



# 2018

ANNUAL REPORT



# 2018 Annual Report

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 hard copies of the annual report, encouraging stakeholders, customers, partners, students, employees and donors to access the document online.

**Murdoch University**

90 South Street, Murdoch  
Western Australia 6150  
Telephone: 08 9360 6000

**Disclaimer**

The information contained in this publication was correct as at March 2019.

**© 2019 Murdoch University**

This publication is copyright. Except as permitted by the *Copyright Act 1968*, no part of it may in any form or by any electronic, mechanical, photocopying, recording or any other means be reproduced, stored in a retrieval system or be broadcast or transmitted without the prior permission of the publisher.

CRICOS Provider Code: 00125J

## Statement of Compliance

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

13 March 2019

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 2018.

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



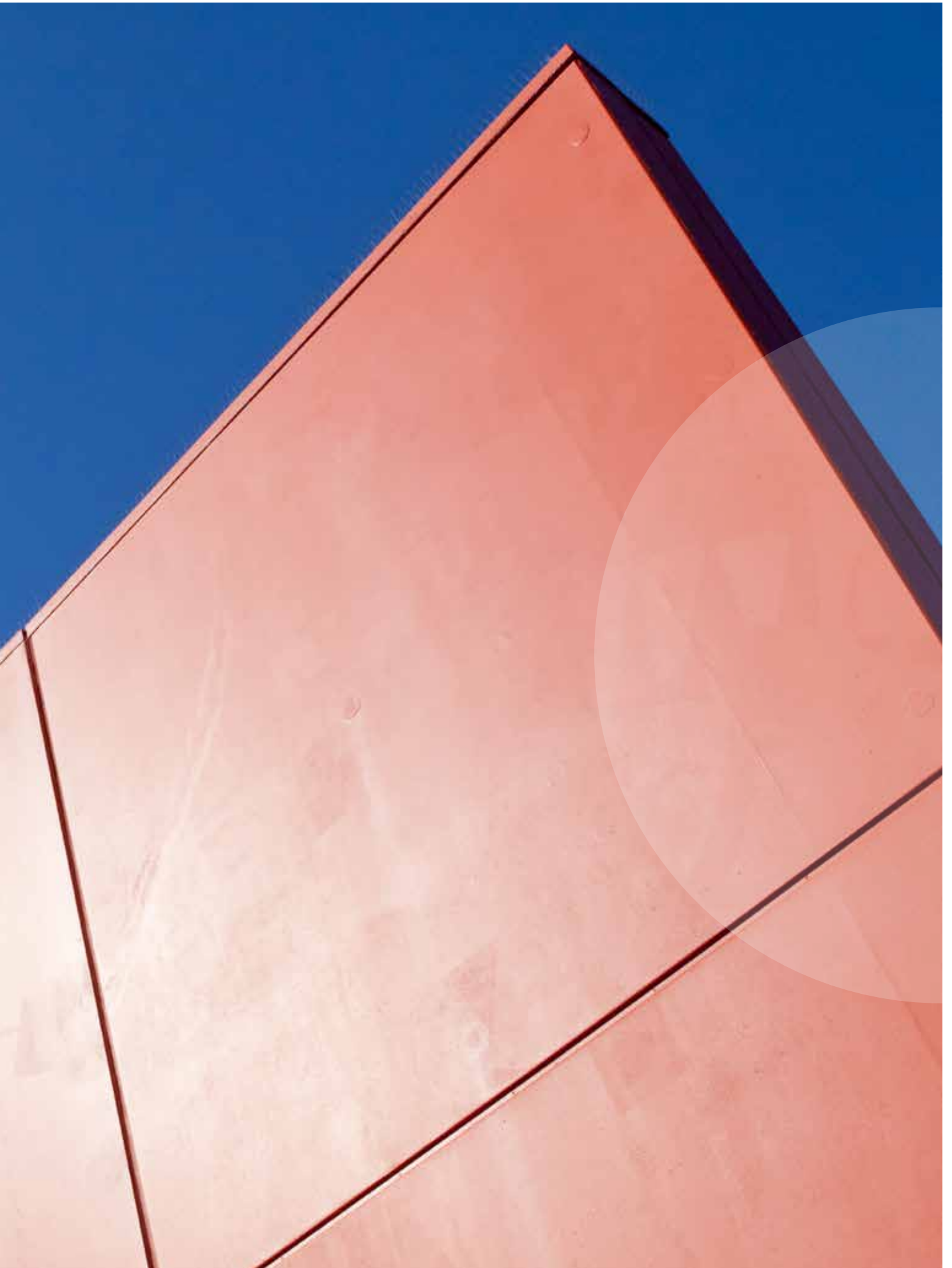
**David N Flanagan**  
Chancellor



**Eeva Leinonen**  
Vice Chancellor

# Contents

1.	Statement of Compliance	1
2.	Chancellor's Foreword	4
3.	Vice Chancellor's Report	6
	2018 Year in Review	10
4.	Key Statistics 2018	16
5.	Purpose and Priorities	18
	Our Vision	18
	Our Strategy	20
6.	Students and Education	24
7.	Research and Innovation	28
8.	International	34
9.	Physical and Digital Environment	36
10.	Projects in Focus	38
11.	Donors and Sponsors	42
12.	Our Structure	46
13.	Disclosure and Legal Compliance	54
	Independent Auditor's Report	56
14.	Financial Statements	61
15.	Key Performance Indicators	114
16.	Other Disclosures	126





# Chancellor's Foreword

I am pleased to be able to report that Murdoch University has built on the groundwork laid over the last three years to achieve considerable success in 2018. This strengthens our position as a university where people come together to learn, innovate and collaborate. We are delivering on the Strategic Plan approved by Senate in 2017 and achieved a pleasing financial position at year-end 2018.



**The University is making solid progress towards achieving its goals set out in the 2017–2027 Strategic Plan. Senate has been pleased to support and guide the University on this important journey, and we are greatly encouraged by the impressive progress made so far. The University is tracking well against all key measures, allowing it to embark on a new plan for growth and investment.**

I, along with my fellow members of Senate, would like to congratulate the Vice Chancellor and her Executive team for all the success they have achieved during 2018 which has ensured the University is well on the way to delivering on the goals set out in the *Strategic Plan and Future Horizon 2017–2027* document. By doing so, it positions the University for a bright and prosperous future.

This year Senate helped pave the way for new partnerships with external stakeholders and the community, commenced plans to reinvigorate our campus by approving investment in new teaching and research facilities, including the world-leading Australian National Phenome Centre, and supported the Towards 2027 project that will see a new College-based academic structure implemented in 2019.

In line with the Strategic Plan, an increasing number of students are choosing to study at all our campuses, and we are driving further academic excellence across everything we do.

In 2018, the University graduated record numbers of students at ceremonies held at the RAC Arena in Perth as well as in Singapore and Dubai. Murdoch University has the highest proportion of Aboriginal or Torres Strait Islander students of any WA university, and I am proud that we have recognised their success through the development of a special Nyungar-designed graduation sash.

Eight students receiving awards at the September graduation ceremonies wore it for the first time.

Murdoch University has continued to extend its reach into the community, engaging with business, industry, government and community groups. Senate enthusiastically supported the University's initiatives with the Africa Progress Panel to investigate the contemporary policy challenges for Africa surrounding extractive industries. Senate has welcomed the launch of the Third Murdoch Commission that will investigate pressing problems and issues of public concern to Africa including the Blue Economy, sustainable farming, food production, electricity and energy.

The development of an innovative, dynamic and collaborative environment is fundamental to achieving our research goals. Guided by our Research Mandala, Murdoch University continues to build on its impressive track record of achievement across all areas of exploration and discovery.

Murdoch University was delighted to welcome His Royal Highness The Duke of York to the Perth campus in November for the first Western Australian Pitch@Palace, a platform to amplify and accelerate the work of entrepreneurs. The global event, founded by His Royal Highness, involves entrepreneurs pitching their ideas to a judging panel, led by the Duke, to win a place at the Pitch@Palace Australia national Boot Camp. This aligns strongly with our focus on equipping our students and staff with the knowledge, skills and confidence needed to find innovative solutions to real-world challenges. Eight innovative business ideas from Western Australian entrepreneurs and early-stage businesses were selected as winners, including two with strong Murdoch connections.

It has been a privilege and honour to have served as Chancellor of Murdoch University. My second three-year term as Chancellor ends in August 2019 and I have advised the University that I feel the time is right to step down. The Vice Chancellor and her senior leadership team continue to work effectively with Senate to provide the University with robust governance and strong leadership, and I feel confident that this will continue under the watch of the new Chancellor when he or she takes up the role.

In this richly rewarding role, I have been able to engage with so many wonderful people and had so many opportunities to see how the remarkable work of Murdoch is making a positive difference to the world and its citizens.

During my time as Chancellor, Murdoch has faced challenges, including a volatile higher education sector and the vagaries of government policy. Despite this, the University has worked its way through them and in doing so has remained a strong, engaged and forward-looking institution.

I would like to thank everyone across the University community for their continued support and look forward to working with Senate over the coming months to make further progress on the University's strategic goals. After I step down, I will continue to be a strong supporter and advocate for this great university and will watch with interest the exciting developments yet to come.



**David Flanagan**  
Chancellor

**“Murdoch University continues to build on its impressive track record of achievement across all areas of exploration and discovery.”**



# Vice Chancellor's Report

Almost three years ago I joined Murdoch with a commitment to work with the University community to embark on a new era of growth and success. Over 2018, we embraced opportunities and challenges, guided by our *Strategic Plan and Future Horizon 2017-2027*, to achieve a turnaround in our University's financial position, along with gains across our teaching, research and community engagement activities.



**I am delighted to report that the University has recorded a \$15.5 million surplus for 2018, up from \$3.5 million the year before. Our success in transforming the University's financial performance not only delivers on a key pillar of our Strategic Plan, but will also help us ensure that our long-term strategic priorities can be achieved sustainably. I would like to thank colleagues across the University for their efforts in delivering this outstanding result.**

I believe we are well on the path to delivering on the long-term goals we set ourselves. Murdoch University has moved forward with conviction and enthusiasm in 2018 to achieve growth in research activity, enhanced learning opportunities and international education activities, and renewed vigour in our engagement with government, industry and the community.

Universities need to ensure they are agile and resilient to meet the challenges of globalisation,

technological change and evolving societal expectations. To help us meet those challenges, Murdoch University has developed a new academic structure designed to embrace new ways of thinking, learning, working and engaging.

A two-College model was introduced towards the end of 2018 and will be embedded into our operations in 2019. This model supports innovative multidisciplinary approaches to research and teaching and operational effectiveness, and strengthens outreach to internal and external stakeholders.

In August, the University's new Enterprise Agreement came into effect after securing the support of staff and the National Tertiary Education Union (NTEU). It was pleasing that staff overwhelmingly voted to endorse the Enterprise Agreement the University presented on 14 March 2018. Of 865 employees who lodged a vote, 95 per cent voted "Yes". The result is a simpler, modern, new Agreement that

delivers our staff the certainty and the flexibility required to underpin our continued growth.

A key pillar of the Strategic Plan is reaching out to society through collaborative partnerships, contributing to social and economic wellbeing and taking a global perspective on our activities.

We took a major step in this vision in 2018 with the establishment of the Vice Chancellor's External Advisory Board. I was delighted to welcome an outstanding group of leaders from the social, economic, political, public policy, business and educational fields as inaugural Board members. These 17 esteemed people from Australia and around the world will work closely with me, providing their expertise, experience and knowledge, as Murdoch University pursues its research, education and innovation goals.



The Vice Chancellor established her External Advisory Board, a stellar group of 18 thought leaders who will lend their expertise, experience and networks to assist the University in realising its vision.

## VICE CHANCELLOR'S REPORT

We have celebrated the success and achievements of so many of our students and graduates across the world and I am proud to see them forging careers where they are making a real contribution, true to our Murdoch tradition.

The Murdoch University Distinguished Alumni Awards recognise our exceptional alumni, from dynamic leaders in politics, business and research to inspiring alumni working tirelessly in the community. In April, we celebrated outstanding professional achievements, community service and the personal journey of five inspiring alumni through the 2017 Distinguished Alumni Awards: Dr Adam Bandt, Professor Wendy Carlin, The Hon. Justice James Edelman, Dr Bill Hare and Distinguished Professor John Hartley AM.

These values were exemplified this year by Murdoch alumni Dr Craig Challen, who was instrumental in the rescue of 12 children and their football coach trapped in a flooded cave in northern Thailand in July. This led to Dr Challen being awarded the 2019 Western Australia Australian of the Year and joint winner of the 2019 Australian of the Year with his cave-diving colleague, Dr Richard Harris. We were proud to award Dr Challen an honorary degree, the highest honour a university can

bestow, which recognised not only his part in the rescue, but also his many years of support of Murdoch veterinary students and graduates in providing them with placement and employment opportunities. In his poignant acceptance speech, Dr Challen reminded graduates that every person faces a big challenge at some point in their life which should be faced with all the strength, resolution and resourcefulness we can bring to bear.

The Federal Government announced significant policy changes in late 2017 that had a substantial impact on the higher education sector. The demand-driven system, that had delivered strong growth in the sector, was effectively capped.

The University faced the challenge of meeting financial sustainability targets in the light of government policy changes through operational adjustments at all levels of the organisation. I was proud of the way in which people from across the University were able to identify local improvements that were valuable to the whole University. Together with improvements in our share of the domestic student market, along with strong growth in international student numbers, we have been able to manage these additional financial challenges and deliver a positive surplus.

In August, the Fair Work Commission approved our new Enterprise Agreement, which gives staff assurances about conditions of employment and acknowledges our respect for the central role all staff play in the success of our University. I am proud of this result and thank all staff for their patience and understanding throughout the negotiations. This ensured we were able to arrive at an agreement that is not only fit for our strategic purposes, but also one that is recognised as sector-leading. Importantly, I am confident that the Agreement will allow us to move forward together and strengthen our position as a creative, high-performing and transformational university.

In keeping with my commitment to staff that all will share in our financial and operational successes, I was pleased to award eligible staff with an end-of-year, one-off additional payment. It is important to recognise that the higher education sector remains in a state of political and policy uncertainty, requiring us to continue to work together to adapt and evolve to be able to remain a world-leading, world-changing university.

**“Together with improvements in our share of the domestic student market, along with strong growth in international student numbers, we have been able to manage these additional financial challenges and deliver a positive surplus.”**





Thailand cave dive hero and Murdoch alumni Dr Craig Challen was awarded an honorary degree by the University in September.



In April, the University presented Distinguished Alumni Awards to The Hon. Justice James Edelman, Dr Adam Bandt, Professor Wendy Carlin, Distinguished Professor John Hartley AM and Dr Bill Hare.



# 2018 Year in Review

Murdoch entered into a strategic partnership with the Western Australian Cricket Association, supporting scholarships and development for students and research into elite sport.

**Murdoch University has achieved much in 2018. If universities are to be truly innovative and able to adapt to our ever-changing world, they need to share good practice and provide staff with opportunities to 'have a go'. This year I was pleased to launch the Small Steps of Innovation Grants scheme to encourage and provide some seed funding to individuals or teams across the University to encourage creativity and drive improvements to our teaching and research activities.**

Murdoch has continued work to reinvigorate our campus by investing in new teaching and research facilities. Endorsed by Senate, the development of the campus has seen the unveiling of the new Student Hub - a flexible adaptive community space where students and staff can socialise, refresh, engage and co-work - and revitalisation of the Library, including the opening of LaunchPad and refurbishment of the 24/7 Learning Commons.

We have forged new partnerships with external stakeholders and the community, including new advisory boards, and maintained our commitment as a university for all, with a focus on social equity and freedom of thought and belief.

I was delighted to join the chief executive of the Western Australian Cricket Association to sign an historic strategic partnership, making Murdoch the first tertiary education provider in the state to align itself with elite cricket. The partnership will provide multiple collaborative opportunities for our researchers and students as they share knowledge and develop skills in this elite sport environment. This will include scholarships and development opportunities for students and our staff, and opportunities to extend our support for local sport and the community through our facilities.





Murdoch's first graduation ceremonies at the RAC Arena took place in September. Around 1,100 alumni graduated at two ceremonies, thanks to the University's ongoing partnership with the venue.

Murdoch University is a Founding Partner of the RAC Arena. This provides a dedicated Work Integrated Learning program at the Arena, access to casual work opportunities, and access to priority queues and special offers. The real-world learning opportunities this partnership provides saw two students undertake internships as part of their Bachelor of Communication degrees. They went on to help design and launch the Arena's Snapchat presence.





# 2018 Year in Review



## Students and Education

In 2018, the number of students, both domestic and international, who have chosen to study at Murdoch has grown. In a contracting and competitive environment, we increased combined domestic enrolments by seven per cent, with our market share of high school leavers increasing by 1.1 per cent. International onshore student enrolments are up by 92 per cent on 2017, a remarkable achievement. This growth reflects not only the increasing recognition of our University, but also the exceptional efforts of our recruitment, conversion, marketing and outreach teams.

COMBINED  
DOMESTIC  
ENROLMENTS

▲ 7%

ONSHORE  
INTERNATIONAL  
ENROLMENTS

▲ 92%

RANKED  
#1  
FOR  
UNDERGRADUATE  
EMPLOYABILITY\*

Murdoch aims for our graduates to be innovators prepared for their future careers. This year we fully integrated the Career Learning Spine into the curriculum in our undergraduate degrees, giving students the practical, transferable skills required for their future career. We opened LaunchPad, a platform that facilitates connections between businesses and students and academics to collaborate on solutions to real-world problems. Our first entrepreneur-in-residence has had a busy year supporting students and staff to develop their ideas into viable business propositions.

Initiatives like these have equipped Murdoch graduates with the skills needed to move into the workforce. In the 2018 Graduate Outcomes Survey, Murdoch University was ranked the top tertiary institution in the country for undergraduate employability, with 96.7 per cent of our graduates having secured employment after three years. Of these, 93.2 per cent were in full-time employment, the second highest proportion of any Australian university.

Murdoch has developed one of the most successful AIME (Australian Indigenous Mentoring Experience) programs in WA. More than 100 Murdoch students from across disciplines volunteered to mentor 300-plus young Indigenous school students, contributing in excess of 3,000 hours. The volunteers helped their mentees achieve their goals in high school and successfully apply to university or gain employment. Together with the work of the Kulbaradi Aboriginal Centre, this exemplifies our commitment to be an inclusive institution, providing social equity and opportunity. As a result, Murdoch has the highest proportion of Aboriginal or Torres Strait Islander students of any WA university and has successfully grown the number of Aboriginal graduates each year.

## International Activities

The global outlook at the centre of our Strategic Plan has begun to be realised, with strong growth in onshore international students, new and renewed educational partnerships, and research outreach.

In February, I signed a partnership agreement with Navitas, the Perth-based education services provider, to help drive growth and academic excellence at our Dubai campus. This opens opportunities to develop new courses and study options, as well as improve access to Murdoch education for more students in the growing Middle East region.

Murdoch became the first Australian university to deliver courses in Myanmar following the signing of a Memorandum of Understanding with education partners Kaplan in June. We offer the Master of Business Administration and the Graduate Certificate of Business Administration through the Kaplan Myanmar University College. Myanmar is undergoing rapid development and 44 per cent of its population is under 25. We believe that sharing the power of education with this developing nation will be important to its transformation and democratisation.

We have introduced an innovative academic partnership with the University of Hertfordshire (UK) to offer dual undergraduate business and commerce degrees. Domestic and international students will be able to complete 18 months' study in each location and to graduate with both a Bachelor of Commerce degree from Murdoch and a Bachelor of Business degree from the University of Hertfordshire.

Through our Singapore Centre for Research in Innovation, Productivity and Technology, (SCRIPT), we are working with the Peel Development Commission, the Western Australia Government and Fund Singapore to boost agricultural technology in the Peel region and food security in Singapore. This project exemplifies our global connectedness and the opportunities our international presence has to benefit Western Australia.

\*Our responding graduates are number one for medium term outcomes for overall undergraduate employment in the 2018 Graduate Outcomes Survey – Longitudinal recently released by QILT\*



# 2018 Year in Review



Professor Jeremy Nicholson presenting to Federal Health Minister Greg Hunt at the Australian National Phenome Centre funding announcement.

## Research and Innovation

Murdoch has successfully consolidated its translational research capacity towards the strategic aim of positioning the University as an internationally networked research collaborator of choice in selected areas. Total research income increased 17.4 per cent over 2017, with nationally competitive grants up 11.1 per cent on last year. We continue to perform strongly in strategic research areas, including phenomics and personalised medicine; primary food production and food security; resources, the environment and its management; and animal health and welfare.

In April, I was joined by the Federal Minister for Indigenous Health, The Hon. Ken Wyatt, and Professor Fiona Stanley as co-patrons to launch our Ngangk Yira Research Centre for Aboriginal Health and Social Equity. The Research Centre is pioneering translational research that will transform the life course of the next generation of Aboriginal people and will inform important changes to policy, practice and education.

Development of the Australian National Phenome Centre (ANPC) continued apace in 2018. Professor Jeremy Nicholson, a renowned pioneer in systems medicine and metabolic phenotyping, joined

Murdoch to lead the ANPC. Local, national and international networks in areas including supercomputing, data visualisation and metabolomics are being established to provide the backbone for a world-class phenomics resource. The initiative gained the support of the Western Australia Government which allocated \$1.5 million dollars through the Premier's Science Fellowship program to attract two renowned global phenomic researchers to Western Australia.

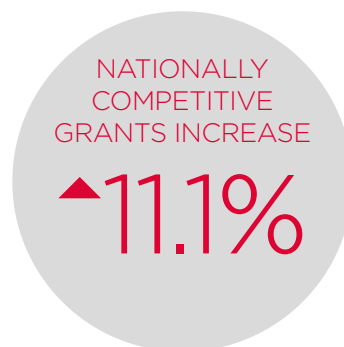
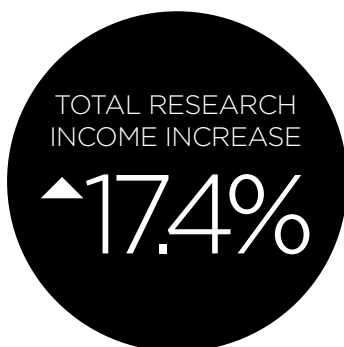
Within the context of the Strategic Plan, Murdoch has clustered its research into multidisciplinary institutes and our three key research institutes were launched or expanded in 2018. The Harry Butler Institute for Sustainable Development, established in partnership with Chevron Australia, supports the co-existence of human endeavour and biodiversity. The Food Futures Institute consolidates research to sustainably improve food production as our land and water resources come under increasing pressure. Murdoch's Health Futures Institute spans research from the genome to the mind and from the population to precision medicine tailored to the individual, incorporating the ANPC, Ngangk Yira Centre for Aboriginal Health and Social Equity, and Centre for Molecular Medicine and Therapeutics.

There has been considerable debate over higher education during 2018. The value of university education, the right mix of university and VET graduates, and employers' concerns about the preparedness of graduates for the workforce have become political issues. I believe that Murdoch University has a vision and determination that moves beyond these issues and positions us as a sustainable and creative global university.

While there remains more progress to be made, collectively we have accomplished an impressive array of achievements, which we can and should be proud of. The dedication, hard work and passion of the Murdoch community and our many supporters will ensure we expand on our successes next year and into the future.



**Professor Eeva Leinonen**  
**Vice Chancellor**



**“The dedication, hard work and passion of the Murdoch community will ensure we expand on our successes next year and into the future.”**

# Key Statistics 2018

TOTAL STUDENTS INTERNATIONAL  
ONSHORE

2,109

TOTAL DOMESTIC  
UNDERGRADUATE  
STUDENTS

13,569

TOTAL NUMBER  
OF STUDENTS

24,095

TOTAL STUDENTS  
TRANSNATIONAL

3,816

NET ASSETS

\$830.622M

TOTAL REVENUE

\$371.9M

TOTAL STAFF

1,771

DOMESTIC  
ENROLMENTS

▲7%



## Five Year Summary – Key Statistics

		2018	2017	2016	2015	2014
<b>STUDENT STATISTICS*</b>	<b>Total</b>	<b>24,095</b>	<b>23,238</b>	<b>23,153</b>	<b>23,244</b>	<b>24,142</b>
Number of students	Commencing	10,134	9,078	8,580	7,904	8,819
<b>Student load (EFTSL)*</b>	<b>Total</b>	<b>16,066</b>	<b>15,192</b>	<b>15,670</b>	<b>15,524</b>	<b>16,400</b>
	Undergraduate	13,569	13,234	13,752	13,604	14,310
	Postgraduate	2,497	1,958	1,918	1,920	2,090
Student load by funding source (EFTSL)	Commonwealth Grant Scheme	9,168	8,809	7,984	7,692	8,248
	Research Training Program	338	336	319	338	367
	Domestic fee paying					
	- Undergraduate	2	1	0	0	0
	- Postgraduate	604	613	645	553	603
	International onshore	2,109	1,397	1,321	1,478	1,647
	Transnational	3,816	3,998	5,382	5,432	5,505
	Other	30	38	18	31	31
OUA student load (EFTSL)	<b>Total</b>	<b>470</b>	<b>598</b>	<b>669</b>	<b>739</b>	<b>1,031</b>
	Murdoch reported*	201	231	160	189	215
	OUA reported	270	367	509	550	816
<b>STAFF STATISTICS ^</b>	<b>Total</b>	<b>1,771</b>	<b>1,758</b>	<b>1,783</b>	<b>1,644</b>	<b>1,686</b>
<b>Staff (FTE)</b>	Academic					
	Teaching only or mainly	298	275	277	203	207
	Research only or mainly	76	66	79	67	63
	Teaching and research	376	408	411	403	402
	Other	19	15	16	10	31
	Non-academic	1,002	993	999	959	984
<b>FINANCIAL STATISTICS (Consolidated)</b>						
Net operating result (\$'000s)		15,603	3,645	-5,423	-4,841	2,904
Operating margin (%)		4.2	1.1	-1.6	-1.5	0.9
Net assets (\$'000s)		830,622	807,316	815,328	824,063	822,809
Total assets (\$'000s)		1,149,687	1,116,391	1,129,260	1,120,524	1,116,682
Total revenue (\$'000s)		371,923	344,411	346,044	319,400	339,382
Total research income (\$'000s)		36,036	30,710	24,112	20,758	26,673

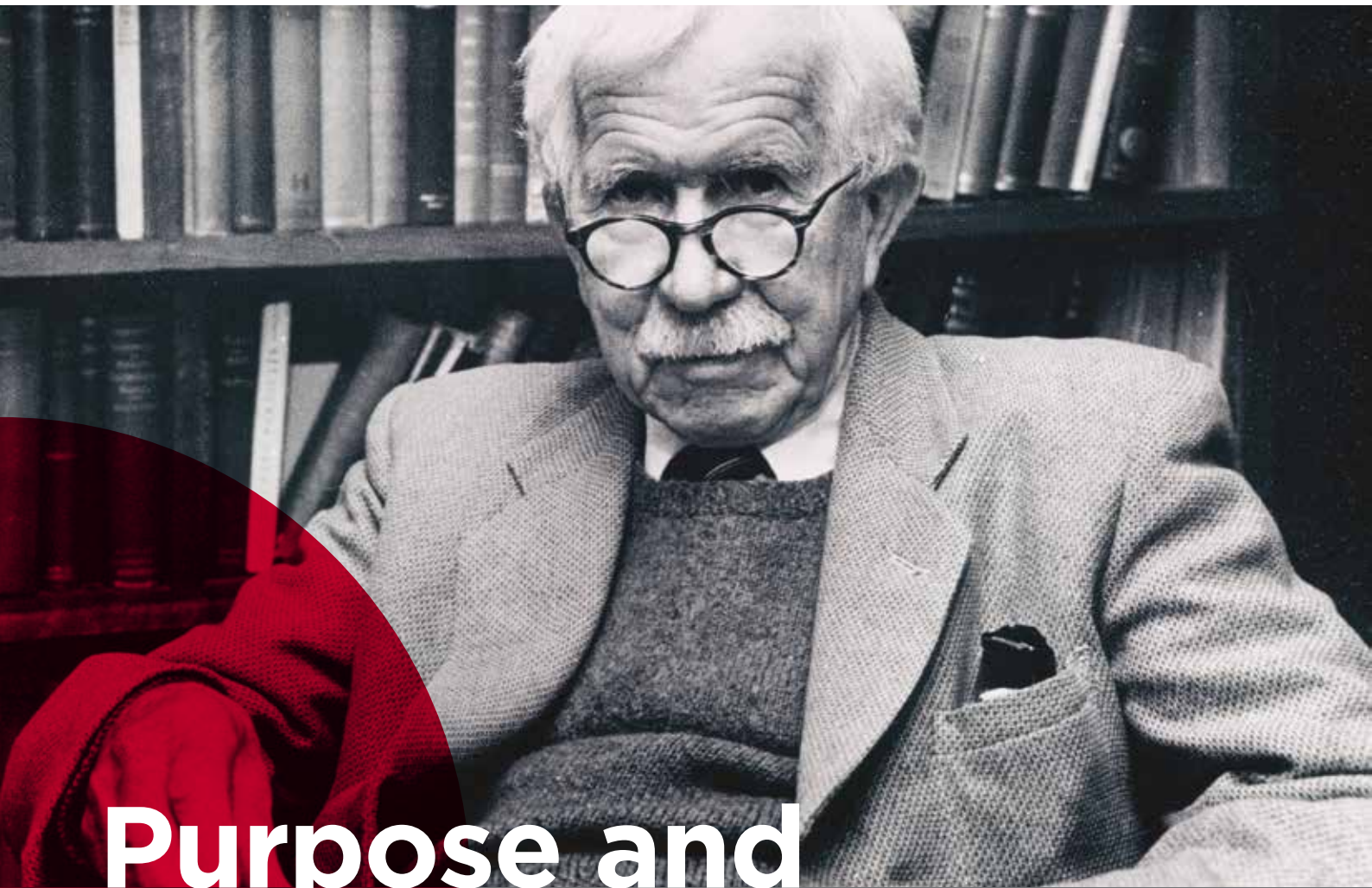
\*Data based on Murdoch University's reportable student load only. Values are subject to student revisions and final quarter submission updates.

