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ANNUAL REPORT
2017

ANNUAL REPORT 2017

Murdoch University is committed to conducting its education, research and corporate activities in a sustainable manner. In keeping with this commitment the University has adapted its reporting practices to produce limited hardcopies of the annual report, encouraging stakeholders, customers, partners, students, employees and donors to access the document online.

Murdoch University

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Murdoch
UNIVERSITY

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Statement of compliance

Hon. Sue Mary Ellery MLC
Minister for Education and Training; Leader of the Legislative Council
Dumas House
2 Havelock Street
WEST PERTH WA 6005

15 March 2018

Dear Minister for Education and Training,

In accordance with Section 63 of the Financial Management Act 2006, we hereby submit for your information and presentation to Parliament the Annual Report of Murdoch University for the financial year ended 31 December 2017.

The Annual Report has been prepared in accordance with the provisions of the Financial Management Act 2006 and is made in accordance with a resolution of the University's Senate.

Yours sincerely

D N Flanagan
Chancellor

Eeva Leinonen
Vice Chancellor

ANNUAL REPORT 2017

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Introduction

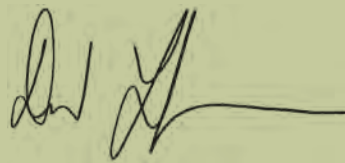




Chancellor's foreword



I feel fortunate to serve as Chancellor of Murdoch University in 2017 as our leadership team, led by Vice Chancellor, Professor Eeva Leinonen, has energised the University community towards a commitment to building a stronger future.



David Flanagan
Chancellor

Murdoch has had a year with many successes in which we have laid the groundwork to reaffirm our position as a significant, research-led university, with far-reaching influence across the world and consolidation of our financial position. We have seen growth in student numbers, national recognition for our enabling programs, and the expansion of our research partnerships and networks.

The Vice Chancellor has consolidated her senior leadership team. They are working effectively together, and with Senate, to provide the Murdoch University community with robust governance and transparent management, and to engender the energy and vision to deliver on the University's strategic goals.

Senate approved the University's refreshed Strategic Plan and Future Horizon 2017-2027, which secures its future direction and positions Murdoch University to thrive in an agile modern world. Developed through extensive collaboration and consultation with all parts of the University community, the strategy has a clear purpose to be a creative force for current and future generations.

Murdoch University's commitment to translational research, affirmed in the strategy, has contributed to important research breakthroughs. This included a key role in the mapping of the barley genome that will give rise to new and improved varieties, and the development of a treatment that kills the moulds that grow on fruit and vegetables, and implementation of technology to assess meat quality, all of which will help address global food security.

In line with the refreshed strategy, Murdoch University is refocusing its reach into its community, strengthening or refreshing engagement with business, industry, government, and community

groups. I was pleased to launch the Harry Butler Institute to continue the work on sustainability and environmental protection of this iconic environmentalist, educator and conservationist. The Institute extends our long-standing partnership with Chevron Australia and establishes a global benchmark for environmental management teaching and research.

Through teaching and research partnerships, we have strengthened our global reach. More than 1,000 students graduated from our Singapore and Dubai campuses in 2017. Our global collaboration in medicine and agriculture was enhanced by funding from the Australian Research Council which will support the establishment of the Australian National Phenome Centre.

Working with Senate, the University has focused on ensuring its financial sustainability. This has been difficult in a political environment which has seen institutional funding from the Commonwealth frozen for the next two years.

Future investment decisions will be guided by a Responsible Investment Charter that reflects our values of Equity and Social Justice, Sustainability, Global Responsibility and Opportunity. Senate endorsed the Charter to ensure the link between the procedural framework of investments and the values that sustain our activities.

I would like to thank all staff and my Senate colleagues, for helping define a future in which Murdoch University will be recognised as a global university being a creative force for current and future generations. We look forward to further successes to come as, together, we implement Murdoch University's strategic vision.

Vice Chancellor's report



In a world in which the role of higher education is continually evolving, Murdoch University has taken on the challenge to adapt and grow. The dedication and commitment of our staff has helped us take advantage of the opportunities we have created for ourselves to achieve success in 2017 in education and research, and to extend engagement with our community.

Murdoch University has achieved much this year – affirming our identity, consolidating our strengths in education and research, and refreshing our vision for the future. Despite the challenges the sector faces, I am confident that the University will build on its long tradition of education and research excellence towards a vibrant future.

Universities need to ensure they remain relevant to a world being changed by globalisation and technology. To do so we need to be agile, prepared to respond and proactively plan for the modern world. These ideas have been at the heart of the development of the Strategic Plan and Future Horizon 2017-2027 that was approved by Senate in September.

The strategy places students and education side-by-side with research and innovation at the core of our direction. They are guided by a clear over-arching purpose to be a creative force for current and future generations.

In an increasingly competitive environment, universities need to be efficient and productive to be able to invest in their activities and be competitive internationally. To this end, the Strategic Plan is underpinned by financial sustainability and recognition of the valued contribution made by our staff. It also acknowledges that academic excellence is the underpinning force for the financial strength of the University.



We will continue to build on our strengths in repositioning the University as well as looking at what we need to change or let go to help us achieve our vision.

In recent years the university sector has had to contend with uncertain and contested Commonwealth funding and regulation. Higher education was at the forefront of political discussion in Australia in 2017, with considerable debate over the value of university education, the right mix of university and VET graduates, and the mix of personal and public funding for each student's education.

The last days of the year saw the government freeze Commonwealth Grant Scheme funding, effectively capping student numbers, for the next two years at 2017 levels. Faced with this new funding environment, Murdoch University will endeavour to accelerate our plans so that we are more mindful of costs and how we might improve productivity. We will continue to build on our strengths in repositioning the University as well as looking at what we need to change to help us achieve our vision.

As Vice Chancellor in a constantly evolving higher education environment, it is important to keep asking where government policy, technology and society are leading the sector. Increasing use of metrics, analytics and performance-based funding by government and funding agencies are short-term challenges that we have begun to address in 2017 by developing internal analytic capacity to facilitate alignment between strategy, planning, evaluation and accountability.

The changes to the School of Business and Governance, in many ways, model these future strategies. In 2017, the School saw the appointment of a new Dean who has worked with staff in the School, as well as industry experts and entrepreneurs, to refresh the curriculum and enhance the learning experience. There has been student growth onshore and offshore, recognising that international student recruitment is an important component of student growth, given Murdoch University's desire to strengthen its global outlook and the realities of the funding environment. In strengthening its links with business and industry, the School had initial success in obtaining funding for research with real-world relevance.

Our Free Your Think campaign and the redesign of the Murdoch University website have changed the external face of the University and built recognition and awareness. I like to say that we have reaffirmed our identity as a university where people come together to learn, innovate and collaborate.

Vice Chancellor's report

2017 in Review

Universities need
to ensure they
remain relevant
to a world being
changed by
globalisation
and technology.

Research

Murdoch University has consolidated its translational research focus with success across a range of funding programs in 2017. Nationally competitive grant income was two-thirds greater than 2016 and total income was up by more than 25 per cent, at over \$30 million.

We have performed strongly in strategic research areas, including primary food production and food security; resources, the environment and their management; phenomics and personalised medicine; and animal health and welfare.

In meeting our goal of providing life-changing solutions to complex world challenges, Murdoch University has strengthened interdisciplinary research programs. In particular, we recognise that the same core global challenges can affect every part of the ecosystem: our land, animals and people. We are addressing those challenges through the One Health initiative that is designed to forge equal, inclusive collaborations between experts in these three broad disciplines.

In 2017, we have worked on the Murdoch Knowledge and Health Precinct, part of a redevelopment of our campus, which will enable us to expand our One Health approach to global problems. The Precinct brings together expertise in fields such as veterinary and human medicine, molecular biology, microbiology, epidemiology, bioinformatics, genomics and public health policy. Critically, it is underpinned by strong partnerships with industry, business, community organisations, health sector, other educational institutions, philanthropists and local/global investors. Establishment of the Phenome Centre, the Harry Butler Institute, the Crop Research Hub and participation in the Western Australian Health Translation Network will embody the University's approach to innovation in the Precinct.



Learning and Teaching

Our students are graduating into a world where non-linear career paths are increasingly common. They need transferable skills and, throughout 2017, Murdoch University has developed a career learning spine for all undergraduate courses that aims to enhance students' capacity to take advantage of the many opportunities ahead of them. The career learning spine aspires to produce creative, adaptable graduates with T-shaped skills (deep discipline knowledge as well as broad interpersonal skills), who can work productively across disciplines and cultures.

Murdoch University has increased integration of technology in learning. This facilitates greater access for students, including remote students and those with work or family commitments, as well as providing innovative learning opportunities. The adaptation of a virtual reality classroom tool for pre-service teachers this year and the ongoing use of simulation facilities in teaching student nurses demonstrate the valuable real-world experiences technology provides at Murdoch University.

Continuous improvement is built into curriculum development at Murdoch University. I am heartened by the commitment of our students to lead change in learning and teaching and was impressed by the projects undertaken in 2017 under the Students as Change Agents in Learning and Teaching (SCALT) initiative. Equally, the enthusiasm of our staff to their teaching practice is demonstrated in the establishment of the Learning Excellence Academy (LEAD). This community of experts and innovators will share best practice in learning and teaching, and provide development opportunities and support for their peers.

Collaborative partnerships

An important focus for the University is building collaborative partnerships that benefit its students, staff and the wider University community. The depth of the engagement with, and support of, its broader community is seen in activities such as national and international research associations with business, industry and other institutions; aspiration-raising activities in the corridor to our south; and community events on our campuses like the Telethon Community Cinemas and Music at Murdoch concerts.

In 2017, we became a Founding Partner of Perth Arena. This provides a dedicated Work Integrated Learning program at the Arena, and access to casual work opportunities. Murdoch University will also work with Perth Arena on innovative research projects.

Universities are sometimes seen as institutions shackled by tradition and slow to respond to a changing global environment. I am encouraged by the aspiration of the vision for Murdoch University as an innovative, creative force in the world.

While we will be agile and responsive in our decision-making, our commitment to academic excellence is unwavering. Our future strategy reclaims a strong heritage and positions Murdoch University as a sustainable, inclusive, global university.

Eeva Leinonen
Vice Chancellor

Key statistics



Five Year Summary Key Statistics

		2017	2016	2015	2014	2013
STUDENT STATISTICS*	Total	23,238	23,153	23,244	24,142	24,108
Number of students	Commencing	9,078	8,580	7,904	8,819	9,177
Student load (EFTSL)*	Total	15,192	15,670	15,524	16,400	16,605
	Undergraduate	13,234	13,752	13,604	14,310	14,421
	Postgraduate	1,958	1,918	1,920	2,090	2,183
Student load by funding source (EFTSL)*	Commonwealth Grant Scheme	8,809	7,984	7,692	8,248	8,305
	Research Training Program	336	319	338	367	377
	Domestic fee paying					
	– Undergraduate	1	0	0	0	0
	– Postgraduate	613	645	553	603	659
	International onshore	1,397	1,321	1,478	1,647	1,672
	Transnational	3,998	5,382	5,432	5,505	5,541
	Other	38	18	31	31	50
OUA student load (EFTSL)	Total	598	669	739	1,031	1,576
	Murdoch reported*	231	160	189	215	158
	OUA reported	367	509	550	816	1,418
STAFF STATISTICS ^	Total	1,758	1,783	1,644	1,686	1,709
Staff (FTE)	Academic					
	Teaching only or mainly	275	277	203	207	193
	Research Mainly	66	79	67	63	55
	Teaching and research	408	411	403	402	452
	Other	15	16	10	31	30
	Non academic	993	999	959	984	981
Net operating result (\$000's)		3,530	-5,423	-4,841	2,904	35,949
Operating margin (%)		1.0	-1.6	-1.5	0.9	10.2
Net assets (\$000's)		812,822	815,328	824,063	822,809	821,504
Total assets (\$000's)		1,121,897	1,129,260	1,120,524	1,116,682	1,098,619
Total revenue (\$000's)		350,912	346,044	319,400	339,382	353,297
Total Research Income (\$000's)		30,710	24,112	20,758	26,673	27,889

*Data based on Murdoch University's reportable student load only. Values are subject to student revisions and final quarter submission updates.

^ Staff statistics do not include staff employed by transnational partners. The values are those determined on the 31st December.

2017 Summary by Campus

NUMBER OF STUDENTS

		South St	Mandurah	Rockingham	Singapore	Dubai	Total
Enabling	Total	1,075	97	124	0	0	1,296
	Commencing	1,034	96	120	0	0	1,250
Undergraduate	Total	11,708	655	72	5,743	394	18,572
	Commencing	3,974	160	0	1,864	102	6,100
Postgraduate Coursework	Total	2,089	12	0	371	146	2,618
	Commencing	1,201	11	0	259	73	1,544
Higher Degree by Research	Total	751	1	0	0	0	752
	Commencing	184	0	0	0	0	184
Total		15,623	765	196	6,114	540	23,238
Completions 2016		2,837	136	41	2,394	157	5,565

Purpose and Priorities

OUR VISION

Murdoch University was formally established in 1973 by an Act of the Western Australian Parliament to meet the growing higher education needs of the community.

Named after prominent Australian author and philosopher Sir Walter Murdoch, and officially opened on the 100th anniversary of his birth, the University was the first in the nation to offer a new, flexible admission system. This made tertiary education more accessible to the community, a tradition and value that Murdoch University has upheld to this day.



Purpose and Priorities

Vision and Values

With more than 23,000 students from over 100 countries and close to 2,000 staff, Murdoch University is by world standards a comparatively small university, yet is well placed to meet its vision as a significant, research-led university, with far-reaching influence across the world.

During 2016 and 2017, the University collaborated and consulted with all parts of the University community and key stakeholders in the development of a refreshed strategic vision. The aspirations of the Murdoch Strategic Plan 2012-2017 remain, as we seek to make a difference in the communities we serve through our translational research, 'world-ready' graduates and high-calibre staff across our local and global campuses.

The Strategic Plan and Future Horizon 2017-2027 was approved by Senate in September, which secures Murdoch University's future direction and priorities for growth over the next five-year and ten-year horizons.

We remain a university for all, irrespective of background and social standing with a focus on social equity, self-direction and freedom of thought and belief. Murdoch University continues to be guided by the founding principles of equity and social justice; opportunity; sustainability; and global responsibility.

These principles shape the culture of the University as evidenced by being an institution where the following are clear:

- **Integrity**
 - > We act with integrity and trust in the best interests of the University.
 - > We defend and express academic freedom at all times with civility and responsibility.
- **Respect and Diversity**
 - > We are about, and, for people irrespective of background.
 - > We embrace and value the many individuals and organisations that support our endeavours.
- **Purpose**
 - > 'Everything we do must matter'.
 - > We are responding assertively to the changing higher education sector.
 - > We are performance based, accountable and empowered.
- **Excellence and Future-focus**
 - > We promote the highest standards of intellectual inquiry and rigour.
 - > We are future-focused and active in creating our success.
 - > We embrace continuous improvement.
 - > We value, celebrate and reward the success of our people.



Our Strategy

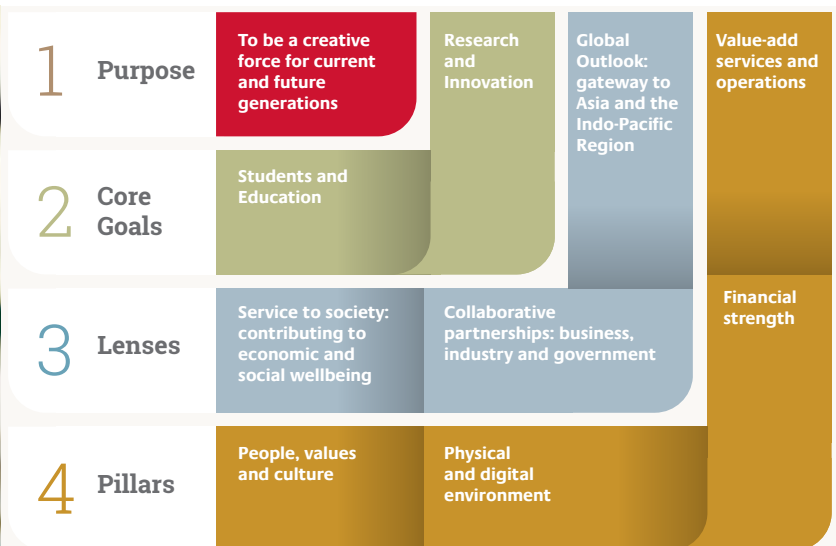
With renewed leadership and a refreshed commitment to building a stronger future, we are now looking towards a future in which we will be recognised as a world-changing university through the impact of our free-thinking graduates, our life-changing research, and our campus developments in Western Australia and strategic global locations.

The Strategic Plan is underpinned by two core goals: to provide an outstanding education experience for every student leading to our graduates being innovators fully prepared for their future careers; and to provide life changing solutions to complex world challenges.

In order to focus our endeavours the University considers three lenses. We strive to be of service to society, form collaborative partnerships and strengthen our global outlook by being a gateway to Asia and the Indo-Pacific region.

Our core goals are to educate free thinkers and to provide life changing solutions.

The core activities of the University are supported and enabled by four pillars: Our people, values and culture; Our financial strength; Our physical and digital environments; and Our 'value-add' services and operations.



Purpose and Priorities

Research driven by innovation

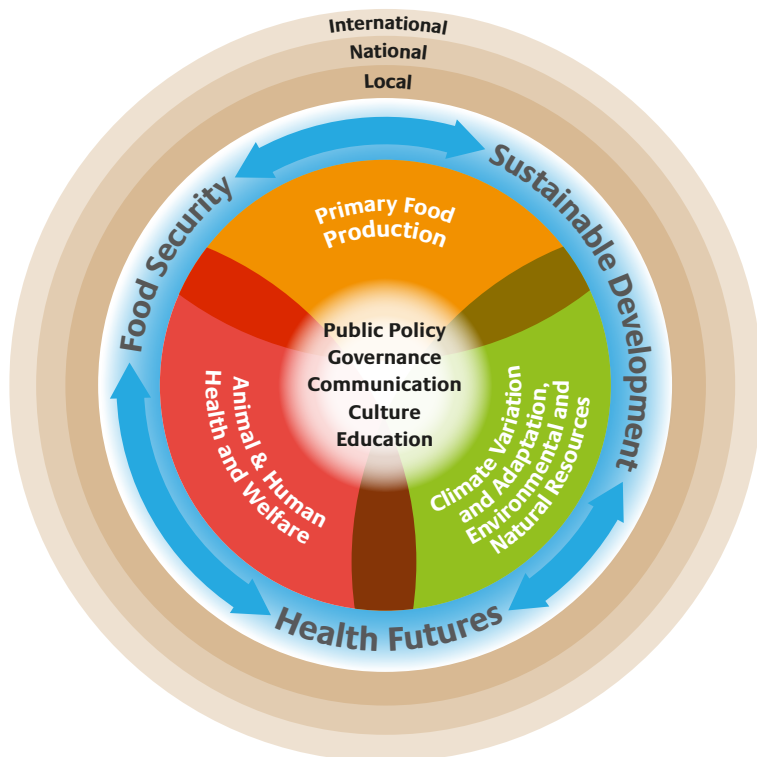
The Research Mandala seen below captures the key research themes through which Murdoch University contributes to the local and global challenges triggered by demographic change, climate variability, and the translation of political, philosophical and economic ideologies into policy and regulation.

Murdoch University's research encompasses the full translational pipeline from fundamental and technology-driven sciences through to political science and governance, regulatory and policy frameworks as well as cultural critiques offered through the prisms of history, theology and the social sciences. Enhancing supporting platforms and research infrastructure, through partnerships and joint ventures locally and internationally, reinforce our translational research excellence and efficiency.

Productive innovation builds from Murdoch University's translational focus and an intellectual ecosystem that brings together researchers, business, industry, investors and entrepreneurs. Murdoch University nurtures fundamental and basic research, particularly where the possibility for impact and disruption is seen.

World-class academics underpin Murdoch University's reputation as an international research-led institution. An impressive 87 per cent of Murdoch University's submissions to the 2015 Excellence in Research for Australia (ERA) at the four-digit field of research level was assessed at world standard or better. The University will invest in postgraduate students, early career researchers, and joint industry/Murdoch University funded research appointments to reinforce research teams to help us achieve our strategic goals.

Research activities at Murdoch University must be shaped towards consolidation and critical mass in key areas to make a contribution and be a collaborator of choice at the local, national and global level in those areas defined by the Mandala. Our international reputation will be strengthened by the establishment of three interdisciplinary research institutes aligned with our major research strengths.



**Murdoch University
Research Mandala**



High quality education experience

Students continue to be attracted to Murdoch University, both in Perth and Mandurah as well as offshore in Singapore and Dubai, recognising our reputation for delivering high-quality learning and teaching and comprehensive support services.

The University's learning framework, professional and skill development programs, updated curriculum and teaching have been designed to support students in a rapidly-changing global education environment. Their future is likely to be characterised by multiple careers and change, where agility, adaptability and creativity will be essential for success.

Murdoch University's innovative courses give students the opportunity to learn both disciplinary knowledge and transferrable skills. They include a 'career learning spine' to enhance students' understanding of the external world and develop their capabilities to take advantage of the many opportunities ahead of them. New courses will be developed in consultation with students, employers and professional bodies to ensure that they resonate with future career opportunities.

The power of the student voice and leadership as change agents is recognised and embraced. This gives rise to opportunities for students to develop and lead learning and teaching innovations that will contribute to their success.

The University continues to build on the substantial professional experience of many of our academic staff to develop our staff to be first-rate educators who enhance student learning.

Murdoch University is committed to offering university education to all who can benefit, irrespective of background and social standing. Successful enabling pathways will be strengthened, students will be supported to transition into higher education study, and comprehensive pastoral and academic support services maintained.

Global learning opportunities for students both on our campuses and through online study will be extended. Murdoch University will continue to offer high quality, flagship courses and units and will utilise a global online learning platform to enable more students to benefit from our teaching and research excellence.



Education



Murdoch University's reputation for excellent teaching and research and investment in exceptional student experience saw it remain a popular choice for prospective students in 2017. This was built from aspiration-raising projects and strengthened promotion of course offerings at Murdoch. As a result, there was strong growth in enabling programs and commencing undergraduate students at our Perth and Mandurah campuses.



Enhancing employability

Murdoch University has a reputation for delivering a high quality innovative curriculum. The competitiveness and attractiveness of the University's course offerings will be enhanced by the implementation of a career learning spine into each student's undergraduate degree, alongside the existing transition and research experiences.

Courses are designed to offer all our students the opportunity to learn both disciplinary knowledge and, the much sought after, enterprise skills. The career learning spine will enhance our students' understanding of the external world and develop their capabilities to take advantage of the many opportunities ahead of them.

The Murdoch Learning and Teaching Forum – *Career Learning for Employability* – explored how the University can play a role in developing the enterprise skills needed for student success in an ever-changing world.

The University has a pivotal role in helping to prepare our graduates for a future which will be characterised by multiple careers and where agility, adaptability and creativity will be essential to their success. Through partnering with students, employers and professional bodies, innovators, and entrepreneurs in the design and delivery of our courses, Murdoch University will develop new courses that will resonate with future career opportunities.

Students driving change

Students at Murdoch University are empowered to lead change in learning and teaching through the Students as Change Agents in Learning and Teaching (SCALT) initiative. Change Agents lead projects that explore innovative solutions and explore how the innovation can be embedded to create change in learning and teaching practice at Murdoch University.

Five projects were undertaken in 2017, led by students supported by mentors from their school, the Centre for University Teaching and Learning, or the Student Guild. Project topics aligned with the Strategic Plan and included:

- **Experience your future: A first year job shadowing program**
Development and implementation of a co-curricular job shadowing program that saw first year students matched with a host organisation for practical experience.
- **Study, anywhere-anytime: real flexibility in course delivery**
Identifying processes and barriers in current learning and teaching delivery methods to the provision of fully flexible learning.
- **Murdoch University Innovation Ecosystem**
Assessment of the capabilities of Murdoch's innovation ecosystem to extend and generate continued inter-disciplinary collaboration by students across schools, faculties and specialisations.
- **Seeking engaging law units: The final frontier**
The project aims to use innovative technology to provide a structured, engaging student-centred approach to tutorial preparation, resources and delivery.
- **Improving mental health literacy in Murdoch students**
A pilot program of Mental Health Literacy (MHL) workshops to work towards a culture of understanding and timely support for students experiencing mental health issues.

The University has also worked closely with the Student Guild to create new orientation programs to inform students and raise awareness on important issues such as appropriate behaviours and consent. These education programs also include bystander education. This recognises the shared responsibility of staff and students in ensuring our campus and community are safe and respectful places in which to live and learn.

Education

Strengthening teaching excellence

Staff at Murdoch University are highly skilled and dedicated to demonstrating excellence in learning and teaching practices in real world learning settings. Programs to maintain and enhance the professional capabilities of staff are a key strategy in championing teaching excellence to improve student outcomes.

Around 100 staff are undertaking a course accredited by the United Kingdom-based Higher Education Academy (HEA), an organisation internationally acknowledged for recognising professional standards in teaching quality. The course is tailored to disciplines and skills-based areas, with learning experts working alongside staff to develop teaching projects.

Successful completion allows Murdoch University staff to gain an Associate Fellowship and Fellowship of Higher Education Academy, providing professional recognition for teaching and innovation. A broad range of staff who work closely with students, from teaching academics through to career advisors and librarians, have gained HEA Fellowships.

Murdoch University is one of only four universities in Australia to earn HEA accreditation. Through the Executive Education Centre, the University is the first to offer the program in Singapore.

