unrealised gains/(losses).

The asset revaluation reserve for art collection reflects the revaluation of all Group artworks. The reserve is the difference between the valuation and the book value at the valuation date.

The livestock revaluation reserve reflects the revaluation of Group livestock at fair (market) value. The reserve is the difference between the revaluation and the book value at the valuation date. See note 22.

The licence revaluation reserve reflects the revaluation of the University's water licence. The reserve is the difference between the valuation and the book value at the valuation date.

1. **Reserves and retained earnings (continued)**

**(c) Movements in Reserves**

**Consolidated Parent**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Property development revaluation reserve** | **2018**  **$'000** | **2017**  **$'000** | **2018**  **$'000** | **2017**  **$'000** |
| Balance at 1 January | **32,158** | 71,459 | **32,158** | 71,459 |
| Transfer from property, plant and equipment revaluation surplus | **-** | 4,547 | **-** | 4,547 |
| Write back on disposal of revalued assets | **(27,611)** | (43,848) | **(27,611)** | (43,848) |
| **Balance at 31 December** | **4,547** | 32,158 | **4,547** | 32,158 |
| **Property, plant and equipment** |  |  |  |  |
| **revaluation surplus** |  |  |  |  |
| Balance at 1 January | **813,272** | 617,516 | **813,076** | 617,320 |
| Revaluation - gross | **69,076** | 200,303 | **69,076** | 200,303 |
| Transfer to assets held-for-sale reserve | **-** | (4,547) | **-** | (4,547) |
| **Balance at 31 December** | **882,348** | 813,272 | **882,152** | 813,076 |
| **State superannuation funds** |  |  |  |  |
| **revaluation reserve** |  |  |  |  |
| Balance at 1 January | **(2,093)** | (646) | **(2,093)** | (646) |
| Revaluation - gross | **(335)** | (1,447) | **(335)** | (1,447) |
| **Balance at 31 December** | **(2,428)** | (2,093) | **(2,428)** | (2,093) |
| **Investment revaluation reserve** |  |  |  |  |
| Balance at 1 January | **19,500** | 16,767 | **15,447** | 12,714 |
| Revaluation - gross | **7,111** | 2,733 | **7,111** | 2,733 |
| Adjustments on adoption of new accounting policy | **2,350** | - | **6,403** | - |
| **Balance at 31 December** | **28,961** | 19,500 | **28,961** | 15,447 |
| **Art collection revaluation reserve** |  |  |  |  |
| Balance at 1 January | **2,417** | 2,420 | **2,417** | 2,420 |
| Revaluation - gross | **-** | (3) | **-** | (3) |
| **Balance at 31 December** | **2,417** | 2,417 | **2,417** | 2,417 |
| **Livestock revaluation reserve** |  |  |  |  |
| Balance at 1 January | **286** | 238 | **286** | 238 |
| Revaluation - gross | **(93)** | 48 | **(93)** | 48 |
| **Balance at 31 December** | **193** | 286 | **193** | 286 |
| **Licences revaluation reserve** |  |  |  |  |
| Balance 1 January | **250** | 250 | **250** | 250 |
| **Balance at 31 December** | **250** | 250 | **250** | 250 |
| **Total Reserves** | **916,288** | 865,790 | **916,092** | 861,541 |

1. **Key Management Personnel Disclosures**
2. **Names of responsible persons and executive officers**

The following persons were responsible persons and executive officers of Western Sydney University during the financial year:

* 1. **Names of Responsible Persons**

'Responsible person' is defined to mean a member of the University's Board of Trustees who had authority and responsibility for planning, directing and controlling activities of the University in 2018.

Peter Shergold, AC Barney Glover, AO

Alphia Possamai-Inesedy - commenced 1 February 2018 Paul Wormell - ceased 31 January 2018

Christopher Brown, AM Peeyush Gupta, AM Gabrielle Trainor, AO Kerry Stubbs

Carmel Hourigan Elizabeth Dibbs Genevieve Gregor

Linda O'Brien, AM - commenced 1 January 2018 Joseph Carrozzi - commenced 1 January 2018 Holly Kramer - commenced 1 January 2018 Mary Ann Bin-Sallik, AM

Alexandra Coleman Ben Etherington

Nicole Gismondo - commenced 1 January 2018 David Harland - commenced 1 January 2018

**28 Key Management Personnel Disclosures (continued)**

1. **Names of responsible persons and executive officers (continued)**
   1. **Names of Executive Officers**

'Executive' is defined to mean the Chief Executive Officer plus the members of the Executive Committee of the University. In 2018 these were:

Barney Glover, AO Scott Holmes Denise Kirkpatrick Sharon Bell Angelo Kourtis Peter Pickering Deborah Sweeney Linda Taylor

Lisa Jackson-Pulver - ceased 12 October 2018 Simon Barrie

Kevin Bell Michael Burgess

James Arvanitakis - commenced 14 February 2018 Steven Freeland

Annemarie Hennessy Deborah Hatcher Kevin Dunn

Gregory Kolt Michele Simons Peter Hutchings Simeon Simoff Kerry Holling

Amir Mahmood - commenced 15 October 2018

1. **Remuneration of Board Members and Executives**

**Consolidated Parent**

**2018 2017 2018 2017**

**Remuneration of Board Members**

Nil to $14,999 **5** 4 **-** -

$15,000 to $29,999 **1** - **-** -

$30,000 to $44,999 **1** 1 **1** 1

**7** 5 **1** 1

**28 Key Management Personnel Disclosures (continued)**

1. **Remuneration of Board Members and Executives (continued)**

**Consolidated Parent**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Remuneration of executive officers** | **2018** | **2017** | **2018** |  | **2017** |
| $150,000 to $159,999 | **-** |  | 1 | **-** | - |
| $160,000 to $169,999 | **1** |  | - | **-** | - |
| $240,000 to $249,999 | **2** |  | 1 | **1** | 1 |
| $280,000 to $289,999 | **3** |  | 3 | **3** | 3 |
| $290,000 to $299,999 | **-** |  | 1 | **-** | - |
| $300,000 to $309,999 | **2** |  | 1 | **-** | - |
| $310,000 to $319,999 | **3** |  | 2 | **3** | 2 |
| $320,000 to $329,999 | **1** |  | 1 | **1** | 1 |
| $330,000 to $339,999 | **1** |  | 2 | **1** | 2 |
| $340,000 to $349,999 | **2** |  | 2 | **2** | 2 |
| $350,000 to $359,999 | **1** |  | 2 | **1** | 2 |
| $390,000 to $399,999 | **2** |  | 2 | **2** | 2 |
| $400,000 to $409,999 | **2** |  | 1 | **2** | 1 |
| $450,000 to $459,999 | **2** |  | 1 | **2** | 1 |
| $480,000 to $489,999 | **1** |  | 1 | **1** | 1 |
| $510,000 to $519,999 | **1** |  | 1 | **1** | 1 |
| $540,000 to $549,999 | **1** |  | 1 | **1** | 1 |
| $550,000 to $559,999 | **-** |  | 1 | **-** | 1 |
| $590,000 to $599,999 | **1** |  | - | **1** | - |
| $900,000 to $909,999\* | **1** |  | 1 | **1** | 1 |

**27** 25 **23** 22

\* The Vice-Chancellor's total remuneration included paid salary, PAYG withholding tax, expense-of-office allowance, employee and employer superannuation contributions, a salary-sacrificed motor vehicle, Fringe Benefits Tax and housing allowance. No additional bonus in payable.

Remuneration is reflective of an annualised total remuneration package for those key management personnel who were members of the Executive for a part of any year.

1. **Key Management Personnel Disclosures (continued)**
2. **Key management personnel compensation**

Key management personnel include Board Members and Executives.

**Consolidated Parent**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | | **2018** | **2017** |  | **2018** | **2017** |
| **$'000** | **$'000** |  | **$'000** | **$'000** |
|  | Short-term employee benefits | **8,645** | 8,042 |  | **7,917** | 7,593 |
|  | Post-employment benefits | **1,072** | 1,001 |  | **1,009** | 963 |
|  | Termination benefits | **-** | - |  | **-** | - |
|  | **Total key management personnel compensation** | **9,717** | 9,043 |  | **8,926** | 8,556 |
| **(d)** | **Loans to key management personnel** |  |  |  |  |  |

No loans were made to key management personnel during the financial year (2017: Nil).

1. **Remuneration of Auditors**

During the year, the following fees were paid for services provided by the auditor of the entity:

**Consolidated Parent**

|  |  |  |  |
| --- | --- | --- | --- |
| **2018** | **2017** | **2018** | **2017** |
| **$'000** | **$'000** | **$'000** | **$'000** |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Audit and review of the Financial Statements**  Fees paid to the Audit Office of New |  | | | |
| South Wales | **407** | 389 | **291** | 283 |
| **Total paid for audit and review** | **407** | 389 | **291** | 283 |

Fees shown are exclusive of Goods and Services Tax.

1. **Contingencies**

**(a) Contingent liabilities**

It is the University's current policy to provide both Western Unlimited Ltd and Western Sydney University International College Pty Ltd with such support and assistance as may be required to allow them to meet their financial obligations in conformity with generally accepted standards of commercial and financial prudence for the period 1 January 2018 up until approximately twelve months from the date of the signed financial statements to the expected date of the auditor's report for the next annual reporting period.

1. **Commitments**
2. **Capital commitments**

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

**Consolidated Parent**

**Property, plant and equipment**

* Within one year
* Between one year and five years
* Later than five years Total

**2018**

**$'000**

**2017**

**$'000**

**2018**

**$'000**

**2017**

**$'000**

The above amounts included commitments for capital expenditure on joint operations of $14.0M (2017: $8.7M) payable within one year.

|  |  |  |  |
| --- | --- | --- | --- |
| **52,245**  **-** | 54,589  - | **52,213**  **-** | 54,567  - |
| **-** | - | **-** | - |
| **52,245** | 54,589 | **52,213** | 54,567 |

1. **Lease commitments**

The University leases computing equipment, printing equipment and building office space under operating leases. Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:

**Consolidated Parent**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **2018** | **2017** | **2018** | **2017** |
| **$'000** | **$'000** | **$'000** | **$'000** |
| - Within one year | **32,289** | 25,963 | **31,844** | 25,618 |
| - Between one year and five years | **104,560** | 84,395 | **104,145** | 83,922 |
| - Later than five years | **249,497** | 204,963 | **249,497** | 204,963 |
| **Total future minimum lease payments** | **386,346** | 315,321 | **385,486** | 314,503 |

In 2017, the University entered into a Commercial Lease agreement for the lease of the Parramatta CBD premises. In 2018, the University agreed in principle to a Commercial Lease agreement for the lease of the Liverpool CBD premises. This agreement is unsigned at reporting date and expected to be finalised in early 2019. Both leases are for an initial term of 15 years, and the operating lease commitments are included above.

1. **Related Parties**
2. **Parent entities**

The ultimate parent entity within the Group is Western Sydney University.

**32 Related Parties (continued)**

1. **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).

**Principal place of business/Country of**

**Ownership interest**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **Incorporation** | **2018**  **%** |  | **2017**  **%** |  |
| **Name of Entity** |  |  |  |  |
| Western Sydney University Enterprises Pty Limited trading |  |  |  |  |
| as Western Sydney University The College (formerly UWS Enterprises Pty Limited) | Australia |  | **100** |  | 100 |
| Western Sydney University Early Learning Limited (formerly UWS Early Learning Limited) | Australia |  | **100** |  | 100 |
| Western Unlimited Ltd (formerly uwsconnect Limited) | Australia |  | **100** |  | 100 |
| Whitlam Institute (within Western Sydney University) Limited and Trust | Australia |  | **100** |  | 100 |
| Western Growth Developments (Westmead) Pty Ltd | Australia |  | **100** |  | - |
| Western Growth Developments (Innovation Hub Parramatta) Pty Ltd | Australia |  | **100** |  | - |

There are no significant restrictions on the group's ability to access or use the assets and settle the liabilities of the Group.

1. **Key management personnel**

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

1. **Transactions with related parties**

The following transactions occurred with related parties:

**Consolidated Parent**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  |  | **2018** | **2017** | **2018** | **2017** |
| **Note** | **$'000** | **$'000** | **$'000** | **$'000** |
| **Sale of goods and services** |  |  |  |  |  |
| Royalty payments to University |  |  | **-** - | **23,756** | 22,919 |
| Expense recoveries from controlled entities |  |  | **-** - | **60** | 108 |
| **Total sales of goods and** |  |  |  |  |  |
| **services** |  |  | **-** - | **23,816** | 23,027 |
| **Purchase of goods** |  |  |  |  |  |
| Services to University |  |  | **-** - | **1,542** | 1,545 |
| Funding to controlled entities | 15 |  | **-** - | **51,268** | 53,256 |
| **Total purchase of goods** |  |  | **-** - | **52,810** | 54,801 |

1. **Related Parties (continued)**
2. **Loans to/from related parties**

**Consolidated Parent**

-

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | | | **2018** | | **2017** | **2018 2017** | |
|  | | **Note** | **$'000** | | **$'000** | **$'000 $'000** | |
| **Loans to subsidiaries**  Beginning of the year | | 24 |  | | **-** | **23,600** 5,619 | |
| Loans advanced | | 24 |  | | **-** | **1,885** 450 | |
| Loan repayment received | | 24 |  | | **-** | **-** (1,330) | |
| Interest charged | |  |  | | **-** | **363** 177 | |
| Interest received | | 24 |  | | **-** | **(69)** (182) | |
| Loan forgiven by Parent | |  |  | | **-** | **-** (3,935) | |
|  | **End of year** | 24 |  | **-** | | **25,779** | 799 |
|  | **Loans from subsidiaries**  Beginning of the year | 24 |  | **-** | | **9,201** | 7,228 |
|  | Loans advanced | 24 |  | **-** | | **10,319** | 10,687 |
|  | Loan repayments paid | 24 |  | **-** | | **(7,723)** | (8,913) |
|  | Interest charged |  |  | **-** | | **234** | 199 |
|  | **End of year** |  |  | **-** | | **12,031** | 9,201 |
| **(f)** | **Outstanding balances** |  |  |  | |  |  |

-

-

-

-

-

-

-

-

-

-

-

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

**Consolidated Parent**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Current receivables (loans) | **2018**  **$'000** | **2017**  **$'000** | **2018**  **$'000** | **2017**  **$'000** |
| * Subsidiaries   Non-current receivables (loans)   * Subsidiaries |  | **-** -  **-** -  **-** - | **2,679**  **- 23,100** | 799  -  - |
| Current payables (loans)  - Parent entity |  | **-** - | **12,031** | 9,201 |

A provisions for doubtful debts of $2.679M has been raised in 2018 in relation to the outstanding balances from related parties.

1. **Financial Risk Management**

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

**33 Financial Risk Management (continued)**

The Group's principal financial instruments are cash and cash equivalents, as well as investments in units in managed investment funds and held to maturity investments.

The main purpose of the managed investment funds and held to maturity investments is to earn an income stream and provide long term growth to support objectives of the Western Sydney University Foundation Fund and Corpus, and the University's teaching, learning and research initiatives.

The Group also has various other financial instruments such as receivables, payables and finance leases.

**Treasury Risk Management**

The University only invests funds with fund managers that were approved by NSW Treasury under the previous requirements of the Western Sydney University Act or are now approved by the Finance and Investment Committee. Approved fund managers use a wide range of diversified strategic asset allocations. The performance of the fund managers is closely monitored by the University's Finance and Investment Committee. The Finance and Investment Committee has a number of external members with a high level of experience and expertise in funds management. The Committee provides written principles for overall risk management, as well as policies covering specific areas, such as investment of excess liquidity. The Finance and Investment Committee also evaluates Treasury management strategies in the context of the most recent economic conditions and forecasts and the Group’s activities. The Finance and Investment Committee reports regularly to the Board of Trustees.

1. **Market risk**

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising return.

* 1. ***Foreign exchange risk***

Foreign exchange risk is the risk that the value of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group is primarily exposed to foreign exchange risk on purchases that are denominated in a currency other than the Australian dollar (AUD). The Group undertakes a minor level of hedging associated with regular purchases for the Library, and specific one off purchases. The Group also ensures that its exposure is kept to an acceptable level by buying foreign currencies at spot rates when necessary to address any short term imbalances. The Group has no overseas investment operations likely to affect its statement of financial position by movement in exchange rates.

* 1. ***Price risk***

Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices. This arises from investments held by the University and classified on the Statement of Financial Position as fair value through profit or loss. To manage price risk from investments in managed investment funds the University has contracted out the management of the portfolio to external fund managers. These fund managers are mandated to diversify investments of the portfolio under their management. A market price movement of 10% may affect the investment value by $16.6M.

The quantum of funds under management per external fund manager and the investment objectives of each external fund manager are in accordance with limits / policies set by the Finance and Investment Committee.

**33 Financial Risk Management (continued)**

1. **Market risk (continued)**
   1. ***Cash flow and fair value interest rate risk***

Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate because of changes in interest rates. The Group's exposure to interest rate risk is relatively small.

* 1. ***Summarised sensitivity analysis***

Sensitivity analysis was produced by altering the relevant balance for +/-10% change in the foreign exchange and other price risk and +/-0.25% in the interest rate risk identified. The results of this analysis did not give rise to any material change in the balances affected by the risks for interest rate and foreign exchange. The results of sensitivity analysis for other price risks resulted in a +/-10% risk balance of $26.463M for the consolidated or parent entity.

1. **Credit risk**

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises primarily from receivables from customers and investment securities.

***Receivables***

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. Receivables are mainly attributable to sales transactions with a single customer. Apart from the Government deferred debtor, the Group does not have any material risk exposure to any other single debtor or group of debtors.

***Investments***

The Group limits its exposure to credit risk through its Credit Risk Policy which establishes eligible counterparties with credit limits based upon counterparty credit ratings and accessible shareholder funds. An eligible counterparty must be rated from Standard and Poors or Moodys at a minimum level equivalent to BBB+ (Standard and Poors long term) or Baa1(Moodys long term), and has accessible shareholder funds of at least $100M. Given these high credit ratings, management does not expect any counterparty to fail to meet its obligations. Fund managers are closely monitored to ensure adherence to the Credit Risk Policy.

The carrying amount of financial assets (as contained in the table in subnote 33(b)) represents the Group's maximum exposure to credit risk.

1. **Liquidity risk**

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions, without incurring unacceptable losses or reputational risk.

The Group reviews its immediate and short term cash requirements on a daily basis with a three year rolling cash flow forecast regularly provided to management, Finance and Investment Committee and the Board of Trustees.

###### Western Sydney University

**Notes to the Financial Statements**

**For the Year Ended 31 December 2018**

1. **Financial Risk Management (continued)**
2. **Liquidity risk (continued)**

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

**Average**

**Interest rate Variable interest rate Within 1 year 1 to 5 years 5+ years Non-Interest Bearing 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 **2.10** | | 2.39 | **71,123** | 124,030 | **31,167** | 97,718 | **-** | - | **-** | - | **-** | - | **102,290** | 221,748 |
| Receivables (a) **-** | | - | **-** | - | **-** | - | **-** | - | **-** | - | **71,204** | 92,286 | **71,204** | 92,286 |
| Other Financial Assets  Fair value through profit or loss (Acadian) **-** | | - | **-** | - | **-** | - | **-** | - | **-** | - | **39,815** | - | **39,815** | - |
| Fair value through profit or loss (Mercer) **-** | | - | **-** | - | **-** | - | **-** | - | **-** | - | **195,603** | - | **195,603** | - |
| Fair value through profit or loss (JB Were) **3.45** | | - | **569** | - | **5,738** | - | **4,651** | - | **517** | - | **-** | - | **11,475** | - |
| Fair value through other comprehensive  income (Unlisted securities) **-** | | - | **-** | - | **-** | - | **-** | - | **-** | - | **29,217** | - | **29,217** | - |
| Available-for-sale (Unlisted securities) **-** | | - | **-** | - | **-** | - | **-** | - | **-** | - | **-** | 16,537 | **-** | 16,537 |
| Available-for-sale (Listed securities) **-** | | - | **-** | - | **-** | - | **-** | - | **-** | - | **-** | 80,299 | **-** | 80,299 |
| Held to maturity **-** | | 3.40 | **-** | 1,020 | **-** | - | **-** | 8,775 | **-** | 1,266 | **-** | - | **-** | 11,061 |
| **Total Financial Assets** | **71,692** | | | 125,050 | **36,905** | 97,718 | **4,651** 8,775 **517** 1,266 **335,839** 189,122 **449,604** 421,931 | | | | | | | |
| **Financial Liabilities:**  Payables | **-** | - | **-** - **-** - **-** | | | | | - | **-** - **(59,204)** | | | (55,636) | **(59,204)** | (55,636) |
| Borrowings | **3.09** | 2.75 | **-** - **-** - **(162,500)** | | | | | (163,500) | **-** - **-** | | | - | **(162,500)** | (163,500) |
| Other financial liabilities | **-** | - | **-** - **-** - **-** | | | | | - | **-** - **(98,317)** | | | (97,237) | **(98,317)** | (97,237) |
| **Total Financial Liabilities** |  |  | **-** - **-** - **(162,500)** | | | | | (163,500) | **-** - **(157,521)** | | | (152,873) | **(320,021)** | (316,373) |

* 1. The University's deferred government contribution for superannuation included in note 17 is not included in the above analysis as the timing of the cash flows cannot be determined.

1. **Fair Value Measurement**
2. **Fair value measurements**

The carrying value of financial assets and liabilities at balance date materially approximates their fair value.

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

The Group measure and recognise the following assets 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
  + Available-for-sale financial assets
  + Land and buildings

The Group has also measured assets and liabilities as fair value on a non-recurring basis.

1. **Fair value hierarchy**

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

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

Level 2 inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

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

1. ***Recognised fair value measurements***

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

**34 Fair Value Measurement (continued)**

**(b) Fair value hierarchy (continued)**

**Fair value measurements at 31 December 2018**

**Recurring fair value measurements Financial assets**

Available-for-sale financial assets Financial assets at fair value through profit and loss

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

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

**Total financial assets Non-financial assets**

Property, plant and equipment Land

Buildings Infrastructure Artwork

Rare book collection

**Total non-financial assets**

**Non-recurring fair value measurements**

Non-current assets held for sale

**Total non-recurring fair value measurements**

**Note**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| 21 | **246,893** | **246,893** | **-** | **-** |
|  | **16** | **16** | **-** | **-** |
|  | **29,201** | **-** | **28,880** | **321** |
|  | **276,110** | **246,909** | **28,880** | **321** |
| 19 | **594,000** | **-** | **980** | **593,020** |
|  | **1,127,751** | **-** | **-** | **1,127,751** |
|  | **116,497** | **-** | **-** | **116,497** |
|  | **4,629** | **-** | **4,629** | **-** |
|  | **1,778** | **-** | **1,778** | **-** |
|  | **1,844,655** | **-** | **7,387** | **1,837,268** |
| 18 | **5,867** | **-** | **5,867** | **-** |
|  | **5,867** | **-** | **5,867** | **-** |

**2018**

**$'000**

**Level 1**

**$'000**

**Level 2**

**$'000**

**Level 3**

**$'000**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Fair value measurements at 31 December 2017** |  | | | | |
| **Recurring fair value measurements** |
| **Financial assets** |
| Available for sale |  | 96,836 | - | 96,499 | 337 |
| **Total financial assets** |  | 96,836 | - | 96,499 | 337 |
| **Non-financial assets** |  |  |  |  |  |
| Property, plant and equipment | 19 |  |  |  |  |
| Land |  | 528,314 | - | 980 | 527,334 |
| Buildings |  | 981,524 | - | - | 981,524 |
| Infrastructure |  | 109,035 | - | - | 109,035 |
| Artwork |  | 4,410 | - | 4,410 | - |
| Rare book collection |  | 1,742 | - | 1,742 | - |
| **Total non-financial assets** |  | 1,625,025 | - | 7,132 | 1,617,893 |
| **Non-recurring fair value measurements** |  |  |  |  |  |
| Non-current assets held for sale | 18 | 40,358 | - | 40,358 | - |
| **Total non-recurring fair value measurements** |  | 40,358 | - | 40,358 | - |

**34 Fair Value Measurement (continued)**

1. **Fair value hierarchy (continued)**

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

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

1. ***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 end of the reporting period (level 1). This is the most representative of fair value in the circumstances.

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

The fair value of non-current borrowings disclosed in note 24 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 averaged 3.09% during the year. The fair value of current borrowings approximates the carrying amount, as the impact of discounting is not significant (level 2).

1. **Valuation techniques used to derive level 2 and level 3 fair values**
   1. ***Recurring fair value measurements***

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

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

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

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

Land and buildings (classified as property, plant and equipment) are calculated independently, at least every three years. At the end of each reporting period, the Group updates their assessment of the fair value of each property, taking into account the most recent independent valuations. The Group determines the property's value within a range of reasonable fair value estimates.

The best evidence of fair value 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 discounted replacement cost - the cost to construct improvements as new is estimated and that amount depreciated, after taking into consideration the nature and design of the improvements, their age and current condition.

**34 Fair Value Measurement (continued)**

1. **Valuation techniques used to derive level 2 and level 3 fair values (continued)**

All resulting fair value estimates for properties are included in level 3 except for vacant land. The level 2 fair value of vacant land has been derived using the sales comparison approach. Sale prices of comparable land in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square metre.

* 1. ***Non-recurring fair value measurement***

Land and non-current assets (or disposal groups) classified as held for sale during the reporting period were measured at the lower of its carrying amount and fair value less cost to sell at the time of the reclassification. The fair value of the land was also determined using the sales comparison approach as described in (i) above.

1. **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.

**Unlisted equity**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Level 3 Fair Value** | **securities** | **Buildings Infrastructure** | | **Land** | **Total** |
| **Measurement 2018** | **$'000** | **$'000** | **$'000** | **$'000** | **$'000** |
| Opening balance | **337** | **981,524** | **109,035** | **527,334** | **1,618,230** |
| Acquisitions | **-** | **144,383** | **3,915** | **31,066** | **179,364** |
| Transfers from level 1 | **(16)** | **-** | **-** | **-** | **(16)** |
| Non-cash adjustments | **-** | **-** | **10** | **-** | **10** |
| Recognised in profit or loss\* | **-** | **(25,445)** | **(3,629)** | **-** | **(29,074)** |
| Recognised in other comprehensive income | **-** | **27,289** | **7,166** | **34,621** | **69,076** |
| **Closing balance** | **321** | **1,127,751** | **116,497** | **593,021** | **1,837,590** |

**Level 3 Fair Value Measurement 2017**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Unlisted equity securities** | **Buildings** | **Infrastructure** | **Land** | **Total** |
| **$'000** | **$'000** | **$'000** | **$'000** | **$'000** |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Opening balance | 303 | 960,757 | 91,349 | - | 1,052,409 |
| Acquisitions | - | 25,364 | 6,358 | - | 31,722 |
| Transfers from level 2 | - | - | - | 366,032 | 366,032 |
| Sales | - | (687) | - | (5,180) | (5,867) |
| Recognised in profit or loss\* | - | (23,179) | (3,179) | - | (26,358) |
| Recognised in other comprehensive income | 34 | 19,269 | 14,507 | 166,482 | 200,292 |
| **Closing balance** | 337 | 981,524 | 109,035 | 527,334 | 1,618,230 |

\*This includes gains/(losses) of $Nil (2017: $Nil) attributable to the change in unrealised gains/(losses) recognised in profit or loss attributable to unlisted securities, and $29.074M (2017: $26.358M) attributable to depreciation recognised in profit or loss.

1. **Fair Value Measurement (continued)**
2. **Fair value measurements using significant unobservable inputs (level 3) (continued)**
   1. ***Transfers between levels 2 and 3 and changes in valuation techniques***

Due to the availability of observable market data, the University transferred the value of one of its investments in unlisted securities from level 3 to level 1 at the end of 2018.

* 1. ***Valuation inputs and relationships to fair value***

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

**Fair value at 31**

**December 2018**

**$'000**

**Unobservable inputs\***

**Range of inputs (probability weighted average)**

**Relationship of unobservable inputs to fair value**

|  |  |
| --- | --- |
| Buildings | **1,127,751** |
| Land | **593,021** |
| Infrastructure | **116,497** |
| Unlisted equity securities | **321** |

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

*Accounting Policy*

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

The fair value of assets or liabilities traded in active markets (such as publicly traded derivatives, and equity investments) is based on quoted market prices for identical assets or liabilities at the end of the reporting period (level 1). This is the most representative of fair value in the circumstances. The fair value of held-to-maturity investments were determined by reference to published price quotations in an active market.

The fair value of non-current borrowings disclosed in note 24 is estimated by discounting the future contractual cash flows at the current market interest rates that are available to the group for similar financial instruments. The fair value of current borrowings approximates the carrying amount, as the impact of discounting is not significant (level 2).

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

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

1. **Joint Operations**

***Joint operations with Urban Growth at Campbelltown***

The project is for the development of a residential subdivision comprising of 966 lots over 122 hectares located on the south west portion of the Campbelltown property. Land sales commenced in 2014 and extended through a number of stages throughout 2019, subject to market demand. The development is located in a desirable south western portion of Campbelltown's Macarthur region, adjacent to the University campus, suburban shopping facilities, parks, and in close proximity to both a railway station and the Hume Highway. The infrastructure being built will also improve access to the University campus with a much needed second major entry road as part of the development.

The University and Urban Growth each have a 50% interest in the operation, and share equally in the costs of development, and proceeds from sale of the developed lots. Due to decision making being shared equally, and the equal sharing of costs and output, the University has determined this to be a jointly controlled operation.

**Ownership interest/ voting rights held**

**Name of joint operation Nature of relationship**

Jointly controlled operation

**Principal place of business**

**2018**

**%**

**2017**

**%**

Campbelltown residential development

with Urban Growth for the

residential subdivision of land Australia **50.00** 50.00

The assets and liabilities employed in the above jointly controlled operations, including Western Sydney University's share of any assets and liabilities held jointly, are detailed below:

**Consolidated Parent**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **2018**  **$'000** | | **2017**  **$'000** | **2018**  **$'000** | **2017**  **$'000** |
| **Statement of Financial Position**  Other receivables | **1,060** | 3,004 | **1,060** | 3,004 |
| Construction in Progress | **(2,844)** | 12,862 | **(2,844)** | 12,862 |
| Deferred income | **-** | (400) | **-** | (400) |
| Trade and other payables | **(1,175)** | (1,412) | **(1,175)** | (1,412) |
| **Statement of Comprehensive Income**  Proceeds from sale of assets | **48,258** | 16,775 | **48,258** | 16,775 |
| Carrying amount of assets sold | **(21,410)** | (6,803) | **(21,410)** | (6,803) |
| Gain on disposal of assets | **26,847** | 9,976 | **26,847** | 9,976 |
| Other expenses | **(949)** | (331) | **(949)** | (331) |
| Interest revenue | **81** | 27 | **81** | 27 |

*Accounting Policy*

Cost of goods sold has been calculated on a percentage of completion basis, taking into account lot area sold and total costs to completion of the development.