^ Staff statistics do not include staff employed by transnational partners. The values are those determined on the 31st December. Due to rounding, some totals may not correspond with the sum of the separate figures.

## STUDENT STATISTICS 2018

### NUMBER OF STUDENTS

		South St	Mandurah	Rockingham	Singapore	Dubai	Myanmar	Total
Enabling	Total	1,142	90	121	0	0	0	1,353
	Commencing	1,073	86	117	0	0	0	1,276
Undergraduate	Total	12,263	561	41	5,325	369	0	18,559
	Commencing	4,442	148	0	1,827	116	0	6,533
Postgraduate Coursework	Total	2,831	39	0	353	157	8	3,388
	Commencing	1,835	27	0	184	85	8	2,139
Higher Degree by Research	Total	794	1	0	0	0	0	795
	Commencing	186	0	0	0	0	0	186
<b>Total</b>		<b>17,030</b>	<b>691</b>	<b>162</b>	<b>5,678</b>	<b>526</b>	<b>8</b>	<b>24,095</b>
		<b>Murdoch</b>	<b>Mandurah</b>	<b>Rockingham</b>	<b>Singapore</b>	<b>Dubai</b>	<b>Myanmar</b>	<b>Total</b>
Completions 2017		2,814	159	22	2,152	158	0	5,305



# 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.



A Nyungar-designed graduation sash was worn by eight Indigenous students taking part in graduation ceremonies in September. The sashes were developed to mark Murdoch having the highest proportion of Aboriginal or Torres Strait Islander students of any WA university.



## Vision and Values

With nearly 25,000 students from more than 100 countries and close to 2,000 staff, Murdoch is well placed to meet its vision as a significant, comprehensive university with world-leading research and excellent student experience, with far-reaching influence across the world.

The *Strategic Plan and Future Horizon 2017-2027* secures Murdoch's future direction and priorities for growth over the next five and ten-year horizons.

The purpose of the University is to be a creative force for current and future generations through educating freethinking graduates and through high impact translational research.

Murdoch remains 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 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 values are clear:**

### > Integrity

We act with integrity and trust in the best interests of the University, and defend and express academic freedom.

### > Respect and Diversity

We embrace and value people, irrespective of background, and the individuals and organisations that support our endeavours.

### > Purpose

We respond with purpose to the changing higher education sector in a way that is performance-based, accountable and empowered.

### > Excellence and Future-focus

We promote the highest standards of intellectual inquiry and rigour, embrace continuous improvement, and value, celebrate and reward the success of our people.

PURPOSE AND PRIORITIES

# Our Strategy

Murdoch University's purpose is:

“To be a creative force for current and future generations.”

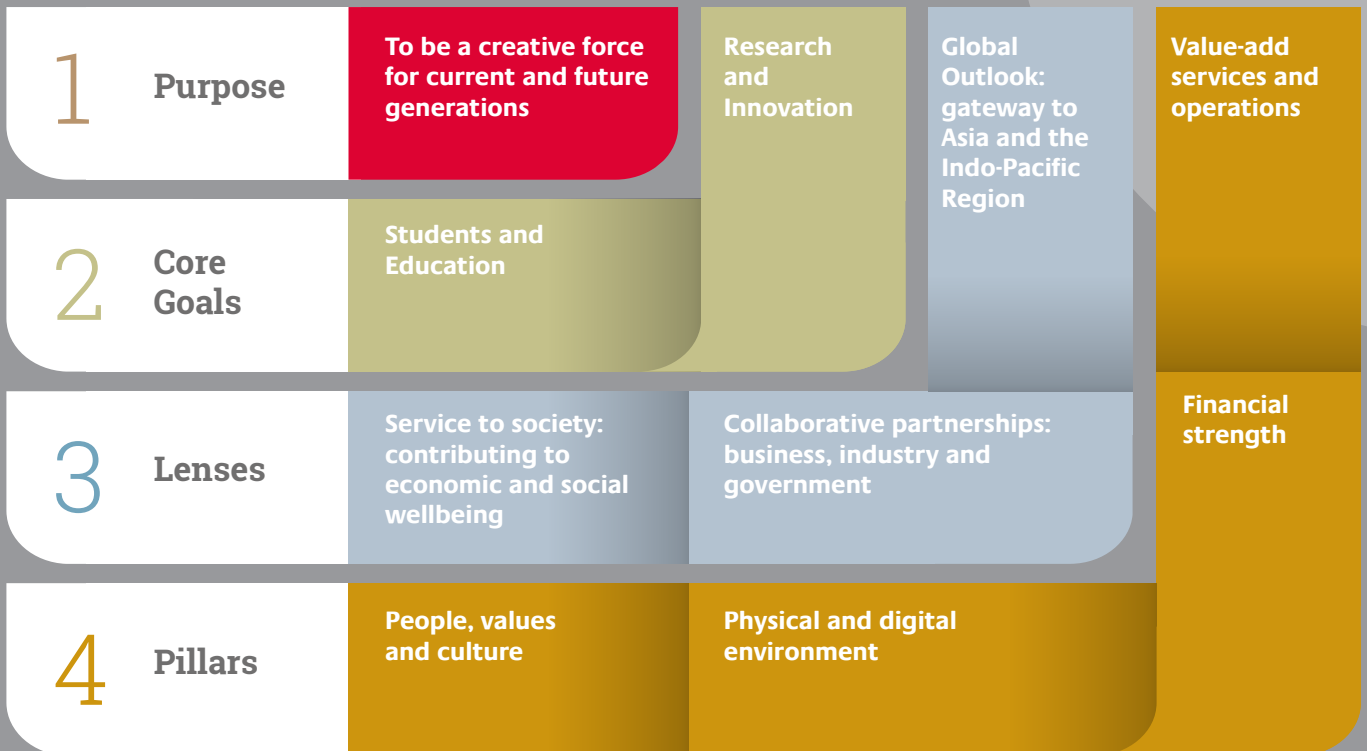
The University's *Strategic Plan and Future Horizon 2017-2027* outlines the University's goals through a focused structure featured below.

The Strategic Plan is underpinned by two core goals: to educate freethinkers who thrive in society and are sought after by employers; and to provide life-changing solutions for the world's big challenges through our outstanding translational research and innovative practice.

To prioritise our endeavours, the University considers three lenses. We strive to be in the service of society through education, research and community engagement. We seek deep collaborations with other education institutions, business,

industry and governments in our common pursuit of excellence. We aim to expand our global presence and impact, by being a gateway to the Asia and Indo-Pacific regions.

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









## PURPOSE AND PRIORITIES



In 2018, a new research centre to improve health outcomes for Aboriginal families – Ngangk Yira – was launched.

### Research driven by innovation

Murdoch's key research themes encompass food, sustainable development and health futures. These themes focus our research effort towards the goal of the Strategic Plan to provide life-changing solutions to complex world challenges.

Our growing research strength ensures that Murdoch makes an effective contribution 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's research encompasses the full translational pipeline, from fundamental and technology-driven sciences through to political science and governance, regulatory and policy frameworks, and cultural critiques offered through the prisms of history, theology and the social sciences.

Productive innovation builds from Murdoch's translational focus and an intellectual ecosystem that brings together researchers, business, industry, investors and entrepreneurs. In particular, Murdoch aims to enhance supporting platforms and research infrastructure, through partnerships and joint ventures locally and internationally, to position the University as an internationally networked research collaborator.

World-class academics underpin Murdoch's reputation as an international translational research institution. The University will invest in postgraduate students, early career researchers and joint industry/Murdoch-funded research appointments to reinforce research teams to help us achieve our strategic goals.

TOTAL NUMBER  
OF VISITORS TO  
OPEN DAY 2018

16,000



The annual Open Day in July attracted thousands of potential students and their families onto campus for a taste of university life.

### High-quality educational experience

Students continue to be attracted to Murdoch, 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's innovative courses give students the opportunity to learn both disciplinary knowledge and transferable 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 are developed in consultation with students, employers and professional bodies to ensure 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 is committed to offering university education to all who can benefit, irrespective of background and social standing. Successful enabling pathways are being strengthened, students will be supported to transition into higher education study, and comprehensive pastoral and academic support services will be maintained.

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





# Students and Education

The Students and Education portfolio has a commitment to enabling an outstanding education experience for every student, leading to our graduates being innovators fully prepared for their future careers. Guided by its Strategic Plan, Murdoch is rapidly transforming into a sector leader and innovator with strong growth evident on every front. Commitment to this endeavour has been forefronted with the appointment of a Pro Vice Chancellor Education.

## Developing career learning skills, including innovation and entrepreneurship

This year saw the rollout of the Career Learning Spine in 10 Murdoch Undergraduate degrees, with more than 1,000 students completing units to enhance, complement and diversify their discipline learning. In addition, we are embedding innovation and creative thinking into our curriculum and student experience, recognising that tomorrow's leaders will be adaptable, flexible and strategic thinkers. They will need to embrace innovation.

We recently introduced a Minor in Innovation and Creative Thinking which was followed by a combined Commerce + Entrepreneurship and Innovation degree – a first for Western Australia. These offerings focus on developing the kind of knowledge, skills and creative ways of thinking that are essential for those wanting to bring fresh ideas to existing organisations or to create their own business ventures, generating jobs and opportunities for others. We will continue to hone the curriculum to provide credentials, including micro-credentials that position our students at the forefront of the jobs market.

The 2018 Graduate Outcomes Survey ranked Murdoch University as the top tertiary institution in the country for undergraduate employability, with 96.7 per cent of our graduates having secured employment after three years. 93.2 per cent of these were in full-time employment, the second highest percentage of any Australian university.

Aligned with this focus, 2018 saw the opening of LaunchPad, a place for creativity, collaboration and connection both internally and with external parties. Since it opened, we have hosted more than 150 events, and the Entrepreneur-in-Residence has had consultations with nearly 100 students and staff. As part of this venture we hosted His Royal Highness The Duke of York at Murdoch as part of his worldwide Pitch@Palace initiative which strives to encourage and support tech start-ups. We also engaged students in the Think Big/ Young Entrepreneur Program which, for the first time, brought students together from Perth, Dubai and Singapore to compete, culminating in a grand final at the Australian High Commissioner Residence in Singapore. These are examples of how Murdoch is positioning itself in the entrepreneur community in Perth, while showcasing our students globally.

Murdoch has an ambitious growth strategy that features Technology Enhanced Learning. The availability of fourth generation digital learning technologies allows us to accelerate evidence-based learning, teaching and assessment practice across multiple platforms. We aim to expand our reach and increase student access to education by establishing mutually beneficial partnerships to create a rich portfolio of course offerings globally.

## New learning and teaching opportunities, through enhancing the digital experience

In 2018, we partnered with an online learning platform, FutureLearn. This partnership is intended to increase student enrolments with a focus on the international market, make our brand more visible globally and provide Murdoch with a new digital learning channel to expand our existing offerings. The partnership brings Murdoch's academic and teaching expertise to the world stage and aligns with the University's strategic goal to enhance our digital presence and capability. In 2018, we delivered several online packages as part of the FutureLearn partnership, including a Graduate Certificate in Health Administration, Policy and Leadership and a Graduate Certificate in One Health.

96.7%

OF GRADUATES  
SECURE  
EMPLOYMENT

93%

IN FULL-TIME  
EMPLOYMENT

## STUDENTS AND EDUCATION

University innovation was on showcase for HRH the Duke of York, who visited the Perth campus to oversee his Pitch@Palace entrepreneur competition.



### Student outreach and enabling pathways that support widening participation

Student outreach and enabling pathways to enrolment that support widening participation is part of Murdoch's DNA. In 2018, the award-winning K-Track enabling program for Aboriginal and Torres Strait Islander students increased both its student numbers and student success indicators, empowering students into the undergraduate degree of their choice to achieve their educational and career aspirations. To further our commitment to the success of Aboriginal and Torres Strait Islander students, staff and researchers, Professor Rhonda Marriott was appointed as Murdoch's first Pro Vice Chancellor Aboriginal and Torres Strait Islander Leadership late in 2018.

On Track is Murdoch's largest enabling program, operating on campuses in Perth, Rockingham, Mandurah and online as Flexi-Track. In 2018, we saw record numbers engaging with the pathway. The program also launched Australia-wide in partnership with Open Universities Australia, extending our reach to ever more students who are keen to experience the benefits of university study.

Murdoch is also leading Western Australia's Widening Participation Collaboration between all Western Australian universities and the Department of Education with a remit to develop a program of activities to encourage raised aspirations, interest and participation in higher education.

### Enhancing international education activities

Another way Murdoch has diversified its student cohort is through welcoming an increasing number of international students into all our courses from a wide range of countries including Bhutan, Bangladesh, Pakistan, India and a number of African countries. These students provide a valued cultural depth to our campus, and in 2018 we expanded our study support programs to underpin their long-term success, ensuring they have an outstanding, positive experience studying at Murdoch University.

Our success in this is confirmed by our 2018 International Benchmarking survey which ranks Murdoch's language support, student learning, and good teaching and performance feedback as the highest among WA universities. We are also pleased to be ranked third nationally for language support and second for





teaching quality by international students. Growth in international students choosing to study at Murdoch is vital to our future success and brings important social and economic benefits to WA.

### **Supporting staff through professional learning, reward and recognition**

The success of Murdoch's Students and Education Strategy is underpinned by the commitment of staff who have again excelled to provide students with an outstanding experience. In recognition of the important role of professional learning, Murdoch has established a Learning Excellence Academy, which in 2018 offered a number of learning and teaching innovation grants to teams of staff and students and hosted a learning and teaching symposium focused on student success. We engaged

with Advance HE to provide an internationally recognised continuing professional learning program for staff in Perth, Singapore and Dubai and the program is close to achieving its 100th graduate. Finally, we have developed a continuing professional learning framework that maps and supports staff to grow professionally in learning and teaching, regardless of career stage.

Murdoch University was ranked in the top 200 universities in the world for its education programs in the prestigious Times Higher Education subject rankings. This result demonstrates our international reputation and the quality, esteem and impact of our research and teaching.

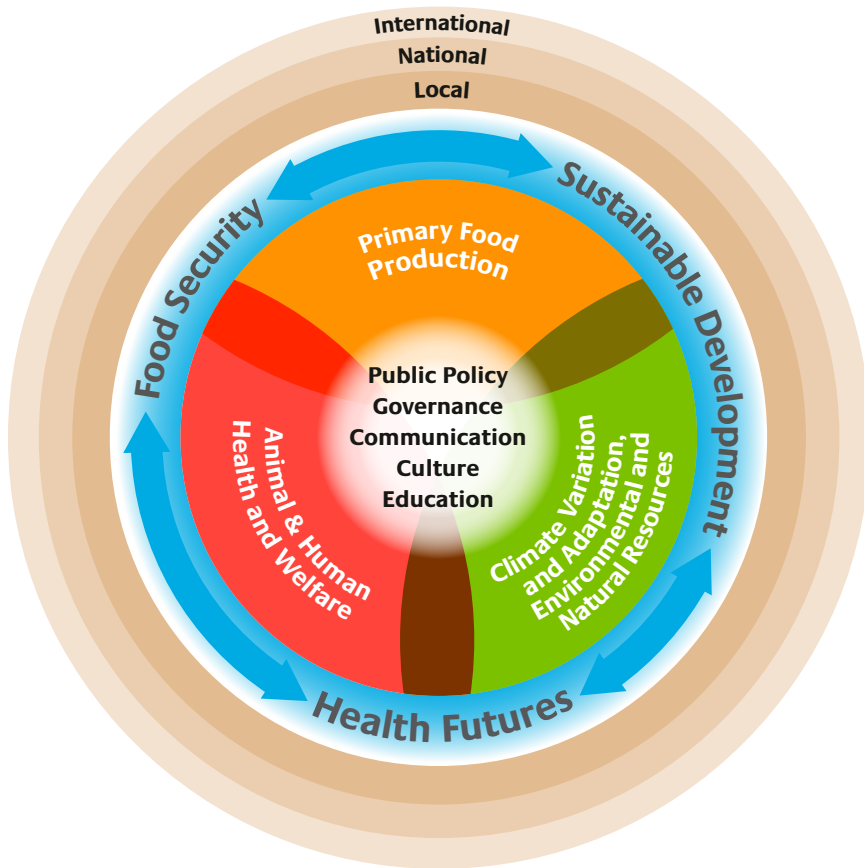




The Centre for Molecular Medicine and Innovative Therapeutics forms part of Murdoch University's commitment to excellence in health and medical research.

# Research and Innovation

Murdoch's continued strategic focus on key research themes has been recognised and rewarded with research funding success from government agencies and industry partners.



RESEARCH FUNDING  
**\$35.9M**

COMPETITIVE GOVERNMENT GRANTS  
**\$17.6M**

### Strategic themes drive Murdoch Research and Innovation

Our rapidly evolving world has emerging complex problems with interconnected causes: climate change, land degradation, food and water security, minority group disadvantage, population growth and ageing, and emerging infectious disease.

To address these challenges, Murdoch research is a team effort crossing traditional discipline boundaries. We work across institutional, national

and international borders. Much of our inspiration and innovation comes from our local community and industry-based partnerships, as well as our international collaborations.

A focus on the University's Research Mandala themes of health futures, food security and sustainable development ensures that Murdoch has clear strategic intent across its research activity, allowing for internationally significant research outcomes at the cutting edge of strategic research disciplines.

### Research funding success

Murdoch's continued strategic focus on key research themes has been recognised and rewarded with research funding success from government agencies and industry partners.

In excess of \$35.9 million in funding for leading-edge research projects was received by Murdoch researchers in 2018. This represents an increase of 17.4 per cent on the previous year, and a 49.4 per cent increase on the 2016 total.

Researchers were awarded \$17.6 million in competitive government grants (up 11.1 per cent on 2017), and \$18.3 million from other sources of funding, including direct industry and Collaborative Research Grant funding.



## RESEARCH AND INNOVATION



A Murdoch-led project using dugongs, artificial intelligence and drones to monitor seagrass ecosystems won \$250,000 in funding from the Google.org Impact Challenge.

### International research collaborations

Murdoch's problem-solving research focus on complex issues with interconnected causes requires strong international engagement, as the most pressing contemporary challenges for Australia require a global approach.

### Third Murdoch Commission: Africa

In 2018, Murdoch established the Third Murdoch Commission, a research investigation bringing together international experts and thought leaders to work on pressing problems and issues of public concern to Africa.

Over the last 10 years, the Africa Progress Panel (APP), led by the late Mr Kofi Annan, former Secretary-General of the United Nations and Nobel laureate, played a significant role in highlighting the need for bolder actions to move forward the transformation agenda in Africa.

Through the Third Murdoch Commission, we seek to make a small contribution to answering the APP's call. The core focus of our work will be investigating the research and applied policy questions and innovations that are essential to driving forward the implementation agenda set out by the APP.

Murdoch is an international academic partner of the Africa Progress Group, which has been established by panel member, and former Nigerian President, Olusegun Obasanjo. Murdoch was proud to host Chief Olusegun Obasanjo for Africa Week in Perth, in 2018.

Through a series of forums over 18 months, the Third Murdoch Commission is investigating the Blue Economy, sustainable farming, food production, electricity and energy. The agricultural, geographical and geological similarities mean Western Australia could play a key role in Africa's future.



The University is investigating policy challenges for Africa as part of the Third Murdoch Commission. A forum informing the Commission was held at Perth's highly regarded Africa Week.



The Harry Butler Science Centre, named in honour of the famed Australian environmental pioneer, was officially opened on Barrow Island by Chevron and Murdoch. The new facility will provide an essential resource for researchers and students to continue Harry Butler's legacy of environmental protection in coexistence with industry on the island.

## Murdoch Research Institutes: interdisciplinary collaboration towards discovery

Murdoch's establishment of three key research institutes across the interconnected themes of health futures, food futures and sustainable development gathered pace in 2018.

### HARRY BUTLER INSTITUTE

The **Harry Butler Institute** was founded by Murdoch University and Chevron Australia in 2017 to serve as a hub of innovation, connecting industry, academia, the community and the environment to support cutting-edge translational research and shared expertise.

In its first official year, the Harry Butler Institute has already achieved significant milestones in supporting the coexistence of business and

biodiversity through an existing relationship with Chevron Australia in managing biosecurity initiatives for Barrow Island, on an ongoing basis. Other highlights include a foray into the use of artificial intelligence in partnership with IBM to identify potential invasive species, which has far-reaching applications across state and Commonwealth regulatory agencies and industry partners in meeting their environmental obligations. Work also continues in enhancing prototype echo-location technology and footprint mapping technology-based sensors, which support species surveillance.

In 2018, the first Harry Butler Institute research centre was commissioned, in the form of the Centre for Sustainable Aquatic Ecosystems. Development of a further three research centres, the Biosecurity Centre, Terrestrial Ecosystems Centre and the Energy, Water & Waste Centre commenced.

In the latter half of 2018, the Harry Butler Institute Advisory Board was constituted, chaired by the Hon. Ian Campbell, with important work being done to establish the identity and values of the institute. The Department of Biodiversity, Conservation and Attractions, and Iluka Resources, have also joined as partners to the institute. The institute continues to honour the legacy of Dr Harry Butler through its activities and focus on the coexistence of business and biodiversity.





### FOOD FUTURES INSTITUTE

Murdoch's **Food Futures Institute** encompasses researchers tackling the global challenge of food security through translational research programs that address food production, transport and quality, and food wastage reduction.

#### *Translating barley research*

Murdoch researchers led by Professor Chengdao Li have joined an international consortium working to better understand the barley genome.

Professor Li is the Director of Murdoch's Western Barley Genetic Alliance (WBG), which is a partnership between Murdoch and the Department of Primary Industries and Regional Development, supported by the Grains Research and Development Corporation (GRDC). The WBG was a major contributor to research which mapped the complete barley genome in April 2017.

Barley is a vital crop for Western Australia, delivering the state more than \$1 billion in export grain and malt earnings. The new tools developed by the International Barley Pan Genome Sequencing Consortium will help barley breeders and researchers to directly access genetic information that is associated with key agronomic and quality traits.

Traits that improve grain yield and quality are controlled by multiple genes impacted by environmental factors. The GRDC investment will help researchers to develop a tool which does this cost effectively for breeders.

In addition, the Australian barley industry is also set to receive a significant production boost following the release in 2018 of three new acid-tolerant barley lines to Australian barley breeding programs. The new lines are the culmination of long-term research by the WBG with co-investment from the GRDC.

Barley varieties bred using previous lines were prone to expressing the blue aleurone, which is unacceptable to commercial markets. In the new lines, the blue aleurone has been replaced by a white aleurone. Advances in molecular marker technology and the recently mapped barley genome were used by the Alliance to develop the blue-free, acid-tolerant barley. The new, improved barley varieties are expected to be available commercially within five years to help maintain Australia's access to valuable international barley markets.

Establishing 'omics' capacity, which is a way to quickly identify all the genes, proteins and metabolites present in a biological sample, is a key strategy for Murdoch, particularly with the investment being made in phenomics. The Agricultural and Environmental Division of the Australian National Phenome Centre will become an increasingly important component of Murdoch's agricultural research capacity.





### ***Society at the centre of Murdoch's Research Mandala: Honour for Humanities Scholar***

At the centre of the Murdoch Research Mandala themes regarding health futures, food security and business and development, is the shared aspiration to contribute to solving complex societal problems across borders.

A strong connection to humanities research and scholarship is vital to successful outcomes in each of the strategic research themes at Murdoch.

In 2018, we celebrated the success of Professor Sandra Wilson being elected to the prestigious Australian Academy of the Humanities, for her distinguished scholarship on Japan. The Academy is the leading body of senior humanities scholars in the nation, and election of academics is reflective of their significant contributions to the arts and humanities disciplines. Professor Wilson's studies into the political history of modern Japan; Japanese society in the 1930s and 1940s; and history of Japanese nationalism have had international impact. Professor Wilson was the lead author of the jointly written book *Japanese War Criminals: The politics of justice After the Second World War*, which won the General History category in the prestigious New South Wales Premier's Award for History, in 2017.

### **HEALTH FUTURES INSTITUTE**

In 2018, the **Health Futures Institute** at Murdoch encompassed a broad and exciting research program. Two such programs are highlighted below.

#### ***Tackling debilitating ticks***

The National Health and Medical Research Council will provide \$1.9 million to fund a four-year collaborative project based at Murdoch. The project will aim to identify the causes of an illness currently known as DSCATT (Debilitating Symptom Complexes Attributed To Ticks) and previously described as Lyme-like disease. The study will be a multi-institutional project involving Western Australia, Victoria, New South Wales and Queensland.

In recent years, thousands of Australians have reported suffering from chronic symptoms which include skin issues, muscle and bone pain, fatigue and neurological and cardiac abnormalities, thought to be a consequence of tick bite. But the true scale of the issue is difficult to estimate because so little is known about the illness.