Taking the LEAD

Excellence and leadership in learning and teaching at Murdoch University is being promoted and celebrated following the establishment of the Learning Excellence Academy (LEAD). Murdoch LEAD has been established as a community of experts and innovators who will share good practice, provide support, professional development and mentorship as well as provide a community for strategic conversation.

LEAD has welcomed more than 100 Fellows since its launch in June 2017, with 34 recognised as Senior Fellows. LEAD recognises the shared passion of Fellows for learning and teaching and how they can work together to bring excellence and innovation to the University's classrooms and beyond.

Murdoch University's Strategic Refresh has reinforced the equal importance of learning and teaching with research. The community of experts and innovators in Murdoch LEAD will be a key part of the conversation for future strategy and direction in learning and teaching. That conversation was started at the University's Learning and Teaching Forum, where LEAD was launched and which featured talks with renowned learning and teaching experts focusing on career learning for employability.

**Murdoch University
is one of only four
universities in
Australia to earn
HEA accreditation.**



Leading innovation in learning and teaching

Learning and teaching initiatives developed at Murdoch University have been included in the National Innovation Case Study Collection launched by the Federal Minister for Education, Simon Birmingham. The Collection provides a repository of best practice examples of innovation at work in the Australian university sector.

The case studies focus on developing student and graduate success. They are divided into 20 high-level themes and the context, rationale and impact of each initiative is described.

Murdoch University has more than 20 case studies featured in the Collection that demonstrate excellence and innovation in helping students to gain the best learning experiences beyond the classroom, and to obtain opportunities for career development in their chosen fields. Highlights of Murdoch University's programs include:

- K-Track program, an Indigenous enabling program to develop emotional intelligence and wellbeing.
- Vet Professional Life Subjects, a whole-of-degree professional curriculum to develop key professional skills in veterinarians.
- SCALES Clinic, experiential learning for students to provide legal services to real clients.
- International Clinical Placements in Nursing, where students can take part in overseas clinical internships.
- IRU Scholars in Asia, a program offering students the chance to study abroad with students from different disciplines and universities.

The K-Track Indigenous Enabling Program is an innovative pathway for Indigenous students to gain entry to Murdoch University's courses. Developed by the Kulbardi Aboriginal Centre in consultation with the University community, government and industry, the program takes a holistic approach to learning and teaching and the student experience. Aboriginal students are encouraged to see participation in higher education as a transformational opportunity through which they are empowered to achieve their educational and career aspirations.

K-Track received an Award for Programs that Enhance Learning in the 2017 Australian Awards for University Teaching in recognition of the benchmark it sets for curriculum development, pedagogy and student support for Indigenous students and the broader University community. The award enhances the already strong reputation of the K-Track Program and helps draw Aboriginal students to Murdoch University. It also builds on Murdoch's commitment to Aboriginal and Torres Strait Islander people, families and communities.

Education



Virtual classroom

Pre-service teachers from Murdoch University will be among the best prepared in the nation thanks to an innovative virtual reality classroom tool. The underlying technology is a mixed reality learning environment, with students being represented by avatars that respond in real time to a teacher's direction or instructions.

The virtual class enables pre-service teachers to gain confidence in their abilities before they enter a classroom. Trainee teachers can rehearse different instructional techniques, as well as try various approaches to manage student behaviour and get immediate feedback. The immersive environment allows students to prepare for a real classroom setting far earlier in their training and improve their practice with less stress.

The University adapted the technology to the Australian education environment and is now offering the service to other universities around Australia to better prepare pre-service teachers.

Gender equity

Murdoch University has a strong commitment to developing the diversity of its people and in 2017, it joined the Science in Australia Gender Equity (SAGE) pilot program.

SAGE is a national initiative that helps institutions develop actions that champion gender equity and diversity across the higher education sector. It has adopted the Athena SWAN Charter, a UK-developed program that helps develop best practices in recruiting, promoting and retaining women in science, technology, engineering, mathematics and medicine (STEMM).

Murdoch University joined the initiative after demonstrating progress in developing policies and strategies to address gender equity issues and commitment to Athena SWAN principles. The University will also take the opportunity to examine equity and opportunity around race, culture and sexuality and its intersection with gender.

Existing data on the recruitment, remuneration, development, promotion and the retention of women at Murdoch University is being collected and analysed and a survey commissioned to explore areas for future development. Engagement with the SAGE program aims to enable, encourage and sustain transformation at Murdoch University to provide a solid foundation for promoting an inclusive environment across the whole University.



Student safety on campus

Murdoch University is committed to maintaining a supportive and safe campus culture built on inclusivity and respect, backed by a range of practical initiatives, programs and services. In particular, Murdoch University is determined to raise awareness of sexual assault and sexual harassment on campus and the support services available for students.

To that end, the University joined with Universities Australia to collect survey data on the incidence of sexual assault and sexual harassment and participated in the Respect. Now. Always. campaign to lift the visibility of support services. Murdoch University is supporting the recommendations of the Human Rights Commission – Change the Course report and the 10-Point Action Plan developed by Universities Australia recognising its shared responsibility to ensure all students are able to study in a safe and respectful environment and to lift the visibility of available support services. Murdoch University does not tolerate sexual assault or harassment at our University or in the community – in all cases, one incident is one too many.

The survey results revealed that the reported incidence of sexual assault on campus at Murdoch University was much lower than the national average, but that sexual harassment was being reported by 58 per cent of those who responded to the survey. Most of these sexual harassment incidents occurred as our students travelled to and from the University on public transport. The University was, however, concerned that 20 per cent of these incidents occurred on our campus.

One practical and proactive tool to help students stay safe, both on and off the campus is the MurdochSafe App which was launched in 2017. The app gives students access to a range of on-campus medical, counselling, safety and disability services. In the event of an emergency on campus, the app allows students to notify campus security services of their location and connect to police and emergency services.

In 2017, Murdoch received more than \$30 million in funding for its leading-edge research projects. Up 27 per cent from 2016.





Research

Research at Murdoch University is translational in nature, generating solutions to the problems of the communities that provide our inspiration. Focus is provided through local industry-linked partnerships, as well as international collaborations that address the unique global challenges of our time.

Research funding success

Murdoch University's reputation for innovative translational research, together with a focus on interdisciplinary programs, has been recognised and rewarded by government agencies and industry partners. A focus on the Research Mandala themes of Health Futures, Sustainable Development and Food Security has ensured that Murdoch University has achieved internationally significant research outcomes and remains at the cutting edge of strategic research disciplines.

Throughout 2017, Murdoch University received more than \$30 million in funding for its leading-edge research projects. This is a 27 per cent improvement on the amount of funds received for the previous year. Researchers were awarded \$15.85 million in competitive government grants, up 66 per cent on 2016. Other sources of funding, including direct industry and Collaborative Research Centre funding showed an improvement to \$14.7 million. Industry engagement will be an increasing focus over the coming years especially in engineering and information technology which should improve due to recent investments in the area.

Research highlights

Conservation and environmental management

In partnership with Chevron Australia, Murdoch University launched the Harry Butler Institute to promote high-quality teaching and research into the co-existence of business and biodiversity. The naming recognises Australian environmentalist, educator and conservationist, Dr Harry Butler AO who worked closely with Chevron for more than 50 years. Their partnership focused on creating and implementing environmental management practices on Barrow Island to ensure the protection of this Class A Nature Reserve, setting a global benchmark for environmental management.

Murdoch University has worked with Chevron on a variety of projects over many years aimed at harnessing new technology to preserve Barrow Island's conservation values. Extending the partnership through the Harry Butler Institute supports ongoing research programs that continue Harry's work on sustainability and environmental protection.

Chevron sponsored establishment of the Chevron Harry Butler Chair in Environmental Management and Biosecurity to provide leadership and coordinate education, research and technical advice, enhancing Chevron Australia's research activities and the quality of environmental management in its operations. Professor Marnie Campbell has been appointed to this position and joins the University in March 2018. The Institute will be supported by appointed fellows and adjunct professors, a PhD program and honours projects and scholarships, including an Indigenous program.

Plans for the Institute include an environmental education centre, volunteer programs and an annual lecture series. Students will have the opportunity to study the new field of bioeconomics and work directly with industry, with graduates gaining a potential pathway towards employment with Chevron.

The Harry Butler Institute is the first of three interdisciplinary University research institutes that aim to align with Murdoch University's major research strengths and local, national and global priorities.

Therapy for rare diseases

Research over two decades by Professor Steve Wilton and Professor Sue Fletcher led to the development of Exondys 51, the first ever treatment to have altered the progression of the fatal disease Duchenne Muscular Dystrophy (DMD). The drug exploits the fact that some genes linked to inherited diseases have sections that are potentially dispensable. It uses a technology, known as exon skipping, that acts as a genetic whiteout that tricks cells into skipping over a genetic mutation.

Building on this underlying technology, Murdoch University received \$800,000 from the Australian Government's National Health and Medical Research Council (NHMRC) over the next three years to help develop genetic therapies for rare diseases.

There are over 6,000 known rare diseases, affecting around one in 12 Australians. This means that often there are only a handful of people with a disorder. The research team, led by Professor Wilton, will initially focus on eight genes that contribute to 46 serious inherited disorders.

They will work with long-term collaborators at the University of Western Australia and Orthocell Ltd to develop new therapies.

Food production and quality

Murdoch University is tackling the global challenge of food security through translational research programs addressing food production, transport and quality, and reducing food wastage.

Plant disease researcher Dr Kirsty Bayliss was named a 2017 LAUNCH Food Innovator, part of a global open innovation program for innovators, entrepreneurs, or intrapreneurs to improve health outcomes by enabling people to make healthy food choices. Partners in the LAUNCH initiative include NASA, USAID, the U.S. Department of State, Fonterra, Walmart, The Gates Foundation and NIKE.

The technology Dr Bayliss's team developed, Breaking the Mould, is a plasma-based treatment that kills the moulds that grow on fruit and vegetables, making fresh produce healthier for consumption, increasing shelf-life and reducing food wastage. The team have been working on preliminary trials and are now preparing to start scaling-up trials, working with commercial production facilities.



The technology is part of a \$4 million investment by the Department of Foreign Affairs and Trade (DFAT) in innovations designed to combat malnutrition in the Indo-Pacific region, home to more than half of the world's chronically hungry people.

Meat & Livestock Australia has awarded Murdoch University \$10 million in ongoing investment to accelerate the adoption of the transformative DEXA technology. This supplements \$12.5 million awarded last year to develop DEXA and other carcass measurement technologies.

DEXA, dual x-ray absorptiometer technology, is a measurement system that enables meat producers, suppliers and retailers to more accurately assess carcass yield and quality. It was developed by Associate Professor Graham Gardner in the School of Veterinary and Life Sciences. Adoption of the technology will generate improved profit margins and better meet market demands, which will improve the livestock industry's international competitiveness.

The project will provide an industry-wide standard for Australia's \$12 billion meat industry that will set the standards which the international industry will follow.

Sheep meat researchers are investigating what impact long-haul shipping routes have on eating quality, incorporating consumer trials in the United States. Murdoch University post-graduate researcher Maddison Corlett has been supported by the Cooperative Research Centre for Sheep Industry Innovation to examine factors affecting how American consumers perceive the eating quality of Australian lamb.

Building from previous research, the project will look at whether different feeding regimes, different cuts or different ageing periods influence consumer perceptions. The US is a key export market and this research has significant implications for the lamb supply chain in the future.

Murdoch University's reputation as a global research leader was enhanced by the establishment of a \$5 million Crop Research Hub. The major grain research infrastructure project will help boost crop productivity and reduce the impact of disease, while significantly improving the productivity and efficiency of crop research in Western Australia. Murdoch University will partner with Curtin University and the Department of Primary Industries and Regional Development on the project. It also received \$3 million from the Grains Research and Development Corporation.

The project will draw on specialist research skills from across the Hub to develop new research in crop pathology, plant physiology and genetic improvement. State-of-the-art infrastructure includes specialist glasshouses, a glasshouse containment facility and netted field plots that will improve the efficiency and productivity of crop research and strengthen the national grain industry.

Meat & Livestock Australia has awarded Murdoch \$10 million in ongoing investment to accelerate the adoption of the transformative DEXA technology.

Research highlights

Global analytic partnership launched

Global networking and collaboration in medicine and agriculture will be enhanced by the establishment of the Australian National Phenome Centre (ANPC) at Murdoch University.

Metabolic phenotyping is a powerful tool for wide ranging biological studies, offering a greatly enhanced range of metabolic analysis. The Centre will serve biological and life sciences, clinical and biomedical sciences, analytical chemistry, toxicology, animal and crop sciences, wildlife conservation and sports science.

The ANPC is Australia's first metabolic phenome hub and brings together world class expertise in analytical chemistry, computational biology, data modelling and visualisation. It provides the ability to stratify patients and animals and implement precision medicine, while also stratifying crops for precision agriculture.

The Centre is affiliated with the International Phenome Centre Network which has partners in Canada, China, Japan, Singapore, Taiwan and the United Kingdom. As a partner in a greater international collaboration, the ANPC will support high-impact research addressing key global questions and act as a training hub for South East Asia.

Health Translation Network

The practice of medicine in the 21st century is undergoing a revolution in technology that will give health professionals the ability to detect patients at risk and enable personalised medicine for prevention and treatment. The Western Australian Health Translation Network (WAHTN) is a State-wide network that builds on cross-disciplinary and cross-institutional collaboration to facilitate the rapid translation of these technologies to patient care and community health.

Murdoch University researchers work with WAHTN across a range of disciplines, including health policy and economics, big data, Aboriginal health and culture, and neuroscience. The Network also has a partnership with the ANPC to provide leadership in phenomics and personalised medicine.

Development of the Knowledge and Health Precinct on the eastern side of the Perth campus creates opportunities for Murdoch University to build world class infrastructure and supporting platforms that drive translational research and collaborative partnerships that will enhance the WAHTN.

The National Health and Medical Research Council has accredited WAHTN as an Advanced Health Research and Translation Centre. This delivers significant benefits, including improved access to national level funding and networks, supporting the Network to continue to build translational research capabilities in WA. Formal recognition demonstrates its health and medical research translation activities are being performed at an international standard of excellence to directly improve patient care for all Western Australians.



International

In 2017, Murdoch University prioritised its international endeavour in order to reverse the downward trend in international recruitment experienced in the previous three years. Recruitment of new international students to onshore programs declined in 2014 and 2015. In 2016, there was a concerted effort to stabilise the number of new starters and there were signs for growth in 2017.

In 2017, a number of proactive measures were taken to begin to regrow the international cohort number. These measures included the promotion of the International Welcome Scholarship and a refresh of the University's program portfolio and leadership. At the end of 2017, Murdoch University had grown their number of new international students by approximately 28 per cent. This required a more flexible facilitative approach, which not only brought new students to our campus but also enabled the growth of Murdoch University's reputation in new parts of the world.

Partnerships to optimise international recruitment continue to grow in number and to flourish. As existing partnership agreements, both domestic and international, are due for renewal, the University is assessing related activity in order to evaluate the strength and value of the partnership. Internationally the number of enabling partners has increased and now includes universities and colleges in China, the Indian Subcontinent and South East Asia. Of particular note is the articulation with Shenyang Institute of Engineering, which in

2017 became an articulation partner following the guidelines set out by the Ministry of Education in Beijing. This partnership enables students to undertake a course in China, that has a proportion of Murdoch University intellectual property, and in turn promises 40 students each year, from 2020, to study the final year of their degree in Perth.

The Kaplan partnership college, Murdoch Institute of Technology (MIT), based on the Perth campus is the most significant partnership in Perth and enables students to undertake foundation studies preparing them to study at Murdoch University in subsequent years. After some years of declining numbers, MIT have increased their level of recruitment in 2017.

Murdoch University continues to recruit a significant number of students from across the world who come to Perth to study for credit rather than for award. Known as "Study Abroad" students, these individuals tend to come from a different group of countries than the other international students. One significant facilitator of outward mobility of Australian students is the Federal Government's New Colombo Plan (NCP) scheme. This scheme seeks to enable Australian students to spend time in a number of countries primarily in South East Asia. More than 70 students from Murdoch University had such an experience in 2017.

Murdoch University continues to be the most significant provider of transnational education (TNE) in Western Australia. With campuses in both Singapore and Dubai, Murdoch University has in excess of 6,000 students studying offshore. Murdoch University also has a significant number of alumni in both places and presently has a greater number of Singaporean alumni than any other Australian university in Singapore. In both Singapore and Dubai, Murdoch works with an infrastructure partner to provide high quality undergraduate education.



Engagement

Murdoch University actively contributes to our local, national and international communities, through initiatives in education, food production and food security, animal and human health, public policy and social reform. Collaborative partnerships with business, industry, government and grass roots organisations underpin our engagement activities and the strength of those partnerships has been demonstrated in 2017, both in research funding and social benefits.

Enabling and enrolling students

Murdoch University is committed to serving the communities of the Peel and Rockingham/Kwinana areas, and encouraging greater participation in higher education. To this end the University offers an undergraduate nursing program at the Mandurah campus. Students can also participate in the 14-week OnTrack enabling program which targets prospective students, without an ATAR, who wish to embark on an undergraduate program.

Since 2014, enabling enrolments at Mandurah have increased by 180 per cent. The University plans to further expand study opportunities by increasing the number of enabling places, including through school based programs, and introducing first year undergraduate units intended to smooth the transition to study at the Perth campus.

In Rockingham, enrolments in our enabling programs OnTrack and TLC 110 increased by 76 per cent over the last four years. The campus also hosted the Young Professionals Program offering networking opportunities for students, those in the formative stages of their careers, and business owners aged 18 to 35. This initiative, which has the active support of the Chamber of Commerce, organises speaking events, mentoring opportunities, and insights into starting businesses.

While research and teaching activity have primacy at Mandurah, the Rockingham campus hosts external entities such as the Montessori School which expanded its footprint in 2017. The City of Rockingham also agreed in 2017 to locate the Renaissance Technopole advanced research and development centre at the campus. The centre will attract technology businesses while serving defence-related projects.

Committee service

Members of the University community are involved in supporting endeavours in the Peel and Rockingham areas through active participation in local committees and governing bodies. Provost Professor Andrew Taggart sits on the strategic direction-setting Peel Development Commission Board of Management, to which he brings a higher education perspective as well as a link to our researchers.



Murdoch University has further links to the Commission through representation on sub-committees such as the Peel Workforce Development Alliance and the Transform Peel Working Party. Their work has informed major publications such as the June 2017 Transform Peel Workforce & Skills Needs Analysis, an anticipation of workforce characteristics and needs in the years to 2050.

Research and related activities

Murdoch University continues to develop its Shire of Serpentine-Jarrahdale-located Whitby Falls farm project. It will become a research facility that delivers innovations in environmental, soil and veterinary sciences, agriculture, dairy, food security and land management. Economic growth in the Peel region will also be supported through the provision of training and employment opportunities at the farm.

The Murdoch University Cetacean Research Unit has continued to work on the Mandurah Dolphin Research Project which aims to characterise the population size, habitat-use, and genetic connectivity of bottlenose dolphins in the Peel-Harvey Estuary and adjacent coastal waters. Staff have been to the fore presenting the project's work both to the local community but also further afield through the attention the work has garnered from Australian and international media.

Harnessing ARC Linkage Grant funding, and partnering with, among others, the City of Mandurah, the Shire of Murray, and the State Government Departments of Premier and Cabinet and Water, Murdoch University continues to lead the Balancing Estuarine & Societal Health project. Focusing on the Peel-Harvey Estuary, the aim is to identify strategies that best optimise trade-offs between socio-economic development goals in the fast-growing Peel region and the estuarine impacts that may eventuate. The project draws together expertise in ecology, hydrology, biochemistry, modelling and socio-economics.

Murdoch Singapore's research and development centre, the Singapore Centre for Research in Innovation, Productivity and Technology (SCRIPT), via its Director Associate Professor Chris Vas, has been working with the Peel Development Commission to explore the technologies and associated business models for new forms of technology-driven urban farming in the Peel Region. This work relates to the Peel Food Zone initiative of the State Government-approved Transform Peel program which is part of a 35-year multi-stakeholder program, intended to develop an

innovative primary industry hub. This study has catalysed new research and investment partnerships between proponents from Singapore and the Peel region with a Singapore delegation visiting and engaging with the WA State Government in November 2017.

Regional Development Australia and the Peel Development Commission are working towards the development of a Drone Technology Research Hub which has attracted interest from industry groups, State Government officials, and the universities. This facility would be a locus for new businesses and jobs associated with this booming technology. Murdoch's Dr Graham Mann, who has been exploring the scientific applications of unmanned aerial vehicles (UAVs), has promoted the University as a key partner in this innovation. The University is to provide scientific, engineering and training support. Whitby Falls farm is now the preferred location for the Hub, and Dr Mann is working with all interested parties to secure funding for refurbishing buildings, equipping the site and planning safe flying procedures as the first steps towards this goal.

A community hub

A unique collaborative project between Murdoch University and the City of Melville has resulted in the development of a \$5.27m sporting facility on the Murdoch campus to serve the growing sporting needs of the Melville community. The State Government awarded Community Sporting and Recreation Facilities Funds to the project. The sporting facility at Murdoch University supports the City's community hub approach that looks for opportunities to create multi-use sites, as well as addressing the needs of Murdoch students.

The multi-use football/cricket facility includes two synthetic soccer playing fields and cricket pitches, club and changing rooms, floodlights for extended playing hours, spectator seating and car parking. The Melville City Football Club, the largest soccer club in the State, has moved its home to the new facility.

Opportunities to bring students on to the Perth campus have grown in 2017. Community events like the Telethon Community Cinemas and Music at Murdoch concerts draw thousands of people to the University each year. Public lectures on topics as diverse as whale sharks, forensic science and politics in the age of Trump also attract many community members.

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Our structure

Governance structure

Murdoch University's enabling Act, the Murdoch University Act 1973, provides that the governing body of the University is the Senate. Senate is ultimately responsible for all University affairs as Senate approves the Strategic Plan of the University, oversees its policies and procedures, guides the programs and activities undertaken.

To assist in the effective governance of the University, the Senate has established four committees:

1. Audit and Risk Committee, to help the Senate meet its governance and management control oversight responsibilities.
2. Chancellor's and Nominations Committee which advises the Chancellor on governance issues and reviews the performance, remuneration and succession plans for the Vice Chancellor and senior officers. This Committee also recommends the appointment of suitable Senate members.
3. Honorary Awards and Ceremonial Committee, which awards honorary degrees and Senate medals, and oversees guidelines and policies relating to honorary degrees, Senate medals, graduation ceremonies and regalia.
4. Resources Committee, which advises on a wide range of governance issues including financial control and sustainability, investment capability, campus development, commercial activities, oversight of the University's subsidiary entities, the finances of the Guild of Students (in an advisory capacity) and other matters as relevant.

An external review of Senate was commenced in 2016. This review considered the governance structure and arrangements of Senate including how Senate interacts with other committees within the University. The recommendations of an external review of Senate in 2016 were considered by Senate in early 2017 and implemented through the year. As part of this review the number and functions of Senate's Committees were changed.

The Senate appoints the Chancellor and Vice Chancellor, who in turn become Senate members. Corporate leader and philanthropist, David Flanagan, is Murdoch University's Chancellor. Mr Flanagan was re-appointed in 2016 for a second three-year term.

Professor Eeva Leinonen was appointed Vice Chancellor and commenced at the University in April 2016.

Under the organisational structure of Murdoch University, the Vice Chancellor is the chief executive officer and academic principal of the University. The Vice Chancellor is tasked with the leadership and development of the University, and the achievement of its Strategic Plan.

Senate has adopted the Voluntary Code of Best Practice for the Governance of Australian Universities ("the Code") as a best practice governance benchmark. Under the Code the University is required to disclose in its Annual Report whether or not it complies. The University complies with the protocols contained in the Code.

Academic Council

Academic Council is the senior decision-making body on academic matters, academic policies and the approval of academic offerings within the University as set out in Section 21 of the Murdoch University Act 1973. The current President of the Academic Council is Professor John Pluske. Following amendments to the Murdoch University Act, effective 2 January 2017, the President of Academic Council is an ex-officio member of the University's Senate.

Academic Council plays an integral part in shaping and managing the academic environment as Murdoch University implements, develops and continually improves its academic offerings in line with its Strategic Plan.

Following an Academic Governance Review conducted in 2014, with resulting outcomes implemented from 1 January 2015, the Academic Council was repositioned to be more strategic. The repositioning included a reform of the subcommittees to provide for decisions to be made at more appropriate levels, thus adding to the efficiency and effectiveness of the academic governance framework. A review of the Education sub-committees was undertaken by the Deputy Vice Chancellor (Education), with a new Education sub-committee structure approved by Academic Council in March 2017. The new model will enable full overview of the Education portfolio through a new central University Education Committee (UEC) with a series of subordinate committees. The UEC subordinate committees include an Academic Quality Committee and an Aboriginal and Torres Strait Islander Education & Strategy Committee.

Our Structure

Risk management

The Senate, in accordance with its Statement of Governance Principles, has responsibility for setting risk management policy and critically monitoring the management of risk across the University, including commercial undertakings. The Senate has approved a Terms of Reference for the Audit and Risk Committee (ARC), which requires the Committee to confirm that the University's Risk Management Framework is appropriate.

On a quarterly basis, the ARC receives reports from Internal Audit and management, which address the University's significant risks and systems of internal control. To facilitate assurance to Senate that risks are being appropriately addressed by management, the ARC submits its minutes to the Senate regularly in addition to an annual report on risk, internal controls and audit matters.

