

WESTERN SYDNEY
UNIVERSITY



ANNUAL REPORT
2016



The Year in Review

Volume 2

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Western Sydney University

Consolidated Financial Statements

For the year ended 31 December 2016

Statement by the Members of the Board of Trustees

For the year ended 31 December 2016

In accordance with a resolution of the Board of Trustees of Western Sydney University dated 5 April 2017 and pursuant to Section 41C (1B) and (1C) of the *Public Finance and Audit Act 1983*, we state that to the best of our knowledge and belief:


(a) The financial statements present a true and fair view of the financial position of Western Sydney University and its controlled entities (the Group) at 31 December 2016 and the Income Statement and Statement of Comprehensive Income of the Group for the year then ended.

(b) The financial statements have been prepared in accordance with the provisions of the *Public Finance and Audit Act 1983*, the *Public Finance and Audit Regulation 2015* and the *Financial Statement Guidelines for the Australian Higher Education Providers for the 2016 Reporting Period* issued by the Department of Education and Training.

(c) The financial statements have been prepared in accordance with applicable Australian Accounting Standards and other mandatory authoritative pronouncements and interpretations of the Australian Accounting Standards Board, some of which contain requirements specific to not-for-profit entities that are inconsistent with IFRS requirements.

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

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



.....
Professor Peter Shergold, AC
Chancellor



.....
Professor Barney Glover
Vice Chancellor and President

Dated at Sydney 5 April 2017

Western Sydney University

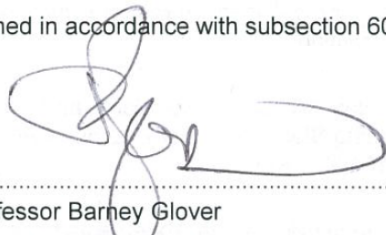
Responsible persons declaration

For the year ended 31 December 2016

The responsible persons declare that in the responsible person's opinion:

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

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



.....
Professor Barney Glover
Vice Chancellor and President

Dated at Sydney 5 April 2017

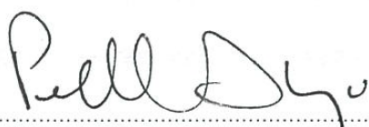
Western Sydney University

Certifications Statement

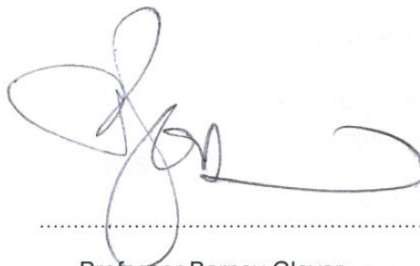
For the year ended 31 December 2016

The amount of Australian Government financial assistance expended during the period was for the purposes for which it was intended and Western Sydney University has complied with applicable legislation, contracts, agreements and program guidelines in making expenditure.

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



Professor Peter Shergold, AC
Chancellor



Professor Barney Glover
Vice Chancellor and President

Dated at Sydney 5 April 2017



To the Vice Chancellor
Western Sydney University

Auditor's Independence Declaration

As auditor for the audit of the financial statements of Western Sydney University for the year ended 31 December 2016, I declare, to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature in blue ink, appearing to read 'Margaret Crawford'.

Margaret Crawford
Auditor-General of NSW

4 April 2017
SYDNEY

Western Sydney University

Income Statement

For the Year Ended 31 December 2016

		Consolidated		Parent	
		2016	2015	2016	2015
	Notes	\$'000	\$'000	\$'000	\$'000
Income from continuing operations					
Australian Government financial assistance					
Australian Government grants	2	345,493	342,114	345,493	341,954
HELP - Australian Government payments	2(b)	223,757	221,292	223,757	221,316
State and Local Government financial assistance	3	6	-	6	-
HECS-HELP - student payments		14,594	14,821	14,594	14,821
Fees and charges	4	96,688	93,976	87,660	79,964
Investment revenue	5	8,535	12,579	8,456	12,536
Royalties, Trademarks and Licences	6	262	221	262	194
Consultancy and contracts	7	17,927	14,156	17,923	14,171
Share of net profit or loss on investments accounted for using the equity method	8	(1,052)	(119)	-	-
Other income	9	55,433	49,688	52,674	39,499
Gain on disposal of assets	10	13,191	6,889	12,842	6,995
Total income from continuing operations		774,834	755,617	763,667	731,450
Expenses from continuing operations					
Employee related expenses	11	466,003	442,407	420,814	389,684
Depreciation and amortisation	12	43,874	39,637	42,580	38,921
Repairs and maintenance	13	27,107	30,165	26,844	29,847
Borrowing costs	14	2,558	1,735	2,689	1,956
Impairment of assets	15	(183)	48	(214)	(98)
Other expenses	16	200,638	200,302	234,936	228,134
Total expenses from continuing operations		739,997	714,294	727,649	688,444
Net result from continuing operations		34,837	41,323	36,018	43,006

The accompanying notes form part of these financial statements.

Statement of Comprehensive Income

For the Year Ended 31 December 2016

	Notes	Consolidated		Parent	
		2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Net result for the period		34,837	41,323	36,018	43,006
Items that may be reclassified to Income Statement					
Gain / (loss) on revaluation of available-for-sale financial assets	29(b)	4,724	855	4,724	855
Total		4,724	855	4,724	855
Items that will not be reclassified to Income Statement					
Gain / (loss) on revaluation of land and buildings	29(b)	18,900	110,168	18,879	110,168
Gain / (loss) on revaluation of art collection	29(b)	986	-	986	-
Gain / (loss) on revaluation of livestock	29(b)	(214)	46	(214)	46
Gain / (loss) on revaluation of licenses	29(b)	-	250	-	250
Actuarial gains / (losses) recognised in respect of Defined Benefit Plans	29(b)	(366)	(280)	(366)	(280)
Total		19,306	110,184	19,285	110,184
Total other comprehensive income		24,030	111,039	24,009	111,039
Total comprehensive income		58,867	152,362	60,027	154,045
Total comprehensive income attributable to members of the University		58,867	152,362	60,027	154,045

The accompanying notes form part of these financial statements.

Statement of Financial Position

As at 31 December 2016

		Consolidated		Parent	
		2016	2015	2016	2015
Notes		\$'000	\$'000	\$'000	\$'000
ASSETS					
Current assets					
Cash and cash equivalents	17	139,225	132,544	136,397	130,053
Receivables	18	61,525	47,064	64,151	51,178
Inventories	19	15	2,888	-	-
Other non-financial assets	24	244	154	244	154
Non-current assets held for sale	20	85,460	69,513	85,330	69,300
Total current assets		286,469	252,163	286,122	250,685
Non-current assets					
Receivables	18	353,345	353,868	353,345	353,868
Investments accounted for using the equity method	8	-	-	-	-
Property, plant and equipment	21	1,600,066	1,523,368	1,593,034	1,516,756
Intangible assets	22	10,294	5,334	10,140	5,061
Other financial assets	23	98,175	85,536	98,175	85,536
Other non-financial assets	24	1,002	622	1,002	622
Total non-current assets		2,062,882	1,968,728	2,055,696	1,961,843
Total assets		2,349,351	2,220,891	2,341,818	2,212,528
LIABILITIES					
Current liabilities					
Trade and other payables	25	47,695	58,207	47,297	57,448
Borrowings	26	72,000	-	79,228	7,681
Provisions	27	68,421	69,721	65,819	67,135
Other liabilities	28	48,850	42,769	47,052	41,357
Total current liabilities		236,966	170,697	239,396	173,621
Non-current liabilities					
Borrowings	26	83,000	75,500	83,000	75,500
Provisions	27	350,420	355,373	349,220	354,009
Other liabilities	28	12,745	11,968	12,745	11,968
Total non-current liabilities		446,165	442,841	444,965	441,477
Total liabilities		683,131	613,538	684,361	615,098
Net assets		1,666,220	1,607,353	1,657,457	1,597,430
EQUITY					
Restricted funds		-	-	-	-
Reserves	29	708,004	684,514	703,755	680,286
Retained earnings	29	958,216	922,839	953,702	917,144
Total equity		1,666,220	1,607,353	1,657,457	1,597,430

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

For the Year Ended 31 December 2016

		Parent	
	Reserves	Retained Earnings	Total
Notes	\$'000	\$'000	\$'000
Balance at 1 January 2016	680,286	917,144	1,597,430
Net result	29(c) -	36,018	36,018
Gain on revaluation of property, plant and equipment	29(b) 18,879	-	18,879
Gain on revaluation of available-for-sale financial assets	29(b) 4,724	-	4,724
Gain on revaluation of art collection	29(b) 986	-	986
Gain on revaluation of livestock	29(b) (214)	-	(214)
Net actuarial gains / (losses) recognised in respect of Defined Benefit Plans	29(b) (366)	-	(366)
Total comprehensive income	704,295	953,162	1,657,457
Transfer from property plant and equipment reserve on disposal of assets	29(c) (540)	540	-
Balance at 31 December 2016	703,755	953,702	1,657,457

		Parent	
	Reserves	Retained Earnings	Total
Note	\$'000	\$'000	\$'000
Balance at 1 January 2015	571,082	872,303	1,443,385
Net result	29(c) -	43,006	43,006
Gain on revaluation of property, plant and equipment	29(b) 110,168	-	110,168
Gain on revaluation of available-for-sale financial assets	29(b) 855	-	855
Gain on revaluation of livestock	29(b) 46	-	46
Net actuarial gains / (losses) recognised in respect of Defined Benefit Plans	29(b) (280)	-	(280)
Gain on revaluation of licenses	29(b) 250	-	250
Total comprehensive income	682,121	915,309	1,597,430
Transfer from property plant and equipment reserve on disposal of assets	29(c) (1,835)	1,835	-
Balance at 31 December 2015	680,286	917,144	1,597,430

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

For the Year Ended 31 December 2016

	Notes	Consolidated		
		Reserves	Retained Earnings	Total
		\$'000	\$'000	\$'000
Balance at 1 January 2016		684,514	922,839	1,607,353
Net result	29(c)	-	34,837	34,837
Gain on revaluation of property, plant and equipment	29(b)	18,900	-	18,900
Gain on revaluation of available-for-sale financial assets	29(b)	4,724	-	4,724
Gain on revaluation of art collection		986	-	986
Gain on revaluation of livestock	29(b)	(214)	-	(214)
Net actuarial gains / (losses) recognised in respect of Defined Benefit Plans	29(b)	(366)	-	(366)
Total comprehensive income		708,544	957,676	1,666,220
Transfer from property plant and equipment reserve on disposal of assets	29(c)	(540)	540	-
Balance at 31 December 2016		708,004	958,216	1,666,220

	Note	Consolidated		
		Reserves	Retained Earnings	Total
		\$'000	\$'000	\$'000
Balance at 1 January 2015		575,310	879,681	1,454,991
Net result	29(c)	-	41,323	41,323
Gain on revaluation of property, plant and equipment	29(b)	110,168	-	110,168
Gain on revaluation of available-for-sale financial assets	29(b)	855	-	855
Gain on revaluation of livestock	29(b)	46	-	46
Net actuarial gains / (losses) recognised in respect of Defined Benefit Plans	29(b)	(280)	-	(280)
Gain on revaluation of licenses	29(b)	250	-	250
Total comprehensive income		686,349	921,004	1,607,353
Transfer from property plant and equipment reserve on disposal of assets	29(c)	(1,835)	1,835	-
Balance at 31 December 2015		684,514	922,839	1,607,353

The accompanying notes form part of these financial statements.

Statement of Cash Flows

For the Year Ended 31 December 2016

		Consolidated		Parent	
		2016	2015	2016	2015
Notes		\$'000	\$'000	\$'000	\$'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Australian Government Grants		567,636	562,552	567,636	562,416
State Government Grants		6	-	6	-
HECS-HELP - Student payments		14,594	14,821	14,594	14,821
Receipts from student fees and other customers		167,926	171,648	156,864	148,424
Interest received		8,226	11,773	7,948	11,604
Payments to suppliers and employees		(740,153)	(681,349)	(730,058)	(658,667)
Interest and other costs of finance		(2,558)	(1,735)	(2,550)	(1,746)
GST recovered		27,821	21,337	27,821	21,337
Net cash provided by operating activities	39	43,498	99,047	42,261	98,189
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from sale of property, plant and equipment		25,796	31,939	25,306	31,866
Payments for property, plant and equipment		(134,198)	(93,893)	(132,566)	(91,586)
Payments for financial assets		(7,915)	(28,187)	(7,915)	(28,187)
Loans to related parties		-	-	(841)	(11,855)
Repayment of loans by related parties		-	-	1,191	10,503
Net cash used by investing activities		(116,317)	(90,141)	(114,825)	(89,259)
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from borrowings		493,500	442,500	498,572	444,808
Repayment of borrowings		(414,000)	(443,000)	(419,664)	(446,700)
Net cash (used by) / provided by financing activities	26	79,500	(500)	78,908	(1,892)
Net increase in cash and cash equivalents held		6,681	8,406	6,344	7,038
Cash and cash equivalents at beginning of the year		132,544	124,138	130,053	123,015
Cash and cash equivalents at end of financial year	17	139,225	132,544	136,397	130,053

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 31 December 2016

1 Summary of Significant Accounting Policies

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

The principal place of business for Western Sydney University is Great Western Highway Kingswood NSW 2747.

(a) Basis of Preparation

The annual financial statements represent the audited general purpose financial statements of Western Sydney University. They have been prepared on an accrual basis in accordance with Australian Accounting Standards.

The University applies Tier 1 reporting requirements.

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

- *Public Finance and Audit Act 1983 and Public Finance and Audit Regulations 2015;*
- *Financial Statement Guidelines for Australian Higher Education Providers for the 2016 Reporting Period* as issued by the Department of Education and Training;
- *The Australian Charities and Not-for-profit Commission Regulation 2013;* and
- Other State/Australian Government legislative requirements.

Western Sydney University is a not-for-profit entity and these statements have been prepared on that basis. Some of the Australian Accounting Standards requirements for not-for-profit entities are inconsistent with IFRS requirements.

Date of authorisation for issue

The financial statements were authorised for issue by the members of Western Sydney University on 5 April 2017.

Historical cost convention

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

Notes to the Financial Statements

For the Year Ended 31 December 2016

1 Summary of Significant Accounting Policies (continued)

(a) Basis of Preparation (continued)

Critical accounting estimates and significant judgements

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

i. Management has elected to measure land and buildings at fair value as determined by licensed valuers being Global Valuation Services Pty Ltd who have performed an independent valuation as at 30 September 2016. Plant and equipment has been measured at the written down historical costs of these assets. The valuation of land, building, plant and equipment is shown in property, plant and equipment (note 21). For further details refer also note 1(p).

ii. Trade debtors (note 18) would generally be measured at amortised cost which will be approximated by the related nominal value. Management has assumed that there are no significant receivables with fair value materially different from nominal value and that there will be no significant delays in collecting outstanding amounts.

iii. The University has entered into a Joint Operation with Urban Growth (note 38). Cost of goods sold has been calculated on a percentage of completion basis, taking into account lot area sold and total costs to completion of the development.

Determining the carrying amount of provisions for employee long service leave entitlements (note 27), provision for annual leave entitlements (note 27), deferred superannuation (note 27), depreciation and useful life of buildings (note 21), and allowance for impaired receivables (note 18(a)) requires estimation of the uncertain future events on those assets and liabilities at the reporting date.

The assumptions made in the assessment of each of the financial assets and liabilities are shown in the relevant notes to the accounts and note 1(j), note 1(m), note 1(o), note 1(p) and note 1(x).

(b) Basis of Consolidation

(i) Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Western Sydney University ("parent entity") as at 31 December 2016 and the results of all subsidiaries for the year then ended. Western Sydney University and its subsidiaries together are referred to in these financial statements as the Group or the Consolidated Entity.

Subsidiaries are all those entities (including 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.

Notes to the Financial Statements

For the Year Ended 31 December 2016

1 Summary of Significant Accounting Policies (continued)

(b) Basis of Consolidation (continued)

Intercompany 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.

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

The subsidiaries of the University as at 31 December 2016 are:

- UWS Enterprises Pty Limited trading as Western Sydney University The College
- uwsconnect Limited
- Whitlam Institute (within Western Sydney University) Limited and Trust
- UWS Early Learning Limited

Television Sydney (TVS) Limited ceased broadcasting on 20 December 2015 and finalised business operations on 31 December 2015, with no further transactions occurring in 2016. The Company was de-registered on 9 November 2016.

Separate financial statements are prepared by the University's subsidiaries. The Audit Office of NSW audits these financial statements.

(ii) Joint Arrangements

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

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

Joint operations:

The University's share of assets, liabilities, revenue and expenses of a joint operation have been incorporated in the financial statements under the appropriate headings. Details of the joint operation are set out in note 38.

Joint venture:

The interest in a joint venture entity is accounted for in the consolidated financial statements using the equity method and is carried at cost by the parent entity. Under the equity method, the share of the profits or losses of the entity is recognised in the income statement, and the share of movements in reserves is recognised in reserves in the statement of comprehensive income and the statement of changes in equity. If the venturer's share of losses of a joint venture equals or exceeds its interest in the joint venture, the venturer discontinues recognising its share of further losses. Details relating to the entity are set out in note 8.

Notes to the Financial Statements

For the Year Ended 31 December 2016

1 Summary of Significant Accounting Policies (continued)

(c) Foreign currency transactions and balances

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

Transactions in foreign currencies are recorded in the functional currency at the exchange rates prevailing at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

(d) Revenue Recognition

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

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

Revenue is recognised for the major business activities as follows:

(i) Government Grants

Western Sydney University treats operating grants received from Australian Government entities as income in the year of receipt, as required by *AASB 1004 Contributions*.

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

(ii) HELP Payments

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.

(iii) Student fees and charges

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

(iv) Royalties, trademarks and licences

Revenue from royalties, trademarks and licences is recognised as income when earned.

(v) Consulting and contracting

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

Notes to the Financial Statements

For the Year Ended 31 December 2016

1 Summary of Significant Accounting Policies (continued)

(d) Revenue Recognition (continued)

(vi) Lease income

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

(vii) Investment income

Revenue is recognised as the interest accrues using the effective interest method.

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

(e) Research grants and contracts

Private (Non Education) research grants and contracts are received by the University in advance of research services being provided and represent reciprocal transfers as specific research services are agreed between the University and the research contractee, with an acquittal process following the provision of the research service. The University treats unspent private research grants as a liability (note 28). In 2016 this amounted to \$9.840M (2015: \$7.649M). In the 2016 reporting period the \$7.649M deferred in the prior year has been treated as income (2015: \$9.846M). The net impact on income in 2016 was therefore an increase of \$2.191M (2015: decrease of \$2.197M).

(f) Income Tax exemption

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

(g) 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.

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

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

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

Notes to the Financial Statements

For the Year Ended 31 December 2016

1 Summary of Significant Accounting Policies (continued)

(h) Impairment of assets

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

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount (note 15). For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows which are largely independent of the cash inflows from other assets or groups of assets (cash generating unit).

(i) Cash and cash equivalents

For statement of cash flows presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of six months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(j) Trade receivables

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

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

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

Cash flows relating to short term receivables are not discounted if the effect of discounting is immaterial.

(k) Prepayments

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

(l) Inventories

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

Notes to the Financial Statements

For the Year Ended 31 December 2016

1 Summary of Significant Accounting Policies (continued)

(m) Investments and other financial assets

Classification

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

(i) Held-to-maturity investments

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

The Group has designated as held-to-maturity investments its investment in a fixed income portfolio managed by JB Were Limited. The investments are included as non-current assets in the statement of financial position (note 23).

(ii) Loans and receivables

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

(iii) Available-for-sale financial assets

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

The Group has designated as available-for-sale:

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

The Acadian Australian Equity High Yield Fund units and unlisted securities are included as non-current assets in the statement of financial position (note 23).

Unrealised gains and losses arising from changes in the fair value of financial assets classified as available-for-sale are recognised in equity in the available-for-sale investments revaluation reserve (note 29(a)).

(iv) Recognition and derecognition of financial assets

Purchases and sales of investments are recognised on 'trade date' which is the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit and loss are initially recognised at fair value and transaction costs are expensed in the income statement. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

Notes to the Financial Statements

For the Year Ended 31 December 2016

1 Summary of Significant Accounting Policies (continued)

(m) Investments and other financial assets (continued)

Classification (continued)

When investments classified as available-for-sale are sold, the accumulated fair value adjustments recognised in other comprehensive income are included in the income statement as gains and losses from sale of available-for-sale financial assets (note 5).