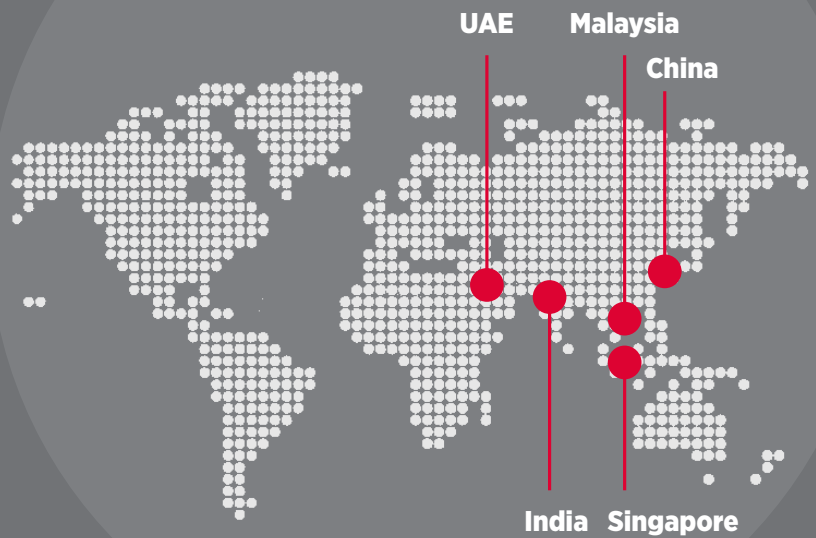
Murdoch University researchers, led by Professor Peter Irwin, Professor Una Ryan and Dr Charlotte Oskam, have discovered new microorganisms in ticks collected from animals in Australia. Whether these bugs can cause chronic debilitating symptoms in humans is yet to be determined.

**At the centre of the Murdoch Research Mandala themes regarding health futures, food security and business and development is the shared aspiration to contribute to solving complex societal problems across borders**



# International

TOP 5 COUNTRIES  
FOR INTERNATIONAL  
STUDENTS



Murdoch University Singapore campus

Following the 28 per cent growth in international starters in 2017, those involved in the international endeavour at Murdoch University have continued to prioritise activities that build upon the success in international recruitment. The International Welcome Scholarship and a sustained facilitation of recruitment activities in several targeted countries has resulted in a further substantial growth of 101 per cent starters in the 2018 academic session. During this time, Murdoch's reputation as a higher education provider of choice has grown significantly, particularly in the Indian subcontinent.

The international student population at Murdoch continues to be diverse, representing more than 84 countries. The 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 other international students, and consequently add positively to Murdoch's cultural and ethnic diversity.

Over the year, all partnerships have continued to be closely examined, and where appropriate strengthened. With a clear strategy to support individual partners and build the number of students articulating into Murdoch programs, numbers are beginning to increase. Strategically, the University has prioritised new articulation partnerships in Asia and the Indo-Pacific region, with multiple new partnerships in both Malaysia and Mauritius. The Shenyang Institute of Engineering (China) remains an exemplar, becoming a partner in 2017. Following the model set out by the Ministry of Education in Beijing, students are now being identified and prepared for studying experiences at Murdoch.

For the last decade, the Kaplan partnership college, Murdoch Institute of Technology, based on the Perth campus, has been the University's most significant partnership in Australia, enabling students to undertake foundation studies that prepare them to study at Murdoch in subsequent years. After a long and successful partnership, in 2018 the parties jointly announced that their foundation activity would cease, thus allowing them to concentrate on other international partnership activity in Singapore and Myanmar. Consequently, the University has begun the selection process for a new partner.

Murdoch continues to have a significant transnational education footprint, with more than a quarter of the University's student population studying in Singapore and Dubai. In Singapore, Murdoch has the largest student enrolment of any international university, and in 2018, the University graduated 1,715 students across a range of academic disciplines. Additionally in 2018, the Chinese Ministry of Education formally recognised Murdoch degree courses delivered in Singapore. This will allow Chinese graduates to be employed in the Chinese government after graduation from Murdoch Singapore. New courses were introduced in Postgraduate Business and in Games Software and Design in 2018. Murdoch Singapore also hosted the final of the Young Entrepreneur's Competition, which saw Murdoch students from Perth, Singapore and Dubai coming together for the first time.

In Dubai, a new partnership was facilitated in 2018 with leading global education provider Navitas to provide campus infrastructure including marketing and recruitment services. This new partnership will commence in 2019 and is expected to greatly enhance both Murdoch's enrolments and presence in the United Arab Emirates (UAE).



**Murdoch's reputation as a higher education provider of choice has grown significantly**



Murdoch University Dubai campus



In February, the Student Hub – a flexible community space – opened.



# Physical and Digital Environment

During 2018, the University delivered a significant Capital Development Program that supports University growth, improves technology and facilities standards, and enhances the student experience.

## Capital projects

In 2018, a broad range of projects was undertaken and a summary of selected key achievements follows.

The University completed refurbishment of the Student Hub – a flexible, social, entertainment and engagement space – with a new mix of food and beverage outlets and amenities. The Hub has quickly become the centre of student life and the cultural heart of the Perth campus.

The concept design for the New Academic Building on the Perth campus progressed. This is a major step towards driving growth at Murdoch. The building will provide teaching facilities that will support modern, engaging and collaborative learning, and create an outstanding educational experience for students. Design development for the New Academic Building project will continue during 2019.

Murdoch commissioned new synthetic fields and an associated pavilion to host both University and community sports. The Sports Precinct Enhancement project will continue in 2019 with lighting upgrades, access and parking improvements, and the design development for a new Cricket Pavilion.

Learning and teaching at Murdoch was supported with the delivery of 29 projects focused on improving and modernising Teaching and Learning spaces. These included creating an additional teaching space at the Mandurah campus for Counselling, Nursing and OnTrack classes; commencing refurbishment within the Chiropractic Clinic; and delivering a new Networking and

Gaming Laboratory. Ongoing enhancements will continue in 2019 with the conversion of the ECL lecture theatre into a technology-enabled active learning space.

Stage 1 enhancement of the University Library was completed, with foyer enhancements and creation of the Launchpad Careers and Innovation Centre, an innovation and engagement space for students, industry, entrepreneurs and the community. Further phases of the library enhancement project will continue in 2019.

The South Metropolitan Grains Research Hub facility design was finalised, with construction on the netted research field plots and research-standard glasshouses to commence in early 2019.

The Digital First program of work continues the evolution of the Murdoch University website to provide engaging experiences for all visitors to the site. The success of this effort resulted in Murdoch University winning the international Sitefinity Website of the Year – Education Category Award, in April 2018.

Improving the digital experience for students and staff is a high priority for the University. Development has

commenced which will see a new intuitive and engaging student portal and mobile app being launched in 2019. Work has also commenced to deliver a new staff intranet that will aid communication, collaboration and organisation of information.

To meet the University's strategic requirements for reduced risk, increased capacity and improved flexibility in the management and delivery of IT services, the strategy includes transitioning our technology infrastructure and existing on-premise data centre into Managed Cloud Services.

The Business Process Optimisation program has continued to improve operational efficiencies through digitisation and workflow automation of key services.



Phase 1 of the University Library enhancement included the new Launchpad Careers and Innovation Centre.



Stuart Green, *End-Start-End*.  
Aluminium, polyurethane  
automotive paint. Dimensions  
variable. Murdoch University  
Student Hub Public Art  
Commission 2018

# Projects in Focus

The Murdoch University Knowledge and Health Precinct is a multi-billion-dollar growth opportunity that will leverage and showcase University strengths against a context of enterprise, knowledge, economy and place.



## Murdoch University Knowledge and Health Precinct

Murdoch University's Knowledge and Health Precinct plan is a major opportunity for the University to fulfil its purpose to be of service to our communities and apply our creativity, knowledge and determination to making a sustainable difference.

The Murdoch University Knowledge and Health Precinct is a multi-billion-dollar growth opportunity that will leverage and showcase University strengths against a context of enterprise, knowledge, economy and place. The precinct resides within the state Government's Murdoch Activity Centre, a location which the government has chosen as a key development area to drive urban intensification, innovation, economic growth and job creation.

The precinct is centered on the University's Perth campus, and includes adjacent public and private hospitals, neighbouring government facility areas, a new state-driven commercial/residential development zone an extension to the Murdoch rail and road infrastructure station. The Knowledge and Health Precinct will see the University play a leadership role in connecting all parts of the precinct, creating the most significant urban centre outside the Perth CBD. It will attract world-class research and commercial enterprise to contribute to the future prosperity of Western Australia. Murdoch has embraced this opportunity to create a vibrant, thriving community in Perth's southern suburbs, underpinned by knowledge-based activity.

Building on nearly 50 years of sustainable teaching and research, the University will champion innovative precinct-scale initiatives including research-led renewable energy, technology and transport outcomes. The precinct is destined to be a centre for pioneering infrastructure outcomes, a focus of learning and teaching, industry engagement, partnering, job creation, research integration and an occasion for the University to make a sustainable difference for current and future generations.

## Domestic marketing campaign

Murdoch continued to build on the Free Your Think platform in 2018, with the addition of the 'journeys' creative to further extend our student stories and evidence how freethinking can have positive impact.

The campaign has continued to support Murdoch's growth in student numbers in WA through driving an increase in brand awareness, and lifting consideration and preference among high school leavers and those returning to tertiary study.

## Community outreach

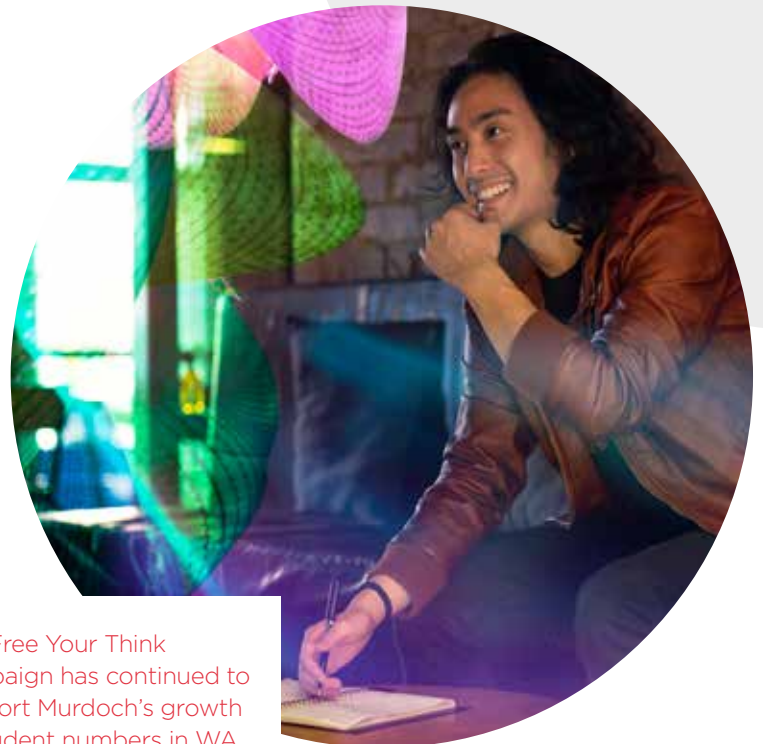
The University delivered a number of community outreach activities in 2018. This included events such as Music at Murdoch, a free music concert on Bush Court in conjunction with the City of Melville, and the Community Cinemas, which raises funds for Telethon in support of a number of children's charities.

## Launch of Sound On

In September, Murdoch launched the inaugural Sound On Festival, as part of a strategy to engage younger audiences through delivering a positive experience that combined music and mindfulness. The event also highlighted one of our key strategic partnerships, being held at the RAC Arena, and attracted close to 3,000 high school students. During the 6.5 hour event, students were able to interact with Murdoch staff, participate in activations, meditation and artist Q&A panels, and enjoy a great line-up of Australian music.

CONSIDERATION  
OF THE MURDOCH  
BRAND BY UNDER18s

33%



The Free Your Think campaign has continued to support Murdoch's growth in student numbers in WA.

Murdoch's first foray into music festivals took place at the RAC Arena in September. The Sound On Festival was aimed at 14 to 18 year olds and was headlined by Alison Wonderland.







## **Australian National Phenome Centre**

The public launch of the Australian National Phenome Centre (ANPC) in October was the result of many years of partnership-building and collaboration at a local, national and international scale.

Led by Murdoch University and based at the Harry Perkins Research Institute at the Fiona Stanley Hospital Precinct, the new centre will position Western Australia as the global leader in precision medicine, helping to predict disease in individuals and populations, guiding tailored treatments and even government policy.

The ANPC is a Team WA effort, bringing together all five Universities, hospitals, medical research centres and other partners. It is also supported by the state and federal Governments.

World-renowned phenomics pioneer Professor Jeremy Nicholson is leading the ANPC, and the appointments of distinguished biologist Professor Elaine Holmes as the 2018 WA Premier's Fellow in Phenomics, along with Dr Ruey Leng Loo, the WA Premier's Early to Mid-Career Fellow, means Perth has attracted the best researchers in this field.

As part of the International Phenome Centre Network, the ANPC can carry out harmonised experiments with similar research facilities in Singapore, Hong Kong, London and Birmingham, helping researchers answer complex questions about the role of the environment in the development of disease.

**The new centre will position Western Australia as the global leader in precision medicine, helping to predict disease in individuals and populations, guiding tailored treatments and even government policy**





# Donors and Sponsors

The important role that philanthropy has played at Murdoch has enabled the University to enrich the lives of students and advance and disseminate knowledge for the public good.

## Changes to the management of philanthropic funds

In 2018, the way in which donations are made to support the University's endeavours, changed with donors now invited to give directly to Murdoch University.

Previously, donors could support Murdoch by making gifts to the Murdoch University Foundation or the Murdoch University Veterinary Trust. These trusts were wound up on 4 July 2018 because the trusts were limited with respect to the types of funds they could accept. Murdoch University is not limited in this way.

The gifts held by the trusts, along with the conditions and wishes aligned to those gifts, have been transferred to Murdoch University. Murdoch University will continue to comply with those conditions and manage gifts with donor wishes in mind.

Donors who wish to support Murdoch University are now invited to donate directly to Murdoch University and their tax deductible receipt will reflect Murdoch University's details.

Murdoch University is very grateful for the significant support and invaluable contribution of the trustees of both trusts and the members of the Veterinary Trust Advisory Committee. Their contribution has been invaluable and they provided many years of exemplary governance.

## Donors and sponsors

A number of donors and sponsors have supported students and the University, but they have preferred to remain anonymous. In addition, some donors have previously provided funds to be held in perpetuity, with the income to be used each year for student prizes, scholarships and research projects.

## We are grateful to all of our donors and sponsors for their generous support.

### Student prizes

Australia-Japan Society of WA Inc  
Australian Chiropractors Association (WA)  
Australian Computer Society (ACS)  
Australian Finance Industry Association  
Australian Meteorological and Oceanographic Society  
BMT Western Australia Pty Ltd  
Booragoon Radiology  
Mr Craig Bowie  
Mr Malcolm Bradley  
Bureau Veritas Minerals Pty Ltd  
Chamber of Commerce and Industry of WA  
Chartered Accountants Australia New Zealand  
Chiropractic Australia  
Chiropractors Association of Australia (National) Ltd  
Communications Expert Group (CEG)  
CPA Australia  
Coulson Legal  
Criminal Lawyers Association of WA  
Department of Jobs and Small Business  
Engineers Australia  
Environmental Protection Authority – Western Australia  
Epichem Pty Ltd  
Ernst & Young  
Francis Burt Chambers  
Frontier Software Pty Ltd  
Governance Institute of Australia  
Ms Laurelle Grimley  
IEEE WA Section  
Independent Metallurgical Operations  
Industrial Relations Society of Western Australia  
The Issa Family  
Mr Peter Brown  
Mr David Muir  
Japan Chamber of Commerce and Industry in Perth Inc  
Kimberley Rural Health Alliance  
King & Wood Mallesons – Perth  
Mandurah Retirement Village Inc  
Mony de Kerloy Barristers and Solicitors  
Murdoch University Environmental Science Association  
Murdoch University Divers Club Inc  
Murdoch University School of Engineering and IT

Office of the Auditor General  
Ozgene Pty Ltd  
Paypac Payroll Services Pty Ltd  
Adjunct Professor Jennifer Searcy, OAM  
Separovic Injury Lawyers  
SGS Australia Malaga Lab  
Ms Julie Shuttleworth  
Shine Lawyers – Perth office  
Soroptimist International Mandurah  
Soroptimist International Rockingham  
St John of God Health Care  
STEP Western Australia  
Mr Ray Tauss  
Mr Peter Caffin  
Tesla Forum of WA Inc  
The May Trust  
UniBank – Nedlands Office  
WA Mining Club  
WA Primary Principals' Association  
WA Secondary School Executives Association  
Water Corporation WA  
Western Australian Naturalists Club (Inc)

### Student scholarships and student support

Dr Craig Bowers & Ms Carol Korb  
Mr Tony Chong  
City of Kwinana  
City of Mandurah  
Ms Andrea Gillett  
Mannkal Economic Education Foundation  
Emeritus Professor Jennifer McComb, AM  
Emeritus Professor Malcolm Nairn, AM  
Ms Karyl Nairn  
Newmont Mining Corporation – Australia Pacific  
NTEU (WA Office)  
Ramsay Health Care WA  
Emeritus Professor Ian Robertson and Dr Kathy Robertson  
Rockingham Education Development Group  
Rowe Scientific Pty Ltd  
Adjunct Professor Jennifer Searcy, OAM  
SGS Australia Pty Ltd, Head Office  
The George Alexander Foundation  
The Jon Rock Fund  
The Ragdoll Foundation Pty Ltd

### Other donations and project partners

Anderson Partners  
Australian Institute of Energy  
Mr Christopher Farrell  
Rosemary Grigg and Peter Flanigan  
Ms Natalie Leung  
Mr Trevor Phillips  
Rio Tinto Ltd – Perth  
Mr Peter Roots  
Schweitzer Engineering Laboratories Pty Ltd  
Adjunct Professor Jennifer Searcy, OAM  
Ms Flora Smith  
Yinhawangka Charitable Trust

### Centre for Comparative Genomics – motor neurone disease research

Mrs Antonia Ferr  
Miss Tania Herbert  
Racing for MNDi Foundation  
Ms Patsy Sabetta  
Ms Teresa Spadanuda

### *In memory of Doriana Sumich*

Mrs Tanya Arnoldi  
Kevin, Frances, Thomas and Diana Bucat  
Nic and Debbie Capozzi  
Mr Joe Catena  
Mr Patrick Catena  
Mrs Sarah Catena  
Ms Toni Catena  
Ms Antonia Drago  
Ms Alethea Dreyer  
Ms Jeannie Germano  
Mrs Elizabeth Given  
Sandra and Terry Hemsworth  
Mrs Jennifer Migliore  
Ms Helen O'Toole  
Mrs Yvonne Polinelli  
Scotch College  
Spearwood Hawks Junior Basketball Club  
Ms Hilda Srhoy  
Srhoy Family  
St Jerome's Primary School  
Ms Jemma Sterrett  
Mr Ross Sumich  
Mrs Kristy Sumich  
Vince and Josephine Terribile  
The Tolic Family  
Dario and Doris Zuvela

## DONORS AND SPONSORS

### Geoffrey Bolton Memorial Fund

Emeritus Professor Malcolm Nairn, AM  
The Hon. Emeritus Professor Ralph  
Simmonds and Mrs Francine Simmonds  
Mrs Lorna Toohey

### Alumni Annual Appeal

Ms Chey Kheang Lim  
Mr Michael Tkacz II

### Banksia Association

Mr Jeremy Buxton  
Dr Janet Holmes à Court, AC  
Emeritus Professor Philip Jennings, AM  
John Wiley & Sons Limited  
Emeritus Professor Barry Kissane  
Emeritus Professor David Macey  
Mrs Jenny Mills

### Murdoch University Art Collection

Mr Andrew Browne  
Mr Brent Harris  
Estate of Bob Brighton  
Estate of Lavinia Sinclair  
The Hon. Kate O'Brien  
Mr Conor Youngs  
John Francis Boyd Bequest  
Peter Sarfaty Fund

### Veterinary Trust and College of Veterinary Medicine Support

Ms Karin Aitken  
Ms Marian Allan  
Anchorfield Pty Ltd ATF Brazil Family  
Foundation  
Mr Doug Apted  
M and J Arthur  
Mr Henry Ayers  
Mrs Pearl Ballard  
Ms Lillian Barker  
Dr Julie Baronio  
Ms Beverly Bent  
Ms Kaesaree Boonyakurkul  
Boehringer Ingelheim  
Ms Jennifer Bourke  
BOQ Specialist  
Mr Neil Brown

Centre for Advanced Veterinary Education  
Dr Kwok Wah Chan  
Ms Jan Christensen  
Mrs Jean Clark  
Mrs Wendy Clark  
Emeritus Professor Nick Costa  
Mrs Giovanna Cuccovia  
Miss Elaine Dacre  
Ms Carolyn Daly  
Mr Vernon Dann  
Ms Margo Darbyshire  
Lee Davenport  
Mrs Gwendoline Dawes  
Dermcare-Vet Pty Ltd  
Ms Rachel Edwards  
Mrs Sharon Eggers  
Dr Lynnette Embrey  
Estate of Mrs Margaret Dickinson  
Estate of Miss Margaret Harrison  
Estate of Mr Gunter Herrgesell  
Mr Stan Evans  
Mrs Kimberly Louise Evasco  
Mrs Audrey Fairchild  
Mrs Barbara Fernandes  
Mrs Marion Forster  
Ms Armanda Franchina  
Mr Richard Garrett  
Mr John Gaynor  
Ms Hana Geha  
Mrs Judith Grant  
Mrs Phyllis Grant  
Mrs Nicola Green  
Greengib Foundation  
Ms Moira Greenhalgh  
Mrs Sancia Griffiths  
Ms Nicola Hall  
Mr Peter Hammond  
Ms Dale Harper  
E Henderson  
Mrs Margaret Herbert  
Mrs Dallas Hickman  
Dr Vui Min Hiew  
Hills Pet Nutrition  
Mrs Suzanne Hodgins  
Ian Manners Foundation  
Professor Peter Irwin  
Ms Rhonda Jackson  
Jurox Pty Ltd  
Dr Anne Karczub  
Karingal Vet Hospital  
Mrs Elizabeth Kavanagh  
Sue and Peter Kendall  
Mr Malcolm King

Ms Elsie Kostos  
Ms Marg Kudla  
Lawnswood Pet Cremation & Cemetery  
Mr Yongjie Lee  
Mrs Joan Liptrot  
Mrs Vivienne Lloyd  
Dr Graham Long  
Ms Annette Mariotti  
Mrs Jackie Matheron  
Mr Peter Maye  
Mr Stephen Meerwald  
Ms Jacqueline Meyer  
Dr Jenny Mills  
Dr Cherry Moir  
Ms Kaye Morgan  
Ms Patricia New  
Mr George Parker  
Ms Catherine Parry  
Perth Veterinary Specialists  
Perth Zoo  
Mrs Michelle Plummer  
Portec Veterinary Services  
Mr Peter Potter  
Mrs Margaret Powell  
Prime 100 Pty Ltd  
Project Tourism International Architecture  
Mrs Kay Raper  
Ms Soo-Lin Reynolds  
Mrs Jill Ridgway  
Ms Margaret Robertson  
Cristina and Peter Rodenbeck  
Keith and Gloria Sainsbury  
Dr Ralph Sarich, AO CitWA and Mrs Patricia  
Sarich  
Ms Sylvia Schaber  
Dr Enid Sedgwick  
Ms Carol Sinclair  
Dr Donald Stewart  
Studio Noah Pet Photography and Video  
Mrs Anne Tan  
Dr Michael Tarttelin  
The Animal Hospital  
Mrs Lynda Tilbrook  
Mrs Heather Tunmore  
Ms Jane Van Nieuwenhuysen  
Mr David Vaughan  
Vetpath Laboratory Services  
Mrs Maureen Wabel  
Mrs Robyn Wade  
Wild People Enterprises  
Mrs Brigid Woss  
Mr Chan Yee  
Ms Pauline Yiannakis



## **College of Veterinary Medicine Prizes and Awards**

Dr Peter John William Adamson  
Australian and New Zealand College of Veterinary Science (Vet Pharmacology Chapter)  
CenVet Australia (Perth Office)  
Dr Len Cullen  
Equine Veterinarians Australia  
Hills Pet Nutrition  
JD and PA McGregor  
Milne AgriGroup Pty Ltd  
Emeritus Professor Malcolm Nairn, AM  
Provet WA  
Portec Veterinary Services  
Royal Canin Australia Pty Ltd  
RSPCA  
West Australian Pork Producers Association

## **Caring for Pets Participating Clinics**

Busselton Veterinary Hospital  
Claremont Veterinary Hospital  
Coral Coast Veterinary Hospital  
Cottesloe Vet  
Dalkeith Veterinary Clinic  
Drovers Vet Hospital  
Grantham St Veterinary Clinic  
Harradine & Associates Veterinary Hospital  
Lancelin Veterinary Hospital  
Mira Mar Veterinary Hospital  
Mt Barker Veterinary Hospital  
Perth Cat Hospital  
Ranford Veterinary Hospital  
Riverton Rossmoyne Veterinary Hospital  
Rockingham Veterinary Clinic  
Roleystone Animal Hospital  
St Francis Veterinary Hospital  
Valley Veterinary Centre- Hong Kong  
Vogue Vets

## **The University also wishes to acknowledge the generous donations and bequests to the 2017 Murdoch University Art Collection**

Mr Geoffrey Hilton  
Mr James Erskine  
Ian and Elizabeth Constable  
Alan Dodge and Neil Archibald  
Pennie and Rodney Thompson  
Mr Brian Blanchflower  
Marcel Seeman Teshendorff  
John Francis Boyd Bequest  
Peter Sarfaty Fund



# 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, and 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 assist the Senate meet its governance, risk and compliance oversight responsibilities.
2. Chancellor's and Nominations Committee, which advises on governance issues, determines remuneration for the Senior Officers, and reviews the performance, 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.

The Senate elects the Chancellor and appoints the Vice Chancellor, who in turn become Senate members. Corporate leader and philanthropist David Flanagan is Murdoch University's Chancellor.

Mr Flanagan was reappointed in 2016 for a second three-year term. He has indicated that he will step down from Senate when this term ends in August 2019. A search is underway to find his replacement. 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 Voluntary Code") as a best practice governance benchmark. Under the Voluntary Code, the University is required to disclose in its Annual Report whether or not it complies. During 2018, the University materially complied with the protocols contained in the Voluntary Code. The reporting regime for the University's subsidiary companies is currently under review.

## 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*. Following the resignation of Professor John Pluske as the President of Academic Council, Professor Parisa A. Bahri was elected by current members as the new President of Academic Council for a balance of term commencing 18 October 2018 and expiring 31 December 2020. 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.

In October 2018, the University's Senate approved amendments to the membership of Academic Council contained in the Academic Council Regulations for implementation from 1 January 2019 and, with the exception of the position of President of Academic Council, dis-established the current Academic Council effective 31 December 2018. The revised Academic Council membership reflects the University's new academic structure. Elections were held for all elected staff positions on Academic Council, with academic staff positions elected from the two new Colleges. In November 2018 Academic Council approved amendments to the membership of its subordinate committees to align with the new academic structure.



### Risk management

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

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

### Risk management policy and framework

The University's Risk Management Policy outlines the University's approach to identification, management and reporting of risks and specifies formal roles and responsibilities for these activities, and aligns with contemporary good practices.

The University's Risk Management 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.

### Risk appetite statement

The University's Risk Appetite Statements, approved by the Senate in 2018, are aligned to the Core Goals, Lenses and Pillars of the University's *Strategic Plan 2017 - 2027*.

The purpose of the Risk Appetite Statements is to articulate what the University is willing to, and not willing to accept in the achievement of Strategy 2027.

### Strategic and operational risk management

The University's Strategic Risk Register was reviewed and updated in line with the University's *Strategic Plan 2017 - 2027*. The Strategic Risk register highlights the key strategic risks facing the University, which are actively managed through a suite of actual and planned mitigating controls.

Operational Risk registers are in place substantially across all areas of the University.

### Fraud, corruption and misconduct control framework

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

1. Fraud, Corruption and Misconduct Policy.
2. Fraud and Corruption Control Plan.
3. Conflict of Interest Policy.
4. Public Interest Disclosure Policy and Procedures.

The Fraud, Corruption and Misconduct Control Framework represents the commitment of the University to ensure that 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. A Critical Incident Management Team is in place and meets regularly to drive the development and implementation of the Critical Incident Management Plan, which forms an integral part of the University Continuity Framework.