1. **Reconciliation of Net Result after income tax to net cash provided by / (used in) operating activities**

**Consolidated Parent**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Net result for the period | **2018**  **$'000**  **87,711** | **2017**  **$'000**  52,064 | **2018**  **$'000**  **86,771** | **2017**  **$'000**  48,462 |
| Net (gain)/loss on disposal of property, plant and equipment | **(33,987)** | (35,805) | **(33,993)** | (35,940) |
| Superannuation adjustments | **(24,574)** | (14,869) | **(24,574)** | (14,869) |
| Depreciation and amortisation | **54,950** | 50,307 | **53,802** | 48,835 |
| Impairment of receivables | **321** | 152 | **2,910** | 4,087 |
| Cost of goods sold - livestock | **39** | (73) | **39** | (73) |
| Fair value (gains)/losses on other financial assets at fair value through profit or loss | **10,277** | - | **14,330** | - |
| Adjustment to retained earnings on adoption of AASB 9 | **2,892** | - | **(1,165)** | - |
| (Increase)/decrease in trade debtors | **21,223** | 6,182 | **(897)** | 5,565 |
| Increase/(decrease) in other operating liabilities | **711** | 37,573 | **735** | 37,801 |
| (Increase)/decrease in inventories | **28** | (43) | **(3)** | - |
| (Increase)/decrease in other non-financial assets | **1,162** | (5,110) | **1,162** | (5,110) |
| Increase/(decrease) in trade creditors | **3,443** | 12,250 | **2,683** | 12,134 |
| Increase/(decrease) in provisions | **37,256** | 14,664 | **37,424** | 14,425 |
| **Net cash provided by / (used in) operating** |  |  |  |  |

**activities 161,452** 117,292 **139,224** 115,317

1. **Acquittal of Australian Government Financial Assistance**
2. **Education - CGS and other Education grants**

**Commonwealth Grants Scheme #1**

**Indigenous Student Success Program #3**

**Access and Participation Fund**

**Disability Performance Funding #2**

**National Priorities Pool**

**Promotion of Excellence in Learning and**

**Teaching Total**

**Parent Entity (University) Only Note**

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

Net accrual adjustments

Revenue for the period 2

Surplus/(deficit) from the previous year

Total revenue including accrued revenue

Less expenses including accrued expenses

Surplus/(deficit) for reporting period

**2018**

**$'000**

**2017**

**$'000**

**2018**

**$'000**

**2017**

**$'000**

**2018**

**$'000**

**2017**

**$'000**

**2018**

**$'000**

**2017**

**$'000**

**2018**

**$'000**

**2017**

**$'000**

**2018**

**$'000**

**2017**

**$'000**

**2018**

**$'000**

**2017**

**$'000**

#1 Basic CGS grant amount, CGS – Regional Loading, CGS – Enabling Loading, CGS - Medical Student Loading, Allocated Places, Non Designated Courses and CGS - Special Advances from Future Years.

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **287,309** 287,192 **2,755** | 2,643 | **9,970** | 10,231 | **789** | 970 | **(68)** | 100 | **-** | 25 | **300,755** | 301,161 |
| **(2,174)** (197) **-** | - | **-** | - | **-** | - | **-** | - | **41** | 6 | **(2,133)** | (191) |
| **285,135** 286,995 **2,755** | 2,643 | **9,970** | 10,231 | **789** | 970 | **(68)** | 100 | **41** | 31 | **298,622** | 300,970 |
| **-** - **-** | 31 | **45** | 159 | **738** | 602 | **458** | 323 | **162** | 154 | **1,403** | 1,269 |
| **285,135** 286,995 **2,755** | 2,674 | **10,015** | 10,390 | **1,527** | 1,572 | **390** | 423 | **203** | 185 | **300,025** | 302,239 |
| **(285,135)** (286,995) **(2,755)** | (2,674) | **(9,963)** | (10,345) | **(323)** | (834) | **(370)** | 35 | **(83)** | (23) | **(298,629)** | (300,836) |
| **-** - **-** | - | **52** | 45 | **1,204** | 738 | **20** | 458 | **120** | 162 | **1,396** | 1,403 |

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

#3 Indigenous Student Success Program has replaced the Indigenous Commonwealth Scholarships Program and the Indigenous Support Program as of 1 January 2018.

**37 Acquittal of Australian Government Financial Assistance (continued)**

1. **Higher education loan programs (excl OS-HELP)**

**HECS-HELP (Australian Government payments**

**only) FEE-HELP SA-HELP Total**

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | | **2018** | **2017** | **2018** | **2017** | **2018** | **2017** | **2018** | **2017** |
| **Parent Entity (University) Only** | **Note** | **$'000** | **$'000** | **$'000** | **$'000** | **$'000** | **$'000** | **$'000** | **$'000** |
| Cash Payable/(Receivable) at the beginning of the year |  | **(2,533)** | 1,416 | **(744)** | (1,263) | **(422)** | (520) | **(3,699)** | (367) |
| Financial assistance received in Cash during the reporting period |  | **214,045** | 195,631 | **15,416** | 12,805 | **7,063** | 6,982 | **236,524** | 215,418 |
| Cash available for period |  | **211,512** | 197,047 | **14,672** | 11,542 | **6,641** | 6,462 | **232,825** | 215,051 |
| Revenue earned | 2 | **211,638** | 199,580 | **15,943** | 12,286 | **7,105** | 6,884 | **234,686** | 218,750 |
| Cash Payable/(Receivable) at end of year |  | **(126)** | (2,533) | **(1,271)** | (744) | **(464)** | (422) | **(1,861)** | (3,699) |

1. **Acquittal of Australian Government Financial Assistance (continued)**
2. **Department of Education and Training Research**

**Research Training Program**

**Research Support**

**Program Total**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | | **2018** | **2017** | **2018** | **2017** | **2018** | **2017** |
| **Parent Entity (University) Only** | **Note** | **$'000** | **$'000** | **$'000** | **$'000** | **$'000** | **$'000** |
| Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the program) |  | **10,869** | 10,632 | **7,493** | 7,623 | **18,362** | 18,255 |
| Revenue for the period |  | **10,869** | 10,632 | **7,493** | 7,623 | **18,362** | 18,255 |
| Total revenue including accrued revenue | 2 | **10,869** | 10,632 | **7,493** | 7,623 | **18,362** | 18,255 |
| Less expenses including accrued expenses |  | **(10,869)** | (10,632) | **(7,493)** | (7,623) | **(18,362)** | (18,255) |
| Surplus/(deficit) for reporting period |  | **-** | - | **-** | - | **-** | - |
| **Total Higher Education Provider Research Training Program expenditure** |  |  |  |  |  |  |  |

|  |  |  |
| --- | --- | --- |
|  | **Total domestic students** | **Total overseas students** |
| **$'000** | **$'000** |
| Research Training Program Fees offsets | **-** | **-** |
| Research Training Program Stipends | **3,271** | **529** |
| Research Training Program Allowances | **7,069** | **-** |
| **Total for all types of support** | **10,340** | **529** |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **37**  **(d)** | **Acquittal of Australian Government Financial Assistance (continued)**  **Other Capital Funding** |  |  |  |  | |
|  |  |  | **Linkage Infrastructure,** |  |
|  |  |  | **Equipment and Facilities Grant** | **Total** |
|  |  |  | **2018 2017 2018** |  | **2017** |  |
|  | **Parent Entity (University) Only** | **Note** | **$'000 $'000 $'000** |  | **$'000** |  |
|  | Financial assistance received in CASH during the reporting |  |  |  |  |  |
|  | period (total cash received from the Australian Government for the program) |  | **-** - | **-** |  | - |
|  | Net accrual adjustments |  | **25** - | **25** |  | - |
|  | Revenue for the period | 2 | **25** - | **25** |  | - |
|  | Surplus/(deficit) from the previous year |  | **-** - | **-** |  | - |
|  | Total revenue including accrued revenue |  | **25** - | **25** |  | - |
|  | Less expenses including accrued expenses |  | **-** - | **-** |  | - |
|  | Surplus/(deficit) for reporting period |  | **25** - | **25** |  | - |

**(e) Australian Research Council Grants**

**Discovery Linkages Networks and Centres**

**Special Research**

**Initiatives Total**

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | | **2018** | **2017** | **2018** | **2017** | **2018** | **2017** | **2018** | **2017** | **2018** | **2017** |
| **Parent Entity (University) Only** | **Note** | **$'000** | **$'000** | **$'000** | **$'000** | **$'000** | **$'000** | **$'000** | **$'000** | **$'000** | **$'000** |
| Financial assistance received in CASH during the |  |  |  |  |  |  |  |  |  |  |  |
| reporting period (total cash received from the Australian Government for the program) |  | **4,711** | 5,484 | **881** | 583 | **-** | - | **-** | - | **5,592** | 6,067 |
| Net accrual adjustments |  | **384** | 373 | **161** | 445 | **1,168** | 1,161 | **535** | 249 | **2,248** | 2,228 |
| Revenue for the period | 2 | **5,095** | 5,857 | **1,042** | 1,028 | **1,168** | 1,161 | **535** | 249 | **7,840** | 8,295 |
| Surplus/(deficit) from the previous year |  | **4,147** | 4,239 | **1,028** | 1,321 | **738** | 918 | **212** | 20 | **6,125** | 6,498 |
| Total revenue including accrued revenue |  | **9,242** | 10,096 | **2,070** | 2,349 | **1,906** | 2,079 | **747** | 269 | **13,965** | 14,793 |
| Less expenses including accrued expenses |  | **(4,831)** | (5,949) | **(1,304)** | (1,321) | **(1,324)** | (1,341) | **(513)** | (57) | **(7,972)** | (8,668) |
| Surplus/(deficit) for reporting period |  | **4,411** | 4,147 | **766** | 1,028 | **582** | 738 | **234** | 212 | **5,993** | 6,125 |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **37** | **Acquittal of Australian Government Financial Assistance (continued)** |  | | |
| **(f)** | **OS-HELP** |
|  |  |  | **2018** | **2017** |
|  | **Parent Entity (University) Only** | **Note** | **$'000** | **$'000** |
|  | Cash received during the reporting period |  | **2,848** | 2,099 |
|  | Cash spent during the reporting period |  | **(2,522)** | (2,315) |
|  | Net cash received |  | **326** | (216) |
|  | Cash surplus/(deficit) from the previous period |  | **106** | 322 |
|  | Cash surplus/(deficit) for reporting period | 23 | **432** | 106 |
| **(g)** | **Student Services and Amenities Fee** |  |  |  |
|  |  |  | **2018** | **2017** |
|  | **Parent Entity (University) Only** | **Note** | **$'000** | **$'000** |
|  | SA-HELP revenue earned | 37(b) | **7,105** | 6,884 |
|  | Student Services and Amenities Fees direct from students | 4 | **3,836** | 3,176 |
|  | Total revenue expendable in period |  | **10,941** | 10,060 |
|  | Student services expenses during period |  | **(10,941)** | (10,060) |
|  | Unspent/(overspent) student services revenue |  | **-** | - |

1. **Defined Benefits Plans**
2. **Fund specific disclosure**

The Pooled Fund holds in trust the investments of the closed NSW public sector superannuation schemes, namely State Authorities Superannuation Scheme (SASS), State Superannuation Scheme (SSS) and State Authorities Non Contributory Superannuation Scheme (SANCS), which are State schemes and subject to reimbursement rights.

These three schemes are all defined benefit schemes - at least a component of the final benefit is derived from a multiple of member salary and years of membership.

These unfunded liabilities recorded in the Statement of Financial Position under provisions have been determined by independent actuaries.

During 2015, University of Sydney on behalf of the NSW Universities, led a project to finalise the negotiation of an agreement between the Commonwealth and New South Wales Governments to provide certainty in respect to the funding of the defined benefits superannuation funds managed by the State Authorities Superannuation Trustees Corporation (STC). These discussions have now culminated in a memorandum of understanding being reached between the Commonwealth and the State Governments. This memorandum has now been executed with the effect that the Commonwealth and New South Wales Governments are taking on all of the risk of the liabilities of the three funds (SASS, SANCS and SSS) for the next seventy years.

The significant elements of the agreement are that:

* the agreement allows for funding of the SANCS accounts that were previously not eligible under the scheme;
* in future, the Commonwealth will not contribute to costs associated with excess salary increases. Future fund liabilities deemed to be the result of excess salary increases will be recouped from each relevant university in the form of 'top-up' payments.

The amount receivable from the Commonwealth or State in respect of the three funds as at 31 December 2018 was

$369.942M (2017: $345.703M) and this is reflected in note 17 as Non-current receivables. This receivable is net of the University's accrued and forecasted excess salary liability as at 31 December 2018 totalling $2.428M (2017: $2.092M) as the liability is treated as a reduction of the Commonwealth and State reimbursement right. The amount owing to members of the three funds as at 31 December 2018 was $380.027M (2017: $354.922M), including the University's accrued and forecasted excess salary liability, and is recognised in the statement of financial position under provisions.

The Group expects to make a contribution of $0.78M (2017: $1.21M) to the defined benefit plan during the next financial year.

The weighted average duration of the defined benefit obligation is 11.7 years (2017: 11.9 years). The expected maturity analysis of undiscounted benefit payments is as follows:

**Less than 1**

**Between 1**

**Between 2**

**Over 5**

**year**

**and 2 years and 5 years**

**years**

**Total**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Defined benefit obligations - 31 December | **$'000** | **$'000** | **$'000** | **$'000** | **$'000** |
| 2018 | **21,407** | **21,850** | **64,215** | **392,567** | **500,039** |
| Defined benefit obligations - 31 December 2017 | 24,098 | 24,790 | 71,874 | 422,452 | 543,214 |

**38 Defined Benefits Plans (continued)**

*Accounting Policy*

**Defined Benefit Plans**

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

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

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

Past service costs are recognised in profit or loss immediately.

**Deferred government benefit for superannuation**

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

The unfunded liabilities recorded in the statement of financial position under Provisions have been determined by Mercer Human Resource Consulting Ltd and relate to the State Superannuation Scheme, the State Authorities Superannuation Scheme and the State Authorities Non Contributory Scheme. This assessment was based on the full requirements of AASB 119.

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

**38 Defined Benefits Plans (continued)**

1. **Categories of plan assets**

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

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **2018 (%)**  **No Active** | | | | **2017 (%)**  **No Active** | | |
|  | **Active Market** | **Market** |  | **Active Market** | **Market** |  |
| Equity instruments | **64** |  | **-** | 72 |  | - |
| Property | **4** |  | **5** | 4 |  | 5 |
| Alternatives | **17** |  | **10** | 10 |  | 9 |
| **Total** | **85 15** 86 14 | | | | | |

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 of plan assets | **7.40** | 7.40 |
| Expected return on reimbursement rights | **3.19** | 3.16 |
| Expected rate(s) of salary increase | **2.70** | 2.50 |
| Expected rate of CPI increase | **2.50** | 2.50 |
| **(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 Salary growth rate

1.00 %

0.50 %

Decrease by 10.6% Increase by 12.7%

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.

**38 Defined Benefits Plans (continued)**

**(d) Statement of financial position amounts Amounts recognised in the**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **statement of financial position -** |  | **SASS** | **SANCS** | **SSS** | **Total** |
| **2018** | **Note** | **$'000** | **$'000** | **$'000** | **$'000** |
| **Liabilities** |  |  |  |  |  |
| Provision for deferred government  benefits for superannuation | 25 | 15,570 | 3,738 | 360,719 | 380,027 |
| **Total liabilities recognised in the** |  |  |  |  |  |
| **statement of financial position** |  | 15,570 | 3,738 | 360,719 | 380,027 |
| **Assets** |  |  |  |  |  |
| Receivables for deferred government  contribution for superannuation | 17 | 13,403 | 3,229 | 353,310 | 369,942 |
| **Total assets recognised in the** |  |  |  |  |  |
| **statement of financial position** |  | **13,403** | **3,229** | **353,310** | **369,942** |
| **Net liability recognised in the** |  |  |  |  |  |
| **statement of financial position** |  | **2,167** | **509** | **7,409** | **10,085** |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Net liability reconciliation - 2018** |  | | | | |
| Defined benefit obligation |  | 24,913 | 4,273 | 415,803 | 444,989 |
| Fair value of plan assets |  | (9,656) | (610) | (62,327) | (72,593) |
| Payroll tax oncost estimate on net liability |  | 313 | 75 | 7,243 | 7,631 |
| **Net liability** | 25 | **15,570** | **3,738** | **360,719** | **380,027** |
| Reimbursement right | 17 | (13,403) | (3,229) | (353,310) | (369,942) |
| **Total net liability/(asset)** |  | **2,167** | **509** | **7,409** | **10,085** |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Reimbursement rights - 2018** |  | | | |
| Opening value of reimbursement right | 10,935 | 3,858 | 330,910 | 345,703 |
| Excess salary liability | (21) | (4) | **-** | (25) |
| Emerging liability for excess salaries | (1,834) | (430) | (164) | (2,428) |
| Expected return on reimbursement rights | 2,148 | (449) | 9,806 | 11,505 |
| Remeasurements | 2,175 | 254 | 12,758 | 15,187 |
| **Closing value of reimbursement right** 17 | **13,403** | **3,229** | **353,310** | **369,942** |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **38**  **(d)** | **Defined Benefits Plans (continued)**  **Statement of financial position amounts (continued)** |  | | | |
|  |  | **SASS** | **SANCS** | **SSS** | **Total** |
|  | **Present value of obligation - 2018** | **$'000** | **$'000** | **$'000** | **$'000** |
|  | Opening defined benefit obligation | 25,176 | 4,349 | 409,545 | 439,070 |
|  | Current service cost | 733 | 137 | 70 | 940 |
|  | Interest expense | 635 | 107 | 10,617 | 11,359 |
|  |  | **26,544** | **4,593** | **420,232** | **451,369** |
|  | **Remeasurements** |  |  |  |  |
|  | Actuarial losses/(gains) arising from changes in demographic assumptions | (168) | (40) | 2,046 | 1,838 |
|  | Actuarial losses/(gains) arising from changes in financial assumptions | 313 | 79 | 14,607 | 14,999 |
|  | Experience (gains)/losses | 1,893 | 212 | (4,673) | (2,568) |
|  |  | **2,038** | **251** | **11,980** | **14,269** |
|  | **Contributions** |  |  |  |  |
|  | Plan participants | 316 | **-** | 48 | 364 |
|  | **Payments from plan** |  |  |  |  |
|  | Benefits paid | (3,858) | (578) | (18,667) | (23,103) |
|  | Taxes, premium and expenses paid | (127) | 7 | 2,210 | 2,090 |
|  |  | **(3,985)** | **(571)** | **(16,457)** | **(21,013)** |
|  | **Closing defined benefit obligation** | **24,913** | **4,273** | **415,803** | **444,989** |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Present value of plan assets - 2018** |  | | | |
| Opening fair value of plan assets | 12,535 | 105 | 78,635 | 91,275 |
| Interest expense / (income) | 308 | 9 | 1,836 | 2,153 |
|  | **12,843** | **114** | **80,471** | **93,428** |
| **Remeasurements** |  |  |  |  |
| Actual Return on Fund assets interest income | (137) | (4) | (778) | (919) |
|  | **(137)** | **(4)** | **(778)** | **(919)** |
| **Contributions** |  |  |  |  |
| Employers | 618 | 1,071 | (955) | 734 |
| Plan participants | 316 | **-** | 48 | 364 |
|  | **934** | **1,071** | **(907)** | **1,098** |
| **Payments from plan** |  |  |  |  |
| Benefits paid | (3,858) | (578) | (18,668) | (23,104) |
| Taxes, premiums and expenses paid | (126) | 7 | 2,209 | 2,090 |
|  | **(3,984)** | **(571)** | **(16,459)** | **(21,014)** |
| **Closing fair value of plans assets** | **9,656** | **610** | **62,327** | **72,593** |

1. **Defined Benefits Plans (continued)**

**(d) Statement of financial position amounts (continued)**

**Amounts recognised in the statement of financial position -**

**SASS**

**SANCS**

**SSS**

**Total**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **2017**  **Liabilities**  Provision for deferred government | **Note** | **$'000** | **$'000** | **$'000** | **$'000** |
| benefits for superannuation | 25 | 12,900 | 4,331 | 337,691 | 354,922 |
| **Total liabilities recognised in the** |  |  |  |  |  |
| **statement of financial position** |  | 12,900 | 4,331 | 337,691 | 354,922 |
| **Assets** |  |  |  |  |  |
| Receivable for deferred government benefit for superannuation | 17 | 10,935 | 3,858 | 330,910 | 345,703 |
| **Total assets recognised in the** |  |  |  |  |  |
| **statement of financial position** |  | 10,935 | 3,858 | 330,910 | 345,703 |
| **Net liability recognised in the** |  |  |  |  |  |
| **statement of financial position** |  | 1,965 | 473 | 6,781 | 9,219 |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Net liability reconciliation - 2017** |  | | | | |
| Defined benefit obligation |  | 25,176 | 4,349 | 409,545 | 439,070 |
| Fair value of plan assets |  | (12,535) | (105) | (78,635) | (91,275) |
| Payroll tax oncost estimate on net liability |  | 259 | 87 | 6,781 | 7,127 |
| **Net liability** | 25 | 12,900 | 4,331 | 337,691 | 354,922 |
| Reimbursement right | 17 | (10,935) | (3,858) | (330,910) | (345,703) |
| **Total net liability/(asset)** |  | 1,965 | 473 | 6,781 | 9,219 |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Reimbursement rights - 2017** |  | | | |
| Opening value of reimbursement right | 10,605 | 3,718 | 317,958 | 332,281 |
| Emerging liability for excess salaries | (1,707) | (385) | - | (2,092) |
| Return on reimbursement rights | 1,362 | 260 | 9,038 | 10,660 |
| Remeasurements | 675 | 265 | 3,914 | 4,854 |
| **Closing value of reimbursement right** 17 | 10,935 | 3,858 | 330,910 | 345,703 |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **38**  **(d)** | **Defined Benefits Plans (continued)**  **Statement of financial position amounts (continued)** |  | | | |
|  |  | **SASS** | **SANCS** | **SSS** | **Total** |
|  | **Present value of obligation - 2017** | **$'000** | **$'000** | **$'000** | **$'000** |
|  | Opening defined benefit obligation | 38,794 | 6,058 | 409,418 | 454,270 |
|  | Current service cost | 1,081 | 232 | 241 | 1,554 |
|  | Interest expense | 1,011 | 156 | 11,136 | 12,303 |
|  |  | 40,886 | 6,446 | 420,795 | 468,127 |
|  | **Remeasurements** |  |  |  |  |
|  | Actuarial losses/(gains) arising from changes in financial assumptions | 137 | 35 | 4,656 | 4,828 |
|  | Experience (gains)/losses | 1,249 | 189 | (243) | 1,195 |
|  |  | 1,386 | 224 | 4,413 | 6,023 |
|  | **Contributions** |  |  |  |  |
|  | Plan participants | 483 | - | 98 | 581 |
|  | **Payments from plan** |  |  |  |  |
|  | Benefits paid | (17,417) | (2,075) | (18,151) | (37,643) |
|  | Taxes, premiums and expenses paid | (162) | (246) | 2,390 | 1,982 |
|  |  | (17,579) | (2,321) | (15,761) | (35,661) |
|  | **Closing defined benefit obligation** | 25,176 | 4,349 | 409,545 | 439,070 |
|  | **Present value of plan assets - 2017** |  |  |  |  |
|  | Opening fair value of plan assets | 27,654 | 2,215 | 91,419 | 121,288 |
|  | Interest expense / (income) | 710 | 52 | 2,296 | 3,058 |
|  |  | 28,364 | 2,267 | 93,715 | 124,346 |
|  | **Remeasurements** |  |  |  |  |
|  | Return on plan assets, excluding |  |  |  |  |
|  | amounts included in net interest expense | 711 | (41) | 499 | 1,169 |
|  |  | 711 | (41) | 499 | 1,169 |
|  | **Contributions** |  |  |  |  |
|  | Employers | 556 | 200 | 84 | 840 |
|  | Plan participants | 483 | - | 98 | 581 |
|  |  | 1,039 | 200 | 182 | 1,421 |
|  | **Payments from plan** |  |  |  |  |
|  | Benefits paid | (17,417) | (2,075) | (18,151) | (37,643) |
|  | Taxes, premiums and expenses paid | (162) | (246) | 2,390 | 1,982 |
|  |  | (17,579) | (2,321) | (15,761) | (35,661) |
|  | **Closing fair value of plans assets** | 12,535 | 105 | 78,635 | 91,275 |

1. **Events Occurring After the Reporting Date**

There are no events identified after the Statement of Financial Position date that would have a material impact on the financial statements.

**End of Audited Financial Statements**.







INDEPENDENT AUDITOR’S REPORT

Western Sydney University

To Members of the New South Wales Parliament

Opinion

I have audited the accompanying financial statements of Western Sydney University (the U diversity), which comprise the Income Statement and Statement of Comprehensive Income for the year ended 31 December 2018, the Statement of Financial Position as at 31 December 2018, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, notes comprising a Summary of Significant Accounting Policies and other explanatory information, and the Responsible Entities Declaration of the University and the consolidated entity. The consolidated entity comprises the University and the entities it controlled at the year's end or from time to time during the financial year.

In my opinion, the financial statements:

* + give a true and fair view of the financial position of the University and the consolidated entity, as at 31 December 2018, and of their financial performance and cash flows for the year then ended in accordance with Australian Accounting Standards
  + are in accordance with section 41B of the *Public Finance and Aii0i’t Act 198J* (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-* pro/its *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.

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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 Board of Trustees of the University are responsible for the other Information. At the date of this Independent Auditor's Report, the other information I have received comprise the Statement by the Members of the Board of Trustees.

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 Board of Trustees’ Responsibilities for the Financial Statements**

The Board of Trustees is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, the PF&A Act, the Guidelines and the *Australian Charities and Not-for-Profits Commission Act 2012,* and for such internal control as the Board of 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 Board of Trustees 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 agg regate, 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 [httD://www.auasb.qov.au/aucIitor](http://www.auasb.qov.au/aucIitorsresponsibilities/ar3.pdf)s [responsibilities/ar3.pdf](http://www.auasb.qov.au/aucIitorsresponsibilities/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

April 2019 SYDNEY

**Western Sydney University Enterprises Pty Limited Trading as Western Sydney University The College**

**ABN: 44 003 474 468**

**Financial Statements**

**For the Year Ended 31 December 2018**

These financial statements are of Western Sydney University Enterprises Pty Limited as an individual entity. The financial statements are presented in the Australian currency.

Western Sydney University Enterprises Pty Limited (the Company) is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Nirimba Education Precinct

Eastern Road, Quakers Hill NSW 2763

A description of the nature of the Company's operations and its principal activities is included in the directors' report on pages 88 to 90, which is not part of these financial statements.

The financial statements were authorised for issue by the directors on 15 March 2019. The directors have the power to amend and reissue the financial statements.

**Directors' Report**

**31 December 2018**

The directors present their report on Western Sydney University Enterprises Pty Limited trading as Western Sydney University The College (the Company) for the financial year ended 31 December 2018.

1. **General information Information on directors**

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

Ms Belinda Robinson BA MEnvLaw FAICD - Appointed 25 June 2018 (Chair) Mr Angelo Kourtis BA

Ms Caroline Hutchinson B Economics, B Laws

Ms Le Ho Cert III Transport & Logistics

Professor Michele Simons Doctor of Philosphy (PhD), BSocSC - Appointed 10 April 2018 Mr Ramy Aziz B.Bus, FCPA, FGIA

Mr Robin Shreeve B Arts (Hons), M Arts

Professor Simon Barrie Doctor of Philosophy (PhD), B.App Sci

Professor Denise Kirkpatrick Doctor of Philosophy (PhD), Education - Previous Chair and appointed 10 April 2018 (Alternate Director)

Mr Michael Burgess Grad Dip Marketing B Agricultural Sci (Econ) Appointed 10 April 2018 (Alternate Director)

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

**Principal activities and significant changes in nature of activities**

The principal activities of the Company during the financial year were:

* + Provision of educational services

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

## Directors' Report

###### 31 December 2018

1. **Operating results and review of operations for the year**

The net result of the Company for the year ended 31 December 2018 amounted to NIL (2017: nil) which included a royalty payment to the parent entity of $ 23,755,693 (2017: $22,919,450).

The Company experienced its highest level of growth in 2018 in student enrolments after a decline in 2017. The 2018 year represented the first full year of the funding freeze on Commonwealth Government Supported Places by the Government, with the increase in student enrolments not proportional to the growth to revenue from 2017.

1. **Other items**

**Significant changes in state of affairs**

On 24 May 2017, the name of the Company was changed from UWS Enterprises Pty Limited to Western Sydney University Enterprises Pty Limited. No significant changes in the nature of the Company's activities occurred during the year.

**Events after the reporting date**

No matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

**Future developments and results**

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

**Environmental issues**

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

**Dividends paid or recommended**

No dividend was paid or payable since the commencement of the financial year and up to and including the date of signing the report (2017: nil).

**Company secretary**

Ms Wendy Barker held the position of Company Secretary for the whole of the financial year and to the date of this report.

## Directors' Report

###### 31 December 2018

**Indemnification and insurance of officers and auditors**

The Company is insured externally and in line with the parent entity's policies for all significant areas of risk exposure and accordingly, is not a self-insurer and makes no provision in its financial statements for internal coverage.

**Proceedings on behalf of company**

No person has applied for leave of court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

**Auditor's independence declaration**

The auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 31 December 2018 has been received and can be found on page 93 of the financial statements.

This report is made in accordance with a resolution of the Board of Directors.

Director:  Director: 

...............................................................

................................................................

Dated:

## Directors' Declaration

In the directors' opinion:

1. the financial statements and notes, as set out on pages 94 to 115, are in accordance with the *Corporations Act 2001*, including:
   1. complying with Australian Accounting Standards - Reduced Disclosure Requirements, the *Corporations Regulations 2001, Public Finance and Audit Act 1983, Public Finance and Audit Regulation 201*5 and other mandatory professional reporting requirements, and
   2. giving a true and fair view of the company's financial position as at 31 December 2018 and financial performance for the financial year ended on that date, and;
2. there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable,
3. We are not aware of any circumstances which would render any particulars in the financial statements to be misleading or inaccurate.

This declaration is made in accordance with a resolution of the Board of Directors, pursuant to section 295(4) of the

*Corporations Act 2001*, and 41(C) of the *Public Finance and Audit Act 1983*.

Director  Director

..................................................................

..................................................................