(v) Subsequent measurement

Available-for-sale financial assets are subsequently carried at fair value. Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method.

(vi) Fair value

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

(vii) Impairment

The Group assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered in determining whether the security is impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit and loss - is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement.

(n) Non-current assets (or disposal groups) held for sale and discontinued operations

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

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

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

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

Notes to the Financial Statements

For the Year Ended 31 December 2016

1 Summary of Significant Accounting Policies (continued)

(o) Fair value measurement

The fair value of assets and liabilities must be measured for recognition and disclosure purposes.

The Group classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements.

The fair value of assets or liabilities traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices for identical assets or liabilities at the end of the reporting date (Level 1). The quoted market price used for assets held by the Group is the most representative of fair value in the circumstances within the bid-ask spread.

The fair value of assets or liabilities that are not traded in an active market are determined using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments (Level 2) are used for long-term debt instruments held. Other techniques that are not based on observable market data (Level 3) such as estimated discounted cash flows, are used to determine fair value for the remaining assets and liabilities. The level in the fair value hierarchy shall be determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety.

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

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

(p) Property, Plant and Equipment

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

Valuation for land and new or refurbished buildings was undertaken as at 30 September 2016 by Global Valuation Services Pty Ltd. Land and buildings were revalued on the basis of highest and best use.

For non completed assets, construction costs totalling \$50.306M incurred up to the reporting date were capitalised subsequent to the buildings revaluation. The scope of the valuation did not include revaluation of these buildings. The value of these refurbished buildings is based on the 31 December 2015 revaluation by Global Valuation Services Pty Ltd plus the construction costs capitalised in late 2016.

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

Notes to the Financial Statements

For the Year Ended 31 December 2016

1 Summary of Significant Accounting Policies (continued)

(p) Property, Plant and Equipment (continued)

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

Due to the specialised nature of buildings and the lack of directly comparable sales evidence, the 30 September 2016 valuation for new and refurbished buildings was undertaken utilising the Summation Valuation approach, whereby the cost to construct improvements as new is estimated and that amount depreciated, after taking into consideration the nature and design of the improvements, their age and the current condition. In determining the value for each building the exterior dimensions of each building were calculated from the detailed room specifications maintained by the University and extrapolated by the valuer's knowledge of current building rates on a square metre basis. The resultant value as at reporting date was then adjusted for the estimated remaining useful life of each building. The Depreciated Replacement Cost of the improvements was then added to the underlying land value, which was derived after analysis of comparable sales evidence.

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

All other plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

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

Notes to the Financial Statements

For the Year Ended 31 December 2016

1 Summary of Significant Accounting Policies (continued)

(p) Property, Plant and Equipment (continued)

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

Life	2016	2015
Computing (Mainframe & Networking)	4 years	4 years
Computing (Other)	3 years	3 years
Vehicles	6-7 years	6-7 years
Scientific	10 years	10 years
Audio visual	10 years	10 years
Printing	10 years	10 years
Other	10-20 years	10-20 years
Buildings (except where a limit of useful life of a building has been identified)	5-60 years	5-60 years
Library Collection	5 years	5 years
Leasehold Improvements	2-6 years	2-6 years

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

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

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

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

(q) Repairs and Maintenance

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

(r) Livestock

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

(s) Intangible Assets

(i) Licences

Licences have a finite useful life and are carried at cost less accumulated amortisation and impairment losses. Amortisation is calculated using the straight-line method to allocate the cost of licences across their estimated useful life of 5 years (note 22).

Notes to the Financial Statements

For the Year Ended 31 December 2016

1 Summary of Significant Accounting Policies (continued)

(s) Intangible Assets (continued)

(ii) Electronic materials

Electronic materials have a finite useful life and are carried at cost less accumulated amortisation and impairment losses. Amortisation is calculated using the straight-line method to allocate the cost of electronic materials across their estimated useful life of 5 years (note 22).

(t) Trade and other payables

Trade and other payables are carried at amortised cost and due to their short term nature they are not discounted. They represent liabilities for goods and services provided to the Group prior to the end of the financial year, that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. The Group's standard terms of payment are 30 days from date of recognition.

(u) Borrowings

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

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

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

(v) Borrowing costs

Borrowing costs are expensed. Finance charges in respect of finance leases, and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs are included in the definition of borrowing costs.

(w) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

Provisions are not recognised for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

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

Notes to the Financial Statements

For the Year Ended 31 December 2016

1 Summary of Significant Accounting Policies (continued)

(x) Employee benefits

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

(i) Wages and salaries

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

(ii) Annual leave and sick leave

The liability for annual leave is recognised in current provisions for employee benefits as it is due to be settled within 12 months after the end of the reporting period. It is measured at the amount expected to be paid when the liability is settled.

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

(iii) Long service leave

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

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

(iv) Retirement benefit obligations

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

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

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

Notes to the Financial Statements

For the Year Ended 31 December 2016

1 Summary of Significant Accounting Policies (continued)

(x) Employee benefits (continued)

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

Past service costs are recognised in profit or loss immediately.

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

(v) Deferred government benefit for superannuation

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

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

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

Note 41 discloses specific treatment.

(vi) Termination Benefits

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

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

Notes to the Financial Statements

For the Year Ended 31 December 2016

1 Summary of Significant Accounting Policies (continued)

(y) Financial guarantee contracts

Financial guarantee contracts are recognised as a liability at the time the guarantee is issued. The liability is initially measured at fair value, and subsequently at the higher of the amount determined in accordance with AASB 137 Provisions, Contingent Liabilities and Contingent Assets and the amount initially recognised less cumulative amortisation, where appropriate.

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

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

(z) Rounding of amounts

The University is of a kind referred to in Class order 98/0100 as amended by Class order 04/667, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the financial report. Amounts in the financial report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, the nearest dollar.

(aa) Goods and Services Tax (GST)

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

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

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

The Group, excluding uwsconnect Limited and UWS Early Learning Limited, is a Charitable Institution endorsed to access GST concessions on a range of transactions.

(ab) Insurance

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

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

(ac) Foreign operations

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

Notes to the Financial Statements

For the Year Ended 31 December 2016

1 Summary of Significant Accounting Policies (continued)

(ad) New Accounting Standards and Interpretations

Certain new Accounting Standards and Interpretations have been published that are not mandatory for 31 December 2016 reporting periods. Western Sydney University's assessment of the impact of these new Standards and Interpretations is set out below:

Standard	Application date	Implications
AASB 124 Related Party Disclosures	1 January 2017	The impact of adoption has not yet been determined.
AASB 15 Revenue from contracts with customers	1 January 2019	The impact of adoption has not yet been determined.
AASB 9 Financial instruments	1 January 2018	The impact of adoption has not yet been determined.
AASB 16 Leases	1 January 2019	The impact of adoption has not yet been determined.

Notes to the Financial Statements

For the Year Ended 31 December 2016

1 Summary of Significant Accounting Policies (continued)

(ae) Comparative Amounts

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

When the Group applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in the financial statements, a statement of financial position as at the beginning of the earliest comparative period will be presented.

During the preparation of the current year financial statements, the following items have been adjusted to conform with the current years presentation, resulting in more relevant reliable financial information and classification.

		2015 Reported Consolidated Note \$'000	2015 Revised Consolidated \$'000	2015 Reported Parent \$'000	2015 Revised Parent \$'000
Note 2(f) - Australian Research Councils					
(i) Discovery					
Projects	2(f)(i)	4,046	4,908	4,046	4,908
Fellowships	2(f)(i)	2,099	1,237	2,099	1,237
		<u>6,145</u>	<u>6,145</u>	<u>6,145</u>	<u>6,145</u>
Note 9 - Other revenue and income					
Sales of goods	9	9,798	16,916	1,011	1,011
Commercial leases and other rental income	9	11,473	4,355	4,108	4,108
		<u>21,271</u>	<u>21,271</u>	<u>5,119</u>	<u>5,119</u>
Note 16 - Other expenses					
Minimum lease payments on operating lease	16	6,237	8,554	5,852	8,169
Other expenses	16	11,777	9,460	10,853	8,536
		<u>18,014</u>	<u>18,014</u>	<u>16,705</u>	<u>16,705</u>
Note 24 - Other non-financial asset					
Current assets					
Other non-financial assets	24	-	154	-	154
Non-current assets					
Other non-financial assets	24	776	622	776	622
		<u>776</u>	<u>776</u>	<u>776</u>	<u>776</u>
Note 25 - Trade and other payables					
Payables	25	59,024	58,771	58,012	58,012
Note 28 - Other liabilities					
Other	28	1,895	2,148	1,796	1,796
		<u>60,919</u>	<u>60,919</u>	<u>59,808</u>	<u>59,808</u>

Notes to the Financial Statements

For the Year Ended 31 December 2016

2 Australian Government financial assistance including HECS-HELP and other Australian Government loan programs

(a) Commonwealth Grants Scheme and Other Grants

	Note	Consolidated		Parent	
		2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Commonwealth Grants Scheme #1		297,511	287,365	297,511	287,365
Indigenous Support Program		1,758	1,749	1,758	1,749
Higher Education Participation Program #2		11,625	13,074	11,625	13,074
Disability Support Program		924	823	924	823
Promotion of Excellence in Learning and Teaching		155	175	155	175
Total Commonwealth Grants Scheme and Other Grants	40(a)	311,973	303,186	311,973	303,186

(b) Higher Education Loan Programs

HECS - HELP		204,836	204,978	204,836	204,978
FEE - HELP #3		11,862	9,195	11,862	9,219
SA - HELP		7,059	7,119	7,059	7,119
Total Higher Education Loan Programs	40(b)	223,757	221,292	223,757	221,316

(c) Scholarships

Australian Postgraduate Awards		3,361	3,227	3,361	3,227
International Postgraduate Research Scholarships		274	270	274	270
Commonwealth Education Costs Scholarships #4		109	83	109	83
Commonwealth Accommodation Scholarships		21	10	21	10
Indigenous Access Scholarships		39	72	39	72
Total Scholarships	40(c)	3,804	3,662	3,804	3,662

(d) Education Research

Joint Research Engagement Program		3,813	3,730	3,813	3,730
Research Training Scheme		7,070	6,884	7,070	6,884
Research Infrastructure Block Grants		1,896	1,796	1,896	1,796
Sustainable Research Excellence in Universities		1,753	1,497	1,753	1,497
Total Education Research	40(d)	14,532	13,907	14,532	13,907

Notes to the Financial Statements

For the Year Ended 31 December 2016

2 Australian Government financial assistance including HECS-HELP and other Australian Government loan programs (continued)

(e) Other Capital Funding

	Note	Consolidated		Parent	
		2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Education Investment Fund		-	100	-	100
Total Other Capital Funding	40(e)	-	100	-	100

(f) Australian Research Council ('ARC')

(i) Discovery

Projects		4,433	4,908	4,433	4,908
Fellowships #5		990	1,237	990	1,237
Indigenous Researchers Development		-	256	-	256
Total Discovery	40(f)(i)	5,423	6,401	5,423	6,401

(ii) Linkages

Linkages - Infrastructure Projects		-	18	-	18
Total Linkages	40(f)(ii)	1,146	734	1,146	734

(iii) Networks and Centres

Networks and Centres - Centres		1,136	1,069	1,136	1,069
Total Networks and Centres		1,136	1,069	1,136	1,069

Total Networks and Centres and Special Research Initiatives

	40(f)(iii)	1,136	1,069	1,136	1,069
Total ARC	40(f)	7,705	8,204	7,705	8,204

#1 Includes the basic CGS grant amount, CGS - Regional Loading, CGS - Enabling Loading, Maths and Science Transition Loading and Full Fee Places Transition Loading.

#2 Includes Equity Support Program

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

#4 Includes Grandfathered Scholarships, National Priority and National Accommodation Priority Scholarships

#5 Includes Early Career Researcher Award

Notes to the Financial Statements

For the Year Ended 31 December 2016

2 Australian Government financial assistance including HECS-HELP and other Australian Government loan programs (continued)

(g) Other Australian Government Financial Assistance

	Consolidated		Parent	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
Non-capital				
Department of Health	3,649	6,491	3,649	6,491
Away-from-base assistance	404	389	404	389
Indigenous Tutorial Assistance Scheme	480	372	480	372
Study overseas short term mobility project	1,877	2,090	1,877	2,090
Structured Training and Employment Program	-	52	-	52
Other	319	611	319	451
Total	6,729	10,005	6,729	9,845
Capital				
Department of the Environment	-	2,000	-	2,000
Horticulture Innovation Australia	750	1,050	750	1,050
Total	750	3,050	750	3,050
Total Other Australian Government Financial Assistance	7,479	13,055	7,479	12,895
Total Australian Government Financial Assistance	569,250	563,406	569,250	563,270

Notes to the Financial Statements

For the Year Ended 31 December 2016

2 Australian Government financial assistance including HECS-HELP and other Australian Government loan programs (continued)

	Consolidated		Parent	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
Reconciliation				
Australian Government Grants (Note 2: a + c + d + e + f + g)	345,493	342,114	345,493	341,954
Higher Education Loan Programs (2b)	223,757	221,292	223,757	221,316
Total Australian Government Financial Assistance	569,250	563,406	569,250	563,270

(h) Australian Government Grants received - cash basis

CGS and Other Education Grants	40(a)	312,771	302,951	312,771	302,951
Higher Education Loan Programmes	40(b)	222,891	221,389	222,891	221,413
Scholarships	40(c)	3,804	3,662	3,804	3,662
Education Research	40(d)	12,954	13,907	12,954	13,907
Other Capital Funding	40(e)	-	100	-	100
ARC Grants - Discovery	40(f)	5,133	6,234	5,133	6,234
ARC Grants - Linkages	40(f)	1,146	749	1,146	749
ARC Grants - Networks and Centres	40(f)	1,136	1,069	1,136	1,069
Other Australian Government Grants	2(g)	7,479	13,055	7,479	12,895
Total Australian Government Grants received - cash basis		567,314	563,116	567,314	562,980
OS-Help (Net)	40(g)	322	(564)	322	(564)
Total Australian Government funding received - cash basis		567,636	562,552	567,636	562,416

Notes to the Financial Statements

For the Year Ended 31 December 2016

3 State and local government financial assistance

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

	Consolidated		Parent	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Non-capital				
NSW Department of Primary Industries	6	-	6	-
Total Non-capital	6	-	6	-
Total State and Local Government Financial Assistance	6	-	6	-

4 Fees and charges

	Consolidated		Parent	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Course Fees and Charges				
Fee-paying onshore overseas students	79,643	75,228	77,728	70,928
Fee-paying offshore overseas students	1,099	1,086	822	649
Fee-paying domestic postgraduate students	2,771	2,674	2,771	2,674
Fee-paying domestic undergraduate students	454	488	291	388
Fee-paying domestic non-award students	868	960	730	801
Continuing education	3,044	4,113	9	-
Other domestic course fees and charges	(25)	36	(25)	36
Total Course Fees and Charges	87,854	84,585	82,326	75,476
Other Non-Course Fees and Charges				
Student services fees from students	2,781	2,512	2,781	2,512
Deferral fees	144	149	144	149
Library fines	215	200	215	200
Student accommodation	824	330	824	330
Academic transcripts	261	259	261	259
Graduation fees	385	404	385	404
Academic dress hire	367	374	367	374
Student test fees	3,311	4,706	-	-
Other	546	457	357	260
Total Other Fees and Charges	8,834	9,391	5,334	4,488
Total Fees and Charges	96,688	93,976	87,660	79,964

Notes to the Financial Statements

For the Year Ended 31 December 2016

5 Investment revenue and other investment income

	Consolidated		Parent	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
Interest income				
Bank deposits	3,634	3,732	3,555	3,689
Other loans and receivables	438	440	438	440
Distribution from managed funds				
Available-for-sale financial assets	2,947	6,801	2,947	6,801
Held-to-maturity investments	258	267	258	267
Dividends received	1,258	1,339	1,258	1,339
Total investment income	8,535	12,579	8,456	12,536

6 Royalties, trademarks and licences

	Consolidated		Parent	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
Royalty and intellectual property	262	221	262	194
Total royalties, trademarks and licences	262	221	262	194

7 Consultancy and contracts

	Consolidated		Parent	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
Consultancy	4,230	3,476	4,226	3,474
Contract research	13,697	10,680	13,697	10,697
Total consultancy and contracts	17,927	14,156	17,923	14,171

Notes to the Financial Statements

For the Year Ended 31 December 2016

8 Investments accounted for using the equity method

(a) Restrictions

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

(b) Individually immaterial joint venture or associate

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

	Consolidated Joint Ventures	
	2016	2015
	\$'000	\$'000
Profit/(loss) from continuing operations	(1,052)	(119)
Profit/(loss) from continuing operations after income tax	(1,052)	(119)
Other comprehensive income	-	-
Total comprehensive income	(1,052)	(119)

Capital commitments arising from the Group's interests in joint arrangements and contingent liabilities arising from the Group's interests in associates and joint arrangements are disclosed in notes 33 and 32 respectively.

9 Other revenue and income

	Consolidated		Parent	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
Sale of goods	15,584	16,916	993	1,011
Parking fees	4,048	4,467	4,049	4,467
Donations and bequests	7,283	3,819	7,153	3,786
Commercial leases and other rental income	5,778	4,355	5,536	4,108
Salary recoveries	4,288	4,262	4,461	4,278
Childcare centre fees and grants	5,972	5,913	-	-
Non-salary recoveries	4,200	2,221	4,186	2,288
Scholarships and prizes	1,587	1,267	1,587	1,267
Commission income	715	823	715	613
Service income	651	599	20,170	14,153
Tied grants non-government	260	328	260	328
Conference and seminar income	604	352	604	321
Other	4,463	4,366	2,960	2,879
Total other revenue and income	55,433	49,688	52,674	39,499

Notes to the Financial Statements

For the Year Ended 31 December 2016

10 Gain on disposal of assets

	Consolidated		Parent	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
Proceeds from sale	25,771	31,939	25,306	31,866
Carrying amount of assets sold	(12,580)	(25,050)	(12,464)	(24,871)
Total gain on disposal of assets	13,191	6,889	12,842	6,995

11 Employee related expenses

	Consolidated		Parent	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
Academic				
Salaries	191,081	178,054	170,181	156,647
Contribution to superannuation & pension schemes - funded	26,771	25,869	24,734	23,763
Payroll tax	11,554	10,582	10,229	9,266
Worker's compensation	783	681	699	620
Long service leave expense	5,194	4,492	5,032	4,277
Annual leave	1,012	922	949	718
Total academic	236,395	220,600	211,824	195,291
Non-academic				
Salaries	187,058	179,661	169,125	156,202
Contribution to superannuation & pension schemes - funded	25,359	25,539	23,821	23,428
Payroll tax	10,363	9,812	9,993	9,231
Worker's compensation	940	902	651	593
Long service leave expense	5,391	4,687	5,158	4,444
Annual leave	497	1,206	242	495
Total non-academic	229,608	221,807	208,990	194,393
Total employee related expenses	466,003	442,407	420,814	389,684
Total employee related expenses, including deferred Government Employee Benefits for Superannuation	466,003	442,407	420,814	389,684

Notes to the Financial Statements

For the Year Ended 31 December 2016

12 Depreciation and amortisation

	Consolidated		Parent	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
Depreciation				
Buildings and Infrastructure	25,924	24,050	25,924	24,050
Plant and equipment	10,974	9,692	10,826	9,484
Library collection	2,945	3,322	2,945	3,322
Total depreciation	39,843	37,064	39,695	36,856
Amortisation				
Leasehold property	2,828	2,090	1,803	1,612
Intangible assets	1,203	483	1,082	453
Total amortisation	4,031	2,573	2,885	2,065
Total depreciation and amortisation	43,874	39,637	42,580	38,921

13 Repairs and maintenance

	Consolidated		Parent	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
Buildings	21,692	24,905	21,616	24,801
Plant and equipment	4,784	4,713	4,676	4,548
Information technology	34	43	32	41
Motor vehicles	597	504	520	457
Total repairs and maintenance	27,107	30,165	26,844	29,847

14 Borrowing costs

	Consolidated		Parent	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
Interest expense	2,558	1,735	2,689	1,956
Total borrowing costs expensed	2,558	1,735	2,689	1,956

15 Impairment of assets

	Consolidated		Parent	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
Bad debts	127	456	112	431
Doubtful debts	(310)	(410)	(326)	(531)
Library collection	-	2	-	2
Total impairment of assets	(183)	48	(214)	(98)

Notes to the Financial Statements

For the Year Ended 31 December 2016

16 Other expenses

	Consolidated		Parent	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
Fees for service #1	74,121	71,258	122,796	114,896
Consumables & supplies	28,032	28,783	16,729	18,652
Scholarships, grants and prizes	20,243	19,365	20,176	18,652
Overheads	12,006	11,184	12,012	11,027
Advertising, marketing and promotional expenses	13,708	12,283	13,737	11,700
Minimum lease payments on operating lease	12,309	8,554	11,844	8,169
Non-capitalised equipment	4,456	4,798	4,165	4,173
Travel and entertainment	7,516	8,339	7,288	7,785
Cleaning and waste removal	9,059	7,981	8,780	7,527
Student education support	445	7,503	445	7,501
Communication costs	3,370	3,695	3,169	3,551
Staff development	2,703	2,668	2,509	2,466
Security costs	3,570	3,559	3,524	3,488
Student service fees	297	872	9	11
Other expenses	8,803	9,460	7,753	8,536
Total other expenses	200,638	200,302	234,936	228,134

#1 Audit remuneration included in amount and disclosed under note 31.