### Compliance management framework

The University's Compliance Management Policy outlines the University's approach to compliance management, enabling the University to meet its compliance objectives. The Compliance Management Framework supports the identification and management of the University's compliance obligations.

The University's approach to compliance management is aligned to AS/NZS ISO 19600:2015 Compliance Management Systems – Guidelines.

## Senate Member Terms 2018

Senate Member	Basis of Appointment	Term	Term of Office
1. <b>Agrawal, Mr Abhinav (Abby)</b>	Elected from and by the postgraduate students, section 12(1)(e)(ii)	1	01 January 2018 – 05 September 2018 (graduated)
2. <b>Bahri, Professor Parisa Arabzadeh</b>	Ex-officio, as President Academic Council, section 12(1)(i)	1	18 October 2018 – current
3. <b>Barham-Shepherd, Mr Jordan</b>	Elected from and by the undergraduate students, section 12(1)(e)(i)	1	01 January 2018 – 31 December 2018
4. <b>Belford, Mr Roland</b>	Elected from and by the graduates of the University, section 12(1)(f)	1	01 January 2018 – 31 December 2020
5. <b>Buckingham, Mr Gavin</b>	Co-opted by Senate, section 12(1)(h)	1	18 August 2017 – 17 August 2020
6. <b>Burges, Ms Ricky</b>	Co-opted by Senate, section 12(1)(g)* Co-opted by Senate, section 12(1)(h)	1 2	11 March 2015 – 01 January 2017 02 January 2017 – 10 March 2018 11 March 2018 – 10 March 2021
7. <b>Edwards, Em Prof John</b>	Appointed by the Governor, section 12(1)(f)* Appointed by the Governor, section 12(1)(g)	1	30 September 2015 – 01 January 2017 02 January 2017 – 29 September 2018
8. <b>Feist, Mrs Fiona</b>	Elected by General staff, section 12(1)(c)* Elected by Non-academic staff, section 12(1)(d)	1 2	23 December 2015 – 01 January 2017 02 January 2017 – 18 April 2017 19 April 2017 – 23 February 2018 (resigned from MU)
9. <b>Flanagan, Mr David</b>	Ex-officio, as Chancellor, section 12(1)(a)	1 2	08 August 2013 – 07 August 2016 08 August 2016 – 07 August 2019
10. <b>Holt, Mr Ross</b>	Appointed by the Governor, section 12(1)(f)* Co-opted by Senate, section 12(1)(h)	1 2	10 June 2014 – 01 January 2017 02 January 2017 – 9 June 2017 10 June 2017 – 9 June 2020
11. <b>Hughes, Mr Ross</b>	Co-opted by Senate, section 12(1)(h)	1	02 September 2017 – 01 September 2020
12. <b>Kelly, Mr Glen</b>	Co-opted by Senate, section 12(1)(g)* Co-opted by Senate, section 12(1)(h)	1 2	24 May 2015 – 01 January 2017 02 January 2017 – 23 May 2018 24 May 2018 – 23 May 2021
13. <b>Kerr, Mr Peter</b>	Appointed by the Governor, section 12(1)(f)* Appointed by the Governor, section 12(1)(g)	1 2	22 December 2015 – 01 January 2017 02 January 2017 – 21 December 2018 22 December 2018 – 21 December 2021
14. <b>Leinonen, Professor Eeva</b>	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
15. <b>Pluske, Professor John</b>	Ex-officio, as President Academic Council, section 12(1)(i)		02 January 2017 – 18 October 2018
16. <b>Schroeder-Turk, Associate Professor Gerd</b>	Elected from and by the Academic Staff 12(1)(c)	1	12 March 2018 – 11 March 2021
17. <b>Slaven, Mr Walter (Wal)</b>	Elected by Convocation, section 12(1)(e)* Graduate of the University 12(1)(f)	1 1	01 January 2016 – 01 January 2017 02 January 2017 – 31 August 2018 (resigned)
18. <b>Tomkinson, Rebecca Ms</b>	Appointed by the Governor, section 12(1)(g)	1	20 November 2018 – 19 November 2021
19. <b>Whitlock, Ms Julie</b>	Elected by Non-academic staff, section 12(1)(d)	1	09 April 2018 – 08 April 2021

\*As per section 37. Transitional provisions (Senate) for *Universities Legislation Amendment Act 2016* as at 02 Jan 2017 (*Murdoch University Act 1973*)

## OUR STRUCTURE

### Senate Meeting Information 2018

These meetings do NOT include decisions by circular resolution				Senate		Audit & Risk Committee		Chancellor's & Nominations Committee		Honorary Awards & Ceremonial Committee		Resources Committee	
				A	B	A	B	A	B	A	B	A	B
Agrawal, Mr Abhinav (Abby)			HAAC	4	4					1	1		
Bahri, Professor Parisa Arabzadeh (A.)				2	2								
Barham-Shepherd, Mr Jordan				6	4								
Belford, Mr Roland				6	6								
Buckingham, Mr Gavin	ARC	CNC		RC	6	5	6	6	4	2		5	4
Burges, Ms Ricky	ARC	CNC			6	5	6	5#	5	4			
Edwards, Emeritus Professor John	ARC				4	4	4	4					
Feist, Mrs Fiona			HAAC		0	0				0	0		
Flanagan, Mr David		CNC	HAAC		6	2#			5	5	1	0	
Holt, Mr Ross		CNC	HAAC	RC	6	6			5	5	1	1	5
Hughes, Mr Ross		CNC		RC	6	6			5	3			5
Kelly, Mr Glen					6	3							
Kerr, Mr Peter		CNC		RC	6	4#			5	5			5
Leinonen, Professor Eeva			HAAC	RC	6	6					1	1	5
Pluske, Professor John					4	4							
Schroeder-Turk, Associate Professor Gerd			HAAC		6	5					1	1	
Slaven, Mr Wal			HAAC		4	3					1	0	
Tomkinson, Ms Rebecca					1	1							
Whitlock, Ms Julie			HAAC		5	5					1	0	

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

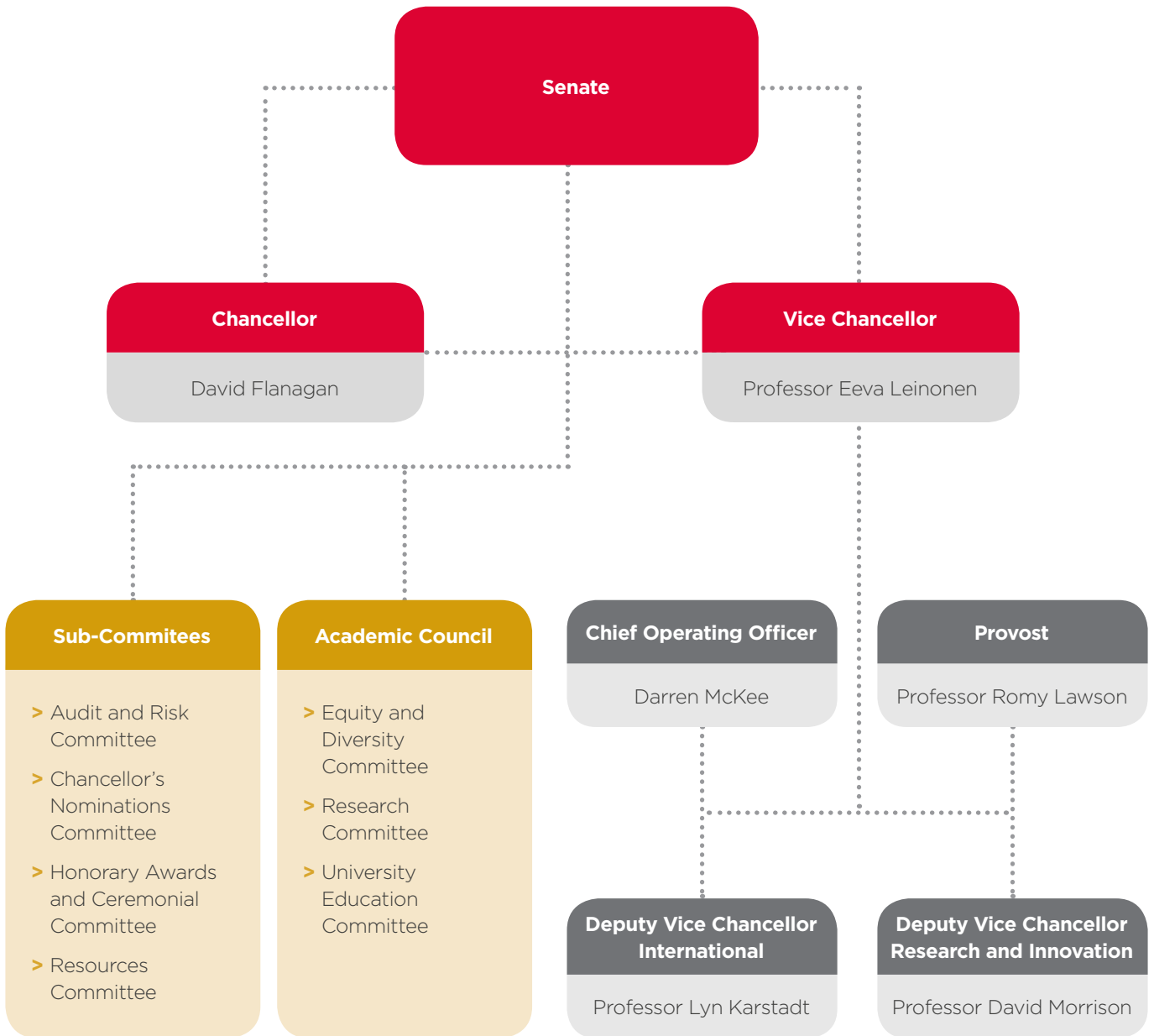
#### Notes:

The Senate Sub-Committee members who are not Senate members have been excluded from the table above.



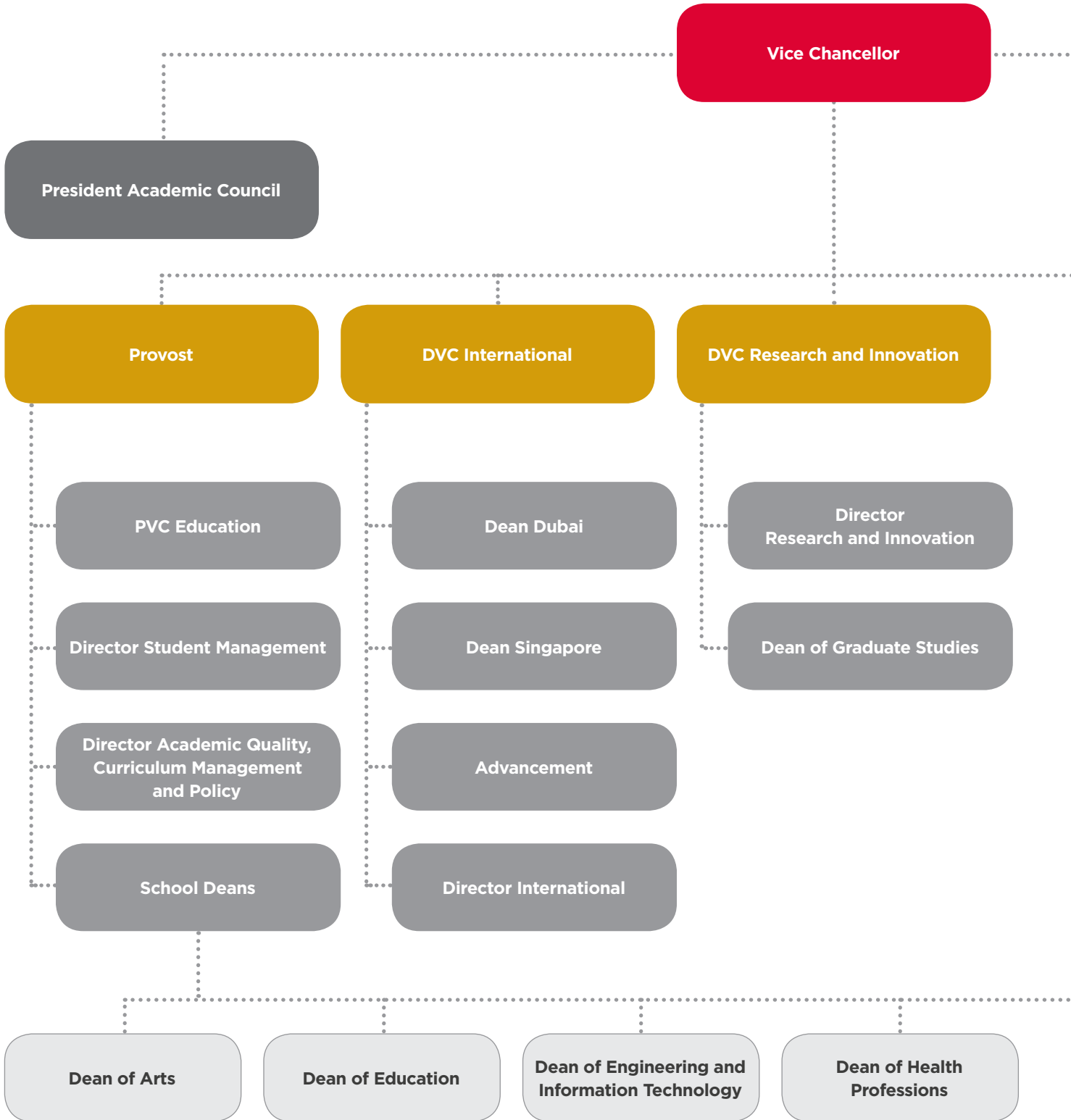
## University Governance and Management

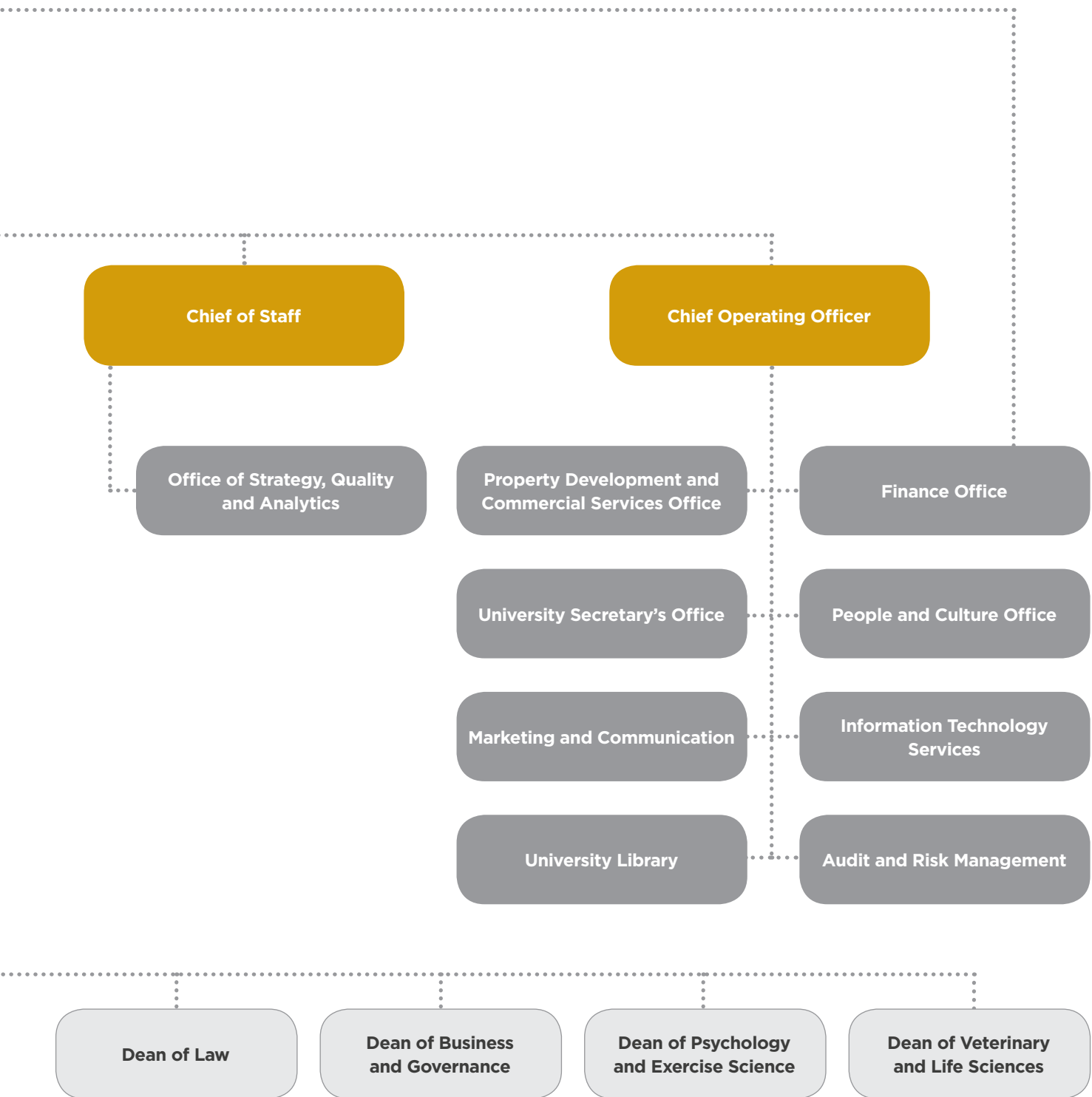
(as at 31 December 2018)



**Organisational Structure**

(As was the case for the majority of 2018. The University moved to adopt a new two-College structure at the end of 2018)







# Disclosure 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 2018 and the financial position as at 31 December 2018.

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**

13 March 2019

## 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**

13 March 2019

## Certification of Key Performance Indicators

We hereby certify that the 2018 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 2018.



David Flanagan  
**Chancellor**

Eeva Leinonen  
**Vice Chancellor**

13 March 2019



## 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 2018, the Income Statement, the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows for the University and the consolidated entity 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 2018 and the financial position at the end of that period. They are in accordance with Australian Accounting Standards, the *Financial Management Act 2006* and the 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 the 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 agency'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 the University Senate 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 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 2018.

### ***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*, the 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 2018. 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 2018.

### ***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

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 2018 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.

SANDRA LABUSCHAGNE  
ACTING AUDITOR GENERAL  
FOR WESTERN AUSTRALIA  
Perth, Western Australia

15 March 2019





# Financial Statements

## and Key Performance Indicators

Income Statement .....	62
Statement of Comprehensive Income .....	63
Statement of Financial Position .....	64
Statement of Changes in Equity .....	65
Statement of Cash Flows .....	66
Index of notes to the Financial Statements .....	67
Notes to the Financial Statements .....	68
Key Performance Indicators.....	114
Other Disclosures .....	126

## Income Statement

for the year ended 31 December 2018

	Note	Consolidated		University	
		2018	Restated 2017	2018	Restated 2017
		\$000's	\$000's	\$000's	\$000's
<b>Income from continuing operations</b>					
Australian Government financial assistance					
Australian Government grants	2	124,660	128,888	124,660	128,888
HELP - Australian Government payments	2	72,269	67,330	72,269	67,330
State and local government financial assistance	3	5,482	3,622	5,482	3,622
HECS-HELP - student payments		5,606	5,673	5,606	5,673
Fees and charges	4	97,370	78,021	95,798	75,872
Net investment revenue	5	2,418	7,291	2,453	7,226
Consultancy and contract research	6	29,241	22,535	29,293	22,596
Other revenue	7	34,675	30,922	23,979	23,642
Gains on disposal of assets		49	100	49	104
Other income	7	153	29	153	29
<b>Total income from continuing operations</b>		<b>371,923</b>	<b>344,411</b>	<b>359,742</b>	<b>334,982</b>
<b>Expenses from continuing operations</b>					
Employee related expenses	8	213,936	209,278	211,528	206,754
Depreciation and amortisation	17, 18	19,053	17,687	20,086	18,390
Repairs and maintenance	9	11,407	9,377	8,843	6,864
Borrowing costs		293	338	293	338
Impairment of assets		244	834	244	834
Share of loss on investments accounted for using the equity method		34	-	34	-
Other expenses	10	111,385	106,134	108,933	102,539
<b>Total expenses from continuing operations</b>		<b>356,352</b>	<b>343,648</b>	<b>349,961</b>	<b>335,719</b>
<b>Net result before income tax</b>		<b>15,571</b>	<b>763</b>	<b>9,781</b>	<b>(737)</b>
Income tax	11	(32)	(2,882)	-	(2,796)
<b>Net result after tax from continuing operations attributable to members of Murdoch University</b>		<b>15,603</b>	<b>3,645</b>	<b>9,781</b>	<b>2,059</b>

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



## Statement of Comprehensive Income

for the year ended 31 December 2018

	Note	Consolidated		University	
			Restated		Restated
		2018	2017	2018	2017
		\$000's	\$000's	\$000's	\$000's
<b>Net result after income tax for the period</b>		15,603	3,645	9,781	2,059
Gain on equity instruments designated at fair value through comprehensive income, net of tax	23	7,604	4,674	7,604	4,674
Cash flow hedges, net of tax	23	95	(23)	95	(23)
Exchange differences on translation of foreign operations	23	(25)	(216)	-	-
Loss on revaluation of land and buildings, net of tax	17	(5,522)	(10,322)	(5,415)	(9,847)
<b>Total comprehensive income attributable to members of Murdoch University</b>		<b>17,755</b>	<b>(2,242)</b>	<b>12,065</b>	<b>(3,137)</b>

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

**Statement of Financial Position**

as at 31 December 2018

	Note	Consolidated		University	
		2018 \$000's	Restated 2017 \$000's	2018 \$000's	Restated 2017 \$000's
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	12	44,086	35,757	28,962	13,541
Receivables	13	21,517	10,836	22,290	19,413
Inventories		1,083	1,310	1,077	1,306
Derivative financial instruments		57	-	57	-
Other financial assets	14	77,999	79,951	76,680	69,900
Prepayments	15	6,593	6,466	6,205	6,359
<b>Total current assets</b>		<b>151,335</b>	<b>134,320</b>	<b>135,271</b>	<b>110,519</b>
<b>Non-current assets</b>					
Receivables	13	226	-	2,969	3,464
Other financial assets	14	92,604	79,123	101,882	88,022
Prepayments	15	13	35	13	35
Investments accounted for using the equity method		17	-	17	-
Investment properties	16	238,888	242,969	238,888	242,969
Property, plant and equipment	17	651,544	644,812	632,976	627,185
Intangible assets	18	15,045	15,132	15,045	15,132
Deferred tax assets		15	-	-	-
<b>Total non-current assets</b>		<b>998,352</b>	<b>982,071</b>	<b>991,790</b>	<b>976,807</b>
<b>Total assets</b>		<b>1,149,687</b>	<b>1,116,391</b>	<b>1,127,061</b>	<b>1,087,326</b>
<b>Liabilities</b>					
<b>Current liabilities</b>					
Trade and other payables	19	21,907	22,081	20,820	21,963
Borrowings	20	438	474	438	474
Provisions	21	44,259	41,431	30,030	27,295
Derivative financial instruments		-	38	-	38
Other liabilities	22	235,839	229,177	22,692	13,448
<b>Total current liabilities</b>		<b>302,443</b>	<b>293,201</b>	<b>73,980</b>	<b>63,218</b>
<b>Non-current liabilities</b>					
Other payables	19	6	6	6	6
Borrowings	20	3,751	4,189	3,751	4,189
Provisions	21	12,841	11,576	12,809	11,544
Deferred tax liability		24	103	-	-
<b>Total non-current liabilities</b>		<b>16,622</b>	<b>15,874</b>	<b>16,566</b>	<b>15,739</b>
<b>Total liabilities</b>		<b>319,065</b>	<b>309,075</b>	<b>90,546</b>	<b>78,957</b>
<b>Net assets</b>		<b>830,622</b>	<b>807,316</b>	<b>1,036,515</b>	<b>1,008,369</b>
<b>Equity</b>					
Reserves	23	383,399	381,247	379,717	377,433
Retained earnings	23	447,223	426,069	656,798	630,936
<b>Total equity</b>		<b>830,622</b>	<b>807,316</b>	<b>1,036,515</b>	<b>1,008,369</b>

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

## Statement of Changes in Equity

for the year ended 31 December 2018

### Consolidated

	<b>Reserves</b>	<b>Retained</b>	<b>Total</b>
	<b>\$000's</b>	<b>Earnings</b>	<b>\$000's</b>
	<b>\$000's</b>	<b>\$000's</b>	<b>\$000's</b>
<b>Balance at 1 January 2018</b>	381,247	426,069	807,316
Effect of adoption of new accounting standards	-	5,551	5,551
<b>Balance as restated</b>	381,247	431,620	812,867
Net result	-	15,603	15,603
Revaluation of land, buildings and infrastructure	(5,522)	-	(5,522)
Gain on financial assets at fair value through OCI	7,604	-	7,604
Gain on cash flow hedges	95	-	95
Loss on foreign exchange	(25)	-	(25)
Total comprehensive income	2,152	15,603	17,755
<b>Balance at 31 December 2018</b>	<b>383,399</b>	<b>447,223</b>	<b>830,622</b>
<b>Balance at 1 January 2017</b>	389,376	425,953	815,329
Retrospective changes	(2,242)	(3,529)	(5,771)
<b>Balance as restated</b>	387,134	422,424	809,558
Net result	-	3,645	3,645
Revaluation of land, buildings and infrastructure	(10,322)	-	(10,322)
Gain on financial assets at fair value through OCI	4,674	-	4,674
Loss on cash flow hedges	(23)	-	(23)
Loss on foreign exchange	(216)	-	(216)
Total comprehensive income	(5,887)	3,645	(2,242)
<b>Balance at 31 December 2017</b>	<b>381,247</b>	<b>426,069</b>	<b>807,316</b>
<b>University</b>			
<b>Balance at 1 January 2018</b>	377,433	630,936	1,008,369
Effect of adoption of new accounting standards	-	5,551	5,551
<b>Balance as restated</b>	377,433	636,487	1,013,920
Net result	-	9,781	9,781
Revaluation of land, buildings and infrastructure	(5,415)	-	(5,415)
Gain on financial assets at fair value through OCI	7,604	-	7,604
Gain on cash flow hedges	95	-	95
Total comprehensive income	2,284	9,781	12,065
Transfer to retained earnings - Subsidiaries derecognised	-	10,530	10,530
<b>Balance at 31 December 2018</b>	<b>379,717</b>	<b>656,798</b>	<b>1,036,515</b>
<b>Balance at 1 January 2017</b>	384,871	632,407	1,017,278
Retrospective changes	(2,242)	(3,529)	(5,771)
<b>Balance as restated</b>	382,629	628,878	1,011,507
Net result	-	2,058	2,058
Revaluation of land, buildings and infrastructure	(9,847)	-	(9,847)
Gain on financial assets at fair value through OCI	4,674	-	4,674
Loss on cash flow hedges	(23)	-	(23)
Total comprehensive income	(5,196)	2,058	(3,138)
<b>Balance at 31 December 2017</b>	<b>377,433</b>	<b>630,936</b>	<b>1,008,369</b>

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



## Statement of Cash Flows

for the year ended 31 December 2018

	Note	Consolidated		University	
		2018 \$000's	2017 \$000's	2018 \$000's	2017 \$000's
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>					
Australian government grants		195,575	196,923	195,575	196,923
State and Local Government grants		5,482	3,622	5,482	3,622
HECS-HELP - student payments		5,606	5,673	5,606	5,673
OS-HELP (net)		92	(15)	92	(15)
Receipts from student fees and other customers		160,745	135,305	158,964	123,583
Dividends and distributions received		2,567	196	2,417	33
Interest received		2,996	3,116	2,606	2,656
Payments to suppliers and employees		(329,284)	(332,982)	(321,802)	(325,396)
Interest and other costs of finance paid		(292)	(347)	(292)	(347)
Income taxes paid		(49)	(381)	-	(392)
<b>Net cash provided by operating activities</b>	24	<b>43,438</b>	<b>11,110</b>	<b>48,648</b>	<b>6,340</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>					
Proceeds from sale of property, plant and equipment		338	359	338	359
Payments for property, plant and equipment, intangibles and investment property		(34,927)	(36,741)	(34,911)	(36,555)
Net proceeds from sale of financial assets		175	12,772	-	17,500
Net payments for financial assets		-	-	(7,238)	-
Payments for investment in associate		(51)	-	(51)	-
Transfer from related entity		-	-	9,279	-
Loan to external party		(170)	-	(170)	-
<b>Net cash used in investing activities</b>		<b>(34,635)</b>	<b>(23,610)</b>	<b>(32,753)</b>	<b>(18,696)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>					
Repayment of borrowings		(397)	(2,418)	(397)	(2,418)
Repayment of finance leases		(77)	(74)	(77)	(74)
<b>Net cash used in financing activities</b>		<b>(474)</b>	<b>(2,492)</b>	<b>(474)</b>	<b>(2,492)</b>
Net decrease in cash and cash equivalents held		8,329	(14,992)	15,421	(14,848)
Cash and cash equivalents at beginning of year		35,757	50,749	13,541	28,389
<b>Cash and cash equivalents at end of financial year</b>	12	<b>44,086</b>	<b>35,757</b>	<b>28,962</b>	<b>13,541</b>
Financing arrangements	20				

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

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

## Index of Notes to the Financial Statements

1	Summary of significant accounting policies
2	Australian Government financial assistance including Australian Government loan programs (HELP)
3	State and Local Government financial assistance
4	Fees and charges
5	Investment income and losses
6	Consultancy and contract research
7	Other revenue and other income
8	Employee related expenses
9	Repairs and maintenance
10	Other expenses
11	Income tax
12	Cash and cash equivalents
13	Receivables
14	Other financial assets
15	Other non-financial assets
16	Investment properties
17	Property, plant and equipment
18	Intangible assets
19	Trade and other payables
20	Borrowings
21	Provisions
22	Other liabilities
23	Equity
24	Reconciliation of net result after income tax to net cash flows from operating activities
25	Remuneration of auditors
26	Contingent assets and contingent liabilities
27	Events subsequent to reporting date
28	Commitments for expenditure
29	Key management personnel compensation
30	Financial risk management
31	Fair value measurement
32	Related parties
33	Superannuation – UniSuper defined benefit division
34	Acquittal of Australian Government financial assistance (University only)

# NOTES TO THE FINANCIAL STATEMENTS

## 1 Summary of significant accounting policies

### General Statement

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

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

### (a). Basis of preparation

The annual financial statements represent the audited general purpose financial statements of the Group. They have been prepared on an accrual basis and comply with the Australia Accounting Standards (AAS) and other authoritative pronouncements of the AAS Board.