Dated

## Responsible Entities' Declaration

The responsible entities declare that in the responsible entities' opinion:

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

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

Director  Date

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To the Directors

Western Sydney University Enterprises Pty Limited

(trading as Western Sydney University The College)

Auditor’s Independence Declaration

As auditor for the audit of the financial statements of Western Sydney University Enterprises Pty Limited (trading as Western Syd ney University The College) for the year ended 31 December 2018, I declare, to the best of my knowledge and belief, there have been no contraventions of:

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



Margaret Crawford Auditor-General of NSW

 March 2019 SYDNEY

Level 15, 1 Margaret Street, Sydney NSW 2000 I GPO Box 12, Sydney NSW 2001 I t 02 9275 7101 I f 02 9275 7179 I e mail audit.nsw.gov.au I audit.nsw.gov.au

|  |  |  |  |
| --- | --- | --- | --- |
| **Statement of Comprehensive Income** |  | | |
| **For the Year Ended 31 December 2018** |
|  |  | **2018** | **2017** |
|  | **Notes** | **$** | **$** |
| **Revenue** |  |  |  |
| Rendering of services | 2(a) | **59,737,058** | 59,399,557 |
| Interest revenue |  | **298,009** | 233,742 |
| Share of net profit or (loss) on investments accounted for using the equity method | 3,15(c) | **190,052** | (833,847) |
| Other revenue | 2(b) | **697,830** | 806,407 |
| **Total revenue 60,922,949** 59,605,859 | | | |
| **Expenses** |  |  |  |
| Employee related expenses | 4 | **(29,559,706)** | (29,426,549) |
| Royalty to parent | 15(b) | **(23,755,693)** | (22,919,450) |
| Fees for service | 4 | **(3,677,189)** | (3,297,498) |
| Depreciation and amortisation expense | 4 | **(1,137,332)** | (1,669,715) |
| Impairment of asset | 4 | **(106,234)** | 6,910 |
| Other expenses | 4 | **(2,686,795)** | (2,299,557) |
| **Total Expenses** | | **(60,922,949)** (59,605,859) | |
| **Surplus / (deficit) for the year** | | **-** - | |
| Other comprehensive income | | **-** - | |
| **Total comprehensive income for the year** | | **-** - | |
| **Comprehensive income for the year attributable to** | |  | |
| Non - controlling interest | | **-** - | |
| Western Sydney University (The Parent) | | **-** - | |
| **Total comprehensive income for the year** | | **-** - | |

The accompanying notes form part of these financial statements.

|  |  |  |  |
| --- | --- | --- | --- |
| **Statement of Financial Position** |  | | |
| **As At 31 December 2018** |
|  |  | **2018** | **2017** |
|  | **Notes** | **$** | **$** |
| **ASSETS**  **Current Assets** |  |  |  |
| Cash and cash equivalents | 5 | **2,259,828** | 906,965 |
| Loans to parent entity | 15(c) | **9,798,582** | 7,001,886 |
| Trade and other receivables | 6 | **277,112** | 429,588 |
| Receivables from joint venture | 15(d) | **1,292,667** | 1,651,601 |
| Prepayments | 7 | **5,102** | 302,358 |
| **Total Current Assets** |  | **13,633,291** | 10,292,398 |
| **Non-Current Assets** |  |  |  |
| Loans to joint venture | 15(c) | **654,095** | 214,043 |
| Property, plant and equipment | 8(a) | **3,211,241** | 4,254,369 |

**Total Non-Current Assets 3,865,336** 4,468,412

|  |  |  |  |
| --- | --- | --- | --- |
| **Total Assets** |  | **17,498,627** | 14,760,810 |
| **LIABILITIES**  **Current Liabilities** |  |  |  |
| Trade payables |  | **94,188** | 467,295 |
| Tuition fees advance receipts |  | **1,338,864** | 1,074,170 |
| Amounts due to joint venture | 15(d) | **1,590,760** | - |
| Accrued expenses | 9 | **4,289,281** | 3,009,422 |
| Provisions | 10 | **2,082,712** | 2,131,424 |
| Other liabilities | 11 | **486,350** | 561,050 |
| **Total Current Liabilities** |  | **9,882,155** | 7,243,361 |
| **Non-Current Liabilities** |  |  |  |
| Provisions | 10 | **851,023** | 752,000 |

**Total Non-Current Liabilities Total Liabilities**

|  |  |  |
| --- | --- | --- |
|  | **851,023** | 752,000 |
|  | **10,733,178** | 7,995,361 |

|  |  |  |  |
| --- | --- | --- | --- |
| **Net Assets** |  | **6,765,449** | 6,765,449 |
| **EQUITY**  Issued capital | 12 | **1** | 1 |
| Retained earnings |  | **6,765,448** | 6,765,448 |

**Total Equity 6,765,449** 6,765,449

The accompanying notes form part of these financial statements.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Statement of Changes in Equity** |  | | | |
| **For the Year Ended 31 December 2018** |
|  | **Issued Capital** |  | **Retained Earnings** | **Total** |
|  | **$** |  | **$** | **$** |
| **Balance at 1 January 2018** |  | **1** | **6,765,448** | **6,765,449** |
| Surplus / (deficit) for the year |  | **-** | **-** | **-** |
| Other comprehensive income |  | **-** | **-** | **-** |
| **Total comprehensive income for the year** |  | **-** | **-** | **-** |
| **Balance at 31 December 2018** |  | **1** | **6,765,448** | **6,765,449** |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Issued Capital** |  | **Retained Earnings** | **Total** |
| **$** |  | **$** | **$** |
| **Balance at 1 January 2017**  Surplus / (deficit) for the year Other comprehensive income |  | 1  -  - | 6,765,448  -  - | 6,765,449  -  - |
| **Total comprehensive income for the year** |  | - | - | - |
| **Balance at 31 December 2017** |  | 1 | 6,765,448 | 6,765,449 |

|  |  |  |  |
| --- | --- | --- | --- |
| **Statement of Cash Flows** |  | | |
| **For the Year Ended 31 December 2018** |
|  |  | **2018** | **2017** |
|  | **Notes** | **$** | **$** |
| **CASH FLOWS FROM OPERATING ACTIVITIES:**  Receipts from customers |  | **61,252,024** | 59,777,225 |
| Payments to suppliers and employees |  | **(57,729,828)** | (58,983,576) |
| Interest received |  | **120,407** | 84,853 |
| Other receipts / (payments) |  | **697,830** | 806,407 |
| **Net cash provided by operating activities** |  | **4,340,433** | 1,684,909 |
| **CASH FLOWS FROM INVESTING ACTIVITIES:**  Return of capital works funding |  | **-** | 158,454 |
| Purchase of property, plant and equipment |  | **(118,476)** | (44,185) |
| Payments for operations of joint venture | 15(c) | **(250,000)** | (800,000) |
| Repayments received from the parent entity | 15(c) | **10,396,835** | 12,774,984 |
| Advances made to the parent entity | 15(c) | **(13,015,929)** | (13,976,255) |
| **Net cash used in investing activities** | | **(2,987,570)** (1,887,002) | |
| **CASH FLOWS FROM FINANCING ACTIVITIES:** | |  | |
| **Net cash provided by financing activities** | | **-** - | |
| **Net increase / (decrease) in cash and cash equivalents held** | | **1,352,863** (202,093) | |
| **Cash and cash equivalents at beginning of year** | | **906,965** 1,109,058 | |
| **Cash and cash equivalents at end of financial year** | 5 | **2,259,828** | 906,965 |

## Notes to the Financial Statements

###### For the Year Ended 31 December 2018

**1 Summary of Significant Accounting Policies**

Western Sydney University Enterprises Pty Limited trading as Western Sydney University the College (the Company) is a registered Company limited by shares and is a not-for-profit controlled entity of Western Sydney University. Prior to 24 May 2017 the Company was known as UWS Enterprises Pty Limited. The Company is incorporated and domiciled in Australia.

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 registered office of the Company is Marimba Education Precinct, Eastern Road, Quakers Hill NSW 2763.

1. **Basis of Preparation**

The financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, the *Corporations Act 2001*, the *Public Finance & Audit Act 1983*, *Public Finance & Audit Regulation 2015*, the *Australian Charities and Not-for profits Commission Act 2012* and *Division 60 of the Regulation 201*3.

These financial statements comply with Australian Accounting Standards - Reduced Disclosure Requirements as issued by the Australian Accounting Standards Board.

The financial statements have been prepared on an accrual basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

The financial statements were authorised for issue by the Directors of the Company on 15 March 2019.

* 1. **Critical accounting estimates and judgements**

The preparation of financial statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The estimates and underlying assumptions are reviewed on an ongoing basis. All significant estimates or assumptions made in preparation of the financial statements have been explained in the accounting policy notes or subsequent notes.

* 1. **Foreign currency transactions and balances**

The functional currency of the Company is measured using the currency of the primary economic environment which is Australian dollars. The financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

1. **Principles of Consolidation Joint Arrangements**

The Company determined that the Joint Arrangement with Navitas Ltd for the establishment of the Western Sydney University International College Pty Ltd ("the International College") is a Joint Venture equally controlled by the Company and Navitas Ltd.

The Company's interest in the Joint Venture is accounted for in the financial statements using the equity method in accordance with AASB 11 Joint Arrangements. Details of equity accounted investments are set out in note 3.

## Notes to the Financial Statements

###### For the Year Ended 31 December 2018

**1 Summary of Significant Accounting Policies (continued)**

1. **Income Tax**

The Company is exempt from the payment of tax by virtue of section 50-5 of the *Income Tax Assessment Act 1997*. Accordingly, no provision for income tax liability or future income tax benefit has been included in the accounts.

1. **Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

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 Company is grouped with the parent entity for GST purposes and therefore the net GST receivable or GST payable is not reflected within these statements.

1. **Initial application of Australian Accounting Standard 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 Company applied AASB9 retrospectively, with an initial application date of 1 January 2018. The Company has not restated the comparative information, which continues to be reported under AASB139.

The nature and effect of the changes as a result of adoption of AASB9 are described as follows:

**Impairment**

The adoption of AASB9 has changed the Company’s accounting for impairment losses for financial assets by replacing AASB139’s incurred loss approach with a forward-looking expected credit loss (ECL) approach. Refer to note 6 for details.

## Notes to the Financial Statements

###### For the Year Ended 31 December 2018

**1 Summary of Significant Accounting Policies (continued)**

1. **Comparative Amounts**

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

The following items have been adjusted to conform with the current year's presentation.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | **2017**  **Reported** | **Reclassification** | **2017**  **Revised** |
| **Notes** | **$** | **$** | **$** |
| **Statement of Comprehensive Income**  Advertising, marketing and promotional expenses | 4 | 355,619 | (355,619) | - |
| Occupancy expenses |  | 288,576 | (288,576) | - |
| Consumables and supplies | 4 | 228,624 | (228,624) | - |
| Student expenses | 4 | 192,252 | (192,252) | - |
| Impairment of assets | 4 | - | (6,910) | (6,910) |
| Other expenses | 4 | 1,227,576 | 1,071,981 | 2,299,557 |
| **Net effect on total expenses** |  | 2,292,647 | **-** | 2,292,647 |
| **Statement of Financial Position**  Accrued expenses | 9 | 3,016,451 | (7,029) | 3,009,422 |
| Other liabilities | 11 | 554,021 | 7,029 | 561,050 |
| **Net effect on current liabilities** |  | 3,570,472 | **-** | 3,570,472 |

## Notes to the Financial Statements

###### For the Year Ended 31 December 2018

|  |  |  |  |
| --- | --- | --- | --- |
| **2** | **Revenue**  **(a) Rendering of services** |  | |
|  |  | **2018** | **2017** |
|  |  | **$** | **$** |
|  | Tuition income | **56,597,831** | 55,899,633 |
|  | Student test fees and charges | **3,139,227** | 3,499,924 |
|  | **Total revenue from rendering of services** | **59,737,058** | 59,399,557 |
|  | **(b) Other revenue** | **2018** | **2017** |
|  |  | **$** | **$** |
|  | Service fee from joint venture | **608,783** | 619,439 |
|  | Rental revenue | **47,382** | 55,911 |
|  | Education and training revenue | **12,131** | 92,579 |
|  | Other income | **29,534** | 38,478 |
|  | **Total other revenue** | **697,830** | 806,407 |

*Accounting Policy*

The Company recognises revenue when the amount of the revenue can be measured reliably, it is probable that economic benefits will flow to the Company and specific criteria have been met for each of the Company's activities as discussed below.

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

All revenue is stated net of the amount of goods and services tax (GST).

1. **Rendering of services**

Revenue recognition relating to the rendering of services is determined with reference to the stage of completion of the transaction at the end of the reporting period and where the outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

1. **Other revenue**

Other revenue includes income from on-campus non-academic services, venue hire and scholarships. Other revenue is recognised when the Company becomes entitled to receive the revenue and the revenue can be reliably measured.

## Notes to the Financial Statements

###### For the Year Ended 31 December 2018

1. **Investments accounted for using the equity method**

In April 2015, the Company entered into a Joint Venture Agreement with Navitas Ltd to form Western Sydney University International College Pty Ltd to operate an international college at Parramatta, New South Wales. The Company owns 50% of the entity.

**Commitment and Contingent liability from joint venture entities**

There are no capital expenditure commitments and contingent liabilities arising from the Company's interest in the joint venture. There are no events identified after the reporting date that would have a material impact on the financial statements (2017: nil).

*Accounting Policy*

Under the equity method of accounting, the Company recognises its share of the profits and losses in the International College in the statement of comprehensive income.

The initial recognition of the investment in joint venture is recognised at cost, which includes the purchase price and any directly attributable expenditures necessary to obtain it.

The carrying amount is adjusted to recognise the company's share of the profit or loss of the International College after the date of acquisition.

Any shareholder loans, in substance, could form a part of the company's net investment in the joint venture and are taken into account when assessing the amount of any losses recognised by the Company relating to its interest in the International College and distributions received from the International College reduce the carrying amount of the investment.

Details of loans and share of profits and losses of joint venture are disclosed in note 15(c).

1. **Expenses**

|  |  |  |
| --- | --- | --- |
|  | **2018**  **$** | **2017**  **$** |
| **Employee related expense (including academic and non academic)**  Salaries and wages | **23,323,260** | 23,103,409 |
| Superannuation | **2,831,999** | 2,573,618 |
| Payroll tax | **1,630,999** | 1,581,192 |
| Leave | **1,616,400** | 1,763,566 |
| Workers compensation | **115,460** | 90,226 |
| Redundancies | **41,588** | 314,538 |
| **Total employee related expenses** | **29,559,706** | 29,426,549 |

**Notes to the Financial Statements**

**For the Year Ended 31 December 2018**

|  |  |  |  |
| --- | --- | --- | --- |
| **4** | **Expenses (continued)** |  | |
|  |  | **2018** | **2017** |
|  |  | **$** | **$** |
|  | **Fees for service** |  |  |
|  | Testing fees | **1,302,500** | 1,704,985 |
|  | Agent's commission | **794,332** | 362,258 |
|  | Study tours | **502,227** | 637,608 |
|  | Temporary contract staff | **414,540** | 66,491 |
|  | Consultants | **402,852** | 267,950 |
|  | Other | **260,738** | 258,206 |
|  | **Total fees for service** | **3,677,189** | 3,297,498 |
|  | **Depreciation and amortisation**  Leasehold improvements | **1,035,969** | 1,420,153 |
|  | Plant and equipment | **101,363** | 95,904 |
|  | Intangible assets | **-** | 153,658 |
|  | **Total depreciation and amortisation** | **1,137,332** | 1,669,715 |
|  | **Impairment of assets**  Bad and doubtful debts | **81,962** | (6,910) |
|  | Net loss on disposal of assets | **24,272** | - |
|  | **Total impairment of assets** | **106,234** | (6,910) |
|  | **Other expenses**  Advertising, marketing and promotional expenses | **708,208** | 355,619 |
|  | Equipment lease | **345,727** | 369,090 |
|  | Postage, printing, telephone & internet | **334,527** | 532,391 |
|  | Relocation expenses | **278,007** | 30,306 |
|  | Consumables and supplies | **269,798** | 228,624 |
|  | Student expenses | **249,054** | 192,252 |
|  | Travel and related staff development and training | **150,982** | 98,327 |
|  | Minor equipment and furniture | **81,261** | 77,123 |
|  | Lease of building teaching space | **68,433** | 193,928 |
|  | Motor vehicle expenses | **60,163** | 101,453 |
|  | Utilities and cleaning | **45,885** | 64,342 |
|  | Sundry expenses | **94,750** | 56,102 |
|  | **Total other expenses** | **2,686,795** | 2,299,557 |
|  | *Accounting Policy* |  |  |
|  | **Operating Leases** |  |  |

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the life of the lease term.

## Notes to the Financial Statements

###### For the Year Ended 31 December 2018

|  |  |  |  |
| --- | --- | --- | --- |
| **5** | **Cash and cash equivalents** |  |  |
|  |  | **2018** | **2017** |
|  |  | **$** | **$** |
|  | Cash at bank and on hand | **1,840,863** | 496,431 |
|  | TCorp Investment Facility | **418,965** | 410,534 |
|  | **Total cash and cash equivalents in the statement of financial position and statement of cash flows** | **2,259,828** | 906,965 |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **6** | **Trade and other receivables** |  | | |
|  |  |  | **2018** | **2017** |
|  |  | **Note** | **$** | **$** |
|  | Student receivables |  | **177,864** | 151,122 |
|  | Trade receivables |  | **119,343** | 266,571 |
|  | Less: Provision for impaired receivables | 6(a) | **(97,801)** | (19,469) |
|  | **Net student and trade receivables** |  | **199,406** | 398,224 |
|  | Accrued revenue |  | **76,083** | 28,288 |
|  | Accrued interest |  | **1,623** | 965 |
|  | Other receivables |  | **-** | 2,111 |
|  | **Total current trade and other receivables** |  | **277,112** | 429,588 |
|  | *Accounting Policy* |  |  |  |

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. The Company's standard terms of trade receivables is 14 days from the date of recognition. They are presented as current assets unless collection is not expected for more than 12 months after the reporting date.

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

Refer to note 15(d) for policies on the classification of Loans and receivables.

## Notes to the Financial Statements

###### For the Year Ended 31 December 2018

**6 Trade and other receivables (continued)**

1. **Provision for impairment of receivables**

Set out below is the movement in the allowance for expected credit losses of trade receivables:

|  |  |  |
| --- | --- | --- |
|  | **2018**  **$** | **2017**  **$** |
| Opening balance as at 1 January | **19,469** | 26,379 |
| Provision for expected credit losses | **81,962** | 27,097 |
| Write-off | **(3,630)** | (34,007) |
| **Balance as at 31 December** | **97,801** | 19,469 |

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

1. **Receivables past due but not impaired**

These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these receivables is as follows:

|  |  |  |
| --- | --- | --- |
|  | **2018**  **$** | **2017**  **$** |
| 3 to 6 months | **267,274** | 415,937 |
| 6 to 12 months | **4,348** | 13,651 |
| Over 12 months | **5,490** | - |
| **Total past due but not impaired receivables** | **277,112** | 429,588 |

|  |  |  |  |
| --- | --- | --- | --- |
| **7** | **Prepayments** |  | |
|  |  | **2018** | **2017** |
|  |  | **$** | **$** |
|  | Prepayments | **5,102** | 52,358 |
|  | Payments made to parent entity for capital projects | **-** | 250,000 |
|  | **Total Prepayments** | **5,102** | 302,358 |

## Notes to the Financial Statements

###### For the Year Ended 31 December 2018

**8 Property, plant and equipment**

1. **Movements in Carrying Amounts**

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the financial year:

**Construction in Progress**

**$**

**Leasehold Improvements**

**$**

**Plant and Equipment**

**$**

**Artwork**

**$**

**Total**

**$**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **At 1 January 2017**  Cost | - | 8,742,040 | 901,463 | 11,909 | 9,655,412 |
| Accumulated depreciation | - | (3,841,451) | (551,666) | - | (4,393,117) |
| **Net book amount** | - | 4,900,589 | 349,797 | 11,909 | 5,262,295 |
| **Year ended 31 December 2017**  Opening net book amount | - | 4,900,589 | 349,797 | 11,909 | 5,262,295 |
| Additions | - | 463,946 | 44,185 | - | 508,131 |
| Depreciation expense | - | (1,420,153) | (95,904) | - | (1,516,057) |
| **Closing net book amount** | - | 3,944,382 | 298,078 | 11,909 | 4,254,369 |
| **At 31 December 2017**  Cost | - | 7,808,816 | 787,844 | 11,909 | 8,608,569 |
| Accumulated depreciation | - | (3,864,434) | (489,766) | - | (4,354,200) |
| **Net book amount** | - | 3,944,382 | 298,078 | 11,909 | 4,254,369 |
| **Year ended 31 December 2018**  Opening net book amount | - | 3,944,382 | 298,078 | 11,909 | 4,254,369 |
| Additions | 73,635 | - | 44,841 | - | 118,476 |
| Disposals | - | (24,272) | - | - | (24,272) |
| Depreciation expense | - | (1,035,969) | (101,363) | - | (1,137,332) |
| **Closing net book amount** | **73,635** | **2,884,141** | **241,556** | **11,909** | **3,211,241** |
| **At 31 December 2018**  Cost | 73,635 | 7,681,870 | 832,684 | 11,909 | 8,600,098 |
| Accumulated depreciation | - | (4,797,729) | (591,128) | - | (5,388,857) |

**Net book amount 73,635 2,884,141 241,556 11,909 3,211,241**

**Notes to the Financial Statements**

**For the Year Ended 31 December 2018**

**8 Property, plant and equipment (continued)**

1. **Capital commitments**

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

**2018**

**$**

**2017**

**$**

- no later than 1 year **16,715** 8,806

*Accounting Policy*

1. **Measurement by Asset Class**

Each class of property, plant and equipment is carried at cost as indicated less, where applicable, any accumulated depreciation and impairment losses.

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 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.

Leasehold improvements and plant and equipment are measured on a cost basis (cost less depreciation and impairment losses). Cost includes expenditure that is directly attributable to the asset.

Artwork is measured on a cost basis. Cost includes expenditure that is directly attributable to the asset. Art is a non- depreciable asset.

1. **Depreciation**

Depreciation on plant and equipment is calculated on a straight-line basis over the asset's useful life to the Company commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The estimated useful lives used for each class of depreciable asset are:

**Class of Fixed Asset Useful life**

Computer Equipment 3-4 years

Leasehold Improvements 2-6 years

Motor Vehicles 6-7 years

Other Equipment 10-20 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. Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income.

## Notes to the Financial Statements

###### For the Year Ended 31 December 2018

|  |  |  |  |
| --- | --- | --- | --- |
| **9** | **Accrued expenses** |  | |
|  |  | **2018** | **2017** |
|  |  | **$** | **$** |
|  | **Current**  Agents' commissions | **2,334,977** | 1,730,563 |
|  | Salary | **1,317,629** | 811,307 |
|  | Non-salary overheads | **599,790** | 355,554 |
|  | Provision for staff redundancy | **36,885** | 111,998 |
|  | **Total accrued expenses** | **4,289,281** | 3,009,422 |
|  | *Accounting Policy* |  |  |

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year, which are unpaid.

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 possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy.

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

## Notes to the Financial Statements

###### For the Year Ended 31 December 2018

|  |  |  |
| --- | --- | --- |
| **10 Provisions** |  | |
|  | **2018** | **2017** |
|  | **$** | **$** |
| **Current**  Annual leave | **1,417,143** | 1,465,424 |
| Long service leave | **665,569** | 666,000 |
| **Total current provisions** | **2,082,712** | 2,131,424 |
| **Amounts not expected to be settled within the next 12 months** |  |  |

The current provision for employee benefits includes accrued annual leave. The entire amount of the provision is presented as current, since the Company does not have an unconditional right to defer settlement of any of these obligations. However, based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. The following amounts reflect leave that is not expected to be taken or paid within the next 12 months.

|  |  |  |
| --- | --- | --- |
|  | **2018**  **$** | **2017**  **$** |
| Annual leave obligations expected to be settled after 12 months | **159,889** | 187,301 |
| Long service leave obligations expected to be settled after 12 months | **491,605** | 428,713 |
|  | **651,494** | 616,014 |
|  | **2018** | **2017** |
|  | **$** | **$** |
| **Non-Current**  Long service leave | **851,023** | 752,000 |
| *Accounting Policy* |  |  |

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

The liability for other long-term benefits are those that are not expected to be settled wholly before 12 months after the end of the annual reporting period. Other long term employee benefits include such things as annual leave and long service leave.

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

Regardless of the expected timing of settlements, provisions made in respect of employee benefits are classified as a current liability, unless there is an unconditional right to defer the settlement of the liability for at least 12 months after the reporting date, in which case it be classified as a non-current liability.

1. **Other liabilities**

**Current**

**2018**

**$**

**2017**

**$**

Accrued taxes **400,240** 409,180

Unearned revenue **86,110** 151,870

**Total other liabilities 486,350** 561,050

* 1. **Operating lease commitments**

The Company leases plant and office equipment under non-cancellable operating leases contracted for but not capitalised in the financial statements. The leases have renewal rights, whereby the terms of the lease are renegotiated.

|  |  |  |
| --- | --- | --- |
|  | **2018**  **$** | **2017**  **$** |
| **Payable - minimum lease payments**  - no later than 1 year | **399,679** | 307,480 |
| - between 1 year and 5 years | **386,039** | 438,015 |
| - greater than 5 years | **-** | - |
| **Total future minimum lease payments** | **785,718** | 745,495 |

1. **Issued Capital**

**2018**

**$**

**2017**

**$**

Ordinary shares **1** 1

**Total contributed equity 1** 1

1. **Contingencies Contingent Liabilities** *Claims*

The Directors of the Company are not aware of the existence of any legal claims as 31 December 2018 (2017: nil).

*Guarantees*

The Directors of the Company are not aware of any guarantees that are in place as at 31 December 2018 (2017: nil). The Directors of the Company are not aware of any further instances.

1. **Key management personnel disclosures**
   1. **Responsible persons and executive officers**

The following persons were responsible persons and executive officers of Western Sydney University Enterprises Pty Limited during the financial year.

Mr Alan Moran - Acting CEO (Ceased 1 July 2018) Dr Nicolene Murdoch - CEO (Appointed 2 July 2018)

* 1. **Board of Directors**

The following persons were Non-Executive Directors of Western Sydney University Enterprises Pty Limited during the financial year.

Ms Belinda Robinson (Chair - Independent) Mr Angelo Kourtis

Ms Caroline Hutchinson (Independent) Ms Le Ho (Independent)

Professor Michele Simons Mr Ramy Aziz (Independent)

Mr Robin Shreeve (Independent) Professor Simon Barrie

Professor Denise Kirkpatrick (Alternate Director) Mr Michael Burgess (Alternate Director)

1. **Key management personnel disclosures (continued)**
   1. **Remuneration of Board Members and Executives**

**Remuneration of board members**

**2018**

**Number**

**2017**

**Number**

$10,000 to $19,999 **5** 3

**5** 3

**Remuneration of executive officers\***

$290,000 - $299,999 **-** 1

$300,000 - $309,999 **2** 1

**2** 2

\*Remuneration is reflected on an annualised total remuneration package for those key management personnel who were members of the Executive for a part of any year.

* 1. **Key management personnel compensation**

Total remuneration to independent Board members and Executives of the Company during the year are as follows:

**2018**

**$**

**2017**

**$**

Short-term employee benefits **340,345** 302,679

Post-employment benefits **27,334** 24,841

**Total key management personnel compensation 367,679** 327,520

* 1. **Other key management personnel transactions**

No other transactions made with key management personnel during the year (2017: nil).

1. **Related Parties**
   1. **The Company's main related parties are as follows:**
      1. *Entities exercising control over the Company:*

The parent entity, which exercises control over the Company, is Western Sydney University which wholly owns the Company.

* + 1. *Joint Venture with Navitas Ltd:*

Interests in joint venture are set out in note 3.

* 1. **Transactions with related parties**

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

The following transactions occurred with related parties:

|  |  |  |
| --- | --- | --- |
|  | **2018**  **$** | **2017**  **$** |
| **Purchase of goods and services**  Payment to parent entity for capital projects | **73,635** | 463,946 |
| Purchase of catering services from other related parties | **24,990** | 38,675 |
| **Total** | **98,625** | 502,621 |
| **Other transactions**  Royalty to parent entity | **23,755,693** | 22,919,450 |
| Payment of management fee to joint venture | **8,889,082** | 6,194,392 |
| Recoupment of commissions, salaries and other expenses from joint venture | **(3,733,246)** | (3,040,209) |
| Service fee from joint venture | **(608,783)** | (619,439) |
| Share of (profit) loss of joint venture | **(190,052)** | 833,847 |
| Interest received on loan to joint venture | **(104,147)** | (70,040) |
| **Total** | **28,008,547** | 26,218,001 |

*Accounting Policy*

The Company pays a royalty to the parent entity for access to the parent entity's intellectual property, infrastructure, premises and business services. The royalty is determined as 100% of the Company's operating surplus before royalty.

|  |  |  |
| --- | --- | --- |
| **15 Related Parties (continued)**  **(c) Loans to/from related parties** |  | |
|  | **2018** | **2017** |
|  | **$** | **$** |
| **Loans to Parent**  Beginning of the year | **7,001,886** | 5,651,726 |
| Loans advanced | **13,015,929** | 13,976,255 |
| Loan repayments received | **(10,396,835)** | (12,774,984) |
| Interest charged | **177,602** | 148,889 |
| **End of year** | **9,798,582** | 7,001,886 |
| **Loans to Joint Venture**  Beginning of the year | **214,043** | 247,890 |
| Loans advanced | **250,000** | 800,000 |
| Share of profit (loss) of joint venture | **190,052** | (833,847) |
| **End of year** | **654,095** | 214,043 |
| **(d) Outstanding balances** |  |  |
| The following balances are outstanding at the reporting date in relation to transactions with related parties: | | |
|  | **2018** | **2017** |
|  | **$** | **$** |
| Current receivables (loans) |  |  |
| Western Sydney University | **9,798,582** | 7,001,886 |
| Current receivables (provision of services) |  |  |
| Western Sydney University International College Pty Ltd | **1,292,667** | 1,651,601 |
| **Total current receivables** | **11,091,249** | 8,653,487 |
| Non-current receivables (loans) |  |  |
| Western Sydney University International College Pty Ltd | **654,095** | 214,043 |
| **Total non-current receivables** | **654,095** | 214,043 |
| Current payables (purchase of services) |  |  |
| Western Sydney University International College Pty Ltd | **1,590,760** | - |
| **Total current payables** | **1,590,760** | - |

No provisions for doubtful debts have been raised in relation to any outstanding balances, and no expense has been recognised in respect of bad or doubtful debts due from related parties.

1. **Related Parties (continued)**

*Accounting Policy*

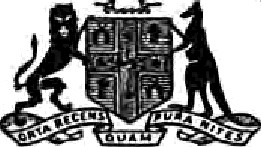
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Loans and receivables are included in currents assets, except for those with maturities greater than 12 months after the end of the reporting period, which are classified as non-current assets.

1. **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.

**End of Audited Financial Statements**





**INDEPENDENT AUDITOR’S REPORT**

**Western Sydney University Enterprises Pty Limited Trading as Western Sydney University The College**

To Members of the New South Wales Parliament and Members of Western Sydney University Enterprises Pty Limited

**Opinion**

I have audited the accompanying financial statements of Western Sydney University Enterprises Pty Limited Trading as Western Sydney University The College (the Company), which comprise 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 comprising a Summary of Significant Accounting Policies and other explanatory information, the Directors’ Declaration and the Responsible Entities' Declaration

In my opinion, the financial statements:

* + are in accordance with the *Corporations Act 2001,* 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 and the Corporations Regulations 2001

* + 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 Company in accordance with the requirements of the:

* + Australian Auditing Standards
* *Corporations Act 2001*
* 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.

Level 15, 1 Margaret Street. Sydney NSW 2000 I GPO Box 12, Sydney NSW 2001 I t 02 9275 7101 I f 02 9275 7179 I e mail@audit.nsw,gov.au I audit.nsw.gov.au

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 14 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 2016, other than the financial statements and my Independent Auditor's Report thereon. The directors of the Company 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.