Notes to the Financial Statements

For the Year Ended 31 December 2016

17 Cash and cash equivalents

	Consolidated		Parent	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
Cash at bank and on hand	51,125	38,168	48,697	35,677
Short-term deposits	88,100	94,376	87,700	94,376
Total cash and cash equivalents	139,225	132,544	136,397	130,053

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

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

Balances as above	139,225	132,544	136,397	130,053
Balance per statement of cash flows	139,225	132,544	136,397	130,053

(b) Cash at bank and on hand

The average interest rate during 2016 on bank accounts included in cash at bank and on hand was 2.11% (2015: 1.91%).

(c) Short term deposits

The deposits are at fixed interest rates ranging between 2.55% and 2.80%.

Notes to the Financial Statements

For the Year Ended 31 December 2016

18 Receivables

	Note	Consolidated		Parent	
		2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Current					
Student fees		2,326	3,401	2,186	3,004
Other debtors		21,494	15,336	24,284	19,760
		23,820	18,737	26,470	22,764
Less Provision for impaired receivables	18(a)	(618)	(1,176)	(586)	(897)
Other		14,624	13,463	14,624	13,441
Prepayments		23,699	16,040	23,643	15,870
Total current receivables		61,525	47,064	64,151	51,178
Non-current					
Deferred government benefit for superannuation	41	332,281	335,332	332,281	335,332
Finance lease receivables	18(c)	17,673	17,242	17,673	17,242
Prepayments		3,391	1,294	3,391	1,294
Total non-current receivables		353,345	353,868	353,345	353,868
Total receivables		414,870	400,932	417,496	405,046

(a) Impaired receivables

As at 31 December 2016 current receivables of the Group with a nominal value of \$0.618M (2015: \$1.176M) were impaired. The amount of the provision was \$0.618M (2015: \$1.176M). The individually impaired receivables mainly relate to individual debtors with balances aged greater than 180 days.

The ageing of these receivables is as follows:

	Consolidated		Parent	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
0 to 3 months	-	-	-	-
3 to 6 months	-	-	-	-
Over 6 months	(618)	(1,176)	(586)	(897)
Total current impaired receivables	(618)	(1,176)	(586)	(897)

Notes to the Financial Statements

For the Year Ended 31 December 2016

18 Receivables (continued)

(a) Impaired receivables (continued)

As at 31 December 2016 trade receivables of the Group totalling \$10.575M (2015: \$6.685M) were past due but not impaired. These relate to a number of individual customers for whom there is no recent history of default. The ageing analysis of these receivables is as follows:

	Consolidated		Parent	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
Trade Receivables				
0 to 3 months	7,554	5,032	7,118	4,827
3 to 6 months	2,473	622	1,855	597
Over 6 months	548	1,031	501	831
Total past due but not impaired receivables	10,575	6,685	9,474	6,255

	Consolidated		Parent	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
Movements in the provision for impaired receivables are as follows:				
At 1 January	1,176	1,208	897	7,167
Provision for impairment recognised / (reversed) during the year	(685)	(488)	(423)	(601)
Receivables written off / (reversed) during the year as uncollectible	127	456	112	431
Related party loan forgiven	-	-	-	(2,094)
Related party receivables forgiven	-	-	-	(4,006)
At 31 December	618	1,176	586	897

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

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

(b) Leasing Arrangements

The University, as lessor, has entered into a lease with Campus Living Villages Pty Limited to manage student residence accommodation for a period of 40 years.

Notes to the Financial Statements

For the Year Ended 31 December 2016

18 Receivables (continued)

(c) Amounts receivable under finance leases

	Minimum lease payments		Present value of minimum lease payments	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
Not later than 1 year	-	-	-	-
Later than 1 year and not later than 5 years	-	-	-	-
Later than 5 years	42,990	42,990	17,673	17,242
Amounts receivable under finance leases	42,990	42,990	17,673	17,242
Less unearned finance income	(25,317)	(25,748)	-	-
Present value of minimum lease payments receivable	17,673	17,242	17,673	17,242
Allowance for uncollectible lease payments	-	-	-	-
Finance lease receivable	17,673	17,242	17,673	17,242

Unguaranteed residual values of assets leased under finance leases at the end of the reporting period are estimated at \$42.990M (2015: \$42.990M).

Contingent rents of \$0.810M (2015: \$0.329M) have been recognised as income in the year.

The finance lease receivables at the end of the reporting period are neither past due nor impaired.

19 Inventories

	Consolidated		Parent	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
Current				
At cost:				
Stock on hand	15	2,888	-	-
Total inventories	15	2,888	-	-

Notes to the Financial Statements

For the Year Ended 31 December 2016

20 Non-current assets classified as held for sale ('NCA')

	Consolidated		Parent	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
Current				
Land	85,330	69,300	85,330	69,300
Subway Franchise	130	213	-	-
Total non-current assets or disposal groups classified as held for sale	85,460	69,513	85,330	69,300

NCAs (or disposal groups) held for sale are carried at the lower of the carrying amount or the fair value less costs to sell. For the fair value of the NCA (or disposal group) see note 36(b).

The University has entered into a sales agreement to sell land at its Westmead campus. Settlement is expected to occur by 31 October 2017, subject to the relocation of telecommunications towers on the current site. A gain of \$8.0m has been recognised in 2016 (2015: \$63.4m) in the statement of comprehensive income, under the heading gain on revaluation of land and buildings. This gain on revaluation is recognised in the property development reserve in note 29(b). This revaluation gain will be transferred to retained earnings on settlement when the asset is de-recognised.

Notes to the Financial Statements

For the Year Ended 31 December 2016

21 Property, plant and equipment

Consolidated	Construction in Progress \$'000	Freehold Land \$'000	Crown Land \$'000	Buildings \$'000	Infrastructure \$'000	Buildings- Under Finance Lease \$'000	Plant and Equipment \$'000	Leasehold Improvements \$'000	Library Collection \$'000	Artwork \$'000	Total \$'000
At 1 January 2015											
- Cost	110,573	-	-	820	623	4,594	126,513	20,284	86,775	-	350,182
- Valuation	-	187,336	162,335	826,809	81,397	-	-	-	1,651	3,041	1,262,569
Accumulated depreciation	-	-	-	(2,285)	(683)	(4,594)	(65,627)	(6,075)	(77,213)	-	(156,477)
Net Book Amount	110,573	187,336	162,335	825,344	81,337	-	60,886	14,209	11,213	3,041	1,456,274
Year Ended 31 December 2015											
Opening Net Book Amount	110,573	187,336	162,335	825,344	81,337	-	60,886	14,209	11,213	3,041	1,456,274
Revaluation Surplus	-	93,717	-	15,199	1,252	-	-	-	-	-	110,168
Additions	77,251	1,150	-	-	-	-	9,928	-	2,235	64	90,628
Disposals	(18,620)	(250)	-	(4,998)	-	-	(726)	-	(453)	(3)	(25,050)
Depreciation Charge	-	-	-	(21,561)	(2,489)	-	(9,692)	(2,090)	(3,322)	-	(39,154)
Non-Cash Adjustments	-	-	-	(11)	-	-	(3)	29	-	-	15
Transfers to Freehold Buildings and Plant & Equipment	(106,943)	-	-	-	-	-	-	-	-	-	(106,943)
Transfers from Construction in Progress	-	1,943	-	96,688	5,295	-	39	2,928	-	50	106,943
Transfers to Held for Sale Assets	-	(69,300)	-	-	-	-	(213)	-	-	-	(69,513)
Closing Net Book Amount	62,261	214,596	162,335	910,661	85,395	-	60,219	15,076	9,673	3,152	1,523,368
At 31 December 2015											
- Cost	62,261	-	-	7,929	1,637	4,594	132,831	23,242	82,713	-	315,207
- Valuation	-	214,596	162,335	905,781	85,557	-	-	-	1,651	3,152	1,373,072
Accumulated depreciation	-	-	-	(3,049)	(1,799)	(4,594)	(72,612)	(8,166)	(74,691)	-	(164,911)
Net Book Amount	62,261	214,596	162,335	910,661	85,395	-	60,219	15,076	9,673	3,152	1,523,368

Notes to the Financial Statements

For the Year Ended 31 December 2016

21 Property, plant and equipment (continued)

	Construction in Progress	Freehold Land	Crown Land	Buildings	Infrastructure	Buildings- Under Finance Lease	Plant and Equipment	Leasehold Improvements	Library Collection	Artwork	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Consolidated											
Year Ended 31 December 2016											
Opening Net Book Amount	62,261	214,596	162,335	910,661	85,395	-	60,219	15,076	9,673	3,152	1,523,368
Revaluation Surplus	-	(3,055)	-	19,722	2,203	-	-	-	30	986	19,886
Additions	114,688	3,950	-	-	-	-	7,182	-	2,179	66	128,065
Disposals	(11,310)	-	-	(758)	-	-	(284)	-	(228)	-	(12,580)
Depreciation Charge	-	-	-	(23,172)	(2,752)	-	(10,974)	(2,828)	(2,945)	-	(42,671)
Non-Cash Adjustments	-	-	-	-	-	-	-	28	-	-	28
Transfers to Freehold Buildings and Plant & Equipment	(80,595)	-	-	-	-	-	-	-	-	-	(80,595)
Transfers from Construction in Progress	-	-	-	54,304	11,674	-	10,022	4,595	-	-	80,595
Transfers to Held for Sale Assets	-	(10,859)	-	-	(5,171)	-	-	-	-	-	(16,030)
Closing Net Book Amount	85,044	204,632	162,335	960,757	91,349	-	66,165	16,871	8,709	4,204	1,600,066
At 31 December 2016											
- Cost	85,044	-	-	47,788	2,518	4,594	148,577	27,865	81,139	-	397,525
- Valuation	-	204,632	162,335	920,514	90,256	-	-	-	1,712	4,204	1,383,653
Accumulated depreciation	-	-	-	(7,545)	(1,425)	(4,594)	(82,412)	(10,994)	(74,142)	-	(181,112)
Net Book Amount	85,044	204,632	162,335	960,757	91,349	-	66,165	16,871	8,709	4,204	1,600,066

Notes to the Financial Statements

For the Year Ended 31 December 2016

21 Property, plant and equipment (continued)

Parent	Construction in Progress \$'000	Freehold Land \$'000	Crown Land \$'000	Buildings \$'000	Infrastructure \$'000	Buildings- Under Finance Lease \$'000	Plant and Equipment \$'000	Leasehold Improvements \$'000	Library Collection \$'000	Artwork \$'000	Total \$'000
At 1 January 2015											
- Cost	106,889	-	-	820	623	4,594	123,655	17,610	86,776	-	340,967
- Valuation	-	187,336	162,335	826,809	81,397	-	-	-	872	3,029	1,261,778
Accumulated depreciation	-	-	-	(2,285)	(683)	(4,594)	(63,593)	(3,738)	(77,213)	-	(152,106)
Net Book Amount	106,889	187,336	162,335	825,344	81,337	-	60,062	13,872	10,435	3,029	1,450,639
Year Ended 31 December 2015											
Opening Net Book Amount	106,889	187,336	162,335	825,344	81,337	-	60,062	13,872	10,435	3,029	1,450,639
Revaluation Surplus	-	93,717	-	15,199	1,252	-	-	-	-	-	110,168
Additions	75,308	1,150	-	-	-	-	9,823	-	2,234	64	88,579
Disposals	(18,620)	(250)	-	(4,998)	-	-	(547)	-	(453)	(3)	(24,871)
Depreciation Charge	-	-	-	(21,561)	(2,489)	-	(9,484)	(1,612)	(3,322)	-	(38,468)
Non-Cash Adjustments	-	-	-	(11)	-	-	2	18	-	-	9
Transfers to Freehold Buildings and Plant & Equipment	(104,799)	-	-	-	-	-	-	-	-	-	(104,799)
Transfers from Construction in Progress	-	1,943	-	96,688	5,295	-	39	784	-	50	104,799
Transfers to Held for Sale Assets	-	(69,300)	-	-	-	-	-	-	-	-	(69,300)
Closing Net Book Amount	58,778	214,596	162,335	910,661	85,395	-	59,895	13,062	8,894	3,140	1,516,756
At 31 December 2015											
- Cost	58,778	-	-	7,929	1,637	4,594	131,471	18,412	82,713	-	305,534
- Valuation	-	214,596	162,335	905,781	85,557	-	-	-	872	3,140	1,372,281
Accumulated depreciation	-	-	-	(3,049)	(1,799)	(4,594)	(71,576)	(5,350)	(74,691)	-	(161,059)
Net Book Amount	58,778	214,596	162,335	910,661	85,395	-	59,895	13,062	8,894	3,140	1,516,756

Notes to the Financial Statements

For the Year Ended 31 December 2016

21 Property, plant and equipment (continued)

	Construction in Progress	Freehold Land	Crown Land	Buildings	Infrastructure	Buildings- Under Finance Lease	Plant and Equipment	Leasehold Improvements	Library Collection	Artwork	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Parent											
Year Ended 31 December 2016											
Opening Net Book Amount	58,778	214,596	162,335	910,661	85,395	-	59,895	13,062	8,894	3,140	1,516,756
Revaluation Surplus	-	(3,055)	-	19,722	2,203	-	-	-	9	986	19,865
Additions	113,124	3,950	-	-	-	-	7,080	-	2,148	66	126,368
Disposals	(11,310)	-	-	(758)	-	-	(168)	-	(228)	-	(12,464)
Depreciation Charge	-	-	-	(23,172)	(2,752)	-	(10,826)	(1,803)	(2,945)	-	(41,498)
Non-Cash Adjustments	-	-	-	-	-	-	9	28	-	-	37
Transfers to Freehold Buildings and Plant & Equipment	(76,421)	-	-	-	-	-	-	-	-	-	(76,421)
Transfers from Construction in Progress	-	-	-	54,304	11,674	-	9,760	683	-	-	76,421
Transfers to Held for Sale Assets	-	(10,859)	-	-	(5,171)	-	-	-	-	-	(16,030)
Closing Net Book Amount	84,171	204,632	162,335	960,757	91,349	-	65,750	11,970	7,878	4,192	1,593,034
At 31 December 2016											
- Cost	84,171	-	-	47,788	2,518	4,594	147,150	19,122	81,139	-	386,482
- Valuation	-	204,632	162,335	920,514	90,256	-	-	-	881	4,192	1,382,810
Accumulated depreciation	-	-	-	(7,545)	(1,425)	(4,594)	(81,400)	(7,152)	(74,142)	-	(176,258)
Net Book Amount	84,171	204,632	162,335	960,757	91,349	-	65,750	11,970	7,878	4,192	1,593,034

Notes to the Financial Statements

For the Year Ended 31 December 2016

22 Intangible Assets

Parent

	Development costs \$'000	Licences \$'000	Electronic Materials \$'000	Total \$'000
At 1 January 2015				
- Cost	-	275	2,266	2,541
- Accumulated amortisation and impairment	-	(275)	-	(275)
Net book amount at 1 January 2015	-	-	2,266	2,266
Year ended 31 December 2015				
Opening net book value	-	-	2,266	2,266
Additions	-	-	2,998	2,998
Amortisation charge	-	-	(453)	(453)
Revaluation increase recognised in equity	-	250	-	250
Net book amount at 31 December 2015	-	250	4,811	5,061
At 31 December 2015				
- Cost	-	250	5,264	5,514
- Accumulated amortisation and impairment	-	-	(453)	(453)
Net book amount at 31 December 2015	-	250	4,811	5,061
Year ended 31 December 2016				
Opening net book amount	-	250	4,811	5,061
Additions	-	-	6,161	6,161
Amortisation charge	-	(29)	(1,053)	(1,082)
Net book amount at 31 December 2016	-	221	9,919	10,140
At 31 December 2016				
- Cost	-	250	11,425	11,675
- Accumulated amortisation and impairment	-	(29)	(1,506)	(1,535)
Net book amount at 31 December 2016	-	221	9,919	10,140

Notes to the Financial Statements

For the Year Ended 31 December 2016

22 Intangible Assets (continued)

Consolidated

	Development costs \$'000	Licences \$'000	Electronic Materials \$'000	Total \$'000
At 1 January 2015				
- Cost	-	756	2,266	3,022
- Accumulated amortisation and impairment	-	(705)	-	(705)
Net book amount amount at 1 January 2015	-	51	2,266	2,317
Year ended 31 December 2015				
Opening net book amount	-	51	2,266	2,317
Additions	263	-	2,998	3,261
Amortisation charge	-	(30)	(453)	(483)
Revaluation surplus	-	250	-	250
Non-Cash Adjustments	-	(11)	-	(11)
Net book amount at 31 December 2015	263	260	4,811	5,334
At 31 December 2015				
- Cost	263	330	5,264	5,857
- Accumulated amortisation and impairment	-	(70)	(453)	(523)
Net book amount at 31 December 2015	263	260	4,811	5,334
Year ended 31 December 2016				
Opening net book amount	263	260	4,811	5,334
Additions	-	-	6,161	6,161
Amortisation charge	(110)	(40)	(1,053)	(1,203)
Non-Cash Adjustments	1	1	-	2
Net book amount at 31 December 2016	154	221	9,919	10,294
At 31 December 2016				
- Cost	264	331	11,425	12,020
- Accumulated amortisation and impairment	(110)	(110)	(1,506)	(1,726)
Net book amount at 31 December 2016	154	221	9,919	10,294

Notes to the Financial Statements

For the Year Ended 31 December 2016

23 Other financial assets

	Consolidated		Parent	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
Non-Current				
Available for sale (Unlisted securities)	11,330	9,500	11,330	9,500
Available for sale (Acadian)	76,143	69,703	76,143	69,703
Held to maturity (Amortised cost)	10,702	6,333	10,702	6,333
Total non-current other financial assets	98,175	85,536	98,175	85,536

24 Other non-financial assets

	Consolidated		Parent	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
Current				
Lease incentives	244	154	244	154
Total current other non-financial assets	244	154	244	154
Non-current				
Livestock holdings	490	622	490	622
Lease incentives	512	-	512	-
Total non-current other non-financial assets	1,002	622	1,002	622
Total other non-financial assets	1,246	776	1,246	776

Notes to the Financial Statements

For the Year Ended 31 December 2016

25 Trade and other payables

	Consolidated		Parent	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Current				
Payables	47,373	58,771	46,975	58,012
OS-HELP liability to Australian Government	322	(564)	322	(564)
Total current trade and other payables	47,695	58,207	47,297	57,448

(a) Foreign currency risk

The carrying amounts of the Group's and parent entity's trade and other payables are denominated in the following currencies:

	Consolidated		Parent	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Australian Dollars	46,833	56,773	46,435	56,014
US Dollars	396	1,032	396	1,032
Euro	146	225	146	225
GB Pounds	307	114	307	114
Other	13	63	13	63
	47,695	58,207	47,297	57,448

For an analysis of the sensitivity of trade and other payables to foreign currency risk refer to note 35.

Notes to the Financial Statements

For the Year Ended 31 December 2016

26 Borrowings

	Consolidated		Parent	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Current				
Unsecured bank loans (i)	72,000	-	72,000	-
Unsecured other financial liabilities (ii)	-	-	7,228	7,681
Total current borrowings	72,000	-	79,228	7,681
Non-Current				
Unsecured bank loans (i)	83,000	75,500	83,000	75,500
Total non-current borrowings	83,000	75,500	83,000	75,500
Total borrowings	155,000	75,500	162,228	83,181

- (i) In October 2013 the University received approval from the Treasurer of New South Wales to increase its borrowing facilities by \$70 million to a maximum of \$198 million for the construction of new facilities and other infrastructure. Such approval was required under Section 22 (1)(e) of the Western Sydney University Act 1997. The additional facilities were finalised with the University's bank in September 2014.