Murdoch University applies Tier 1 reporting requirements.

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

- \* Higher Education Support Act 2003
- \* Financial Management Act 2006 (applicable sections)
- \* Western Australian Government Treasurer's Instructions (applicable sections)
- \* Australian Charities and Not-for-profits Commission Act 2012
- \* Statements of Accounting Concepts

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 13 March 2019.

Historical cost convention

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value through other comprehensive income, financial assets and liabilities (including derivative instruments) at fair value through profit or loss, certain classes of property, plant and equipment and investment property.

Critical accounting estimates and judgements

The preparation of financial statements in conformity with Australian Accounting Standards require the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the University's accounting policies. The estimates and underlying assumptions are reviewed on an ongoing basis. The areas involving higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed below:

Critical accounting estimates and assumptions

- Impairment of assets
- Artworks, land, buildings and infrastructure
- Investment properties
- Leave provisions
- Financial assets fair value through other comprehensive income

Critical judgements in applying the Group's accounting policies

- 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.

- 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.

- Deferred management fees (DMF)

The DMF is calculated using variables including the average length of stay for units and serviced apartments and an estimate



## **1 Summary of significant accounting policies**

### **(a). Basis of preparation**

of the average period for a new tenancy.

### **(b). Basis of consolidation**

#### Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of the University as at 31 December 2018 and the results of all subsidiaries for the year then ended.

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 and measured in the financial statements at the original cost of the investment until the investment is de-recognised.

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.

#### Associates

Associates are all entities over which the Group has significant influence but not control. Investments in associates are accounted for in the University financial statements using the cost method and in the consolidated financial statements using the equity method of accounting, after initially being recognised at cost.

The Group's share of its associates' post-acquisition profits or losses is recognised in the income statement, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Dividends receivable from associates are recognised in the parent entity's income statement, while in the consolidated financial statements they reduce the carrying amount of the investment.

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

### **(c). 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. 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.

### **(d). Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case, 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.

### **(e). Comparative amounts**

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

## NOTES TO THE FINANCIAL STATEMENTS

### 1 Summary of significant accounting policies

#### (f). New accounting standards and interpretations

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

	<b>Standard</b>	<b>Application date</b>	<b>Implications</b>
AASB 15	Revenue from Contracts with Customers	1 Jan 2019	The Group will adopt the standard in the financial year beginning on 1 January 2019 using the modified retrospective method and therefore will only make adjustments to active contracts as at 1 January 2019. The Group will include the required additional disclosures in its financial statements for the financial year ending 31 December 2019.
AASB 16	Leases	1 Jan 2019	The Group will adopt the standard in the financial year beginning on 1 January 2019 using the modified retrospective method and therefore will only recognise leases on statement of financial position as at 1 January 2019. The Group will include the required additional disclosures in its financial statements for the financial year ending 31 December 2019. The financial impact is not expected to be significant however the assessment may be subject to changes from the ongoing analysis until the finalisation of transition entries.
AASB 1058	Income of Not-for-Profit Entities	1 Jan 2019	The Group will adopt the standard in the financial year beginning on 1 January 2019 using the modified retrospective method. Additional disclosures will be included in its financial statements for the financial year ending 31 December 2019.
AASB 1059	Service Concession Arrangements: Grantors	1 Jan 2020	The Group is in the process of assessing the changes and potential financial impact of the standard.
AASB2014-5	Amendments to Australian Accounting Standards arising from AASB 15	1 Jan 2019	Refer to AASB 15
AASB2016-8	Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities	1 Jan 2019	Refer to AASB 1058

#### (g). Initial application of AAS

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

#### AASB 9 Financial Instruments

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

The Group applied AASB9 prospectively, with an initial application date of 1 January 2018. The Group has not restated the comparative information, which continues to be reported under AASB139. Differences arising from the adoption of AASB9 have been recognised directly in retained earnings and other components of equity.

The nature and effect of the changes as a result of adoption of AASB 9 are described as follows:

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

## 1 Summary of significant accounting policies

### (g). Initial application of AAS

#### AASB 9 Financial Instruments

	Ref. adjustments	Consolidated 1 January 2018 \$000's	University 1 January 2018 \$000's
Classification and measurement	(i)	5,551	5,551

The nature of the adjustments are described below:

#### (i) Classification and measurement

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

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

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

The Group continued measuring at fair value all financial assets previously held at fair value under AASB139.

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

(a) Trade receivables and Other non-current financial assets (i.e., Loan to subsidiaries) classified as Loans and receivables as at 31 December 2017 are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. These are classified and measured as Debt instruments at amortised cost beginning 1 January 2018.

(b) Equity investments in non-listed companies classified as Available-for-sale (AFS) financial assets as at 31 December 2017 are classified and measured as Equity instruments designated at fair value through OCI beginning 1 January 2018. The Group elected to classify irrevocably its non-listed equity investments under this category at the date of initial application as it intends to hold these investments for the foreseeable future. There were no impairment losses recognised in profit or loss for these investments in prior periods.

(c) Listed equity investments classified as AFS financial assets as at 31 December 2017 are classified and measured as Financial assets at fair value through profit or loss beginning 1 January 2018.

In summary, upon the adoption of AASB 9, the Group had the following required or elected reclassifications as at 1 January 2018:

	Consolidated			University		
	AASB 9 measurement category		Fair value through OCI \$000's	AASB 9 measurement category		Fair value through OCI \$000's
AASB 139 measurement category	Fair value through profit or loss \$000's	Amortised cost \$000's		Fair value through profit or loss \$000's	Amortised cost \$000's	
Loans and receivables						
Trade receivables	-	10,715	-	-	19,344	-
Loans to subsidiaries	-	-	-	-	3,464	-
Available for sale						
Listed equity investments	3,362	-	-	-	-	-
Non-listed equity investments	-	-	21,252	-	-	21,252
Managed funds	63,422	-	-	63,043	-	-
Bank deposits	-	76,589	-	-	69,900	-
Shares in subsidiaries	-	-	-	-	9,278	-
	<b>66,784</b>	<b>87,304</b>	<b>21,252</b>	<b>63,043</b>	<b>101,986</b>	<b>21,252</b>

#### (ii) Impairment

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

Upon adoption of AASB 9, the Group has re-calculated its impairment of trade receivables as at 1 January 2018; and no additional impairment is recognised due to immaterial differences between the two approaches.



## NOTES TO THE FINANCIAL STATEMENTS

### 1 Summary of significant accounting policies

#### (g). Initial application of AAS

##### AASB 9 Financial Instruments

Set out below is the reconciliation of the ending impairment allowances in accordance with AASB 139 to the opening loss allowances determined in accordance with AASB9:

	Consolidated			University			
	Allowance for impairment under AASB139 as at 31 December 2017	Remeasurement	ECL under AASB9 as at 1 January 2018	Allowance for impairment under AASB139 as at 31 December 2017	Remeasurement	ECL under AASB9 as at 1 January 2018	
	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	
Trade receivables	1,298	46	1,344	1,284	46	1,330	

#### (h). Corrections of prior period errors

During the year, the University identified that the fair value of common area facilities of St Ives Retirement Village Murdoch had been erroneously duplicated in its financial statements since 2004. The common area facilities were included in property, plant & equipment and were measured under the revaluation model and at the same time the common area facilities were included within the fair value of the St Ives Retirement Village Murdoch (investment property carried at fair value). As a consequence, property, plant and equipment, depreciation expense and the revaluation reserve have been overstated. The errors have been corrected by restating each of the affected financial statement line items for prior periods. The following tables summarise the impacts on the University's financial statements.

Statement of Financial Position	Consolidated			University		
	As previously reported	Adjustments	Restated	As previously reported	Adjustment	Restated
	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
<b>As at 1 January 2017</b>						
<b>Non-current assets</b>						
Property, plant and equipment	639,762	(5,771)	633,991	622,546	(5,771)	616,775
<b>Equity</b>						
Reserve	389,376	(2,242)	387,134	384,871	(2,242)	382,629
Retained earnings	425,952	(3,529)	422,423	632,406	(3,529)	628,877
<b>As at 31 December 2017</b>						
<b>Non-current assets</b>						
Property, plant and equipment	650,318	(5,506)	644,812	632,691	(5,506)	627,185
<b>Equity</b>						
Reserve	383,340	(2,093)	381,247	379,526	(2,093)	377,433
Retained earnings	429,482	(3,413)	426,069	634,349	(3,413)	630,936
<b>Income statement</b>						
<b>For the year ended 31 December 2017</b>						
Depreciation and amortisation	17,802	(115)	17,687	18,506	(115)	18,391

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

### (a). Commonwealth Grants Scheme and Other Grants

	Note	Consolidated		University	
		2018 \$000's	2017 \$000's	2018 \$000's	2017 \$000's
Commonwealth Grants Scheme (CGS)# <sup>1</sup>		96,503	97,808	96,503	97,808
Disability Performance Funding# <sup>2</sup>		197	69	197	69
Indigenous Student Success Program# <sup>3</sup>		1,053	1,132	1,053	1,132
Access and Participation Fund		2,154	2,297	2,154	2,297
Promotion of Excellence in Learning and Teaching		-	98	-	98
<b>Total Commonwealth Grants Scheme and Other Grants</b>	34(a)	<b>99,907</b>	<b>101,404</b>	<b>99,907</b>	<b>101,404</b>

### (b). Higher Education Loan Programs

HECS - HELP		61,325	56,801	61,325	56,801
FEE - HELP		9,443	9,076	9,443	9,076
SA - HELP		1,501	1,453	1,501	1,453
<b>Total Higher Education Loan Programs</b>	34(b)	<b>72,269</b>	<b>67,330</b>	<b>72,269</b>	<b>67,330</b>

### (c). Education Research

Research Training Program		9,852	10,928	9,852	10,928
Research Support Program		7,975	8,248	7,975	8,248
<b>Total Education Research Grants</b>	34(c)	<b>17,827</b>	<b>19,176</b>	<b>17,827</b>	<b>19,176</b>

### (d). Other Capital Funding

Linkage Infrastructure, Equipment and Facilities grant# <sup>4</sup>		-	2,168	-	2,168
<b>Total Other Capital Funding</b>	34(e)	<b>-</b>	<b>2,168</b>	<b>-</b>	<b>2,168</b>

### (e). Australian Research Council

Discovery		605	958	605	958
Linkages# <sup>4</sup>		690	926	690	926
<b>Total ARC</b>	34(f)	<b>1,295</b>	<b>1,884</b>	<b>1,295</b>	<b>1,884</b>

### (f). Other Australian Government financial assistance

Non research funding		3,553	3,037	3,553	3,037
Research funding		2,078	1,219	2,078	1,219
<b>Total Other Australian Government financial assistance</b>		<b>5,631</b>	<b>4,256</b>	<b>5,631</b>	<b>4,256</b>
<b>Total Australian Government financial assistance</b>		<b>196,929</b>	<b>196,218</b>	<b>196,929</b>	<b>196,218</b>

## NOTES TO THE FINANCIAL STATEMENTS

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

- #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 replaced the Indigenous Commonwealth Scholarships Program and the Indigenous Support Program as of 1 January 2017.
- #4 ARC Linkage Infrastructure, Equipment and Facilities grants should be reported in (d) Other Capital Funding.

Grant revenue is recognised at fair value when the Group obtains control over the assets comprising the contribution, usually when cash is received.

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.

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.

### 3 State and Local Government financial assistance

	Consolidated		University	
	2018 \$000's	2017 \$000's	2018 \$000's	2017 \$000's
<b>Non-Capital</b>				
State Government	3,463	2,863	3,463	2,863
Local Government	2,019	759	2,019	759
<b>Total State and Local Government financial assistance</b>	<b>5,482</b>	<b>3,622</b>	<b>5,482</b>	<b>3,622</b>

#### 4 Fees and charges

	Note	Consolidated		University	
		2018 \$000's	2017 \$000's	2018 \$000's	2017 \$000's
<b>Course fees and charges</b>					
Fee-paying onshore overseas students		57,892	40,227	57,892	40,227
Fee-paying offshore overseas students		16,083	14,894	394	1,416
Continuing education		143	119	143	119
Fee-paying domestic postgraduate students		2,199	2,260	2,199	2,260
Other domestic course fees and charges		4,433	3,490	4,433	3,490
<b>Total course fees and charges</b>		<b>80,750</b>	<b>60,990</b>	<b>65,061</b>	<b>47,512</b>
<b>Other non-course fees and charges</b>					
Student services fees from students	34(h)	1,724	1,444	1,724	1,444
Facilities fees		1,095	803	1,095	803
Service and management fees		-	-	13,029	10,683
Other fees and charges		4,638	5,521	5,539	5,983
Recovery charges		3,412	3,624	3,500	3,711
Parking fees		1,897	1,998	1,897	1,998
Rental and lease charges		3,854	3,641	3,953	3,738
<b>Total other fees and charges</b>		<b>16,620</b>	<b>17,031</b>	<b>30,737</b>	<b>28,360</b>
<b>Total fees and charges</b>		<b>97,370</b>	<b>78,021</b>	<b>95,798</b>	<b>75,872</b>

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

Scholarships provided by University towards tuition fees have been reclassified from other expenses (note 10) and offset against course fees income.

#### 5 Net investment income

	Consolidated		University	
	2018 \$000's	2017 \$000's	2018 \$000's	2017 \$000's
Interest on bank deposits	2,968	3,145	2,597	2,724
Dividends and franking credits received	3,418	911	3,378	1,122
Income distributions from managed funds	1,573	3,274	1,573	3,274
Net gains / (loss) on financial assets designated at fair value through profit or loss	(1,451)	712	(1,005)	857
Fair value adjustment on investment property	(4,090)	(751)	(4,090)	(751)
<b>Net investment revenue</b>	<b>2,418</b>	<b>7,291</b>	<b>2,453</b>	<b>7,226</b>

#### 6 Consultancy and contract research

	Consolidated		University	
	2018 \$000's	2017 \$000's	2018 \$000's	2017 \$000's
<b>Research</b>				
Contracts	28,690	22,058	28,690	22,058
<b>Other</b>				
Consultancy	551	477	603	538
<b>Total consultancy and contract research</b>	<b>29,241</b>	<b>22,535</b>	<b>29,293</b>	<b>22,596</b>

Research grants are recognised at fair value when the Group obtains control of the right to receive the grant, it is probable that economic benefit will flow to the Group and it can be measured reliably.



## NOTES TO THE FINANCIAL STATEMENTS

### 6 Consultancy and contract research

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

### 7 Other revenue and other income

	Consolidated		University	
	2018 \$000's	2017 \$000's	2018 \$000's	2017 \$000's
<b>Other revenue</b>				
Deferred management fee	4,613	4,455	-	-
Donations and bequests	1,837	2,574	2,039	3,638
Non-government grants	103	187	103	187
Subscriptions	13	12	13	12
Common service fees and electives	2,360	2,375	-	-
Statutory refunds	43	-	-	-
Other revenue	3,183	2,280	1,912	1,236
Scholarships and prizes	1,273	1,202	1,273	1,202
Sponsorships income	395	366	395	366
Trading income	18,680	17,471	18,244	17,001
Fair value gain on resident loans	2,175	-	-	-
<b>Total other revenue</b>	<b>34,675</b>	<b>30,922</b>	<b>23,979</b>	<b>23,642</b>
<b>Other income</b>				
Bad debts recovered or written back	153	29	153	29
<b>Total other income</b>	<b>153</b>	<b>29</b>	<b>153</b>	<b>29</b>

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.

Trading income mainly comprise of income generated from The Animal Hospital and the University's bookshop. Revenue is recognised when services are provided or goods are sold.

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

## 8 Employee related expenses

	Consolidated		University	
	2018 \$000's	2017 \$000's	2018 \$000's	2017 \$000's
<b>Academic</b>				
Salaries	80,673	82,285	79,356	80,830
Contribution to superannuation and pension schemes	12,698	12,549	12,654	12,503
Payroll tax	5,206	5,061	5,206	5,061
Workers compensation	543	488	543	488
Annual leave	987	18	991	18
Long service leave	2,624	610	2,624	610
<b>Total academic</b>	<b>102,731</b>	<b>101,011</b>	<b>101,374</b>	<b>99,510</b>
<b>Non-academic</b>				
Salaries	87,921	87,265	87,015	86,385
Contribution to superannuation and pension schemes	13,320	13,111	13,209	13,000
Payroll tax	5,718	5,462	5,683	5,429
Workers compensation	574	522	574	522
Annual leave	856	446	861	449
Long service leave	2,816	1,461	2,812	1,459
<b>Total non-academic</b>	<b>111,205</b>	<b>108,267</b>	<b>110,154</b>	<b>107,244</b>
<b>Total employee related expenses</b>	<b>213,936</b>	<b>209,278</b>	<b>211,528</b>	<b>206,754</b>

Contributions to the defined contribution section of the Group's superannuation fund and other independent defined contribution superannuation funds are recognised as an expense as they become payable.

Past service costs are recognised in profit or loss immediately.

## 9 Repairs and maintenance

	Consolidated		University	
	2018 \$000's	2017 \$000's	2018 \$000's	2017 \$000's
Buildings and grounds	9,343	7,534	7,089	5,319
Other	2,064	1,843	1,754	1,545
<b>Total repairs and maintenance</b>	<b>11,407</b>	<b>9,377</b>	<b>8,843</b>	<b>6,864</b>

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 the carrying amount of those parts that are replaced is derecognised and the cost of the replacing part is capitalised if the recognition criteria are met. Other routine operating maintenance, repair and minor renewal costs are also recognised as expenses, as incurred.

## NOTES TO THE FINANCIAL STATEMENTS

### 10 Other expenses

	Consolidated		University	
	2018 \$000's	2017 \$000's	2018 \$000's	2017 \$000's
Administration expenses	10,146	9,550	8,774	8,259
Advertising, marketing and promotions	5,459	5,705	5,218	5,435
Audit fees, bank charges, legal costs, insurance and taxes	4,942	6,801	3,603	5,306
Consulting fees - other	11,309	13,432	12,043	14,154
Consulting fees - teaching	2,335	2,355	2,400	2,409
Consulting fees - research	5,834	3,957	5,834	3,957
Cost of sales	6,134	6,061	6,130	6,058
Donations and sponsorships	1,420	835	1,419	835
Fair value loss on resident loans	-	1,130	-	-
General consumables	4,943	4,863	4,789	4,594
Licence and royalty fees	4,881	4,533	4,872	4,520
Non-capitalised equipment	2,352	2,751	2,342	2,738
Occupancy costs	5,368	5,302	5,125	5,070
Operating lease payments	3,927	3,584	4,166	4,096
Other expenses	10,763	6,060	10,754	6,047
Productivity improvement program costs	2,576	1,374	2,576	1,374
Scholarships, grants and prizes	17,030	17,485	17,030	17,485
Telecommunications	973	919	964	908
Travel and related staff development and training	10,993	9,437	10,894	9,294
<b>Total other expenses</b>	<b>111,385</b>	<b>106,134</b>	<b>108,933</b>	<b>102,539</b>

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases (note 28). 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.

Other expenses are recognised as incurred and became payable.

Scholarships provided by University towards tuition fees have been reclassified to Fees and charges (note 4) and offset against course fees income.

### 11 Income tax

#### (a). Income tax expense

	Consolidated		University	
	2018 \$000's	2017 \$000's	2018 \$000's	2017 \$000's
Current tax	62	(2,719)	-	(2,796)
Deferred	(94)	(163)	-	-
<b>Total</b>	<b>(32)</b>	<b>(2,882)</b>	<b>-</b>	<b>(2,796)</b>

## 11 Income tax

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

	Consolidated		University	
	2018 \$000's	2017 \$000's	2018 \$000's	2017 \$000's
Net result before income tax from continuing operations:	15,571	763	9,781	(737)
Add: Non-taxable operating result from Australian operations	(15,381)	1,065	(9,781)	737
	190	1,828	-	-
Tax at the Australian tax rate of 30% (2017: 30%)	57	548	-	-
Tax effect of amounts which are not taxable in calculating taxable income:	(46)	(665)	-	-
Sub total	11	(117)	-	-
Difference in overseas tax rate	(36)	179	-	-
Adjustment for current tax of prior periods	(7)	(2,797)	-	(2,796)
Derecognition of previously recognised deferred tax entries	-	(145)	-	-
Unrecognised overseas tax losses	-	(2)	-	-
<b>Income tax</b>	<b>(32)</b>	<b>(2,882)</b>	<b>-</b>	<b>(2,796)</b>

The University is exempt from income tax under Division 50 of the Income Tax Assessment Act 1997. Within the consolidated entity, there are entities that are not exempt from income tax. For these entities, the income tax expense or revenue for the period is the tax payable on the current period's taxable income, 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.

## 12 Cash and cash equivalents

	Consolidated		University	
	2018 \$000's	2017 \$000's	2018 \$000's	2017 \$000's
<b>Current</b>				
Cash at bank and on hand	28,688	29,536	19,962	13,541
Bank bills and deposits	15,398	6,221	9,000	-
<b>Total cash and cash equivalents</b>	<b>44,086</b>	<b>35,757</b>	<b>28,962</b>	<b>13,541</b>

### (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:

	Consolidated		University	
	2018 \$000's	2017 \$000's	2018 \$000's	2017 \$000's
Unrestricted	40,343	31,110	28,568	13,541
Restricted	3,743	4,647	394	-
<b>Balance as per statement of cash flows</b>	<b>44,086</b>	<b>35,757</b>	<b>28,962</b>	<b>13,541</b>



## NOTES TO THE FINANCIAL STATEMENTS

### 12 Cash and cash equivalents

#### (b). Cash at bank and on hand

These are interest bearing at an average floating interest rate of 1.00% as at 31 December 2018 (2017: 0.63%).

#### (c). Deposits at call

The bank bills and deposits are bearing average fixed interest rates of 2.67% as at 31 December 2018 (2017: 2.48%). These deposits have an average maturity of 39 days.

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.

### 13 Receivables

	Consolidated		University	
	2018 \$000's	2017 \$000's	2018 \$000's	2017 \$000's
<b>Current</b>				
Trade receivables	16,714	8,037	17,511	16,666
Student fees receivable	3,548	2,678	3,548	2,678
Less: Provision for impaired receivables	(1,436)	(1,298)	(1,422)	(1,284)
	18,826	9,417	19,637	18,060
Other	2,691	1,419	2,653	1,353
<b>Total current receivables</b>	<b>21,517</b>	<b>10,836</b>	<b>22,290</b>	<b>19,413</b>
<b>Non-current</b>				
Loans receivable	170	-	2,913	3,464
Other	56	-	56	-
<b>Total non-current receivables</b>	<b>226</b>	<b>-</b>	<b>2,969</b>	<b>3,464</b>

Trade receivables are non-interest bearing and are generally on terms of 30 days.

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

	Consolidated		University	
	2018 \$000's	2017 \$000's	2018 \$000's	2017 \$000's
At 1 January	1,298	647	1,284	633
Provision for expected credit losses	238	832	238	832
Write-off	(100)	(181)	(100)	(181)
<b>At 31 December</b>	<b>1,436</b>	<b>1,298</b>	<b>1,422</b>	<b>1,284</b>

The information about credit risk exposures are disclosed in Note 30 Financial Risk Management.

Trade receivables and student fees receivables are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. These are classified and measured as debt instruments at amortised cost. Trade receivables are due for settlement no more than 30 days. Tuition fees receivables are due on the first day of the academic period.

For both trade and student fees receivables the Group applies a simplified approach in calculating expected credit losses (ECL).

Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECL at each reporting date. The Group has established a provision matrix that is based on historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

## 14 Other financial assets

### Current

	Consolidated		University	
	2018 \$000's	2017 \$000's	2018 \$000's	2017 \$000's
<b>Unrestricted</b>				
Other financial assets at fair value through profit or loss - listed securities	182	422	-	-
Other financial assets at amortised costs - bank deposits	67,174	70,557	66,500	69,900
<b>Total unrestricted current other financial assets</b>	<b>67,356</b>	<b>70,979</b>	<b>66,500</b>	<b>69,900</b>
<b>Restricted</b>				
Other financial assets at fair value through profit or loss - listed securities	1,301	2,940	838	-
Other financial assets at amortised costs - bank deposits	9,342	6,032	9,342	-
<b>Total restricted current other financial assets</b>	<b>10,643</b>	<b>8,972</b>	<b>10,180</b>	<b>-</b>
<b>Total current other financial assets</b>	<b>77,999</b>	<b>79,951</b>	<b>76,680</b>	<b>69,900</b>

### (a). Non-current

<b>Unrestricted</b>				
Other financial assets at fair value through profit or loss - managed funds	63,454	63,043	63,454	63,043
Other financial assets at amortised costs - shares in subsidiaries	-	-	9,278	9,278
Investments in equity instruments designated at fair value through other comprehensive income - unlisted securities	28,856	15,701	28,856	15,701
<b>Total unrestricted non-current other financial assets</b>	<b>92,310</b>	<b>78,744</b>	<b>101,588</b>	<b>88,022</b>
<b>Restricted</b>				
Other financial assets at fair value through profit or loss - managed funds	294	379	294	-
<b>Total restricted non-current other financial assets</b>	<b>294</b>	<b>379</b>	<b>294</b>	<b>-</b>
<b>Total non-current other financial assets</b>	<b>92,604</b>	<b>79,123</b>	<b>101,882</b>	<b>88,022</b>
<b>Total other financial assets</b>	<b>170,603</b>	<b>159,074</b>	<b>178,562</b>	<b>157,922</b>

#### *Initial recognition and measurement*

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

#### *Subsequent measurement*

For the purpose of subsequent measurement, financial assets are classified in categories below:

## NOTES TO THE FINANCIAL STATEMENTS

### 14 Other financial assets

#### *Financial assets at amortised cost*

The Group measures financial assets at amortised cost if i) it is held to collect contractual cash flow and ii) the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Group has elected to classify its investment in subsidiaries at cost. Gains and losses are recognised in profit and loss statement when the asset is derecognised, modified and impaired.