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, *Corporations Act 2001, 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 are 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 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: [www.auasb.gov.au/auditors responsibilities/ar4.pdf. The](http://www.auasb.gov.au/auditorsresponsibilities/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

A\ March 2019 SYDNEY

**Western Unlimited Ltd**

**(formerly uwsconnect Limited)**

**ABN: 45 107 759 197**

**Financial Statements**

**For the Year Ended 31 December 2018**

These financial statements are the individual entity statements of Western Unlimited Ltd (the Company). The financial statements are presented in the Australian currency.

The Company is limited by guarantee, incorporated and domiciled in Australia. Its registered office is: Office of Governance Services

Building K10, Hawkesbury Campus Western Sydney University Richmond NSW 2753

The financial statements were authorised for issue by the directors on 4 March 2019. The directors have the power to amend and reissue the financial statements.

**ABN: 45 107 759 197**

## Statement by Directors

The directors of Western Unlimited Ltd declare that:

1. The financial statements and notes:
   1. comply with Australian Accounting Standards - Reduced Disclosure Requirements (which include Australian Accounting Interpretations).
   2. comply with the *Public Finance and Audit Act 1983* and the *Public Finance and Audit Regulation 2015*
   3. give a true and fair view of the financial position as at 31 December 2018 and financial performance for the year ended on that date of Western Unlimited Ltd.
2. In the directors' opinion, there are reasonable grounds to believe that Western Unlimited Ltd will be able to pay its debts as and when they become due and payable.
3. We are not aware of any circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.

*This declaration is made in accordance with a resolution of the Board of Directors, pursuant to section 41(c) of the Public Finance and Audit Act 1983.*

John Banks Director



Bill Parasiris Director

4 March 2019

**ABN: 45 107 759 197**

**Responsible Entities' Declaration**

The responsible entity declares that in the responsible entity's opinion:

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

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



John Banks Director

4 March 2019





To the Directors

Western Unlimited Limited

Auditor’s Independence Declaration

As auditor for the audit of the financial report of Western Unlimited 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.



Margaret Crawford Auditor-General of NSW

March 2019 SYDNEY

Level 15, 1 Margaret Street, Sydney NSW 2000 I GPO Box J 2, Sydney NSW 2001 1 102 9275 7101 I (02 9275 7179 I e [mail@audit.new.gov.au](mailto:mail@audit.new.gov.au) I audiLnsw.pov.au

|  |  |  |  |
| --- | --- | --- | --- |
| **Statement of Comprehensive Income** |  | | |
| **For the Year Ended 31 December 2018** |
|  |  | **2018** | **2017** |
|  | **Notes** | **$** | **$** |
| **Revenue** |  |  |  |
| Sale of goods | 2 | **4,508,966** | 5,361,382 |
| Rendering of services | 2 | **813,962** | 941,284 |
| University funding | 2 | **-** | 2,418,063 |
| Other revenue | 2 | **379,949** | 740,617 |
| **Total revenue from operations** |  | **5,702,877** | 9,461,346 |
| Gain on disposal of assets | 3 | **18,216** | 85,596 |
| Loans forgiven by the ultimate parent entity |  | **-** | 3,935,385 |
| **Total income 5,721,093** 13,482,327 | | | |
| **Expenses** |  |  |  |
| Employee related expense | 4 | **(4,341,768)** | (5,517,944) |
| Raw materials and consumables used |  | **(2,227,332)** | (2,580,142) |
| Occupancy expenses | 4 | **(189,852)** | (237,656) |
| Finance costs |  | **(63,306)** | (176,975) |
| Minor equipment |  | **(23,696)** | (76,935) |
| Depreciation and amortisation expense | 4 | **(10,532)** | (20,059) |
| Other expenses | 4 | **(597,369)** | (1,763,202) |
| **Total expenses (7,453,855)** (10,372,913) | | | |
| **Surplus / (Deficit) for the year** | | **(1,732,762)** | 3,109,414 |
| **Total comprehensive income for the year** | | **(1,732,762)** | 3,109,414 |
| **Comprehensive income for the year attributable to:**  Non-controlling interests | | **-** | - |
| Parent | | **(1,732,762)** | 3,109,414 |
| **Total comprehensive income for the year** | | **(1,732,762)** | 3,109,414 |

The accompanying notes form part of these financial statements.

|  |  |  |  |
| --- | --- | --- | --- |
| **Statement of Financial Position** |  | | |
| **As at 31 December 2018** |
|  |  | **2018** | **2017** |
|  | **Notes** | **$** | **$** |
| **Assets Current assets** |  |  |  |
| Cash and cash equivalents | 5 | **57,410** | 142,653 |
| Trade and other receivables | 6 | **88,281** | 128,639 |
| Inventories | 7 | **27,099** | 58,060 |
| Other assets | 8 | **30,577** | 43,738 |
| **Total current assets** |  | **203,367** | 373,090 |
| **Non-current assets** |  |  |  |
| Property, plant and equipment | 9 | **21,758** | 34,346 |
| Intangible assets | 10 | **-** | - |

**Total non-current assets 21,758** 34,346

|  |  |  |  |
| --- | --- | --- | --- |
| **Total assets** |  | **225,125** | 407,436 |
| **Liabilities Current liabilities** |  |  |  |
| Trade and other payables | 11 | **242,705** | 390,675 |
| Borrowings from the parent | 12 | **2,679,303** | 799,365 |
| Employee benefit provisions | 13 | **238,704** | 374,226 |
| **Total current liabilities** |  | **3,160,712** | 1,564,266 |
| **Non-current liabilities** |  |  |  |
| Employee benefit provisions | 13 | **27,005** | 73,000 |

**Total non-current liabilities Total liabilities**

|  |  |  |
| --- | --- | --- |
|  | **27,005** | 73,000 |
|  | **3,187,717** | 1,637,266 |

**Net assets (2,962,592)** (1,229,830)

**Equity**

Retained earnings 14 **(2,962,592)** (1,229,830)

**Total equity (2,962,592)** (1,229,830)

The accompanying notes form part of these financial statements.

|  |  |  |  |
| --- | --- | --- | --- |
| **Statement of Changes in Equity** |  |  |  |
| **For the Year Ended 31 December 2018** |  |  |  |
|  |  | **Retained Earnings** | **Total equity** |
|  | **Notes** | **$** | **$** |
| **Balance 1 January 2018** |  | **(1,229,830)** | **(1,229,830)** |
| Surplus / (Deficit) for the year |  | **(1,732,762)** | **(1,732,762)** |

**Total comprehensive income for the year (1,732,762) (1,732,762) Balance at 31 December 2018** 14 **(2,962,592) (2,962,592)**

|  |  |  |  |
| --- | --- | --- | --- |
|  | | **Retained Earnings** | **Total equity** |
| **$** | **$** |
| **Balance 1 January 2017** | | (4,339,244) | (4,339,244) |
| Surplus / (Deficit) for the year | | 3,109,414 | 3,109,414 |
| **Total comprehensive income for the year** | | 3,109,414 | 3,109,414 |
| **Balance at 31 December 2017** | 14 | (1,229,830) (1,229,830) | |

The accompanying notes form part of these financial statements.

|  |  |  |  |
| --- | --- | --- | --- |
| **Statement of Cash Flows** |  | | |
| **For the Year Ended 31 December 2018** |
|  |  | **2018** | **2017** |
|  | **Notes** | **$** | **$** |
| **Cash flows from operating activities**  Receipts from customers |  | **6,067,533** | 12,018,622 |
| Payments to suppliers and employees |  | **(7,993,287)** | (11,982,694) |
| Interest received |  | **3,607** | 6,999 |
| Interest paid |  | **(68,641)** | (176,975) |
| **Net cash used in operating activities** |  | **(1,990,788)** | (134,048) |
| **Cash flows from investing activities**  Proceeds from sale of plant and equipment |  | **20,272** | 664,350 |
| **Net cash provided by investing activities** |  | **20,272** | 664,350 |
| **Cash flows from financing activities**  Proceeds from borrowings |  | **1,885,273** | 899,900 |
| Payment of borrowings |  | **-** | (1,783,557) |

**Net cash (used in) / provided by financing activities 1,885,273** (883,657)

|  |  |  |  |
| --- | --- | --- | --- |
| **Net (decrease) / increase in cash and cash equivalents held** |  | **(85,243)** | (353,355) |
| Cash and cash equivalents at beginning of the year |  | **142,653** | 496,008 |
| **Cash and cash equivalents at end of financial year** | 5 | **57,410** | 142,653 |

The accompanying notes form part of these financial statements.

## Notes to the Financial Statements

###### For the Year Ended 31 December 2018

**1 Summary of Significant Accounting Policies**

Western Unlimited Ltd (the Company) is a registered Company limited by guarantee and is a controlled entity of Western Sydney University. The Company name change to Western Unlimited Ltd was completed on 15 June 2017. The Company was previously known as uwsconnect Limited. The Company is incorporated and domiciled in Australia.

The principal place of business for Western Unlimited Ltd is:

Western Sydney University Building K8, Hawkesbury Campus Richmond NSW 2753

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

1. **Basis of Preparation**

The financial statements are general purpose financial statements which have been prepared in accordance with:

* *Australian Accounting Standards (which include Australian Accounting Interpretations),*
* the *Public Finance and Audit Act 1983*,
* the *Public Finance and Audit Regulation 2015*,
* the *Australian Charities and Not-for-profits Commission Act 2012 (ACNC Act) and Division 60 of the Regulation 201*3.

These financial statements comply with Australian Accounting Standards - Reduced Disclosure Requirements as issued by the Australian Accounting Standards Board.

The financial statements have been prepared on an accrual basis and are based on historic costs, modified, where applicable, by the measurement at fair value of selected financial assets and financial liabilities.

The financial statements were authorised for issue by the Board members of Western Unlimited Ltd on 4 March 2019.

* 1. **Critical accounting estimates**

The preparation of financial statements 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. Estimates and judgements are continually evaluated and are based on historic experience and other factors, including expectations of future events that may have a financial impact of the Company and that are believed to be reasonable under the circumstances.

All significant estimates or assumptions made in the financial statements have been explained in the accounting policy notes or subsequent notes.

* 1. **Functional and presentation currency**

The financial statements are presented in Australian dollars.

1. **Income Tax**

The Company is exempt from the payment of tax by virtue of section 50-B of the Income Tax Assessment Act 1997. Accordingly, no provision for income tax liability or future income income tax benefit has been included in the accounts.

## Notes to the Financial Statements

###### For the Year Ended 31 December 2018

**1 Summary of Significant Accounting Policies (Continued)**

1. **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 Australian Taxation Office. In this case it is recognised as part of the cost of 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.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **(d)** | **Comparative Amounts** | | | |
| Where necessary, comparative information has been reclassified to enhance comparability in respect of changes in presentation adopted in the current year. | | | | |
|  |  | **2017** |  | **2017** |
|  |  | **Reported** | **Reclassification** | **Revised** |
|  |  | **$** | **$** | **$** |
|  | **Note 4: Expenses** |  |  |  |
|  | **Occupancy expenses**  Cleaning and waste removal | 39,376 | 16,699 | 56,075 |
|  | **Total occupancy expenses** | 220,957 | 16,699 | 237,656 |
|  | **Other expenses**  Other | 289,860 | (16,699) | 273,161 |
|  | **Total other expenses** | 1,779,901 | (16,699) | 1,763,202 |
|  | **Note 6: Trade and other receivables**  Prepayments | 6,046 | 23,378 | 29,424 |
|  | **Note 11: Trade and other payables**  Other payables | 69,552 | 23,378 | 92,930 |
| **(e)** | **Initial application of Australian Accounting Standard** |  |  |  |
| **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, and hedge accounting.

The Company applied AASB9 for the current financial year with an initial application date of 1 January 2018. The Company has not restated the comparative information, which continues to be reported under AASB139.

Due to the nature of the business, the effect of the changes as a result of adoption of AASB9 are considered immaterial.

Refer to Note 6 for the accounting policy relating to impairment.

## Notes to the Financial Statements

###### For the Year Ended 31 December 2018

|  |  |  |  |
| --- | --- | --- | --- |
| **2** | **Revenue** | | |
|  | | **2018** | **2017** |
|  | | **$** | **$** |
| **Sale of goods**  Food and beverage | | **4,365,113** | 4,911,329 |
| Retail | | **143,853** | 55,653 |
| Books | | **-** | 394,400 |
| **Total sale of goods** | | **4,508,966** | 5,361,382 |
| **Rendering of services**  Sports | | **802,372** | 938,157 |
| Venue hire | | **11,590** | 3,127 |
| **Total rendering of services** | | **813,962** | 941,284 |
| **University funding**  University funding - general | | **-** | 1,200,000 |
| University funding - community services | | **-** | 425,694 |
| University funding - clubs | | **-** | 350,000 |
| University funding - sport | | **-** | 442,369 |
| **Total University funding** | | **-** | 2,418,063 |
| **Other revenue**  Bank interest | | **3,607** | 6,999 |
| Other revenue | | **376,342** | 733,618 |
| **Total other revenue** | | **379,949** | 740,617 |
| **Total revenue from operations** | | **5,702,877** | 9,461,346 |
| *Accounting policy* | |  |  |

The Company recognises revenue when the amount 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 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 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.

1. **Sale of goods and rendering of services**

A sale is recorded when goods have been delivered to the customer, the customer has accepted the goods and collectability of the related receivables is probable. Revenue from rendering of services is recognised when that service has been provided.

1. **Other revenue**

All other material revenue is accounted for on an accrual basis.

## Notes to the Financial Statements

###### For the Year Ended 31 December 2018

|  |  |  |  |
| --- | --- | --- | --- |
| **3** | **Gain on disposal of assets** |  |  |
|  |  | **2018** | **2017** |
|  |  | **$** | **$** |
|  | Proceeds from sale | **20,272** | 234,350 |
|  | Carrying amount of assets sold | **(2,056)** | (148,754) |
|  | **Total gain on disposal of assets** | **18,216** | 85,596 |
|  | *Accounting Policy* |  |  |

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of comprehensive income.

|  |  |  |  |
| --- | --- | --- | --- |
| **4** | **Expenses** |  | |
|  |  | **2018** | **2017** |
|  |  | **$** | **$** |
|  | **Employee related expenses**  Salaries and wages | **3,684,926** | 4,566,992 |
|  | Superannuation | **331,391** | 405,629 |
|  | Annual leave | **102,474** | 170,742 |
|  | Workers compensation | **95,205** | 39,442 |
|  | Long service leave | **69,061** | 108,524 |
|  | Other | **58,711** | 226,615 |
|  | **Total employee related expenses** | **4,341,768** | 5,517,944 |
|  | **Occupancy expenses\***  Repairs and maintenance | **70,941** | 94,523 |
|  | Cleaning and waste removal | **48,831** | 56,075 |
|  | Minimum lease payments on operating leases | **46,168** | 24,774 |
|  | Utilities | **19,847** | 33,861 |
|  | Security | **4,065** | 28,423 |
|  | **Total occupancy expenses** | **189,852** | 237,656 |

\* Western Unlimited Ltd currently resides in facilities owned by the University for which there is no charge. The value of this accommodation cannot be reliably measured or quantified due to the specialised nature of the premises, therefore no expense has been recognised in the financial statements.

|  |  |  |
| --- | --- | --- |
| **Depreciation** |  | |
| Plant and equipment | **8,426** | 8,914 |
| Motor vehicles | **2,106** | 11,145 |
| **Total depreciation** | **10,532** | 20,059 |

## Notes to the Financial Statements

###### For the Year Ended 31 December 2018

|  |  |  |  |
| --- | --- | --- | --- |
| **4** | **Expenses (Continued)** |  | |
|  |  | **2018** | **2017** |
|  |  | **$** | **$** |
|  | **Other expenses**  Consultancy, agency and service provider fees | **230,964** | 234,065 |
|  | Consumables and supplies | **80,976** | 360,520 |
|  | Equipment hire | **46,445** | 44,788 |
|  | Motor vehicle | **27,515** | 68,872 |
|  | Advertising, marketing and promotional | **11,172** | 781,796 |
|  | Other | **200,297** | 273,161 |
|  | **Total other expenses** | **597,369** | 1,763,202 |

1. **Cash and cash equivalents**

**2018**

**$**

**2017**

**$**

Cash at bank and on hand **57,410** 142,653

**Total cash and cash equivalents in the statement of**

**financial position and statement of cash flows 57,410** 142,653

|  |  |  |  |
| --- | --- | --- | --- |
| **6** | **Trade and other receivables** |  |  |
|  |  | **2018** | **2017** |
|  |  | **$** | **$** |
|  | Trade receivables | **47,711** | 99,215 |
|  | Provision for impairment | **(18,371)** | - |
|  | **Net trade receivables** | **29,340** | 99,215 |
|  | Prepayments | **58,941** | 29,424 |
|  | **Total current trade and other receivables** | **88,281** | 128,639 |
|  | *Accounting policy* |  |  |

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Trade receivables are due for settlement no more than 30 days for debtors. They are presented as current assets unless collection is not expected for more than 12 months after reporting date.

Collectability of trade receivables is reviewed on an ongoing basis. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, a provision is made for credit losses from default events that are possible within the next 12 months.

## Notes to the Financial Statements

###### For the Year Ended 31 December 2018

1. **Trade and other receivables (Continued)**

As at 31 December 2018 trade receivables of $29,176 (2017: $99,215) were past due but not impaired. The ageing of these receivables is as follows:

|  |  |  |
| --- | --- | --- |
|  | **2018**  **$** | **2017**  **$** |
| Up to 3 months | **27,872** | 78,205 |
| 3 to 6 months | **1,304** | 12,554 |
| Over 6 months | **-** | 8,456 |
| **Total past due but not impaired** | **29,176** | 99,215 |

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

1. **Inventories**

**Finished goods**

**2018**

**$**

**2017**

**$**

At net realisable value **27,099** 58,060

**27,099** 58,060

*Accounting Policy*

All inventories are measured at the lower of cost and net realisable value. All stock is valued at weighted average cost.

1. **Other assets**

**Current**

**2018**

**$**

**2017**

**$**

Accrued income **30,577** 43,738

**Total other assets 30,577** 43,738

**Notes to the Financial Statements**

**For the Year Ended 31 December 2018**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **9** | **Property, plant and equipment** | **Plant and Equipment** | **Motor Vehicles** | **Total** |
|  |  | **$** | **$** | **$** |
|  | **At 1 January 2017** |  |  |  |
|  | Cost | 232,533 | 278,287 | 510,820 |
|  | Accumulated depreciation | (191,601) | (253,076) | (444,677) |
|  | **Net book amount** | 40,932 | 25,211 | 66,143 |
|  | **Year ended 31 December 2017** |  |  |  |
|  | Opening net book amount | 40,932 | 25,211 | 66,143 |
|  | Disposals - written down value | (1,834) | (16,654) | (18,488) |
|  | Depreciation charge | (8,914) | (11,145) | (20,059) |
|  | Non-cash adjustment | - | 6,750 | 6,750 |
|  | **Closing net book amount** | 30,184 | 4,162 | 34,346 |
|  | **At 31 December 2017** |  |  |  |
|  | Cost | 209,920 | 193,576 | 403,496 |
|  | Accumulated depreciation | (179,736) | (189,414) | (369,150) |
|  | **Net book amount** | 30,184 | 4,162 | 34,346 |
|  | **Year ended 31 December 2018** |  |  |  |
|  | Opening net book amount | 30,184 | 4,162 | 34,346 |
|  | Disposals | - | (2,056) | (2,056) |
|  | Depreciation charge | (8,426) | (2,106) | (10,532) |
|  | **Closing net book amount** | **21,758** | **-** | **21,758** |
|  | **At 31 December 2018** |  |  |  |
|  | Cost | 185,920 | 121,631 | 307,551 |
|  | Accumulated depreciation | (164,162) | (121,631) | (285,793) |
|  | **Net book amount** | **21,758** | **-** | **21,758** |
|  | *Accounting Policy* |  |  |  |

Property, plant and equipment are stated at cost less accumulated depreciation.

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 and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the reporting period in which they are incurred.

Depreciation on assets is calculated using the straight line method to allocate their costs or re-valued amounts, net of their residual values, over their estimated useful lives.

## Notes to the Financial Statements

###### For the Year Ended 31 December 2018

1. **Property, plant and equipment (Continued)**

The estimated useful lives for each class of depreciable assets are:

**Class of Assets Useful Life**

Plant and Equipment 3-10 years

Motor Vehicles 6-7 years

The asset's 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.

1. **Intangible assets**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Software** | **Franchise fees** | **Total** |
| **$** | **$** | **$** |
| **Year ended 31 December 2018**  Opening net book amount | **-** |  | **-** |
| Amortisation | **-** |  | **-** |
| **Closing net book amount** | **-** | **-** | **-** |
| **At 31 December 2018** |  |  |  |
| Cost | 65,500 | - | 65,500 |
| Accumulated amortisation | (65,500) | - | (65,500) |
| **Net book amount** | **-** | **-** | **-** |
| **At 1 January 2017** |  |  |  |
| Cost | 65,500 | 15,000 | 80,500 |
| Accumulated amortisation | (65,500) | (15,000) | (80,500) |
| **Net book amount** | **-** | **-** | **-** |
| Opening net book amount | **-** |  | - |
| **Closing net book amount** | **-** | **-** | **-** |
| **At 31 December 2017** |  |  |  |
| Cost | 65,500 | - | 65,500 |
| Accumulated amortisation | (65,500) | - | (65,500) |
| **Net book amount** | - | - | - |

**Notes to the Financial Statements**

**For the Year Ended 31 December 2018**

**10 Intangible assets (Continued)**

*Accounting policy*

Costs incurred in developing products or systems and costs incurred in acquiring software and licences that contribute to future financial benefits through revenue generation and/or cost reduction, are capitalised in software and systems. Costs capitalised include external direct costs of materials and services and direct payroll and payroll related costs to employee's time spent on the project. Amortisation is calculated on a straight line basis over periods generally ranging from 3 to 5 years.

|  |  |  |  |
| --- | --- | --- | --- |
| **11** | **Trade and other payables** |  | |
|  |  | **2018** | **2017** |
|  |  | **$** | **$** |
|  | Trade payables | **57,740** | 145,047 |
|  | Accrued expenses | **160,182** | 152,698 |
|  | Other payables | **24,783** | 92,930 |
|  |  | **242,705** | 390,675 |
|  | *Accounting Policy* |  |  |

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid according to the credit terms agreed with the suppliers. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date.

|  |  |  |  |
| --- | --- | --- | --- |
| **12** | **Borrowings from the Parent** |  | |
|  | **Unsecured - current** | **2018**  **$** | **2017**  **$** |
|  | Loans from related parties | **2,679,303** | 799,365 |
|  | **Total current borrowings** | **2,679,303** | 799,365 |

During the current financial period the Company borrowing facility was further increased by $1M to a maximum $3.5M. Western Unlimited Ltd has an unused borrowing facility to the value of $0.821M (2017: $1.701M).

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

## Notes to the Financial Statements

###### For the Year Ended 31 December 2018

|  |  |  |  |
| --- | --- | --- | --- |
| **13** | **Employee benefit provisions**  **Current provisions expected to be settled within 12 months.** |  |  |
|  |  | **2018** | **2017** |
|  |  | **$** | **$** |
|  | Annual leave | **105,406** | 143,874 |
|  | Long service leave | **85,062** | 53,785 |
|  | Total current provisions | **190,468** | 197,659 |
|  | **Current provisions expected to be settled after more than 12 months** | **2018** | **2017** |
|  |  | **$** | **$** |
|  | Annual leave | **14,592** | 61,567 |
|  | Long service leave | **33,644** | 115,000 |
|  |  | **48,236** | 176,567 |
|  | **Total current provisions** | **238,704** | 374,226 |
|  | **Non-current provisions** |  |  |
|  |  | **2018** | **2017** |
|  |  | **$** | **$** |
|  | Long service leave | **27,005** | 73,000 |
|  | **Total non-current provisions** | **27,005** | 73,000 |
|  | *Accounting policy* |  |  |

Liabilities for short-term employee benefits such as wages and salaries including non-monetary benefits, expected to be settled wholly within 12 months after the end of the reporting period, are measured at the amounts expected to be paid when the liabilities are settled, and are recognised in other payables.

The liability for long service leave and annual leave which is not expected to be settled within 12 months after the end of the reporting period, is recognised in the provision for employee benefits and measured at the present value of expected future payments to be made when the liability is settled. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Regardless of the expected timing of settlements, provisions made in respect of employee benefits are classified as a current liability, unless there is an unconditional right to defer the settlement of the liability for at least 12 months after the reporting date, in which case, it would be classified as a non-current liability.

|  |  |  |
| --- | --- | --- |
| Movements in retained earnings were as follows: |  | |
|  | **2018** | **2017** |
|  | **$** | **$** |
| Opening balance | **(1,229,830)** | (4,339,244) |
| Surplus / (Deficit) for the year | **(1,732,762)** | 3,109,414 |
| **Closing Balance** | **(2,962,592)** | (1,229,830) |
| **15 Key Management Personnel Disclosures** |  |  |

1. **Names of responsible persons and executive officers**

The following persons were responsible persons and executive officers of Western Unlimited Ltd during the financial year:

* 1. Names of Responsible Persons and Executive Officers Bill Parasiris

Ellen Brackenreg

All responsible persons and executive officers are employees of Western Sydney University and are not remunerated for their executive responsibilities.

* 1. Board of Directors

John Banks (Chair) Peter Pickering

Bill Parasiris Ellen Brackenreg John Hart

1. **Remuneration of Board Members**

Remuneration of Board Members

**2018**

**Number**

**2017**

**Number**

Nil to $9,999 **-** 1

$10,000 to $19,999 **1** -

**1** 1

1. **Key Management Personnel Disclosures (Continued)**

|  |  |  |  |
| --- | --- | --- | --- |
| **(c)** | **Key management personnel compensation** |  | |
|  |  | **2018** | **2017** |
|  |  | **$** | **$** |
|  | Short-term employee benefits Post-employment benefits Termination benefits | **13,750**  **-**  **-** | 6,850  -  - |
|  | **Total key management personnel compensation** | **13,750** | 6,850 |

1. **Contingencies**

The Company had no contingent liabilities at 31 December 2018 (2017: Nil).

1. **Commitments**
   1. Operating lease commitments

The Company leases plant and office equipment under non-cancellable operating leases contracted but not capitalised in the financial statements. The leases have renewal rights, whereby the terms of the lease are renegotiable**.**

|  |  |  |  |
| --- | --- | --- | --- |
|  |  | **2018**  **$** | **2017**  **$** |
| Commitments for minimum lease payments in relation to non- cancellable operating leases are payable as follows: |  |  |
| - no later than 1 year | **36,293** | 36,895 |
| - between 1 year and 5 years | **22,171** | 31,821 |
| **Total future minimum lease payments** | **58,464** | 68,716 |
| **(b)** | Capital expenditure commitments |  |  |
|  | Property, plant and equipment |  |  |
|  | - no later than 1 year | **-** | 12,807 |
|  | **Total capital expenditure commitments** | **-** | 12,807 |

|  |  |  |
| --- | --- | --- |
| **18** | **Related party transactions** |  |
|  | **(a)** Parent entity |
|  | The ultimate parent entity of the Company is Western Sydney University. |
|  | **(b)** Transactions with related parties |
|  | Transactions between related parties are on normal commercial terms and conditions no more those available to other parties unless otherwise stated. | favourable than |
|  | The following transactions occurred with related parties: |  |
|  | **2018** | **2017** |
|  | **$** | **$** |
|  | **Sale of goods and services** |  |
|  | Sale of goods and services to the ultimate parent entity **1,542,750** | 1,545,547 |
|  | Sale of goods and services to other related parties **27,818** | 48,163 |
|  | **Total sale of goods and services 1,570,568** | 1,593,710 |
|  | **University Funding** |  |
|  | Funding from the ultimate parent entity **-** | 2,418,063 |
|  | **Total University funding -** | 2,418,063 |
|  | **(c)** Outstanding balances arising from sales or purchases of goods and services |  |

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

**Current payables**

**2018**

**$**

**2017**

**$**

Other related parties **-** 67,790

**Total current payables -** 67,790

|  |  |  |  |
| --- | --- | --- | --- |
| **(d)** | Loans from the ultimate parent entity |  | |
|  |  | **2018** | **2017** |
|  |  | **$** | **$** |
|  | Beginning of the year | **799,365** | 5,618,407 |
|  | Loans advanced | **1,885,273** | 899,900 |
|  | Interest charged | **63,306** | 176,975 |
|  | Loan repayment | **(68,641)** | (1,960,532) |
|  | Loans forgiven by the parent entity | **-** | (3,935,385) |
|  | End of the year | **2,679,303** | 799,365 |

Finance costs relating to the Western Sydney University loan facilities are expensed.

1. **Economic dependency**

The Company is economically dependent on Western Sydney University for the provision of office accommodation and support activities.

The Company's borrowings are from the Parent entity as mentioned in Note 18 (d), with funding limited to day to day working capital.

The Company is dependent on Western Sydney University to provide financial support should the need arise. A Letter of Support has been provided by Western Sydney University.

1. **Events occurring after the reporting period**

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.



”6 '

UTH \*“

**INDEPENDENT AUDITOR’S REPORT**

Western Unlimited Ltd (formerly uwsconnect Limited)

To Members of the New South Wales Parliament and Members of Western Unlimited Ltd

**Opinion**

I have audited the accompanying financial report of Western Unlimited Ltd (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 comprising a summary of significant accounting policies and other explanatory information, and the responsible entities declaration.

In my opinion, the financial report:

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

Level 15, 1 Margaret Street Sydney NSW 2000 I GPO Box 12, Sydney NSW 2001 I t02 9275 710a f 02 9275 7179 I e [mail@audit.new.gov.au](mailto:mail@audit.new.gov.au) I audiLnsw.oov.au

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 report and my Independent Auditor's Report thereon. The directors of the Company are responsible for the other information. At the date of this Independent Auditor’s Report, the other information I have received comprises the statement by directors.

My opinion on the financial report 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 report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report 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 Report**

The directors of the Company are responsible for the preparation and fair presentation of the financial report 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 directors determine is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, 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 Report**

My objectives are to.

* + obtain reasonable assurance about whether the financial report 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 report.

A description of my responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: [www.auasb.qov.au/auditors responsibilities/ar4 Pdf. The](http://www.auasb.qov.au/auditorsresponsibilities/ar4Pdf.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 report on any website where it may be presented
  + about any other information which may have been hyperlinked to/from the financial report.



Margaret Crawford Auditor-General for NSW

March 2019 SYDNEY

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# Western Sydney University Early Learning Limited

## (formerly UWS Early Learning Limited)

**ABN: 39 155 993 445**

**Financial Statements**

**For the Year Ended 31 December 2018**

**Statement by Directors**

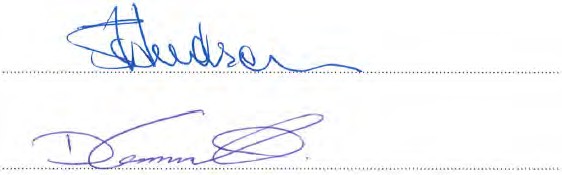
The directors of Western Sydney University Early Learning Limited declare that:

1. Under s41C (1b) of the *Public Finance & Audit Act 1983* we state to the best of our knowledge and belief the financial statements and notes, as set out on pages 149 to 162:
   1. comply with:

* Australian Accounting Standards - Reduced Disclosure Requirements, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board
* *The Public Finance & Audit Act 1983*, and Regulation
* *The Australian Charities and Not-For-Profits Commission Act 2012*, and
  1. give a true and fair view of the financial position as at 31 December 2018 and of the performance for the year ended on that date of Western Sydney University Early Learning Limited.