The University's updated Risk Management Policy, approved by Senate in September 2017, is consistent with the concepts in Standards Australia AS/NZS ISO 31000:2009, Risk Management – Principles and Guidelines, and aligns with contemporary good practices. The policy outlines the University's approach to identification, management and reporting of risks and specifies formal roles and responsibilities for these activities.

Risk Management Framework

The University's revised Risk Management Framework was approved by the Audit and Risk Committee in August 2017. The framework underpins the continued rollout of good practice risk management aligned with AS/NZS ISO 31000:2009 Risk Management – Principles and Guidelines.

A Risk Management Advisory Group chaired by the Chief Operating Officer is in place with the primary role of providing advice to the Vice Chancellor on the University's risk management strategy, framework, policy and operations.

Strategic and operational risk management

The University has a Strategic Risk register that highlights the critical strategic risks facing the University. The critical strategic risks that have been identified are actively controlled and monitored through a suite of actual and planned mitigating controls.

The development of Operational Risk registers is progressing in Schools and Offices.

Fraud, corruption and misconduct control framework

The University has a Fraud, Corruption and Misconduct Control Framework that includes the following:

- Fraud, Corruption and Misconduct Policy.
- Fraud and Corruption Control Plan.
- Conflict of Interest Policy.
- Public Interest Disclosure Policy and Procedures.

The Fraud, Corruption and Misconduct Control Framework represents the commitment of the University to ensure effective controls and practices are in place to mitigate fraud, corruption and misconduct related risks.

University Continuity

The University has a University Continuity Strategy, University Continuity Guidelines and Critical Incident Management Plan. The Critical Incident Management Team meets regularly to drive the development and implementation of Critical Incident Management Plan, which form an integral part of the University Continuity Framework. The development of University Continuity Management Plans is progressing in Schools and Offices.



Senate Member	Basis of Appointment	Term of Office
1. Alers, Tay Mr	Elected from and by the students, section 12(1)(d)*	01 January 2017 – 31 December 2017
2. Barnett, Mr Russell	Co-opted by Senate, section 12(1)(g)*	24 May 2011 – 23 May 2014 24 May 2014 – 23 May 2017
3. Buckingham, Mr Gavin	Co-opted by Senate, section 12(1)(h)	18 August 2017 – 17 August 2020
4. Burges, Ms Ricky	Co-opted by Senate, section 12(1)(g)*	11 March 2015 – 10 March 2018
5. Dudley, Dr Janice	Elected by Academic staff, section 12(1)(b)*	06 November 2012 – 05 November 2015 06 November 2015 – 04 August 2017
6. Edwards, Em Prof John	Appointed by the Governor, section 12(1)(f)*	30 September 2015 – 29 September 2018
7. Feist, Mrs Fiona	Elected by General staff, section 12(1)(c)* Elected by Non-academic staff, section 12(1)(d)	23 December 2015 – 18 April 2017 19 April 2017 – 18 April 2020
8. Flanagan, Mr David	Ex-officio, as Chancellor, section 12(1)(a)	08 August 2013 – 07 August 2016 08 August 2016 – 07 August 2019
9. Hall, Mrs Andrea	Appointed by the Governor, section 12(1)(f)*	02 September 2014 – 1 September 2017
10. Holt, Mr Ross	Appointed by the Governor, section 12(1)(f)* Co-opted by Senate, section 12(1)(h)	10 June 2014 – 9 June 2017 10 June 2017 – 9 June 2020
11. Hughes, Mr Ross	Co-opted by Senate, section 12(1)(h)	02 September 2017 – 01 September 2020
12. Kelly, Mr Glen	Co-opted by Senate, section 12(1)(g)*	24 May 2015 – 23 May 2018
13. Kerr, Mr Peter	Appointed by the Governor, section 12(1)(f)*	22 December 2015 – 21 December 2018
14. Klomp, Mr Stephen	Elected by Academic staff, section 12(1)(b)*	29 December 2016 – 31 December 2017
15. Leinonen, Professor Eeva	Ex-officio, as Vice Chancellor, section 12(1)(a)* Ex-officio, as Vice Chancellor, section 12(1)(b)	04 April 2016 – 01 January 2017 02 January 2017 - current
16. Martin, Ms Jay	Elected by Convocation, section 12(1)(e)*	01 January 2015 – 31 December 2017
17. Pluske, Professor John	Ex-officio, as President Academic Council, section 12(1)(i)	02 January 2017 - current
18. Sadleir, Mr Paul	Appointed by the Governor, section 12(1)(f)*	20 September 2011 – 19 September 2014 20 September 2014 – 19 September 2017
19. Skalko, Ms Brodie-Ann	Elected from and by the students, section 12(1)(d)*	01 January 2017 – 31 December 2017
20. Slaven, Mr Walter (Wal)	Elected by Convocation, section 12(1)(e)*	01 January 2016 – 31 December 2018
21. Surma, Dr Anne	Elected by Academic staff, section 12(1)(b)*	7 April 2015 – 28 November 2017

*As per section 37. Transitional provisions (Senate) for Universities Legislation Amendment Act 2016 as at 02 Jan 2017)

Our Structure

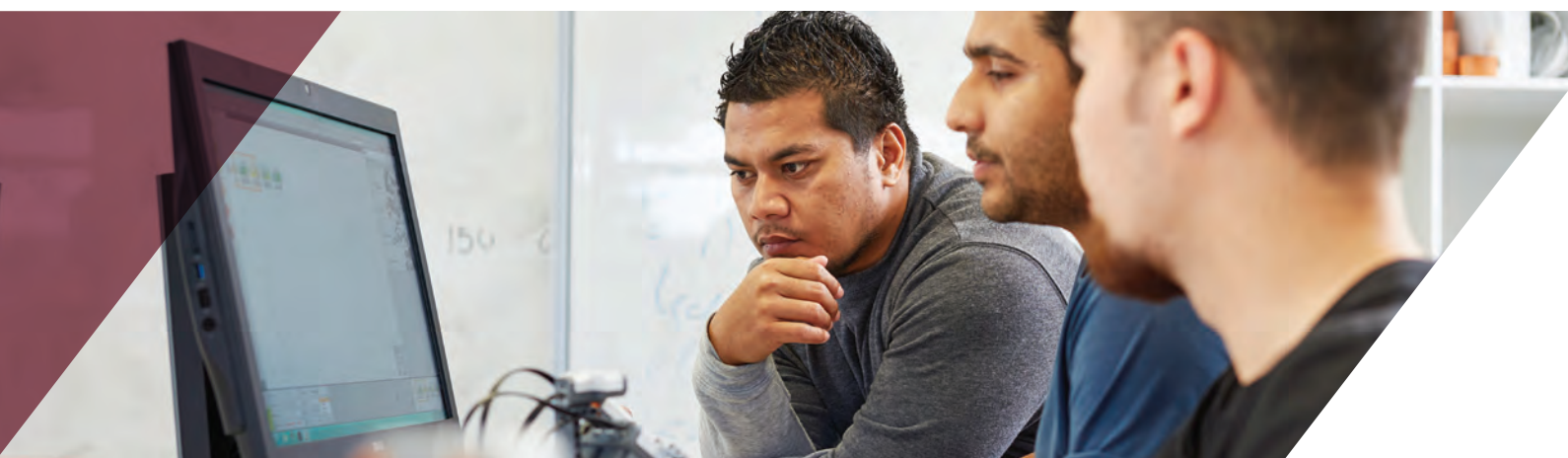
Senate and Sub-Committees Consolidated Attendance for 2017

These meetings do NOT include decisions by circular resolution									Senate		Audit & Risk Committee	
									A	B	A	B
Alers, Tay Mr					GNC				6	5		
Barnett, Mr Russell								RC	1	0#		
Buckingham, Mr Gavin	ARC							RC	3	3	2	2
Burges, Ms Ricky	ARC	CC		CNC			NC		6	5	5	1#
Dudley, Dr Janice								RC	2	2		
Edwards, Em Prof John					GNC				6	5		
Feist, Mrs Fiona						HAAC			6	6		
Flanagan, Mr David		CC	RemC	CNC	GNC	HAAC	NC		6	5		
Hall, Mrs Andrea	ARC	CC	RemC	CNC				RC	3	3	4	4
Holt, Mr Ross		CC	RemC	CNC	GNC	HAAC	NC	RC	6	6		
Hughes, Mr Ross								RC	3	3		
Kelly, Mr Glen					GNC				6	3#		
Kerr, Mr Peter				CNC				RC	6	4#		
Klomp, Mr Stephen						HAAC			6	6		
Leinonen, Professor Eeva					GNC	HAAC		RC	6	6		
Martin, Ms Jay	ARC								6	6	5	4#
Pluske, Professor John									6	5		
Sadleir, Mr Paul		CC	RemC				NC	RC	4	2#		
Skalko, Ms Brodie-Ann						HAAC			6	5		
Slaven, Mr Walter (Wal)									6	6		
Surma, Dr Anne					GNC				5	3		

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

B = Number of meetings attended

= Leave of absence granted



	Chancellor's Committee		Remuneration Sub-committee		Chancellor's & Nominations Committee		Governance & Nominations		Honorary Awards & Ceremonial Committee		Nominations Committee		Resources Committee	
	A	B	A	B	A	B	A	B	A	B	A	B	A	B
							1	0						
													1	0#
													1	1
	3	3			2	1					0	0	2	2
							1	1						
									1	1				
	3	3	1	1	2	2	1	1	1	1	0	0		
	3	3	1	1	2	2							3	1
	3	2	1	1	2	2	1	1	1	1	0	0	4	4
													1	1
							1	1						
					2	1							4	3
									1	1				
							1	1	1	1			4	4
	3	3	1	1							0	0	3	3
									1	1				
							1	1						

Notes:

1. The Senate Sub-Committee members that are not Senate members have been excluded from the table above.
2. The Chancellor's Committee was renamed as the Chancellor's & Nominations Committee effective 6 September 2017 as per Senate Resolution S/21/2017(iv).
3. The Remuneration Sub-committee was disbanded effective * September 2017 as per Senate Resolution S/21/2017(iii).
4. The Governance & Nominations Committee was disbanded effective 6 September 2017 as per Senate Resolution S/21/2017(i).
5. The Nominations Committee was disbanded effective 6 September 2017 as per Senate Resolution S/21/2017(ii).



Disclosures and legal compliance

Certification of financial statements

The accompanying financial statements of Murdoch University and the accompanying consolidated financial statements have been prepared in compliance with the provisions of the Financial Management Act 2006 from proper accounts and records to present fairly the financial transactions for the financial year ended 31 December 2017 and the financial position as at 31 December 2017.

At the date of signing we are not aware of any circumstance which would render the particulars included in the financial statements misleading or inaccurate.



David Flanagan
Chancellor



Eeva Leinonen
Vice Chancellor



MP Conry
Chief Finance Officer

15 March 2018



Certification of financial statements required by the Department of Education and Training

We declare that the amount of Australian Government financial assistance expended during the reporting period was for the purpose for which it was intended and Murdoch University has complied with applicable legislation, contracts, agreements and program guidelines in making expenditure.

Murdoch University charged Student Services and Amenities Fees strictly in accordance with the *Higher Education Support Act 2003* and the Administration Guidelines made under the Act. Revenue from the fee was spent strictly in accordance with the Act and only on services and amenities specified in subsection 19 38(4) of the Act.

David Flanagan
Chancellor

Eeva Leinonen
Vice Chancellor

15 March 2018

Certification of Key Performance Indicators

We hereby certify that the 2017 Key Performance Indicators are based on proper records, are relevant and appropriate for assisting users to assess Murdoch University's performance, and fairly represent the performance of Murdoch University for the year ending 31 December 2017.

David Flanagan
Chancellor

Eeva Leinonen
Vice Chancellor

15 March 2018



Auditor General

INDEPENDENT AUDITOR'S REPORT

To the Parliament of Western Australia

MURDOCH UNIVERSITY

Report on the Financial Statements

Opinion

I have audited the financial statements of Murdoch University which comprise the Statement of Financial Position as at 31 December 2017, the Income Statement, the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows for the University and the consolidated entity for the year then ended, and Notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the financial statements are based on proper accounts and present fairly, in all material respects, the operating results and cash flows of Murdoch University and the consolidated entity for the year ended 31 December 2017, and the financial position at the end of that period. They are in accordance with Australian Accounting Standards, the *Financial Management Act 2006* and relevant Treasurer's Instructions.

Basis for Opinion

I conducted my audit in accordance with the Australian Auditing Standards. My responsibilities under those standards are further 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 *Auditor General Act 2006* and the relevant ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial statements. I have also fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibility of the University Senate for the Financial Statements

The University Senate is responsible for keeping proper accounts, and the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, the *Financial Management Act 2006* and relevant Treasurer's Instructions, and for such internal control as the University Senate determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the University Senate is responsible for assessing the agency's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting.

Auditor's Responsibility for the Audit of the Financial Statements

As required by the *Auditor General Act 2006*, my responsibility is to express an opinion on the financial statements. The objectives of my audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the University Senate.
- Conclude on the appropriateness of the University Senate's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the agency's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Report on Controls

Opinion

I have undertaken a reasonable assurance engagement on the design and implementation of controls exercised by Murdoch University. The controls exercised by the University are those policies and procedures established by the University Senate to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions (the overall control objectives).

My opinion has been formed on the basis of the matters outlined in this report.

In my opinion, in all material respects, the controls exercised by the Murdoch University are sufficiently adequate to provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities have been in accordance with legislative provisions during the year ended 31 December 2017.

The University Senate's Responsibilities

The University Senate is responsible for designing, implementing and maintaining controls to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities are in accordance with the *Financial Management Act 2006*, relevant Treasurer's Instructions and other relevant written law.

Auditor General's Responsibilities

As required by the *Auditor General Act 2006*, my responsibility as an assurance practitioner is to express an opinion on the suitability of the design of the controls to achieve the overall control objectives and the implementation of the controls as designed. I conducted my engagement in accordance with Standard on Assurance Engagements ASAE 3150 *Assurance Engagements on Controls* issued by the Australian Auditing and Assurance Standards Board. That standard requires that I comply with relevant ethical requirements and plan and perform my procedures to obtain reasonable assurance about whether, in all material respects, the controls are suitably designed to achieve the overall control objectives and the controls, necessary to achieve the overall control objectives, were implemented as designed.

An assurance engagement to report on the design and implementation of controls involves performing procedures to obtain evidence about the suitability of the design of controls to achieve the overall control objectives and the implementation of those controls. The procedures selected depend on my judgement, including the assessment of the risks that controls are not suitably designed or implemented as designed. My procedures included testing the implementation of those controls that I consider necessary to achieve the overall control objectives.

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

Limitations of Controls

Because of the inherent limitations of any internal control structure it is possible that, even if the controls are suitably designed and implemented as designed, once the controls are in operation, the overall control objectives may not be achieved so that fraud, error, or noncompliance with laws and regulations may occur and not be detected. Any projection of the outcome of the evaluation of the suitability of the design of controls to future periods is subject to the risk that the controls may become unsuitable because of changes in conditions.

Report on the Key Performance Indicators

Opinion

I have undertaken a reasonable assurance engagement on the key performance indicators of Murdoch University for the year ended 31 December 2017. The key performance indicators are the key effectiveness indicators and the key efficiency indicators that provide performance information about achieving outcomes and delivering services.

In my opinion, in all material respects, the key performance indicators of Murdoch University are relevant and appropriate to assist users to assess the University's performance and fairly represent indicated performance for the year ended 31 December 2017.

The University Senate's Responsibility for the Key Performance Indicators

The University Senate is responsible for the preparation and fair presentation of the key performance indicators in accordance with the *Financial Management Act 2006* and the Treasurer's Instructions and for such internal control as the University Senate determines necessary to enable the preparation of key performance indicators that are free from material misstatement, whether due to fraud or error.

In preparing the key performance indicators, the University Senate is responsible for identifying key performance indicators that are relevant and appropriate having regard to their purpose in accordance with Treasurer's Instruction 904U *Key Performance Indicators*.

Auditor General's Responsibility

As required by the *Auditor General Act 2006*, my responsibility as an assurance practitioner is to express an opinion on the key performance indicators. The objectives of my engagement are to obtain reasonable assurance about whether the key performance indicators are relevant and appropriate to assist users to assess the agency's performance and whether the key performance indicators are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion.

I conducted my engagement in accordance with Standard on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* issued by the Australian Auditing and Assurance Standards Board. That standard requires that I comply with relevant ethical requirements relating to assurance engagements.

An assurance engagement involves performing procedures to obtain evidence about the amounts and disclosures in the key performance indicators. It also involves evaluating the relevance and appropriateness of the key performance indicators against the criteria and guidance in Treasurer's Instruction 904U for measuring the extent of outcome achievement and the efficiency of service delivery. The procedures selected depend on my judgement, including the assessment of the risks of material misstatement of the key performance indicators. In making these risk assessments I obtain an understanding of internal control relevant to the engagement in order to design procedures that are appropriate in the circumstances.

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

My Independence and Quality Control Relating to the Reports on Controls and Key Performance Indicators

I have complied with the independence requirements of the *Auditor General Act 2006* and the relevant ethical requirements relating to assurance engagements. In accordance with ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements*, the Office of the Auditor General maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Matters Relating to the Electronic Publication of the Audited Financial Statements and Key Performance Indicators

This auditor's report relates to the financial statements and key performance indicators of Murdoch University for the year ended 31 December 2017 included on the University's website. The University's management is responsible for the integrity of the University's website. This audit does not provide assurance on the integrity of the University's website. The auditor's report refers only to the financial statements and key performance indicators described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements or key performance indicators. If users of the financial statements and key performance indicators are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial statements and key performance indicators to confirm the information contained in this website version of the financial statements and key performance indicators.


COLIN MURPHY
AUDITOR GENERAL
FOR WESTERN AUSTRALIA
Perth, Western Australia
10th March 2018





Financial Statements

year ended 31 December 2017

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Income Statement

for the year ended 31 December 2017

	Note	Consolidated		University	
		2017 \$000's	2016 \$000's	2017 \$000's	2016 \$000's
Income from continuing operations					
Australian Government financial assistance					
Australian Government grants	2	128,888	121,071	128,888	121,071
HELP - Australian Government payments	2	67,330	63,617	67,330	63,617
State and local government financial assistance	3	3,622	2,673	3,622	2,673
HECS-HELP - Student payments		5,673	5,568	5,673	5,568
Fees and charges	4	82,085	81,812	79,936	83,702
Investment revenue	5	7,330	8,194	7,120	7,131
Consultancy and contract research	6	22,535	18,650	22,596	18,650
Other revenue	7	30,922	31,875	23,642	54,427
Gains on disposal of assets		100	73	104	73
Other investment income	5	2,398	12,510	1,462	11,089
Other income	7	29	1	29	1
Total income from continuing operations		350,912	346,044	340,402	368,002
Expenses from continuing operations					
Employee related expenses	8	209,278	205,460	206,754	203,070
Depreciation and amortisation	9	17,802	16,466	18,506	16,352
Repairs and maintenance	10	9,377	9,830	6,864	7,005
Borrowing costs	11	338	430	338	430
Impairment of assets	12	834	539	834	537
Investment losses	5	2,437	993	1,356	403
Other expenses	13	110,198	117,530	106,603	100,763
Total expenses from continuing operations		350,264	351,248	341,255	328,560
Net result before income tax		648	(5,204)	(853)	39,442
Income tax	14	(2,882)	219	(2,796)	-
Net result after tax from continuing operations attributable to members of Murdoch University		3,530	(5,423)	1,943	39,442

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

Statement of Comprehensive Income

for the year ended 31 December 2017

		Consolidated		University	
	Note	2017 \$000's	2016 \$000's	2017 \$000's	2016 \$000's
Net result after income tax for the period		3,530	(5,423)	1,943	39,442
Gain on value of available for sale financial assets, net of tax	28	4,674	1,829	4,674	1,829
Cash flow hedges, net of tax	28	(23)	129	(23)	129
Exchange differences on translation of foreign operations	28	(216)	122	-	-
Loss on revaluation of land and buildings, net of tax	22	(10,471)	(5,392)	(9,996)	(6,703)
Total comprehensive income attributable to members of Murdoch University		(2,506)	(8,735)	(3,402)	34,697

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

Statement of Financial Position

as at 31 December 2017

	Note	Consolidated		University	
		2017 \$000's	2016 \$000's	2017 \$000's	2016 \$000's
Assets					
Current assets					
Cash and cash equivalents	15	35,757	50,749	13,541	28,389
Receivables	16	10,836	9,072	19,413	12,743
Inventories	17	1,310	1,435	1,306	1,428
Other financial assets	19	79,951	92,841	69,900	87,400
Prepayments	20	6,466	6,590	6,359	6,434
Total current assets		134,320	160,687	110,519	136,394
Non-current assets					
Receivables	16	-	-	3,464	3,880
Other financial assets	19	79,123	70,506	88,022	79,443
Other non-financial assets	20	35	31	35	31
Investment properties	21	242,969	243,720	242,969	243,720
Property, plant and equipment	22	650,318	639,762	632,691	622,546
Intangible assets	23	15,132	14,531	15,132	14,531
Deferred tax assets	14	-	23	-	-
Total non-current assets		987,577	968,573	982,313	964,151
Total assets		1,121,897	1,129,260	1,092,832	1,100,545
Liabilities					
Current liabilities					
Trade and other payables	24	22,081	25,994	21,963	25,446
Borrowings	25	474	2,491	474	2,491
Employee benefit provisions	26	23,157	31,086	23,072	30,994
Provisions	26	18,274	16,453	4,223	3,129
Derivative financial instruments	18	38	15	38	15
Other liabilities	27	229,177	226,596	13,448	10,219
Total current liabilities		293,201	302,635	63,218	72,294
Non-current liabilities					
Other payables	24	6	6	6	6
Borrowings	25	4,189	4,664	4,189	4,664
Employee benefit provisions	26	10,018	6,047	9,986	6,014
Provisions	26	1,558	290	1,558	290
Deferred tax liability	14	103	290	-	-
Total non-current liabilities		15,874	11,297	15,739	10,974
Total liabilities		309,075	313,932	78,957	83,268
Net assets		812,822	815,328	1,013,875	1,017,277
Equity					
Reserves	28	383,340	389,376	379,526	384,871
Retained earnings	28	429,482	425,952	634,349	632,406
Total equity		812,822	815,328	1,013,875	1,017,277

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

Statement of Changes in Equity

for the year ended 31 December 2017

	Reserves	Retained Earnings	Total
	\$000's	\$000's	\$000's
Consolidated			
Balance at 1 January 2017	389,376	425,952	815,328
Net result	-	3,530	3,530
Revaluation of land, buildings and infrastructure	(10,471)	-	(10,471)
Revaluation of available-for-sale financial assets	4,674	-	4,674
Cash flow hedges	(23)	-	(23)
Loss on foreign exchange	(216)	-	(216)
Balance at 31 December 2017	383,340	429,482	812,822
Consolidated			
Balance at 1 January 2016	392,688	431,375	824,063
Net result	-	(5,423)	(5,423)
Revaluation of land, buildings and infrastructure	(5,392)	-	(5,392)
Revaluation of available-for-sale financial assets	1,829	-	1,829
Cash flow hedges	129	-	129
Loss on foreign exchange	122	-	122
Balance at 31 December 2016	389,376	425,952	815,328
University			
Balance at 1 January 2017	384,871	632,406	1,017,277
Net result	-	1,943	1,943
Revaluation of land, buildings and infrastructure	(9,996)	-	(9,996)
Revaluation of available-for-sale financial assets	4,674	-	4,674
Cash flow hedges	(23)	-	(23)
Balance at 31 December 2017	379,526	634,349	1,013,875
University			
Balance at 1 January 2016	389,616	592,964	982,580
Net result	-	39,442	39,442
Revaluation of land, buildings and infrastructure	(6,703)	-	(6,703)
Revaluation of available-for-sale financial assets	1,829	-	1,829
Cash flow hedges	129	-	129
Balance at 31 December 2016	384,871	632,406	1,017,277

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Statement of Cash Flows

for the year ended 31 December 2017

	Note	Consolidated		University	
		2017 \$000's	2016 \$000's	2017 \$000's	2016 \$000's
CASH FLOWS FROM OPERATING ACTIVITIES:					
Australian government grants		196,923	184,564	196,923	184,564
State and Local Government grants		3,622	2,673	3,622	2,673
HECS-HELP - student payments		5,673	5,568	5,673	5,568
OS-HELP (net)		(15)	62	(15)	62
Receipts from student fees and other customers		135,305	133,273	123,583	158,485
Dividends received		196	1,136	33	1,016
Interest received		3,116	4,617	2,656	2,914
Payments to suppliers and employees		(332,982)	(315,808)	(325,396)	(304,434)
Interest and other costs of finance paid		(347)	(448)	(347)	(448)
Income taxes paid		(381)	(806)	(392)	(709)
Net cash provided by operating activities	29	11,110	14,831	6,340	49,691
CASH FLOWS FROM INVESTING ACTIVITIES:					
Proceeds from sale of property, plant and equipment		359	248	359	248
Payments for property, plant and equipment, intangibles and investment property		(36,741)	(30,820)	(36,555)	(30,720)
Proceeds from sale of financial assets		12,772	214	17,500	-
Payments for financial assets		-	(26,837)	-	(46,054)
Net cash used in investing activities		(23,610)	(57,195)	(18,696)	(76,526)
CASH FLOWS FROM FINANCING ACTIVITIES:					
Repayment of borrowings		(2,418)	(585)	(2,418)	(585)
Repayment of finance leases		(74)	(84)	(74)	(84)
Net cash used in financing activities		(2,492)	(669)	(2,492)	(669)
Net decrease in cash and cash equivalents held		(14,992)	(43,033)	(14,848)	(27,504)
Cash and cash equivalents at beginning of year		50,749	93,782	28,389	55,893
Cash and cash equivalents at end of financial year	15	35,757	50,749	13,541	28,389
Financing arrangements	25				
Non-cash financing and investing activities	29				

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

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1. Summary of significant accounting policies

General Statement

Murdoch University is a not for profit reporting entity that prepares general purpose financial statements in accordance with Australian Accounting Standards, the Framework, applicable sections of the Financial Management Act 2006 and Australian Charities and Not-for-profits Commission Act 2012, relevant Treasurer's Instructions, Statements of Accounting Concepts and other authoritative pronouncements of the AASB.