#### *Financial assets at fair value through profit and loss*

Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit and loss, irrespective of the business model. Financial assets at fair value through profit and loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the income statement.

#### *Investment in equity instruments designated at fair value through other comprehensive income*

Upon initial recognition, the Group elect to classify irrevocably its equity investments as equity investment designated at fair value through OCI when they meet the definition of equity under AASB 132 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as investment income in the income statement when the right of payment has been established. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group elect to classify irrevocably its non-listed equity investment (excluding the Group's subsidiaries) under this category.

### 15 Other non-financial assets

	Consolidated		University	
	2018 \$000's	2017 \$000's	2018 \$000's	2017 \$000's
<b>Current</b>				
Prepayments	6,593	6,466	6,205	6,359
<b>Non-current</b>				
Prepayments	13	35	13	35
<b>Total other non-financial assets</b>	<b>6,606</b>	<b>6,501</b>	<b>6,218</b>	<b>6,394</b>

The Group recognises a prepayment as an asset when payments for goods or services have been made in advance of the Group obtaining a right to access those goods or services.

## 16 Investment properties

	Consolidated		University	
	2018 \$000's	2017 \$000's	2018 \$000's	2017 \$000's
<b>Non-current</b>				
Opening balance at 1 January	242,969	243,720	242,969	243,720
Fair value adjustment on investment properties	(4,090)	(751)	(4,090)	(751)
Transfer from property, plant and equipment	9	-	9	-
<b>Closing balance at 31 December</b>	<b>238,888</b>	<b>242,969</b>	<b>238,888</b>	<b>242,969</b>

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 30.

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

	Consolidated		University	
	2018 \$000's	2017 \$000's	2018 \$000's	2017 \$000's
Rental income	1,259	1,236	1,259	1,236
Direct operating expenses	(162)	(165)	(162)	(165)
Fair value adjustment on investment property	421	420	421	420
<b>Total recognised in profit or loss</b>	<b>1,518</b>	<b>1,491</b>	<b>1,518</b>	<b>1,491</b>

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

	Consolidated		University	
	2018 \$000's	2017 \$000's	2018 \$000's	2017 \$000's
Fair value adjustment on investment property	(4,512)	(1,171)	(4,512)	(1,171)
<b>Total recognised in profit or loss</b>	<b>(4,512)</b>	<b>(1,171)</b>	<b>(4,512)</b>	<b>(1,171)</b>

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

	Consolidated		University	
	2018 \$000's	2017 \$000's	2018 \$000's	2017 \$000's
<b>The future minimum lease payments under non-cancellable leases are as follows:</b>				
Within one year	1,274	1,225	1,274	1,225
Later than one year but not later than five years	1,097	2,370	1,097	2,370
	<b>2,371</b>	<b>3,595</b>	<b>2,371</b>	<b>3,595</b>

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 future economic benefits in excess of the originally 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 date of acquisition.

Subsequent to initial recognition at cost, investment property is carried at fair value, which is based on active market prices of similar properties, adjusted if necessary, for any difference in the nature, location or condition of the specific



## NOTES TO THE FINANCIAL STATEMENTS

### 16 Investment properties

asset. If this information is not available, the Group uses alternative valuation methods such as recent prices in less active markets or discounted cash flow projections. These valuations are assessed annually by an external valuer. Changes in fair values are recorded in the income statement as part of the other income.

Rental revenue from the leasing of investment properties is recognised in the income statement in the periods in which it is receivable, as this represents the pattern of service rendered through the provision of the properties.

### 17 Property, plant and equipment

	Land \$000's	Buildings \$000's	Infrastructure \$000's	Construction in progress \$000's	Plant \$000's	Computing Equipment \$000's
<b>At 1 January 2017</b>						
- 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)
<b>Net book amount</b>	<b>238,710</b>	<b>296,826</b>	<b>25,782</b>	<b>16,287</b>	<b>10,080</b>	<b>2,356</b>
Correction of prior period error	-	(5,771)	-	-	-	-
<b>Restated net book amount</b>	<b>238,710</b>	<b>291,055</b>	<b>25,782</b>	<b>16,287</b>	<b>10,080</b>	<b>2,356</b>
<b>Year ended 31 December 2017</b>						
Opening net book amount	238,710	291,055	25,782	16,287	10,080	2,356
Revaluation increment/(decrement)	660	(10,388)	(268)	-	-	-
Revaluation correction	-	149	-	-	-	-
Additions	-	42	4	33,401	66	414
Disposals	-	-	-	-	(5)	-
Transfers in / (out)	-	6,761	3,283	(23,006)	728	1,935
Transfer to profit and loss	-	-	-	(1,352)	-	-
Transfer to software	-	-	-	(627)	-	-
Depreciation charge	-	(6,014)	(520)	-	(714)	(1,175)
Depreciation correction	-	116	-	-	-	-
<b>Restated closing net book amount</b>	<b>239,370</b>	<b>281,721</b>	<b>28,281</b>	<b>24,703</b>	<b>10,155</b>	<b>3,530</b>
<b>At 31 December 2017</b>						
- Cost	-	-	-	24,703	14,511	15,686
- Independent Valuation	239,370	287,131	25,397	-	-	-
Net valuation correction	-	(5,506)	-	-	-	-
- Murdoch Valuation	-	96	2,884	-	-	-
Accumulated depreciation and impairment	-	-	-	-	(4,356)	(12,156)
<b>Restated net book amount</b>	<b>239,370</b>	<b>281,721</b>	<b>28,281</b>	<b>24,703</b>	<b>10,155</b>	<b>3,530</b>
<b>Year ended 31 December 2018</b>						
Opening net book amount	239,370	281,721	28,281	24,703	10,155	3,530
Revaluation increment/(decrement)	(2,576)	(3,591)	618	-	-	-
Additions	-	-	175	16,985	-	728
Disposals	-	-	-	-	(24)	-
Transfers in / (out)	-	20,692	1,840	(29,322)	188	1,818
Transfers to investment property	-	-	-	(10)	-	-
Transfers to profit or loss	-	-	-	(251)	-	-
Transfer to software	-	-	-	(196)	-	-
Depreciation charge	-	(5,922)	(585)	-	(756)	(1,703)
<b>Closing net book amount</b>	<b>236,794</b>	<b>292,900</b>	<b>30,329</b>	<b>11,909</b>	<b>9,563</b>	<b>4,373</b>
<b>At 31 December 2018</b>						
- Cost	-	-	-	11,909	14,666	14,399
- Independent Valuation	236,794	292,561	29,215	-	-	-
- Murdoch Valuation	-	339	1,114	-	-	-
Accumulated depreciation and impairment	-	-	-	-	(5,103)	(10,026)
<b>Net book amount</b>	<b>236,794</b>	<b>292,900</b>	<b>30,329</b>	<b>11,909</b>	<b>9,563</b>	<b>4,373</b>

Other Equipment \$000's	Motor Vehicles \$000's	Artworks \$000's	Library Books \$000's	Leased Plant and Equipment \$000's	Furniture and Fittings \$000's	Leasehold Improvement \$000's	Total \$000's
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)
<b>16,690</b>	<b>1,357</b>	<b>6,530</b>	<b>1,539</b>	<b>262</b>	<b>3,250</b>	<b>2,877</b>	<b>622,546</b>
-	-	-	-	-	-	-	(5,771)
<b>16,690</b>	<b>1,357</b>	<b>6,530</b>	<b>1,539</b>	<b>262</b>	<b>3,250</b>	<b>2,877</b>	<b>616,775</b>
16,690	1,357	6,530	1,539	262	3,250	2,877	616,775
-	-	-	-	-	-	-	(9,996)
-	-	-	-	-	-	-	149
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)
-	-	-	-	-	-	-	116
<b>16,007</b>	<b>1,364</b>	<b>6,792</b>	<b>1,410</b>	<b>220</b>	<b>6,146</b>	<b>7,486</b>	<b>627,185</b>
56,161	2,934	-	1,992	337	6,850	9,416	132,590
-	-	6,135	-	-	-	-	558,033
-	-	-	-	-	-	-	(5,506)
-	-	657	-	-	-	-	3,637
(40,154)	(1,570)	-	(582)	(117)	(704)	(1,930)	(61,569)
<b>16,007</b>	<b>1,364</b>	<b>6,792</b>	<b>1,410</b>	<b>220</b>	<b>6,146</b>	<b>7,486</b>	<b>627,185</b>
16,007	1,364	6,792	1,410	220	6,146	7,486	627,185
-	-	134	-	-	-	-	(5,415)
7,568	621	381	417	-	1,872	-	28,747
(90)	(202)	(10)	-	-	-	-	(326)
196	-	12	-	(24)	4,445	155	-
-	-	-	-	-	-	-	(10)
-	-	-	-	-	-	-	(251)
-	-	-	-	-	-	-	(196)
(4,059)	(380)	-	(495)	(41)	(1,080)	(1,737)	(16,758)
<b>19,622</b>	<b>1,403</b>	<b>7,309</b>	<b>1,332</b>	<b>155</b>	<b>11,383</b>	<b>5,904</b>	<b>632,976</b>
61,527	3,007	-	1,827	276	13,167	9,572	130,350
-	-	7,278	-	-	-	-	565,848
-	-	31	-	-	-	-	1,484
(41,905)	(1,604)	-	(495)	(121)	(1,784)	(3,668)	(64,706)
<b>19,622</b>	<b>1,403</b>	<b>7,309</b>	<b>1,332</b>	<b>155</b>	<b>11,383</b>	<b>5,904</b>	<b>632,976</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 17 Property, plant and equipment

	Land	Buildings	Infrastructure	Construction in progress	Plant	Computing Equipment
Consolidated	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
<b>At 1 January 2017</b>						
- 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)
<b>Net book amount</b>	<b>238,710</b>	<b>312,132</b>	<b>29,287</b>	<b>16,287</b>	<b>10,437</b>	<b>2,376</b>
Correction of prior period error	-	(5,771)	-	-	-	-
<b>Restated net book amount</b>	<b>238,710</b>	<b>306,361</b>	<b>29,287</b>	<b>16,287</b>	<b>10,437</b>	<b>2,376</b>
<b>Year ended 31 December 2017</b>						
Opening net book amount	238,710	306,361	29,287	16,287	10,437	2,376
Revaluation increment/(decrement)	660	(10,752)	(379)	-	-	-
Revaluation correction	-	149	-	-	-	-
Additions	-	42	4	33,401	66	456
Disposals	-	-	-	-	(5)	-
Transfers in / (out)	-	11,153	3,283	(23,006)	728	1,935
Transfer to profit and loss	-	-	-	(1,352)	-	-
Transfer to software	-	-	-	(627)	-	-
Depreciation charge	-	(6,380)	(590)	-	(733)	(1,208)
Depreciation correction	-	116	-	-	-	-
<b>Restated closing net book amount</b>	<b>239,370</b>	<b>300,689</b>	<b>31,605</b>	<b>24,703</b>	<b>10,493</b>	<b>3,559</b>
<b>At 31 December 2017</b>						
- Cost	-	-	-	24,703	14,883	15,768
- Independent Valuation	239,370	306,091	28,721	-	-	-
Net valuation corrections	-	(5,506)	-	-	-	-
- Murdoch Valuation	-	104	2,884	-	-	-
Accumulated depreciation and impairment	-	-	-	-	(4,390)	(12,209)
<b>Net book amount</b>	<b>239,370</b>	<b>300,689</b>	<b>31,605</b>	<b>24,703</b>	<b>10,493</b>	<b>3,559</b>
<b>Year ended 31 December 2018</b>						
Opening net book amount	239,370	300,689	31,605	24,703	10,493	3,559
Revaluation increment/(decrement)	(2,576)	(3,721)	641	-	-	-
Additions	-	-	176	16,985	-	741
Disposals	-	-	-	-	(25)	-
Transfers in / (out)	-	20,710	1,840	(29,322)	188	1,818
Transfers to investment property	-	-	-	(10)	-	-
Transfer to profit or loss	-	-	-	(251)	-	-
Transfer to software	-	-	-	(196)	-	-
Exchange differences	-	-	-	-	-	(5)
Depreciation charge	-	(6,301)	(653)	-	(773)	(1,736)
<b>Closing net book amount</b>	<b>236,794</b>	<b>311,377</b>	<b>33,609</b>	<b>11,909</b>	<b>9,883</b>	<b>4,377</b>
<b>At 31 December 2018</b>						
- Cost	-	-	-	11,909	15,037	14,494
- Independent Valuation	236,794	311,104	32,429	-	-	-
- Murdoch Valuation	-	273	1,180	-	-	-
Accumulated depreciation and impairment	-	-	-	-	(5,154)	(10,117)
<b>Net book amount</b>	<b>236,794</b>	<b>311,377</b>	<b>33,609</b>	<b>11,909</b>	<b>9,883</b>	<b>4,377</b>

Other Equipment \$000's	Motor Vehicles \$000's	Artworks \$000's	Library Books \$000's	Leased Plant and Equipment \$000's	Furniture and Fittings \$000's	Leasehold Improvement \$000's	Total \$000's
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)
<b>16,694</b>	<b>1,357</b>	<b>6,530</b>	<b>1,539</b>	<b>262</b>	<b>3,256</b>	<b>895</b>	<b>639,762</b>
-	-	-	-	-	-	-	(5,771)
<b>16,694</b>	<b>1,357</b>	<b>6,530</b>	<b>1,539</b>	<b>262</b>	<b>3,256</b>	<b>895</b>	<b>633,991</b>
16,694	1,357	6,530	1,539	262	3,256	895	633,991
-	-	-	-	-	-	-	(10,471)
-	-	-	-	-	-	-	149
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)
-	-	-	-	-	-	-	116
<b>16,009</b>	<b>1,364</b>	<b>6,792</b>	<b>1,410</b>	<b>220</b>	<b>6,158</b>	<b>2,440</b>	<b>644,812</b>
56,210	2,934	-	1,992	337	6,867	2,909	126,603
-	-	6,135	-	-	-	-	580,317
-	-	-	-	-	-	-	(5,506)
-	-	657	-	-	-	-	3,645
(40,201)	(1,570)	-	(582)	(117)	(709)	(469)	(60,247)
<b>16,009</b>	<b>1,364</b>	<b>6,792</b>	<b>1,410</b>	<b>220</b>	<b>6,158</b>	<b>2,440</b>	<b>644,812</b>
16,009	1,364	6,792	1,410	220	6,158	2,440	644,812
-	-	134	-	-	-	-	(5,522)
7,568	621	381	417	-	1,876	18	28,783
(90)	(202)	(10)	-	-	-	-	(327)
196	-	12	-	(24)	4,445	137	-
-	-	-	-	-	-	-	(10)
-	-	-	-	-	-	-	(251)
-	-	-	-	-	-	-	(196)
-	-	-	-	-	-	(15)	(20)
(4,060)	(380)	-	(495)	(41)	(1,081)	(205)	(15,725)
<b>19,623</b>	<b>1,403</b>	<b>7,309</b>	<b>1,332</b>	<b>155</b>	<b>11,398</b>	<b>2,375</b>	<b>651,544</b>
61,572	3,007	-	1,827	276	13,189	3,065	124,376
-	-	7,278	-	-	-	-	587,605
-	-	31	-	-	-	-	1,484
(41,949)	(1,604)	-	(495)	(121)	(1,791)	(690)	(61,921)
<b>19,623</b>	<b>1,403</b>	<b>7,309</b>	<b>1,332</b>	<b>155</b>	<b>11,398</b>	<b>2,375</b>	<b>651,544</b>



## NOTES TO THE FINANCIAL STATEMENTS

### 17 Property, plant and equipment

Items of property, plant and equipment, costing \$5,000 or more are measured initially at cost. Where an asset is acquired at no or nominal cost, the cost is valued at its fair value at the date of acquisition. 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.

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.

Land, buildings and infrastructure are independently valued annually by external valuer and recognised annually to ensure that the carrying amount does not differ materially from the asset's fair value at the end of the reporting period. Artworks are valued every 3 years and the valuation will be recognised at every reporting period.

#### 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%
Lease plant and 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.

#### 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 recoverable amount.

For assets measured at cost, impairment loss is recognised in profit and loss. For assets measured and fair value, impairment loss is recognised as a revaluation decrement in other comprehensive income.

For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows which are largely independent of the cash inflows from other assets or group of assets.

## 18 Intangible assets

	Consolidated		University	
	2018	2017	2018	2017
	\$000's	\$000's	\$000's	\$000's
Electronic library materials	13,091	12,361	13,091	12,361
Software and software licences	1,954	2,771	1,954	2,771
<b>Total intangible assets</b>	<b>15,045</b>	<b>15,132</b>	<b>15,045</b>	<b>15,132</b>

	Electronic Library Materials	Software and Software Licences	Total
	\$000's	\$000's	\$000's
<b>At 1 January 2017</b>			
Cost	22,246	3,240	25,486
Accumulated amortisation and impairment	(10,381)	(574)	(10,955)
<b>Net book amount</b>	<b>11,865</b>	<b>2,666</b>	<b>14,531</b>
<b>Year ended 31 December 2017</b>			
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)
<b>Closing net book amount</b>	<b>12,361</b>	<b>2,771</b>	<b>15,132</b>
<b>At 31 December 2017</b>			
Cost	23,498	4,166	27,664
Accumulated amortisation and impairment	(11,137)	(1,395)	(12,532)
<b>Net book amount</b>	<b>12,361</b>	<b>2,771</b>	<b>15,132</b>
<b>Year ended 31 December 2018</b>			
Opening net book amount	12,361	2,771	15,132
Additions	3,029	212	3,241
Amortisation Charges	(2,299)	(1,029)	(3,328)
<b>Closing net book amount</b>	<b>13,091</b>	<b>1,954</b>	<b>15,045</b>
<b>At 31 December 2018</b>			
Cost	24,505	4,378	28,883
Accumulated amortisation and impairment	(11,414)	(2,424)	(13,838)
<b>Net book amount</b>	<b>13,091</b>	<b>1,954</b>	<b>15,045</b>

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.

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.

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

## NOTES TO THE FINANCIAL STATEMENTS

### 18 Intangible assets

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.

### 19 Trade and other payables

	Note	Consolidated		University	
		2018 \$000's	2017 \$000's	2018 \$000's	2017 \$000's
<b>Current</b>					
Trade payables		5,640	1,943	4,766	2,106
Current tax liability		69	56	-	-
Accruals and other payables		15,983	19,959	15,839	19,734
OS-HELP liability to Australian Government	34(g)	215	123	215	123
<b>Total current trade and other payables</b>		<b>21,907</b>	<b>22,081</b>	<b>20,820</b>	<b>21,963</b>
<b>Non-current</b>					
Other payables		6	6	6	6
<b>Total non-current trade and other payables</b>		<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>
<b>Total trade and other payables</b>		<b>21,913</b>	<b>22,087</b>	<b>20,826</b>	<b>21,969</b>

#### (a). Foreign exchange risk

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

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

## 20 Borrowings

	Consolidated		University	
	2018 \$000's	2017 \$000's	2018 \$000's	2017 \$000's
<b>Current</b>				
<b>Secured</b>				
Finance lease liabilities	66	77	66	77
Western Australian Treasury Corporation *	372	348	372	348
Total current secured borrowings	438	425	438	425
<b>Unsecured</b>				
Western Australian Treasury Corporation *	-	49	-	49
<b>Total current borrowings</b>	<b>438</b>	<b>474</b>	<b>438</b>	<b>474</b>
<b>Non-current</b>				
<b>Secured</b>				
Finance lease liabilities	13	79	13	79
Western Australian Treasury Corporation *	3,738	4,110	3,738	4,110
Total non-current secured borrowings	3,751	4,189	3,751	4,189
<b>Unsecured</b>				
<b>Total non-current borrowings</b>	<b>3,751</b>	<b>4,189</b>	<b>3,751</b>	<b>4,189</b>
<b>Total borrowings</b>	<b>4,189</b>	<b>4,663</b>	<b>4,189</b>	<b>4,663</b>

\* Loan from Western Australian Treasury Corporation is as follows:

(i) Peel Campus loan 1 of \$4,110,297 (2017: \$4,458,576) 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.

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

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired.

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

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.

### (a). Assets pledged as security

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

	Consolidated		University	
	2018 \$000's	2017 \$000's	2018 \$000's	2017 \$000's
<b>Non-current assets</b>				
<i>Finance leases</i>				
Plant and equipment	155	220	155	220
<b>Total assets pledged as security</b>	<b>155</b>	<b>220</b>	<b>155</b>	<b>220</b>



## NOTES TO THE FINANCIAL STATEMENTS

### 20 Borrowings

#### (b). Financing arrangements

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

	Consolidated		University	
	2018 \$000's	2017 \$000's	2018 \$000's	2017 \$000's
<b>Facilities</b>				
Hire purchase facility	3,000	2,000	3,000	2,000
Western Australian Treasury Corporation loan facility	100,000	-	100,000	-
	<b>103,000</b>	<b>2,000</b>	<b>103,000</b>	<b>2,000</b>
<b>Facilities utilised at reporting date</b>				
Asset finance (Finance leases)	79	156	79	156
Western Australian Treasury Corporation loan facility	4,110	-	4,110	-
	<b>4,189</b>	<b>156</b>	<b>4,189</b>	<b>156</b>
<b>Facilities not utilised at reporting date</b>				
Asset finance (Finance Leases)	2,921	1,844	2,921	1,844
Western Australian Treasury Corporation loan facility	95,890	-	95,890	-
	<b>98,811</b>	<b>1,844</b>	<b>98,811</b>	<b>1,844</b>

In January 2018 the University signed an agreement with Western Australia Treasury Corporation (WATC) to increase its loan facility limit to \$100m. The amount and timing of drawdowns is subject to specified limits in the conditions of funding. 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.

The carrying amounts of the Group's borrowings are denominated in Australian dollar.

For an analysis of the sensitivity of borrowings to interest rate risk and foreign exchange risk refer to note 30.

#### (c). Reconciliation of liabilities arising from financing activities

	2017 Carrying amount \$000's	Cash flows \$000's	Transfer \$000's	2018 Carrying amount \$000's
Long-term borrowings	4,110	-	(372)	3,738
Short-term borrowings	397	(397)	372	372
Lease liabilities	156	(77)	-	79
<b>Total liabilities from financing activities</b>	<b>4,663</b>	<b>(474)</b>	<b>-</b>	<b>4,189</b>

## 21 Provisions

	Consolidated		University	
	2018 \$000's	2017 \$000's	2018 \$000's	2017 \$000's
<b>Current provisions expected to be settled within 12 months</b>				
Employee benefits:				
Annual leave	9,598	9,304	9,560	9,251
Long service leave	1,475	1,245	1,472	1,244
Employment on-costs	831	790	831	790
Management fees	14,123	14,018	-	-
Other provisions	3,886	1,847	3,851	1,814
	<u>29,913</u>	<u>27,204</u>	<u>15,714</u>	<u>13,099</u>
<b>Current provisions expected to be settled after more than 12 months</b>				
Annual leave	3,443	3,434	3,429	3,416
Long service leave	9,257	9,174	9,241	9,161
Employment on-costs	1,646	1,619	1,646	1,619
	<u>14,346</u>	<u>14,227</u>	<u>14,316</u>	<u>14,196</u>
<b>Total current provisions</b>	<b><u>44,259</u></b>	<b><u>41,431</u></b>	<b><u>30,030</u></b>	<b><u>27,295</u></b>
<b>Non-current</b>				
Employee benefits:				
Long service leave	11,073	10,018	11,041	9,986
<b>Other provisions:</b>				
Employment on-costs provision	1,693	1,505	1,693	1,505
Other provisions	75	53	75	53
<b>Total non-current provisions</b>	<b><u>12,841</u></b>	<b><u>11,576</u></b>	<b><u>12,809</u></b>	<b><u>11,544</u></b>
<b>Total provisions</b>	<b><u>57,100</u></b>	<b><u>53,007</u></b>	<b><u>42,839</u></b>	<b><u>38,839</u></b>

## NOTES TO THE FINANCIAL STATEMENTS

### 21 Provisions

#### Movements in other provisions

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

	Consolidated		University	
	2018 \$000's	2017 \$000's	2018 \$000's	2017 \$000's
<b>Employment on-costs provision</b>				
Balance at beginning of year	3,915	2,355	3,915	2,355
Additional provisions	909	2,095	909	2,095
Amounts used	(654)	(536)	(654)	(536)
<b>Carrying amount at end of period</b>	<b>4,170</b>	<b>3,914</b>	<b>4,170</b>	<b>3,914</b>
<b>Management fees</b>				
Balance at beginning of year	14,018	13,278	-	-
Additional provisions	1,100	1,296	-	-
Amounts used	(995)	(556)	-	-
<b>Carrying amount at end of period</b>	<b>14,123</b>	<b>14,018</b>	-	-
<b>Other</b>				
Balance at beginning of year	1,900	1,110	1,867	1,064
Additional provisions	3,539	1,521	3,537	1,534
Amounts used	(1,300)	(491)	(1,300)	(491)
Unused amount reversed	(178)	(240)	(178)	(240)
<b>Carrying amount at end of period</b>	<b>3,961</b>	<b>1,900</b>	<b>3,926</b>	<b>1,867</b>

## 21 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 each reporting period.

### Employee benefits

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

#### (i) 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.

#### (ii) 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 non-financial corporate bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

#### (iii) 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.

#### (iv) 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.

#### (v) Termination benefits

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

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



## NOTES TO THE FINANCIAL STATEMENTS

### 22 Other liabilities

	Consolidated		University	
	2018 \$000's	2017 \$000's	2018 \$000's	2017 \$000's
<b>Current</b>				
Income received in advance	41,031	30,420	22,662	12,521
Australian government unspent financial assistance	30	927	30	927
Resident loans	194,778	197,830	-	-
<b>Total current other liabilities</b>	<b>235,839</b>	<b>229,177</b>	<b>22,692</b>	<b>13,448</b>
Resident loans obligation	256,448	258,623	-	-
Less: Deferred Management Fees (DMF) receivable	(61,670)	(60,793)	-	-
	<b>194,778</b>	<b>197,830</b>	-	-

#### *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. Resident loans obligation and DMF receivable are recognised on a net basis due to the right of offset.