In November 2016 the borrowing facilities were further increased by \$100 million to a maximum \$298 million and were finalised with the University's bank in November 2016.

The interest rate of the loan is variable being based on the BBSY bid rate plus a margin. The interest rate averaged 2.78% during 2016. The loan facilities are unsecured.

The balance of the loan outstanding as at 31 December 2016 was \$155.0 million (2015: \$75.5 million).

- (ii) Relates to the transfer of UWS Enterprises Pty Limited trading as Western Sydney University The College and UWS Early Learning Limited surplus funds to the University.

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

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

The carrying amount of the Group's borrowings is denominated in AUD currency.

Notes to the Financial Statements

For the Year Ended 31 December 2016

26 Borrowings (continued)

(a) Financing arrangements

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

	Consolidated		Parent	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
Credit standby arrangements				
Total facilities				
Bank guarantees	825	575	825	575
Credit cards	4,500	4,570	4,500	4,500
Leasing facilities	26,000	28,011	26,000	26,000
Total credit standby arrangements	31,325	33,156	31,325	31,075
Used at balance date				
Bank guarantees	708	200	708	200
Credit cards	146	186	146	186
Leasing facilities	15,221	13,688	15,221	13,677
Total used at balance date	16,075	14,074	16,075	14,063
Unused at balance date				
Bank guarantees	117	375	117	375
Credit cards	4,354	4,384	4,354	4,314
Leasing facilities	10,779	14,323	10,779	12,323
Total unused at balance date	15,250	19,082	15,250	17,012
Bank loan facilities				
Total facilities	298,000	198,000	298,000	198,000
Used at balance date	(155,000)	(75,500)	(155,000)	(75,500)
Total unused at balance date	143,000	122,500	143,000	122,500

Notes to the Financial Statements

For the Year Ended 31 December 2016

27 Provisions

		Consolidated		Parent	
		2016	2015	2016	2015
Note		\$'000	\$'000	\$'000	\$'000
Current provisions expected to be settled within 12 months					
Employee benefits					
Annual leave		22,688	21,246	20,981	20,110
Long service leave		6,798	6,069	6,512	5,896
		29,486	27,315	27,493	26,006
Current provisions expected to be settled after more than 12 months					
Employee benefits					
Annual leave		5,576	6,187	5,286	5,217
Long service leave		33,359	36,219	33,040	35,912
		38,935	42,406	38,326	41,129
Total current provisions		68,421	69,721	65,819	67,135
Non-current provisions					
Employee benefits					
Long service leave		16,731	19,072	15,531	17,708
Deferred government benefits for superannuation	41(d)	332,982	335,855	332,982	335,855
Long-term provisions					
Make good on leases		707	446	707	446
Total non-current provisions		350,420	355,373	349,220	354,009
Total provisions		418,841	425,094	415,039	421,144

(a) Annual leave

The following on costs have been used by management in calculating the provision for annual leave:

	%
Superannuation	16.75
Estimate of short term salary increase	3.75
Payroll tax	5.45
Workers compensation	0.75

Notes to the Financial Statements

For the Year Ended 31 December 2016

27 Provisions (continued)

(b) Long service leave

In 2014 the University engaged Mercer Consulting (Australia) Pty Ltd to undertake a valuation of the University's long service leave liability. The University has used a shorthand measurement technique to value the long service leave liability at 31 December 2016. Assumptions used in this measurement included:

	%
Estimate rate of long term inflation / salary increase	3.00
Discount for future investment earnings	2.75

(c) Movements in provisions - Non Current

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

	Make good on leases \$'000	Total \$'000
Parent		
Non-current		
Carrying amount at start of year	446	446
Additional provisions	261	261
Carrying amount at end of year	707	707
	Make good on leases \$'000	Total \$'000
Consolidated		
Non-current		
Carrying amount at start of year	446	446
Additional provisions	261	261
Carrying amount at end of year	707	707

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

Notes to the Financial Statements

For the Year Ended 31 December 2016

28 Other liabilities

	Consolidated		Parent	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
Current				
Deferred income	27,411	23,759	27,285	23,759
Fees received in advance	15,197	17,002	13,946	15,942
Australian Government Unspent Financial Assistance	-	(194)	-	(194)
Lease incentives	588	54	588	54
Other	5,654	2,148	5,233	1,796
Total current other liabilities	48,850	42,769	47,052	41,357
Non-current				
Deferred income	2,793	2,968	2,793	2,968
Lease incentives	9,952	9,000	9,952	9,000
Total non-current other liabilities	12,745	11,968	12,745	11,968
Total other liabilities	61,595	54,737	59,797	53,325

29 Reserves and retained earnings

(a) Reserves

	Consolidated		Parent	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
Deferred superannuation reserve	(646)	(280)	(646)	(280)
Property development revaluation reserve	71,459	63,429	71,459	63,429
Property, plant and equipment revaluation surplus	617,516	607,186	617,320	607,011
Investment revaluation reserve	16,767	12,043	12,714	7,990
Art collection revaluation reserve	2,420	1,434	2,420	1,434
Livestock revaluation reserve	238	452	238	452
Licenses revaluation reserve	250	250	250	250
Total Reserves	708,004	684,514	703,755	680,286

Notes to the Financial Statements

For the Year Ended 31 December 2016

29 Reserves and retained earnings (continued)

(b) Movements in Reserves

	Consolidated		Parent	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
Property development revaluation reserve				
Balance at 1 January	63,429	-	63,429	-
Transfer from property, plant and equipment revaluation surplus	8,030	63,429	8,030	63,429
Balance at 31 December	71,459	63,429	71,459	63,429
Property, plant and equipment revaluation surplus				
Balance at 1 January	607,186	562,282	607,011	562,107
Revaluation - gross	18,900	110,168	18,879	110,168
Write back on disposal of revalued assets	(540)	(1,835)	(540)	(1,835)
Transfer to assets-held-for-sale reserve	(8,030)	(63,429)	(8,030)	(63,429)
Balance at 31 December	617,516	607,186	617,320	607,011
State superannuation funds revaluation reserve				
Balance at 1 January	(280)	-	(280)	-
Revaluation - gross	(366)	(280)	(366)	(280)
Balance at 31 December	(646)	(280)	(646)	(280)
Investment revaluation reserve				
Balance at 1 January	12,043	11,188	7,990	7,135
Revaluation - gross	4,724	855	4,724	855
Balance at 31 December	16,767	12,043	12,714	7,990
Art work revaluation reserve				
Balance at 1 January	1,434	1,434	1,434	1,434
Revaluation - gross	986	-	986	-
Balance at 31 December	2,420	1,434	2,420	1,434
Livestock revaluation reserve				
Balance at 1 January	452	406	452	406
Revaluation - gross	(214)	46	(214)	46
Balance at 31 December	238	452	238	452
Licenses revaluation reserve				
Balance at 1 January	250	-	250	-
Revaluation - gross	-	250	-	250
Balance at 31 December	250	250	250	250
Total reserves	708,004	684,514	703,755	680,286

Notes to the Financial Statements

For the Year Ended 31 December 2016

29 Reserves and retained earnings (continued)

(c) Movements in retained earnings

	Consolidated		Parent	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
Retained earnings at 1 January	922,839	879,681	917,144	872,303
Net result for the period	34,837	41,323	36,018	43,006
Transfer from property, plant and equipment revaluation surplus	540	1,835	540	1,835
Retained earnings at 31 December	958,216	922,839	953,702	917,144

(d) Nature and purpose of reserves

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

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

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

The investment revaluation reserve is equal to the unrealised gains / (losses) on investments with the University's Fund Managers and unlisted securities for 2016 together with accumulated prior years unrealised gains / (losses).

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

The livestock revaluation reserve reflects the revaluation of Group livestock at fair (market) value. The reserve is the difference between the revaluation and the book value at the valuation date See note 1(r).

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

Notes to the Financial Statements
For the Year Ended 31 December 2016

30 Key Management Personnel Disclosures

- (a) Names of responsible persons and executive officers

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

(i) Names of Responsible Persons

'Responsible person' is defined to mean a member of the University's Board of Trustees who had authority and responsibility for planning, directing and controlling activities of the University in 2016 :

Peter Shergold, AC
Barney Glover
Paul Wormell
John Banks
MaryAnn Bin-Sallik - commenced 1 January 2016
Elizabeth Dibbs
Genevieve Gregor
Vivienne James
Ian Stone
Christopher Brown
Peeyush Gupta - commenced 14 June 2016
Michael Pratt
Gillian Shadwick - ceased 4 April 2016
Gabrielle Trainor
Ben Etherington - commenced 1 January 2016
Tim Ferraro
Winnie Jobanputra - commenced 1 January 2016
Sophie Kobuch
Jenny Purcell

Notes to the Financial Statements

For the Year Ended 31 December 2016

30 Key Management Personnel Disclosures (continued)

(a) Names of responsible persons and executive officers (continued)

(ii) Names of Executive Officers

'Executive' is defined to mean the Chief Executive Officer plus the members of the Executive Committee of the University. In 2016 these were:

Barney Glover
 Scott Holmes
 Denise Kirkpatrick
 Angelo Kourtis
 Peter Pickering
 Deborah Sweeney
 Linda Taylor
 Lisa Jackson-Pulver
 Simon Barrie - commenced 11 January 2016
 Kevin Bell - commenced 11 July 2016
 Michael Burgess - commenced 1 February 2016
 Michael Adams
 Rhonda Griffiths - ceased 30 September 2016
 Annemarie Hennessy
 Deborah Hatcher - commenced 1 August 2016
 Kevin Dunn
 Gregory Kolt
 Michele Simons
 Peter Hutchings
 Simeon Simoff
 Kerry Holling
 Ellen Brackenreg - ceased 31 March 2016

(b) Remuneration of board members and executives

	Consolidated		Parent	
	2016	2015	2016	2015
	Number	Number	Number	Number
Remuneration of Board Members				
Nil to \$14,999	3	2	-	-
\$15,000 to \$29,999	1	2	-	-
\$30,000 to \$39,999	1	-	1	-
\$40,000 to \$49,999	-	1	-	1
	5	5	1	1

Notes to the Financial Statements

For the Year Ended 31 December 2016

30 Key Management Personnel Disclosures (continued)

(b) Remuneration of board members and executives (continued)

	Consolidated		Parent	
	2016	2015	2016	2015
	Number	Number	Number	Number
Remuneration of executive officers				
\$130,000 to \$139,999	-	1	-	-
\$140,000 to \$149,999	1	-	-	-
\$160,000 to \$169,999	-	1	-	-
\$170,000 to \$179,999	1	-	-	-
\$180,000 to \$189,999	-	2	-	1
\$190,000 to \$199,999	-	1	-	-
\$210,000 to \$219,999	1	-	-	-
\$230,000 to \$239,999	-	1	-	-
\$240,000 to \$249,999	1	1	1	-
\$250,000 to \$259,999	1	-	-	-
\$260,000 to \$269,999	-	2	-	2
\$270,000 to \$279,999	2	1	1	-
\$280,000 to \$289,999	1	5	1	5
\$300,000 to \$309,999	4	-	3	-
\$310,000 to \$319,999	-	1	-	1
\$320,000 to \$329,999	2	1	2	1
\$330,000 to \$339,999	3	2	3	2
\$340,000 to \$349,999	1	1	1	1
\$350,000 to \$359,999	1	-	1	-
\$370,000 to \$379,999	-	2	-	2
\$380,000 to \$389,999	2	-	2	-
\$390,000 to \$399,999	1	-	1	-
\$420,000 to \$429,999	-	2	-	2
\$440,000 to \$449,999	1	1	1	1
\$470,000 to \$479,999	1	-	1	-
\$490,000 to \$499,999	1	2	1	2
\$520,000 to \$529,999	1	-	1	-
\$570,000 to \$579,999	1	-	1	-
\$830,000 to \$839,999*	-	1	-	1
\$870,000 to \$879,999*	1	-	1	-
	28	28	22	21

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

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

Notes to the Financial Statements

For the Year Ended 31 December 2016

30 Key Management Personnel Disclosures (continued)

(c) Key management personnel compensation

Key management personnel include Board Members and Executives.

	Consolidated		Parent	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
Short-term employee benefits	8,057	7,052	7,071	6,013
Post-employment benefits	1,053	1,025	924	902
Termination benefits	-	291	-	291
Total key management personnel compensation	9,110	8,368	7,995	7,206

(d) Loans to key management personnel

No loans were made to key management personnel during the financial year (2015: nil).

31 Remuneration of Auditors

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

	Consolidated		Parent	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
Audit and review of the Financial Statements				
Fees paid to the Audit Office of New South Wales	376	385	276	276
Total paid for audit and review	376	385	276	276

Fees shown are exclusive of Goods and Services Tax.

Notes to the Financial Statements

For the Year Ended 31 December 2016

32 Contingencies

(a) Contingent liabilities

The University currently has a jointly controlled operation with Urban Growth at the Campbelltown campus which may result in potential costs to the University from the removal of telecommunication equipment if the lease is terminated with the telecommunication company (costs associated with alternative site).

The University has entered into an Agreement for Lease for 169 Macquarie Street Parramatta with Leighton Properties Pty Limited as the developer.

The University has executed a Commercial Lease for an initial term of 15 years which is not immediately binding and is held in escrow pending practical completion under the Agreement for Lease as at 31 December 2016. Subject to practical completion under the terms of the Agreement for Lease the Commercial Lease will then become binding on the later of the date of Practical Completion and 1 February 2017. Practical completion occurred on 1 December 2016, and commencement of the Commercial Lease began on 1 February 2017 in line with the terms of the Agreement for Lease. No financial impact has occurred or is recorded in the University's Financial Statements relating to the Agreement for Lease or Commercial Lease for the 2016 period.

It is the University's current policy to provide uwsconnect Limited with such support and assistance as may be required to allow them to meet their financial obligations in conformity with generally accepted standards of commercial and financial prudence for the period 1 January 2017 up until approximately twelve months from the date of the signed financial statements to the expected date of the auditor's report for the next annual reporting period.

33 Commitments

(a) Capital commitments

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

	Consolidated		Parent	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
Property, plant and equipment				
Within one year	49,528	73,476	49,061	73,184
Total	49,528	73,476	49,061	73,184

The above amounts included commitments for capital expenditure on joint operations of \$11.8M payable within one year.

Notes to the Financial Statements

For the Year Ended 31 December 2016

33 Commitments (continued)

(b) Lease commitments

(i) Operating Leases

The University leases computing equipment, printing equipment and building office space under operating leases.

Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:

	Consolidated		Parent	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
Within one year	10,731	10,827	10,209	10,530
Between one year and five years	11,911	6,603	11,683	6,479
Later than five years	1,358	280	1,358	280
Total future minimum lease payments	24,000	17,710	23,250	17,289

34 Related Parties

(a) Parent entities

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

(b) Subsidiaries

Interests in subsidiaries are set out in note 37.

(c) Key management personnel

Disclosures relating to directors and specified executives are set out in note 30

Notes to the Financial Statements

For the Year Ended 31 December 2016

34 Related Parties (continued)

(d) Transactions with related parties

The following transactions occurred with related parties:

	Consolidated		Parent	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
Sale of goods and services				
Royalty payments to University	-	-	20,092	14,964
Total sales of goods and services	-	-	20,092	14,964
Purchase of goods				
Services to University	-	-	1,097	1,497
Funding to controlled entities	-	-	53,671	49,558
Total purchase of goods	-	-	54,768	51,055

(e) Loans to/from related parties

	Consolidated		Parent	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
Loans to subsidiaries				
Beginning of the year	-	-	5,011	5,627
Loans advanced	-	-	1,600	11,855
Loan repayment received	-	-	(1,000)	(10,370)
Interest charged	-	-	199	126
Interest received	-	-	(191)	(133)
Loans forgiven by Parent	-	-	-	(2,094)
End of year	-	-	5,619	5,011

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	Consolidated		Parent	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
Loans from subsidiaries				
Beginning of the year	-	-	7,681	8,863
Loans advanced	-	-	5,072	2,307
Loan repayments paid	-	-	(5,664)	(3,700)
Interest charged	-	-	139	210
End of year	-	-	7,228	7,680

Notes to the Financial Statements

For the Year Ended 31 December 2016

34 Related Parties (continued)

(f) Outstanding balances

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

	Consolidated		Parent	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
Current receivables (sale of goods and services)				
Subsidiaries	-	-	1	6
Current receivables (loans)				
Subsidiaries	-	-	5,619	5,010
Current payables (purchase of goods)				
Subsidiaries	-	-	12	14
Current payables (loans)				
Parent entity	-	-	6,583	7,681

No provision for doubtful debts has been raised in relation to outstanding balances from related parties.

35 Financial Risk Management

(a) Introduction

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

The Group's principal financial instruments are investments in units in managed investment funds and held to maturity investments.

The main purposes of the managed investment funds and held to maturity investments are to:

- i) earn an income stream and provide long term growth to support the Western Sydney University Foundation Fund's objectives, and the University's teaching, learning and research initiatives, and
- ii) provide long term capital growth so that the Group can provide sufficient funds to meet longer term liabilities including deferred employee benefits.

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

Notes to the Financial Statements

For the Year Ended 31 December 2016

35 Financial Risk Management (continued)

(a) Introduction (continued)

Treasury Risk Management

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

(b) Market risk

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

(i) Foreign exchange risk

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

(ii) Price risk

Price risk is risk that the value of a financial instrument will fluctuate as a result of changes in market prices. This arises from investments held by the University and classified on the Statement of Financial Position as available for sale and held-to-maturity. To manage price risk from investments in managed investment funds the University has contracted out the management of the portfolio to external fund managers. These fund managers are mandated to diversify investments of the portfolio under their management. The quantum of funds under management per external fund manager and the investment objectives of each external fund manager are in accordance with limits / policies set by the Finance and Investment Committee.

(iii) Cash flow and fair value interest rate risk

Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate because of changes in interest rates. The Group's exposure to interest rate risk is relatively small, however this is likely to increase as additional debt is utilised in future years.

Notes to the Financial Statements

For the Year Ended 31 December 2016

35 Financial Risk Management (continued)

(b) Market risk (continued)

(iv) Summarised sensitivity analysis

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

31 December 2016		Interest rate risk				Foreign exchange risk				Other price risk			
Carrying amount		-0.25%		+0.25%		-10%		+10%		-1%		+1%	
		Result	Equity	Result	Equity	Result	Equity	Result	Equity	Result	Equity	Result	Equity
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets													
Cash and cash equivalents	139,225	(348)	(348)	348	348	-	-	-	-	-	-	-	-
Receivables	414,870	-	-	-	-	-	-	-	-	-	-	-	-
Financial assets - available for sale	87,473	-	-	-	-	-	-	-	-	-	(875)	-	875
Financial assets - Held to maturity	10,702	(27)	(27)	27	27	-	-	-	-	-	-	-	-
Financial liabilities													
Trade and other payables	47,695	-	-	-	-	86	86	(86)	(86)	-	-	-	-
Borrowings	155,000	388	388	(388)	(388)	-	-	-	-	-	-	-	-
Other liabilities	61,595	-	-	-	-	-	-	-	-	-	-	-	-
Total increase/(decrease)		13	13	(13)	(13)	86	86	(86)	(86)	-	(875)	-	875

31 December 2015		Interest rate risk				Foreign exchange risk				Other price risk			
Carrying amount		-0.25%		+0.25%		-10%		+10%		-1%		+1%	
		Result	Equity	Result	Equity	Result	Equity	Result	Equity	Result	Equity	Result	Equity
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets													
Cash and cash equivalents	132,544	(331)	(331)	331	331	-	-	-	-	-	-	-	-
Receivables	400,932	-	-	-	-	-	-	-	-	-	-	-	-
Financial assets - available for sale	79,203	-	-	-	-	-	-	-	-	-	(792)	-	792
Financial assets - Held to maturity	6,333	(16)	(16)	16	16	-	-	-	-	-	-	-	-
Financial liabilities													
Trade and other payables	58,207	-	-	-	-	143	143	(143)	(143)	-	-	-	-
Borrowings	75,500	189	189	(189)	(189)	-	-	-	-	-	-	-	-
Other liabilities	54,737	-	-	-	-	-	-	-	-	-	-	-	-
Total increase/(decrease)		(158)	(158)	158	158	143	143	(143)	(143)	-	(792)	-	792

Notes to the Financial Statements

For the Year Ended 31 December 2016

35 Financial Risk Management (continued)

(c) Credit risk

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

Receivables

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

Investments

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

(d) Liquidity risk

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

The Group reviews its immediate and short term cash requirements on a daily basis with a three year rolling cash flow forecast regularly provided to management.