The principal address of Murdoch University is 90 South Street, Murdoch WA 6150, Australia.

Murdoch University applies Tier 1 reporting requirements.

The Financial Management Act 2006 and the Treasurer's instructions impose legislative provisions that govern the preparation of financial statements and take precedence over Australian Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the AASB.

Where modification is required and has had a material or significant financial effect upon the reported results, details of that modification and the resulting financial effect are disclosed in the notes to the financial statements.

(a). Basis of preparation

The financial statements have been prepared on the accrual basis of accounting using the historical cost convention, except for financial assets and liabilities, land, buildings, infrastructure, artworks and investment properties which have been measured at fair value.

The accounting policies adopted in the preparation of the financial statements have been consistently applied throughout all periods presented unless otherwise stated.

The financial statements are presented in Australian dollars and all values are rounded to the nearest thousand dollars (\$'000).

Note 1 (y) 'Critical accounting estimates and judgements' discloses estimates and judgements made in the process of applying the Group's accounting policies resulting in the most significant effect on the amounts recognised in the financial statements. It also discloses key assumptions made concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

The University is a not-for-profit entity and the financial 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 requirements.

Date of authorisation for issue

The financial statements were authorised for issue by Murdoch University's Senate members on 15 March 2018.

(b). Basis of consolidation

Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of the University as at 31 December 2017 and the results of all subsidiaries for the year then ended. The University and its subsidiaries together are referred to in 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. Returns are not necessarily monetary and can be only positive, only negative, or both positive and negative.

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

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

Inter-entity transactions, balances and unrealised gains on transactions between Group entities 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.

c). Revenue and income recognition

Revenue recognition

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

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

Revenue is recognised for the major business activities as follows:

Grants (including research grants), donations, gifts and other non-reciprocal contributions

Revenue is recognised at fair value when the Group obtains control over the assets comprising the contributions, usually when cash is received.

Research grants are recognised at their fair value when 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 measured reliably.

Other non-reciprocal contributions are recognised at their fair value. Contributions of services are only recognised when a fair value can be reliably determined and the services would be purchased if not donated

HELP payment

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.

Student fees and charges

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

Interest revenue

Interest revenue is recognised as it earned. The effective interest rate, which is the rate that discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset is used where applicable.

Sale of goods

Revenue is recognised from the sale of goods and disposal of other assets when the significant risks and rewards of ownership control transfer to the purchaser and can be measured reliably.

Dividends

Dividend revenue is recognised as received, net of any franking credits.

Revenue from distributions from subsidiaries is recognised by the University when the distributions are declared by the subsidiaries. As the University is a tax exempt entity, the University is entitled to claim the franking credits associated with the distributions from the taxation authority.

Lease income

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

Deferred management fees

Deferred management fees (DMF), relating to the retirement village, are earned whilst the resident occupies the independent living unit or serviced apartment. The DMF revenue on the original loan from the resident is recognised as income on a straight line basis over the resident's expected tenure. Expected tenure is calculated by reference to information issued by the Australian Bureau of Statistics for life expectancy and industry trends regarding rollovers.

The DMF revenue on increases in the market value of the independent living unit or serviced apartment is recognised on an emerging basis.

Where a rollover occurs prior to estimated tenure duration, the difference between the cash received and the accrued DMF is brought to account as revenue immediately.

Income recognition

Gains

Realised and unrealised gains are usually recognised on a net basis. These include gains arising on the disposal of non-current assets and some revaluations of non-current assets.

1. Summary of significant accounting policies (cont.)

(d). Property, plant and equipment

Capitalisation/expensing of assets

Items of property, plant and equipment costing \$5,000 or more are recognised as assets and the cost of utilising assets is expensed (depreciated) over their useful lives. Items of property, plant and equipment costing less than \$5,000 are immediately expensed direct to the income statement (other than where the cost forms part of a group of similar items which are significant in total). Land, buildings, infrastructure, library books, motor vehicles and artworks have no minimum capitalisation limit.

Initial recognition and measurement

All items of property, plant and equipment are initially recognised at cost. For items of property, plant and equipment acquired at no cost or for nominal cost, the cost is their fair value at the date of acquisition.

Subsequent measurement

Subsequent to initial recognition as an asset, the revaluation model is used for the measurement of land, buildings, infrastructure and artworks and the cost model for all other property, plant and equipment. Land and artworks are carried at fair value. Buildings and infrastructure are carried at fair value less accumulated depreciation. All other items of property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses.

Fair value

Classes of non-current assets including land, buildings, infrastructure and artworks, measured at fair value, are revalued with sufficient regularity to ensure the carrying amount of each asset in the class does not differ materially from fair value at reporting date.

Land has been determined on the basis of current use land value for the Murdoch University campus and market land value for all other land.

Buildings and infrastructure are valued at estimated current replacement costs less accumulated depreciation (depreciated replacement cost).

Artworks are valued at market value.

Revaluation increments, on a class of assets basis, are recognised in the asset revaluation reserve except that amounts reversing a decrement previously recognised as an expense are recognised as income. Revaluation decrements are only offset against revaluation increments in reserves relating to the same class of asset and any excess is recognised as an expense. At the date of revaluation accumulated depreciation are eliminated against the gross carrying amount of the building or infrastructure.

Upon disposal or derecognition of an item of land, buildings, infrastructure or artworks, any revaluation surplus relating to that asset is transferred directly to retained earnings.

Cost

The net book value of library books is based on the cost of acquisitions for three years to the end of the current financial year. The University has adopted a 'rolling depreciation' methodology for library books, whereby acquisitions in the fourth year preceding the reporting year are charged to depreciation.

All other plant and equipment assets are presented at cost less accumulated depreciation and accumulated impairment losses where appropriate.

The Group recognises in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied with the item will flow to the Group and the cost of the item can be measured reliably. All other costs are recognised in the income statement as an expense.

Gain or loss on disposal

The gain or loss on disposal of non-current assets is recognised as income/expense at the date control of the asset passes to the buyer, usually when an unconditional contract of sale is signed.

The gain or loss on disposal is calculated as the difference between the carrying amount of the asset at the time of disposal and the net proceeds on disposal (including incidental costs).

Depreciation

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

Depreciable assets:

Computer equipment	25%
Other equipment.....	12.5%
Buildings and infrastructure	2%
Plant.....	5%
Motor vehicles	16.67%
Leased plant & equipment	12.5%
Leasehold improvements	Over the lease terms
Furniture and fittings	5% - 20%

Artworks are considered as heritage assets and are anticipated to have very long and indefinite useful lives. Their service potential has not, in any material sense, been consumed during the reporting period. As such, no amount for depreciation has been recognised in respect of works of art.

Depreciation rates are reviewed at the end of each reporting period.

(e). Repairs and Maintenance

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

(f). Intangible assets

Capitalisation/expensing of assets

Acquisition of computer software and software licences costing \$5,000 or more and internally generated software costing \$10,000 or more are capitalised. The cost of utilising the assets is expensed (amortised) over their useful life. Computer software and software licences have an expected useful life of 4 years. Costs incurred below these thresholds are immediately expensed directly to the Income Statement.

Electronic library materials have no minimum capitalisation limit. The cost of utilising the assets is expensed (amortised) over their useful life. Electronic library materials have an expected useful life of 10 years.

Intangible assets are initially recognised at cost. For assets acquired at no cost or for nominal cost, the cost is their fair value at the date of acquisition.

The cost model is applied for subsequent measurement requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses.

Amortisation for intangible assets with finite useful lives is calculated for the period of the expected benefit (estimated useful life which is reviewed annually) on the straight line basis. All intangible assets controlled by the Group have a finite useful life and zero residual value.

(g). Impairment of assets

Property, plant and equipment, intangibles, investment properties and financial assets are tested for any indication of impairment at the end of each reporting period. Where there is an indication of impairment, the recoverable amount is estimated. Where the recoverable amount is less than the carrying amount, the asset is considered impaired and is written down to the recoverable amount and an impairment loss is recognised. Where an asset measured at cost is written down to recoverable amount, an impairment loss is recognised in profit or loss. Where a previously revalued asset is written down to recoverable amount, the loss is recognised as a revaluation decrement in other comprehensive income. As the University is a not-for-profit entity, unless an asset has been identified as a surplus asset, the recoverable amount is the higher of an asset's fair value less costs to sell and depreciated replacement cost.

The risk of impairment is generally limited to circumstances where an asset's depreciation is materially understated, where the replacement cost is falling or where there is a significant change in useful life. Each relevant class of assets is reviewed annually to verify that the accumulated depreciation/amortisation reflects the level of consumption or expiration of the asset's future economic benefits and to evaluate any impairment risk from falling replacement costs.

The recoverable amount of assets identified as surplus assets is the higher of fair value less costs to sell and the present value of future cash flows expected to be derived from the asset. Surplus assets carried at fair value have no risk of material impairment where fair value is determined by reference to market-based evidence. Where fair value is determined by reference to depreciated replacement cost, surplus assets are at risk of impairment and the recoverable amount is measured. Surplus assets at cost are tested for indications of impairment at the end of each reporting period.

1. Summary of significant accounting policies (cont.)

(h). Investment property

Investment properties exclude properties held to meet service delivery objectives of Murdoch University.

Investment properties are initially recognised at cost. Costs incurred subsequent to initial acquisition are capitalised when it is probable that the future economic benefits in excess of the original assessed performance of the asset will flow to Murdoch University. Where an investment property is acquired at no cost or for nominal consideration, its cost shall be deemed to be its fair value as at the acquisition date.

Subsequent to initial recognition, investment property is carried at fair value, which is based on active market prices of similar properties, which is the amount for which the asset could be exchanged between a knowledgeable willing buyer and a knowledgeable willing seller in an arm's length transaction as at the valuation date.

Gains or losses arising from changes in the fair value of investment property are included as income in the income statement in the period in which they arise.

Investment property is de-recognised when it has either been disposed of or when the investment property is permanently withdrawn from use and no future benefit is expected from its disposal. Any gains or losses on de-recognition of an investment property are recognised in the income statement in the period of de-recognition.

Land held for development purposes is also classified as investment property.

When an item of property, plant and equipment is transferred to investment property following a change in its use, any differences arising at the date of transfer between the carrying amount of the item immediately prior to transfer and its fair value is recognised in the income statement.

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment and its fair value at the date of reclassification becomes its cost for accounting purposes of subsequent recording.

(i). Investments and other financial assets

Classification

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

Financial assets at fair value through profit or loss

This category has two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss on initial recognition. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. The policy of management is to designate a financial asset if there exists the possibility it will be sold in the short term or the asset is subject to frequent changes in fair value. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of the year end date.

Loans and receivables

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

Held-to-maturity investments

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

Available-for-sale financial assets

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

Regular purchases and sales of financial assets are recognised on trade date - the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value and

transaction costs are expensed in the income statement. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

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

Subsequent measurement

Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method. Realised and unrealised gains and losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are included in the income statement in the period in which they arise. Changes in fair value of other monetary and non-monetary securities classified as available-for-sale are recognised in equity.

Subsidiaries

Investments in subsidiaries are carried in the University's financial statements at cost less any impairment in value.

(j). Inventories

Inventories are measured at the lower of cost and net realisable value with provisions being made for obsolescence where considered necessary. Costs are assigned by the method most appropriate to each particular class of inventory, with the majority being measured on a weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(k). Provisions

Provisions are liabilities of uncertain timing or amount and are recognised where there is a present legal or constructive obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are reviewed at the end of each reporting period.

(l). Employee benefits

All annual leave and long service leave provisions are in respect of employees' services up to the end of the reporting period.

Annual leave

Annual leave is not expected to be settled wholly within twelve months after the end of the reporting period and is therefore considered to be 'other long-term employee benefits'. The annual leave liability is recognised and measured at the present value or amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.

When assessing expected future payments consideration is given to expected future wage and salary levels including non-salary components such as employer superannuation contributions, as well as the experience of employee departures and periods of service. The expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

The provision for annual leave is classified as a current liability as the Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period.

Long service leave

Long service leave is not expected to be settled wholly within twelve months after the end of the reporting period is recognised and measured at the present value of amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.

When assessing expected future payments consideration is given to expected future wage and salary levels including non-salary components such as employer superannuation contributions, as well as the experience of employee departures and periods of service. The expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

Unconditional long service leave provisions are classified as current liabilities as the Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period. Pre-conditional and conditional long service leave provisions that are expected to be settled more than twelve months from the reporting dates are classified as non-current liabilities because the Group has an unconditional right to defer the settlement of the liability until the employee has completed the requisite years of service.

Retirement benefit obligations

The employees of the Group are entitled to benefits on retirement from superannuation plans elected by the employees. These plans incorporate defined contribution sections only as per AASB 119 'Employee benefits'.

Obligations for contributions to defined contribution plans are recognised as an expense in the income statement as incurred.

Employee on-costs

Employee on-costs, including workers' compensation insurance, are not employee benefits and are recognised separately as liabilities and expenses when the employment to which they relate has occurred.

1. Summary of significant accounting policies (cont.)

(m). Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that are transferred to entities in the Group, are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leases of property, plant and equipment where the Group, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases.

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

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

(n). Trade receivables

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

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for impairment of receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash

flows, discounted at the effective interest rate.

Cash flows relating to short-term receivable are not discounted if the effect of discounting is immaterial. The amount of the provision is recognised in the income statement.

(o). Borrowings

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

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

(p). Borrowing costs

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

(q). Trade and other payables

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

(r). Goods and Services Tax (GST)

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

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

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

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

(s). Taxation

University

The University is an income tax exempt body in Australia. It is subject to foreign income tax for overseas operations.

Consolidated entity

Certain subsidiaries of the University are also tax exempt bodies. Other subsidiaries are taxable entities.

The income tax expense or revenue for the period is the tax payable/receivable on the current period's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction (other than a business combination) that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses, only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Current and deferred tax assets and liabilities relating to the same taxation authority are offset when there is a legally enforceable right to offset current tax assets and liabilities and they are intended to be settled on a net basis, or the asset is to be realised and the liability settled simultaneously.

Current and deferred tax balances attributable to amounts recognised outside profit or loss are also recognised outside profit or loss.

(t). Resident loans

Resident loans, relating to the retirement village, are measured at the principal amount, plus the residents' share of any increase in the market value of the underlying property at year end date less the value of the deferred management fee receivable.

Resident loans are non-interest bearing and are payable at the end of the resident contract. In most cases this is greater than 12 months, however, they are classified as current liabilities because the company does not have an unconditional right to defer settlement.

In practice, the rate at which the company's retirement residents vacate their units, and hence the rate at which the resident loans will fall due for repayment can be estimated on the basis of statistical tables.

Deferred management fee (DMF) receivable

DMF receivable represents the contractual amount receivable with reference to the underlying resident contract. The company has a contractual right of offset of the DMF receivable against the relevant resident loan.

(u). Cash and cash equivalents

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

1. Summary of significant accounting policies (cont.)

(v). Financial instruments

In addition to cash and bank overdraft, the Group has the following classes of financial instruments:

- Receivables and payables;
- Investments; and
- Interest bearing liabilities.

Financial instruments have been disaggregated into the following classes:

- Financial Assets
 - (i) Cash and cash equivalents
 - (ii) Receivables
 - (iii) Financial assets at fair value through profit and loss
 - (iv) Available for sale investment
 - (v) Managed funds
- Financial Liabilities
 - (i) Payables
 - (ii) Borrowings
 - (iii) Lease liabilities

Initial recognition and measurement of financial instruments is at fair value which normally equates to the transaction cost or the face value. Subsequent measurement is at amortised cost using the effective interest method or at fair value as applicable.

The fair value of short-term receivables and payables is the transaction cost or the face value because there is no interest rate applicable and subsequent measurement is not required as the effect of discounting is not material.

(w). Foreign currency translation and hedge accounting

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

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation

at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement. Qualifying cash flow hedges and qualifying net investment hedges in a foreign operation shall be accounted for by recognising the portion of the gain or loss determined to be an effective hedge in other comprehensive income and the ineffective portion in profit or loss.

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

Forward foreign exchange contracts are entered into as hedges to avoid or minimise possible adverse financial effects of movements in exchange rates. Such derivative financial instruments are stated at fair value. Changes in the fair value of derivative financial instruments that are designated and effective as hedges of future cash flows are recognised directly in equity and the ineffective portion is recognised immediately in the income statement.

When the hedged firm commitment results in the recognition of an asset or a liability, then, at the time the asset or liability is recognised, the associated gains or losses that had previously been recognised in equity are included in the initial measurement of the acquisition cost or other carrying amount of the asset or liability. For all other cash flow hedges, the gains or losses that are recognised in equity are transferred to the income statement in the same year in which the hedged firm commitment affects the net profit or loss, for example when the future sale actually occurs.

Group companies

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

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

(x). Comparative amounts

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

(y). Critical accounting estimates and judgments

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

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

- a) Critical accounting estimates and assumptions
 - (i) *Impairment of assets*

The Group assesses impairment at each reporting date by evaluating conditions specific to the Group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the assets is determined.
 - (ii) *Artworks, land, buildings and infrastructure*

Artworks, land, buildings and infrastructure are measured on a fair value basis and the valuation is determined based on market value for artworks, current use land value for the Murdoch University campus, market land value for all other land and estimated current replacement costs less accumulated depreciation for buildings and infrastructure.
 - (iii) *Investment properties*

Commercial building is measured annually on a fair value basis based on market based evidence.

The St Ives Retirement Village is fair valued using an industry specific valuation model updated with assumptions and advice on an annual basis. The key assumptions in this model include growth rates, life expectancies and discount rates applicable to the Retirement Village industry.
- b) Critical judgements in applying the Group's accounting policies
 - (i) *Useful life of assets*

The Group determines the useful life of property, plant and equipment (with the exception of land and artworks) and intangible assets to ensure the assets are depreciated in a manner that reflects the consumption of their future economic benefits.
 - (ii) *Resident loans*

Residents are entitled to a portion of the revaluation gain on their unit in accordance with their resident contract. The revaluation of the unit is based on expected entry values for each unit as at year end.
 - (iii) *Deferred management fees (DMF)*

The DMF is calculated using variables including the average length of stay for units and serviced apartments and an estimate of the average period for a new tenancy.
- (iv) *Leave provisions*

Annual leave provision not expected to be settled wholly within twelve months after the end of the reporting date is discounted based on appropriate market yields on government bonds.

The assessment of the Group's long service leave provision is based on the appropriate inflation rates, discounting rates, probability and rates for employees leaving service and taking leave while in service.
- (v) *Available for sale investment*

Available for sale investment consists of the Group's investment in unlisted securities which are measured annually on a fair value basis and the valuation is determined by applying a discounting factor to the value of the unlisted securities.

1. Summary of significant accounting policies (cont.)

(z). Future impact of Australian Accounting Standards not yet operative

The Group cannot early adopt an Australian Accounting Standard unless specifically permitted by TI 1101 Application of Australian Accounting Standards and Other Pronouncements. Consequently, the Group has not applied early any of the following Australian Accounting Standards that have been issued that may impact the Group. Where applicable, the Group plans to apply these Australian Accounting Standards from their application date.

		Operative for reporting period beginning on/after
AASB 9	<p>Financial Instruments</p> <p>This Standard supersedes AASB 139 Financial Instruments: Recognition and Measurement, introducing a number of changes to accounting treatments.</p> <p>The mandatory application date of this Standard is currently 1 January 2018 after being amended by AASB 2012-6, AASB 2013-9 and AASB 2014-1 Amendments to Australian Accounting Standards.</p> <p>The Group is in the process of assessing the changes. Based on existing holdings and treatment of the Group's financial instruments, only insignificant impact is expected by the application of the Standard.</p>	1 Jan 2018
AASB 15	<p>Revenue from Contracts with Customers</p> <p>This Standard establishes the principles that the Group shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The mandatory application date of this Standard is currently 1 January 2019 after being amended by AASB 2016-7.</p> <p>The Group is in the process of assessing the changes. Until management completes the process, the Group is unable to reasonably quantify the expected financial impact of this standard in future period.</p>	1 Jan 2019
AASB 16	<p>Leases</p> <p>This Standard introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value.</p> <p>The Group is in the process of assessing the changes. Until management completes the process, the Group is unable to reasonably quantify the expected financial impact of this standard in future period.</p>	1 Jan 2019
AASB 1058	<p>Income of Not-for-Profit Entities</p> <p>This Standard clarifies and simplifies the income recognition requirements that apply to not-for-profit (NFP) entities, more closely reflecting the economic reality of NFP entity transactions that are not contracts with customers. Timing of income recognition is dependent on whether such a transaction gives rise to a liability or other performance obligation (a promise to transfer a good or service), or a contribution by owners, related to an asset (such as cash or another asset) received by and entity.</p> <p>The Group is in the process of assessing the changes. Until management completes the process, the Group is unable to reasonably quantify the expected financial impact of this standard in future period.</p>	1 Jan 2019

AASB 1059	<p>Service Concession Arrangements: Grantors</p> <p>The Standard addresses the accounting for a service concession arrangement (a type of public private partnership) by a grantor that is a public sector entity by prescribing the accounting for the arrangement from the grantor's perspective. Timing and measurement for the recognition of a specific asset class occurs on commencement of the arrangement and the accounting for associated liabilities is determined by whether the grantee is paid by the grantor or users of the public service provided.</p> <p>The Group is in the process of assessing the changes. Until management completes the process, the Group is unable to reasonably quantify the expected financial impact of this standard in future period.</p>	1 Jan 2019
AASB 2010-7	<p>Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Int 2, 5, 10, 12, 19 & 127]</p> <p>This Standard makes consequential amendments to other Australian Accounting Standards and Interpretations as a result of issuing AASB 9 in December 2010.</p> <p>The mandatory application date of this Standard has been amended by AASB 2012-6 and AASB 2014-1 to 1 January 2018.</p> <p>Other than the exposure to AASB 9 noted above, the Group is only insignificantly impacted by the application of the Standard.</p>	1 Jan 2018
AASB 2014-1	<p>Amendments to Australian Accounting Standards</p> <p>Part E makes amendments to AASB 9 and consequential amendments to other Standards. These changes have no impact as Appendix E has been superseded and the Group's is not permitted to early adopt AASB.</p>	1 Jan 2018
AASB 2014-5	<p>Amendments to Australian Accounting Standards arising from AASB 15</p> <p>This Standard gives effect to the consequential amendments to Australian Accounting Standards (including Interpretations) arising from the issuance of AASB 15. The mandatory application date has been amended by AASB 2015-8 to 1 January 2018.</p> <p>The Group is in the process of assessing the changes. Until management completes the process, the Group is unable to reasonably quantify the expected financial impact of this standard in future period.</p>	1 Jan 2018
AASB 2014-7	<p>Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)</p> <p>This Standard gives effect to the consequential amendments to Australian Accounting Standards (including Interpretations) arising from the issuance of AASB 9 (December 2014).</p> <p>The Group is in the process of assessing the changes. Based on existing holdings and treatment of the Group's financial instrument, only insignificant impact is expected upon application of the Standard.</p>	1 Jan 2018
AASB 2016-3	<p>Amendments to Australian Accounting Standards – Clarifications to AASB 15</p> <p>This Standard clarifies identifying performance obligations, principal versus agent considerations, timing of recognising revenue from granting a licence, and, provides further transitional provisions to AASB 15.</p> <p>The Group is in the process of assessing the changes. Until management completes the process, the Group is unable to reasonably quantify the expected financial impact when the deferred AASB 15 becomes effective from 1 January 2019.</p>	1 Jan 2018
AASB 2016-8	<p>Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities</p> <p>This Standard inserts Australian requirements and authoritative implementation guidance for not-for-profit entities into AASB 9 and AASB 15. This guidance assists not-for-profit entities in applying those Standards to particular transactions and other events. There is no financial impact.</p>	1 Jan 2019

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

	Note	Consolidated		University	
		2017 \$000's	2016 \$000's	2017 \$000's	2016 \$000's
(a). Commonwealth Grants Scheme and Other Grants					
Commonwealth Grants Scheme (CGS) ^{#1}		97,808	91,829	97,808	91,829
Disability Performance Funding ^{#2}		69	127	69	127
Indigenous Student Success Program ^{#3}		1,132	831	1,132	831
Access and Participation Fund		2,297	2,930	2,297	2,930
Promotion of Excellence in Learning and Teaching		98	105	98	105
Total Commonwealth Grants Scheme and Other Grants	41(a).	101,404	95,822	101,404	95,822
(b). Higher Education Loan Programs					
HECS - HELP		56,801	52,685	56,801	52,685
FEE - HELP ^{#4}		9,076	9,477	9,076	9,477
SA - HELP		1,453	1,455	1,453	1,455
Total Higher Education Loan Programs	41(b).	67,330	63,617	67,330	63,617
(c). Scholarships					
Research Training Program ^{#5}		10,928	11,090	10,928	11,090
Total Scholarships	41(c).	10,928	11,090	10,928	11,090
(d). Education Research					
Research Support Program ^{#6}		8,248	8,074	8,248	8,074
Total Education Research	41(c).	8,248	8,074	8,248	8,074
(e). Other Capital Funding					
Linkage Infrastructure, Equipment and Facilities grant		2,168	-	2,168	-
Total Other Capital Funding	41(e).	2,168	-	2,168	-
(f). Australian Research Council					
Discovery		958	802	958	802
Linkages		926	925	926	925
Total ARC	41(f).	1,884	1,727	1,884	1,727
(g). Other Australian Government financial assistance					
Non research funding		3,037	3,253	3,037	3,253
Research funding		1,219	1,105	1,219	1,105
Total Other Australian Government financial assistance	41(g).	4,256	4,358	4,256	4,358
Total Australian Government financial assistance		196,218	184,688	196,218	184,688