1. In the directors' opinion, there are reasonable grounds to believe that Western Sydney University Early Learning Limited will be able to pay its debts as and when they become due and payable.
2. We are not aware of any circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.

This declaration is made in accordance with a resolution of the Board of Directors, pursuant to section 41(C) of the *Public Finance and Audit Act 1983*.

Director

................................................................................................................................................

................................................................................................................................................

Director

Dated this . ................ day of 2019

....................

........................

**Responsible entities declaration**

The responsible entity declares that in the responsible entity's opinion:

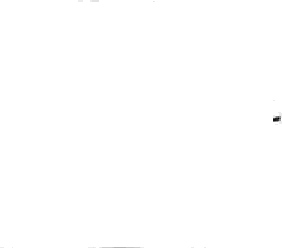
1. there are reasonable grounds to believe that the registered entity is able to pay all of its debts, as and when they become due and payable; and
2. the financial statements and notes satisfy the requirements of the *Australian Charities and Not-for-profit Commission Act 2012*.

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



Darren Greentree Director

5 March 2019





To the Directors

Western Sydney University Early Learning Limited

Auditor’s Independence Declaration

As auditor for the audit of the financial report of Western Sydney University Early Learning 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.



Margaret Crawford Auditor-General of NSW

March 2019 SYDNEY

Level 15, 1 Margaret Street, Sydney NSW 2ooo I GPO Box 12, Sydney NSW 2001 I t 02 9275 7101 I f 02 9275 7179 I e mail audit.nsw.gov.au I audit.nsw.gov.au

|  |  |  |  |
| --- | --- | --- | --- |
| **Statement of Comprehensive Income** |  | | |
| **For the year ended 31 December 2018** |
|  |  | **2018** | **2017** |
|  | **Notes** | **$** | **$** |
| **Income from continuing operations**  Child care services |  | **7,102,084** | 6,771,921 |
| Interest |  | **56,128** | 50,563 |
| Other revenue | 2 | **101,540** | 219,218 |
| **Total income from continuing operations** |  | **7,259,752** | 7,041,702 |
| **Expenses from continuing operations**  Employee related expenses | 3 | **(6,293,901)** | (5,829,194) |
| Consumables and supplies | 3 | **(310,166)** | (351,029) |
| Other expenses | 3 | **(454,194)** | (486,648) |
| **Total expenses from continuing operations** | | **(7,058,261)** (6,666,871) | |
| **Surplus / (deficit) for the year** | | **201,491** 374,831 | |
| **Other comprehensive income for the year** | | **-** - | |
| **Total comprehensive income for the year** | | **201,491** 374,831 | |

The accompanying notes form part of these financial statements.

|  |  |  |  |
| --- | --- | --- | --- |
| **Statement of Financial Position** |  | | |
| **As At 31 December 2018** |
|  |  | **2018** | **2017** |
|  | **Notes** | **$** | **$** |
| **Assets** |  |  |  |
| **Current assets**  Cash and cash equivalents | 4 | **425,261** | 482,158 |
| Trade and other receivables | 5 | **2,362,470** | 2,229,894 |
| Prepayments | 6 | **24,747** | 173,396 |
| **Total current assets** |  | **2,812,478** | 2,885,448 |
| **Non-current assets**  Property, plant and equipment | 7 | **210,740** | - |

**Total non-current assets 210,740** -

|  |  |  |  |
| --- | --- | --- | --- |
| **Total assets** |  | **3,023,218** | 2,885,448 |
| **Liabilities** |  |  |  |
| **Current liabilities**  Trade and other payables | 8 | **574,970** | 600,157 |
| Deferred income |  | **123,017** | 122,777 |
| Employee benefit provisions | 9 | **557,919** | 648,628 |
| **Total current liabilities** |  | **1,255,906** | 1,371,562 |
| **Non-current liabilities**  Employee benefit provisions | 9 | **136,935** | 85,000 |

**Total non-current liabilities Total liabilities**

|  |  |  |
| --- | --- | --- |
|  | **136,935** | 85,000 |
|  | **1,392,841** | 1,456,562 |

|  |  |  |  |
| --- | --- | --- | --- |
| **Net assets** |  | **1,630,377** | 1,428,886 |
| **Equity**  Retained earnings | 10 | **1,630,377** | 1,428,886 |

**Total equity 1,630,377** 1,428,886

The accompanying notes form part of these financial statements.

|  |  |  |  |
| --- | --- | --- | --- |
| **Statement of Changes in Equity** |  |  |  |
| **For the Year Ended 31 December 2018** |  |  |  |
|  |  | **Retained earnings** | **Total equity** |
|  | **Notes** | **$** | **$** |
| **Balance at 1 January 2018** |  | **1,428,886** | **1,428,886** |
| **Comprehensive income for the year** |  |  |  |
| Surplus / (deficit) for the year |  | **201,491** | **201,491** |
| Other comprehensive income for the year |  | **-** | **-** |
| **Total comprehensive income for the year** |  | **201,491** | **201,491** |
| **Balance at 31 December 2018** | 10 | **1,630,377** | **1,630,377** |
|  |  | **Retained earnings** | **Total equity** |
|  |  | **$** | **$** |
| **Balance at 1 January 2017** |  | 1,054,055 | 1,054,055 |
| **Comprehensive income for the year** |  |  |  |
| Surplus / (deficit) for the year |  | 374,831 | 374,831 |
| Other comprehensive income for the year |  | - | - |
| **Total comprehensive income for the year** |  | 374,831 | 374,831 |
| **Balance at 31 December 2017** | 10 | 1,428,886 | 1,428,886 |

The accompanying notes form part of these financial statements.

|  |  |  |  |
| --- | --- | --- | --- |
| **Statement of Cash Flows** |  | | |
| **For the Year Ended 31 December 2018** |
|  |  | **2018** | **2017** |
|  | **Notes** | **$** | **$** |
| **Cash flows from operating activities:** |  |  |  |
| Receipts for services |  | **7,142,798** | 7,054,109 |
| Payments to suppliers and employees (inclusive of GST) |  | **(7,012,229)** | (6,646,865) |
| Interest received |  | **56,128** | 50,563 |
| **Net cash provided by operating activities** |  | **186,697** | 457,807 |
| **Cash flows from investing activities:**  Loans to related parties |  | **(32,854)** | (623,012) |
| Payment for property, plant and equipment |  | **(210,740)** | - |
| **Net cash used in investing activities** |  | **(243,594)** | (623,012) |
| **Cash flows from financing activities:** |  |  |  |
| **Net cash used in financing activities** |  | **-** | - |
| **Net decrease in cash and cash equivalents held** |  | **(56,897)** | (165,205) |
| Cash and cash equivalents at the beginning of the year |  | **482,158** | 647,363 |
| **Cash and cash equivalents at the end of the financial year** | 4 | **425,261** | 482,158 |

The accompanying notes form part of these financial statements.

**Notes to the Financial Statements**

###### For the year ended 31 December 2018

**1 Summary of significant accounting policies**

Western Sydney University Early Learning Limited (the Company) is a not-for-profit company limited by guarantee and is a controlled entity of Western Sydney University. Prior to 29 May 2017 the Company was known as UWS Early Learning Limited. The Company was incorporated on 2 March 2012 and domiciled in Australia.

Its registered office is:

Western Sydney University Early Learning Limited WSU Company Secretary, Entities, Finance Office Building M16 College Drive, Richmond NSW 2753

The principal place of business is:

Western Sydney University

Building P18 College Drive, Richmond NSW 2753

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

The financial statements for the year ended 31 December 2018 are authorised for issue in accordance with a resolution of the Board of Directors on 5 March 2019.

1. **Basis of preparation**

The annual financial statements represent the audited general purpose financial statements of Western Sydney University Early Learning Limited. They have been prepared on an accrual basis and are based on historical costs, modified where applicate, by the measurement at fair value of selected non-current assets and financial liabilities. They have been prepared in accordance with:

*- Australian Accounting Standards, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board*

* *The Public Finance & Audit Act 1983,* and Regulation
* *The Australian Charities and Not-For-Profits Commission Act 2012*.

These financial statements comply with Australian Accounting Standards - Reduced Disclosure Requirements as issued by the Australian Accounting Standards Board.

* 1. **Critical accounting estimates and judgements**

The preparation of financial statements 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. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances. All significant estimates or assumptions made in the financial statements have been explained in the accounting policy or subsequent notes.

* 1. **Functional and presentation currency**

The financial statements are presented in Australian dollars.

#### Notes to the Financial Statements

###### For the year ended 31 December 2018

**1 Summary of significant accounting policies (continued)**

* 1. **Comparative amounts**

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in the presentation for the current financial year.

The following items have been adjusted to conform with the current year's presentation.

|  |  |  |
| --- | --- | --- |
|  | **2017**  **Reported** | **2017**  **Revised** |
| **$** | **$** |
| **Statement of comprehensive income**  Provision for doubtful debts | 7,244 | - |
| Consumables and supplies | - | 351,029 |
| Other expenses | 830,433 | 486,648 |
|  | 837,677 | 837,677 |
| **Note 3 Expenses** |  |  |
| **Employee related expenses**  Salaries and wages | 5,163,728 | 4,845,346 |
| Superannuation | 449,820 | 449,820 |
| Worker's compensation | 55,654 | 55,654 |
| Annual and long service leave | 147,484 | 465,866 |
| Other | 12,508 | 12,508 |
| **Total employee related expenses** | 5,829,194 | 5,829,194 |
| **Consumables and supplies**  Consumables | - | 231,365 |
| Centre resources and supplies | - | 119,664 |
| **Total consumables and supplies** | - | 351,029 |
| **Other expenses**  Consumables | 231,365 | - |
| Cleaning | 162,294 | 162,294 |
| Centre resources and supplies | 119,664 | - |
| Non-capitalised equipment | 74,203 | 74,203 |
| Repairs and maintenance | 52,122 | 52,122 |
| Printing | 44,293 | 44,293 |
| Staff development | 40,412 | 40,412 |
| Consulting | 6,500 | 31,700 |
| Advertising, marketing and promotional | - | 47,355 |
| Sundry Expenses | 99,580 | 34,269 |
| **Total other expenses** | 830,433 | 486,648 |

#### Notes to the Financial Statements

###### For the year ended 31 December 2018

**1 Summary of significant accounting policies (continued)**

1. Revenue recognition

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 discussed below. 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:

* 1. **Child care services**

Revenue from child care services is recognised when services have been provided to the customer, the customer has accepted the services and collectability of the related receivables is probable.

* 1. **Government grants**

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

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

* 1. **Investment income**

Interest income is recognised using the effective interest method. Refer to note 2 for further information.

1. Income tax exemption

The Company is exempt from the payment of tax by virtue of section 50-B of the Income Tax Assessment Act 1997. Accordingly, no provision for income tax liability or future income tax benefit has been included in the financial statements.

1. Goods and Services Tax (GST)

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

Receivables and payables are stated inclusive of the amount of GST receivable or payable.

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 Company is grouped with the parent entity for GST purposes and therefore the net GST receivable or GST payable is not reflected within these statements.

1. Initial application of Australian Accounting Standard

**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 Company applied AASB9 retrospectively, with an initial application date of 1 January 2018. The Company has not restated the comparative information, which continues to be reported under AASB139.

Due to the nature of the business, the effect of the changes as a result of adoption of AASB9 are considered immaterial.

Refer to note 5 for the accounting policy relating to impairment.

#### Notes to the Financial Statements

###### For the year ended 31 December 2018

|  |  |  |
| --- | --- | --- |
| **2 Revenue** |  | |
|  | **2018** | **2017** |
|  | **$** | **$** |
| **Other revenue and income**  Government childcare grants | **58,125** | 62,175 |
| Government traineeship funding | **35,315** | 30,000 |
| Related party services | **8,100** | 124,009 |
| Other income | **-** | 3,034 |
| **Total other revenue and income** | **101,540** | 219,218 |
| **3 Expenses** |  |  |
|  | **2018** | **2017** |
|  | **$** | **$** |
| **Employee related expenses**  Salaries and wages | **5,211,735** | 4,845,346 |
| Superannuation | **470,852** | 449,820 |
| Worker's compensation | **126,464** | 55,654 |
| Annual and long service leave | **469,954** | 465,866 |
| Other | **14,896** | 12,508 |
| **Total employee related expenses** | **6,293,901** | 5,829,194 |
| **Consumables and supplies**  Consumables | **263,388** | 231,365 |
| Centre resources and supplies | **46,778** | 119,664 |
| **Total consumables and supplies** | **310,166** | 351,029 |
| **Other expenses**  Cleaning | **185,076** | 162,294 |
| Consulting | **56,455** | 31,700 |
| Repairs and maintenance | **55,085** | 52,122 |
| Non-capitalised equipment | **37,774** | 74,203 |
| Printing | **36,683** | 44,293 |
| Staff development | **34,517** | 40,412 |
| Advertising, marketing and promotional | **20,036** | 47,355 |
| Sundry expenses | **28,568** | 34,269 |
| **Total other expenses** | **454,194** | 486,648 |

**Notes to the Financial Statements**

**For the year ended 31 December 2018**

|  |  |  |
| --- | --- | --- |
| **4 Cash and cash equivalents** |  |  |
|  | **2018** | **2017** |
|  | **$** | **$** |
| Cash at bank | **425,261** | 482,158 |
| **Total cash and cash equivalents in the statement of financial position and statement of cash flows** | **425,261** | 482,158 |
| Cash at bank is non-interest bearing. |  |  |
| **5 Trade and other receivables** |  |  |
|  | **2018** | **2017** |
|  | **$** | **$** |
| **Current** |  |  |
| Trade receivables | **54,053** | 43,249 |
| less: Provision for impairment | **(5,962)** | (12,500) |
|  | **48,091** | 30,749 |
| Loan to parent entity | **2,231,999** | 2,199,145 |
| Other receivables | **82,380** | - |
| **Total receivables** | **2,362,470** | 2,229,894 |

*Accounting Policy*

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Trade receivables are due for settlement no more than 30 days for debtors. They are presented as current assets unless collection is not expected for more than 12 months after reporting date.

For trade receivables the Company applies a general approach in calculating expected credit losses. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, provision is made for credit losses from default events that are possible within the next 12 months.

Other receivables represents amounts paid to Revenue NSW which, in the view of the Company Directors, is likely to be recovered. Refer to Note 14 Contingencies for further discussion.

**6 Prepayments**

|  |  |  |  |
| --- | --- | --- | --- |
|  |  | **2018**  **$** | **2017**  **$** |
| **Current**  Prepayments | **24,747** | 12,106 |
| Payments made to parent entity for capital projects | **-** | 161,290 |
|  | **Total prepayments** | **24,747** | 173,396 |

**Notes to the Financial Statements**

**For the year ended 31 December 2018**

|  |  |  |
| --- | --- | --- |
| **7 Property, plant and equipment** | **Construction in progress** | **Total** |
|  | **$** | **$** |
| **At 1 January 2018** |  |  |
| Cost | - | - |
| Accumulated depreciation | - | - |
| Net book amount | - | - |
| **Year ended 31 December 2018** |  |  |
| Opening net book value | - | - |
| Additions | 210,740 | 210,740 |
| **Closing net book amount** | - | 210,740 |
| **At 31 December 2018** |  |  |
| Cost | 210,740 | 210,740 |
| Accumulated depreciation | - | - |
| **Closing net book amount** | 210,740 | 210,740 |

*Accounting Policy*

Property, plant and equipment are stated at cost less accumulated depreciation. 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 and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the reporting period in which they are incurred.

**8 Trade and other payables**

|  |  |  |  |
| --- | --- | --- | --- |
|  |  | **2018**  **$** | **2017**  **$** |
| **Current**  Trade payables | **27,682** | 73,802 |
| Enrolment deposits | **283,890** | 250,935 |
| Accrued expenses | **125,667** | 149,033 |
| Other payables | **137,731** | 126,387 |
|  | **Total trade and other payables** | **574,970** | 600,157 |

*Accounting Policy*

Trade and other payables are carried at amortised cost and due to their short term nature they are not discounted. These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial period, which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

#### Notes to the Financial Statements

###### For the year ended 31 December 2018

|  |  |  |  |
| --- | --- | --- | --- |
| **9** | **Employee benefit provisions** |  |  |
|  |  | **2018** | **2017** |
|  |  | **$** | **$** |
|  | **Current** |  |  |
|  | **Employee benefits**  Annual leave | **360,808** | 409,628 |
|  | Long service leave | **197,111** | 239,000 |
|  | **Total current provisions** | **557,919** | 648,628 |
|  | **Non-current** |  |  |
|  | **Employee benefits**  Long service leave | **136,935** | 85,000 |
|  | **Total non-current provisions** | **136,935** | 85,000 |
|  | **Total employee benefit provisions** | **694,854** | 733,628 |

*Accounting Policy*

Liabilities for short-term employee benefits such as wages and salaries including non-monetary benefits, expected to be settled wholly within 12 months after the end of the reporting period, are measured at the amounts expected to be paid when the liabilities are settled, and are recognised in other payables.

The liability for long service leave and annual leave which is not expected to be settled within 12 months after the end of the reporting period, is recognised in the provision for employee benefits and measured at the present value of expected future payments to be made when the liability is settled. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Regardless of the expected timing of settlements, provisions made in respect of employee benefits are classified as a current liability, unless there is an unconditional right to defer the settlement of the liability for at least 12 months after the reporting date, in which case, it would be classified as a non-current liability.

1. **Retained earnings**

|  |  |  |
| --- | --- | --- |
| **2018**  **$** | | **2017**  **$** |
| **Retained earnings at 1 January** | **1,428,886** | 1,054,055 |
| Surplus / (deficit) for the year | **201,491** | 374,831 |
| **Balance at 31 December** | **1,630,377** | 1,428,886 |

**Notes to the Financial Statements**

**For the year ended 31 December 2018**

1. **Key management personnel disclosures**
2. **Responsible persons and executive officers**

The following persons were responsible persons and executive officers of Western Sydney University Early Learning Limited during the financial period.

Mrs Angie Atkinson - General Manager

1. **Board of Directors**

The following persons were non-executive directors of Western Sydney University Early Learning Limited during the financial period.

Susan Hudson - Chair Susan Benzie

Ellen Brackenreg Darren Greentree Michele Simons

Jane McMaster - appointed 1 June 2018 Linda Newman - appointed 1 June 2018

No board member is remunerated for their services.

1. **Commitments**
2. **Capital commitments**

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

**2018**

**$**

**2017**

**$**

- no later than 1 year **2,957** -

Total **2,957** -

1. **Lease commitments**

Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows.

|  |  |  |  |
| --- | --- | --- | --- |
|  | **2018**  **$** | **2017**  **$** |  |
| - no later than 1 year | **8,670** |  | - |
| - between 1 year and 5 years | **7,369** |  | - |
| Total future minimum lease payments | **16,039** |  | - |

#### Notes to the Financial Statements

###### For the year ended 31 December 2018

|  |  |  |  |
| --- | --- | --- | --- |
| **13**  (a)  (b) | **Related Parties**  **Entities exercising control over the Company**  The ultimate parent entity of the Company is Western Sydney University.  **Transactions with related parties** |  | |
|  |  | **2018** | **2017** |
|  |  | **$** | **$** |
|  | **Related party income**  Discount funding | **358,774** | 355,465 |
|  | Interest received | **56,128** | 50,563 |
|  | Other services | **8,100** | 124,009 |
|  | **Total related party income** | **423,002** | 530,037 |
|  | **Related party expenses**  Catering charges | **2,828** | - |
|  | **Total related party expenses** | **2,828** | - |
|  | **Related party receivables**  Loan to parent entity | **2,231,999** | 2,199,145 |
|  | **Total related party receivables** | **2,231,999** | 2,199,145 |

*Accounting policy*

Loans are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The loan to parent entity is included in Trade and other receivables in the Statement of Financial Position.

1. **Contingencies Contingent Liabilities**

On 6 December 2013, the Office of State Revenue (now Revenue NSW) confirmed that wages were exempt from payroll tax.

As part of Revenue NSW's compliance program, in August 2018 Revenue NSW advised the Company that the payroll tax exemption granted by Revenue NSW was being revoked effective 1 July 2015.

In reaching its decision to revoke the Company's payroll tax exemption, Revenue NSW has determined that whilst the objectives of the Company were charitable, the Company "is classified as an educational institution; or an educational company as it provides training, research, student placements and student work experience" and, therefore, not exempt from payroll tax.

The Company's Board and management are of the view that the Company is neither an 'educational institution' or 'educational company' and have engaged legal representation on the matter. An objection has been lodged on behalf of the Company against Revenue NSW's decision not to treat wages paid by the Company as exempt from payroll tax with effect from 1 July 2015.

The Company has calculated the potential payroll tax liability for the period 1 July 2015 to 31 December 2018 at

$1,009,663. This amount has not been quantified by Revenue NSW nor has the Company received an official invoice from Revenue NSW as at reporting date.

The Company's Board and management are of the view that the legal advice obtained indicates that payment of payroll tax is not probable.

#### Notes to the Financial Statements

###### For the year ended 31 December 2018

1. **Economic dependency**

The Company is economically dependent on Western Sydney University for the provision of accommodation for each centre and operational support activities.

1. **Events occurring after the reporting date**

No matters or circumstances have arisen since the end of the financial period 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.





#### INDEPENDENT AUDITOR’S REPORT

Western Sydney University Early Learning Limited

To Members of the New South Wales Parliament and Members of Western Sydney University Early Learning Limited

**Opinion**

I have audited the accompanying financial report of Western Sydney University Early Learning 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 comprising a summary of significant accounting policies and other explanatory information, and the responsible entities declaration.

In my opinion, the financial report:

* + 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.

Level 15, 1 Margaret Street, Sydney NSW 2000 I GPO Box 12, Sydney NSW 2001 I t 02 0275 7101 I f 02 9275 7179 I e mail@audlt.nsw.gov.au I audit.nsw.gov.au

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 Report’ 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 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 report and my Independent Auditor’s Report thereon. The directors of the Company are responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprises the statement by directors.

My opinion on the financial report 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 report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report 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 Report**

The directors of the Company are responsible for the preparation and fair presentation of the financial report 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 directors determine is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, 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 Report**

My objectives are to.

* + obtain reasonable assurance about whether the financial report 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 report.

A description of my responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: [www.auasb.qov.au/auditors responsibilities/ar4 pdf, The](http://www.auasb.qov.au/auditorsresponsibilities/ar4pdf%2CThe) 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 report on any website where it may be presented
  + about any other information which may have been hyperlinked to/from the financial report.



Margaret Crawford Auditor-General for NSW

March 2019 SYDNEY

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# Whitlam Institute within Western Sydney University Limited

**ABN: 50 100 342 309**

**Financial statements**

**For the year ended 31 December 2018**

These financial statements of the Whitlam Institute within Western Sydney University Limited (the Company) are presented as an individual entity. The financial statements are presented in Australian currency.

The registered office and principal place of business of the Company is:

Whitlam Institute within Western Sydney University Limited Western Sydney University

Building EZ, Parramatta Campus Cnr James Ruse Dr & Victoria Rd Rydalmere NSW 2116

Registered postal address is:

Whitlam Institute within Western Sydney University Limited Locked Bag 1797

Penrith NSW 2751

A description of the nature of the Company's operations and it principal activities is included in the director's report which is not part of these financial statements.

These financial statements were authorised for issue by the directors on 22 February 2019. The directors have the power to amend and reissue the financial statements.

The directors present their report on Whitlam Institute Within Western Sydney University Limited (the Company) for the financial year ended 31 December 2018.

**Directors**

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

Ms Patricia Amphlett OAM Prof. Barney Glover

Ms Gabrielle Trainor AO Mr Talal Yassine OAM Ms Catherine Dovey

Mr Cameron Clyne Dr Rebecca Huntley

The Hon Peter Collins AM QC Appointed 30 May 2018

Ms Rebecca Mifsud Appointed 22 November 2018

Ms Amanda McKenzie Resigned 17 August 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 Sandra Stevenson held the position of Company Secretary for the whole of the financial year and to the date of this report.

**Principal activities and significant changes in nature of activities**

The principal activity of the Company is to manage the Company and to act as Trustee of the Whitlam Institute Within Western Sydney University Trust. The main function of the Company is fundraising in support of the University, and the effective management control of all Trust funds held within the Whitlam Institute Trust account.

The Whitlam Institute works as an educator, policy influencer and research institute. The Institute bridges the historical legacy of the late Gough Whitlam's years in public life and the contemporary relevance of the Whitlam Program to public discourse and policy. It links policies with people - connecting communities with the decisions and policies that affect their lives. The Whitlam Institute is guided by the 'three great aims' that drove the Whitlam Program of 1972. They are to promote equality, to involve the people of Australia in the decision-making processes of our land, and to liberate the talents and uplift the horizons of the Australian people.

The Whitlam Institute supports Western Sydney University development by working with schools to bring knowledge to life in the community. In a range of practical ways we make scholarship relevant to everyday lives. We are inspired by the E.G Whitlam Prime Ministerial Collection which represents the life's work of an Australian statesmen who has pursued his convictions with a constant commitment to community engagement and a determination to put words into action.

No significant changes in the nature of the Company's activity occurred during the financial year.

**Review of operations**

The surplus of the Company amounted to $ NIL (2017: $ NIL).

**Dividends**

No dividend is paid or payable since the commencement of the financial year and up to and including the date of signing this report (2017: $ nil).

**Events after the reporting date**

No matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

**Future developments**

Future developments are not expected to significantly affect the future operations of the Company.

**Environmental matters**

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

**Auditors independence declaration**

The Audit Office of New South Wales continues in office in accordance with section 327 of the *Corporations Act 2001*.

The lead auditor’s independence declaration for the year ended 31 December 2018 has been received and can be found on page 175 of the financial statements.

**Information on directors**

The Hon. John Faulkner BA, DipEd (Macquarie). Chair.

Experience Appointed as Director 8 March 2011. Senator the Hon. John Faulkner was a Labor Senator for New South Wales from 1989 to 2015. Since his election to the Senate in 1989, Senator Faulkner has held a number of ministries, serving as Minister for Veterans' Affairs, Minister for Defence Science and Personnel, Minister for the Environment, Sport and Territories, Cabinet Secretary, Special Minister of State and Minister for Defence. He served as Leader of the Opposition in the Senate from 1996 to 2004. He has also held a range of senior positions within the Australian Labor Party, including National President of the party, twenty years as a member of its National Executive and nine years as Assistant General Secretary of the New South Wales Branch. Senator Faulkner is well versed in, and passionate about the history of the Australian Labor Party. Prior to his political career, Senator Faulkner worked as a teacher of children with severe disabilities.

Ms Patricia Amphlett OAM Non-Executive.

Experience Appointed as Director 29 June 2010. Ms Patricia Amphlett OAM is the Federal President of the Media, Entertainment and Arts Alliance, a position she has held since 2002. With a succession of hits and as a long standing member of the Bandstand Family, she established herself as a prominent force in the Australian music industry. Her musical talents are credited with many industry awards including Best Female Singer, Most Popular Female Performer, TV Logie for Best Teenage Personality and a succession of Gold Records. A definite 'all rounder' in the music and entertainment industry, Ms Amphlett’s talent spans a broad spectrum from writing, producing and performing shows for children, and hosting charity and corporate events. She maintains a high profile in the music industry, with many live performances at Festivals, Corporate Events, Clubs and Television shows. Ms Amphlett has a strong commitment to music education. She is a consultant for the NSW Government’s Talent Development Project. She is a member of the Board of the National Film & Sound Archives.

Prof. Barney Glover PhD (Applied Mathematics), MSc, BSc (Honours), Dip Ed (Melbourne),

MAICD. Non-Executive.

Experience Appointed as Director 1 Jan 2014. Professor Barney Glover has been the Vice-Chancellor and President of the Western Sydney University since he commenced in this role on 1 January 2014. Professor Glover is an accomplished academic leader and experienced Vice-Chancellor. Previously Vice-Chancellor at Charles Darwin University from 2009 to 2013, he has a long record of success in university management and leadership, particularly in research, intellectual property management and major capital development projects. Before relocating to the Northern Territory in 2009 Professor Glover was the Deputy Vice-Chancellor, Research at the University of Newcastle.

Prior to this, he held several positions at Perth's Curtin University of Technology including Pro Vice-Chancellor, Research and Development. He has a strong research publication record and has co-authored four texts in mathematics education. Before his appointment at Curtin Professor Glover held a number of positions at the University of Ballarat in Victoria. Professor Glover holds a PhD in Applied Mathematics and has worked on both the east and west coasts of Australia.

Ms Gabrielle Trainor AO LLB (Melbourne). Non-Executive.

Experience Appointed as Director 29 June 2010. Ms Gabrielle Trainor is a non-executive director and advisor. Her chair and director roles have spanned organisations in urban development, transport, education, public interest law, tourism, culture and sport. She was a founding partner and co-owner of specialist consultancy John Connolly & Partners and over 25 years advised large listed companies on the management of major transactions and significant issues across stakeholder groups including in capital markets, government, NGO’s and other influencers. Ms Trainor is a member of the board of Leighton Contractors (advisory board), a director of the Barangaroo Delivery Authority, Business Events Sydney, Cape York Group, the Aurora Education Foundation and is a trustee of the Charlie Perkins Education Trust. She is a member of the board of trustees of the Western Sydney University. She is Chair of the National Film and Sound Archive and Chair of Barnardo’s Australia. She co- chaired the 2012 Federal Government review of the Australia Council for the Arts. She has had a long term involvement in indigenous affairs, including as director of Cape York Partnerships and a member of the Victorian Government’s Aboriginal Economic Development Group which reported in 2010. Ms Trainor was educated as Ll.B at the University of Melbourne and was awarded a 1986 Churchill Fellowship. She studied in the USA and UK including as a visiting scholar at Stanford University. She is an Honorary Associate in the Graduate School of Government at Sydney University and a Fellow of the Australian Institute of Company Directors.

Mr Talal Yassine OAM BA Lib (Macquarie), Master of Laws (Sydney), MBA (Deakin). Non-Executive.

Experience Appointed as Director 8 October 2010. Mr Talal Yassine OAM is an experienced lawyer, banker and Non-Executive Director. After 10 years at PricewaterhouseCoopers as a Director and strategist, he joined investment firm Babcock & Brown Ltd in the Corporate Finance Group and later in the Technical Real Estate Division. Later he held leadership positions in Better Place Australia and is currently the Managing Director of Crescent Wealth. Mr Yassine currently serves on the Board of Australia Post, Sydney Ports, the Whitlam Institute, The Australian Multicultural Council and as Deputy Chairman of the Gulf Australia Business Council. He has also served on the Board of Macquarie University; and as the Deputy Chairman of a government regulator, and as Chairman as Platinum Sound Pty Ltd. Mr Yassine holds a Master of Laws, a Master of Business Administration which was focused on international business strategy, as well as holding degrees in law and diplomas from the AICD and UNE in directorship. In November 2012, he was appointed as a Professorial Fellow at the Crawford School of Public Policy, at the Australian National University. On Australia Day 2010, he was awarded a Medal of the Order of Australia (OAM) for his service to business and to the community through a range of education.

Ms Catherine Dovey BA (UNSW), Dip Ed (Sydney Teacher College). Non-Executive.