Notes to the Financial Statements

For the Year Ended 31 December 2016

35 Financial Risk Management (continued)

(d) Liquidity risk (continued)

The following table summarises the maturity of the Group's financial assets and financial liabilities:

	Average Interest rate		Variable interest rate		Within 1 year		1 - 5 years		5+ years		Non Interest		Total	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
	%	%	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial Assets:														
Cash and cash equivalents	2.73	3.04	51,125	38,168	88,100	94,376	-	-	-	-	-	-	139,225	132,544
Receivables (a)	-	-	-	-	-	-	-	-	-	-	77,446	60,131	77,446	60,131
Other Financial Assets:														
Available for sale (Unlisted securities)	-	-	-	-	-	-	-	-	-	-	11,330	9,500	11,330	9,500
Available for sale (Acadian)	11.41	10.38	76,143	69,703	-	-	-	-	-	-	-	-	76,143	69,703
Held to maturity	3.50	4.04	152	292	501	498	8,540	3,541	1,509	2,002	-	-	10,702	6,333
Total Financial Assets			127,420	108,163	88,601	94,874	8,540	3,541	1,509	2,002	88,776	69,631	314,846	278,211
Financial Liabilities:														
Payables	-	-	-	-	-	-	-	-	-	-	(43,995)	(54,418)	(43,995)	(54,418)
Borrowings	2.78	3.15	-	-	(72,000)	-	(83,000)	(75,500)	-	-	-	-	(155,000)	(75,500)
Other financial liabilities	-	-	-	-	-	-	-	-	-	-	(58,279)	(54,737)	(58,279)	(54,737)
Total Financial Liabilities			-	-	(72,000)	-	(83,000)	(75,500)	-	-	(102,274)	(109,155)	(257,274)	(184,655)

(a) The University's deferred government contribution for superannuation included in note 18 is not included in the above analysis as the timing of the cash flows cannot be determined.

Notes to the Financial Statements

For the Year Ended 31 December 2016

36 Fair Value Measurement

(a) Fair value measurements

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

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

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

	Carrying Amount		Fair Value	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Financial assets				
Cash and cash equivalents	139,225	132,544	139,225	132,544
Receivables	414,870	400,932	414,870	400,932
Other financial assets				
Available for sale (Unlisted securities)	11,330	9,500	11,330	9,500
Available for sale (Acadian)	76,143	69,703	76,143	69,703
Held-to-maturity investments	10,702	6,333	10,767	6,285
Total financial assets	652,270	619,012	652,335	618,964
Financial Liabilities				
Payables	47,695	58,207	47,695	58,207
Borrowings	155,000	75,500	155,000	75,500
Other financial liabilities	5,654	2,148	5,654	2,148
Total financial liabilities	208,349	135,855	208,349	135,855

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

- Available-for-sale financial assets
- Land and buildings

The Group has also measured non-current assets held for sale at fair value on a non-recurring basis.

Notes to the Financial Statements

For the Year Ended 31 December 2016

36 Fair Value Measurement (continued)

(b) Fair value hierarchy

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

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

(i) Recognised fair value measurements

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

Fair value measurements at 31 December 2016

	Note	2016 \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Recurring fair value measurements					
Financial assets					
Available-for-sale financial assets	23				
Available for sale (Unlisted securities)		11,330	-	11,027	303
Available for sale (Acadian)		76,143	76,143	-	-
Total financial assets		87,473	76,143	11,027	303
Non-financial assets					
Property, plant and equipment	21				
Land		366,967	-	366,967	-
Buildings		960,757	-	-	960,757
Infrastructure		91,349	-	-	91,349
Artwork		4,204	-	4,204	-
Rare book collection		1,712	-	1,712	-
Total non-financial assets		1,424,989	-	372,883	1,052,106
Non-recurring fair value measurements					
Non-current assets held for sale	20	85,460	-	85,460	-

Notes to the Financial Statements

For the Year Ended 31 December 2016

36 Fair Value Measurement (continued)

(b) Fair value hierarchy (continued)

Fair value measurements at 31 December 2015

	Note	2015 \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Recurring fair value measurements					
Financial assets					
Available-for-sale financial assets	23				
Available for sale (Unlisted securities)		9,500	-	-	9,500
Available for sale (Acadian)		69,703	69,703	-	-
Total financial assets		79,203	69,703	-	9,500
Non-financial assets					
Property, plant and equipment	21				
Land		376,931	-	376,931	-
Buildings		910,661	-	-	910,661
Infrastructure		85,395	-	-	85,395
Artwork		3,152	-	3,152	-
Rare book collection		1,651	1,651	-	-
Total non-financial assets		1,377,790	1,651	380,083	996,056
Non-recurring fair value measurements					
Non-current assets held for sale		69,513	-	69,513	-
Total non-recurring fair value measurements		69,513	-	69,513	-

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

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

(ii) Disclosed fair values

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

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

Notes to the Financial Statements

For the Year Ended 31 December 2016

36 Fair Value Measurement (continued)

(b) Fair value hierarchy (continued)

The fair value of non-current borrowings disclosed in note 26 is estimated by discounting the future contractual cash flows at the current market interest rates that are available to the Group for similar financial instruments. For the period ending 31 December 2016, the borrowing rates averaged 2.78% during the year. The fair value of current borrowings approximates the carrying amount, as the impact of discounting is not significant (level 2).

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

(i) Recurring fair value measurements

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

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

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

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

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

The best evidence of fair value is current prices in an active market for similar properties. Where such information is not available, the Group considers information from a variety of sources, including discounted replacement cost - the cost to construct improvements as new is estimated and that amount depreciated, after taking into consideration the nature and design of the improvements, their age and current condition.

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

(ii) Non-recurring fair value measurement

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

Notes to the Financial Statements

For the Year Ended 31 December 2016

36 Fair Value Measurement (continued)

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

The following table is a reconciliation of level 3 items for the periods ended 31 December 2016 and 2015.

Level 3 Fair Value Measurement 2016	Unlisted equity securities \$'000	Buildings \$'000	Infrastructure \$'000	Total \$'000
Opening balance	9,500	910,661	85,395	1,005,556
Acquisitions	-	54,304	11,674	65,978
Transfers out of level 3	(11,027)	-	-	(11,027)
Transfer to held for sale assets	-	-	(5,171)	(5,171)
Disposals	-	(758)	-	(758)
Recognised in profit or loss*	-	(23,172)	(2,752)	(25,924)
Recognised in other comprehensive income	1,830	19,722	2,203	23,755
Closing balance	303	960,757	91,349	1,052,409

Level 3 Fair Value Measurement 2015	Unlisted equity securities \$'000	Buildings \$'000	Infrastructure \$'000	Total \$'000
Opening balance	5,196	825,344	81,337	911,877
Acquisitions	-	96,688	5,295	101,983
Disposals	-	(4,998)	-	(4,998)
Sales	-	(11)	-	(11)
Recognised in profit or loss*	-	(21,561)	(2,489)	(24,050)
Recognised in other comprehensive income	4,304	15,199	1,252	20,755
Closing balance	9,500	910,661	85,395	1,005,556

* This includes nil gains / (losses) (2015: Nil) attributable to the change in unrealised gains / (losses) recognised in profit or loss attributable to unlisted securities, and \$25.924M (2015: \$21.005M) attributable to depreciation recognised in profit or loss.

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

Due to the availability of observable market data, the University has transferred the value of one of its investments in unlisted securities from level 3 to level 2 at the end of the year.

Notes to the Financial Statements

For the Year Ended 31 December 2016

36 Fair Value Measurement (continued)

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

(ii) Valuation inputs and relationships to fair value

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

	Fair value at 31 December 2016 \$'000	Unobservable inputs*	Range of inputs (probability weighted average)	Relationship of unobservable inputs to fair value
Unlisted equity securities	303	*	*	*
Buildings	960,757			
Infrastructure	91,349			

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

Notes to the Financial Statements

For the Year Ended 31 December 2016

37 Subsidiaries

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

Name of Entity	Principal place of business	Ownership interest	
		2016 %	2015 %
Television Sydney Limited	Australia	-	75
UWS Enterprises Pty Limited trading as Western Sydney University The College	Australia	100	100
UWS Early Learning Limited	Australia	100	100
uwsconnect Limited	Australia	100	100
Whitlam Institute (within Western Sydney University) Limited and Trust	Australia	100	100

Television Sydney (TVS) Limited received notice from the Federal Minister for Communications advising that the broadcast license would expire effective 31 December 2015. The Board of TVS decided to cease broadcasting on 20 December 2015, and finalise business operations on 31 December 2015. Television Sydney (TVS) Limited was de-registered on 9 November 2016.

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

38 Joint Operations

Joint operation with Urban Growth at Campbelltown

The project is for the development of a residential subdivision comprising 966 lots over 122 hectares located on the south west portion of the Campbelltown property. Land sales commenced in 2014 and extend through a number of stages through 2017, subject to market demand. The development is located in a desirable south western portion of Campbelltown's Macarthur region, adjacent to the University campus, suburban shopping facilities, parks, and in close proximity to both a railway station and the Hume Highway. The infrastructure being built will also improve access to the University campus with a much needed second major entry road as part of the development.

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

Name of joint operation	Nature of relationship	Principal place of business	Ownership interest/ voting rights held	
			2016 %	2015 %
Campbelltown residential development	Jointly controlled operation with Urban Growth for the residential subdivision of land.	Australia	50	50

Notes to the Financial Statements

For the Year Ended 31 December 2016

38 Joint Operations (continued)

Joint operation with Urban Growth at Campbelltown (continued)

The assets and liabilities employed in the above jointly controlled operation, including Western Sydney University's share of any assets and liabilities held jointly, are detailed below. The amounts are included in the financial statements under their respective categories.

	Consolidated		Parent	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Statement of Financial Position				
Other receivables	2,083	1,528	2,083	1,528
Construction in Progress	9,461	12,079	9,461	12,079
Deferred income	(480)	(495)	(480)	(495)
Trade and other payables	(1,562)	(1,744)	(1,562)	(1,744)
Statement of Comprehensive Income				
Proceeds from sale of assets	25,173	31,350	25,173	31,350
Carrying amount of assets sold	(11,310)	(18,620)	(11,310)	(18,620)
Gain on disposal of assets	13,863	12,730	13,863	12,730
Other expenses	7	(644)	7	(644)
Interest revenue	(500)	13	(500)	13

Notes to the Financial Statements

For the Year Ended 31 December 2016

39 Reconciliation of Net Results to Net Cash Flows From Operating Activities

	Consolidated		Parent	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Net result for the period	34,837	41,323	36,018	43,006
Net (gain)/loss on disposal of property, plant and equipment	(13,191)	(6,889)	(12,842)	(6,995)
Superannuation adjustments	2,685	(15,929)	2,685	(15,929)
Depreciation and amortisation	43,874	39,637	42,580	38,921
Impairment of receivables	(558)	(32)	(311)	(6,270)
Cost of goods sold - livestock	(82)	21	(82)	21
(Increase)/decrease in trade debtors	(16,431)	(14,249)	(15,540)	(9,614)
Increase/(decrease) in other operating liabilities	7,111	14,211	6,611	15,581
(Increase)/decrease in inventories	2,873	1,008	-	-
(Increase)/decrease in other non-financial assets	(602)	(154)	(602)	(154)
Increase/(decrease) in trade creditors	(10,765)	20,154	(10,151)	20,048
Increase/(decrease) in other provisions	(6,253)	19,946	(6,105)	19,574
Net cash provided by operating activities	43,498	99,047	42,261	98,189

Notes to the Financial Statements

For the Year Ended 31 December 2016

40 Acquittal of Australian Government Financial Assistance

(a) Education - CGS and other Education grants

		Commonwealth Grants Scheme#1		Indigenous Support Program		Higher Education Participation Program #2		Disability Support Program		Diversity and Structural Adjustment Fund #3		Promo of Exc in Learning and Teaching	
		2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Parent Entity (University) Only	Note												
Financial assistance received in CASH during the reporting period (total cash received from Australian Government for the program)		298,324	287,130	1,758	1,749	11,625	13,074	924	823	-	-	140	175
Net accrual adjustments		(813)	235	-	-	-	-	-	-	-	-	15	-
Revenue for the period	2(a)	297,511	287,365	1,758	1,749	11,625	13,074	924	823	-	-	155	175
Surplus/(deficit) from the previous year		-	-	-	-	6,811	4,850	787	476	306	537	461	980
Total revenue including accrued revenue		297,511	287,365	1,758	1,749	18,436	17,924	1,711	1,299	306	537	616	1,155
Less expenses including accrued expenses		(297,511)	(287,365)	(1,758)	(1,749)	(9,104)	(11,113)	(1,109)	(512)	(306)	(231)	(462)	(694)
Surplus/(deficit) for the reporting period		-	-	-	-	9,332	6,811	602	787	-	306	154	461

		Total	
		2016	2015
	Note	\$'000	\$'000
Parent Entity (University) Only			
Financial assistance received in CASH during the reporting period (total cash received from Australian Government for the program)		312,771	302,951
Net accrual adjustments		(798)	235
Revenue for the period	2(a)	311,973	303,186
Surplus/(deficit) from the previous year		8,365	6,843
Total revenue including accrued revenue		320,338	310,029
Less expenses including accrued expenses		(310,250)	(301,664)
Surplus/(deficit) for the reporting period		10,088	8,365

#1 Basic CGS grant amount, CGS – Regional Loading, CGS – Enabling Loading, Maths and Science Transition Loading and Full Fee Places Transition Loading.

#2 Includes Equity Support Program.

#3 Includes Collaboration and Structural Adjustments Program

Notes to the Financial Statements

For the Year Ended 31 December 2016

40 Acquittal of Australian Government Financial Assistance (continued)

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

Parent Entity (University) Only

Cash Payable/(Receivable) at the beginning of the year

Financial assistance received in cash during the reporting period

Cash available for the period

Revenue earned

Cash Payable/(Receivable) at the end of the year

Note	HECS-HELP (Aust. Government payments only)		FEE-HELP #4		SA-HELP		Total	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
	916	889	(461)	(224)	44	(263)	499	402
	205,336	205,005	11,060	8,982	6,495	7,426	222,891	221,413
	206,252	205,894	10,599	8,758	6,539	7,163	223,390	221,815
2(b)	204,836	204,978	11,862	9,219	7,059	7,119	223,757	221,316
	1,416	916	(1,263)	(461)	(520)	44	(367)	499

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

Notes to the Financial Statements

For the Year Ended 31 December 2016

40 Acquittal of Australian Government Financial Assistance (continued)

(c) Scholarships

	Note	Australian Postgraduate Awards		International Postgraduate Research Scholarships		Commonwealth Education Cost Scholarships #5		Commonwealth Accommodation Scholarships #5		Indigenous Access Scholarship		Total	
		2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Parent Entity (University) Only													
Financial assistance received in CASH during the reporting period (total cash received from Australian Government for the program)		3,361	3,227	274	270	109	83	21	10	39	72	3,804	3,662
Revenue for the period	2(c)	3,361	3,227	274	270	109	83	21	10	39	72	3,804	3,662
Surplus/(deficit) from the previous year		-	-	-	134	17	57	10	-	-	-	27	191
Total revenue including accrued revenue		3,361	3,227	274	404	126	140	31	10	39	72	3,831	3,853
Less expenses including accrued expenses		(3,361)	(3,227)	(274)	(404)	(126)	(123)	-	-	(39)	(72)	(3,800)	(3,826)
Surplus/(deficit) for the reporting period		-	-	-	-	-	17	31	10	-	-	31	27

#5 Includes Grandfathered Scholarships, National Priority and National Accommodation Priority Scholarships respectively.

Notes to the Financial Statements

For the Year Ended 31 December 2016

40 Acquittal of Australian Government Financial Assistance (continued)

(d) Education Research

Parent Entity (University) Only

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

Net accrual adjustments

Revenue for the period

Surplus/(deficit) from the previous year

Total revenue including accrued revenue

Less expenses including accrued expenses

Surplus/(deficit) for reporting period

Note	Joint Research Engagement		Research Training Scheme		Research Infrastructure Block Grants		Sustainable Research Excellence in Universities		Total	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
	3,813	3,730	7,070	6,884	1,896	1,796	175	1,497	12,954	13,907
	-	-	-	-	-	-	1,578	-	1,578	-
2(d)	3,813	3,730	7,070	6,884	1,896	1,796	1,753	1,497	14,532	13,907
	-	-	-	-	-	-	-	41	-	41
	3,813	3,730	7,070	6,884	1,896	1,796	1,753	1,538	14,532	13,948
	(3,813)	(3,730)	(7,070)	(6,884)	(1,896)	(1,796)	(1,753)	(1,538)	(14,532)	(13,948)
	-	-	-	-	-	-	-	-	-	-

Notes to the Financial Statements

For the Year Ended 31 December 2016

40 Acquittal of Australian Government Financial Assistance (continued)

(e) Other Capital Funding

Parent Entity (University) Only

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

Revenue for the period

Surplus/(deficit) from the previous year

Total revenue including accrued revenue

Less expenses including accrued expenses

Surplus/(deficit) for the reporting period

Note	Education Investment Fund		Total	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
	-	100	-	100
2(e)	-	100	-	100
	-	24	-	24
	-	124	-	124
	-	(124)	-	(124)
	-	-	-	-

Notes to the Financial Statements

For the Year Ended 31 December 2016

40 Acquittal of Australian Government Financial Assistance (continued)

(f) Australian Research Council Grants

(i) Discovery

Parent Entity (University) Only

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

Net accrual adjustments

Revenue for the period

Surplus/(deficit) from the previous year

Total revenue including accrued revenue

Less expenses including accrued expenses

Surplus/(deficit) for reporting period

Note	Projects		Fellowships		Indigenous Researchers Development		Total Discovery	
	2016	2015	2016	2015	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	4,143	4,775	990	1,237	-	222	5,133	6,234
	290	133	-	-	-	34	290	167
2(f)(i)	4,433	4,908	990	1,237	-	256	5,423	6,401
	4,018	3,071	988	1,724	66	81	5,072	4,876
	8,451	7,979	1,978	2,961	66	337	10,495	11,277
	(4,873)	(3,961)	(1,333)	(1,973)	(50)	(271)	(6,256)	(6,205)
	3,578	4,018	645	988	16	66	4,239	5,072

(ii) Linkages

Parent Entity (University) Only

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

Net accrual adjustments

Revenue for the period

Surplus/(deficit) from the previous year

Total revenue including accrued revenue

Less expenses including accrued expenses

Surplus/(deficit) for reporting period

Note	Infrastructure		International		Projects		Total Linkages	
	2016	2015	2016	2015	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	-	-	-	-	1,146	749	1,146	749
	-	18	-	-	-	(33)	-	(15)
2(f)(ii)	-	18	-	-	1,146	716	1,146	734
	1	199	-	9	1,057	1,264	1,058	1,472
	1	217	-	9	2,203	1,980	2,204	2,206
	(1)	(216)	-	(9)	(882)	(923)	(883)	(1,148)
	-	1	-	-	1,321	1,057	1,321	1,058

Notes to the Financial Statements

For the Year Ended 31 December 2016

40 Acquittal of Australian Government Financial Assistance (continued)

(f) Australian Research Council Grants (continued)

(iii) Networks and Centres and Special Research Initiatives

Parent Entity (University) Only

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

Revenue for the period

Surplus/(deficit) from the previous year

Total revenue including accrued revenue

Less expenses including accrued expenses

Surplus/(deficit) for reporting period

Note	Centres		Total Networks and Centres		Special Research Initiatives		Total	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
	1,136	1,069	1,136	1,069	-	-	1,136	1,069
2(f)(iii)	1,136	1,069	1,136	1,069	-	-	1,136	1,069
	1,052	848	1,052	848	20	20	1,072	868
	2,188	1,917	2,188	1,917	20	20	2,208	1,937
	(1,270)	(865)	(1,270)	(865)	-	-	(1,270)	(865)
	918	1,052	918	1,052	20	20	938	1,072

Notes to the Financial Statements

For the Year Ended 31 December 2016

40 Acquittal of Australian Government Financial Assistance (continued)

(g) OS-HELP

		2016	2015
	Note	\$'000	\$'000
Parent Entity (University) Only			
Cash received during the reporting period	2(h)	2,658	483
Cash spent during the reporting period		(1,772)	(1,901)
Net cash received		886	(1,418)
Cash surplus / (deficit) from the previous period		(564)	854
Cash surplus/(deficit) for reporting period	25	322	(564)

(h) Student Services and Amenities Fee

		2016	2015
	Note	\$'000	\$'000
Parent Entity (University) Only			
Unspent/(overspent) revenue from previous period		-	-
SA-HELP revenue earned	2(b)	7,059	7,119
Student Services and Amenities Fees direct from students	4	2,781	2,512
Total revenue expendable in period		9,840	9,631
Student services expenses during period		(9,840)	(9,631)
Unspent/(overspent) student services revenue		-	-

Notes to the Financial Statements

For the Year Ended 31 December 2016

41 Defined Benefits Plans

(a) Fund specific disclosure

The Pooled Fund holds in trust the investments of the closed NSW public sector superannuation schemes, namely State Authorities Superannuation Scheme (SASS), State Superannuation Scheme (SSS) and State Authorities Non Contributory Superannuation Scheme (SANCS), which are State schemes and subject to reimbursement rights. These three schemes are all defined benefit schemes - at least a component of the final benefit is derived from a multiple of member salary and years of membership.