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

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

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

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

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

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

3. State and Local Government financial assistance

	Consolidated		University	
	2017 \$000's	2016 \$000's	2017 \$000's	2016 \$000's
Non-Capital				
State Government	2,863	2,494	2,863	2,494
Local Government	759	179	759	179
Total State and Local Government financial assistance	3,622	2,673	3,622	2,673

4. Fees and charges

	Consolidated		University	
	2017 \$000's	2016 \$000's	2017 \$000's	2016 \$000's
Course fees and charges				
Fee-paying onshore overseas students	44,291	39,347	44,291	39,347
Fee-paying offshore overseas students	14,894	18,046	1,416	1,654
Continuing education	119	66	119	66
Fee-paying domestic postgraduate students	2,260	2,656	2,260	2,656
Other domestic course fees and charges	3,490	3,574	3,490	3,574
Total course fees and charges	65,054	63,689	51,576	47,297
Other non-course fees and charges				
Student services fees from students	1,444	1,273	1,444	1,273
Facilities fees	803	727	803	727
Service and management fees	-	-	10,683	13,850
Other fees and charges	5,521	7,329	5,983	7,808
Recovery charges	3,624	3,339	3,711	3,400
Parking fees	1,998	1,740	1,998	1,740
Rental and lease charges	3,641	3,715	3,738	7,607
Total other fees and charges	17,031	18,123	28,360	36,405
Total fees and charges	82,085	81,812	79,936	83,702

5. Investment income and losses

(i) Investment revenue and income

Investment revenue

Interest from bank bills and deposits	3,145	4,337	2,724	2,840
Dividends and franking credits received	911	1,136	1,122	1,586
Income distributions from managed funds	3,274	2,721	3,274	2,705

Total investment revenue

7,330 **8,194** **7,120** **7,131**

Other investment income

Change in fair value of financial assets designated as at fair value through profit & loss	2,398	2,509	1,462	1,088
Fair value adjustment on investment property	-	10,001	-	10,001

Total other investment income

2,398 **12,510** **1,462** **11,089**

Total investment revenue and income

9,728 **20,704** **8,582** **18,220**

(ii) Investment losses

Other investment losses

Change in fair value of financial assets designated as at fair value through profit & loss	1,686	993	605	403
Fair value adjustment on investment property	751	-	751	-

Total other investment losses

2,437 **993** **1,356** **403**

Total investment losses

2,437 **993** **1,356** **403**

Net investment revenue and income

7,291 **19,711** **7,226** **17,817**

	Consolidated		University	
	2017 \$000's	2016 \$000's	2017 \$000's	2016 \$000's
(i) Investment revenue and income				
Investment revenue				
Interest from bank bills and deposits	3,145	4,337	2,724	2,840
Dividends and franking credits received	911	1,136	1,122	1,586
Income distributions from managed funds	3,274	2,721	3,274	2,705
Total investment revenue	7,330	8,194	7,120	7,131
Other investment income				
Change in fair value of financial assets designated as at fair value through profit & loss	2,398	2,509	1,462	1,088
Fair value adjustment on investment property	-	10,001	-	10,001
Total other investment income	2,398	12,510	1,462	11,089
Total investment revenue and income	9,728	20,704	8,582	18,220
(ii) Investment losses				
Other investment losses				
Change in fair value of financial assets designated as at fair value through profit & loss	1,686	993	605	403
Fair value adjustment on investment property	751	-	751	-
Total other investment losses	2,437	993	1,356	403
Total investment losses	2,437	993	1,356	403
Net investment revenue and income	7,291	19,711	7,226	17,817

6. Consultancy and contract research

Research

Contracts

22,058 18,181 22,058 18,181

Other

Consultancy

477 469 538 469

Total consultancy and contract research

22,535 **18,650** **22,596** **18,650**

	Consolidated		University	
	2017 \$000's	2016 \$000's	2017 \$000's	2016 \$000's
Research				
Contracts	22,058	18,181	22,058	18,181
Other				
Consultancy	477	469	538	469
Total consultancy and contract research	22,535	18,650	22,596	18,650

7. Other revenue and other income

	Consolidated		University	
	2017 \$000's	2016 \$000's	2017 \$000's	2016 \$000's
Other revenue				
Deferred management fee	4,455	8,146	-	-
Donations and bequests	2,574	1,338	3,638	35,735
Non-government grants	187	118	187	118
Subscriptions	12	72	12	72
Common service fees and electives	2,375	2,488	-	-
Other revenue	2,280	2,075	1,236	1,328
Scholarships and prizes	1,202	699	1,202	699
Sponsorships income	366	239	366	239
Trading income	17,471	16,700	17,001	16,236
Total other revenue	30,922	31,875	23,642	54,427
Other income				
Bad debts recovered or written back	29	1	29	1
Total other income	29	1	29	1

The University received a \$34m cash donation from its subsidiary Murdoch Retirement Services Pty Ltd in 2016, and this is also reflected in note 38.

8. Employee related expenses

	Consolidated		University	
	2017 \$000's	2016 \$000's	2017 \$000's	2016 \$000's
Academic				
Salaries	82,285	80,113	80,830	78,710
Contribution to superannuation and pension schemes	12,549	11,774	12,503	11,735
Payroll tax	5,061	4,948	5,061	4,948
Workers compensation	488	435	488	435
Annual leave	18	970	18	964
Long service leave	610	2,386	610	2,386
Total academic	101,011	100,626	99,510	99,178
Non-academic				
Salaries	87,265	84,007	86,385	83,210
Contribution to superannuation and pension schemes	13,111	11,742	13,000	11,645
Payroll tax	5,462	5,195	5,429	5,163
Workers compensation	522	440	522	440
Annual leave	446	1,040	449	1,032
Long service leave	1,461	2,410	1,459	2,402
Total non-academic	108,267	104,834	107,244	103,892
Total employee related expenses	209,278	205,460	206,754	203,070

9. Depreciation and amortisation

	Consolidated		University	
	2017 \$000's	2016 \$000's	2017 \$000's	2016 \$000's
Depreciation				
Buildings	6,380	6,411	6,014	6,129
Infrastructure	590	576	520	510
Computing equipment	1,208	809	1,175	792
Other equipment	4,122	3,997	4,119	3,994
Library books	582	616	582	616
Motor vehicles	377	354	377	354
Plant	733	678	714	664
Furniture and Fittings	612	93	610	86
Leased plant and equipment	42	45	42	45
Total depreciation	14,646	13,579	14,153	13,190
Amortisation				
Leasehold improvements	121	208	1,318	483
Electronic library materials	2,214	2,193	2,214	2,193
Software and Software Licences	821	486	821	486
Total amortisation	3,156	2,887	4,353	3,162
Total depreciation and amortisation	17,802	16,466	18,506	16,352

10. Repairs and maintenance

	Consolidated		University	
	2017 \$000's	2016 \$000's	2017 \$000's	2016 \$000's
Buildings and grounds	7,534	8,016	5,319	5,487
Other	1,843	1,814	1,545	1,518
Total repairs and maintenance	9,377	9,830	6,864	7,005

11. Borrowing costs

	Consolidated		University	
	2017 \$000's	2016 \$000's	2017 \$000's	2016 \$000's
Finance lease charges in respect of finance leases	9	50	9	50
Interest expense	329	380	329	380
Total borrowing costs	338	430	338	430

12. Impairment of assets

	Consolidated		University	
	2017 \$000's	2016 \$000's	2017 \$000's	2016 \$000's
Bad debts	1	5	1	3
Doubtful debts	833	534	833	534
Total impairment of assets	834	539	834	537

13. Other expenses

	Consolidated		University	
	2017 \$000's	2016 \$000's	2017 \$000's	2016 \$000's
Administration expenses	9,550	8,809	8,259	7,556
Advertising, marketing and promotions	5,705	5,032	5,435	4,677
Audit fees, bank charges, legal costs, insurance and taxes	6,801	5,721	5,306	3,434
Consulting fees - other	13,432	12,385	14,154	12,769
Consulting fees - teaching	2,355	2,614	2,409	2,614
Consulting fees - research	3,957	5,321	3,957	5,321
Cost of sales	6,061	6,161	6,058	6,155
Donations and sponsorships	835	702	835	700
Fair value movement in resident loans	1,130	12,994	-	-
General consumables	4,863	4,590	4,594	4,366
Licence and royalty fees	4,533	4,298	4,520	4,290
Non-capitalised equipment	2,751	2,471	2,738	2,456
Occupancy costs	5,302	5,682	5,070	5,445
Operating lease payments	3,584	3,652	4,096	4,057
Other expenses	6,060	5,632	6,047	5,623
Productivity improvement program costs	1,374	1,621	1,374	1,621
Scholarships, grants and prizes	21,549	18,544	21,549	18,544
Telecommunications	919	1,108	908	1,097
Travel and related staff development and training	9,437	10,193	9,294	10,038
Total other expenses	110,198	117,530	106,603	100,763

14. Income tax

(a). Income tax

	Consolidated		University	
	2017 \$000's	2016 \$000's	2017 \$000's	2016 \$000's
Current tax	(2,719)	192	(2,796)	-
Deferred	(163)	27	-	-
Total	(2,882)	219	(2,796)	-

(b). Numerical reconciliation of income tax expense to prima facie tax payable

	Consolidated		University	
	2017 \$000's	2016 \$000's	2017 \$000's	2016 \$000's
Net result before income tax from continuing operations:	648	(5,204)	1,943	39,442
Add: Non-taxable operating result from Australian operations	1,180	6,237	(1,943)	39,442
	1,828	1,033	-	-
Tax at the Australian tax rate of 30% (2016: 30%)	548	310	-	-
Tax effect of amounts which are not taxable in calculating taxable income:	(665)	(27)	-	-
Sub total	(117)	283	-	-
Difference in overseas tax rate	179	(42)	-	-
Adjustment for current tax of prior periods	(2,797)	-	(2,796)	-
Derecognition of previously recognised deferred tax entries	(145)	-	-	-
Previously unrecognised tax losses now recouped to reduce current tax expense	-	(22)	-	-
Unrecognised overseas tax losses	(2)	-	-	-
Income tax	(2,882)	219	(2,796)	-

(c). Deferred tax assets

	Consolidated		University	
	2017 \$000's	2016 \$000's	2017 \$000's	2016 \$000's
The balance comprises temporary differences attributable to:				
Amounts recognised in net result				
Accruals	-	4	-	-
Provisions	-	19	-	-
Total deferred tax assets	-	23	-	-
Deferred tax assets to be recovered within 12 months	-	23	-	-
Net deferred tax assets	-	23	-	-

Movements - Consolidated

At 1 January 2016

Credited to the income statement

At 31 December 2016

Charged to the income statement

At 31 December 2017

PP&E \$000's	Accruals \$000's	Provisions \$000's	Total \$000
-	4	15	19
-	-	4	4
-	4	19	23
-	(4)	(19)	(23)
-	-	-	-

(d). Deferred tax liability

The balance comprises temporary differences attributable to:

Property, plant and equipment

Unrealised gain on investment

Interest income

Net deferred tax liabilities

Deferred tax liabilities to be settled after more than 12 months

Deferred tax liabilities to be recovered within 12 months

Total deferred tax liabilities

Consolidated		University	
2017 \$000's	2016 \$000's	2017 \$000's	2016 \$000's
-	168	-	-
102	121	-	-
1	1	-	-
103	290	-	-
102	289	-	-
1	1	-	-
103	290	-	-

Movements - Consolidated

At 1 January 2016

Credited to the income statement

At 31 December 2016

Charged to the income statement

At 31 December 2017

2017 \$000's
(259)
(31)
187
(103)

15. Cash and cash equivalents

Current

Cash at bank and on hand

Bank bills and deposits

Total cash and cash equivalents

Consolidated		University	
2017 \$000's	2016 \$000's	2017 \$000's	2016 \$000's
29,536	24,734	13,541	14,389
6,221	26,015	-	14,000
35,757	50,749	13,541	28,389

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

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

Balances as above

Balance as per statement of cash flows

Consolidated		University	
2017 \$000's	2016 \$000's	2017 \$000's	2016 \$000's
35,757	50,749	13,541	28,389
35,757	50,749	13,541	28,389

(b). Cash at bank and on hand

These are interest bearing at an average floating interest rate of 0.63% as at 31 December 2017 (2016 : 0.71%).

(c). Bank bills and deposits

The bank bills and deposits are bearing average fixed interest rates of 2.48% as at 31 December 2017 (2016 : 2.62%). These deposits have an average maturity of 23 days.

16. Receivables

Current

Trade receivables	
Less: Provision for impaired receivables	
Other	
Total current receivables	

Consolidated		University	
2017 \$000's	2016 \$000's	2017 \$000's	2016 \$000's
10,715	8,034	19,344	11,818
(1,298)	(647)	(1,284)	(633)
9,417	7,387	18,060	11,185
1,419	1,685	1,353	1,558
10,836	9,072	19,413	12,743

Non-current

Loans receivables	
Total current receivables	
Total receivables	

Consolidated		University	
2017 \$000's	2016 \$000's	2017 \$000's	2016 \$000's
-	-	3,464	3,880
-	-	3,464	3,880
10,836	9,072	22,877	16,623

(a). Impaired receivables

Impaired:

Movements in the provision for impaired receivables are as follows:

At 1 January	
Provision for impairment recognised during the year	
Receivables written off during the year as uncollectible	
Amounts recovered or written back during the year	

At 31 December

Consolidated		University	
2017 \$000's	2016 \$000's	2017 \$000's	2016 \$000's
647	668	633	654
861	534	861	534
(181)	(554)	(181)	(554)
(29)	(1)	(29)	(1)
1,298	647	1,284	633

Any additional provisions for impaired receivables are included in 'Impairment of assets' in the income statement. Assets impaired include trade debtors and student fees.

Amounts charged to the provision account are generally written off when there is no prospect of further recovery.

16. Receivables (cont.)

(a). Impaired receivables (cont.)

Past due date:

As at 31 December 2017 consolidated receivables of \$522K (2016: \$1,064K) were 90 or more days past due but not impaired. These relate mainly to student debt and to a number of customers for whom there is no recent history of default. The ageing analysis of these trade receivables is as follows:

	Consolidated		University	
	2017 \$000's	2016 \$000's	2017 \$000's	2016 \$000's
Not past due	7,660	5,383	10,674	9,167
Past due 30 days	783	293	783	293
Past due 60 days	452	647	2,238	647
Past due 90 days or more	1,820	1,711	5,649	1,711
Total trade receivables due	10,715	8,034	19,344	11,818

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

(b). Foreign exchange risk

The carrying amount of the Group's and University's current and non-current receivables are denominated in the following currencies:

	Consolidated		University	
	2017 \$000's	2016 \$000's	2017 \$000's	2016 \$000's
Euro	12	17	12	17
US Dollars	180	202	180	202
Singapore Dollars	-	2	9,029	2,568
South African Rand	-	2	-	2
	192	223	9,221	2,789
Current receivables	192	223	9,221	2,789
	192	223	9,221	2,789

A summarised analysis of the sensitivity of receivables to foreign exchange risk can be found in note 35.

(c). Fair value and credit risk

Current receivables

Due to the short term nature of current receivables, the carrying value approximates fair value.

Non-current receivables

The maximum exposure to credit risk at the reporting date is the higher of the carrying value and fair value of each class of receivables mentioned above. The Group does not hold any collateral as security.

17. Inventories

Current

Bookshop	
Veterinary Hospital	
Other	
Total current inventories	

Consolidated		University	
2017 \$000's	2016 \$000's	2017 \$000's	2016 \$000's
619	808	619	808
687	620	687	620
4	7	-	-
1,310	1,435	1,306	1,428

18. Derivative financial instruments

Current liability

Derivative financial instruments	
----------------------------------	--

Consolidated		University	
2017 \$000's	2016 \$000's	2017 \$000's	2016 \$000's
38	15	38	15

Instruments used by the Group

The Group is party to derivative financial instruments in the normal course of business in order to hedge exposure to fluctuations in foreign exchange rates in accordance with note 35.

Forward exchange contract - cash flow hedge

In order to protect against exchange rate movements, the University has entered into a forward exchange contract to purchase United States Dollars.

This contract is a hedging obligation for payments for the ensuing financial year. The contract is timed to mature when payments for international purchases are scheduled to be made.

The portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised directly in equity. When the cash flows occur, the University adjusts the initial measurement of the component recognised in the statement of financial position by the related amount deferred in equity.

19. Other financial assets

Current

Bank deposits	76,589	89,154	69,900	87,400
Financial assets at fair value through profit & loss - Listed securities ^{#1}	3,362	3,687	-	-
Total current other financial assets	79,951	92,841	69,900	87,400

Non-current

Shares in subsidiaries - cost	-	-	9,278	9,278
Available for sale investment ^{#2}	15,701	11,027	15,701	11,027
Managed funds ^{#1}	63,422	59,479	63,043	59,138
Total non-current other financial assets	79,123	70,506	88,022	79,443

Total other financial assets

	Consolidated		University	
	2017 \$000's	2016 \$000's	2017 \$000's	2016 \$000's
Total other financial assets	159,074	163,347	157,922	166,843

^{#1}Changes in fair values are recorded in investment income and investment losses in the income statement (note 5).

^{#2}Changes in fair values are recorded in investment revaluation reserve and reflected in the statement of comprehensive income (note 28).

20. Other non-financial assets

Current

Prepayments	6,466	6,590	6,359	6,434
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Non-current

Other non-financial assets	35	31	35	31
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Total other non-financial assets

	Consolidated		University	
	2017 \$000's	2016 \$000's	2017 \$000's	2016 \$000's
Total other non-financial assets	6,501	6,621	6,394	6,465

21. Investment properties

Non-current

Opening balance at 1 January

Fair value adjustment on investment property

Transfer from investment property

Closing balance at 31 December

Consolidated		University	
2017 \$000's	2016 \$000's	2017 \$000's	2016 \$000's
243,720	234,468	243,720	234,468
(751)	10,001	(751)	10,001
-	(749)	-	(749)
242,969	243,720	242,969	243,720

Investment property includes a commercial building that is leased to a third party under an operating lease and the St Ives Retirement Village Murdoch.

For fair value hierarchy categorisation of investment properties see note 36.

(a). Amounts recognised in the income statement for the commercial building

Rental income

Direct operating expenses

Fair value adjustment on investment property

Total recognised in profit or loss

Consolidated		University	
2017 \$000's	2016 \$000's	2017 \$000's	2016 \$000's
1,236	1,187	1,236	1,187
(165)	(168)	(165)	(168)
420	400	420	400
1,491	1,419	1,491	1,419

(b). Amounts recognised in the income statement for St Ives Retirement Village Murdoch

Fair value adjustment on investment property

Total recognised in profit or loss

Consolidated		University	
2017 \$000's	2016 \$000's	2017 \$000's	2016 \$000's
(1,171)	9,601	(1,171)	9,601
(1,171)	9,601	(1,171)	9,601

(c). Operating lease (as lessor) - commercial building

The future minimum lease payments under non-cancellable leases are as follows:

Within one year

Later than one year but not later than five years

Consolidated		University	
2017 \$000's	2016 \$000's	2017 \$000's	2016 \$000's
1,225	1,178	1,225	1,178
2,370	3,595	2,370	3,595
3,595	4,773	3,595	4,773

22. Property, plant and equipment

	Land	Buildings	Infrastructure	Construction in progress	Plant	Computing Equipment
	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
University						
At 1 January 2016						
- Cost	-	-	-	7,157	13,089	11,973
- Independent Valuation	239,277	302,559	24,353	-	-	-
- Murdoch Valuation	-	778	621	-	-	-
Accumulated depreciation and impairment	-	-	-	-	(2,981)	(10,394)
Net book amount	239,277	303,337	24,974	7,157	10,108	1,579
Year ended 31 December 2016						
Opening net book amount	239,277	303,337	24,974	7,157	10,108	1,579
Revaluation increment/(decrement)	(567)	(6,026)	(110)	-	-	-
Additions	-	79	143	23,922	61	224
Disposals	-	-	-	-	(8)	(11)
Transfers in / (out)	-	5,565	1,285	(14,104)	583	1,356
Transfers from investment property	-	-	-	749	-	-
Transfer to profit and loss	-	-	-	(211)	-	-
Transfer to software	-	-	-	(1,226)	-	-
Depreciation charge	-	(6,129)	(510)	-	(664)	(792)
Closing net book amount	238,710	296,826	25,782	16,287	10,080	2,356
At 31 December 2016						
- Cost	-	-	-	16,287	13,723	13,427
- Independent Valuation	238,710	296,485	25,270	-	-	-
- Murdoch Valuation	-	341	512	-	-	-
Accumulated depreciation and impairment	-	-	-	-	(3,643)	(11,071)
Net book amount	238,710	296,826	25,782	16,287	10,080	2,356
Year ended 31 December 2017						
Opening net book amount	238,710	296,826	25,782	16,287	10,080	2,356
Revaluation increment/(decrement)	660	(10,388)	(268)	-	-	-
Additions	-	42	4	33,401	66	414
Disposals	-	-	-	-	(5)	-
Transfers in / (out)	-	6,761	3,283	(23,006)	728	1,935
Transfers to profit or loss	-	-	-	(1,352)	-	-
Transfer to software	-	-	-	(627)	-	-
Depreciation charge	-	(6,014)	(520)	-	(714)	(1,175)
Closing net book amount	239,370	287,227	28,281	24,703	10,155	3,530
At 31 December 2017						
- Cost	-	-	-	24,703	14,511	15,686
- Independent Valuation	239,370	287,131	25,397	-	-	-
- Murdoch Valuation	-	96	2,884	-	-	-
Accumulated depreciation and impairment	-	-	-	-	(4,356)	(12,156)
Net book amount	239,370	287,227	28,281	24,703	10,155	3,530

Other Equipment	Motor Vehicles	Artworks	Library Books	Leased Plant and Equipment	Furniture and Fittings	Leasehold Improvement	Total
\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
50,206	2,674	29	2,338	452	247	1,083	89,248
-	-	6,135	-	-	-	-	572,324
-	-	49	-	-	-	-	1,448
(32,947)	(1,364)	-	(644)	(80)	(7)	(129)	(48,546)
17,259	1,310	6,213	1,694	372	240	954	614,474
17,259	1,310	6,213	1,694	372	240	954	614,474
-	-	-	-	-	-	-	(6,703)
2,563	504	321	461	-	1,033	-	29,311
(16)	(136)	(4)	-	-	-	-	(175)
878	33	-	-	(65)	2,063	2,406	-
-	-	-	-	-	-	-	749
-	-	-	-	-	-	-	(211)
-	-	-	-	-	-	-	(1,226)
(3,994)	(354)	-	(616)	(45)	(86)	(483)	(13,673)
16,690	1,357	6,530	1,539	262	3,250	2,877	622,546
53,402	2,828	-	2,155	337	3,344	3,489	108,992
-	-	6,135	-	-	-	-	566,600
-	-	395	-	-	-	-	1,248
(36,712)	(1,471)	-	(616)	(75)	(94)	(612)	(54,294)
16,690	1,357	6,530	1,539	262	3,250	2,877	622,546
16,690	1,357	6,530	1,539	262	3,250	2,877	622,546
-	-	-	-	-	-	-	(9,996)
2,351	597	262	453	-	255	-	37,845
(36)	(213)	-	-	-	-	-	(254)
1,121	-	-	-	-	3,251	5,927	-
-	-	-	-	-	-	-	(1,352)
-	-	-	-	-	-	-	(627)
(4,119)	(377)	-	(582)	(42)	(610)	(1,318)	(15,471)
16,007	1,364	6,792	1,410	220	6,146	7,486	632,691
56,161	2,934	-	1,992	337	6,850	9,416	132,590
-	-	6,135	-	-	-	-	558,033
-	-	657	-	-	-	-	3,637
(40,154)	(1,570)	-	(582)	(117)	(704)	(1,930)	(61,569)
16,007	1,364	6,792	1,410	220	6,146	7,486	632,691