Experience Catherine Dovey worked in the New South Wales public service in public policy formulation and administration. Her roles include an early period as a probation and parole officer with the NSW Corrections system and later as a member of the parole Board of NSW. In the interim she served in a variety of positions at Sydney Water. Catherine graduated from the University of New South Wales as a Bachelor of Arts and with a Diploma of Education from the then Sydney Teachers’ College. Catherine has always reflected a spirited engagement with community and education issues which included serving a decade as a Board member of the International Grammar School.

Mr Cameron Clyne BA (Sydney). Non-Executive.

Experience Cameron Clyne is currently Chairman of Camel Partners, a private advisory firm and the Camel Foundation. He is Chairman of the Australian Rugby Union; a director of SANZAAR Pty Ltd; the Western Sydney University Foundation; Camp Quality; a Patron of the Western Sydney Leadership Dialogue, and an Adjunct Professor at the WSU Business School. Cameron was Group Chief Executive Officer of National Australia Bank (NAB) from January 2009 until August 2014. He was also Chairman of Clydesdale Bank in the United Kingdom and a Director of the Bank of New Zealand. Prior to NAB Cameron was a Partner at PricewaterhouseCoopers (PwC). He worked in their Sydney, Melbourne, San Francisco and New York offices. In 2008 he was named a Young Global Leader by the World Economic Forum.

Dr Rebecca Huntley LLB (UNSW), BA (Honors) (UNSW), PhD (USYD). Non-Executive.

Experience Dr Rebecca Huntley is one of Australia's foremost researchers on social trends. She holds degrees in law and film studies and a PhD in gender studies. For nearly nine years, Rebecca was at the global research firm Ipsos. From 2006 until 2015, she was the Director of the Mind & Mood Report, Australia's longest-running social trends report. She is the author of numerous books, and was a feature writer for Australian Vogue, a columnist for BRW and the presenter of Drive on a Friday on Radio National. She is on the Artistic Advisory Board of the Bell Shakespeare Company and is an adjunct senior lecturer at the School of Social Sciences at The University of New South Wales. Rebecca is currently the Head of Research at Essential Media, an integrated research and communications agency in Australia and New Zealand. Her latest book, Still Lucky: why you should be optimistic about Australia and its people was published by Penguin in January 2017.

The Hon. Peter Collins AM QC BA, LLB (SYD) FAIST. Non-Executive.

Experience Peter Collins was Leader of the Opposition (and leader of the Parliamentary Liberal Party) for more than three years from April 1995, having previously been a senior Minister in the Greiner/Fahey Coalition Government. He delivered two budgets as Treasurer of NSW in 1993 and 1994 and served terms as the Minister for Health, Attorney General, Minister for State Development, Minister for the Arts and Minister for Consumer Affairs between 1988 and 1993. He was a member of the NSW Parliament for more than 22 years. Prior to entering Parliament, Peter was a Barrister and founding member of Edmund Barton Chambers. During the Whitlam Government, he was an ABCTV Journalist with This Day Tonight (now 7.30 Report); following which he was Policy Research Manager for the NSW Liberal Party. A keen Army and later Navy Reserve officer, he is the only former Minister - Federal or State- to see Active Service since 1945 with a 3 month deployment to IRAQ in 2007. He left the Navy as a Captain in 2012. Peter established and chaired Barton Deakin Government Relations 2009-17; has chaired several public sector boards; and, is Chairman of Industry Super Australia and Director of HOSTPLUS.

Ms Rebecca Mifsud BA, LLB (UNE). Non-Executive.

Experience Rebecca Mifsud is an experienced employment lawyer and industrial relations advocate, with broad corporate and Trade Union experience. She worked for the Electrical Trades Union throughout the 1990’s before moving to Corporate. She has previous Board experience and was a Member of the Board of Ausgrid for several years. She is currently a Manager at Sydney Water and resident in Western Sydney. She is and a mother of two, with a strong passion for public education.

Ms Amanda McKenzie LLB (Honors) (Monash), BA (Political Science) (Melbourne). Non-Executive. Experience Amanda McKenzie is an environmental leader and CEO of the Climate

Council, which was launched following Australia's largest ever crowd-funding campaign. She is on the Board of the Centre for Australian Progress and on the Board of Plan International Australia. In 2014, Amanda was recognised as one of Westpac's 100 Women of Influence. Previously, Amanda founded the Australian Youth Climate Coalition.

**Meetings of directors**

During the financial year, 4 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

|  |  |  |
| --- | --- | --- |
|  | **Directors' Meetings** | |
| **Number eligible to attend** | **Number attended** |
| The Hon. John Faulkner | 4 | 4 |
| Ms Patricia Amphlett OAM | 4 | 4 |
| Prof. Barney Glover | 4 | 4 |
| Ms Gabrielle Trainor AO | 4 | 3 |
| Mr Talal Yassine OAM | 4 | 2 |
| Ms Catherine Dovey | 4 | 3 |
| Mr Cameron Clyne | 4 | 3 |
| Dr Rebecca Huntley | 4 | 4 |
| The Hon. Peter Collins AM QC | 2 | 2 |
| Ms Rebecca Mifsud | - | - |
| Ms Amanda McKenzie | 3 | 1 |

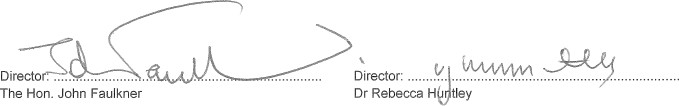
**Indemnification of Directors and Officers**

Whitlam Institute within Western Sydney University Limited is insured externally and in line with the Western Sydney University policies for all significant areas of risk exposure and accordingly, is not a self-insurer and makes no provision in its financial statements for internal coverage.

**Proceedings on behalf of company**

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

Signed in accordance with a resolution of the Board of Directors'.



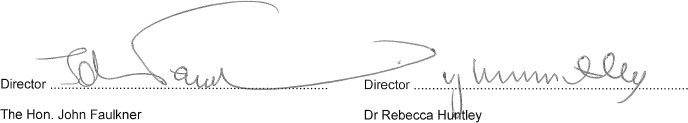
Dated 22 February 2019

**Director's declaration**

In the Director's opinion:

1. The financial statements and notes are in accordance with the *Corporations Act 2001* and:
   1. comply with Australian Accounting Standards (Reduced Disclosure Requirements) and other interpretations, the *Corporations Regulations 2001, Public Finance and Audit Act 1983, the Public Finance and Audit Regulation 2015* and other mandatory professional reporting requirements; and
   2. give a true and fair view of the Company's financial position as at 31 December 2018 and financial performance for the financial year ended on that date;
2. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
3. We are not aware of any circumstances which would render any particulars in the financial statements to be misleading or inaccurate.

This declaration is made in accordance with a resolution of the Directors, pursuant to section 295(4) of the *Corporations Act 2001*, and 41(C) of the *Public Finance and Audit Act 1983*.



Dated 22 February 2019





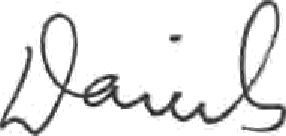
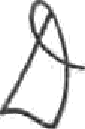
To the Directors

Whitlam Institute within Western Sydney University Limited

Auditor’s Independence Declaration

As auditor for the audit of the financial report of the Whitlam Institute within Western Sydney University Limited for the year ended 31 December 2018, I declare, to the best of my knowledge and belief, there have been no contraventions of:

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



David Daniels

Director, Financial Audit Services

19 February 2019 SYDNEY



|  |  |  |  |
| --- | --- | --- | --- |
| **Start of audited financial statements**  **Statement of comprehensive income** |  |  |  |
| **For the year ended 31 December 2018** |  |  |
|  | **2018** | **2017** |
|  | **$** | **$** |
| **Revenue** |  |  |
| Other revenue |  | **-** | - |
| **Total revenue** |  | **-** | - |
| **Expenses** |  |  |  |
| Finance costs |  | **-** | - |
| **Total expenses** |  | **-** | - |
| **Surplus/(deficit) for the year** |  | **-** | - |
| Other comprehensive income for the year |  | **-** | - |
| **Total comprehensive income for the year** |  | **-** | - |

The accompanying notes form part of these financial statements.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Statement of financial position** |  | | | | |
| **As at 31 December 2018** |  |  |  |  |  |
|  |  | **2018** |  | **2017** |  |
|  | **Note** | **$** |  | **$** |  |
| **ASSETS**  **Current assets**  Cash and cash equivalents | 5 |  | **1** |  | 1 |
| Total current assets |  |  | **1** |  | 1 |
| **Total assets** |  |  | **1** |  | 1 |
| **LIABILITIES**  **Current liabilities**  Trade and other payables |  |  | **-** |  | - |
| Total current liabilities |  |  | **-** |  | - |
| **Total liabilities** |  |  | **-** |  | - |
| **Net assets** |  |  | **1** |  | 1 |
| **EQUITY**  Contributed equity | 6 |  | **1** |  | 1 |
| Retained earnings |  |  | **-** |  | - |
| **Total equity** |  |  | **1** |  | 1 |

The accompanying notes form part of these financial statements.

|  |  |  |  |
| --- | --- | --- | --- |
| **Statement of changes in equity** |  | | |
| **For the year ended 31 December 2018** |
|  | **Contributed equity** | **Retained Earnings** | **Total equity** |
|  | **$** | **$** | **$** |
| **Balance at 1 January 2018** | **1** |  | **- 1** |
| Other comprehensive income | - |  | - - |
| Surplus for the year | - |  | - - |
| **Total comprehensive income for the year** | **-** |  | **- -** |
| **Balance at 31 December 2018** | **1** |  | **- 1** |

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Contributed equity** | **Retained Earnings** | **Total equity** |
| **$** | **$** | **$** |
| **Balance at 1 January 2017** | 1 |  | - 1 |
| Other comprehensive income Surplus for the year | -  - |  | - -  - - |
| **Total comprehensive income for the year** | - |  | - - |
| **Balance at 31 December 2017** | 1 |  | - 1 |

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**  Payments to suppliers and employees |  |  | **-** |  | - |
| **Net cash inflow/(outflow) from operating activities** |  |  | **-** |  | - |
| **Cash flows from investing activities**  **Net cash (outflow)/inflow from investing activities** |  |  | **-** |  | - |
| **Cash flows from financing activities** |  |  |  |  |  |
| **Net cash inflow/(outflow) from financing activities** |  |  | **-** |  | - |
| **Net increase/(decrease) in cash and cash equivalents**  Cash and cash equivalents at beginning of year |  |  | **- 1** |  | - 1 |
| **Cash and cash equivalents at end of year** | 5 |  | **1** |  | 1 |

The accompanying notes form part of these financial statements.

Whitlam Institute within Western Sydney University Limited (the Company) is a not-for-profit controlled entity of the Western Sydney University. The Company is incorporated and domiciled in Australia.

Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied to all the years reported, unless otherwise stated.

The financial statements were authorised for issue by the Directors on 22 February 2019

**1 Summary of Significant Accounting Policies**

1. **Basis of Preparation**

These financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards (including Reduced Disclosure Requirements and Australian Accounting Interpretations), the *Corporations Act 2001*, the requirements of the *Public Finance & Audit Act 1983*, *Public Finance and Audit Regulation 2015* and other authoritative pronouncements of the Australian Accounting Standards Board (AASB).

These financial statements and notes of the Company comply with Australian Accounting Standards some of which contain requirements specific to not-for-profit entities that are inconsistent with International Financial Reporting Standards (IFRS) requirements.

The financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

1. **Revenue recognition**

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Company's activities. 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.

1. **Income tax exemption**

The Company is exempt from the payment of tax by virtue of section 50 B of the *Income Tax Assessment Act 1997*.

1. **Foreign currency transactions and balances**

The functional currency of the Company is measured using the currency of the primary economic environment which is Australian dollars. The financial statements are presented in Australian dollars which is the ultimate parent entity's functional and presentation currency.

1. **Summary of Significant Accounting Policies (continued)**
2. **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 Australian Taxation Office. In this case, it is recognised as part of the cost of 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 Australian Taxation Office 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 Australian Taxation Office, are presented as operating cash flows.

1. **Comparative amounts**

Comparative information is presented consistent with the previous year unless otherwise stated.

1. **New accounting standards and interpretations**

Certain new accounting standards and interpretations have been issued but are not mandatory for 31 December 2018 reporting period and have not yet been early adopted in the financial statements. The Company's assessment of the impact of these new standards and interpretations is that they will not materially affect any of the amounts recognised in the financial statements or significantly impact the disclosures in relation to the Company.

1. **Critical accounting estimates and judgments**

The preparation of financial statements 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. Estimates and judgements are continually evaluated and are based on historic experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

There are no areas which involve a high degree of judgement or complexity or where assumptions and estimates are significant to the financial statements of the Company.

1. **Adoption of new and revised accounting standards**

The Company has adopted all standards which became effective for the first time for the financial year beginning 1 January 2018. The adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Company:

1. **Expenses**

No expenses were paid by the ultimate parent entity on behalf of the Company during 2018 (2017: NIL).

1. **Remuneration of Auditors**

Full audit fees for 2018 are reflected in the books of the Whitlam Institute within Western Sydney University Trust and will be paid by the ultimate parent entity (2017: NIL).

1. **Fair Value Measurement**

Fair value measurements of balance sheet items are not categorised given the lack of any assets or liabilities as at 31 December 2018.

1. **Cash and cash equivalents**

**2018**

**$**

**2017**

**$**

Cash at bank and in hand **1** 1

**Total cash and cash equivalents in statement of**

**financial position & statement of cash flows 1** 1

* 1. **Accounting policy**

For the statement of cash flow 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.

1. **Contributed equity**

**Shares Total**

**Ordinary shares**

**2018**

**$**

**2017**

**$**

**2018**

**$**

**2017**

**$**

Fully paid **1** 1 **1** 1

**Total contributed equity 1** 1 **1** 1

* 1. **Movements in ordinary share capital**

There were no movements in contributed equity during the financial year.

1. **Commitments**

The Company had no commitments at 31 December 2018 (31 December 2017: nil).

1. **Contingencies**

The Company did not have any contingencies as at 31 December 2018 (31 December 2017: nil).

1. **Key Management Personnel Disclosures**

No remuneration has been paid to the key management personnel of the Company during the year (2017: nil).

1. **Related party transactions**
   1. **Parent entity**

The ultimate parent entity of the Company is Western Sydney University.

* 1. **Transactions with related parties**

There were no transactions with related parties in 2018 (2017: nil).

1. **Economic dependency**

The Company is economically dependent on the Western Sydney University for the provision of office accommodation and support activities.

1. **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 (2017: nil).

**End of audited financial statements**





**INDEPENDENT AUDITOR\*S REPORT**

Whitlam Institute within Western Sydney University Limited

To Members of the New South Wales Parliament and Members of Whitlam Institute within Western Sydney University Limited

**Opinion**

I have audited the accompanying financial report of Whitlam Institute within Western Sydney University 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 comprising a summary of significant accounting policies and other explanatory information, and the Director's declaration.

In my opinion, the financial report:

is in accordance with the *Corporations Act 2001,* 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 and the Corporations Regulations 2001

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.

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 Report’ section of my report.

I am independent of the Company in accordance with the requirements of the: Australian Auditing Standards

*Corporations Act 2001*

* 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 19 February 2019, would be in the same terms if provided to the directors as at the time of this Independent Auditor’s Report.

Level 15, 1 Margaret Street, Sydney NSW 2000 I GPO Box 12, Sydney NSW 2001 I t 02 9275 7101 I f 02 93 7 5 7179 T e mail@audit.nsw.gov au 1 audit.nsw.gov.au

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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 report and my Independent Auditor’s Report thereon. The directors of the Company are responsible for the other information. At the date of this Independent Auditor’s Report, the other information I have received comprises the Director's report.

My opinion on the financial report 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 report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report 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 Report

The directors of the Company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, the PF&A Act and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, 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 Report

My objectives are to:

* obtain reasonable assurance about whether the financial report 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 report.

A description of my responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: www auasb.gov.au/aud itors\_responsibilities/ar 4.pdf . The description forms part of my auditor's report.

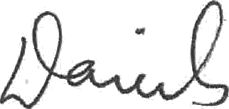
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My opinion does not provide assurance:

that the Company carried out its activities effectively, efficiently and economically

* about the security and controls over the electronic publication of the audited financial report on any website where it may be presented

about any other information which may have been hyperlinked to/from the financial report.



David Daniels

Director, Financial Audit Services

28 February 2019 SYDNEY

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# Whitlam Institute Within Western Sydney University Trust

**ABN: 42 247 216 279**

**Financial Statements**

**For the Year Ended 31 December 2018**

These financial statements of the Whitlam Institute Within Western Sydney University Trust (the Trust) are presented as an individual entity. The financial statements are presented in Australian currency.

The registered office and principal place of business of the Whitlam Institute Within Western Sydney University Trust is:

Whitlam Institute Within Western Sydney University Trust Western Sydney University

Building EZ, Parramatta Campus Cnr James Ruse Dr & Victoria Rd Rydalmere NSW 2116 Registered postal address is:

Whitlam Institute Within Western Sydney University Trust Locked Bag 1797

Penrith NSW 2751

A description of the nature of the Trust's operations and it principal activities is included in the Trustees' report which is not part of these financial statements.

These financial statements were authorised for issue by the Trustees' on 22 February 2019. The Trustees have the power to amend and reissue the financial statements.

The Trustees present their report on Whitlam Institute Within Western Sydney University Trust for the financial year ended 31 December 2018.

Trustees

The Whitlam Institute Within Western Sydney University Limited (referred to hereafter as the Trustee Company) has been appointed as the Trustee of the Trust. The following persons have been directors of the Trustee Company during the financial year and to the date of this report:

The Hon. John Faulkner Ms Patricia Amphlett OAM Prof. Barney Glover

Ms Gabrielle Trainor AO Mr Talal Yassine OAM Ms Catherine Dovey

Mr Cameron Clyne Dr Rebecca Huntley

The Hon. Peter Collins AM QC Appointed 30 May 2018

Ms Rebecca Mifsud Appointed 22 November 2018

Ms Amanda McKenzie Resigned 17 August 2018

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

**Principal Activities and significant changes in nature of activities**

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

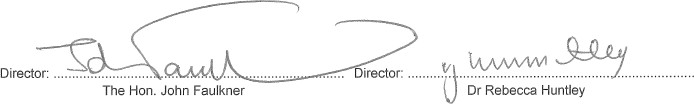
The Whitlam Institute Within Western Sydney University Trust exists to support (through the provision of money, property or benefits) Western Sydney University, specifically the work of the Whitlam Institute with respect to the Whitlam Prime Ministerial Collection and the Institute's research, educational and policy activity.

**Meetings of trustees**

During the financial year, 4 meetings of trustees (including committees of trustees) were held. Attendances by each trustee during the year were as follows:

|  |  |  |
| --- | --- | --- |
|  | **Trustees Meetings** | |
| **Number eligible to attend** | **Number attended** |
| The Hon. John Faulkner | 4 | 4 |
| Ms Patricia Amphlett OAM | 4 | 4 |
| Prof. Barney Glover | 4 | 4 |
| Ms Gabrielle Trainor AO | 4 | 3 |
| Mr Talal Yassine OAM | 4 | 2 |
| Ms Catherine Dovey | 4 | 3 |
| Mr Cameron Clyne | 4 | 3 |
| Dr Rebecca Huntley | 4 | 4 |
| The Hon. Peter Collins AM QC | 2 | 2 |
| Ms Rebecca Mifsud | - | - |
| Ms Amanda McKenzie | 3 | 1 |

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



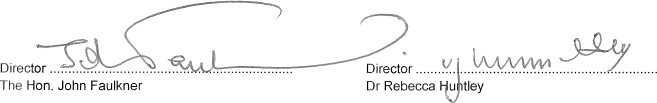
Dated 22 February 2019

**Trustees' declaration**

In the Trustee's opinion:

1. the financial statements and notes, as set out on pages 191 to 202:
   1. comply with Australian Accounting Standards (Reduced Disclosure Requirements) and other interpretations, the *Public Finance and Audit Act 1983,* the *Public Finance and Audit Regulation 2015* and other mandatory professional reporting requirements; and
   2. give a true and fair view of the Trust's financial position as at 31 December 2018 and financial performance for the financial year ended on that date;
2. There are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable.
3. We are not aware of any circumstances which would render any particulars in the financial statements to be misleading or inaccurate.

This declaration is made in accordance with a resolution of the Trustee Company, the Whitlam Institute with Western, pursuant to the *Public Finance and Audit Act 1983*.



Dated 22 February 2019

|  |  |  |  |
| --- | --- | --- | --- |
| **Start of audited financial statements**  **Statement of comprehensive income** |  | | |
| **For the Year Ended 31 December 2018** |
|  |  | **2018** | **2017** |
|  | **Notes** | **$** | **$** |
| **Revenue** |  |  |  |
| Services | 2 | **177,186** | 180,334 |
| Other revenue | 2 | **16,981** | 15,908 |
| Contribution of assets |  | **36,615** | 30,730 |
| **Total revenue** |  | **230,782** | 226,972 |
| **Expenses** |  |  |  |
| Contribution to Ultimate Parent Entity | 3 | **(61,000)** | (107,543) |
| Event expenses | 3 | **-** | (1,452) |
| Bank charges | 3 | **125** | (195) |
| **Total expenses** |  | **(60,875)** | (109,190) |
| **Surplus for the year** |  | **169,907** | 117,782 |
| **Other comprehensive income for the year** |  | **-** | - |
| **Total comprehensive income for the year** |  | **169,907** | 117,782 |
| **Comprehensive income for the year attributable to** |  |  |  |
| Non - controlling interest The parent |  | **- 169,907** | - 117,782 |
| **Total comprehensive income for the year** |  | **169,907** | 117,782 |

The accompanying notes form part of these financial statements.

|  |  |  |  |
| --- | --- | --- | --- |
| **Statement of financial position** |  | | |
| **As at 31 December 2018** |
|  |  | **2018** | **2017** |
|  | **Notes** | **$** | **$** |
| **ASSETS**  **Current assets**  Cash and cash equivalents | 5 | **787,184** | 766,186 |
| Amount owed from Ultimate Parent Entity |  | **8,037** | - |
| Trade and other receivables |  | **4,045** | 3,752 |
| Total current assets |  | **799,266** | 769,938 |
| **Non-current assets**  Property, plant and equipment | 6 | **897,787** | 861,172 |
| Total non-current assets |  | **897,787** | 861,172 |
| **Total assets** |  | **1,697,053** | 1,631,110 |
| **LIABILITIES**  **Current liabilities** |  |  |  |
| Amount owed to Ultimate Parent Entity |  | **-** | 103,964 |
| Total current liabilities |  | **-** | 103,964 |
| **Total liabilities** |  | **-** | 103,964 |
| **Net assets** |  | **1,697,053** | 1,527,146 |
| **TRUST FUNDS**  Settled fund |  | **1** | 1 |
| Reserves | 7 | **195,247** | 195,247 |
| Retained earnings | 8 | **1,501,805** | 1,331,898 |
| **Total trust funds** |  | **1,697,053** | 1,527,146 |

The accompanying notes form part of these financial statements.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Statement of changes in equity** |  | | | |
| **For the Year Ended 31 December 2018** |
|  | **Settled fund** | **Retained Earnings** | **Reserves** | **Total Equity** |
|  | **$** | **$** | **$** | **$** |
| **Balance at 1 January 2018** | 1 | 1,331,898 | 195,247 | **1,527,146** |
| Revaluation of property, plant and equipment | **-** | **-** | **-** | **-** |
| **Other comprehensive income** | **-** | **-** | **-** | **-** |
| Surplus for the year | **-** | 169,907 | **-** | **169,907** |
| **Total comprehensive income for the year** | **-** | **169,907** | **-** | **169,907** |
| **Balance at 31 December 2018** | **1** | **1,501,805** | **195,247** | **1,697,053** |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Settled fund** | **Retained Earnings** | **Reserves** | **Total Equity** |
| **$** | **$** | **$** | **$** |
| **Balance at 1 January 2017** | 1 | 1,214,116 | 195,247 | 1,409,364 |
| Revaluation of property, plant and equipment | - | - | - | - |
| **Other comprehensive income** | - | - | - | - |
| Surplus for the year | - | 117,782 | - | 117,782 |
| **Total comprehensive income for the year** | - | 117,782 | - | 117,782 |
| **Balance at 31 December 2017** | 1 | 1,331,898 | 195,247 | 1,527,146 |

The accompanying notes form part of these financial statements.

|  |  |  |  |
| --- | --- | --- | --- |
| **Statement of cash flows** |  | | |
| **For the Year Ended 31 December 2018** |
|  |  | **2018** | **2017** |
|  | **Notes** | **$** | **$** |
| **Cash flows from operating activities**  Receipts from customers |  | **181,099** | 168,357 |
| Payments to suppliers and employees |  | **(176,789)** | 6,751 |
| Investment income |  | **16,688** | 15,856 |

**Net cash provided by operating activities 20,998** 190,964

**Cash flows from investing activities**

**Net cash provided by investing activities -** -

**Cash flows from financing activities**

|  |  |  |  |
| --- | --- | --- | --- |
| **Net cash provided by financing activities** |  | **-** | - |
| **Net increase/(decrease) in cash and cash equivalents** |  | **20,998** | 190,964 |
| Cash and cash equivalents at beginning of year |  | **766,186** | 575,222 |
| **Cash and cash equivalents at end of year** | 5 | **787,184** | 766,186 |

The accompanying notes form part of these financial statements.

Whitlam Institute Within Western Sydney University Trust (the Trust) is a not-for-profit controlled entity of the Western Sydney University. The Company is incorporated and domiciled in Australia.

Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied to all the years reported, unless otherwise stated.

The financial statements were authorised for issue by the Directors on 22 February 2019

**1 Summary of Significant Accounting Policies**

1. **Basis of Preparation**

These financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations), the requirements of the *Public Finance & Audit Act 1983*, *Public Finance and Audit Regulation 2015* and other authoritative pronouncements of the Australian Accounting Standards Board (AASB).

These financial statements and notes comply with Australian Accounting Standards (Reduced Disclosure Requirements) some of which contains requirements specific to not for profit entities that are inconsistent with International Financial Reporting Standards (IFRS) requirements.

The financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

1. **Income tax exemption**

The Trust is exempt from the payment of tax by virtue of section 50 B of the Income Tax Assessment Act 1997. Accordingly no provision for income tax liability or future income tax benefit has been included in the accounts.

1. **Government grants**

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

1. **Trade receivables**

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Trade receivables are generally due for settlement within 30 days. They are presented as current assets unless collection is not expected for more than 12 months after the reporting date.

Collectability of trade receivables is reviewed on an ongoing basis. For trade receivables the Trust applies a simplified approach in calculating expected credit losses (“ECLs”). Therefore, the Trust does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Trust has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

The amount of the impairment loss is recognised in surplus/(deficit) within other comprehensive income. When a trade receivable for which an impairment allowance had been recognised becomes uncollectable in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other comprehensive income in surplus/(deficit).

**1 Summary of Significant Accounting Policies (continued)**

1. **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 Australian Taxation Office. In this case it is recognised as part of the cost of 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 Australian Taxation Office 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 Australian Taxation Office, are presented as operating cash flows.

1. **Comparative amounts**

Comparative information is presented consistent with the previous year unless otherwise stated.

1. **New accounting standards and interpretations**

Certain new accounting standards and interpretations have been issued but are not mandatory for 31 December 2018 reporting periods and have not been early adopted in the financial statements. The Trust's assessment of the impact of these new standards and interpretations is that they will not materially affect any of the amounts recognised in the financial statements or significantly impact the disclosures in relation to the Trust.

1. **Critical accounting estimates and judgments**

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Trust's accounting policies. Estimates and judgements are continually evaluated and are based on historic experience and other factors, including expectations of future events that may have a financial impact on the Trust and that are believed to be reasonable under the circumstances.

The areas involving significant estimations and assumptions are disclosed in note 6 Property, Plant and Equipment. The Trust measures the carrying value of the Whitlam Collection at fair value with changes in fair value going through other comprehensive income. The Trust engages an independent valuation specialist to estimate fair value.

1. **Adoption of new and revised accounting standards**

The Trust has adopted all standards which became effective for the first time for the financial year beginning 1 January 2018. The adoption of these standards has not caused any material adjustments to the current year and comparative reported financial position, performance or cash flow of the Trust.

|  |  |  |  |
| --- | --- | --- | --- |
| **2** | **Revenue** |  | |
|  |  | **2018** | **2017** |
|  |  | **$** | **$** |
|  | **Services**  Donations | **177,186** | 177,150 |
|  | Royalty and intellectual property | **-** | 3,184 |
|  | **Total services** | **177,186** | 180,334 |
|  | **Other revenue**  Interest | **10,916** | 10,713 |
|  | Distributions from managed funds | **6,065** | 5,195 |
|  | **Total other revenue** | **16,981** | 15,908 |
|  | **Total revenue** | **194,167** | 196,242 |
|  | **(a) Accounting policy** |  |  |

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 entity and specific criteria have been met for each of the Trust's activities as described below. The Trust 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:

1. **Donations, Scholarships and Prize**s

Donations, scholarships and prizes are recognised when they are received.

1. **Event income**

Event income is recognised when it is probable the economic benefits associated with the transaction flows to the entity.

1. **Investment income**

Investment income is recognised as it accrues using the effective interest method.

**3 Expenses**

|  |  |  |  |
| --- | --- | --- | --- |
|  |  | **2018**  **$** | 2017  $ |
| Contribution to Ultimate Parent Entity | **61,000** | 107,543 |
| Event expenses | **-** | 1,452 |
| Bank charges | **(125)** | 195 |
|  | **Total expenses** | **60,875** | 109,190 |

|  |  |  |
| --- | --- | --- |
| 1. **Remuneration of Auditors**   Audit fees of $12,656 (including GST) for 2018 (2017: $9,878) will be paid by the ultimate   1. **Cash and cash equivalents** | parent entity. |  |
| Cash at bank and on hand | **2018**  **$**  **17,515** | **2017**  **$**  18,613 |
| Term deposits | **420,683** | 410,352 |

T-Corp investments **348,986** 337,221

**Total cash and cash equivalents in statement of**

**financial position & statement of cash flows 787,184** 766,186

1. **Accounting Policy**

For the 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.

Cash at bank is interest bearing and cash on hand is non-interest bearing.

|  |  |  |  |
| --- | --- | --- | --- |
| **6** | **Property, plant and equipment** | **Library** | **Total** |
|  |  | **$** | **$** |
|  | **At 1 January 2017**  Valuation | 830,442 | 830,442 |
|  | Net book amount | 830,442 | 830,442 |
|  | **Year ended 31 December 2017**  Opening net book amount | 830,442 | 830,442 |
|  | Revaluation surplus | - | - |
|  | Additions | 30,730 | 30,730 |
|  | Closing net book amount | 861,172 | 861,172 |
|  | **At 31 December 2017** |  |  |
|  | Valuation | 861,172 | 861,172 |
|  | Net book amount | 861,172 | 861,172 |
|  | **Year ended 31 December 2018** |  |  |
|  | Opening net book amount | 861,172 | 861,172 |
|  | Revaluation surplus | - | - |
|  | Additions | 36,615 | 36,615 |
|  | Closing net book amount | 897,787 | 897,787 |
|  | **At 31 December 2018** |  |  |
|  | Valuation | 897,787 | 897,787 |
|  | Net book amount | 897,787 | 897,787 |

**(a) Accounting policy**

Property, plant and equipment consists only of the Whitlam Collection and is not depreciated given the nature of its contents.