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

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

The significant elements of the agreement are that:

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

The amount receivable from the Commonwealth or State in respect of the three funds as at 31 December 2016 was \$332.281M (2015: \$335.332M) and this is reflected in Note 18 as Non-current receivables. This receivable is net of the University's accrued and forecasted excess salary liability as at 31 December 2016 totalling \$0.701M (2015: \$0.523M) as the liability is treated as a reduction of the Commonwealth and State reimbursement right. The amount owing to members of the three funds as at 31 December 2016 was \$332.982M (2015: \$335.855M), including the University's accrued and forecasted excess salary liability, is recognised in the statement of financial position under provisions.

The University expects to make a contribution of \$1.48 million (2015: \$1.80 million) to the defined benefit plan during the next financial year.

The weighted average duration of the defined benefit obligation is 11.9 years (2015: 12.1 years).

The expected maturity analysis of undiscounted benefit obligations is as follows:

	Less than 1 year \$'000	Between 1 and 2 years \$'000	Between 2 and 5 years \$'000	Over 5 years \$'000	Total \$'000
Defined benefit obligations					
- 31 December 2016	24,435	24,643	74,836	467,758	591,672
Defined benefit obligations					
- 31 December 2015	24,326	24,707	75,728	472,141	596,902

Notes to the Financial Statements

For the Year Ended 31 December 2016

41 Defined Benefits Plans (continued)

(b) Categories of plan assets

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

	2016 (%)		2015 (%)	
	Active Market	No Active Market	Active Market	No Active Market
Equity instruments	66	3	69	3
Property	4	5	4	4
Alternatives	12	10	10	10
Total	82	18	83	17

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

	2016 %	2015 %
Discount rate(s)	2.78	2.90
Expected return on plan assets	7.40	7.80
Expected return on reimbursement rights	2.97	2.95
Expected rate(s) of salary increase	2.50	2.50
Expected rate of CPI increase	2.50	2.50

(c) Actuarial assumptions and sensitivity

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

	Change in assumption	Impact on defined benefit obligation	
	%	Increase in assumption	Decrease in assumption
Discount rate	1.00	Decrease by 10.7%	Increase by 12.9%
Salary growth rate	0.50	Increase by 0.2%	Decrease by 0.2%

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

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

Notes to the Financial Statements

For the Year Ended 31 December 2016

41 Defined Benefits Plans (continued)

(d) Statement of financial position amounts

Amounts recognised in the statement of financial position - 2016	Note	\$'000 SASS	\$'000 SANCS	\$'000 SSS	\$'000 Total
Liabilities					
Provision for deferred government benefits for superannuation	27	11,140	3,843	317,999	332,982
Total liabilities recognised in the statement of financial position		11,140	3,843	317,999	332,982
Assets					
Receivables for deferred government contribution for superannuation	18	10,605	3,718	317,958	332,281
Total assets recognised in the statement of financial position		10,605	3,718	317,958	332,281
Net liability recognised in the statement of financial position		535	125	41	701
Net liability reconciliation - 2016					
Defined benefit obligation		38,794	6,058	409,418	454,270
Fair value of plan assets		(27,654)	(2,215)	(91,419)	(121,288)
Net liability		11,140	3,843	317,999	332,982
Reimbursement right	18	(10,605)	(3,718)	(317,958)	(332,281)
Total net liability/(asset)		535	125	41	701
Reimbursement rights - 2016					
Opening value of reimbursement right		10,895	3,387	321,573	335,855
Excess salary expense through profit and loss		(8)	(5)	(42)	(55)
Emerging liability for excess salaries		(527)	(119)	-	(646)
Return on reimbursement rights		617	112	8,877	9,606
Remeasurements		(372)	343	(12,450)	(12,479)
Closing value of reimbursement right	18	10,605	3,718	317,958	332,281

Notes to the Financial Statements

For the Year Ended 31 December 2016

41 Defined Benefits Plans (continued)

(d) Statement of financial position amounts (continued)

	\$'000 SASS	\$'000 SANCS	\$'000 SSS	\$'000 Total
Present value obligations - 2016				
Opening defined benefit obligation	43,556	6,897	422,251	472,704
Current service cost	1,330	283	258	1,871
Interest expense	1,193	185	11,986	13,364
	46,079	7,365	434,495	487,939
Remeasurements				
Actuarial losses/(gains) arising from changes in financial assumptions	170	42	1,350	1,562
Experience (gains)/losses	100	318	(12,665)	(12,247)
	270	360	(11,315)	(10,685)
Contributions				
Plan participants	571	-	178	749
Payments from plan				
Benefits paid	(8,008)	(1,609)	(16,157)	(25,774)
Taxes, premiums and expenses paid	(118)	(58)	2,217	2,041
	(8,126)	(1,667)	(13,940)	(23,733)
Closing defined benefit obligation	38,794	6,058	409,418	454,270
Present value of plan assets - 2016				
Opening fair value of plan assets	32,661	3,510	100,679	136,850
Interest expense / (income)	892	91	2,670	3,653
	33,553	3,601	103,349	140,503
Remeasurements				
Return on plan assets, excluding amounts included in net interest expense	642	16	1,135	1,793
Contributions				
Employers	1,013	265	697	1,975
Plan participants	572	-	178	750
	1,585	265	875	2,725
Payments from plan				
Benefits paid	(8,008)	(1,609)	(16,157)	(25,774)
Taxes, premiums and expenses paid	(118)	(58)	2,217	2,041
	(8,126)	(1,667)	(13,940)	(23,733)
Closing fair value of plans assets	27,654	2,215	91,419	121,288

Notes to the Financial Statements

For the Year Ended 31 December 2016

41 Defined Benefits Plans (continued)

(d) Statement of financial position amounts (continued)

Amounts recognised in the statement of financial position - 2015	Note	\$'000 SASS	\$'000 SANCS	\$'000 SSS	\$'000 Total
Liabilities					
Provision for deferred government benefits for superannuation	27	10,895	3,387	321,573	335,855
Total liabilities recognised in the statement of financial position		10,895	3,387	321,573	335,855
Assets					
Receivables for deferred government contribution for superannuation	18	10,641	3,311	321,380	335,332
Total assets recognised in the statement of financial position	18	10,641	3,311	321,380	335,332
Net liability recognised in the statement of financial position		254	76	193	523
Net liability reconciliation - 2015					
Defined benefit obligation		43,556	6,897	422,251	472,704
Fair value of plan assets		(32,661)	(3,510)	(100,678)	(136,849)
Net liability	27	10,895	3,387	321,573	335,855
Reimbursement right	18	(10,641)	(3,311)	(321,380)	(335,332)
Total net liability/(asset)		254	76	193	523
Reimbursement rights - 2015					
Opening value of reimbursement right		10,161	3,506	306,014	319,681
Excess salary expense through profit and loss		(29)	(22)	(192)	(243)
Emerging liability for excess salaries		(226)	(54)	-	(280)
Return on reimbursement rights		588	258	8,788	9,634
Remeasurements		147	(377)	6,770	6,540
Closing value of reimbursement right	18	10,641	3,311	321,380	335,332

Notes to the Financial Statements

For the Year Ended 31 December 2016

41 Defined Benefits Plans (continued)

(d) Statement of financial position amounts (continued)

	\$'000 SASS	\$'000 SANCS	\$'000 SSS	\$'000 Total
Present value obligations - 2015				
Opening defined benefit obligation	45,840	7,829	417,591	471,260
Current service cost	1,526	337	365	2,228
Interest expense	1,215	210	11,574	12,999
	<u>48,581</u>	<u>8,376</u>	<u>429,530</u>	<u>486,487</u>
Remeasurements				
Actuarial losses/(gains) arising from changes in demographic assumptions	666	(74)	13,453	14,045
Actuarial losses/(gains) arising from changes in financial assumptions	(24)	-	(3,887)	(3,911)
Experience (gains)/losses	123	(275)	(2,029)	(2,181)
	<u>765</u>	<u>(349)</u>	<u>7,537</u>	<u>7,953</u>
Contributions				
Plan participants	607	-	348	955
Payments from plan				
Benefits paid	(6,218)	(1,268)	(16,749)	(24,235)
Taxes, premiums and expenses paid	(179)	138	1,585	1,544
	<u>(6,397)</u>	<u>(1,130)</u>	<u>(15,164)</u>	<u>(22,691)</u>
Closing defined benefit obligation	<u>43,556</u>	<u>6,897</u>	<u>422,251</u>	<u>472,704</u>
Present value of plan assets - 2015				
Opening fair value of plan assets	35,679	4,323	111,577	151,579
Interest expense / (income)	945	113	2,917	3,975
	<u>36,624</u>	<u>4,436</u>	<u>114,494</u>	<u>155,554</u>
Remeasurements				
Return on plan assets, excluding amounts included in net interest expense	617	29	766	1,412
	<u>617</u>	<u>29</u>	<u>766</u>	<u>1,412</u>
Contributions				
Employers	1,210	175	234	1,619
Plan participants	607	-	348	955
	<u>1,817</u>	<u>175</u>	<u>582</u>	<u>2,574</u>
Payments from plan				
Benefits paid	(6,218)	(1,268)	(16,749)	(24,235)
Taxes, premiums and expenses paid	(179)	138	1,585	1,544
	<u>(6,397)</u>	<u>(1,130)</u>	<u>(15,164)</u>	<u>(22,691)</u>
Closing fair value of plans assets	<u>32,661</u>	<u>3,510</u>	<u>100,678</u>	<u>136,849</u>

Western Sydney University

Notes to the Financial Statements
For the Year Ended 31 December 2016

42 Events Occurring After the Reporting Date

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

End of Audited Financial Statements.



INDEPENDENT AUDITOR'S REPORT

Western Sydney University

To Members of the New South Wales Parliament

Opinion

I have audited the accompanying financial statements of Western Sydney University (the University), which comprise the statements of financial position as at 31 December 2016, the income statements, statements of comprehensive income, the statements of changes in equity and the statements of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the responsible persons declaration of the University and the consolidated entity. The consolidated entity comprises the University and the entities it controlled at the year's end or from time to time during the financial year.

In my opinion, the financial statements:

- give a true and fair view of the financial position of the University and the consolidated entity, as at 31 December 2016, and of their financial performance and cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 41B of the Public Finance and Audit Act 1983 (PF&A Act) and the Public Finance and Audit Regulation 2015
- comply with the 'Financial Statement Guidelines for Australian Higher Education Providers for the 2016 Reporting Period' (the Guidelines), issued by the Australian Government Department of Education and Training, pursuant to the Higher Education Support Act 2003, the Higher Education Funding Act 1988 and the Australian Research Council Act 2001
- have been prepared in accordance with Division 60 of the Australian Charities and Not-for-profits Commission Act 2012 and Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013.

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

Basis for Opinion

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

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

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

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

The PF&A Act further promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:

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

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

University Board of Trustees' Responsibility for the Financial Statements

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

In preparing the financial statements, the Board of Trustees must assess the University's ability to continue as a going concern unless the University will be dissolved by an Act of Parliament or otherwise cease operations. The assessment must disclose, as applicable, matters related to going concern and the appropriateness of using the going concern basis of accounting.

Auditor's Responsibility for the Audit of the Financial Statements

My objectives are to:

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

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements.

Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at http://www.auasb.gov.au/auditors_files/ar7.pdf.

The description forms part of my auditor's report.

My opinion does *not* provide assurance:

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



Margaret Crawford

Auditor-General of NSW

12 April 2017
SYDNEY

UWS Enterprises Pty Limited Trading as Western Sydney University The College

ABN: 44 003 474 468

Financial Statements

For the Year Ended 31 December 2016

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

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

Nirimba Education Precinct

Eastern Road, Quakers Hill NSW 2763

A description of the nature of the Company's operations and its principal activities is included in the directors' report on pages 100 to 103, which is not part of these financial statements.

The financial statements were authorised for issue by the directors on 15 March 2017. The directors have the power to amend and reissue the financial statements.

Directors' Report

31 December 2016

The directors present their report on the Company for the financial year ended 31 December 2016.

1. General information

Information on directors

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

Mr Ramy Aziz	B.Bus, CPA, FGIA
Associate Professor Craig Ellis	BBus, BComms (Hons), PhD, SA Fin (Resigned 16 February 2016)
Ms Jackie Kelly	B.Law (Resigned 20 October 2016)
Professor Denise Kirkpatrick	Doctor of Philosophy (PhD), Education (Chair)
Mr Angelo Kourtis	BA
Professor Simon Barrie	Doctor of Philosophy (PhD), B.App Sci (Appointed 19 April 2016)
Ms Caroline Hutchinson	B Economics, B Laws (Appointed 01 January 2017)

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

Principal activities and significant changes in nature of activities

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

- Provision of educational services

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

Directors' Report

31 December 2016

2. Operating results and review of operations for the year

The net result of the Company for the year ended 31 December 2016 amounted to NIL (2015: NIL) which included a royalty payment to the parent entity of \$20,092,238 (2015: \$14,083,420).

3. Other items

Significant changes in state of affairs

No significant changes in the nature of the Company's activities occurred during the year.

Events after the reporting date

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

Future developments and results

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

Environmental issues

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

Dividends paid or recommended

No dividend was paid or payable since the commencement of the financial year and up to and including the date of signing the report (2015: nil).

Company secretary

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

Directors' Report

31 December 2016

Meetings of directors

During the financial year ended 31 December 2016, 6 meetings of directors were held. Attendances by each director during the year were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Mr Ramy Aziz	6	6
Associate Professor Craig Ellis	-	-
Ms Jackie Kelly	5	4
Professor Denise Kirkpatrick	6	5
Mr Angelo Kourtis	6	5
Professor Simon Barrie	5	3
Ms Caroline Hutchinson	-	-

Indemnification and insurance of officers and auditors

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

Proceedings on behalf of company

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

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

Auditor's independence declaration

The auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 31 December 2016 has been received and can be found on page 105 of the financial statements.

The Audit Office of New South Wales GPO Box 12 Sydney NSW 2001

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

Director:


.....
Professor Denise Kirkpatrick

Director:


.....
Professor Simon Barrie

Dated:

15/3/17

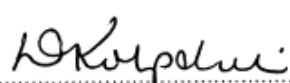
Directors' Declaration

In the directors' opinion:

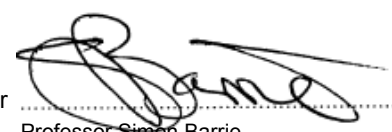
1. the financial statements and notes, as set out on pages 106 to 136, are in accordance with the *Corporations Act 2001*, including:
 - (a) complying with Accounting Standards, the *Corporations Regulations 2001*, *Public Finance and Audit Act 1983*, *Public Finance and Audit Regulation 2015* and other mandatory professional reporting requirements, and
 - (b) giving a true and fair view of the company's financial position as at 31 December 2016 and of its performance for the financial year ended on that date, and;
2. there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable,

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

Director


.....
Professor Denise Kirkpatrick

Director


.....
Professor Simon Barrie

Dated

15/3/17

UWS Enterprises Pty Limited Trading as Western Sydney University The College

ABN: 44 003 474 468

Responsible Entities Declaration - per section 60.15 of the *Australian Charities and Not-for-profits Commission Regulation 2013*

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

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

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

Director
Date

15/3/17





To the Directors
UWS Enterprises Pty Limited
(trading as Western Sydney University The College)

Auditor's Independence Declaration

As auditor for the audit of the financial statements of UWS Enterprises Pty Limited (trading as Western Sydney University The College) for the year ended 31 December 2016, I declare, to the best of my knowledge and belief, there have been no contraventions of:

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

A handwritten signature in blue ink, appearing to read 'Margaret Crawford'.

Margaret Crawford
Auditor-General of NSW

10 March 2017
SYDNEY

UWS Enterprises Pty Limited Trading as Western Sydney University The College

ABN: 44 003 474 468

Statement of Comprehensive Income**For the Year Ended 31 December 2016**

	Notes	2016 \$	2015 \$
Revenue			
Rendering of services	14(a)	60,565,646	61,068,828
Interest revenue		149,633	195,466
Share of net profit or loss on investments accounted for using the equity method	7	(1,052,110)	(119,417)
Other revenue	14(b)	329,105	307,378
Total revenue		59,992,274	61,452,255
Net loss on disposal of assets		-	(9,122)
Expenses			
Employee benefits expense	15	(31,835,140)	(36,982,679)
Fees for service	15	(3,696,121)	(5,562,708)
Occupancy expenses	15	(339,947)	(183,692)
Royalty to parent	16	(20,092,238)	(14,083,420)
Depreciation and amortisation expense	15	(1,235,440)	(570,772)
Consumables and supplies		(302,139)	(538,517)
Advertising, marketing and promotional expenses		(132,018)	(506,123)
Student expenses		(491,411)	(618,110)
Other expenses	15	(1,867,820)	(2,397,112)
Total Expenses		(59,992,274)	(61,443,133)
Other comprehensive income		-	-
Total comprehensive income for the year		-	-
Comprehensive income for the year attributable to			
Non - controlling interest		-	-
Western Sydney University (The Parent)		-	-
Total comprehensive income for the year		-	-

Statement of Financial Position

As At 31 December 2016

	Notes	2016 \$	2015 \$
ASSETS			
Current Assets			
Cash and cash equivalents	2	1,109,058	696,371
Loans to parent entity		5,651,726	6,560,759
Trade and other receivables	3	401,737	369,087
Receivables from related parties	20(d)	585,588	86,250
Prepayments	4	879,154	3,451,055
Total Current Assets		8,627,263	11,163,522
Non-Current Assets			
Loans to joint venture		247,890	-
Property, plant and equipment	5	5,262,295	2,359,451
Intangible assets	6	153,658	263,414
Total Non-Current Assets		5,663,843	2,622,865
Total Assets		14,291,106	13,786,387
LIABILITIES			
Current Liabilities			
Trade payables		139,066	491,163
Tuition fees advance receipts		776,051	779,699
Amounts due to related parties	20(d)	684,058	78,698
Accrued expenses	8	2,210,500	2,142,802
Provisions	9	1,838,997	1,885,873
Other liabilities	10	1,113,673	731,071
Total Current Liabilities		6,762,345	6,109,306
Non-Current Liabilities			
Provisions	9	763,312	911,632
Total Non-Current Liabilities		763,312	911,632
Total Liabilities		7,525,657	7,020,938
Net Assets		6,765,449	6,765,449
EQUITY			
Issued capital	11	1	1
Retained earnings		6,765,448	6,765,448
Total Equity		6,765,449	6,765,449

UWS Enterprises Pty Limited Trading as Western Sydney University The College

ABN: 44 003 474 468

Statement of Changes in Equity

For the Year Ended 31 December 2016

	Issued Capital \$	Retained Earnings \$	Total \$
Balance at 1 January 2016	1	6,765,448	6,765,449
Total comprehensive income for the year			
Surplus / (deficit) for the year	-	-	-
Other comprehensive income	-	-	-
Balance at 31 December 2016	1	6,765,448	6,765,449

	Issued Capital \$	Retained Earnings \$	Total \$
Balance at 1 January 2015	1	6,765,448	6,765,449
Total comprehensive income for the year			
Surplus / (deficit) for the year	-	-	-
Other comprehensive income	-	-	-
Balance at 31 December 2015	1	6,765,448	6,765,449

Statement of Cash Flows

For the Year Ended 31 December 2016

	Notes	2016 \$	2015 \$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers		60,604,124	61,405,545
Payments to suppliers and employees		(58,698,091)	(60,022,386)
Interest received		49,502	17,661
Australian Government Grants		-	160,000
Other receipts / (payments)		329,105	222,744
Net cash provided by operating activities	21	<u>2,284,640</u>	<u>1,783,564</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Proceeds from sale of plant and equipment		-	30,100
Purchase of property, plant and equipment		(1,581,117)	(2,055,703)
Payment for intangible asset		-	(263,414)
Payments for operations of joint venture		(1,300,000)	(119,417)
Repayments received from the parent entity		7,978,278	8,080,191
Advances made to the parent entity		(6,969,114)	(7,556,296)
Net cash used in investing activities		<u>(1,871,953)</u>	<u>(1,884,539)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:			
Net cash provided by financing activities		<u>-</u>	<u>-</u>
Net increase / (decrease) in cash and cash equivalents held		412,687	(100,975)
Cash and cash equivalents at beginning of year		696,371	797,346
Cash and cash equivalents at end of financial year	2	<u>1,109,058</u>	<u>696,371</u>

Notes to the Financial Statements

For the Year Ended 31 December 2016

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

1 Summary of Significant Accounting Policies

(a) Basis of Preparation

The financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, the *Corporations Act 2001*, Section 41B(1) of the *Public Finance & Audit Act 1983*, *Public Finance & Audit Regulation 2015*, the *Australian Charities and Not-for profits Commission Act 2012* and *Regulation 2013* and other legislative requirements.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in the financial statements containing relevant and reliable information about transactions, events and conditions.