22. Property, plant and equipment (cont.)

	Land	Buildings	Infrastructure	Construction in progress	Plant	Computing Equipment
	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
Consolidated						
At 1 January 2016						
- Cost	-	-	-	7,157	13,089	11,979
- Independent Valuation	239,277	318,432	24,353	-	-	-
- Murdoch Valuation	-	778	621	-	-	-
Accumulated depreciation and impairment	-	-	-	-	(2,981)	(10,396)
Net book amount	239,277	319,210	24,974	7,157	10,108	1,583
Year ended 31 December 2016						
Opening net book amount	239,277	319,210	24,974	7,157	10,108	1,583
Revaluation increment/(decrement)	(567)	(4,981)	156	-	-	-
Additions	-	80	143	23,922	61	257
Disposals	-	-	-	-	(8)	(11)
Transfers in / (out)	-	4,234	4,590	(14,103)	954	1,356
Transfer from investment property	-	-	-	749	-	-
Transfer to profit and loss	-	-	-	(212)	-	-
Transfer to software	-	-	-	(1,226)	-	-
Depreciation charge	-	(6,411)	(576)	-	(678)	(809)
Closing net book amount	238,710	312,132	29,287	16,287	10,437	2,376
At 31 December 2016						
- Cost	-	-	-	16,287	14,095	13,467
- Independent Valuation	238,710	311,626	28,775	-	-	-
- Murdoch Valuation	-	506	512	-	-	-
Accumulated depreciation and impairment	-	-	-	-	(3,658)	(11,091)
Net book amount	238,710	312,132	29,287	16,287	10,437	2,376
Year ended 31 December 2017						
Opening net book amount	238,710	312,132	29,287	16,287	10,437	2,376
Revaluation increment/(decrement)	660	(10,752)	(379)	-	-	-
Additions	-	42	4	33,401	66	456
Disposals	-	-	-	-	(5)	-
Transfers in / (out)	-	11,153	3,283	(23,006)	728	1,935
Transfer to profit or loss	-	-	-	(1,352)	-	-
Transfer to software	-	-	-	(627)	-	-
Depreciation charge	-	(6,380)	(590)	-	(733)	(1,208)
Closing net book amount	239,370	306,195	31,605	24,703	10,493	3,559
At 31 December 2017						
- Cost	-	-	-	24,703	14,883	15,768
- Independent Valuation	239,370	306,091	28,721	-	-	-
- Murdoch Valuation	-	104	2,884	-	-	-
Accumulated depreciation and impairment	-	-	-	-	(4,390)	(12,209)
Net book amount	239,370	306,195	31,605	24,703	10,493	3,559

Other Equipment	Motor Vehicles	Artworks	Library Books	Leased Plant and Equipment	Furniture and Fittings	Leasehold Improvement	Total
\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
50,213	2,674	29	2,338	495	253	1,083	89,310
-	-	6,135	-	-	-	-	588,197
-	-	49	-	-	-	-	1,448
(32,949)	(1,364)	-	(645)	(92)	(7)	(129)	(48,563)
17,264	1,310	6,213	1,693	403	246	954	630,392
17,264	1,310	6,213	1,693	403	246	954	630,392
-	-	-	-	-	-	-	(5,392)
2,565	504	321	462	5	1,040	53	29,413
(16)	(136)	(4)	-	-	-	-	(175)
878	33	-	-	(101)	2,063	96	-
-	-	-	-	-	-	-	749
-	-	-	-	-	-	-	(212)
-	-	-	-	-	-	-	(1,226)
(3,997)	(354)	-	(616)	(45)	(93)	(208)	(13,787)
16,694	1,357	6,530	1,539	262	3,256	895	639,762
53,449	2,828	-	2,155	337	3,356	1,244	107,218
-	-	6,135	-	-	-	-	585,246
-	-	395	-	-	-	-	1,413
(36,755)	(1,471)	-	(616)	(75)	(100)	(349)	(54,115)
16,694	1,357	6,530	1,539	262	3,256	895	639,762
16,694	1,357	6,530	1,539	262	3,256	895	639,762
-	-	-	-	-	-	-	(10,471)
2,352	597	262	453	-	263	131	38,027
(36)	(213)	-	-	-	-	-	(254)
1,121	-	-	-	-	3,251	1,535	-
-	-	-	-	-	-	-	(1,352)
-	-	-	-	-	-	-	(627)
(4,122)	(377)	-	(582)	(42)	(612)	(121)	(14,767)
16,009	1,364	6,792	1,410	220	6,158	2,440	650,318
56,210	2,934	-	1,992	337	6,867	2,909	126,603
-	-	6,135	-	-	-	-	580,317
-	-	657	-	-	-	-	3,645
(40,201)	(1,570)	-	(582)	(117)	(709)	(469)	(60,247)
16,009	1,364	6,792	1,410	220	6,158	2,440	650,318

23. Intangible assets

Electronic library materials
Software and software licences
Total intangible assets

Consolidated		University	
2017	2016	2017	2016
\$000's	\$000's	\$000's	\$000's
12,361	11,865	12,361	11,865
2,771	2,666	2,771	2,666
15,132	14,531	15,132	14,531

At 1 January 2016

Cost	21,620	1,666	23,286
Accumulated amortisation and impairment	(10,928)	(88)	(11,016)
Net book amount	10,692	1,578	12,270

Year ended 31 December 2016

Opening net book amount	10,692	1,578	12,270
Additions	3,366	348	3,714
Transfer from Construction in Progress	-	1,226	1,226
Amortisation Charges	(2,193)	(486)	(2,679)
Closing net book amount	11,865	2,666	14,531

At 31 December 2016

Cost	22,246	3,240	25,486
Accumulated amortisation and impairment	(10,381)	(574)	(10,955)
Net book amount	11,865	2,666	14,531

Year ended 31 December 2017

Opening net book amount	11,865	2,666	14,531
Additions	2,710	299	3,009
Transfer from Construction in Progress	-	627	627
Amortisation Charges	(2,214)	(821)	(3,035)
Closing net book amount	12,361	2,771	15,132

At 31 December 2017

Cost	23,498	4,166	27,664
Accumulated amortisation and impairment	(11,137)	(1,395)	(12,532)
Net book amount	12,361	2,771	15,132

Electronic Library Materials	Software and Software Licences	Total
\$000's	\$000's	\$000's
21,620	1,666	23,286
(10,928)	(88)	(11,016)
10,692	1,578	12,270
10,692	1,578	12,270
3,366	348	3,714
-	1,226	1,226
(2,193)	(486)	(2,679)
11,865	2,666	14,531
22,246	3,240	25,486
(10,381)	(574)	(10,955)
11,865	2,666	14,531
11,865	2,666	14,531
2,710	299	3,009
-	627	627
(2,214)	(821)	(3,035)
12,361	2,771	15,132
23,498	4,166	27,664
(11,137)	(1,395)	(12,532)
12,361	2,771	15,132

24. Trade and other payables

Current

Trade payables	
Current tax liability	
Accruals and other payables	
OS-HELP liability to Australian Government	
Total current trade and other payables	
Other payables	
Total non-current trade and other payables	

Consolidated		University	
2017 \$000's	2016 \$000's	2017 \$000's	2016 \$000's
1,943	5,415	2,106	5,531
56	3,320	-	3,189
19,959	17,127	19,734	16,594
123	132	123	132
22,081	25,994	21,963	25,446
6	6	6	6
6	6	6	6

(a). Foreign exchange risk

The carrying amounts of the Group's and University's current payables are denominated in Australian currency only.

(b). Fair value Current payables

Due to the short term nature of the current payables, their carrying value approximates their fair value.

25. Borrowings

Current Secured

Finance lease liabilities	77	74	77	74
Western Australian Treasury Corporation *	348	2,358	348	2,358
Total current secured borrowings	425	2,432	425	2,432

Unsecured

Western Australian Treasury Corporation *	49	59	49	59
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Total current borrowings

Non-current Secured

Finance lease liabilities	79	156	79	156
Western Australian Treasury Corporation *	4,110	4,459	4,110	4,459
Total non-current secured borrowings	4,189	4,615	4,189	4,615

Unsecured

Western Australian Treasury Corporation *	-	49	-	49
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Total non-current unsecured borrowings	-	49	-	49
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Total non-current borrowings

Total borrowings

	Consolidated		University	
	2017 \$000's	2016 \$000's	2017 \$000's	2016 \$000's
Current Secured				
Finance lease liabilities	77	74	77	74
Western Australian Treasury Corporation *	348	2,358	348	2,358
Total current secured borrowings	425	2,432	425	2,432
Unsecured				
Western Australian Treasury Corporation *	49	59	49	59
Total current borrowings	474	2,491	474	2,491
Non-current Secured				
Finance lease liabilities	79	156	79	156
Western Australian Treasury Corporation *	4,110	4,459	4,110	4,459
Total non-current secured borrowings	4,189	4,615	4,189	4,615
Unsecured				
Western Australian Treasury Corporation *	-	49	-	49
Total non-current unsecured borrowings	-	49	-	49
Total non-current borrowings	4,189	4,664	4,189	4,664
Total borrowings	4,663	7,155	4,663	7,155

* The loans from Western Australian Treasury Corporation are as follows:

(i) Law building loan of \$48,739(2016: \$94,692) which is unsecured, interest bearing at a fixed rate of 5.93% and repayable in quarterly instalments by October 2018.

(ii) Peel Campus loan 1 of \$4,458,576 (2016: \$4,784,498) which is secured by a Guarantee of the Treasurer of the State, interest bearing at a fixed rate of 6.69% and repayable in quarterly instalments by April 2027.

(a). Assets pledged as security

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

Non-current assets

Finance leases				
Plant and equipment	220	262	220	262

Total assets pledged as security

	Consolidated		University	
	2017 \$000's	2016 \$000's	2017 \$000's	2016 \$000's
Non-current assets				
Finance leases				
Plant and equipment	220	262	220	262
Total assets pledged as security	220	262	220	262

(b). Financing arrangements

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

	Consolidated		University	
	2017 \$000's	2016 \$000's	2017 \$000's	2016 \$000's
Bank facilities				
Hire purchase facility	2,000	2,000	2,000	2,000
	2,000	2,000	2,000	2,000
Facilities utilised at reporting date				
Asset finance (Finance leases)	156	230	156	230
	156	230	156	230
Facilities not utilised at reporting date				
Asset finance (Finance Leases)	1,844	1,770	1,844	1,770
	1,844	1,770	1,844	1,770

(c). Risk exposures

The exposure of the Group's borrowings that is subject to floating interest rates and the contractual repricing dates at the reporting dates are as follows:

	Consolidated		University	
	2017 \$000's	2016 \$000's	2017 \$000's	2016 \$000's
Within one year	-	2,032	-	2,032
Total borrowings	-	2,032	-	2,032
Current borrowings	-	2,032	-	2,032
Total borrowings	-	2,032	-	2,032

The carrying amounts of the Group's borrowings are denominated in the following currencies:

	Consolidated		University	
	2017 \$000's	2016 \$000's	2017 \$000's	2016 \$000's
Australian dollar	4,507	6,925	4,507	6,925

For an analysis of the sensitivity of borrowings to interest rate risk and foreign exchange risk refer to note 35.

(d). Reconciliation of liabilities arising from financing activities

	2016 Carrying amount	Cash flows	Non-cash changes	2017 Carrying amount
	\$000's	\$000's	Transfer \$000's	\$000's
Long-term borrowings	4,507	-	(397)	4,110
Short-term borrowings	2,418	(2,418)	397	397
Lease liabilities	230	(74)	-	156
Total liabilities from financing activities	7,155	(2,492)	-	4,663

26. Provisions

Current

Employee benefits:

Annual leave

Long service leave

Other provisions

Employment on-costs

Management fees

Other provisions

Total current provisions

Non-current

Employee benefits:

Long service leave

Other provisions:

Employment on-costs provision

Other provisions

Total non-current provisions

Total provisions

	Consolidated		University	
	2017 \$000's	2016 \$000's	2017 \$000's	2016 \$000's
Employee benefits:				
Annual leave	12,738	13,695	12,667	13,616
Long service leave	10,419	17,391	10,405	17,378
Other provisions				
Employment on-costs	2,409	2,091	2,409	2,091
Management fees	14,018	13,278	-	-
Other provisions	1,847	1,084	1,814	1,038
Total current provisions	41,431	47,539	27,295	34,123
Non-current				
Employee benefits:				
Long service leave	10,018	6,047	9,986	6,014
Other provisions:				
Employment on-costs provision	1,505	264	1,505	264
Other provisions	53	26	53	26
Total non-current provisions	11,576	6,337	11,544	6,304
Total provisions	53,007	53,876	38,839	40,427

(a) Annual leave liabilities have been classified as current as there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period. Assessments indicate that actual settlement of the liabilities is expected to occur as follows:

Within 12 months of the reporting period

More than 12 months after the end of the reporting period

	Consolidated		University	
	2017 \$000's	2016 \$000's	2017 \$000's	2016 \$000's
Within 12 months of the reporting period	9,304	8,898	9,251	8,846
More than 12 months after the end of the reporting period	3,434	4,797	3,416	4,770
	12,738	13,695	12,667	13,616

(b) Long service leave liabilities have been classified as current where there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period. Assessments indicate that actual settlement of the liabilities is expected to occur as follows:

Within 12 months of the reporting period

More than 12 months after the end of the reporting period

	Consolidated		University	
	2017 \$000's	2016 \$000's	2017 \$000's	2016 \$000's
Within 12 months of the reporting period	1,443	1,980	1,443	1,978
More than 12 months after the end of the reporting period	18,994	21,458	18,948	21,414
	20,437	23,438	20,391	23,392

Movements in other provisions

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

	Consolidated		University	
	2017 \$000's	2016 \$000's	2017 \$000's	2016 \$000's
Employment on-costs provision				
Balance at beginning of year	2,355	2,223	2,355	2,223
Additional provisions	2,096	741	2,096	741
Amounts used	(536)	(609)	(536)	(609)
Carrying amount at end of period	3,915	2,355	3,915	2,355
Management fees				
Balance at beginning of year	13,278	11,947	-	-
Additional provisions	1,296	2,043	-	-
Amounts used	(556)	(712)	-	-
Carrying amount at end of period	14,018	13,278	-	-
Other				
Balance at beginning of year	1,110	1,016	1,064	970
Additional provisions	1,521	864	1,534	865
Amounts used	(492)	(770)	(492)	(771)
Unused amount reversed	(240)	-	(240)	-
Carrying amount at end of period	1,899	1,110	1,866	1,064

27. Other liabilities

	Consolidated		University	
	2017 \$000's	2016 \$000's	2017 \$000's	2016 \$000's
Current				
Income received in advance	30,420	25,367	12,521	8,830
Australian government unspent financial assistance	927	1,389	927	1,389
Resident loans	197,830	199,840	-	-
Total current other liabilities	229,177	226,596	13,448	10,219
* Resident loans obligation	258,623	256,998	-	-
Less: Deferred Management Fees (DMF) receivable	(60,793)	(57,158)	-	-
	197,830	199,840	-	-

Resident loans obligation and DMF receivable are recognised on a net basis due to the right of offset in accordance with AASB117.

28. Equity

Equity represents the residual interest in the net assets of the Group.

Reserves

Property, plant and equipment revaluation reserve	367,763	378,234	363,873	373,869
Investment revaluation reserve	15,691	11,017	15,691	11,017
Hedging reserve - cash flow hedges	(38)	(15)	(38)	(15)
Foreign Exchange Translation Reserve	(76)	140	-	-

Total reserves

Consolidated		University	
2017 \$000's	2016 \$000's	2017 \$000's	2016 \$000's
367,763	378,234	363,873	373,869
15,691	11,017	15,691	11,017
(38)	(15)	(38)	(15)
(76)	140	-	-
383,340	389,376	379,526	384,871

Movement during the year:

Reserves

Balance at beginning of year	389,376	392,688	384,871	389,616
Land, buildings and infrastructure	(10,471)	(5,392)	(9,996)	(6,703)
Investment revaluation reserve	4,674	1,829	4,674	1,829
Hedging reserve - cash flow hedges	(23)	129	(23)	129
Foreign Exchange Translation Reserve	(216)	122	-	-

Balance at end of year

383,340	389,376	379,526	384,871
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Retained earnings

Retained earnings at the beginning of the financial year	425,952	431,375	632,406	592,964
Net result for the period	3,530	(5,423)	1,943	39,442

Retained earnings at end of the financial year

Consolidated		University	
2017 \$000's	2016 \$000's	2017 \$000's	2016 \$000's
425,952	431,375	632,406	592,964
3,530	(5,423)	1,943	39,442
429,482	425,952	634,349	632,406

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

	Consolidated		University	
	2017 \$000's	2016 \$000's	2017 \$000's	2016 \$000's
Net result after income tax	3,530	(5,423)	1,943	39,442
Adjustments for:				
Depreciation and amortisation	17,802	16,466	18,506	16,352
Gain on disposal of property, plant and equipment	(100)	(73)	(104)	(73)
Fair value gain on other financial assets	(712)	(1,516)	(857)	(685)
Fair value loss/(gain) on investment property	751	(10,001)	751	(10,001)
Fair value movement in resident loans	1,130	12,994	-	-
Impairment of assets	834	534	834	534
Management fees	238	218	211	192
Income tax provision	-	4	-	-
Donations	(188)	(299)	(130)	(299)
Income from managed funds reinvested	(3,288)	(2,721)	(3,274)	(2,705)
Changes in assets and liabilities:				
(Increase)/Decrease in receivables	(2,598)	797	(7,088)	(2,434)
Decrease in inventories	125	273	122	275
Increase in other assets	120	10	71	6
Decrease/(Increase) in deferred tax assets	23	(4)	-	-
(Decrease)/Increase in payables	(6,820)	2,828	(6,156)	4,017
(Decrease)/Increase in provisions	(869)	3,597	(1,588)	2,244
Decrease in resident loans	(3,140)	(6,518)	-	-
Increase in other liabilities	4,272	3,665	3,099	2,826
Net cash provided by operating activities	11,110	14,831	6,340	49,691

The Group does not have any non-cash financing and investing activities.

30. Remuneration of auditors

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

	Consolidated		University	
	2017 \$000's	2016 \$000's	2017 \$000's	2016 \$000's
Audit of Financial Statements				
Fees paid to Office of the Auditor General	339	336	272	269

31. Contingent assets and contingent liabilities

There are no known contingent assets which are likely to materially affect the Group's financial position as at reporting date.

From time to time claims are made against the University for various matters including breach of contract. All claims are investigated by the University and assessed on their merits as to whether they are spurious in nature or worth defending. The University will only book a liability where there is a present legal, equitable or constructive obligation and will only disclose a contingent liability where the probability of an outflow is not remote.

32. Events subsequent to reporting date

Western Australian Treasury Corporation Loan Facility

In January 2018 the University signed an agreement with Western Australia Treasury Corporation (WATC) to increase its loan facility limit to \$100m. The increase in the loan facility limit is for the purpose of funding the University's capital works and acquisition of capital assets. The WATC loan facility is secured with a Treasurer's Guarantee and will be managed in accordance with the University's Senate approved Debt Management Policy which requires appropriate approval on all drawdown requests.

Dubai Partnership Agreement

The University signed an agreement in February 2018 with Navitas Limited (worldwide education services provider) to support the growth of its campus in Dubai effective from January 2019 for a period of 15 years. Navitas will provide operational support for the Dubai campus and the University will provide all teaching programs and courses offered at the Dubai campus.

Except for the above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations or results of the Group.

33. Commitments for expenditure

The following commitments are GST inclusive.

(a). Capital commitments

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

Within one year

Total capital commitments

Consolidated		University	
2017 \$000's	2016 \$000's	2017 \$000's	2016 \$000's
7,973	6,139	7,973	6,139
7,973	6,139	7,973	6,139

(b). Lease commitments

(i) Operating leases

Commitments relating to non-cancelable operating leases are as follows:

Within one year

Later than one year but not later than five years

Total operating lease commitments

Consolidated		University	
2017 \$000's	2016 \$000's	2017 \$000's	2016 \$000's
1,787	1,599	1,556	1,390
1,438	1,206	1,430	1,075
3,225	2,805	2,986	2,465

(ii) Finance leases

Commitments relating to finance leases are as follows:

Within one year

Later than one year but not later than five years

Less: Future finance charges

Finance lease liabilities

Lease liabilities provided for in the financial statements:

Current

Non-current

Total lease liabilities

78	83	78	83
81	164	81	164
159	247	159	247
(3)	(17)	(3)	(17)
156	230	156	230
77	74	77	74
79	156	79	156
156	230	156	230

The weighted average interest rate implicit in the finance leases is 4.68% (2016: 4.68%).

(c). Other expenditure commitments

Commitments relating to other expenditure are as follows:

Within one year

Later than one year but not later than five years

Later than five years

Total other expenditure commitments

Consolidated		University	
2017 \$000's	2016 \$000's	2017 \$000's	2016 \$000's
2,669	2,471	2,669	2,471
6,646	5,432	6,646	5,432
560	1,231	560	1,231
9,875	9,134	9,875	9,134

34. Key management personnel compensation

The University has determined that key management personnel include Senate members and senior officers of the University. All members of Senate serve in an honorary capacity including members of staff. Senate members who are employed as staff at the University have their compensation disclosed in respect of their individual employment conditions in their capacity as employees.

Total compensation of key management personnel for the reporting period is presented within the following bands:

	Senate members		Senior officers	
	2017	2016	2017	2016
\$0 - \$10,000	16	14	-	-
\$70,001 - \$80,000	1	-	-	-
\$80,001 - \$90,000	-	-	1(#)	-
\$90,001 - \$100,000	-	-	-	2(#)
\$100,001 - \$110,000	-	-	1(#)	-
\$110,001 - \$120,000	-	-	1(#)	-
\$120,001 - \$130,000	-	-	1(#)	-
\$140,001 - \$150,000	-	-	1(#)	-
\$150,001 - \$160,000	1	-	1(#)	-
\$160,001 - \$170,000	-	2	-	-
\$170,001 - \$180,000	-	2	-	-
\$190,001 - \$200,000	-	-	-	1(#)
\$220,001 - \$230,000	-	1	-	-
\$240,001 - \$250,000	2	-	-	2
\$250,001 - \$260,000	-	-	3(#)	1
\$260,001 - \$270,000	-	-	-	1
\$270,001 - \$280,000	-	-	-	2
\$290,001 - \$300,000	-	-	1	-
\$300,001 - \$310,000	-	-	-	2
\$320,001 - \$330,000	-	-	2	1
\$340,001 - \$350,000	-	-	1	1
\$350,001 - \$360,000	-	-	-	3
\$410,001 - \$420,000	-	-	1	1
\$440,001 - \$450,000	-	-	1	1
\$460,001 - \$470,000	-	-	1	-
\$480,001 - \$490,000	-	-	1	-
\$500,001 - \$510,000	-	-	-	1
\$510,001 - \$520,000	-	-	1	-
\$580,001 - \$590,000	-	1	-	-
\$750,001 - \$760,000	1	-	-	-
	21	20	18	19

(#) Includes employees who became or ceased to be a senior officer during the year.

	Senate members		Senior officers	
	2017 \$000's	2016 \$000's	2017 \$000's	2016 \$000's
Short-term employee benefits	1,242	1,236	4,367	4,777
Post-employment benefits	208	198	669	700
Other long-term benefits	30	57	69	180
Total key management personnel compensation	1,480	1,491	5,105	5,657

35. 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.

(a). Market risk

(i) Foreign exchange risk

Foreign exchange risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the Group's functional currency. The Group does have exposure to the international market and therefore is exposed to foreign exchange risk. The Group's current policy is to enter into forward currency contracts to minimise its foreign exchange risk where there is an underlying actual currency exposure. The Group entered into a forward currency contract in December 2017 to hedge against the exchange rate risk arising from the anticipated payment of USD in the ensuing financial year. The contract is expected to be settled by December 2018.

(ii) Price risk

A portion of the Group's investments are exposed to fluctuations in the prices of equity securities. The Group's investment policy provides strategies for the minimisation of price risk with the diversification of that risk through various investment managers and on-going monitoring by the Resources Committee to ensure there is no concentration of risk exposure in any one area.

(iii) Cash flow and fair value interest rate risk

The Group is exposed to cash flow interest rate risk as it borrows and invests funds at floating interest rates. The risk is managed through maintaining an appropriate mix of borrowings and investments at fixed and floating rates, maintaining an appropriate mix of financial institutions to invest with and setting limits in terms of borrowings and investments.

35. Financial Risk Management (cont.)

(a). Market risk (cont.)

(iv) Summarised sensitivity analysis

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

	Interest rate risk				Foreign exchange risk				Other price risk				
	-0.5%		+0.5%		-10%		+10%		-10%		+10%		
	Carrying amount	Result \$000's	Equity \$000's	Result \$000's	Equity \$000's	Result \$000's	Equity \$000's	Result \$000's	Equity \$000's	Result \$000's	Equity \$000's	Result \$000's	Equity \$000's
31 December 2017													
Financial assets													
Cash and Cash Equivalents - at bank	35,757	(179)	(179)	179	179	-	-	-	-	-	-	-	-
Bank Deposits	76,589	(383)	(383)	383	383	-	-	-	-	-	-	-	-
Amount receivable in foreign currency	192	-	-	-	-	(19)	(19)	19	19	-	-	-	-
Listed securities	3,362	-	-	-	-	-	-	-	-	(336)	(336)	336	336
Available for sale investment	15,701	-	-	-	-	-	-	-	-	(1,570)	(1,570)	1,570	1,570
Managed funds	63,422	-	-	-	-	-	-	-	-	(6,342)	(6,342)	6,342	6,342
Financial liabilities													
Total increase/(decrease)		(562)	(562)	562	562	(19)	(19)	19	19	(8,248)	(8,248)	8,248	8,248

	Interest rate risk				Foreign exchange risk				Other price risk				
	-0.5%		+0.5%		-10%		+10%		-10%		+10%		
	Carrying amount	Result \$000's	Equity \$000's	Result \$000's	Equity \$000's	Result \$000's	Equity \$000's	Result \$000's	Equity \$000's	Result \$000's	Equity \$000's	Result \$000's	Equity \$000's
31 December 2016													
Financial assets													
Cash and Cash Equivalents - at bank	50,749	(254)	(254)	254	254	-	-	-	-	-	-	-	-
Bank Deposits	89,154	(446)	(446)	446	446	-	-	-	-	-	-	-	-
Amount receivable in foreign currency	223	-	-	-	-	(22)	(22)	22	22	-	-	-	-
Listed securities	3,687	-	-	-	-	-	-	-	-	(369)	(369)	369	369
Available for sale investment	11,027	-	-	-	-	-	-	-	-	(1,103)	(1,103)	1,103	1,103
Managed funds	59,479	-	-	-	-	-	-	-	-	(5,948)	(5,948)	5,948	5,948
Financial liabilities													
Borrowings	2,032	10	10	(10)	(10)	-	-	-	-	-	-	-	-
Total increase/(decrease)		(690)	(690)	690	690	(22)	(22)	22	22	(7,420)	(7,420)	7,420	7,420

(b). Credit risk

The Group's maximum exposure to credit risk at year end date in relation to each class of recognised financial asset is the carrying amount of those assets indicated in the statement of financial position. The Group's credit risk is spread over a significant number of parties and is concentrated primarily in Australia. Notes 16(c) and 19 provide further details.