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.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of comprehensive income.

Whitlam Collection

Assets comprising the Whitlam Collection have been donated to the Trust. Market valuations have been obtained from an independent valuer to determine the fair value of the collection in accordance with AASB 13 Fair Value Measurement and AASB116 Property, plant and Equipment. The Whitlam Collection was revalued in 2016 in accordance with the ultimate parent entity three year revaluation cycle.

Increases in the carrying amounts arising on revaluation of the Whitlam Collection are recognised 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 or loss. Decreases that reverse previous increases of the same asset class are also recognised in other comprehensive income to the extent of the remaining reserve attributable to the asset class. All other decreases are charged to the income statement.

1. **Reserves**

**2018**

**$**

**2017**

**$**

Revaluation surplus - property, plant and equipment **195,247** 195,247

**195,247** 195,247

**Movements**

Revaluation surplus - property, plant and equipment

**2018**

**$**

**2017**

**$**

Balance 1 January **195,247** 195,247

Revaluation - gross **-** -

Balance 31 December **195,247** 195,247

* 1. **Nature and purpose of reserves**

(i) Revaluation surplus - property, plant and equipment

The property, plant and equipment revaluation reserve is used to record increments and decrements on the revaluation of non-current assets, as described in note 6(a).

1. **Retained earnings**

Movements in retained earnings were as follows:

**2018**

**$**

**2017**

**$**

Balance as at 1 January **1,331,898** 1,214,116

Surplus for the year **169,907** 117,782

Trust distributions for the year **-** -

Balance as at 31 December **1,501,805** 1,331,898

1. **Commitments**

The Trust had no commitments at 31 December 2018 (31 December 2017: nil).

1. **Contingencies**

The Trust did not have any contingencies at 31 December 2018 (31 December 2017: nil).

1. **Key Management Personnel Disclosures**
   1. **Names of responsible persons and executive officers**

The following persons were responsible persons and executive officers of Whitlam Institute Within Western Sydney University Trust during the financial year:

1. Names of Responsible Persons Ms Leanne Smith

All responsible persons of the Trust are employees of the Western Sydney University (parent entity) and are not

remunerated by either the parent entity or the Trust for their executive responsibilities.

1. Names of Executive Officers

The Hon. John Faulkner (Chair) Ms Patricia Amphlett OAM Prof. Barney Glover

Ms Gabrielle Trainor AO Mr Talal Yassine OAM Ms Catherine Dovey

Mr Cameron Clyne Dr Rebecca Huntley

The Hon. Peter Collins AM QC - appointed 30 May 2018 Ms Rebecca Mifsud - appointed 22 November 2018

Ms Amanda McKenzie - resigned 17 August 2018

All executive officers of the Trust are not employees of the Western Sydney University (parent entity) except for Prof. Barney Glover and are not remunerated by either the parent entity or the Trust for their executive responsibilities.

1. **Related party transactions**
   1. **Parent entity**

The ultimate parent entity of the Trust is Western Sydney University.

* 1. **Transactions with related parties**

|  |  |  |
| --- | --- | --- |
| **2018**  **$** | | **2017**  **$** |
| Matched Donations from the Ultimate Parent Entity | **-** | (8,290) |
| Payment to Ultimate Parent Entity | **61,000** | 3,579 |

* 1. **Receivables and (payables) with related parties**

|  |  |  |
| --- | --- | --- |
| **2018**  **$** | | **2017**  **$** |
| Amount owed from Ultimate Parent Entity | **8,037** | - |
| Amount owed to Ultimate Parent Entity | **-** | (103,964) |

The ultimate parent collected $52,186 donations on behalf of the Trust during the year. Donations collected and T-Corp investments were used to settle amounts owed by the Trust to the Ultimate Parent.

1. **Economic dependency**

The Trust is economically dependent on the Western Sydney University for the provision of office accommodation and support activities.

1. **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 Trust, the results of those operations, or the state of affairs of the Trust in future financial years (2017: nil).

END OF AUDITED FINANCIAL STATEMENTS







INDEPENDENT AUDITOR’S REPORT

**Whitlam Institute within Western Sydney University Trust**

To Members of the New South Wales Parliament and Members of Whitlam Institute within Western Sydney University Trust

Opinion

I have audited the accompanying financial statements of the Whitlam Institute within Western Sydney University Trust (The Trust), which comprise the Statement of comprehensive income for the year ended 31 December 2018, the Statement of financial position as at 31 December 2018, the Statement of changes in equity and the Statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information.

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 its financial performance and its 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

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.

Level 15. 1 Margaret Street, Sydney NSW 2000 I GPO Box 12. Sydney NSW 2 g1 1 1 02 9275 7› 01 1 1 03 9275 7179 I e mail@audit.nsw.gov.au I audit.nsw. gov.au

##### Other Information

Other information comprises the information included in the Trust’s annual report for the year ended 31 December 2019, other than the financial statements and my Independent Auditor’s Report thereon. The Trustees of the Trust are responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the Trustees' declaration and the Trustees' report. 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 Directors’ Responsibilities for the Financial Statements

The Directors of the Trust are responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, the PF8A Act and for such internal control as the Directors 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 Directors 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 unless the Directors either intend to liquidate the Trust 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 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: www auasb.gov.au/aud itors\_responsibilities/ar 4.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 it may be presented

about any other information which may have been hyperlinked to/from the financial statements



David Daniels

Director, Financial Audit Services

28 February 2019

SYDNEY

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# Western Growth Developments (Westmead) Pty Ltd

**ABN: 93 625 406 411**

**Financial Statements**

**For the initial period ended 31 December 2018**

These financial statements are of Western Growth Developments (Westmead) Pty Ltd as an individual entity. The financial statements are presented in the Australian currency.

Western Growth Developments (Westmead) Pty Ltd (referred to hereafter as the Company) is a company limited by shares, incorporated and domiciled in Australia.

Its principal place of business is:

Hawkesbury Rd, Westmead NSW 2155

Its registered office is:

Western Sydney University Building R1 Hawkesbury Campus

Londonderry Road, Richmond NSW 2753

A description of the nature of the Company's operations and its principal activities are included in the directors' report on pages 208 - 209, which is not part of these financial statements.

The financial statements were authorised for issue by the directors on 10 April 2019. The directors have the power to amend and reissue financial statements.

**Directors' Report**

###### 31 December 2018

The directors present their report on Western Growth Developments (Westmead) Pty Ltd for the financial period from 5 April to 31 December 2018.

1. **General information Directors**

The names of the directors during the period 5 April 2018 to 31 December 2018 and up to the date of this report are:

Mr Peter Pickering (Chair) Appointed 5 April 2018

Professor Barney Glover Appointed 5 April 2018

**Company secretary**

Ms Helen Fleming held the position of Company Secretary for the financial period from 25 April 2018 to the date of this report.

**Principal activities**

Western Growth Developments (Westmead) Pty Ltd was incorporated on 5 April 2018 to pursue its charitable purpose of promoting scholarship, research, free inquiry, the interaction of research and teaching, and academic excellence, beginning in Greater Western Sydney.

The principal activities of the Company for the promotion of its object are:

1. act as a co-developer in respect of the Westmead Project;
2. use and operate its interest in the completed Westmead Project to generate rental income;
3. undertake other development activities in Greater Western Sydney in the furtherance of Western Sydney University's strategic plan for its campuses for future sustainability and growth.
4. **Other items**

**Significant changes in state of affairs**

No significant changes in the nature of the Company's activity occurred during the financial period from 5 April 2018 to 31 December 2018.

**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 operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

**Future developments and results**

Future developments are not expected to significantly affect the future operations of the Company.

**Directors' Report**

**31 December 2018**

**2. Other items**

**Environmental issues**

The Company is subject to environmental regulations in respect of its land and building development activities.

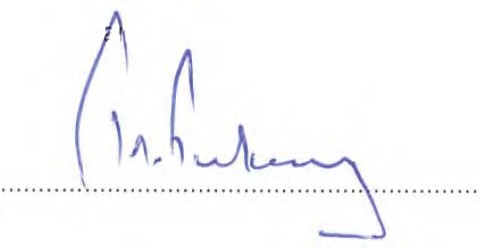
**Meetings of directors**

During the financial period, there was one meeting of directors held on 25 June 2018.

**Insurance**

The Company is insured externally and in line with the parent entity's policies for all significant areas of risk exposure and accordingly, is not a self-insurer and makes no provision in its financial statements for internal coverage.

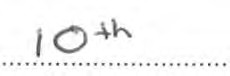
**Auditor's independence declaration**

The auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the period ended 31 December 2018 has been received and can be found on page 212 of the financial report.

Signed in accordance with a resolution of the Board of Directors.

Director: Director:

...............................................................

Dated this day of .2019

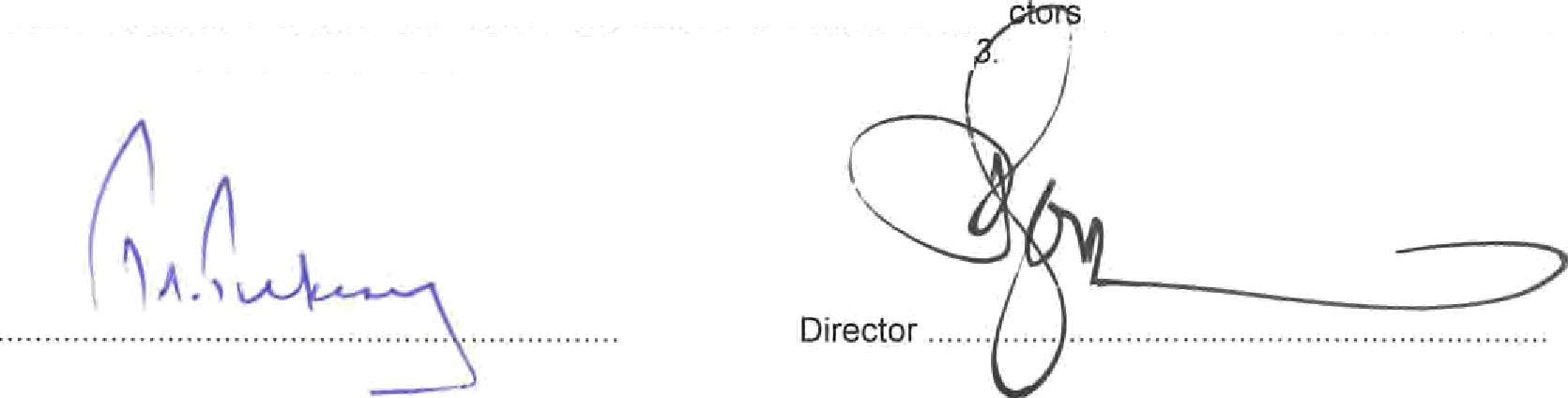
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**Directors’ Declaration**

The directors of the Company declare that:

1. the financial statements and notes
   1. comply with Australian Accounting Standards - Reduced Disclosure Requirements, the *Corporations Regulations 2001, Public Finance and Audit Act 1983, Public Finance and Audit Regulation 2015* and other mandatory professional reporting requirements, and
   2. give a true and fair view of the Company’s of the financial position as at 31 December 2018 and of its performance for the financial period ended on that date, and;
2. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
3. We are not aware of any circumstances which would render any particulars in the financial statements to be misleading or inaccurate.

This declaration is made in accordance with a resolution of the Board of Dire , pursuant to section 295(4) of the

*Corporations Act 2001,* and 41(C) of the *Public Finance and Audit Act 198,*

Director



Responsible Entities’ Declaration

The responsible entities declare that in the responsible entities' opinion:

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

Signed in accord c wi subsection 60.15(2) of the *Australian Charities* and *Not-for-profits* Commission *Act 2013.*

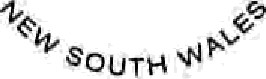


Director ..-.. -.. - .-........... -........ ........-.. -. -.. -. .. -.. -.. ..-.. -.









To the Directors

Western Growth Developments (Westmead) Pty Ltd

Auditor’s Independence Declaration

As auditor for the audit of the financial statements of Western Growth Developments (Westmead) Pty Ltd for the period 5 April 2018 to 31 December 2018, I declare, to the best of my knowledge and belief, there have been no contraventions of:

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



Margaret Crawford Auditor-General of NSW

April 2019 SYDNEY

|  |  |  |
| --- | --- | --- |
| **Statement of Comprehensive Income** |  | |
| **For the initial Period 5 April 2018 to 31 December 2018** |
|  |  | **2018** |
|  | **Note** | **$** |
| **Revenue**  Other revenue |  | **-** |
| **Total revenue** |  | **-** |
| **Expenses**  Other expenses | 5 | **(5,500)** |
| Finance cost | 7(b) | **(95)** |
| **Total expenses** |  | **(5,595)** |
| **Surplus / (deficit) for the period** |  | **(5,595)** |
| Other comprehensive income |  | **-** |
| **Total comprehensive income for the period** |  | **(5,595)** |
| **Comprehensive income attributable to:**  Non-controlling interest |  | **-** |
| Western Sydney University (The Parent) |  | **(5,595)** |
| **Total comprehensive income for the period** |  | **(5,595)** |

The accompanying notes form part of these financial statements.

## Statement of Financial Position

###### As At 31 December 2018

**ASSETS**

**Current Assets**

**Note**

**2018**

**$**

Cash and cash equivalents **-**

Other receivables **3,925**

**Total Current Assets 3,925**

**Non-Current Assets**

Property, plant and equipment 3 **39,250**

**Total Non-Current Assets 39,250**

**Total Assets 43,175**

**LIABILITIES**

**Current Liabilities**

Accrued expenses 4 **5,500**

**Total Current Liabilities 5,500**

**Non-Current Liabilities**

Loan from parent entity 7(b) **43,270**

**Total Non-Current Liabilities 43,270**

**Total Liabilities 48,770**

|  |  |
| --- | --- |
| **Net Assets**  **EQUITY** | **(5,595)** |
| Issued capital | **-** |
| Retained earnings | **(5,595)** |
|  | **(5,595)** |

**Total Equity (5,595)**

The accompanying notes form part of these financial statements.

|  |  |  |  |
| --- | --- | --- | --- |
| **Statement of Changes in Equity** |  | | |
| **For the initial Period 5 April 2018 to 31 December 2018** |
|  | **Issued Capital** | **Retained Earnings** | **Total** |
|  | **$** | **$** | **$** |
| **Balance at 5 April 2018** | **-** | **-** | **-** |
| Surplus / (deficit) for the period | **-** | **(5,595)** | **(5,595)** |
| Other comprehensive income | **-** | **-** | **-** |
| **Total comprehensive income for the period** | **-** | **(5,595)** | **(5,595)** |
| **Balance at 31 December 2018** | **-** | **(5,595)** | **(5,595)** |

The accompanying notes form part of these financial statements.

## Statement of Cash Flows

###### For the initial Period 5 April 2018 to 31 December 2018

**Cash flows from operating activities**

**2018**

**$**

**Net cash used in operating activities -**

**Cash flows from investing activities**

**Net cash used in investing activities -**

**Cash flows from financing activities**

**Net cash provided by financing activities -**

**Net increase/(decrease) in cash and cash equivalents held -**

**Cash and cash equivalents at end of financial period -**

The accompanying notes form part of these financial statements.

## Notes to the Financial Statements

###### For the initial Period 5 April 2018 to 31 December 2018

**1 Summary of Significant Accounting Policies**

Western Growth Developments (Westmead) Pty Ltd is a not-for-profit company limited by shares and is a controlled entity of Western Sydney University. The Company is incorporated and domiciled in Australia.

1. **Basis of Preparation**

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements, Australian Accounting Interpretations, the *Corporations Act 2001*, the *Public Finance and Audit Act 1983, Public Finance and Audit Regulation 2015, the Australian Charities and Not-for-profits Commission Act 2012* and *Regulation 2013*.

The financial statements have been prepared on an accrual basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

The financial statements were authorised for issue by the Directors of the Company on10 April 2019.

* 1. **Critical accounting estimates**

The preparation of financial statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The estimates and underlying assumptions are reviewed on an ongoing basis. All significant estimates or assumptions made in preparation of the financial statements have been explained in the accounting policy notes or subsequent notes.

* 1. **Foreign currency translations and balances**

The functional currency of the Company is measured using the currency of the primary economic environment which is Australian dollars. The financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

1. **Basis for consolidation Interest in Joint Arrangements**

AASB 11 *Joint Arrangements* defines a joint arrangement as an arrangement of which two or more parties have joint control and classifies these arrangements as either joint ventures or joint operations.

Western Growth Developments (Westmead) Pty Ltd has determined that it has joint operations.

**Joint operations**

The Company's share of assets, liabilities, revenue and expenses of a joint operation have been incorporated into the financial statements under the appropriate headings. Details of the joint operations are set out in note 6.

## Notes to the Financial Statements

###### For the initial Period 5 April 2018 to 31 December 2018

1. **Summary of Significant Accounting Policies**
2. **Income tax exemption**

The Company is exempt from the payment of tax by virtue of section 50-5 of the *Income Tax Assessment Act 1997*.

1. **Goods and services tax (GST)**

Revenue, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the financial statements are shown inclusive of GST.

1. **Other receivables**

**2018**

**$**

GST receivable **3,925**

**Total other receivables 3,925**

*Accounting Policy*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Loans and receivables are classified as current assets, except for those which are not expected to be realised within 12 months after the end of the reporting period, which are classified as non-current assets.

## Notes to the Financial Statements

###### For the initial Period 5 April 2018 to 31 December 2018

1. **Property, plant and equipment**
   1. **Movements in Carrying Amounts**

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial period:

**Construction**

|  |  |  |
| --- | --- | --- |
|  | **in Progress** | **Total** |
| **$** | **$** |
| **Period ended 31 December 2018**  Balance at the beginning of period | **-** | **-** |
| Additions | **39,250** | **39,250** |
| **Balance at the end of the period** | **39,250** | **39,250** |

*Accounting Policy*

Property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment losses.

Subsequent costs are not 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 and the cost of the item can be measured reliably. All other repairs and maintenance, where applicable, are charged to the statement of comprehensive income during the financial period in which they are incurred.

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.

1. **Accrued expenses**

**Current**

**2018**

**$**

External audit costs **5,500**

**Total accrued expenses 5,500**

1. **Expenses**

**Other expenses**

**2018**

**$**

External audit costs **5,500**

**Total other expenses 5,500**

**Notes to the Financial Statements**

**For the initial Period 5 April 2018 to 31 December 2018**

1. **Joint Operations**

***Joint operations with Bieson Pty Ltd***

The Company entered into an agreement with Bieson Pty Limited to develop land and building at Westmead. Both parties were granted a 125-year ground lease by Western Sydney University to carry out the development. The Company and Bieson Pty Ltd each have a 50% interest in the development and operation and will share equally in the project expenses, assets, liabilities and income during the operation phase. Due to decision making being shared equally, and the equal sharing of costs and output, the Company has determined this to be a jointly controlled operation.

**Ownership interest/ voting rights held**

**Principal place of**

**Name of joint operation Nature of relationship business 2018**

Westmead land and building development

Jointly controlled operation

with Bieson Pty Limited Westmead NSW **50.00**

The assets and liabilities employed in the above jointly controlled operations, including the Company's share of any assets and liabilities held jointly, are detailed below. The amounts are included in the financial statements under their respective categories.

**2018**

**$**

**Statement of Financial Position**

Construction in progress **39,250**

GST receivable **3,925**

## Notes to the Financial Statements

###### For the initial Period 5 April 2018 to 31 December 2018

1. **Related Parties**
   1. **Parent entity**

The ultimate parent entity of the Company is Western Sydney University.

* 1. **Loans to/from related parties**

**Loan from Parent**

**2018**

**$**

Beginning of the period **-**

Loan advanced **(43,175)**

Interest charged **(95)**

**End of period (43,270)**

The Company has a maximum loan facility limit of $91M from Western Sydney University. The loan facility was granted to pay for all costs and expenses in connection with the development of land and leasing of constructed building at

Westmead NSW.

*Accounting Policy*

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 statement of comprehensive income over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the drawdown occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer the settlement of the liability for at least 12 months after the reporting period.

* 1. **Outstanding balances**

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

**2018**

**$**

**Non-current payables (loans)**

Western Sydney University **(43,270)**

**Total non-current payables (43,270)**

**Notes to the Financial Statements**

**For the initial Period 5 April 2018 to 31 December 2018**

1. **Key Management Personnel Disclosures**
   1. **Names of responsible persons and board members**

The following persons were both responsible persons and board members of Western Growth Developments (Westmead) Pty Ltd for the financial period from 5 April 2018 to 31 December 2018.

Mr Peter Pickering (Chair) Professor Barney Glover

All responsible persons and board members are employees of the parent entity and are not remunerated by the Company for their executive responsibilities.

1. **Cash Flow Information**
   1. **Non-cash financing and investing activities**

The Company had non-cash investing and financing transactions that are not reflected in the statement of cash flows. These are included in the statement of financial position under their respective categories.

**2018**

**$**

Building concept design costs paid via loan facility from parent **39,250**

Loan from parent **(43,270)**

1. **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 Western Growth Developments (Westmead) Pty Ltd, the results of those operations, or the state of affairs of the Company in future financial years.







INDEPENDENT AUDITOR’S REPORT

Western Growth Developments (Westmead) Pty Ltd

To Members of the New South Wales Parliament and Members of Western Growth Developments (Westmead) Pty Ltd

Opinion

I have audited the accompanying financial statements of Western Growth Developments (Westmead) Pty Ltd (the Company), which comprise the Statement of Comprehensive Income for the initial period 5 April 2018 to 31 December 2018, the Statement of Financial Position as at 31 December 2018, the Statement of Changes in Equity and the Statement of Cash Flows for the period then ended, notes comprising a Summary of Significant Accounting Policies and other explanatory information, Directors' Declaration and the Responsible Entities' Declaration.

In my opinion, the financial statements:

* are in accordance with the *Corporations Act 2001,* including:

giving a true and fair view of the Company's financial position as at 31 December 2018 and its performance for the period ended on that date

complying with Australian Accounting Standards and the Corporations Regulations 2001

* are in accordance with section 41C 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 Company in accordance with the requirements of the:

* Australian Auditing Standards
* *Corporations* *Act 2001*
* 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.

Level 15, 1 Margaret Street, Sydney NSW 2000| GPO Box 12, Sydney NSW 2001 1 102 0275 7101 I f 02 9275 7179 I e mail audit.nsw.gov.au I audit.nsw.gov.au

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 8 April 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 period ended 31 December 2018, other than the financial statements and my Independent Auditor’s Report thereon. The directors of the Company 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.

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, (conclude there is a material misstatement of the other information, I must report that fact.

I have nothing to report in this regard.

**The 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 *Corporations Act 2001* and 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 are 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 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: [www.auasb.gov.au/auditors responsibilities/ar4.pdf.](http://www.auasb.gov.au/auditorsresponsibilities/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 for NSW

\ April 2019 SYDNEY

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# Western Growth Developments (Innovation Hub Parramatta) Pty Ltd

**ABN: 36 626 590 029**

**Financial Statements**

**For the initial period ended 31 December 2018**

These financial statements are of Western Growth Developments (Innovation Hub Parramatta) Pty Ltd as an individual entity. The financial statements are presented in the Australian currency.

Western Growth Developments (Innovation Hub Parramatta) Pty Ltd (referred to hereafter as the Company) is a company limited by shares, incorporated and domiciled in Australia.

Its principal place of business is:

6 Hassall Street

Parramatta NSW 2150 Its registered office is:

Western Sydney University Building R1 Hawkesbury Campus

Londonderry Road, Richmond NSW 2753

A description of the nature of the Company's operations and its principal activities are included in the directors' report on pages 228 - 229, which is not part of these financial statements.

The financial statements were authorised for issue by the directors on 10 April 2019. The directors have the power to amend and reissue financial statements.

**Directors' Report**

###### 31 December 2018

The directors present their report on Western Growth Developments (Innovation Hub Parramatta) Pty Ltd for the financial period from 4 June 2018 to 31 December 2018.

1. **General information Directors**

The names of the directors during the period 4 June 2018 to 31 December 2018 and up to the date of this report are:

Mr Peter Pickering (Chair) Appointed 4 June 2018

Professor Barney Glover Appointed 4 June 2018

**Company secretary**

Ms Helen Fleming held the position of Company Secretary for the financial period from 4 June 2018 to the date of this report.

**Principal activities**

Western Growth Developments (Innovation Hub Parramatta) Pty Ltd was incorporated on 4 June 2018 to pursue its charitable purpose of promoting scholarship, research, free inquiry, the interaction of research and teaching, and academic excellence, beginning in Greater Western Sydney.

The principal activities of the Company for the promotion of its object are:

1. act as a co-developer in respect of the Parramatta Project;
2. use and operate its interest in the completed Parramatta Project to generate rental income;
3. sell, lease, license, mortgage, charge or otherwise deal with the Land; and
4. undertake other development activities in Greater Western Sydney in the furtherance of Western Sydney University's strategic plan for its campuses for future sustainability and growth.
5. **Other items**

**Significant changes in state of affairs**

No significant changes in the nature of the Company's activity occurred during the financial period from 4 June 2018 to 31 December 2018.

**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 operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

**Future developments and results**

Future developments are not expected to significantly affect the future operations of the Company.

**Directors' Report**

**31 December 2018**

**2. Other items (continued) Environmental issues**

The Company is subject to environmental regulations in respect of its land and building development activities.

**Meetings of directors**

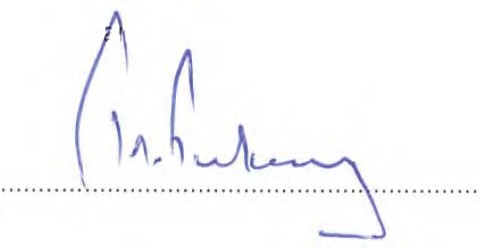
During the financial period, two meetings of directors were held. Attendances by each director during the year were as follows:

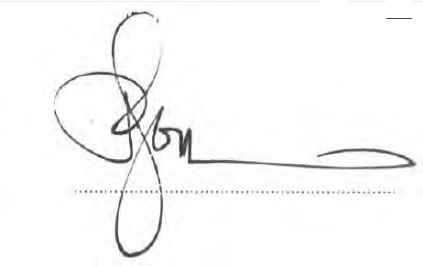
|  |  |  |
| --- | --- | --- |
|  | **Directors' Meetings** | |
| **Number eligible to attend** | **Number attended** |
| Mr Peter Pickering (Chair) | 2 | 2 |
| Professor Barney Glover | 2 | 2 |

**Insurance**

The Company is insured externally and in line with the parent entity's policies for all significant areas of risk exposure and accordingly, is not a self-insurer and makes no provision in its financial statements for internal coverage.

**Auditor's independence declaration**

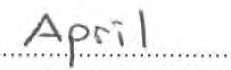
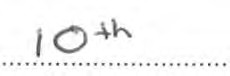
The auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the period ended 31 December 2018 has been received and can be found on page 232 of the financial report.



Signed in accordance with a resolution of the Board of Directors:

Director: Director: ................................................................

...............................................................

Dated this . day of 2019

.............................

..............................

**Directors' Declaration**

The directors of the Company declare that:

1. the financial statements and notes
   1. comply with Australian Accounting Standards - Reduced Disclosure Requirements, the *Corporations Regulations 2001, Public Finance and Audit Act 198:3, Public Finance and Audit Regulation 2015* and other mandatory professional reporting requirements, and
   2. give a true and fair view of the Company's of the financial position as at 31 December 2018 and of its performance for the financial period ended on that date, and;
2. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
3. We are not aware of any circumstances which would render any particulars in the financial statements to be misleading or inaccurate.

This declaration is made in accordance with a resolution of the Board of Directors, pursuant to section 295(4) of the

Director Director



### Responsible Entities' Declaration

The responsible entities declare that in the responsible entities' opinion:

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

Signed in accordance i h s ection 60.15(2} of the *Australian Charities and Not-for-profits Commission Regulation 20 I3.*



Director .............







To the Directors

Western Growth Developments (Innovation Hub Parramatta) Pty Ltd

Auditor’s Independence Declaration

As auditor for the audit of the financial statements of Western Growth Developments (Innovation Hub Parramatta) Pty Ltd for the period 4 June 2018 to 31 December 2018, I declare, to the best of my knowledge and belief, there have been no contraventions of:

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



Margaret Crawford

Auditor-General of NSW

April 2019 SYDNEY

|  |  |  |
| --- | --- | --- |
| **Statement of Comprehensive Income** |  | |
| **For the initial Period 4 June 2018 to 31 December 2018** |
|  |  | **2018** |
|  | **Note** | **$** |
| **Revenue**  Other revenue |  | **-** |
| **Total revenue** |  | **-** |
| **Expenses**  Finance costs | 7(b) | **(299,972)** |
| Other expenses | 5 | **(70,874)** |
| **Total expenses** |  | **(370,846)** |
| **Surplus / (deficit) for the period** |  | **(370,846)** |
| Other comprehensive income |  | **-** |
| **Total comprehensive income for the period** |  | **(370,846)** |
| **Comprehensive income attributable to:**  Non-controlling interest |  | **-** |
| Western Sydney University (The Parent) |  | **(370,846)** |
| **Total comprehensive income for the period** |  | **(370,846)** |

The accompanying notes form part of these financial statements.

## Statement of Financial Position

###### As At 31 December 2018

**ASSETS**

**Current Assets**

**Note**

**2018**

**$**

Cash and cash equivalents **-**

Other receivables 2 **1,505,906**

**Total Current Assets 1,505,906**

**Non-Current Assets**

Property, plant and equipment 3 **21,184,140**

**Total Non-Current Assets 21,184,140**

**Total Assets 22,690,046**

**LIABILITIES**

**Current Liabilities**

Accrued expenses 4 **4,200**

**Total Current Liabilities 4,200**

**Non-Current Liabilities**

Loan from parent entity 7(b) **23,056,692**

**Total Non-Current Liabilities 23,056,692**

**Total Liabilities 23,060,892**

|  |  |
| --- | --- |
| **Net Assets**  **EQUITY** | **(370,846)** |
| Issued capital | **-** |
| Retained earnings | **(370,846)** |
|  | **(370,846)** |

**Total Equity (370,846)**

The accompanying notes form part of these financial statements.

|  |  |  |  |
| --- | --- | --- | --- |
| **Statement of Changes in Equity** |  | | |
| **For the initial Period 4 June 2018 to 31 December 2018** |
|  | **Issued Capital** | **Retained Earnings** | **Total** |
|  | **$** | **$** | **$** |
| **Balance at 4 June 2018** | **-** | **-** | **-** |
| Surplus / (deficit) for the period | **-** | **(370,846)** | **(370,846)** |
| Other comprehensive income | **-** | **-** | **-** |
| **Total comprehensive income for the period** | **-** | **(370,846)** | **(370,846)** |
| **Balance at 31 December 2018** | **-** | **(370,846)** | **(370,846)** |

The accompanying notes form part of these financial statements.

## Statement of Cash Flows

###### For the initial Period 4 June 2018 to 31 December 2018

**Cash flows from operating activities**

**2018**

**$**

**Net cash used in operating activities -**

**Cash flows from investing activities**

**Net cash used in investing activities -**

**Cash flows from financing activities**

**Net cash provided by financing activities -**

**Net increase/(decrease) in cash and cash equivalents held -**

**Cash and cash equivalents at end of financial period -**

The accompanying notes form part of these financial statements.