The financial statements and notes of the Company comply with Australian Accounting Standards, some of which contain requirements specific to not-for-profit entities that are inconsistent with IFRS requirements.

Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

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

(b) Principles of Consolidation

Joint Arrangements

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

The Company's share of assets, liabilities, revenue and expenses of the Joint Venture has been incorporated by using the equity method in accordance with AASB 11 Joint Arrangements.

Under the equity method of accounting, the Company recognises its share of the profit and net assets in the International College as a one line item in the income statement and statement of financial position, respectively.

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

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

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

Notes to the Financial Statements

For the Year Ended 31 December 2016

1 Summary of Significant Accounting Policies continued

(c) Foreign currency transactions and balances

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

(d) Comparative Amounts

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

When the Company applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements, a statement of financial position as at the beginning of the earliest comparative period will be presented.

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

		2015 Reported \$	2015 Revised \$
Current assets			
Trade and other receivables	3	455,337	369,087
Receivables from related parties	20(d)	-	86,250
		<u>455,337</u>	<u>455,337</u>
Cash flows from investing activities			
Repayments received from the parent entity		-	8,080,191
Advances made to the parent entity		-	(7,556,296)
		<u>-</u>	<u>523,895</u>
Cash flows from financing activities			
Repayments received from the parent entity		8,080,191	-
Advances made to the parent entity		(7,556,296)	-
		<u>523,895</u>	<u>-</u>
Note 9 - Employee Benefits			
Long service leave obligations expected to be settled after 12 months	9	-	173,206
Note 13 - Financial Risk Management			
Trade and other receivables	13	448,392	362,142
Receivables from related parties	13	-	86,250
		<u>448,392</u>	<u>448,392</u>

Notes to the Financial Statements

For the Year Ended 31 December 2016

1 Summary of Significant Accounting Policies continued

(e) Financial assets

Classification

The Company classifies its financial assets as loans and receivables.

(i) *Loans and receivables*

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

Loans and receivables are included in current assets, except for those which are not expected to be realised within 12 months after the end of the reporting period.

(f) Trade receivables

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

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off. A provision for impairment of receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments are considered indicators that the trade receivable is impaired.

The amount of the provision is the difference between the book value and the amount expected to be recovered from the debtor. The amount of the movement in the provision is recognised in the income statement.

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

(g) Cash and cash equivalents

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

(h) Employee benefits

The Company's liability for employee benefits arises from services rendered by employees up to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs.

Employee benefits payable later than one year have been measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Those cashflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cashflows.

Notes to the Financial Statements

For the Year Ended 31 December 2016

1 Summary of Significant Accounting Policies continued

(i) Provisions

Provisions are recognised when the Company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

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

Provisions are measured at the present value of management's best estimate of the outflow required to settle the obligation at the end of the reporting period. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the unwinding of the discount is taken to finance costs in the statement of comprehensive income.

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

(j) Trade and other payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Company during the reporting period which remain unpaid. The balance is recognised as a current liability in the statement of financial position with the amounts normally paid within 30 days of recognition of the liability.

(k) Leases

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

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the Company will obtain ownership of the asset or over the term of the lease.

(l) Revenue and other income

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

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

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

Notes to the Financial Statements

For the Year Ended 31 December 2016

1 Summary of Significant Accounting Policies continued

(l) Revenue and other income continued

Rendering of services

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

(m) Goods and Services Tax (GST)

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

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

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

(n) Critical accounting estimates and judgements

The below areas involve a high degree of judgement where assumptions and estimates are significant to the financial statements of the Company.

Key judgements - provision for impairment of receivables

The value of the provision for impairment of receivables is estimated by considering the ageing of receivables, communication with the debtors and prior history.

Key judgements - provision for long service leave

The value of the provision for long service leave is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method.

(o) New and revised accounting standards

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2016 reporting periods and have not yet been applied to the financial statements. The Company's assessment of the impact of the new standards and interpretations is that they will not materially affect any of the amounts recognised in the financial statements or significantly impact the disclosures in relation to the Company.

Notes to the Financial Statements

For the Year Ended 31 December 2016

1 Summary of Significant Accounting Policies continued

(p) Property, Plant and Equipment

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

Plant and equipment

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

Artwork

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

Leasehold Improvements

Leasehold improvements are measured on a cost basis. Cost includes expenditure that is directly attributable to the asset.

Depreciation

The depreciable amount of all fixed assets including capitalised leased assets, is depreciated on a straight-line basis over the asset's useful life to the Company commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The estimated useful lives/depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate / Useful Life
Computer Equipment	3-4 years
Leasehold improvements	2-6 years
Motor Vehicles	6-7 years
Other Equipment	10-20 years

The assets' residual values, depreciation methods and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

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

Notes to the Financial Statements

For the Year Ended 31 December 2016

1 Summary of Significant Accounting Policies continued

(p) Property, Plant and Equipment continued

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(q) Intangible Assets

Development costs of Online Teaching Units

Costs directly attributable to the development of online teaching units are capitalised as intangible assets only when technical feasibility of the project is demonstrated, the Company has the intention and ability to complete and use the online units and the costs can be measured reliably. Such costs include the purchases of materials and services and payroll-related costs of employees directly involved in the project. Research costs are recognised as an expense when incurred.

Costs associated with the development of online teaching units are captured initially as Work in Progress (WIP).

Amortisation

Total costs captured for the units will be transferred from WIP to Intangible Asset upon completion of the development.

Amortisation will commence when teaching of the units commences. Amortisation period will be two years on a straight line basis.

(r) Royalties

Royalties are due by the Company for its access to the parent entity's intellectual property, infrastructure, premises and business services. Royalty is accrued on a monthly basis based on budgeted and forecasted total revenue for the related period and is effected by an intercompany transfer. Adjustment is made at the end of each financial year to reflect the agreed final contribution for the year.

(s) Income Tax

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

UWS Enterprises Pty Limited Trading as Western Sydney University The College

ABN: 44 003 474 468

Notes to the Financial Statements

For the Year Ended 31 December 2016

2 Cash and cash equivalents

	2016	2015
	\$	\$
Cash at bank and in hand	886,197	283,509
TCorp Hour-Glass Investment Facility	222,861	412,862
Total cash and cash equivalents	<u>1,109,058</u>	<u>696,371</u>

Reconciliation of cash

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:

	2016	2015
	\$	\$
Cash and cash equivalents	<u>1,109,058</u>	<u>696,371</u>
Balance as per statement of cash flows	<u>1,109,058</u>	<u>696,371</u>

The Company's exposure to interest rate risk is discussed in Note 13.

Notes to the Financial Statements

For the Year Ended 31 December 2016

3 Trade and other receivables

		2016	2015
	Note	\$	\$
Student receivables		121,248	397,242
Trade receivables		304,953	213,292
Provision for doubtful receivables	3(a)	(26,379)	(258,905)
Accrued interest		344	311
Other receivables		1,571	17,147
Total current trade and other receivables		401,737	369,087

(a) Provision for impairment of receivables

Movement in provision for impairment of receivables is as follows:

	2016	2015
	\$	\$
Opening balance as at 1 January	258,905	137,882
Doubtful debt provision	16,137	121,023
Bad debts written off	(248,663)	-
Balance as at 31 December	26,379	258,905

Credit risk

The Company has no significant concentration of credit risk with respect to any single counterparty or group of counterparties. The class of assets described as 'trade and other receivables' is considered to be the main source of credit risk related to the Company.

On a geographical basis, the Company has credit risk exposures in Australia only as all transactions are conducted in Australian dollars.

The following table details the Company's trade and other receivables exposure to credit risk (prior to collateral and other credit enhancements) with ageing analysis and impairment provided for thereon. Amounts are considered as 'past due' when the debt has not been settled, within the terms and conditions agreed between the Company and the customer or counter party to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there is objective evidence indicating that the debt may not be fully repaid to the Company.

Notes to the Financial Statements

For the Year Ended 31 December 2016

3 Trade and other receivables continued

The balances of receivables that remain within initial trade terms (as detailed in the table) are considered to be of high credit quality.

	(Days overdue)					
	0-30	30-60	60-90	90-180	> 180	Total
	\$	\$	\$	\$	\$	\$
2016						
Trade and student receivables	159,805	176,871	4,893	40,633	43,999	426,201
Other receivables	1,571	-	-	-	-	1,571
Accrued interest	344	-	-	-	-	344
Provision for doubtful receivables	-	-	-	(200)	(26,179)	(26,379)
Total	161,720	176,871	4,893	40,433	17,820	401,737
2015						
Trade and student receivables	94,242	160,674	12,968	61,148	281,503	610,534
Other receivables	11,101	-	15	4,831	1,200	17,147
Accrued interest	311	-	-	-	-	311
Provision for doubtful receivables	-	-	-	-	(258,905)	(258,905)
Total	105,654	160,674	12,983	65,979	23,798	369,087

The Company does not hold any financial assets with renegotiated terms. The other class of receivables do not contain impaired assets. It is expected that these balances will be received when due.

4 Prepayments

	2016	2015
	\$	\$
Prepayments	6,754	131,242
Internal capital funding for capital projects	872,400	3,319,813
Total Prepayments	879,154	3,451,055

Notes to the Financial Statements

For the Year Ended 31 December 2016

5 Property, plant and equipment

	2016	2015
	\$	\$
Leasehold Improvements		
Leasehold improvements	8,742,040	4,993,196
Accumulated depreciation	(3,841,451)	(2,815,932)
Total leasehold improvements	4,900,589	2,177,264
Plant and equipment		
Property, Plant and Equipment	901,463	628,318
Accumulated depreciation	(551,666)	(458,040)
Total plant and equipment	349,797	170,278
Artwork		
At cost	11,909	11,909
Total artwork	11,909	11,909
Total property, plant and equipment	5,262,295	2,359,451

(a) Movements in Carrying Amounts

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

	Leasehold improvements	Property, Plant and Equipment	Artwork	Total
	\$	\$	\$	\$
2016				
Balance at the beginning of year	2,177,264	170,278	11,909	2,359,451
Additions	3,748,843	279,685	-	4,028,528
Disposals	-	-	-	-
Depreciation expense	(1,025,518)	(100,166)	-	(1,125,684)
Balance at 31 December 2016	4,900,589	349,797	11,909	5,262,295
2015				
Balance at the beginning of year	337,247	199,962	11,909	549,118
Additions	2,318,362	101,964	-	2,420,326
Disposals	-	(39,221)	-	(39,221)
Depreciation expense	(478,345)	(92,427)	-	(570,772)
Balance at 31 December 2015	2,177,264	170,278	11,909	2,359,451

Notes to the Financial Statements

For the Year Ended 31 December 2016

6 Intangible assets

	2016	2015
	\$	\$
Online teaching units		
Online teaching units - at cost	263,414	263,414
Accumulated amortisation	(109,756)	-
Net carrying value	153,658	263,414
Total Intangibles	153,658	263,414

(a) Movements in carrying amounts of intangible assets

	Online Teaching Units	Total
	\$	\$
2016		
Balance at the beginning of the year	263,414	263,414
Amortisation	(109,756)	(109,756)
Closing value at 31 December 2016	153,658	153,658
2015		
Balance at the beginning of the year	-	-
Additions	263,414	263,414
Amortisation	-	-
Closing value at 31 December 2015	263,414	263,414

Notes to the Financial Statements

For the Year Ended 31 December 2016

7 Investments accounted for using the equity method

(a) Restrictions

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

(b) Individually immaterial joint venture

Aggregate carrying amount of interests in joint venture accounted for using the equity method that are not individually material in the financial statements:

	Joint Venture	
	2016	2015
	\$	\$
Profit/(loss) from continuing operations	(1,052,110)	(119,417)
Profit/(loss) from continuing operations after income tax	(1,052,110)	(119,417)
Other comprehensive income	-	-
Total comprehensive income	(1,052,110)	(119,417)

Capital commitments and contingent liabilities arising from the Company's interests in joint venture are disclosed in notes 12 and 18, respectively.

The Western Sydney University International College Pty Ltd has a reporting date of 30 June.

(c) Unrecognised share of losses of joint venture or associate

The Company has no unrecognised share of losses from the joint venture with Navitas Ltd (2015: \$67,068).

(d) Events Occurring After the Reporting Date

There are no events identified after the reporting date that would have a material impact on the financial statements.

8 Accrued expenses

	2016	2015
	\$	\$
Current		
Salary	329,858	319,283
Non-salary overheads	391,568	315,628
Agents' commissions	1,371,074	1,118,007
Provision for staff redundancy	118,000	389,884
	2,210,500	2,142,802

Notes to the Financial Statements

For the Year Ended 31 December 2016

9 Employee Benefits

	2016	2015
	\$	\$
Current		
Employee benefits - annual leave	1,396,560	1,565,400
Employee benefits - long service leave	442,437	320,473
	<u>1,838,997</u>	<u>1,885,873</u>

Amounts not expected to be settled within the next 12 months

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

	2016	2015
	\$	\$
Annual leave obligations expected to be settled after 12 months	140,585	272,214
Long service leave obligations expected to be settled after 12 months	228,962	173,206
	<u>369,547</u>	<u>445,420</u>

	2016	2015
	\$	\$
Non-Current		
Employee benefits - long service leave	763,312	911,632

10 Other liabilities

	2016	2015
	\$	\$
Unearned IELTS revenue *	160,710	191,064
Payroll tax	245,554	202,720
Fringe benefits tax	18,587	74,776
Unallocated student receipts	-	35,748
Other liabilities	688,822	226,763
	<u>1,113,673</u>	<u>731,071</u>

*Represents IELTS test fees paid in advance.

11 Issued Capital

	2016	2015
	\$	\$
Ordinary shares	1	1
Total contributed equity	<u>1</u>	<u>1</u>

Notes to the Financial Statements

For the Year Ended 31 December 2016

12 Capital and Leasing Commitments

(a) Operating lease commitments

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

	2016	2015
	\$	\$
Payable - minimum lease payments:		
- no later than 1 year	496,600	310,571
- between 1 year and 5 years	194,769	102,467
- greater than 5 years	-	-
	691,369	413,038

(b) Capital commitments

	2016	2015
	\$	\$
Capital expenditure commitments contracted for:		
- no later than 1 year	365,312	288,763
- between 1 year and 5 years	-	-
- greater than 5 years	-	-
	365,312	288,763

(c) Expenditure commitments from joint venture entities

	2016	2015
	\$	\$
Capital expenditure commitments contracted for:		
- no later than 1 year	101,408	-
- between 1 year and 5 years	-	-
- greater than 5 years	-	-
	101,408	-

Notes to the Financial Statements

For the Year Ended 31 December 2016

13 Financial Risk Management

The main risks the Company is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate risk.

The Company's financial instruments consist mainly of deposits with banks and local money market instruments.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	Weighted average interest rate		Balance	
	2016	2015	2016	2015
	%	%	\$	\$
Financial Assets				
Cash and cash equivalents	1.73	2.09	1,109,058	696,371
Loans to parent entity	2.40	2.47	5,651,726	6,560,759
Trade and other receivables (1)			401,737	362,142
Receivables from related parties			585,588	86,250
Loans to joint venture	4.67	-	247,890	-
Total financial assets			7,995,999	7,705,522
Financial Liabilities				
Trade payables (2)			139,066	491,164
Amounts due to related parties			684,058	78,698
Accrued expenses			2,210,500	2,148,802
Other liabilities (2)			380,756	224,836
Total financial liabilities			3,414,380	2,943,500

Notes:

(1) Excludes statutory receivable and prepayments (not within the scope of AASB 7).

(2) Excludes statutory payables and unearned revenue (not within the scope of AASB 7).

Notes to the Financial Statements

For the Year Ended 31 December 2016

13 Financial Risk Management continued

Financial risk management policies

The Board of Directors has overall responsibility for the establishment of the Company's financial risk management framework.

Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Company does not actively engage in the trading of financial assets for speculative purposes nor does it write or buy options.

Mitigation strategies for specific risks faced are described below:

(a) Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Company and arises principally from the Company's receivables and cash deposits.

Services are sold subject to retention of title clauses, so that in the event of non-payment the Company may have a secured claim.

There are no material differences between the carrying amount and fair value of financial assets and liabilities and hence the carry amount represents fair value.

(b) Liquidity risk

Liquidity risk arises from the possibility that the Company might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Company manages this risk through the following mechanisms:

- preparing forward-looking cash flow analysis in relation to its operational, investing and financial activities which are monitored on a weekly basis, and reported monthly; and
- only investing surplus cash with licensed banks covered by Australian Government Deposit Guarantee, NSW - Treasury Corporation or with the parent entity;

The timing of expected outflows is not expected to be materially different from contracted cashflows.

The tables below reflect an undiscounted contractual maturity analysis for financial liabilities.

Financial guarantee liabilities are treated as payable on demand since the Company has no control over the timing of any potential settlement of the liabilities.

The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates and does not reflect management's expectations that banking facilities will be rolled forward. The amounts disclosed in the table are the undiscounted contracted cash flows and therefore the balances in the table may not equal the balances in the statement of financial position due to the effect of discounting.

Notes to the Financial Statements

For the Year Ended 31 December 2016

13 Financial Risk Management continued

Financial asset and liability maturity analysis - Non-derivative

	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2016	2015	2016	2015	2016	2015	2016	2015
	\$	\$	\$	\$	\$	\$	\$	\$
Financial assets due for receipt								
Cash and cash equivalents	1,109,058	696,371	-	-	-	-	1,109,058	696,371
Loans to parent entity	5,651,726	6,560,759	-	-	-	-	5,651,726	6,560,759
Trade and other receivables	401,737	362,142	-	-	-	-	401,737	362,142
Receivables from related parties	585,588	86,250	-	-	-	-	585,588	86,250
Loans to joint venture	-	-	247,890	-	-	-	247,890	-
	7,748,109	7,705,522	247,890	-	-	-	7,995,999	7,705,522
Financial liabilities due for payment								
Trade payables	139,066	491,164	-	-	-	-	139,066	491,164
Amounts due to related parties	684,058	78,698	-	-	-	-	684,058	78,698
Accrued expenses	2,210,500	2,148,802	-	-	-	-	2,210,500	2,148,802
Other liabilities	380,756	224,836	-	-	-	-	380,756	224,836
	3,414,380	2,943,500	-	-	-	-	3,414,380	2,943,500

The timing of expected outflows is not expected to be materially different from contracted cashflows.

Notes to the Financial Statements

For the Year Ended 31 December 2016

13 Financial Risk Management continued

Financial assets pledged as collateral

No financial assets have been pledged as security for any financial liability.

(c) Market risk

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

i. Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period, whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments.

ii. Price risk

Price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices of securities held being available-for-sale or fair value through profit and loss.

To manage price risk in managed investment funds the Company has contracted out the management of portfolio to external managers. These fund managers are mandated to diversify investments of the portfolio under their management.