(c). Liquidity risk

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

	Carrying amount		Contractual cash flows		Less than 1 year		1 to 5 years		5+ years	
	2017 \$000's	2016 \$000's	2017 \$000's	2016 \$000's	2017 \$000's	2016 \$000's	2017 \$000's	2016 \$000's	2017 \$000's	2016 \$000's
Financial Liabilities:										
Interest bearing liabilities	4,663	7,155	6,397	9,256	725	2,788	3,390	3,528	2,282	2,940
Payables	22,081	25,994	22,081	25,994	22,081	25,994	-	-	-	-
Total Financial Liabilities	26,744	33,149	28,478	35,250	22,806	28,782	3,390	3,528	2,282	2,940

36. Fair value measurement

(a). Fair value measurements

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

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

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

	Note	Carrying Amount		Fair Value	
		2017 \$000's	2016 \$000's	2017 \$000's	2016 \$000's
Consolidated					
Financial assets					
Cash and cash equivalent	15	35,757	50,749	35,757	50,749
Trade receivables	16	9,417	7,387	9,417	7,387
Bank Deposits	19	76,589	89,154	76,589	89,154
Financial assets at fair value through profit & loss					
Listed Securities	19	3,362	3,687	3,362	3,687
Managed funds	19	63,422	59,479	63,422	59,479
Available for sale investment	19	15,701	11,027	15,701	11,027
Total financial assets		204,248	221,483	204,248	221,483
Financial liabilities					
Payables	24	22,081	25,994	22,081	25,994
Borrowings (WATC Loans)	25	4,507	6,925	5,339	7,870
Derivative financial instruments	18	38	15	38	15
Total financial liabilities		26,626	32,934	27,458	33,879

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

- Financial assets at fair value through profit or loss
- Available for sale investment
- Derivative financial instruments
- Land, buildings and infrastructure
- Artworks
- Investment properties

(b). Fair value hierarchy

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

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

(i) Recognised fair value measurements

Fair value measurements recognised in the statement of financial position are categorised into the following levels at 31 December 2017 and 2016.

		2017	Level 1	Level 2	Level 3
	Note	\$000's	\$000's	\$000's	\$000's
Consolidated					
Recurring fair value measurements					
Financial assets					
Financial assets at fair value through profit or loss					
Listed securities	19	3,362	3,362	-	-
Managed funds	19	63,422	63,422	-	-
Available for sale investment	19	15,701	-	-	15,701
Total financial assets		82,485	66,784	-	15,701
Non-financial assets					
Investment properties	21	242,969	-	242,969	-
Land	22	239,370	-	239,370	-
Buildings	22	306,195	-	-	306,195
Infrastructure	22	31,605	-	-	31,605
Artworks	22	6,792	-	6,792	-
Total non-financial assets		826,931	-	489,131	337,800
Financial liabilities					
Derivative financial instruments	18	38	-	38	-

36. Fair value measurement (cont.)

(b). Fair value hierarchy (cont.)

		2016	Level 1	Level 2	Level 3
	Note	\$000's	\$000's	\$000's	\$000's
Consolidated					
Recurring fair value measurements					
Financial assets					
Financial assets at fair value through profit or loss					
Listed securities	19	3,687	3,687	-	-
Managed funds	19	59,479	59,479	-	-
Available for sale investment	19	11,027	-	-	11,027
Total financial assets		74,193	63,166	-	11,027
Non-financial assets					
Investment properties	21	243,720	-	243,720	-
Land	22	238,710	-	238,710	-
Buildings	22	312,132	-	-	312,132
Infrastructure	22	29,287	-	-	29,287
Artworks	22	6,530	-	6,530	-
Total non-financial assets		830,379	-	488,960	341,419
Financial liabilities					
Derivative financial instruments	18	15	-	15	-

There were no transfers between levels 1, 2 and 3 for recurring fair value measurements during the year.

(ii) Disclosed fair values

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

The fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices.

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.

All other financial assets and liabilities are recorded at amortised cost in the financial statement and their carrying value approximates their fair value.

(c). Valuation techniques to derive fair values

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

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

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

- the use of quoted market prices or dealer quotes for similar instruments
- the fair value of forward foreign exchange contracts is determined using forward exchange rate at the end of the reporting period
- other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments

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

Investment properties are valued independently each year where artworks are valued independently every 3 years. Land, buildings and infrastructure (classified as property, plant and equipment) are valued independently every 3 years, along with annual desktop valuation. 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 2017 valuation for the University's commercial building was conducted by an independent licensed valuer, McGees Property and the St Ives Retirement Village valuation was determined by utilising an industry specific valuation model developed by Ernst and Young. The University's land valuation was performed by McGees Property, where building and infrastructure's valuation was conducted by Quantity Surveyor Davson and Ward and confirmed by McGees Property.

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

36. Fair value measurement (cont.)

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

The following table is a reconciliation of level 3 items for the period ended 31 December 2017 and 2016.

	Buildings	Infrastructure	Unlisted securities	Total
	\$000's	\$000's	\$000's	\$000's
2017				
Fair value at start of period	312,132	29,287	11,027	352,446
Acquisition	11,195	3,286	-	14,481
Revaluation (decrement)/increment recognised through other comprehensive income	(10,752)	(378)	4,674	(6,456)
Depreciation expense	(6,380)	(590)	-	(6,970)
Closing Balance	306,195	31,605	15,701	353,501
2016				
Fair value at start of period	319,210	24,974	9,198	353,382
Acquisitions	4,314	4,733	-	9,047
Revaluation (decrement)/increment recognised through other comprehensive income	(4,981)	156	1,829	(2,996)
Depreciation expense	(6,411)	(576)	-	(6,987)
Closing Balance	312,132	29,287	11,027	352,446

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

There were no transfers of financial assets / liabilities between levels 2 and 3.

(ii) Valuation inputs and relationships to fair value

Description	Fair value at 31 December 2017 \$000's	Valuation technique	Unobservable inputs	Range of inputs (probability weighted average)	Relationship of unobservable inputs to fair value
Unlisted securities	15,701	Discounted net asset value	Discount rate on value of underlying unlisted securities	30%	Increase in the discount rate will result in lower fair value
Buildings	306,195	Depreciated replacement cost	Consumed economic benefit / obsolescence of asset Historical cost per building per square metre floor area (m ²)	-	-
Infrastructure	31,605	Depreciated replacement cost	Consumed economic benefit / obsolescence of asset Historical cost per building per square metre floor area (m ²)	-	-

(iii) Valuation processes

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.

Fair value for existing use specialised building and infrastructure assets is determined by reference to the cost of replacing the remaining future economic benefits embodied in the asset, i.e. the depreciated replacement cost. Depreciated replacement cost is the current replacement cost of an asset less accumulated depreciation calculated on the basis of such cost to reflect the already consumed economic benefit, expired economic benefit or obsolescence of the asset. Determination of the current replacement cost of such assets held by the Group is calculated by reference to gross project size specifications and the historical cost, adjusted by relevant indices.

Fair value for restricted use land is based on market value, by either using market evidence of sales of comparable land that is unrestricted (low restricted use land), or, comparison with market evidence for land with low level utility (high restricted use land).

37. Subsidiaries

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

Name of entity	Principal activities	Country of incorporation	Class of Shares	Ownership interest		Net result	
				2017 %	2016 %	2017 \$000's	2016 \$000's
Parent entity							
Murdoch University		Australia					
Controlled entities							
Murdoch Investments Company Pty Ltd	Investment	Australia	Ordinary	100	100	-	-
Murdoch Retirement Services Pty Ltd ⁽¹⁾	Retirement Village	Australia	Ordinary	100	100	(624)	(45,804)
Innovative Chiropractic Learning Pty Ltd	Chiropractic Clinic	Australia	Ordinary	100	100	88	47
Murdoch Ventures Pty Ltd	Investment	Australia	Ordinary	100	100	(37)	1
Murdoch University Foundation	Trust	Australia	Ordinary	100	100	(1,336)	684
Murdoch University Veterinary Trust	Trust	Australia	Ordinary	100	100	194	60
M.U.F.T Company Pty Ltd	Corporate Trustee	Australia	Ordinary	100	100	-	-
Murdoch Singapore Pte Ltd	Education Provider	Singapore	Ordinary	100	100	298	280
Murdoch College Properties Pty Ltd	Property Investment	Australia	Ordinary	100	100	761	425
The Alan and Iris Peacocke Research Foundation	Trust	Australia	Ordinary	100	100	1,372	61

⁽¹⁾ Murdoch Retirement Services Pty Ltd (MRS) has been provided with a letter of support by Murdoch University due to the net current asset deficiency position. This position is distorted by the resident loans relating to the St Ives Retirement Village of \$197.8 million which are classified as current liabilities. Under Australian Accounting Standards and our policy as per note 1(t) of the financial statements, the resident loans are required to be recognised as current liabilities as residents have control over when they exit the village, not MRS. Thereby, MRS does not have an unconditional right to defer settlement. The classification of the resident loans as current liabilities operates under the assumption that MRS could be required to repay the entire liability at once. In practice however, this is unlikely to occur. Additionally, it is estimated that all payments required would be funded by the cash received from incoming new residents. This has been the situation since the retirement village commenced operations. Based on the above, the University does not expect that it will need to provide any support under this agreement.

38. Related Parties

(a). Parent entity

The parent entity within the Group is Murdoch University.

(b). Subsidiaries

Interests in subsidiaries are set out in note 37.

(c). Key management personnel

Disclosures relating to Key management personnel are set out in note 34.

(d). Transactions with related parties

Aggregate amounts included in the determination of net result from ordinary activities that resulted from transactions with related parties:

	University	
	2017 \$000's	2016 \$000's
Wholly owned entity		
Donations, sponsorships and bequests	3,009	34,993
Interest received	-	9
Other fees and charges	11,456	14,944
Dividend received	408	570
Rental and lease charges	(651)	3,182
Other expenditure	(280)	(450)
Recovery of salaries	(617)	(572)

(e). Outstanding balances

Aggregate amounts receivable from, and payable to, each class of related parties at balance date:

	University	
	2017 \$000's	2016 \$000's
Wholly owned entity		
Inter entity loan receivable	12,552	7,316
Inter entity loan payable	717	411

39. Supplementary financial information

Write-offs

Bad debts written off during the year
Property, plant and equipment written off during the year

Total write-offs

Losses through theft and default

Where appropriate, reports were made to the police and insurance claims submitted where the value exceeded the excess on the University's insurance policy.

Consolidated		University	
2017 \$000's	2016 \$000's	2017 \$000's	2016 \$000's
181	554	181	554
41	-	41	-
222	554	222	554

40. Superannuation - UniSuper defined benefit division

The Group currently contributes to the UniSuper defined benefit division (DBD) on behalf of certain employees. The DBD is a defined benefit plan under Superannuation Law but, as a result of amendments in 2006 to Clause 34 of the UniSuper Trust Deed, it is considered to be a defined contribution plan under AASB119 "Employee benefits".

Financial position of the UniSuper defined benefit division

For comparative information purposes only, the financial position below is applicable to the whole UniSuper DBD incorporating all participating employers, not only Murdoch University.

As at 30 June 2017 the assets of the DBD in aggregate were estimated to be \$2,797million above vested benefits, after allowing for various reserves. The Vested Benefit Index (VBI) based on funding assumptions was 114.5%. The vested benefits are benefits which are not conditional upon continued membership (or any factor other than leaving the service of the participating institution) and include the value of indexed pensions being provided by the DBD.

As at 30 June 2017 the assets of the DBD in aggregate were estimated to be \$4,258 million above accrued benefits, after allowing for various reserves. The Accrued Benefit Index (ABI) based on best estimate assumptions was 123.9%. The accrued benefits have been calculated as the present value of expected future benefit payments to members and indexed pensioners which arise from membership of UniSuper up to the reporting date.

The vested benefit and accrued benefit liabilities were determined by the Fund's actuary using the actuarial demographic assumptions outlined in their report on the actuarial investigation of the DBD as at 1 July 2017. The financial assumptions used were:

	Vested benefits	Accrued benefits
Gross of tax investment return - DBD pensions	5.30% p.a.	6.60% p.a.
Gross of tax investment return – commercial rate indexed pensions	2.90% p.a.	2.90% p.a.
Net of tax investment return - non pensioner members	4.70% p.a.	5.80% p.a.
Consumer Price Index	2.00% p.a.	2.00% p.a.
Inflationary salary increases long term	3.00% p.a.	3.00% p.a.

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

Clause 34 of the Trust Deed provides a mechanism for reducing benefits if after initially falling below specified threshold levels and after a period of at least four years, the ABI and VBI are below those thresholds (100% and 95% respectively).

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

Following the end of the monitoring period on 30 June 2017, the Fund's actuary advised that the Trustee is not required to take any further action under Clause 34 in relation to that monitoring period, and that monitoring period has now ceased.

41. Acquittal of Australian Government Financial Assistance

(a). Education - CGS and other Education grants

Parent Entity (University) Only	Commonwealth Grants Scheme ^{#1}		Access and Participation Pool		Disability Performance Funding ^{#2}		Promotion of Excellence in Learning and Teaching		Indigenous Student Success Program ^{#3}		Total	
	2017 \$000's	2016 \$000's	2017 \$000's	2016 \$000's	2017 \$000's	2016 \$000's	2017 \$000's	2016 \$000's	2017 \$000's	2016 \$000's	2017 \$000's	2016 \$000's
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the program)	97,808	91,829	2,297	2,930	69	127	108	183	1,136	970	101,418	96,039
Net accrual adjustments	-	-	-	-	-	-	(10)	(78)	(4)	(139)	(14)	(217)
Revenue for the period	97,808	91,829	2,297	2,930	69	127	98	105	1,132	831	101,404	95,822
Surplus/(deficit) from the previous year	-	-	140	(16)	(7)	101	231	351	(48)	(46)	316	390
Total revenue including accrued revenue	97,808	91,829	2,437	2,914	62	228	329	456	1,084	785	101,720	96,212
Less expenses including accrued expenses	(97,808)	(91,829)	(2,418)	(2,774)	(404)	(235)	(133)	(225)	(1,325)	(833)	(102,088)	(95,896)
Surplus/(deficit) for reporting period	-	-	19	140	(342)	(7)	196	231	(241)	(48)	(368)	316

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

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

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

(b). Higher education loan programmes (excl OS-HELP)

	HECS-HELP (Aust. Government payments only)		FEE-HELP ^{#4}		SA-HELP		Total	
	2017 \$000's	2016 \$000's	2017 \$000's	2016 \$000's	2017 \$000's	2016 \$000's	2017 \$000's	2016 \$000's
Parent Entity (University) Only								
Cash Payable/(Receivable) at the beginning of the year	1	66	(79)	(50)	(32)	(11)	(110)	5
Financial assistance received in cash during the reporting period	57,350	52,620	9,641	9,448	1,534	1,434	68,525	63,502
Cash available for the period	57,351	52,686	9,562	9,398	1,502	1,423	68,415	63,507
Revenue earned	56,801	52,685	9,076	9,477	1,453	1,455	67,330	63,617
Cash Payable/(Receivable) at the end of the year	550	1	486	(79)	49	(32)	1,085	(110)

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

(c). Department of Education and Training Research

	Research Training Program ^{#5}		Research Support Program ^{#6}		Total			
	2017 \$000's	2016 \$000's	2017 \$000's	2016 \$000's	2017 \$000's	2016 \$000's		
Parent Entity (University) Only								
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the program)			10,039	10,566	8,248	8,074	18,287	18,640
Net accrual adjustments			889	524	-	-	889	524
Revenue for the period	2(c). & 2(d).		10,928	11,090	8,248	8,074	19,176	19,164
Surplus/(deficit) from the previous year			(1,473)	(1,057)	(5,885)	(4,762)	(7,358)	(5,819)
Total revenue including accrued revenue			9,455	10,033	2,363	3,312	11,818	13,345
Less expenses including accrued expenses			(12,256)	(11,506)	(6,435)	(9,197)	(18,691)	(20,703)
Surplus/(deficit) for reporting period			(2,801)	(1,473)	(4,072)	(5,885)	(6,873)	(7,358)

^{#5} Research Training Program has replaced Australian Postgraduate Awards, International Postgraduate Research Scholarships and Research Training Scheme in 2017. 2016 data for the programs that have been replaced should be reported in the Research Training Program comparatives.

^{#6} Research Support Program has replaced Joint Research Engagement, JRE Engineering Cadetships, Research Block Grants and Sustainable Research Excellence in Universities in 2017. 2016 data for the programs that have been replaced should be reported in the Research Support Program comparatives.

41. Acquittal of Australian Government Financial Assistance (cont.)

(d). Total Higher Education Provider Research Training Program expenditure

	Total domestic students	Total overseas students
	\$000's	\$000's
Research Training Program Fees offsets	-	524
Research Training Program Stipends	4,152	-
Research Training Program Allowances	7,422	158
Total for all types of support	11,574	682

(e). Other Capital Funding

	Linkage Infrastructure, Equipment and Facilities Grant		Total	
	2017	2016	2017	2016
	\$000's	\$000's	\$000's	\$000's
Parent Entity (University) Only				
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the program)	2,168	-	2,168	-
Revenue for the period	2,168	-	2,168	-
Surplus/(deficit) from the previous year	(188)	(188)	(188)	(188)
Total revenue including accrued revenue	1,980	(188)	1,980	(188)
Less expenses including accrued expenses	-	-	-	-
Surplus/(deficit) for reporting period	1,980	(188)	1,980	(188)

2(e).

(f). Australian Research Council Grants

	Discovery		Linkages		Total	
	2017	2016	2017	2016	2017	2016
	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
Parent Entity (University) Only						
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the program)	1,062	887	1,066	1,137	2,128	2,024
Net accrual adjustments	(104)	(85)	(140)	(212)	(244)	(297)
Revenue for the period	958	802	926	925	1,884	1,727
Surplus/(deficit) from the previous year	2,837	2,745	2,625	2,600	5,462	5,345
Total revenue including accrued revenue	3,795	3,547	3,551	3,525	7,346	7,072
Less expenses including accrued expenses	(840)	(710)	(783)	(900)	(1,623)	(1,610)
Surplus/(deficit) for reporting period	2,955	2,837	2,768	2,625	5,723	5,462

2(f).

(g). Other Australian Government Financial Assistance

Parent Entity (University) Only

Cash received during the reporting period
Cash spent during the reporting period
Net cash received
Cash surplus/(deficit) from the previous period
Cash surplus/(deficit) for reporting period

2017 \$000's	2016 \$000's
4,397	4,358
(4,406)	(4,358)
(9)	-
-	-
(9)	-

(h). OS-HELP

Parent Entity (University) Only

Cash received during the reporting period
Cash spent during the reporting period
Net cash received
Cash surplus/(deficit) from the previous period
Cash surplus/(deficit) for the reporting period

	2017 \$000's	2016 \$000's
	694	667
	(703)	(611)
	(9)	56
	132	76
24	123	132

(i). Student Services and Amenities Fee

Parent Entity (University) Only

Unspent/(overspent) revenue from previous period	
SA-HELP revenue earned	2(b).
Student Services and Amenities Fees direct from students	4
Total revenue expendable in period	
Student services expenses during period	
Unspent/(overspent) student services revenue	

	2017 \$000's	2016 \$000's
	-	318
	1,453	1,455
	1,444	1,273
	2,897	3,046
	(2,897)	(3,046)
	-	-





Key Performance Indicators 2017

Murdoch University Key Performance Indicators 2017

The aim of the Murdoch University Strategic Plan 2012-2017 was to progress the vision of Murdoch as a high quality research-led international university.

Key Performance Indicators reported here assess important measurable outcomes for Murdoch University in the areas of Teaching and Learning, Research, and Strategic Investment Capacity. They each measure either the effectiveness of the University's efforts in reaching those strategic goals by achieving a given result, or the efficiency of the University's efforts by comparing one result to another in a ratio.

This Annual Report is completed in the transition period from the *2012-2017 Strategic Plan* to the *Strategic Plan and Future Horizon 2017-2027*.

The performance measures against which the success of the 2012-2017 Strategic Plan was assessed were approved by the Murdoch University Senate in April 2014 and the indicators used in this Annual Report remain unchanged.

In December 2016, the Murdoch University Senate approved a core set of Key Performance Indicators which include targets for 2020 and 2025, spanning the period after the life span of this Annual Report. Where these targets directly relate to the Annual Report KPIs, the 2020 targets have also been included against relevant indicators. Interim targets are provided for lagging indicators.

As part of the strategic refresh, operational plans across the University have been developed that contain core initiatives and shorter term performance indicators that will enable Murdoch to achieve its longer term targets. Longitudinal analysis across reported KPIs will be aided by alignment with a number of the Murdoch University Senate KPIs.

Teaching and Learning Outcomes

Murdoch University is recognised for its world-class, student-centred, high-quality teaching, its interdisciplinary approach to course offerings and the link between teaching and its strength in translational research. These characteristics are incorporated into Murdoch University's academic offerings and structures.

Increased participation and equitable access are strategic priorities for the University. Approaches to help the transition to university study, be it from school or later in life, have been introduced as part of the curriculum by the incorporation of new dedicated transition units and the embedding of skills necessary for success at university throughout the first year offerings. This is also designed to strengthen the success and retention of students, especially those from educationally disadvantaged backgrounds.

Murdoch University has developed an award winning suite of alternative entry programs to provide opportunities for students facing educational disadvantage. These include FlexiTrack, an online university preparation course, and K-Track, a transformative pathway for Indigenous students to gain entry to Murdoch University.

Clear pathways from undergraduate degrees to employment or further study are in place and will be strengthened by the 'career spine' to be implemented from 2018.

These indicative activities are aimed at achieving the objectives of the Strategic Plan 2012-2017 that Murdoch University will strengthen overall student satisfaction with the quality of teaching across all fields of education through implementation of the outcomes of curriculum review, and innovative pedagogy; enhance the financial viability of academic programs; utilise pathways and international outreach programs to build a student body that is internationally diverse and inclusive of under-represented groups, and enhance student support programs to improve progression and retention of all student cohorts.

The key indicators relating to Teaching and Learning are:

Effectiveness	Student satisfaction as measured by the Social Research Centre for Quality Indicators for Learning and Teaching (QILT)
	Student retention rate
	Participation rate for low socio-economic status students
	Student success rate
Efficiency	Total costs relative to total student load

Research Outcomes

Murdoch University's research program is a core priority of the 2012-2017 Strategic Plan, which seeks to promote leading edge translational research. Murdoch has an established world-class research reputation in select areas of knowledge and is recognised as one of Australia's leading research institutions. Eighty-seven percent of its research effort (at the four-digit field of research level) has been recognised by independent assessors as being at world standard or better in the 2015 Australian Research Council Excellence in Research for Australia (ERA) process.

Murdoch University has acknowledged strength in translational research that positively impacts the communities and industries that the University serves. The strategies implemented under the Strategic Plan 2012-2017 focus on lifting important areas of research and ensuring that future investment, activity and outcomes are directed to these areas as a priority.

Murdoch University aims to be a research-led institution and the strategic objectives seek to achieve outcomes including further development of national and international research collaborations through a new funding program for distinguished academic partners; strengthening research administrative processes to generate incremental year on year growth in research grant applications and income, achieving an increase in the number of publications in top journals; and participating in a range of institutional and national programs to ensure a supportive environment for PhD students and postdoctoral staff.

The key indicators relating to Research are:

Effectiveness	Total research income
Efficiency	Number of publications per research academic

Strategic Investment Capacity

Indexation of Commonwealth Government funding has been consistently low. Combined with escalating costs, competition from private providers and other factors, universities continue to be under pressure in the student-centred higher education environment. Proactive diversification of income is a key mechanism to maintain quality and standards.

The outcome of this objective from the Strategic Plan 2012-2017 is that Murdoch University will build its strategic investment capacity through an appropriate balance and expansion of operational income sources, further development of commercial revenue streams through the consolidated group, and philanthropic activities to facilitate strategic re-investment into core University activities.

The key indicators relating to Strategic Investment Capacity, measured at the consolidated level, are:

Effectiveness	Proportion of non-Commonwealth Government income
Efficiency	Non-Commonwealth Government income relative to total assets

Teaching and learning outcomes

Effectiveness indicators

Student satisfaction

The effort of teaching staff and content of courses encourage a dynamic learning environment. These embedded elements of the student experience connect with directed initiatives that strive to meet the students' and University's academic objectives.

The University participates in the annual national Course Evaluation Questionnaire (CEQ), part of the Quality Indicators of Learning and Teaching (QILT) suite of surveys. A difference in methodology in 2016, resulting from a change in administering agency, means that results from 2016 onwards cannot be compared with those up until 2015.

In this survey, graduates who completed their course in the previous year are asked to express their agreement or disagreement with a series of statements. This indicator monitors the students' impression of Overall Satisfaction with their study experience.