## Notes to the Financial Statements

###### For the initial Period 4 June 2018 to 31 December 2018

**1 Summary of Significant Accounting Policies**

Western Growth Developments (Innovation Hub Parramatta) Pty Ltd is a not-for-profit company limited by shares and is a controlled entity of Western Sydney University. The Company is incorporated and domiciled in Australia.

1. **Basis of Preparation**

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements, Australian Accounting Interpretations, the *Corporations Act 2001*, the *Public Finance and Audit Act 1983, Public Finance and Audit Regulation 2015, the Australian Charities and Not-for-profits Commission Act 2012* and *Regulation 2013*.

The financial statements have been prepared on an accrual basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

The financial statements were authorised for issue by the Directors of the Company on10 April 2019.

* 1. **Critical accounting estimates**

The preparation of financial statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The estimates and underlying assumptions are reviewed on an ongoing basis. All significant estimates or assumptions made in preparation of the financial statements have been explained in the accounting policy notes or subsequent notes.

* 1. **Foreign currency translations and balances**

The functional currency of the Company is measured using the currency of the primary economic environment which is Australian dollars. The financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

1. **Basis for consolidation Interest in Joint Arrangements**

AASB 11 *Joint Arrangements* defines a joint arrangement as an arrangement of which two or more parties have joint control and classifies these arrangements as either joint ventures or joint operations.

Western Growth Developments (Innovation Hub Parramatta) Pty Ltd has determined that it has joint operations.

**Joint operations**

The Company's share of assets, liabilities, revenue and expenses of a joint operation have been incorporated into the financial statements under the appropriate headings. Details of the joint operations are set out in note 6.

## Notes to the Financial Statements

###### For the initial Period 4 June 2018 to 31 December 2018

1. **Summary of Significant Accounting Policies (continued)**
2. **Income tax exemption**

The Company is exempt from the payment of tax by virtue of section 50-5 of the *Income Tax Assessment Act 1997*.

1. **Goods and services tax (GST)**

Revenue, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the financial statements are shown inclusive of GST.

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

1. **Other receivables**

**2018**

**$**

GST receivable **1,505,906**

**Total other receivables 1,505,906**

*Accounting Policy*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Loans and receivables are classified as current assets, except for those which are not expected to be realised within 12 months after the end of the reporting period, which are classified as non-current assets.

## Notes to the Financial Statements

###### For the initial Period 4 June 2018 to 31 December 2018

1. **Property, plant and equipment**
   1. **Movements in Carrying Amounts**

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial period:

|  |  |  |
| --- | --- | --- |
|  | **Land** | **Total** |
| **$** | **$** |
| **Period ended 31 December 2018**  Balance at the beginning of period | **-** | **-** |
| Additions | **21,184,140** | **21,184,140** |
| **Balance at the end of the period** | **21,184,140** | **21,184,140** |

*Accounting Policy*

Property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment losses. Land is not depreciated.

Subsequent costs are not 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 and the cost of the item can be measured reliably. All other repairs and maintenance, where applicable, are charged to the statement of comprehensive income during the financial period in which they are incurred.

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.

1. **Accrued expenses**

**Current**

**2018**

**$**

External audit costs **4,200**

**Total accrued expenses 4,200**

1. **Expenses**

**Other expenses**

**2018**

**$**

Rates and taxes **66,674**

External audit costs **4,200**

**Total other expenses 70,874**

**Notes to the Financial Statements**

**For the initial Period 4 June 2018 to 31 December 2018**

1. **Joint Operations**

***Joint operations with Bieson Pty Ltd***

The Company entered into an agreement with Bieson Pty Limited to acquire land and construct a building at Hassall St., Parramatta NSW to create an Engineering Innovation Hub that will accommodate teaching and research, strategic partners and commercial tenants. Both parties each have a 50% interest in the development and operation and will share equally in the project expenses, assets, liabilities and income during the operation phase. Due to decision making being shared equally, and the equal sharing of costs and output, the Company has determined this to be a jointly controlled operation.

**Ownership interest/ voting rights held**

**Principal place of**

**Name of joint operation Nature of relationship business 2018**

Parramatta land and building development

Jointly controlled operation

with Bieson Pty Limited Parramatta NSW **50.00**

The assets and liabilities employed in the above jointly controlled operations, including the Company's share of any assets and liabilities held jointly, are detailed below. The amounts are included in the financial statements under their respective categories.

**2018**

**$**

**Statement of Financial Position**

Land **21,184,140**

GST receivable **1,505,906**

## Notes to the Financial Statements

###### For the initial Period 4 June 2018 to 31 December 2018

1. **Related Parties**
   1. **Parent entity**

The ultimate parent entity of the Company is Western Sydney University.

* 1. **Loans to/from related parties**

**Loan from Parent**

**2018**

**$**

Beginning of the period **-**

Loan advanced **(22,756,720)**

Interest charged **(299,972)**

**End of period (23,056,692)**

The Company has a maximum loan facility limit of $127M from Western Sydney University. The loan facility was granted to pay for all costs and expenses in connection with the acquisition and development of land and leasing of constructed building at 6 Hassall St., Parramatta NSW.

*Accounting Policy*

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 statement of comprehensive income over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the drawdown occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer the settlement of the liability for at least 12 months after the reporting period.

* 1. **Outstanding balances**

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

**2018**

**$**

**Non-current payables (loans)**

Western Sydney University **(23,056,692)**

**Total non-current payables (23,056,692)**

**Notes to the Financial Statements**

**For the initial Period 4 June 2018 to 31 December 2018**

1. **Key Management Personnel Disclosures**
   1. **Names of responsible persons and board members**

The following persons were both responsible persons and board members of Western Growth Developments (Innovation Hub Parramatta) Pty Ltd for the financial period from 4 June 2018 to 31 December 2018.

Mr Peter Pickering (Chair) Professor Barney Glover

All responsible persons and board members are employees of the parent entity and are not remunerated by the Company for their executive responsibilities.

1. **Cash Flow Information**
   1. **Non-cash financing and investing activities**

The Company had non-cash investing and financing transactions that are not reflected in the statement of cash flows. These are included in the statement of financial position under their respective categories.

**2018**

**$**

Land acquisition paid via loan facility from parent **21,184,140**

Loan from parent **(23,056,692)**

1. **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 Company, the results of those operations, or the state of affairs of the Company in future financial years.





INDEPENDENT AUDITOR’S REPORT

Western Growth Developments (Innovation Hub Parramatta) Pty Ltd

To Members of the New South Wales Parliament and Members of Western Growth Developments (Innovation Hub Parramatta) Pty Ltd

Opinion

I have audited the accompanying financial statements of Western Growth Developments (Innovation Hub Parramatta) Pty Ltd (the Company), which comprise the Statement of Comprehensive Income for the initial period 4 June 2018 to 31 December 2018, the Statement of Financial Position as at

31 December 2018, the Statement of Changes in Equity and the Statement of Cash Flows for the period then ended, notes comprising a Summary of Significant Accounting Policies and other explanatory information, Directors’ Declaration and the Responsible Entities' Declaration.

In my opinion, the financial statements:

* are in accordance with the *Corporations Act 2001,* including:

giving a true and fair view of the Company's financial position as at 31 December 2018 and its performance for the period ended on that date

— complying with Australian Accounting Standards and the Corporations Regulations 2001

* are in accordance with section 41C of the *Public Finance and Audit Act* 983 (PF&A Act) and the Public Finance and Audit Regulation 2015

have been prepared in accordance with Division 60 of the Australian Charities and

/\lot-low-pro/lbs *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 Financia1 Statements’ section of my report.

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

* Australian Auditing Standards
* Corporations 4o/ *2001*
* 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.

Level 1S, 1 Margaret Street, Sydney NSW t000 I GPO Box 12, Sydney NSW 200J 1 1 02 9275 71OJ I f 02 9275 7179 I e [mail@audit.new.gov.au](mailto:mail@audit.new.gov.au) I audit.new.gov.au

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 8 April 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 period ended 31 December 2018, other than the financial statements and my Independent Auditor's Report thereon. The directors of the Company 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.

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 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 Corporations *Act 2001* and the *Australian Charites 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 are 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 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 ln 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.](http://www.auasb.gov.au/auditorsresponsibilities/ar4.pdf) The description forms pan 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 for NSW

April 2019 SYDNEY

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**Appendices**

**Western Sydney University**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  |  | **Appendices** |  |
| **2018 Actual to Budget Comparative Analysis** |  |  |  |  |
|  | **2018** | **2018** | ***2018*** | ***2018*** |
|  | **BUDGET** | **ACTUAL** | ***VARIANCE*** | ***VARIANCE*** |
|  | **$'000** | **$'000** | ***$'000*** | % |
| **INCOME FROM CONTINUING OPERATIONS** |  |  |  |  |
| **GOVERNMENT** | **547,921** | **549,813** | ***1,891*** | **0.3%** |
| **ACADEMIC ACTIVITIES** |  |  |  |  |
| International Onshore | 124,269 | 132,045 | *7,776* | 6.3% |
| International Offshore | 727 | 573 | *(154)* | (21.2%) |
| Local fee-paying | 17,500 | 20,948 | *3,448* | 19.7% |
| External Research Grants | 32,150 | 32,319 | *169* | 0.5% |
| Consulting, Contracting & Royalties | 1,693 | 1,762 | *69* | 4.1% |
| Other Academic | 47,825 | 56,453 | *8,628* | 18.0% |
| **Sub Total** | **224,165** | **244,101** | ***19,936*** | **8.9%** |
| **OTHER INCOME ACTIVITIES** |  |  |  |  |
| Leases & Other Commercial | 10,874 | 11,081 | *207* | 1.9% |
| Investment Income | 13,451 | 2,565 | *(10,885)* | (80.9%) |
| Land/Property Development Projects | 53,809 | 103,099 | *49,290* | 91.6% |
| Other Incidental | 10,883 | 62,991 | *52,107* | 478.8% |
| **Sub Total** | **89,017** | **179,736** | ***90,719*** | **101.9%** |
| **ENTITIES** |  |  |  |  |
| The College | 63,657 | 60,949 | *(2,708)* | (4.3%) |
| Whitlam Institute | 177 | 231 | *54* | 30.6% |
| Early Learning Limited | 7,278 | 7,260 | *(18)* | (0.3%) |
| Western Unlimited | 9,473 | 5,723 | *(3,750)* | (39.6%) |
| Western Growth Developments (Westmead) | 0 | 0 | *0* |  |
| Western Growth Developments (Innovation Hub Parramatta) | 0 | 0 | *0* |  |
| Adjustments on Consolidation |  | 2,679 | *2,679* |  |
| **Sub Total** | **80,585** | **76,842** | ***(3,743)*** | **(4.6%)** |
| **TOTAL SELF-GENERATED INCOME** | **393,767** | **500,679** | ***106,912*** | **27.2%** |
| **TOTAL INCOME** | **941,688** | **1,050,491** | ***108,804*** | **11.6%** |
| **EXPENSES FROM CONTINUING OPERATIONS** |  |  |  |  |
| Schools | 228,766 | 215,153 | *13,613* | 6.0% |
| Research | 85,527 | 86,345 | *(818)* | (1.0%) |
| Divisions | 170,678 | 195,407 | *(24,730)* | (14.5%) |
| Entities | 80,697 | 75,901 | *4,796* | 5.9% |
| Consulting & Innovation | 2,307 | 2,152 | *155* | 6.7% |
| University Wide | 183,537 | 202,178 | *(18,641)* | (10.2%) |
| Strategic Initiatives | 46,877 | 45,242 | *1,636* | 3.5% |
| Minor Works (Expensed) | 8,500 | 5,629 | *2,871* | 33.8% |
| External Trust & Tied Grants | 21,391 | 20,255 | *1,136* | 5.3% |
| Depreciation | 49,440 | 53,802 | *(4,362)* | (8.8%) |
| Land/Property Development Projects | 29,746 | 60,716 | *(30,971)* | (104.1%) |
| Adjustments on Consolidation |  |  |  |  |
| **TOTAL EXPENDITURE** | **907,465** | **962,780** | ***(55,315)*** | **(6.1%)** |
| **NET OPERATING RESULT** | **34,223** | **87,711** | ***53,489*** | **156.3%** |

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|  |  |
| --- | --- |
|  | **Appendices** |
| **Western Sydney University 2019 Budget** | |
|  | **2019** |
|  | **BUDGET** |
|  | **$'000** |
| **INCOME FROM CONTINUING OPERATIONS** |  |
| **GOVERNMENT** | **559,461** |
| **ACADEMIC ACTIVITIES** |  |
| International Onshore | 163,515 |
| International Offshore | 627 |
| Local fee-paying | 23,839 |
| External Research Grants | 36,008 |
| Consulting, Contracting & Royalties | 1,008 |
| Other | 54,332 |
| **Sub Total** | **279,330** |
| **OTHER INCOME ACTIVITIES** |  |
| Leases & Other Commercial | 11,520 |
| Investment Income | 6,336 |
| Land/Property Development Projects | 77,772 |
| Other Incidental | 13,542 |
| **Sub Total** | **109,170** |
| **ENTITIES** |  |
| The College | 61,979 |
| Whitlam Institute | 178 |
| Early Learning Limited | 7,436 |
| Western Unlimited | 5,441 |
| **Sub Total** | **75,032** |
| **TOTAL SELF-GENERATED INCOME** | **463,532** |
| **TOTAL INCOME** | **1,022,994** |
| **EXPENSES FROM CONTINUING OPERATIONS** |  |
| Schools | 225,269 |
| Research | 87,287 |
| Divisions | 206,383 |
| Entities | 76,726 |
| Consulting & Innovation | 2,052 |
| University Wide | 202,692 |
| Strategic Initiatives | 47,530 |
| Minor Works (Expensed) | 9,491 |
| External Trust & Tied Grants | 21,523 |
| Depreciation | 55,890 |
| Land/Property Development Projects | 19,843 |
| **TOTAL EXPENDITURE** | **954,685** |
| **NET REPORTED RESULT** | **68,308** |

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## Accounts Payable Performance Indicators – 2018

The University’s payment terms to creditors is 30 days. Any variation to these terms with due justification must be approved by the University Treasurer. University payment runs are fortnightly. The majority of payments are made via electronic transfer with the remainder being settled by cheque.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Accounts Payable Performance in 2018**  **Category** | **First Quarter** | **Second Quarter** | **Third Quarter** | **Fourth Quarter** |
|  | **$** | **$** | **$** | **$** |
| **1. Schedule of Accounts Payable** |  |  |  |  |
| Paid within 30 days | 62,367,382 | 104,352,425 | 85,635,604 | 66,007,501 |
| Paid between 31-60 days | 24,241,465 | 29,941,724 | 33,453,755 | 37,059,274 |
| Paid between 61-90 days | 4,407,738 | 3,563,571 | 4,024,150 | 4,353,130 |
| Paid between 91-120 days | 1,765,222 | 1,767,927 | 1,879,682 | 2,258,657 |
| Paid more than 120 days | 1,254,024 | 791,465 | 1,470,561 | 474,269 |
| **Total** | **94,035,832** | **140,417,111** | **126,463,753** | **110,152,832** |
| **2. Accounts Paid on Time** |  |  |  |  |
| Target percentage of accounts paid on time | 100.0% | 100.0% | 100.0% | 100.0% |
| Actual percentage of accounts paid on time# | 66.3% | 74.3% | 67.7% | 59.9% |
| Total dollar amount of accounts paid on time | 62,367,382 | 104,352,425 | 85,635,604 | 66,007,501 |
| **Total dollar amount of accounts paid** | **94,035,832** | **140,417,111** | **126,463,753** | **110,152,832** |
| # based on invoice date, not date received in Accounts Payable. |  |  |  |  |

## Investment Portfolio Performance - 2018

"The University had $276.1 million in investments at 31 December 2018 ($107.9 million at 31 December 2017).

The underperformance of the Acadian fund during 2018 is as a result of improved performance of higher risk and higher volatility sectors such as energy and materials to which the Acadian strategy has a lower exposure. The result has also been affected by the underperformance of some lower volatility sectors to which the Acadian strategy has a higher exposure. On an annualised basis the return since inception is 10.67% compared to the benchmark of 10.20%. Distributions received were re-invested. The University redeemed $37.95m from the Acadian fund during 2018, for a net realised loss of $2.69m, leaving a balance of $39.82m in the fund at 31 December 2017.

Some units (total $0.73 million) of the fixed income portfolio managed by JBWere matured or were called during 2018. The University applied for new investments for the same value also during 2018. Investment performance of the fixed income portfolio was satisfactory and exceeded benchmark. Distributions received were re-invested.

A new investment strategy was approved by the Board of Trustees and as part of the implementation of that strategy $200m was invested in a combination of Mercer Multi Manager Funds over a 4 month period commencing 23 August 2018. The return of (2.19%) since inception is a result of the poor performance of local and global equity markets in the latter part of 2018. Distributions received were re-invested."

Appendices

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **2018** | | **2017** | | **2016** | | **2015** | |
| **Fund** | **Actual Return**  **%** | **Benchmark Return**  **%** | **Actual Return**  **%** | **Benchmark Return**  **%** | **Actual Return**  **%** | **Benchmark Return**  **%** | **Actual Return**  **%** | **Benchmark Return**  **%** |
|  |  |  |  |  |  |  |  |  |
| Mercer Multi Manager Funds 4 | -2.19% |  |  |  |  |  |  |  |
| Acadian Australian Equity High Yield Fund 5 | -1.54% | -1.67% | 7.55% | 13.53% | 11.41% | 13.40% | 10.38% | 4.40% |
| JB Were 6 | 3.45% | 2.21% | 3.40% | 1.75% | 3.50% | 2.07% | 4.04% | 2.33% |
| Unlisted Securities 7 | - | - | - | - | - | - | - | - |
|  |  |  |  |  |  |  |  |  |

1. - Mercer Multi Manager Funds - part year performance from inception on 23 August 2018. The funds are invested in twelve diversified investment funds which have individual benchmarks. There is no specific benchmark for the total funds invested.
2. - Acadian Australian Equity High Yield Fund - full year performance 6 - Fixed income portfolio managed by JBWere - full year performance

7 - The University had $29.2 million in unlisted securities as at 31 December 2018 ($16.5 million at 31 December 2017) which are not measured for performance.

## Promotion and Travel

For the 2018 year the total University expenditure for overseas travel was $5,987,087. Travel was for a variety of University related purposes including research collaboration, university promotion and development of new partnerships, presentation of papers at conferences, overseas joint university projects, academic development program, student practicums and International study exchange and tours.

All Travel was in accordance with the University Travel Policy https://policies.westernsydney.edu.au/document/view.current.php?id=268 which complies with regulations and guidelines of NSW Treasury.

## Credit Card Certification

Credit card use within Western Sydney University is in accordance with the University’s corporate credit card policy https://policies.westernsydney.edu.au/document/view.current.php?id=65 which complies with regulations and guidelines of NSW Treasury.

Credit card usage is acquitted via the online Travel and Expense Management System and checked and authorised by the appropriate senior delegated officer.

The University conducts regular reviews of credit card usage and where a cardholder is found to be in contravention of the policy regulations by either misuse or non-acquittal in a timely manner, the credit card will be cancelled.

## Funds Granted to Non-Government Community Organisations

During 2018 the University provided $7,409 in funding to non-government community organisations:

|  |  |  |  |
| --- | --- | --- | --- |
| **Name of recipient**  **organisation** | **Program area as**  **per budget** | **Nature and purpose of project including aims**  **and target clients** | **Amount**  **$** |
| UCA Parramatta Mission | Community Engagement | Parramatta Mission provides meals, accommodation and mental health services across Greater Western Sydney, with almost 500 staff and many volunteers delivering more than 70 services.  The Mission provides assistance to the most vulnerable and disadvantaged in our communities to assist them in transforming their lives. These include people who are homeless, at risk of homelessness, facing crisis and people living with mental illness.  Parramatta Mission is a part of the Uniting Church in Australia. | 1,909 |
| Country Education Foundation | Community Engagement | The foundation provides funds to school leavers who need a helping hand to transition from school  to higher education or the workforce. | 5,500 |

**Controlled Entities**

**Western Unlimited Ltd**

Principal Objectives

The principal objective of the company is to provide food and beverage, catering and gym facilities across all six of the Western Sydney University campuses.

Principal Activities and Strategic Projects

The principal activity of the company during the 2018 financial year was the provision of fitness, food and beverage and other services to the Western Sydney University community including students, staff, alumni and residents of greater Western Sydney.

Performance measures

The performance measures of the company are financial and non-financial related to trading in community services.

|  |  |  |  |
| --- | --- | --- | --- |
| ***Category*** | ***FY 2018 Actual*** | ***Annual 2018 Budget*** | ***% Full year achieved*** |
| Revenue | $5,721,093 | $9,473,182 | 60% |
| Expenses | $7,453,855 | $9,923,775 | 75% |
| **Operating Surplus/(Deficit)** | **($1,732,762)** | **($450,593)** | 0% |
| Accumulated Retained Earnings | ($2,962,592) |  |  |

Financial KPI’s were not achieved with the budgeted operating deficit exceeded, revenue was significantly lower than budgeted primarily due to competition from 3rd party on campus outlets providers.

Non-financial KPI’s related primarily to the centralisation of shared services, including Finance and Administration, IT, Visual Communications and Human Resources, and inventory reduction.

As a key provider of student services Western Unlimited receives some ongoing financial support from the University.

Management and Operations

Western Unlimited Ltd is a wholly owned entity of Western Sydney University. An independent Board of Directors is responsible for the overall operations of the Company.

**Western Sydney University Early Learning Limited**

Principal Objectives

The principal objective of the Company is to provide affordable, high quality early childhood care and education for the children of Western Sydney University staff, students and the local community.

Principal Activities and Strategic Projects

|  |
| --- |
| To provide affordable, high quality early childhood care and education for the children of Western Sydney University staff, students and the local community. The provision of this service is campus based to enable staff, students and the local community the greatest opportunity to balance work and study commitments with childrearing. |
| Performance Measures |
| The performance measures of the company are both financial and non-financial. The Company has adopted the  following key performance indicators |
| * Ensure all services at least meet Education and Care National Quality Standards * Utilisation rates at all Centres increasing and stabilising * Centralisation of the Financial and Administrative functions * Financial operations of the Company now consolidated into the University’s financial reporting and budgeting cycle * Continuing to explore ways of offering casual care in addition to permanent placement * Community Engagement |

|  |  |  |  |
| --- | --- | --- | --- |
| ***Category*** | ***FY 2018 Actual*** | ***Annual 2018 Budget*** | ***% Full year achieved*** |
| Revenue | $7,259,752 | $7,278,165 | 100% |
| Expenses | $7,058,261 | $6,958,746 | 101% |
| **Operating Surplus** | **$201,491** | **$319,419** | 0% |
| Accumulated Retained Earnings | $1,630,377 |  |  |

Management and Operations

Western Sydney University Early Learning Limited is a wholly owned entity of the Western Sydney University. An independent Board of Directors is responsible for the overall operations of the Company.

## Western Sydney University Enterprises Pty Limited (trading as Western Sydney University The College)

Principal Objectives

The principal objective of the company is to provide English and Academic Pathways programs to the University, complemented by other professional and community programs, consistent with Western Sydney University imperatives.

Principal Activities and Strategic Projects

The principal activities of the company are structured into the following three key areas:

* Academic Pathways which provides Foundation Studies and a variety of Diploma programs for students proceeding to an academic degree at Western Sydney University. The College continues to offer the Extended Four Term Diploma in addition to the existing University Foundation Studies and Diplomas courses (that are equivalent to first year University programs). The College also established the Western Sydney University International College (“the International College as a joint venture with Navitas Ltd.
* English Programs which enable international students to gain the academic English skills essential for university entrance. This unit also provides a diversity of programmes for international groups including industry visits and cultural immersion, as well is IELTS and other English-language assessment tests.
* Professional and Community Programs which delivers VET sector courses, acts as the College Registered Training Organisation (RTO), and conducts Property and Trust Management, SKILLMAX and HSC preparation courses.

During the 2018 financial year the company undertook numerous strategic projects in accordance with the company’s overall objectives and principal activities.

Performance Measures

The performance measures of the Company are both financial and non-financial:

* The Extended Diploma Program provides some challenges in the prediction of load/revenue for the year. Other Academic Pathway Programs performed below expected projections.
* Shift towards International College as preferred provider for international pathways along with general decrease in international enrolments is having an impact on income.
* English Programs continue to be affected by Visa issues.

|  |  |  |  |
| --- | --- | --- | --- |
| ***Category*** | ***FY 2018 Actual*** | ***Annual 2018 Budget*** | ***% Full year achieved*** |
| Revenue | $60,922,949 | $63,656,631 | 96% |
| Expenses | $60,922,949 | $63,656,631 | 96% |
| **Operating Surplus** | **$0** | **$0** | 0% |
| Accumulated Retained Earnings | $6,765,448 |  |  |

Management and Operations

Western Sydney University Enterprises Pty Limited (trading as Western Sydney University The College) is a wholly owned entity of the of Western Sydney University. An independent Board of Directors is responsible for the overall operations of the company and the day to day activities are managed by a Chief Executive Officer.

The Board has oversight of the Academic Advisory Committee and the English and Professional and Community Programs Academic Advisory Committee. An Audit Committee of the Board was established in 2010 and has made a significant contribution to financial monitoring and reporting within the organisation.

## Whitlam Institute within Western Sydney University Limited

Principal Objectives

The Whitlam Institute is a trustee of the Whitlam Institute within Western Sydney University Trust which was established by agreement between Western Sydney University and the Hon EG Whitlam in 2000. Its spirit is best captured in Gough’s own words when signing the Deed of Gift:

*‘The greatest contribution that I hope to bestow is inspiration. That the work and causes championed in my parliamentary career and the statesman service that followed, will provide the basis for ongoing research and advocacy from this university into the contemporary challenges that confront and can improve the quality of life for all Australians.’[December 2003]*

Principal Activities and Strategic Projects

The Whitlam Institute works as an educator, policy influencer and research institute. It is also home to the Whitlam Prime Ministerial Collection and the Whitlam Reading Room which houses selected books and papers donated by Mr. Whitlam. The collection provides on-line access to papers held both at the Institute and in the National Archives. It maintains an active public education program.

The Institute's strategic program continues to expand in accordance with the intentions outlined in its current Strategic Plan 2016-2018 and subsequently amended in the mid-term review. The strategic priorities focus on:

* The historical legacy;
* Contemporary relevance through public policy development;
* The education and outreach program;
* Governance;
* Organisation; and
* Resourcing.

Performance Measures

The performance measures of the Company are primarily of a non-financial nature and are driven by the philanthropic nature of the trust and the role of the trustee.

The Whitlam Institute is guided by the ‘three great aims’ that drove the Whitlam Program of 1972. They are

* to promote equality
* to involve the people of Australia in the decision-making processes of our land, and
* to liberate the talents and uplift the horizons of the Australian people.

|  |  |  |  |
| --- | --- | --- | --- |
| ***Category*** | ***FY 2018 Actual*** | ***Annual 2018 Budget*** | ***% Full year achieved*** |
| Revenue | $230,782 | $176,729 | 131% |
| Expenses | $60,875 | $157,637 | 39% |
| **Operating Surplus** | **$169,907** | **$19,092** | 0% |
| Accumulated Retained Earnings | $1,501,805 |  |  |

Management and Operations

The Whitlam Institute within Western Sydney University Limited is a wholly owned entity of Western Sydney University.

The Whitlam Institute Board is politically bipartisan and consists of leaders in academia, business, and government organisations. The Board participates in the strategic development of the Institute.

The Whitlam Institute is led by its Director Leanne Smith. Its small secretariat is committed to the highest quality in all its activity whether that might be its policy and research work, outreach activity, public information program or events.

**Western Growth Developments (Innovation Hub Parramatta) Pty Ltd**

Principal Objectives

The Company's principal objective is to act as a co-developer and owner in respect of the Parramatta Project, 6 Hassall St Parramatta.

Principal Activities and Strategic Projects

The Company's principal activities for the promotion of its object are to:

1. act as a co-developer in respect of the Parramatta Project;
2. use and operate its interest in the completed Parramatta Project to generate rental income;
3. sell, lease, licence, mortgage, charge or otherwise deal with the Land; and
4. undertake other development activities in Greater Western Sydney in furtherance of WSU's strategic plan for its campuses for future sustainability and growth.

The Company entered into an agreement with Bieson Pty Limited to develop land and building at 6 Hassall St, Parramatta as co-developers to create an Engineering Innovation Hub that will accommodate teaching and research, strategic partners and commercial tenants. The co-developers each have a 50% interest in the development and operation and will share equally in the project expenses, income, liabilities and assets.

Performance measures

The performance measures of the company are financial and non-financial related to the co-development of 6 Hassall St, Parramatta.

|  |  |  |  |
| --- | --- | --- | --- |
| ***Category*** | ***FY 2018 Actual*** | ***Annual 2018 Budget*** | ***% Full year achieved*** |
| Revenue | $- | $- |  |
| Expenses | $370,846 | $- |  |
| **Operating Surplus/(Deficit)** | **($370,846)** | **$-** |  |
| Accumulated Retained Earnings | **($370,846)** |  |  |

Financial KPI’s ensure that the development is delivered within the parameters established by the approved business case.

Non-financial performance measures are currently centred on the delivery of the development within the approved timeframe.

Management and Operations

Western Growth Developments (Innovation Hub Parramatta) Pty Ltd is a wholly owned entity of Western Sydney University. A Board of Directors is responsible for the overall operations of the Company.

**Western Growth Developments (Westmead) Pty Ltd**

Principal Objectives

The Company's principal objective is to act as a co-developer in respect of the Westmead commercial building project.

Principal Activities and Strategic Projects The Company's principal activities are to:

1. act as a co-developer in respect of the Westmead Project;
2. use and operate its interest in the completed Westmead Project to generate rental income; and
3. undertake other development activities in Greater Western Sydney in furtherance of WSU's strategic plan for its campuses for future sustainability and growth.

The Company entered into an agreement with Bieson Pty Limited to develop land and building at Westmead as co-developers. Both parties were granted a 125 year ground lease by Western Sydney University to carry out the development. The co-developers each have a 50% interest in the development and operation and will share equally in the project expenses, income, liabilities and assets.

Performance measures

The performance measures of the company are financial and non-financial related to the co-development of 6 Hassall St, Parramatta.

|  |  |  |  |
| --- | --- | --- | --- |
| ***Category*** | ***FY 2018 Actual*** | ***Annual 2018 Budget*** | ***% Full year achieved*** |
| Revenue | $- | $- |  |
| Expenses | $5,595 | $- |  |
| **Operating Surplus/(Deficit)** | **($5,595)** | **$-** |  |
| Accumulated Retained Earnings | **($5,595)** |  |  |

Financial KPI’s ensure that the development is delivered within the parameters established by the approved business case.

Non-financial performance measures are currently centred on the delivery of the development within the approved timeframe.

Management and Operations

Western Growth Developments (Westmead) Pty Ltd is a wholly owned entity of Western Sydney University. A Board of Directors is responsible for the overall operations of the Company.

Western Sydney University ABN 53 014 069 881

ANNUAL REPORT 2017

2 Western Sydney University

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