## 23 Equity

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

	Consolidated		University	
	2018 \$000's	2017 \$000's	2018 \$000's	2017 \$000's
<b>Reserves</b>				
Land, buildings and infrastructure	360,149	365,670	356,365	361,780
Investment revaluation reserve	23,295	15,691	23,295	15,691
Hedging reserve - cash flow hedges	57	(38)	57	(38)
Foreign Exchange Translation Reserve	(102)	(76)	-	-
<b>Total reserves</b>	<b>383,399</b>	<b>381,247</b>	<b>379,717</b>	<b>377,433</b>

### Movement during the year:

<b>Reserves</b>				
Balance at beginning of year	381,247	387,134	377,433	382,629
Land, buildings and infrastructure	(5,522)	(10,322)	(5,415)	(9,847)
Investment revaluation reserve	7,604	4,674	7,604	4,674
Hedging reserve - cash flow hedges	95	(23)	95	(23)
Foreign Exchange Translation Reserve	(25)	(216)	-	-
<b>Balance at end of year</b>	<b>383,399</b>	<b>381,247</b>	<b>379,717</b>	<b>377,433</b>

### Retained earnings

	Consolidated		University	
	2018 \$000's	2017 \$000's	2018 \$000's	2017 \$000's
Retained earnings at the beginning of the financial year	426,069	422,424	630,936	628,878
Effect of adoption of new accounting standard	5,551	-	5,551	-
Net result for the period	15,603	3,645	9,781	2,058
Transfer to retained earnings - subsidiaries de-recognised <sup>#1</sup>	-	-	10,530	-
<b>Retained earnings at end of the financial year</b>	<b>447,223</b>	<b>426,069</b>	<b>656,798</b>	<b>630,936</b>

#### Land, buildings and infrastructure

This reserve is used to account for the increases or decreases in the value of assets as a result of revaluations.

#### Investment revaluation reserve

This reserve is used to account for increases or decreases in the value of investment in equity instruments designated at fair value through other comprehensive income.

#### Hedging reserve cash flow hedges

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

#### Foreign exchange translation reserve

This represents exchange differences arising on translation of the foreign subsidiary.

<sup>#1</sup> Murdoch University Foundation and Murdoch University Veterinary Trust were wound up on 4 July 2018 (refer to note 32(b)). The transfer relates to the carrying value of the net assets of the wound up subsidiaries recorded directly in equity.

## NOTES TO THE FINANCIAL STATEMENTS

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

	Consolidated		University	
	2018	2017	2018	2017
	\$000's	\$000's	\$000's	\$000's
Net result after income tax	15,603	3,530	9,781	1,943
<b>Adjustments for:</b>				
Depreciation and amortisation	19,055	17,802	20,087	18,506
Gain on disposal of property, plant and equipment	(49)	(100)	(49)	(104)
Net loss / gains on other financial assets	1,451	(3,762)	1,005	(3,921)
Fair value loss on investment property	4,090	751	4,090	751
Fair value movement in resident loans	(2,175)	1,130	-	-
Share of net results of associates accounted for using the equity method	34	-	34	-
Donations	(308)	(188)	(308)	(130)
<b>Changes in assets and liabilities:</b>				
Increase in receivables	(9,501)	(1,764)	(1,639)	(6,254)
Decrease in inventories	228	125	230	122
(Increase)/Decrease in other assets	(105)	120	944	71
(Increase)/Decrease in deferred tax assets	(81)	23	-	-
Increase/(Decrease) in payables	3,641	(6,820)	2,634	(6,156)
Increase/(Decrease) in provisions	4,093	(869)	3,999	(1,587)
Decrease in resident loans	(877)	(3,140)	-	-
Increase in other liabilities	8,339	4,272	7,840	3,099
<b>Net cash provided by operating activities</b>	<b>43,438</b>	<b>11,110</b>	<b>48,648</b>	<b>6,340</b>

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

### 25 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	
	2018	2017	2018	2017
	\$000's	\$000's	\$000's	\$000's
<b>Audit of Financial Statements</b>				
Fees paid to Office of the Auditor General	340	339	273	272

### 26 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.

### 27 Events subsequent to reporting date

Australian National Phenome Centre

On 5 February 2019, the University announced \$10 million in Federal Government support for the Australian National Phenome Centre.

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.

## 28 Commitments for expenditure

The following commitments are GST inclusive.

### (a). Capital commitments

	Consolidated		University	
	2018	2017	2018	2017
	\$000's	\$000's	\$000's	\$000's
<b>Capital expenditure contracted for at the reporting date but not recognised as liabilities is as follows:</b>				
Within one year	8,492	7,973	8,492	7,973
<b>Total capital commitments</b>	<b>8,492</b>	<b>7,973</b>	<b>8,492</b>	<b>7,973</b>

### (b). Lease commitments

	Consolidated		University	
	2018	2017	2018	2017
	\$000's	\$000's	\$000's	\$000's
<b>(i) Operating leases</b>				
<b>Commitments relating to non-cancellable operating leases are as follows:</b>				
Within one year	2,285	1,787	2,006	1,556
Later than one year but not later than five years	1,886	1,438	1,653	1,430
<b>Total operating lease commitments</b>	<b>4,171</b>	<b>3,225</b>	<b>3,659</b>	<b>2,986</b>
<b>(ii) Finance leases</b>				
<b>Commitments relating to finance leases are as follows:</b>				
Within one year	68	78	68	78
Later than one year but not later than five years	13	81	13	81
	81	159	81	159
Less: Future finance charges	(2)	(3)	(2)	(3)
<b>Finance lease liabilities</b>	<b>79</b>	<b>156</b>	<b>79</b>	<b>156</b>
<b>Lease liabilities provided for in the financial statements:</b>				
Current	66	77	66	77
Non-current	13	79	13	79
<b>Total lease liabilities</b>	<b>79</b>	<b>156</b>	<b>79</b>	<b>156</b>

The weighted average interest rate implicit in the finance leases is 4.51% (2017: 4.68%).

#### *Operating leases*

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

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

#### *Finance leases*

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



## NOTES TO THE FINANCIAL STATEMENTS

### 28 Commitments for expenditure

#### (c). Other expenditure commitments

	Consolidated		University	
	2018 \$000's	2017 \$000's	2018 \$000's	2017 \$000's
<b>Commitments relating to other expenditure are as follows:</b>				
Within one year	2,001	2,669	2,001	2,669
Later than one year but not later than five years	7,035	6,646	7,035	6,646
Later than five years	1,754	560	1,754	560
<b>Total other expenditure commitments</b>	<b>10,790</b>	<b>9,875</b>	<b>10,790</b>	<b>9,875</b>

### 29 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	
	2018	2017	2018	2017
\$0 - \$10,000	15	16	-	-
\$40,001 - \$50,000	-	-	1(#)	-
\$50,001 - \$60,000	2	-	-	-
\$70,001 - \$80,000	-	1	-	-
\$80,001 - \$90,000	-	-	-	1(#)
\$90,001 - \$100,000	-	-	1(#)	-
\$100,001 - \$110,000	-	-	-	1(#)
\$110,001 - \$120,000	-	-	-	1(#)
\$120,001 - \$130,000	-	-	1(#)	1(#)
\$140,001 - \$150,000	-	-	-	1(#)
\$150,001 - \$160,000	-	1	-	1(#)
\$190,001 - \$200,000	-	-	1(#)	-
\$220,001 - \$230,000	1	-	-	-
\$240,001 - \$250,000	-	2	-	-
\$250,001 - \$260,000	-	-	2(#)	3(#)
\$280,001 - \$290,000	-	-	1(#)	-
\$290,001 - \$300,000	-	-	1	1
\$310,001 - \$320,000	-	-	1(#)	-
\$320,001 - \$330,000	-	-	-	2
\$340,001 - \$350,000	-	-	-	1
\$370,001,- \$380,000	-	-	1	-
\$380,001,- \$390,000	-	-	1	-
\$410,001 - \$420,000	-	-	-	1
\$430,001 - \$440,000	-	-	1	-
\$440,001 - \$450,000	-	-	1	1
\$460,001,- \$470,000	-	-	1	1
\$470,001 - \$480,000	-	-	1	-
\$480,001 - \$490,000	-	-	-	1
\$510,001- \$520,000	-	-	-	1
\$530,001 - \$540,000	-	-	1	-
\$750,001 - \$760,000	-	1	-	-
\$930,001 - \$940,000	1	-	-	-
	<b>19</b>	<b>21</b>	<b>16</b>	<b>18</b>

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

## 29 Key management personnel compensation

	Senate members		Senior officers	
	2018	2017	2018	2017
	\$000's	\$000's	\$000's	\$000's
Short-term employee benefits	1,309	1,242	4,270	4,367
Post-employment benefits	206	208	565	669
Other long-term benefits	60	30	125	69
<b>Total key management personnel compensation</b>	<b>1,575</b>	<b>1,480</b>	<b>4,960</b>	<b>5,105</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 30 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 2018 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 2019.

##### (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.

##### (iv) Summarised sensitivity analysis

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

31 December 2018	Carrying amount	Interest rate risk				Foreign exchange risk				Other price risk			
		-0.5%		+0.5%		-10%		+10%		-10%		+10%	
		Result	Equity	Result	Equity	Result	Equity	Result	Equity	Result	Equity	Result	Equity
	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	
<b>Financial assets</b>													
Cash and Cash	44,086	(220)	(220)	220	220	-	-	-	-	-	-	-	-
Equivalents - at bank	76,516	(383)	(383)	383	383	-	-	-	-	-	-	-	-
Bank Deposits													
Amount receivable in foreign currency	119	-	-	-	-	(12)	(12)	12	12	-	-	-	-
Other financial assets													
Listed securities	1,483	-	-	-	-	-	-	-	-	(148)	(148)	148	148
Unlisted securities	28,856	-	-	-	-	-	-	-	-	(2,886)	(2,886)	2,886	2,886
Managed funds	63,748	-	-	-	-	-	-	-	-	(6,375)	(6,375)	6,375	6,375
<b>Total increase/(decrease)</b>		(603)	(603)	603	603	(12)	(12)	12	12	(9,409)	(9,409)	9,409	9,409

### 30 Financial Risk Management

#### (a). Market risk

31 December 2017	Carrying amount	Interest rate risk				Foreign exchange risk				Other price risk			
		-0.5%		+0.5%		-10%		+10%		-10%		+10%	
		Result	Equity	Result	Equity	Result	Equity	Result	Equity	Result	Equity	Result	Equity
	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	
<b>Financial assets</b>													
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	-	-	-	
Other financial assets	-	-	-	-	-	-	-	-	-	-	-	-	
Listed securities	3,362	-	-	-	-	-	-	-	-	(336)	(336)	336	
Unlisted securities	15,701	-	-	-	-	-	-	-	-	(1,570)	(1,570)	1,570	
Managed funds	63,422	-	-	-	-	-	-	-	-	(6,342)	(6,342)	6,342	
Total increase/(decrease)		(562)	(562)	562	562	(19)	(19)	19	19	(8,248)	(8,248)	8,248	

#### (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. There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors and/or regions. Notes 13 and 14 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	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
<b>Financial Liabilities:</b>												
Interest bearing liabilities	4,189	4,663	5,672	6,397	732	725	2,658	3,390	2,282	2,282		
Payables	21,913	22,087	21,913	22,087	21,907	22,081	6	6	-	-		
<b>Total Financial Liabilities</b>	<b>26,102</b>	<b>26,750</b>	<b>27,585</b>	<b>28,484</b>	<b>22,639</b>	<b>22,806</b>	<b>2,664</b>	<b>3,396</b>	<b>2,282</b>	<b>2,282</b>		



## NOTES TO THE FINANCIAL STATEMENTS

### 31 Fair value measurement

#### (a). Fair value measurements

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

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.

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 Group measures and recognise the following assets and liabilities at fair value on a recurring basis:

- \* Financials assets at fair value through profit and loss
- \* Investments in equity instruments designated at fair value through other comprehensive income
- \* Derivative financial instruments
- \* Land, buildings and infrastructure
- \* Investment properties
- \* Artworks

### 31 Fair value measurement

#### (b). Fair value hierarchy

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

#### (i) Recognised fair value measurements

Fair value measurements recognised in the statement of financial position are categorised into the following levels at 31 December 2018 and 2017.

	Note	Carrying amount \$000's	Fair value \$000's	Level 1 \$000's	Level 2 \$000's	Level 3 \$000's
<b>2018 Consolidated</b>						
<b>Financial assets</b>						
Cash and cash equivalents	12	44,086	44,086	-	-	-
Receivables	13	18,826	18,826	-	-	-
Other financial assets at amortised cost						
Bank deposits	14	76,516	76,516	-	-	-
Other financial assets at fair value through profit or loss						
Listed securities	14	1,483	1,483	1,483	-	-
Managed funds	14	63,748	63,748	63,748	-	-
Investment in equity instruments designated at fair value through other comprehensive income						
Unlisted securities	14	28,856	28,856	-	-	28,856
Derivative financial instruments		57	57	-	57	-
<b>Total financial assets</b>		<b>233,572</b>	<b>233,572</b>	<b>65,231</b>	<b>57</b>	<b>28,856</b>
<b>Non-financial assets</b>						
Investment properties	16	238,888	238,888	-	238,888	-
Land	17	236,794	236,794	-	236,794	-
Buildings	17	311,377	311,377	-	-	311,377
Infrastructure	17	33,609	33,609	-	-	33,609
Artworks	17	7,309	7,309	-	7,309	-
<b>Total non-financial assets</b>		<b>827,977</b>	<b>827,977</b>	<b>-</b>	<b>482,991</b>	<b>344,986</b>
<b>Financial liabilities</b>						
Payables	19	21,913	21,913	-	-	-
Borrowings	20	4,110	4,858	4,858	-	-
<b>Total financial liabilities</b>		<b>26,023</b>	<b>26,771</b>	<b>4,858</b>	<b>-</b>	<b>-</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 31 Fair value measurement

#### (b). Fair value hierarchy

	Note	Carrying amount \$000's	Fair value \$000's	Level 1 \$000's	Level 2 \$000's	Level 3 \$000's
<b>2017 Consolidated</b>						
<b>Financial assets</b>						
Cash and cash equivalent	12	35,757	35,757	-	-	-
Receivables	13	9,417	9,417	-	-	-
Other financial assets at amortised cost						
Bank deposits	14	76,589	76,589	-	-	-
Other financial assets at fair value through profit or loss						
Listed securities	14	3,362	3,362	3,362	-	-
Managed funds	14	63,422	63,422	63,422	-	-
Investment in equity instruments designated at fair value through other comprehensive income						
Unlisted securities	14	15,701	15,701	-	-	15,701
<b>Total financial assets</b>		<b>204,248</b>	<b>204,248</b>	<b>66,784</b>	<b>-</b>	<b>15,701</b>
<b>Non-financial assets</b>						
Investment properties	16	242,969	242,969	-	242,969	-
Land	17	239,370	239,370	-	239,370	-
Buildings	17	300,689	300,689	-	-	300,689
Infrastructure	17	31,605	31,605	-	-	31,605
Artworks	17	6,792	6,792	-	6,792	-
<b>Total non-financial assets</b>		<b>821,425</b>	<b>821,425</b>	<b>-</b>	<b>489,131</b>	<b>332,294</b>
<b>Financial liabilities</b>						
Payables	19	22,087	22,087	-	-	-
Borrowings (WATC loans)	20	4,507	5,339	5,339	-	-
Derivative financial instruments		38	38	-	38	-
<b>Total financial liabilities</b>		<b>26,632</b>	<b>27,464</b>	<b>5,339</b>	<b>38</b>	<b>-</b>

#### (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.

## 31 Fair value measurement

### (c). Valuation techniques to derive fair values

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 2018 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 meter.

## NOTES TO THE FINANCIAL STATEMENTS

### 31 Fair value measurement

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

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

	<b>Buildings</b>	<b>Infrastructure</b>	<b>Unlisted securities</b>	<b>Total</b>
	<b>\$000's</b>	<b>\$000's</b>	<b>\$000's</b>	<b>\$000's</b>
<b>2018</b>				
Fair value at start of period	300,689	31,605	15,701	347,995
Recognised in opening retained earnings	-	-	5,551	5,551
Acquisition	20,710	2,016	-	22,726
Revaluation (decrement) / increment recognised through other comprehensive income	(3,721)	641	7,604	4,524
Depreciation expense	(6,301)	(653)	-	(6,954)
<b>Closing Balance</b>	<b>311,377</b>	<b>33,609</b>	<b>28,856</b>	<b>373,842</b>
<b>2017</b>				
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)
Net valuation corrections	(5,506)	-	-	(5,506)
Depreciation expense	(6,380)	(590)	-	(6,970)
<b>Closing Balance</b>	<b>300,689</b>	<b>31,605</b>	<b>15,701</b>	<b>347,995</b>

(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

<b>Description</b>	<b>Fair value at 31 December 2018</b>	<b>Valuation technique</b>	<b>Unobservable inputs</b>	<b>Range of inputs (probability weighted average)</b>	<b>Relationship of unobservable inputs to fair value</b>
	<b>\$000's</b>				
Investment in unlisted securities	22,933	Discounted net asset value	Discount rate on value of underlying unlisted securities	30%	Increase in the discount rate will result in lower fair value
Investment in unlisted securities	5,923	Asset based	100% of the equity interest in the underlying unlisted securities	Not applicable	Increase in equity will result in higher fair value



## 32 Related Parties

### (a). Parent entity

The ultimate parent entity within the Group is Murdoch University.

### (b). Subsidiaries

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

Name of Entity	Principal place of business	Ownership interest %	
		2018	2017
Murdoch Investment Company Pty Ltd	Australia	100	100
Murdoch Retirement Services Pty Ltd	Australia	100	100
Innovative Chiropractic Learning Pty Ltd	Australia	100	100
Murdoch Ventures Pty Ltd	Australia	100	100
M.U.F.T Company Pty Ltd	Australia	100	100
Murdoch Singapore Pte Ltd	Singapore	100	100
Murdoch College Properties Pty Ltd	Australia	100	100
The Alan and Iris Peacocke Research Foundation	Australia	100	100
Murdoch University Foundation	Australia	-	100
Murdoch University Veterinary Trust	Australia	-	100

Murdoch University Foundation and Murdoch University Veterinary Trust were wound up on 4 July 2018. Operations are now incorporated within Murdoch University.

### (c). Key management personnel

Disclosures relating to Key management personnel are set out in note 29.

### (d). Transactions with related parties

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

	2018 \$000's	2017 \$000's
<b>Wholly owned entity</b>		
Donations, sponsorships and bequests	539	3,009
Other fees and charges	14,097	11,456
Dividend received	109	408
Rental and lease charges	(689)	(651)
Other expenditure	(394)	(280)
Recovery of salaries	(655)	(617)

### (e). Outstanding balances

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

	University	
	2018 \$000's	2017 \$000's
<b>Wholly owned entity</b>		
Inter entity loan receivable	2,851	12,552
Inter entity loan payable	123	717

## NOTES TO THE FINANCIAL STATEMENTS

### 33 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 2018 the assets of the DBD in aggregate were estimated to be \$3,785 million above vested benefits, after allowing for various reserves. The Vested Benefit Index (VBI) based on funding assumptions was 118.5%. 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 2018 the assets of the DBD in aggregate were estimated to be \$5,477 million above accrued benefits, after allowing for various reserves. The Accrued Benefit Index (ABI) based on best estimate assumptions was 129.1%. 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 2018. The financial assumptions used were:

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

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

34 Accittal of Australian Government Financial Assistance

(a). Education - CGS and other Education grants

	Commonwealth Grants Scheme <sup>#1</sup>		Access and Participation Pool		Disability Performance Funding <sup>#2</sup>		Promotion of Excellence in Learning and Teaching		Indigenous Student Success Program <sup>#3</sup>		Total	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
<b>Parent Entity (University) Only</b>												
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the program)	96,503	97,808	2,154	2,297	197	69	-	108	1,072	1,136	99,926	101,418
Net accrual adjustments	-	-	-	-	-	-	(10)	(19)	(4)	(19)	(19)	(14)
Revenue for the period	96,503	97,808	2,154	2,297	197	69	98	1,053	1,132	99,907	101,404	316
Surplus/(deficit) from the previous year	-	-	19	140	(342)	(7)	196	231	(241)	(48)	(368)	(368)
Total revenue including accrued revenue	96,503	97,808	2,173	2,437	(145)	62	329	812	1,084	99,539	101,720	101,720
Less expenses including accrued expenses	(96,503)	(97,808)	(2,187)	(2,418)	(344)	(404)	(90)	(133)	(1,272)	(1,325)	(100,396)	(102,088)
Surplus/(deficit) for reporting period	-	-	(14)	19	(489)	(342)	106	196	(460)	(241)	(857)	(368)

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

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

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

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

	HECS-HELP (Aust. Government payments only)		FEE-HELP		SA-HELP		Total	
	2018	2017	2018	2017	2018	2017	2018	2017
	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
<b>Parent Entity (University) Only</b>								
Cash Payable/(Receivable) at the beginning of the year	550	1	486	(79)	49	(32)	1,085	(110)
Financial assistance received in cash during the reporting period	60,251	57,350	8,780	9,641	1,451	1,534	70,482	68,525
Cash available for the period	60,801	57,351	9,266	9,562	1,500	1,502	71,567	68,415
Revenue earned	61,325	56,801	9,443	9,076	1,501	1,453	72,269	67,330
Cash Payable/(Receivable) at the end of the year	(524)	550	(177)	486	(1)	49	(702)	1,085

2(b).

## NOTES TO THE FINANCIAL STATEMENTS

### 34 Acquittal of Australian Government Financial Assistance

#### (c). Department of Education and Training Research

	Research Training Program		Research Support Program		Total	
	2018	2017	2018	2017	2018	2017
	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
<b>Parent Entity (University) Only</b>						
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the program)	9,852	10,039	7,975	8,248	17,827	18,287
Net accrual adjustments	-	889	-	-	-	889
Revenue for the period	2(c). 9,852	10,928	7,975	8,248	17,827	19,176
Surplus/(deficit) from the previous year	(2,801)	(1,473)	(4,072)	(5,885)	(6,873)	(7,358)
Total revenue including accrued revenue	7,051	9,455	3,903	2,363	10,954	11,818
Less expenses including accrued expenses	(7,051)	(12,256)	(3,903)	(6,435)	(10,954)	(18,691)
Surplus/(deficit) for reporting period	-	(2,801)	-	(4,072)	-	(6,873)

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

	Total domestic students	Total overseas students
	\$000's	\$000's
Research Training Program Fees offsets	-	499
Research Training Program Stipends	3,617	-
Research Training Program Allowances	2,826	109
<b>Total for all types of support</b>	<b>6,443</b>	<b>608</b>

#### (e). Other Capital Funding

	Linkage Infrastructure, Equipment and Facilities Grant		Total	
	2018	2017	2018	2017
	\$000's	\$000's	\$000's	\$000's
<b>Parent Entity (University) Only</b>				
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(d). -	2,168	-	2,168
Surplus/(deficit) from the previous year	1,980	(188)	1,980	(188)
Total revenue including accrued revenue	1,980	1,980	1,980	1,980
Less expenses including accrued expenses	(1,980)	-	(1,980)	-
Surplus/(deficit) for reporting period	-	1,980	-	1,980

#### (f). Australian Research Council Grants

	Discovery		Linkages		Total	
	2018	2017	2018	2017	2018	2017
	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
<b>Parent Entity (University) Only</b>						
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the program)	761	1,062	948	1,066	1,709	2,128
Net accrual adjustments	(156)	(104)	(258)	(140)	(414)	(244)
Revenue for the period	2(e). 605	958	690	926	1,295	1,884
Surplus/(deficit) from the previous year	2,955	2,837	2,768	2,625	5,723	5,462
Total revenue including accrued revenue	3,560	3,795	3,458	3,551	7,018	7,346
Less expenses including accrued expenses	(779)	(840)	(880)	(783)	(1,659)	(1,623)
Surplus/(deficit) for reporting period	2,781	2,955	2,578	2,768	5,359	5,723

### 34 Acquittal of Australian Government Financial Assistance

#### (g). OS-HELP

	<b>2018</b>	<b>2017</b>
	<b>\$000's</b>	<b>\$000's</b>
<b>Parent Entity (University) Only</b>		
Cash received during the reporting period	668	694
Cash spent during the reporting period	(576)	(703)
Net cash received	92	(9)
Cash surplus/(deficit) from the previous period	123	132
Cash surplus/(deficit) for the reporting period	19 215	123

#### (h). Student Services and Amenities Fee

		<b>2018</b>	<b>2017</b>
		<b>\$000's</b>	<b>\$000's</b>
<b>Parent Entity (University) Only</b>			
SA-HELP revenue earned	2(b).	1,501	1,453
Student Services and Amenities Fees direct from students	4	1,724	1,444
Total revenue expendable in period		3,225	2,897
Student services expenses during period		(3,225)	(2,897)
Unspent/(overspent) student services revenue		-	-



# Murdoch University Key Performance Indicators 2018

The Strategic Plan and Future Horizon 2017–2027 guides the University 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.

Key Performance Indicators reported here assess important measurable outcomes for Murdoch University in the areas of Education and Students, Research, and Operations. 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.

In December 2016, the Murdoch University Senate approved a core set of Key Performance Indicators which include targets for 2020 and 2025. The performance measures against which the success of the Strategic Plan 2017–2027 is assessed are a subset of those indicators. Management has defined the interim targets for these measures as successful progress towards end of period targets.

## Education and Students Outcomes

Murdoch University is recognised for its world-class, student-centred, high-quality teaching, and its interdisciplinary approach to course offerings. Clear pathways for admission to university and from undergraduate degrees to employment or further study are strategic priorities for the University. These characteristics are incorporated into Murdoch University's academic offerings and structures.

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.

These indicative activities are aimed at achieving the objectives of the Strategic Plan 2017–2027 that Murdoch University will provide an outstanding education experience for every student leading to our graduates being innovators fully prepared for their future careers. The University aims to achieve this through innovative curriculum, development of academic leaders, inclusive education and student support to improve progression and retention of all student cohorts, and an enhanced digital experience.

### The key indicators relating to Education and Students are:

- Overall student satisfaction as measured by the Social Research Centre for Quality Indicators for Learning and Teaching (QILT)
- Retention Rate for domestic commencing bachelor students
- Proportion of commencing domestic undergraduate students from low SES background
- Proportion of commencing domestic students from regional or remote areas
- Proportion of commencing domestic students that identify themselves as being of Aboriginal and Torres Strait Islander (ATSI) heritage
- Commencing International onshore student load.

## Research Outcomes

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, reinforces 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.

The Knowledge and Health Precinct being developed on the Perth Campus, in collaboration with government and health industry partners, provides a framework to focus research in critical health directions.

Research activities at Murdoch University are 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. Through these activities Murdoch University will achieve its research goal of providing life-changing solutions to complex world challenges.

### **The key indicators relating to Research are:**

- Total Higher Education Research Data Collection (HERDC) income received
- Engagement Income (HERDC Categories 2-4: Industry and other Research and Development (R&D) income; Other public sector R&D income; Cooperative Research Centre R&D income).

## Operational Outcomes

In recent years the university sector has had to contend with uncertain and contested Commonwealth funding and regulation. Institutions are also facing an increasingly competitive environment for both research funding and student enrolments. As a result, universities need to be efficient and productive to be able to invest in their activities and be competitive internationally.

Building a strong financial platform is a critical objective of the first five years of the Strategic Plan. In order to have a strong future, we will have a clear focus on growth in student numbers, student retention and completion, strategic management of our costs and strategic investment in high value initiatives.

### **The key indicator relating to Operations, measured at the consolidated level, is:**

- Operating Margin, expressed as a percentage.

**Education and Students 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.

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 2018 survey are Murdoch University's unpublished figures. In 2018, the number of graduates surveyed who provided valid CEQ responses was 797 with an overall Graduate Outcomes Survey response rate of 46.0 per cent. The 95 per cent margin for error for 2018 is 80.2 ± 2.8 per cent.

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

<b>Overall Graduate Satisfaction (CEQ Scale) measured by Social Research Centre</b>	
2020 Target	83.0
2018 Target	Progress towards 2020 Target
<b>2018 Result</b>	<b>80.2</b>

**Commencing student retention rate**

University student 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 commencing, domestic students who continue in their award course studies at Murdoch University from the listed academic year to the next, excluding those who graduate. The 2016 retention rate reflects those domestic students who commenced their studies in 2016 and were retained into 2017. This is the most recent year for which validated data is available through the Higher Education Statistics Collection of the Department of Education and Training. The final retained value from 2018 into 2019 is unknown at the time of this report, because students are yet to complete unit enrolments, which may extend to the end of 2019.