Data is collected in the October and April following the completion of the graduate's qualification. The results from the 2017 survey are Murdoch University's unpublished figures. In 2017, the number of graduates surveyed who provided valid CEQ responses was 897 with an overall Graduate Outcomes Survey response rate of 49.9%. The 95% margin for error for 2017 is 80.3 ± 2.6%.

Murdoch University is currently at the national average for student satisfaction. The high target reflects our ambition to be in the top quintile nationally.

Overall Student Satisfaction (CEQ Scale) measured by SRC

2020 Target	84.0%
2017	80.3%
2016	80.5%

Overall Student Satisfaction (CEQ Scale) measured by GCA

2015	82.5%
2014	80.6%

Student retention rate

University students' retention is influenced by a wide range of factors: one of the most important is whether the study program provided is meeting each student's aspirations. Other factors, sometimes beyond the University's control such as financial imperatives, carer responsibilities and timing of offerings influence a student's choice to continue. Strategies have been introduced to extend a supportive learning environment by improving the quality of the student experience, especially for those with fewer resources in the community and in particular those from areas of low socio-economic status and Aboriginal and Torres Strait Islanders. These indicators measure the effectiveness of retaining students in the overall student population and key social groups.

The retention rate indicates the percentage of students who continue in their award course studies at Murdoch University from the listed academic year to the next, excluding those who graduate. The final retained value from 2017 into 2018 is unknown at the time of this report, because students are yet to complete unit enrolments, which may extend to the end of 2018.

It should be noted that small adjustments in previous years' results are common for this indicator. This is due to the protracted nature of course and unit withdrawals, which may on occasion take several years to be formalised or reverted.

Additionally, the definition used in 2015 included non-award courses, resulting in Aboriginal and Torres Strait Islander retention rates of 60.6%, 57.9% and 54.1% in 2012, 2013 and 2014 respectively. This change resulted in smaller discrepancies for the Overall and Low socio-economic status figures. The fluctuation in the retention rate is due to low numbers of Aboriginal and Torres Strait Islander students. To ensure the University is delivering the optimal support a new survey has been developed for student feedback on the services offered.

	Student retention rate		
	Overall	Low socio-economic status	Aboriginal and Torres Strait Islander
2017 Target	83.0%	80.0%	77.0%
2016 Target	82.5%	79.0%	76.0%
2016	81.3%	78.7%	69.2%
2015	81.0%	78.9%	74.6%
2014	81.3%	78.3%	74.3%
2013	79.3%	76.3%	65.8%

Participation rate for low socio-economic status students

Low socio-economic status (SES) is determined by the position of a student's permanent address postcode in a socio-economic ranking compiled by the Australian Bureau of Statistics using demographic and social data collected in the population census. The lowest quartile is classified as low SES. Students from the low SES community generally face greater challenges to their university aspirations - financial burden and unfavourable home learning environment being two examples.

Murdoch University has built upon its existing suite of linked pathways to raise support and facilitate inclusive entry for school leavers and non-traditional students, strengthening the participation of low SES students in higher education, and thereby improving lifelong economic prospects.

This indicator measures the effectiveness of the facilities and services put in place to assist students from the low SES community. The participation rate of low SES student enrolments is measured by the percentage of low SES students to total domestic student enrolments.

Performance is calculated using Australian Bureau of Statistics 2011 census data on socio-economic status of residential postcodes.

Demographic and socioeconomic changes in Western Australia as the result of the resources boom affected the University's ability to meet the 2017 target, which was derived directly from a strategic Commonwealth goal for Low SES participation in higher education.

Participation rate for low socio-economic status students

2020 Target	19.0%
2017 Target	20.0%
2017	19.5%
2016	19.5%
2015	19.5%
2014	18.7%

Student success rate

The ability for students to progress and complete their chosen course of study within the standard timeframes is an important indicator of the success of the University's teaching and learning environment.

This indicator measures the percentage of successfully attempted units against the total number of assessed units. The units are calculated in terms of load—one Equivalent Full-Time Student Load (EFTSL) being 24 credit points—against the assessed load for students enrolled onshore in a non-research course. The success rate for 2017 is not included in this report as the students' unit outcomes, particularly those with end-of-year census dates, continue to be evaluated at the time of this report.

Student success rate

2017 Target	90.0%
2016 Target	88.5%
2016	89.0%
2015	87.9%
2014	87.1%
2013	85.9%

Efficiency indicator

Total costs relative to total student load

This indicator measures the total costs relative to the University's teaching and learning endeavour as measured by student load, as a key input to the overall cost of teaching and learning and research.

The average expenditure per unit of Equivalent Full-Time Student Load (EFTSL) is dependent on the discipline mix taught by a university. For example, clinical and laboratory-based sciences are more expensive to teach than classroom-based disciplines. This indicator measures the total costs per EFTSL within the University entity.

Across the higher education sector, costs relative to student load are under upwards pressure given initiatives to improve the student experience and increasing need to include technology and cutting-edge teaching methods. Workplace innovation contributes to increasing efficiency that, in part, offsets these cost increases.

Results and targets have been indexed to represent comparable 2017 dollar figures.

Strong growth in EFTSL (8.6%) while limiting cost increases to 3.9% resulted in a decrease in costs per EFTSL in 2017.

Total costs per EFTSL (2017 \$'000)

2017 Target	30.3
2017	30.7
2016	32.6
2015	32.1
2014	31.7

Research outcomes

Effectiveness indicator

Total research income

Murdoch University has consolidated its translational research focus with success across a range of funding programs in 2017. Nationally competitive grant income was two-thirds greater than 2016 and total income was up more than 25 percent, at over \$30 million.

The University has performed strongly in strategic research areas, including primary food production and food security; resources, the environment and their management; phenomics and personalised medicine; and animal health and welfare. This has been particularly demonstrated by large funding increases from the Grains Research and Development Corporation.

In meeting its goal of providing life changing solutions to complex world challenges, Murdoch University has strengthened interdisciplinary research programs. In particular, it is recognised that the same core global challenges can affect every part of the ecosystem: the land, animals and people. Research income is one indicator of performance measuring the growth in research income across all category types. Previous years' values have been adjusted to include foreign exchange adjustments.

Total research income (\$'000, Nominal)	
2017 Target	28,000
2017	30,710
2016	24,112
2015	20,758
2014	26,673

Efficiency indicator

Number of publications per research academic

There is a strong importance placed on publication outcomes, both number and quality, in recognition of the significance of publications to Murdoch University's international and national research identity and prominence. The number of refereed papers in reputable journals and other publications is a natural indicator of the broad research output of a university.

In recent years Murdoch University has moved to emphasise quality in publications over volume. For example, conference papers are no longer counted in the definition of 'research active'.

The following table shows the average number of HERDC weighted publications per research academic FTE for the University. The HERDC value for the number of publications in 2017 will become available later in 2018. The University's 2017 target was increased by the Senate to 3.00 publications per research academic FTE in December 2015.

Number of publications per research academic FTE	
2017 Target	3.00
2016 Target	2.70
2016	2.65
2015	2.39
2014	2.21
2013	1.78

Strategic investment capacity

Effectiveness indicator

Proportion of non-Commonwealth Government income to total income

The University aims to diversify its income sources, as Commonwealth funding alone is insufficient to sustain the activities which the University undertakes in pursuit of the highest quality outcomes. The University intends to decrease dependency on Commonwealth funding over time.

This indicator measures the diversity of Murdoch University's sources of income within the consolidated group. The 2016 Non-commonwealth income included a once off Fair value adjustment on investment property, giving rise to the variance 2016 to 2017.

Reduction in reliance on Commonwealth funding has been a long-standing strategy for Murdoch University and the university sector in general. Implementation of the Demand Driven System in 2012 drove additional Commonwealth funding into the sector, including at Murdoch, and that has now been capped. Murdoch has increased its external engagement to help attract additional non-Commonwealth funding but this is a long-term project.

Proportion of non-Commonwealth Government income to total income	
2017 Target	50.0%
2017	44.1%
2016	46.6%
2015	45.7%
2014	47.2%

Efficiency Indicator

Non-Commonwealth Government income relative to total assets

Whilst diversification of income is an important objective for the University, the rate at which this income is earned, relative to the asset base of the University, reflects the ability to generate alternate sources of revenue by leveraging the University's assets, and managing these assets more strategically.

This indicator measures the non-Commonwealth Government income relative to total assets for the consolidated group. Non-Commonwealth Government income is dependent on the timing of asset transactions which is a major contributor to observed year-on-year variability in the income.

The 2016 Non-commonwealth income included a once off Fair value adjustment on investment property, hence the variance 2016 to 2017. Changes in Commonwealth Government policy settings, including the introduction of the Demand Driven system and increased research funding, have decreased the relative proportion of non-Commonwealth funding at Murdoch University. Together with the increase in value of the University's assets, this has slowed growth in this indicator.

Proportion of non-Commonwealth Government income relative to total assets	
2017 Target	18.8%
2017	13.8%
2016	14.3%
2015	13.0%
2014	14.4%

Characteristics of Student Population

Summary Statistics

Students

	2013	2014	2015	2016	2017
Level					
Higher Degree Research	794	800	781	733	751
Higher Degree Coursework	1,707	1,625	1,557	1,528	1,613
Other Postgraduate	1,456	1,330	1,059	1,036	1,003
Undergraduate	19,986	20,185	19,684	19,690	19,665
Non-Award	165	202	163	166	199
Total	24,108	24,142	23,244	23,153	23,231
Broad Field of Study					
Agriculture, Environmental and Related Studies	548	398	295	227	170
Architecture and Building	5	1	1	1	1
Creative Arts	1,727	1,428	1,121	951	593
Education	2,385	2,297	1,974	1,788	1,922
Engineering and Related Technologies	661	658	645	641	577
Health	1,887	1,852	1,909	2,074	2,170
Information Technology	1,408	1,345	1,210	1,122	760
Management and Commerce	7,574	7,580	7,220	6,689	5,741
Natural and Physical Sciences	1,935	2,289	2,660	3,129	3,984
Society and Culture	5,813	6,092	6,046	6,365	7,114
Non-Award	165	202	163	166	199
Total	24,108	24,142	23,244	23,153	23,231

Student Load (EFTSL)

	2013	2014	2015	2016	2017
Level					
Higher Degree Research	533	535	545	515	518
Higher Degree Coursework	1,034	958	952	958	977
Other Postgraduate	616	597	424	445	469
Undergraduate	14,354	14,203	13,536	13,690	13,190
Non-Award	67	107	68	62	71
Total	16,605	16,400	15,524	15,670	15,225
Broad Field of Study					
Agriculture, Environmental and Related Studies	318	228	157	104	80
Architecture and Building	1	0	0	0	0
Creative Arts	1,279	1,061	783	684	370
Education	1,462	1,456	1,234	1,159	1,302
Engineering and Related Technologies	464	459	455	447	409
Health	1,441	1,420	1,433	1,630	1,857
Information Technology	958	920	780	724	452
Management and Commerce	5,318	5,016	4,773	4,474	3,368
Natural and Physical Sciences	1,375	1,606	1,882	2,222	2,707
Society and Culture	3,921	4,127	3,960	4,163	4,610
Non-Award	67	107	68	62	71
Total	16,605	16,400	15,524	15,670	15,225

Completions

	2012	2013	2014	2015	2016
Level					
Higher Degree Research	111	97	93	113	142
Higher Degree Coursework	355	541	515	510	562
Other Postgraduate	988	1,425	1,187	740	548
Undergraduate	3,120	3,688	4,355	5,928	6,271
Total	4,574	5,751	6,150	7,291	7,523
Broad Field of Study					
Agriculture, Environmental and Related Studies	123	135	111	126	94
Architecture and Building	2	1	0	0	0
Creative Arts	406	451	497	595	520
Education	517	543	576	541	433
Engineering and Related Technologies	99	141	128	128	194
Health	298	362	344	363	366
Information Technology	224	274	320	599	572
Management and Commerce	1,619	2,299	2,633	3,082	3,335
Natural and Physical Sciences	320	372	330	360	512
Society and Culture	966	1,173	1,211	1,497	1,497
Total	4,574	5,751	6,150	7,291	7,523

Staff - Full Time Equivalence (FTE)

	2013	2014	2015	2016	2017
Staff Function					
Teaching Only or Mainly	193	207	203	277	275
Research Only or Mainly	55	63	67	79	66
Teaching and Research	452	402	403	411	408
Other	30	31	10	16	15
Non-Academic	981	984	960	1,000	993
Total	1,709	1,686	1,644	1,783	1,757

Student Load (EFTSL) per Teaching Staff FTE

Load/FTE Ratio*	17.1	18.0	16.6	14.9	16.4
*Excludes student load in offshore courses :	5,578	5,531	5,458	5,403	4,016

Notes: 2017 student data prior to HEIMS submission; staff data at year end.

Data based on Murdoch University's reportable student load. Values are subject to student revisions and final quarter submission updates.

2017 Completions are not yet final; figures will be presented in 2018 Annual Report.

The introduction of the new undergraduate curriculum in 2014 has resulted in some shifts in Broad Field of Education classification.

Equity Student Statistics

Students by Equity Groups

	2013	2014	2015	2016	2017
Aboriginal & Torres Strait Islanders	195	251	230	266	288
Female	14,240	14,172	13,553	13,650	13,690
Regional*	1,390	1,342	1,276	1,258	1,378
Remote*	241	241	225	230	253
Low Socio-Economic Status*	2,382	2,484	2,459	2,595	2,781
Non-English Speaking Background**	442	427	452	469	533
People with a Disability	1,171	1,202	1,256	1,340	1,447

Summary (Percent of Population)

	2013	2014	2015	2016	2017
Total Students Enrolled	24,108	24,142	23,244	23,153	23,231
Female	59.6%	59.3%	58.9%	59.0%	58.9%
Domestic Enrolled Students#	14,034	13,766	13,134	13,575	14,464
Aboriginal & Torres Strait Islanders	1.4%	1.8%	1.8%	2.0%	2.0%
Regional	9.9%	9.7%	9.7%	9.3%	9.5%
Remote	1.7%	1.8%	1.7%	1.7%	1.7%
Low Socio-Economic Status	17.0%	18.0%	18.7%	19.1%	19.2%
Non-English Speaking Background	3.1%	3.1%	3.4%	3.5%	3.7%
People with a Disability	8.3%	8.7%	9.6%	9.9%	10.0%

* Data calculated using student's permanent residential postcode to associate status using ABS 2011 Census data.

** Recalculated in 2017 for prior years as requirement that arrival in Australia be in the last ten years had not been enforced correctly.

Domestic students are defined as students having a permanent residential postcode in Australia.

Data based on Murdoch University's reportable student load. Values are subject to student revisions and final quarter submission updates.

Report of Operations

Commonwealth Grant Scheme and Load

	2013	2014	2015	2016	2017
Funding Agreement Load (EFTSL) *					
Target	8,614	8,468	7,774	7,859	8,349
Actual	8,305	8,248	7,692	7,982	8,835
Difference (EFTSL)	-309	-220	-82	122	486
Difference (%)	-3.59%	-2.60%	-1.06%	1.56%	5.82%
Undergraduate Target Load (EFTSL)					
Target	8,343	8,197	7,503	7,588	8,051
Actual	8,088	8,013	7,546	7,852	7,852
Difference (EFTSL)	-255	-184	43	263	-199
Difference (%)	-3.06%	-2.24%	0.57%	3.47%	-2.48%
Funding Sources					
Commonwealth Grants (\$000's)	177,594	179,113	173,512	184,688	196,218
Commonwealth Grants (at 2017 prices) (\$000's)	192,299	188,255	179,159	187,437	196,218
Outside Research Grants & Donations (\$000's)	23,643	22,082	22,473	22,483	28,731
Commonwealth Grants per EFTSL (at 2017 prices)	23,153	22,824	22,558	23,140	22,210
Total Commonwealth Grants as a Percentage of Total Income	50%	53%	54%	53%	56%
External Research Funding (at 2017 prices) ^					
Number of Competitive Research Grants	111	117	131	118	110
Value of Competitive Research Grants (\$000's)	10,091	10,542	10,467	9,674	15,852
Value of Non-Competitive Grants (\$000's)	20,108	17,492	10,967	14,797	14,858
Total Research Grants (\$000's)	30,199	28,034	21,434	24,471	30,710
Index	1.0828	1.0510	1.0325	1.0149	1.0000
Higher Education Indexation Number	1.0784	1.1110	1.1309	1.1506	1.1677

*Data based on Murdoch University's reportable student load only. Values are subject to student revisions and final quarter submission updates.

^Research data aligns with Higher Education Research Data Collection (HERDC).

Other disclosures

Major capital projects

Project	Estimated total cost (\$m)	Estimated cost to complete (\$m)	Expected year of completion
South Street campus refurbishment/infrastructure	35.60	12.22	2018
Information technology development and upgrade	7.76	1.08	2018
Construction of research centre/hub	5.69	5.00	2018

Staffing matters

Staff Profile

FTE	Continuous	Fixed Term	Casual	Total
Academic	379	161	224	764
Professional	638	238	117	993
Total	1016	400	342	1,758

NOTE: Values as at 31 December 2017

Continuous academic numbers have increased by a small number; fixed-term in both academic and professional numbers have been managed tightly in the second half of 2017 and have reduced. Overall FTE saw a reduction in 2017 as a result of the workforce figure being monitored carefully to ensure effective cost management is achieved.

Staff development

The Organisational Development team offered 103 courses in 2017 with 1,051 attendees. The professional development courses totalled 263.5 hours of contact time.

New professional development courses included:

- Introduction to Procurement at Murdoch
- Overseas Travel Safety and Security

Murdoch E-Learning Platform (MeLP)

To ensure staff kept abreast of Murdoch University's current legislative requirements, Organisational Development has continued to administer and maintain the 10 MeLP compliance modules required from an audit and risk perspective. An additional 40 modules have also been developed and customised to Murdoch University's needs and staff have completed over 18,234 modules since its inception (2015).

The average completion rate for the 10 MeLP compliance modules in 2017 was 61 per cent.

Performance development

Academic staff

The total academic staff PDR completion rate was 57.2 per cent.

Professional staff

The total professional staff PDR completion rate was 34.5 per cent.

Contribution and development plan

In 2017, the Professional Development and Review (PDR) process was reviewed and redesigned into the new Contribution Development Review (CDR) as part of the talent management framework review. The new process aims to provide a refreshed and unified performance and development process for all staff. This facilitates alignment of individual goals with Murdoch University's Strategic Plan, to build a future-focussed, value based and high performing workforce. The CDR process began its roll out in December 2017 with official implementation set for January 2018.

In addition to the new process, capability building sessions were designed to further develop and support staff in holding performance-based discussions. 'Enabling Conversations' is a blended learning module designed to focus on providing tools and techniques to accelerate the development of the vital competencies required for line managers and employees to effectively hold enabling conversations in the workplace. The workshops are set to launch in January 2018 and will be offered on an ongoing basis to all staff.

Human resources information systems

EEQuals

During 2017, the collection of qualifications, proof of identification, working rights (including visas), Curriculum Vitae, registrations and evidence of industry experience (via EEQuals) commenced with the concentration on casual employees within Schools as well as continuous and fixed term appointments which are a result of a recruitment process. In 2018, this process will be extended to all current employees from the Schools and Offices.

The proposed time frame to complete the collection of the outstanding evidence for continuous and temporary employees is as follows:

30 June 2018	20% – 50%
30 September 2018	50% – 75%
31 December 2018	75% – 100%

Safety, health and wellbeing

Murdoch University has a broad health and safety risk profile, including specific risks associated with manual tasks, use of chemicals and biologicals, laboratory and workshop operations, travel and field work. Supported by the Health and Safety Management Plan 2017–2018, the Safety, Health and Wellbeing Policy requires the University to provide a safe and healthy working and learning environment for all staff, contractors, students and visitors. The plan sets out health and safety goals against strategic objectives. The Safety, Health and Wellbeing team have developed a number of key policies that enable the University to manage safety, health and wellbeing, and various policies addressing specific process and hazards such as risk management, incident investigation and training. Employees are further supported with programs such as the Employee Assistance Program, Staff Wellbeing Strategy and Mental Health First Aiders programs.

Employees continue to be represented by elected and trained employee safety, health and wellbeing representatives. There are eight elected employee health and safety representatives holding office in 2017. Each School and Office has a Health and Safety Committee. Membership of these committees includes both employer and employee representatives.

Workers compensation and injury management

An early intervention approach and the development of policies and procedures has ensured that return-to-work plans were developed for all compensable injuries during 2017. Murdoch University's injury management staff continued to assist injured staff with non-compensable injuries and other health-related conditions to ensure successful return-to-work outcomes.

Measure	Actual results			Target Result
	2015	2016	2017	2017
Lost time injury and / or disease incidence rate	0.21	0.10	0.30	0.21
Lost time injury and/or disease severity rate	0.09	0.10	1.30	0.09
Percentage of injured workers returned to work:				
(i) within 13 weeks	100%	88%	97.22%	100%
(ii) within 26 weeks	100%	100%	97.22%	100%
Percentage of managers trained in occupational safety, health and injury management responsibilities				
		9%	13%	10%

Enterprise bargaining

Following Murdoch University's application in December 2016 to terminate the existing Enterprise Agreement, the Fair Work Commission (FWC) heard the application on 4-21 July 2017. On 29 August 2017, the FWC shared its decision to terminate the existing Enterprise Agreement effective 26 September 2017.

Murdoch University made a commitment to staff via formal Undertakings to maintain take-home pay and key benefits for six months upon termination of the Enterprise Agreement. Academic freedom is preserved indefinitely. The formal Undertakings commenced on 26 September 2017.

Murdoch University continues to focus its attention on negotiations to secure a new Enterprise Agreement that underpins a strong future for our staff and the University.

Other disclosures (cont.)

Records management

Murdoch University is required to report on strategies for ensuring staff compliance with the University's recordkeeping plan. Under Section 61 of the State Records Act 2000, the State Records Commission (SRC) is responsible for establishing principles and standards to govern record keeping by government organisations. The following information is provided in accordance with Principle 6 of SRC Standard 2: Recordkeeping Plan.

A review of the University's Recordkeeping Plan and the efficiency and effectiveness of its recordkeeping systems was undertaken in 2017. A report on the review was provided to the State Records Office and an amended Recordkeeping Plan will be submitted to the State Records Commission by 28 February 2018.

The University conducts an online recordkeeping awareness training course for its staff. The training addresses staff responsibilities under the State Records Act 2000 including the creation, capture, access, management and disposal of records, confidentiality and privacy issues, and security considerations.

The training program serves the following aims:

- Raise staff awareness of their responsibilities under the State Records Act 2000 and other applicable legislation; and,
- Raise the overall standard of recordkeeping at the University.

All new staff are enrolled in the training course as part of the University's induction program. In addition, an information sheet about recordkeeping requirements, including an overview of the recordkeeping training course, is included in new employee induction packs.

The implementation of an escalation process in 2016 has resulted in significant improvement in the number of staff completing the recordkeeping awareness training course. Active support of senior management and the Organisational Development Office, together with regular reminders via the University's staff announcements system, have contributed to this success.

Pricing policy statement

The University's Pricing Policy for its educational programs is consistent with the Commonwealth Government's policies on Australian domestic undergraduate and postgraduate coursework students and international fee-paying students. Details of the University's prices are available on the University's website.

Governance disclosures

Environmental regulations

Impact of legislation:

Amendments to the Murdoch University Act 1973 were passed through the Parliament in 2016 and became law effective 2 January 2017. The amendments provide the University with the powers needed for commercial development on University land and changes to the composition of the Senate.

Insurance of officers

During the financial year, the Group has paid insurance premiums of \$22,000 (2016: \$24,500) in respect of directors' and officers' liability, for current and former directors and officers, including executive officers and secretaries of controlled entities.

Insurance premiums relate to:

- Costs and expenses incurred by the relevant directors and officers in defending proceedings; and,
- Other liabilities that may arise from their position, with the exception of conduct involving a wilful breach of duty or improper use of information or position to gain a personal advantage.

Complaints handling

Murdoch University strives for excellence in its dealings with staff, students and the broader community. However, on occasion, it may receive negative feedback or people express dissatisfaction or displeasure with an experience and lodge a complaint.

The University is committed to ensuring that all complaints are handled effectively and efficiently in a process that is supported by our Complaints Management Policy and is accessible, impartial, confidential, equitable and sensitive. Complaints are managed with respect for all parties involved and procedural fairness. Processes are in place such that members of staff, students or the public can lodge a complaint with the University. The Student Complaints Management Procedure was reviewed and updated during 2017.

Freedom of Information

This year, Murdoch University received seven valid applications and eight third party consultation requests under Freedom of Information legislation, with all 15 requests finalised in 2017. A further four requests did not meet the requirements of a valid application under the legislation (e.g. paying the application fee) and did not progress. In addition, the University received two requests for information that could be provided outside of the Freedom of Information process. Of the 2017 applications, one progressed to an internal review. Four applications outstanding from the previous year were finalised in 2017, including one that went to external review.

Media and advertising expenditure

Section 175ZE of the Electoral Act 1907 requires the University to include a statement in the Annual Report setting out details of expenditure incurred by the University during the financial year in relation to advertising agencies, direct mail organisations, media advertising organisations and market research organisations.

The total expenditure incurred by the University during the 2017 financial year on those organisations was \$3,678,577.

The classes of organisation, the names of the organisations within the class and the total expenditure for the class were as follows:

Advertising Agencies

J Walter Thompson
Meerkats

\$1,335,097

Media Advertising

Initiative Media
Equilibrium Interactive
Hatchd Digital
Adcorp HR Advertising
Isentia

\$2,311,980

Market Research

Taylor Nelson Sofres

\$31,500



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