<b>Commencing student retention rate (Domestic Students)</b>	
2020 Target	82.2%
2016 Target	Progress towards 2020 target
<b>2016 Result</b>	<b>81.7%</b>

### Participation rate for non-traditional cohorts

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 these cohorts 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 these cohorts.

The proportion of commencing Domestic undergraduate students from low SES backgrounds is measured by the percentage of low SES students to total commencing domestic undergraduate student enrolments. Low socio-economic status (SES) is determined by the position of a student's postcode of permanent home residence 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. Performance is calculated using Australian Bureau of Statistics 2016 census data on socio-economic status of residential postcodes. Students from the low SES community generally face greater challenges to their university aspirations - financial burden and an unfavourable home learning environment being two examples.

The proportion of commencing Domestic students from regional or remote areas is calculated based on students' postcode of permanent home residence mapped to regional/remote categories using the Australian Statistical Geography Standard (ASGS) Volume 5-Remoteness Structure. The proportion is measured by the percentage of commencing regional and remote students to total commencing domestic students.

Murdoch University has developed one of the most successful AIME (Australian Indigenous Mentoring Experience) programs in WA. Murdoch student volunteers help their mentees achieve their goals in high school and successfully apply to university or gain employment. The University has developed an award winning alternative entry program, K-Track, to provide a transformative pathway for Indigenous students to gain entry. Together with the work of the Kulbardi Aboriginal Centre supporting indigenous students, these programs have resulted in Murdoch having the highest proportion of Aboriginal or Torres Strait Islander students of any WA university. The proportion is measured by the percentage of domestic students commencing a degree in that year that self-identify as Aboriginal or Torres Strait Islander compared to total commencing domestic students.

The most recent year for which validated data is available through the Higher Education Statistics Collection of the Department of Education and Training is 2017. This data has been used in the calculation of the indicators below.

Proportion of domestic students from non-traditional cohorts			
	Commencing Undergraduate students	Commencing students	
	Low SES <sup>1</sup>	Regional or Remote <sup>2</sup>	ATSI Students
2020 Target	19.0%	13.0%	2.0%
2017 Target	Progress towards 2020 target	Progress towards 2020 target	Progress towards 2020 target
<b>2017 Result</b>	<b>22.4%</b>	<b>13.5%</b>	<b>2.6%</b>

1. Low SES is based on the students' postcode of permanent home residence. Students are classified as being Low SES if their permanent address is in an area in the bottom 25% of the 2016 SEIFA Education and Occupation Index for 15-64 year olds.

2. Regional and remote categories are derived from 2016 ASGS classifications

### Commencing International onshore student load

The academic future of universities is dependent on global connectedness and this is reflected in the Strategic Plan as a goal to extend our impact as a global university. This global outlook has begun to be realised, with strong growth in onshore international students, new and renewed educational partnerships, and research outreach.

The indicator is measured by the equivalent full time student load (EFTSL) of international fee-paying students who commenced their degree of study in the year at an Australian campus.

Murdoch University has seen strong growth in onshore international students as a result of improved recruitment activities in several targeted countries and the University's International Welcome Scholarships.

International Onshore Student Commencements (EFTSL)	
2020 Target	840
2018 Target	Progress towards 2020 target
<b>2018 Result</b>	<b>1,132</b>

## KEY PERFORMANCE INDICATORS 2018

### Research Outcomes

#### Effectiveness Indicators

##### Total research income

Murdoch has successfully consolidated its translational research capacity towards the strategic aim of positioning the University as an internationally networked research collaborator of choice in selected areas of global significance. Total research income increased 26.3 per cent over 2016 to \$28.6 million, with nationally competitive grants comprising \$13.2 million of the total, up 37.8 per cent on 2016.

The University continues to perform strongly in strategic research areas, including phenomics and personalised medicine; primary food production and food security; resources, the environment and their management; and animal health and welfare.

In meeting its goal of providing life changing solutions to complex world challenges, Murdoch University has strengthened interdisciplinary research programs. In particular, it has established three key research institutes across the interconnected themes of health futures, food futures and sustainable development.

Research income is one indicator of performance measuring the growth in research income across all category types. The measure used is total income reported by the University in the Higher Education Research Data Collection (HERDC) across Categories 1 – 4. Data for 2017 is reported as this is the most recent audited data available from the Department of Education and Training.

While we are yet to achieve our 2020 target, Murdoch University continues to implement strategies to grow our research income.

The University's continuing strategic focus on key research themes is being recognised and rewarded with research funding success from government agencies and industry partners. The University expects that 2018 total research income will be in line with the 2020 target.

##### Total research income (HERDC Categories 1-4)

2020 Target	\$35,000,000
2017 Target	Progress towards 2020 target
<b>2017 Result</b>	<b>\$28,585,261</b>

##### Engagement income

Expanding local and international collaborations will also expand mechanisms for supporting research that make the University resilient to external funding policy changes and adaptable to national and global needs. This will ensure that Murdoch is able to develop research areas while maintaining support for identified areas of excellence and emerging strength. To this end, the Strategic Plan envisages that the University will apply our world-class translation research and capacity to innovate to collaborative research projects of global significance.

The Higher Education Research Data Collection (HERDC) Categories 2 to 4 cover Industry and other Research and Development (R&D) income; Other public sector R&D income; and Cooperative Research Centre R&D income. Each of these require external engagement to generate reportable research income, in some cases requiring co-investment that is leveraged to obtain Commonwealth Government funding. This indicator measures income derived from industry engagement by aggregating research income across the HERDC Categories 2-4. Data for 2017 is reported as this is the most recent audited data available from the Department of Education and Training.

##### Total Engagement Income in Categories 2-4 (HERDC)

2020 Target	\$16,800,000
2017 Target	Progress towards 2020 target
<b>2017 Result</b>	<b>\$15,423,096</b>



## Operational Outcomes

### Efficiency Indicator

#### Consolidated - Operating Margin

The Senate has ensured the University delivers on financial sustainability, while maintaining its educational and research excellence.

The Operating Margin is a measure of the consolidated surplus which supports the University's capital and strategic investment requirements. It is calculated as the consolidated surplus or deficiency as a percentage of total consolidated income.

Murdoch University successfully increased income, particularly through international student income, while maintaining administrative efficiencies.

#### Consolidated Operating Margin

2020 Target	>5%
2018 Target	0%
2018 Result	4.2%

## KEY PERFORMANCE INDICATORS 2018

### Characteristics of the Student Population

#### Summary Statistics

<b>Students</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
<b>Level</b>					
Higher Degree Research	800	781	733	751	795
Higher Degree Coursework	1,625	1,557	1,528	1,613	2,343
Other Postgraduate	1,330	1,059	1,036	1,003	1,045
Undergraduate	20,185	19,684	19,690	19,665	19,739
Non-Award	202	163	166	199	173
<b>Total</b>	<b>24,142</b>	<b>23,244</b>	<b>23,153</b>	<b>23,231</b>	<b>24,095</b>
<b>Broad Field of Study</b>					
Agriculture, Environmental and Related Studies	398	295	227	170	149
Architecture and Building	1	1	1	1	0
Creative Arts	1,428	1,121	951	593	698
Education	2,297	1,974	1,788	1,922	2,039
Engineering and Related Technologies	658	645	641	577	567
Health	1,852	1,909	2,074	2,170	2,280
Information Technology	1,345	1,210	1,122	760	741
Management and Commerce	7,580	7,220	6,689	5,741	5,341
Natural and Physical Sciences	2,289	2,660	3,129	3,984	4,779
Society and Culture	6,092	6,046	6,365	7,114	7,328
Non-Award	202	163	166	199	173
<b>Total</b>	<b>24,142</b>	<b>23,244</b>	<b>23,153</b>	<b>23,231</b>	<b>24,095</b>
<b>Student Load (EFTSL)</b>					
<b>Level</b>					
Higher Degree Research	535	545	515	518	536
Higher Degree Coursework	958	952	958	977	1,441
Other Postgraduate	597	424	445	469	520
Undergraduate	14,203	13,536	13,690	13,190	13,516
Non-Award	107	68	62	71	53
<b>Total</b>	<b>16,400</b>	<b>15,524</b>	<b>15,670</b>	<b>15,225</b>	<b>16,066</b>
<b>Broad Field of Study</b>					
Agriculture, Environmental and Related Studies	228	157	104	80	72
Architecture and Building	0	0	0	0	0
Creative Arts	1,061	783	684	370	485
Education	1,456	1,234	1,159	1,302	1,405
Engineering and Related Technologies	459	455	447	409	375
Health	1,420	1,433	1,630	1,857	1,982
Information Technology	920	780	724	452	433
Management and Commerce	5,016	4,773	4,474	3,368	3,238
Natural and Physical Sciences	1,606	1,882	2,222	2,707	3,283
Society and Culture	4,127	3,960	4,163	4,610	4,740
Non-Award	107	68	62	71	53
<b>Total</b>	<b>16,400</b>	<b>15,524</b>	<b>15,670</b>	<b>15,225</b>	<b>16,066</b>

## Completions

### Level

	2013	2014	2015	2016	2017
Higher Degree Research	97	93	113	142	119
Higher Degree Coursework	541	515	510	562	531
Other Postgraduate	1,425	1,187	740	548	536
Undergraduate	3,688	4,355	5,928	6,271	5,978

### Total

**5,751**      **6,150**      **7,291**      **7,523**      **7,164**

### Broad Field of Study

Agriculture, Environmental and Related Studies	135	111	126	94	62
Architecture and Building	1	0	0	0	0
Creative Arts	451	497	595	520	440
Education	543	576	541	433	405
Engineering and Related Technologies	141	128	128	194	145
Health	362	344	363	366	363
Information Technology	274	320	599	572	510
Management and Commerce	2,299	2,633	3,082	3,335	2,935
Natural and Physical Sciences	372	330	360	512	649
Society and Culture	1,173	1,211	1,497	1,497	1,655

### Total

**5,751**      **6,150**      **7,291**      **7,523**      **7,164**

## Staff - Full Time Equivalence (FTE)

### Staff Function

	2014	2015	2016	2017	2018
Teaching Only or Mainly	207	203	277	275	298
Research Only or Mainly	63	67	79	66	76
Teaching and Research	402	403	411	408	376
Other	31	10	16	15	19
Non-Academic	984	960	1,000	993	1,002

### Total

**1,686**      **1,644**      **1,783**      **1,757**      **1,771**

## Student Load (EFTSL) per Teaching Staff FTE

	2014	2015	2016	2017	2018
Load/FTE Ratio*	18.0	16.6	14.9	16.4	18.1

\*Excludes student load in offshore courses :      5,531      5,458      5,403      4,016      3,834

### Notes:

2018 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

2018 Completions are not yet final; figures will be presented in 2019 Annual Report

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

## KEY PERFORMANCE INDICATORS 2018

### Equity Student Statistics

Broad Field of Study (Students)	2014	2015	2016	2017	2018
<b>Aboriginal &amp; Torres Strait Islanders</b>					
Agriculture, Environmental and Related Studies	4	3	2	1	0
Creative Arts	4	3	1	0	7
Education	34	35	38	34	30
Engineering and Related Technologies	2	4	3	3	3
Health	20	25	29	34	36
Information Technology	2	2	1	0	0
Management and Commerce	13	15	15	15	14
Natural and Physical Sciences	24	23	30	52	61
Society and Culture	148	120	147	149	150
Non-Award	0	0	0	0	0
<b>Total</b>	<b>251</b>	<b>230</b>	<b>266</b>	<b>288</b>	<b>301</b>
<b>Female</b>					
Agriculture, Environmental and Related Studies	249	184	132	104	102
Architecture and Building	1	1	1	1	0
Creative Arts	841	663	574	361	361
Education	1,800	1,508	1,345	1,398	1,465
Engineering and Related Technologies	127	127	131	124	119
Health	1,368	1,459	1,626	1,695	1,738
Information Technology	237	230	240	180	303
Management and Commerce	4,341	4,108	3,821	3,208	2,953
Natural and Physical Sciences	1,294	1,469	1,683	2,042	2,324
Society and Culture	3,790	3,691	3,975	4,436	4,854
Non-Award	124	113	122	141	115
<b>Total</b>	<b>14,172</b>	<b>13,553</b>	<b>13,650</b>	<b>13,690</b>	<b>14,334</b>
<b>Regional*</b>					
Agriculture, Environmental and Related Studies	59	42	28	22	16
Architecture and Building	0	0	0	0	0
Creative Arts	42	23	7	4	32
Education	270	225	182	201	178
Engineering and Related Technologies	49	48	44	33	31
Health	158	170	185	171	171
Information Technology	23	8	3	2	1
Management and Commerce	90	81	70	73	59
Natural and Physical Sciences	254	282	310	344	353
Society and Culture	391	389	425	512	445
Non-Award	6	8	4	16	7
<b>Total</b>	<b>1,342</b>	<b>1,276</b>	<b>1,258</b>	<b>1,378</b>	<b>1,293</b>

\* Data calculated using student's permanent residential postcode to associate status using ABS 2011 Census data, except 2018, where 2016 Census data are used.

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

Broad Field of Study (Students)	2014	2015	2016	2017	2018
<b>Remote*</b>					
Agriculture, Environmental and Related Studies	13	11	4	6	6
Architecture and Building	0	0	0	0	0
Creative Arts	3	2	1	1	1
Education	79	57	51	50	41
Engineering and Related Technologies	7	7	8	4	5
Health	13	16	24	20	22
Information Technology	4	2	1	0	0
Management and Commerce	21	24	23	17	16
Natural and Physical Sciences	46	46	52	65	65
Society and Culture	55	57	63	88	65
Non-Award	0	2	3	2	2
<b>Total</b>	<b>241</b>	<b>225</b>	<b>230</b>	<b>253</b>	<b>223</b>
<b>Low Socio-Economic Status*</b>					
Agriculture, Environmental and Related Studies	50	33	24	21	15
Architecture & Building	0	0	0	0	0
Creative Arts	68	45	24	11	75
Education	477	432	407	410	481
Engineering and Related Technologies	91	86	78	65	59
Health	420	455	474	485	527
Information Technology	64	43	26	13	10
Management and Commerce	196	199	214	184	187
Natural and Physical Sciences	331	385	486	560	650
Society and Culture	782	776	858	1,017	1,113
Non-Award	5	5	4	15	7
<b>Total</b>	<b>2,484</b>	<b>2,459</b>	<b>2,595</b>	<b>2,781</b>	<b>3,124</b>
<b>Non-English Speaking Background**</b>					
Agriculture, Environmental and Related Studies	8	9	8	3	3
Architecture & Building	0	0	0	0	0
Creative Arts	9	4	3	2	7
Education	34	27	30	30	25
Engineering and Related Technologies	45	41	46	47	33
Health	45	67	97	113	103
Information Technology	24	18	11	4	2
Management and Commerce	67	62	53	52	42
Natural and Physical Sciences	64	94	93	127	128
Society and Culture	120	117	122	148	131
Non-Award	11	13	6	7	2
<b>Total</b>	<b>427</b>	<b>452</b>	<b>469</b>	<b>533</b>	<b>476</b>

\* Data calculated using student's permanent residential postcode to associate status using ABS 2011 Census data, except 2018, where 2016 Census data are used.

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

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



## KEY PERFORMANCE INDICATORS 2018

### Equity Student Statistics (continued)

Broad Field of Study (Students)	2014	2015	2016	2017	2018
<b>People with a Disability</b>					
Agriculture, Environmental and Related Studies	29	23	20	15	16
Architecture & Building	0	0	0	0	0
Creative Arts	53	46	27	19	49
Education	145	118	122	129	136
Engineering and Related Technologies	35	31	35	36	37
Health	104	113	126	113	130
Information Technology	39	29	27	17	12
Management and Commerce	104	99	86	99	87
Natural and Physical Sciences	199	240	322	381	388
Society and Culture	490	554	571	635	699
Non-Award	4	3	4	3	1
<b>Total</b>	<b>1,202</b>	<b>1,256</b>	<b>1,340</b>	<b>1,447</b>	<b>1,555</b>
<b>Summary (Per cent of Population)</b>					
Total Students Enrolled	24,142	23,244	23,153	23,231	24,095
Female	59.3%	58.9%	59.0%	58.9%	59.5%
Domestic Enrolled Students <sup>#</sup>					
Aboriginal & Torres Strait Islanders	1.8%	1.7%	2.0%	2.0%	2.0%
Regional	9.7%	9.7%	9.3%	9.5%	8.7%
Remote	1.8%	1.7%	1.7%	1.7%	1.5%
Low Socio-Economic Status	18.0%	18.7%	19.1%	19.2%	21.1%
Non-English Speaking Background	3.1%	3.4%	3.5%	3.7%	3.2%
People with a Disability	8.7%	9.6%	9.9%	10.0%	10.5%

<sup>#</sup> 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	2014	2015	2016	2017	2018
<b>Funding Agreement Load (EFTSL)*</b>					
Target	8,468	7,774	7,859	8,349	8,492
Actual	8,248	7,692	7,982	8,835	9,168
Difference (EFTSL)	-220	-82	122	486	676
Difference (%)	-2.60%	-1.06%	1.56%	5.82%	7.96%
<b>Undergraduate Target Load (EFTSL)</b>					
Target	8,197	7,503	7,588	8,051	8,276
Actual	8,013	7,546	7,852	7,852	8,113
Difference (EFTSL)	-184	43	263	-199	-163
Difference (%)	-2.24%	0.57%	3.47%	-2.48%	-1.98%
<b>Funding Sources</b>					
Commonwealth Grants (\$000's)	179,113	173,512	184,688	196,218	196,929
Commonwealth Grants (at 2018 prices) (\$000's)	191,079	181,847	190,248	199,161	196,929
Outside Research Grants & Donations (\$000's)	22,082	22,473	22,483	28,731	36,560
Commonwealth Grants per EFTSL (at 2018 prices)	23,166	22,558	23,140	22,210	21,481
Total Commonwealth Grants as a Percentage of Total Income	53%	54%	53%	57%	53%
<b>External Research Funding (at 2018 prices)^</b>					
Number of Competitive Research Grants	117	131	118	111	120
Value of Competitive Research Grants (\$000's)	10,700	10,624	9,819	16,584	17,919
Value of Non-Competitive Grants (\$000's)	17,754	11,131	15,019	15,081	18,036
Total Research Grants (\$000's)	28,455	21,755	24,838	31,665	35,956
<b>Index</b>	1.0668	1.0480	1.0301	1.0150	1.0000
<b>Higher Education Indexation Number</b>	1.1110	1.1309	1.1506	1.1677	1.1852

\*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
Australian National Phenome Centre and equipment	19.01	18.65	2019
South Street campus refurbishment / infrastructure	11.68	2.69	2019
Southern Metropolitan Crop Research Hub	6.96	6.54	2019
Information technology development and upgrade	6.48	2.01	2019

## Our People

### People, values and culture

It is the people of Murdoch University and their commitment that have shaped the progress made in 2018.

In 2018 Murdoch University's staff profile grew to 1,414 continuous and fixed term staff and 357 casual staff employed.

FTE	Continuous	Fixed Term	Casual	Total
Academic	373	173	224	<b>769</b>
Professional	632	237	133	<b>1002</b>
<b>Total</b>	<b>1,004</b>	<b>410</b>	<b>357</b>	<b>1,771</b>

## Safety, Health and Wellbeing

Murdoch University is a diverse and complex workplace where all hazards are managed through the Safety, Health and Wellbeing Management Plan. Overview of outcomes of the Plan for 2017-2018 include:

- 22 elected and trained Health and Safety Representatives throughout the University to proactively manage health and safety issues.
- Approximately 1,328 staff and students participated in the Influenza Vaccination Program and the Health Checks Program.
- More than 140 trained Mental Health First Aiders in place to support the University's wellbeing initiatives. Murdoch University has been awarded Silver recognition from Mental Health First Aid Australia.
- Receipt of Bronze recognition for wellbeing from Healthier Workplace WA for the successful implementation of a Workplace Health Program that assists employees to make positive lifestyle changes.
- Early intervention approach applied to return to work plans for all compensable injuries during 2018.

KPI	2016	2017	2018*	Target
Lost Time Injury Frequency Rate	1.08	0.32	0.84	0.60
Days Lost to HSW Incidents	620	351	492	90
Medical Treatment Injury (MTI)	16	19	24	8
Physical Injury Claims	25	38	32	0
Psychological Injury Claims	3	3	4	0
No. of Notifications (Worksafe) 10+ Days	4	4	6	0
No. of Improvement Notices (Worksafe)	0	1	1	0

## Equity, Diversity and Inclusion

We are about people, for people, irrespective of background and this commitment extends to our staff.

Key work undertaken to improve gender and Indigenous equity across our workforce include:

- Finalisation of the Aboriginal and Torres Strait Islander Employment Strategy 2019-2021. The Aboriginal and Torres Strait Islander Employment Strategy aims to increase the representation of Aboriginal and Torres Strait Islander staff from approximately 1 per cent to 3 per cent, over the duration of the Strategy.
- Murdoch University joined cohort 3 of the Science in Australia Gender Equity, Athena SWAN accreditation program, to improve gender equity in STEMM areas. The self-assessment process has so far resulted in numerous initiatives to improve gender equity including the funding of specialised professional development opportunities for female academics.

## Organisational Development

2018 presented an opportunity to refresh and recalibrate the organisational development function.

- 2018 saw 130 individual programs comprised of 356 training hours with 1,430 attendances. These courses had a satisfaction rating of 80 per cent.
- A major change management process commenced in mid-2018, involving significant review and consultation initiated by the realignment of the academic areas of Murdoch University.
- Launch of the new Contribution Development Review, supported by the 'Enabling Conversations' program to support staff and supervisors in feedback conversations.

## OTHER DISCLOSURES

### HR Systems and Projects

#### Award Interpreter Developed

In acknowledging effective systems and processes there are essential building blocks to ensure Murdoch's future success; the lead up to certification of the Murdoch University Enterprise Agreement 2018 (MUEA2018) provided opportunity for the People and Culture Office to develop an Award Interpreter. The Timesheet and Claims Application determines the appropriate penalty rate a Professional member of staff will be paid in accordance with Enterprise Agreement business rules and ensures the University is in compliance with the MUEA2018.

#### SAGE Pay Gap Analysis

In conjunction with the Office of Strategy, Quality and Analytics, HR Systems provided information to assist with the development of data sets showing trends over a six year period. The suite of reports were developed to inform SAGE reporting on how Murdoch can work towards closing the gender pay gap, increase Aboriginal employment across the workforce as well as other opportunities to increase female representation.

#### Ascender Upgrade

A major project was delivered when Ascender Pay was upgraded on the 12th November. This upgrade ensures the University meets the Higher Education Services sublicensing agreement without incurring extended support fees. Whilst the upgrade did not deliver new functionality, payroll processing times have been reduced by two thirds.

### Employee Relations

Staff overwhelmingly supported the Murdoch University Enterprise Agreement 2018 (MUEA) with an 85 per cent 'Yes' vote in March 2018. The MUEA was approved by the Fair Work Commission and came into effect on 10 August 2018.

- The MUEA is a significant departure from the previous Enterprise Agreement and a comprehensive implementation program was undertaken to identify practice and compliance issues with customised solutions developed.
- Training packages on the revised timesheet claims application system were delivered and new policies and procedures developed to support the MUEA.

### 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 Plans.

Following a review of the University's Recordkeeping Plan and the efficiency and effectiveness of its recordkeeping systems in 2017, an amended Recordkeeping Plan was submitted to the State Records Office on 19 April 2018. The State Records Commission subsequently approved the amended Recordkeeping Plan on 10 August 2018 for a period of five years. The University's recordkeeping policies, guidelines, procedures, disposal arrangements and disaster plan were also reviewed and updated during 2018.

The University conducts an online recordkeeping awareness-training course for its staff. The self-paced 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. Training course completions are recorded in the staff development and training management system. Staff are required to undertake refresher training every two years.

The training program serves the following aims:

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

The recordkeeping awareness-training course is reviewed annually to maintain its currency and relevance.

All new staff are enrolled in the recordkeeping training course. In addition, information about recordkeeping requirements is provided during the induction of a new employee.

The University will be undertaking a cloud-based pilot project implementation of HPE Content Manager during 2018/19 in the University Secretary's Office and the Office of the Vice Chancellor. The EDRMS deployment is expected to provide strong support for the University's administrative operations and deliver improvements in the management of its records and information.



## 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

### Impact of legislation

There have been no amendments to legislation to which the University is subject which could have had a material impact on the University's operations.

### Insurance of officers

During the financial year, the Group has paid insurance premiums of \$26,590 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.

## Freedom of Information

This year Murdoch University received seven applications (three of which are current) and three third party consultation requests under Freedom of Information legislation. A further four requests did not meet the requirements of a valid application under the legislation and did not progress, and two applications were withdrawn. In addition, the University received two requests for information that could be provided outside of the Freedom of Information process. Of the 2018 applications, none have progressed to an internal review. One 2017 application proceeded to internal review in 2018. Three applications outstanding from the previous year were finalised in 2018, including the 2017 internal review. No applications went to external review.

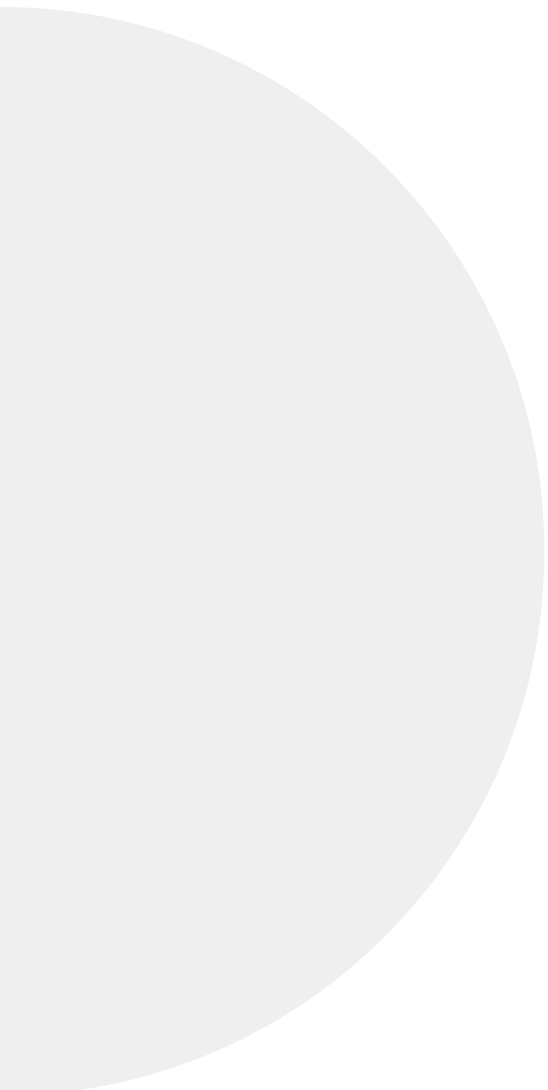
## Media and advertising expenditure

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 2018 financial year on those organisations was \$3,075,464.

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

<b>Advertising Agencies</b>	<b>\$662,426</b>
J Walter Thompson	
Getting Hectic	
<b>Media Advertising</b>	<b>\$2,123,638</b>
Initiative Media	
Benchmarketing	
Equilibrium Interactive	
Isentia	
Junkee Media	
<b>Market Research</b>	
Taylor Nelson	<b>\$289,400</b>



**Perth campus**

90 South Street,  
Murdoch WA 6150

**Rockingham campus**

Dixon Road,  
Rockingham WA 6168

**Mandurah campus**

Education Drive,  
Mandurah WA 6210

**Murdoch Dubai**

Dubai International Academic City,  
Block No.10, 4th Floor, P.O. Box 345 005,  
Dubai UAE

**Murdoch Singapore**

#06-04 Kings Centre,  
390 Havelock Road,  
Singapore 169 662

[www.murdoch.edu.au](http://www.murdoch.edu.au)