Sensitivity analysis

The following table illustrates sensitivities to the Company's exposures to changes in the interest rate risk.

Interest Rate Risk - Sensitivity Analysis

The following sensitivity analysis is based on the interest rate risk exposures in existence at the end of the reporting period.

An increase of 100 basis points or a decrease of 100 basis points would have increased equity and surplus or deficit by the amounts shown below. This analysis assumes that other variables are held constant.

The movements in surplus / (deficit) are due to higher interest costs from variable rate debt and cash balances.

The net exposure at the end of the reporting period is representative of what the Company was and is expecting to be exposed to at the end of the next twelve months. The sensitivity analysis is performed on the same basis as in 2015.

Notes to the Financial Statements

For the Year Ended 31 December 2016

13 Financial Risk Management continued

Interest Rate Risk - Sensitivity Analysis continued

2016

Financial assets

Cash and cash equivalents

Loans to parent entity

Loans to joint venture

Total increase / (decrease) in financial assets

Financial liabilities

Amounts due to related parties

Net increase / (decrease) in financial assets

Carrying amount \$	Surplus / deficit 100 basis points increase \$	Surplus / deficit 100 basis points decrease \$	Equity 100 basis points increase \$	Equity 100 basis points decrease \$
1,109,058	11,091	(11,091)	11,091	(11,091)
5,651,726	56,517	(56,517)	56,517	(56,517)
247,890	2,479	(2,479)	2,479	(2,479)
7,008,674	70,087	(70,087)	70,087	(70,087)
684,058	-	-	-	-
6,324,616	70,087	(70,087)	70,087	(70,087)

2015

Financial assets

Cash and cash equivalents

Loans to parent entity

Total increase / (decrease) in financial assets

Financial liabilities

Amounts due to related parties

Net increase / (decrease) in financial assets

696,371	6,964	(6,964)	6,964	(6,964)
6,560,759	65,608	(65,608)	65,608	(65,608)
7,257,130	72,572	(72,572)	72,572	(72,572)
78,698	787	(787)	787	(787)
7,335,828	73,359	(73,359)	73,359	(73,359)

Notes to the Financial Statements

For the Year Ended 31 December 2016

14 Revenue

(a) Revenue from rendering of services

	2016	2015
	\$	\$
Tuition income	57,062,410	56,158,675
Student test fees	3,310,884	4,706,130
Student charges	192,352	204,023
Total revenue from rendering of services	60,565,646	61,068,828

(b) Other revenue

	2016	2015
	\$	\$
Salary recoveries	23,304	8,968
Government grants	-	160,000
Other income	305,801	138,410
Total other revenue	329,105	307,378

Notes to the Financial Statements

For the Year Ended 31 December 2016

15 Expenses

	2016	2015
	\$	\$
Depreciation and Amortisation		
Leasehold improvements	1,025,518	478,345
Office equipment	100,166	92,427
Intangible assets	109,756	-
Total depreciation and amortisation	1,235,440	570,772
Employee benefits expense (including academic and non academic)		
Salaries and wages	25,416,923	29,018,179
Leave	1,554,063	2,435,997
Superannuation	2,561,789	3,013,317
Payroll tax	1,691,369	1,896,970
Workers compensation	106,206	89,186
Redundancies	504,790	529,030
	31,835,140	36,982,679
Fees for service		
Services from Parent	192,161	574,221
Agent's commission	865,336	1,393,483
Study tours	65,957	14,860
Temporary contract staff	317,097	291,468
Consultants	275,877	674,075
Other	1,979,693	2,614,601
	3,696,121	5,562,708
Occupancy expenses		
Lease of building teaching space	250,000	-
Cleaning	33,227	100,484
Other	56,720	83,208
	339,947	183,692
Other expenses		
Minor Equipment	149,466	313,900
Staff recruitment	71,240	45,806
Training and seminars	38,050	94,793
Conference fees	19,077	40,628
Other expenses (See (a) below)	1,589,987	1,901,985
	1,867,820	2,397,112

Notes to the Financial Statements

For the Year Ended 31 December 2016

15 Expenses continued

(a) Other Expenses

	2016	2015
	\$	\$
Staff travel	125,605	307,755
Motor vehicle expenses	139,435	184,139
Repairs & maintenance	68,907	112,778
FBT on motor vehicles	2,544	22,856
Postage, printing, telephone & internet	673,734	757,310
Furniture	67,508	85,179
Equipment lease	388,355	288,929
Doubtful debt provision	16,137	121,023
Sundry expenses	107,762	22,016
Total other expenses	1,589,987	1,901,985

16 Royalty to parent

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

17 Remuneration of Auditors

	2016	2015
	\$	\$
The Audit Office of New South Wales		
- Audit of financial statements	34,440	38,800
- Total remuneration for audit	34,440	38,800

18 Contingencies

(a) Contingent Liabilities

Claims

The Directors of the Company are not aware of the existence of any legal claims as at 31 December 2016 (2015: nil).

Guarantees

The Directors of the Company are not aware of any guarantees that are in place as at 31 December 2016 (2015: nil).

Notes to the Financial Statements

For the Year Ended 31 December 2016

19 Remuneration of the Board

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

	2016	2015
	\$	\$
Independent Directors fees	12,500	45,000

Other key management personnel transactions

For details of other transactions with key management personnel, refer to Note 20: Related Party Transactions.

20 Related Parties

(a) The Company's main related parties are as follows:

(i) Entities exercising control over the Company:

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

(ii) Joint Venture with Navitas Ltd:

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

(b) Transactions with related parties

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

The following transactions occurred with related parties:

	2016	2015
	\$	\$
Purchase of goods and services		
Purchase of capital works from parent entity	3,748,844	2,155,156
Purchase of catering services from other related parties	115,782	119,562
Total	3,864,626	2,274,718
Other transactions		
Royalty to parent entity*	20,092,238	14,083,420
Share of loss of joint venture	(1,052,110)	(119,417)
Interest received on loan to joint venture	33,239	-
Total	19,073,367	13,964,003

*Royalty was paid for the use of the parent entity's services, infrastructure, premises and intellectual property during the year.

Notes to the Financial Statements

For the Year Ended 31 December 2016

20 Related Parties continued

(c) Loans to/from related parties

	2016	2015
	\$	\$
Loans to Parent		
Beginning of the year	6,560,759	6,906,850
Loans advanced	6,969,114	7,556,296
Loan repayment received	(7,978,277)	(8,080,191)
Interest charged	100,130	177,804
End of year	5,651,726	6,560,759
Loans to Joint Venture		
Beginning of the year	-	-
Loans advanced	1,300,000	-
Share of loss of joint venture	(1,052,110)	-
Interest charged	-	-
End of year	247,890	-

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

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Notes to the Financial Statements

For the Year Ended 31 December 2016

20 Related Parties continued

(d) Outstanding balances

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

	2016	2015
	\$	\$
Current receivables (loans)		
Western Sydney University	5,651,726	6,560,759
Current receivables (provision of services)		
Western Sydney University International College Pty Ltd	585,588	86,250
Total current receivables	6,237,314	6,647,009
Non-current receivables (loans)		
Western Sydney University International College Pty Ltd	247,890	-
Total non-current receivables	247,890	-
Current payables (purchase of services)		
Western Sydney University International College Pty Ltd	684,058	-
Total current payables	684,058	-

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

Notes to the Financial Statements

For the Year Ended 31 December 2016

21 Reconciliation of Surplus to Net Cash Flows From Operating Activities

	2016	2015
	\$	\$
Surplus for the year	-	-
Non-cash flows in surplus		
Depreciation and amortisation	1,235,440	570,772
Western Sydney University Loan Interest non cash	(100,130)	(177,804)
Net loss on sale of non-current assets	-	9,122
Doubtful debt provision	16,137	-
Share of joint venture entity net profit after income tax and dividends	1,052,110	119,417
Changes in assets and liabilities		
(increase)/decrease in trade and other receivables	(48,787)	(259,653)
(increase)/decrease in prepayments	124,488	191,101
increase/(decrease) in related party account balances	106,021	75,367
increase/(decrease) in accruals	67,698	444,694
increase/(decrease) in trade and other payables	(352,097)	414,512
increase/(decrease) in other operating liabilities	378,956	(25,000)
increase/(decrease) in employee benefits	(195,196)	421,036
Net cash flows from operating activities	<u>2,284,640</u>	<u>1,783,564</u>

22 Events Occurring After the Reporting Date

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

23 Company Details

The registered office of the Company
 UWS Enterprises Pty Limited Trading as Western Sydney University The College
 Nirimba Education Precinct
 Eastern Road, Quakers Hill NSW 2763

End of Audited Financial Statements



INDEPENDENT AUDITOR'S REPORT

UWS Enterprises Pty Limited

trading as Western Sydney University The College

To Members of the New South Wales Parliament and Members of UWS Enterprises Pty Limited

Opinion

I have audited the accompanying financial statements of UWS Enterprises Pty Limited trading as Western Sydney University The College (the Company), which comprise the statement of financial position as at 31 December 2016, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In my opinion the financial statements:

- are in accordance with the *Corporations Act 2001*, including:
 - giving a true and fair view of the Company's financial position as at 31 December 2016 and its performance for the year ended on that date
 - complying with Australian Accounting Standards and the Corporations Regulations 2001
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (PF&A Act) and the Public Finance and Audit Regulation 2015
- have been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* and Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013.

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

Basis for Opinion

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

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

- Australian Auditing Standards
- *Corporations Act 2001*
- Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants' (APES 110).

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

The PF&A Act further promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:

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

I confirm the independence declaration, required by the *Corporations Act 2001*, provided to the directors of UWS Enterprises Pty Limited on 20 March 2017, would be in the same terms if provided to the directors as at the time of this Independent Auditor's Report.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, the PF&A Act, *the Australian Charities and Not-for-profits Commission Act 2012*, the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors must assess the Company's ability to continue as a going concern unless they intend to liquidate the Company or cease operations. The assessment must disclose, as applicable, matters related to going concern and the appropriateness of using the going concern basis of accounting.

Auditor's Responsibility for the Audit of the Financial Statements

My objectives are to:

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

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

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

My opinion does *not* provide assurance:

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



Margaret Crawford
Auditor-General of NSW

23 March 2017
SYDNEY

uwsconnect Limited

ABN 45 107 759 197

Financial Statements

For the Year Ended 31 December 2016

These financial statements are the individual entity statements of uwsconnect Limited (the Company). The financial statements are presented in the Australian currency.

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

Western Sydney University
Great Western Highway
Werrington NSW 2747

The financial statements were authorised for issue by the directors on 21 March 2017. The directors have the power to amend and reissue the financial statements.



To the Directors
uwsconnect Limited

Auditor's Independence Declaration

As auditor for the audit of the financial statements of uwsconnect Limited for the year ended 31 December 2016, I declare, to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature in blue ink, appearing to read 'Margaret Crawford'.

Margaret Crawford

Auditor-General of NSW

20 March 2017
SYDNEY

uwsconnect Limited

ABN 45 107 759 197

Statement of Comprehensive Income**For the Year Ended 31 December 2016**

	Note	2016 \$	2015 \$
Revenue			
Sale of goods	3	17,257,788	18,049,009
Rendering of services	3	999,279	885,979
University funding	3	1,994,063	2,542,005
Other revenue	3	799,781	1,034,105
Total revenue from operations		21,050,911	22,511,098
Gain on disposal of assets	4	374,111	14,409
Total income		21,425,022	22,525,507
Expenses			
Raw materials and consumables used		(11,838,685)	(10,828,464)
Employee benefits expense	5	(8,389,159)	(9,955,207)
Depreciation and amortisation expense	5	(58,966)	(99,317)
Occupancy expenses	5	(348,390)	(552,709)
Minor equipment		(98,906)	(263,105)
Other expenses	5	(2,046,091)	(2,620,495)
Finance costs		(199,317)	(125,903)
Total expenses		(22,979,514)	(24,445,200)
Deficit for the year		(1,554,492)	(1,919,693)
Other comprehensive income for the year		-	-
Total comprehensive income for the year		(1,554,492)	(1,919,693)
Comprehensive income for the year attributable to:			
Non-controlling interests		-	-
Parent		(1,554,492)	(1,919,693)
Total comprehensive income for the year		(1,554,492)	(1,919,693)

The accompanying notes form part of these financial statements.

uwsconnect Limited

ABN 45 107 759 197

Statement of Financial Position**As at 31 December 2016**

	Note	2016 \$	2015 \$
ASSETS			
Current assets			
Cash and cash equivalents	7	496,008	502,541
Trade and other receivables	8	2,746,448	1,131,602
Inventories	9	14,753	2,888,192
Other assets		41,055	94,469
Non-current assets held for sale	10	130,266	212,761
Total current assets		3,428,530	4,829,565
Non-current assets			
Property, plant and equipment	11	66,143	154,411
Intangible assets	12	-	10,942
Total non-current assets		66,143	165,353
Total assets		3,494,673	4,994,918
LIABILITIES			
Current liabilities			
Trade and other payables	13	1,497,736	1,872,219
Borrowings from the parent	14	5,618,407	5,010,493
Provisions	15	448,673	457,471
Other liabilities	16	104,985	229,061
Total current liabilities		7,669,801	7,569,244
Non-current liabilities			
Provisions	15	164,116	210,426
Total non-current liabilities		164,116	210,426
Total liabilities		7,833,917	7,779,670
Net assets		(4,339,244)	(2,784,752)
EQUITY			
Retained earnings	17	(4,339,244)	(2,784,752)
Total equity		(4,339,244)	(2,784,752)

The accompanying notes form part of these financial statements.

uwsconnect Limited

ABN 45 107 759 197

Statement of Changes in Equity**For the Year Ended 31 December 2016**

	Retained Earnings	Total equity
	\$	\$
Balance 1 January 2016	(2,784,752)	(2,784,752)
Total comprehensive income for the year		
Deficit for the year	(1,554,492)	(1,554,492)
Balance at 31 December 2016	(4,339,244)	(4,339,244)

	Retained Earnings	Total equity
	\$	\$
Balance at 1 January 2015	(865,059)	(865,059)
Total comprehensive income for the year		
Deficit for the year	(1,919,693)	(1,919,693)
Balance at 31 December 2015	(2,784,752)	(2,784,752)

The accompanying notes form part of these financial statements.

uwsconnect Limited

ABN 45 107 759 197

Statement of Cash Flows**For the Year Ended 31 December 2016**

	Note	2016 \$	2015 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		21,333,696	24,246,149
Payments to suppliers and employees		(21,832,076)	(25,550,529)
Interest received		16,400	11,663
Interest paid		(199,317)	-
Net cash flows used in operating activities	24	(681,297)	(1,292,717)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of plant and equipment		66,850	36,370
Net cash provided by investing activities		66,850	36,370
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		1,599,713	11,855,000
Payment of borrowings		(991,799)	(10,502,763)
Net cash flows provided by financing activities		607,914	1,352,237
Net (decrease) / increase in cash and cash equivalents held		(6,533)	95,890
Cash and cash equivalents at beginning of the year		502,541	406,651
Cash and cash equivalents at end of financial year	7	496,008	502,541

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 31 December 2016

1 Summary of Significant Accounting Policies

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

The principal place of business for uwsconnect Limited is:

Western Sydney University
Great Western Highway
Werrington NSW 2747

(a) Basis of Preparation

These financial statements are prepared on an accruals basis and in accordance with Australian Accounting Standards, *Public Finance & Audit Act 1983*, *Public Finance and Audit Regulation 2015*, *Australian Charities and Not-for-profits Commission Act 2012 (ACNC Act) and Regulation 2013*, other authoritative pronouncements of the Australian Accounting Standards Board and Urgent Issues Group Interpretations.

The financial statements of uwsconnect Limited (the Company) comply with Australian Accounting Standards, some of which contain requirements specific to not for profit entities that are inconsistent with International Financial Reporting Standards (IFRS) requirements.

Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

(i) Critical accounting estimates

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Estimates and judgements are continually evaluated and are based on historic experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances. Actual results may differ from the estimates.

These accounting policies have been consistently applied to all periods in the financial statements. The estimates and assumptions are reviewed on an ongoing basis. Revisions to any estimates are recognised in the period in which the estimate is reviewed, if the revision affects only that period or in a period of the revision and the future periods if the revision affects both current and future periods.

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

(b) Revenue recognition

The Company recognises revenue when the amount can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Company's activities as described below. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

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

Notes to the Financial Statements

For the Year Ended 31 December 2016

1 Summary of Significant Accounting Policies

(b) Revenue recognition

Revenue is recognised for the major business activities as follows:

(i) Sale of goods and rendering of services

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

(ii) Other revenue

All other material revenue is accounted for on an accrual basis. Funding from the parent entity is received quarterly in advance. Only the revenue pertaining to the month is accounted as revenue with the balance shown as income earned in advance (Note 14).

(c) Finance costs

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

(d) Income Tax

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

(e) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand and cash at bank.

(f) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. The amount of the provision is recognised in the income statement. This is recognised as the difference between the assets carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. Collectability of trade receivables is reviewed on an ongoing basis at board level. Individual debts that are known to be uncollectable are written off when identified.

Short term receivables, with no stated interest rates, are measured at the original invoice amount where the effect of discounting is immaterial.

(g) Inventories

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

(h) Financial assets

Classification

The Company classifies its investments as loans and receivables.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the reporting period which are classified as non current assets. Loans and receivables are included in trade and other receivables (note 8) in the Statement of Financial Position. The assets residual values are reviewed and adjusted if appropriate at each balance sheet date.

Notes to the Financial Statements

For the Year Ended 31 December 2016

1 Summary of Significant Accounting Policies

(h) Financial assets

Measurement

Details on how the fair value of financial instruments is determined are disclosed in note 2.

Assets carried at amortised cost

For loans and receivables, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the Statement of Comprehensive Income. If the loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, when deriving fair values where the observable market price are not available also requires significant assumption and judgement.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the income statement.

Impairment testing of trade receivables is described in note 1(f).

(i) Property, Plant and Equipment

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

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

Depreciation on assets is calculated using the straight line method to allocate their cost or re-valued amounts, net of their residual values, over their estimated useful lives or, in the case of leasehold improvements and certain leased plant and equipment, the shorter lease term as follows:

Class of Assets	Useful Life
Plant and Equipment	3-10 years
Motor Vehicles	6-7 years
Computer Equipment	3-4 years
Leasehold Improvements	2-6 years
Other Property, Plant and Equipment	10-20 years

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

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

(j) Intangible Assets

(i) IT development and software

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

(ii) Franchise Fees

Cost incurred to acquire Subway Franchise fees are amortised over a period of 20 years on a straight line basis.

Notes to the Financial Statements

For the Year Ended 31 December 2016

1 Summary of Significant Accounting Policies

(k) Trade and other payables

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

(l) Employee benefits

Liabilities for wages and salaries, including non-monetary benefits, expected to be settled within 12 months after the end of each reporting period are measured at the amounts expected to be paid when the liabilities are settled and recognised in other payables. The liability for annual leave is recognised in the provision for employee benefits.

(i) Provisions

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

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

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

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

(m) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Comprehensive Income over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

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

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

Notes to the Financial Statements

For the Year Ended 31 December 2016

1 Summary of Significant Accounting Policies

(n) Goods and Services Tax (GST)

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

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

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

(o) New Accounting Standards and Interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2016 reporting periods and have not yet been applied to the financial statements. The Company's assessment of the impact of these new standards and interpretations is that they will not materially affect any of the amounts recognised in the financial statements or significantly impact the disclosures in relation to the Company.

(p) Comparative amounts

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current year. No Comparative adjustments were made in 2016.

2 Financial Risk Management

The Company's activities expose it to a variety of financial risks: market risk (including interest rate risk), credit risk and liquidity risk. The Company'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 Company. The Company uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate and aging analysis for credit risk to determine market risk.

The Company holds the following financial instruments:

	2016	2015
	\$	\$
Financial Assets		
Cash and cash equivalents	496,008	502,541
Trade and other receivables*	2,746,448	1,131,602
Total Financial Assets	3,242,456	1,634,143
Financial Liabilities		
Trade and other payables*	1,446,162	1,856,084
Borrowings from the parent	5,618,407	5,010,493
Total Financial Liabilities	7,064,569	6,866,577

* Excludes statutory receivables and payables

Notes to the Financial Statements

For the Year Ended 31 December 2016

2 Financial Risk Management

(a) Market risk

(i) Cash flow and fair value interest rate risk

The Company's main interest rate risk arises from short term borrowings. Borrowings issued at variable rates expose the Company to cash flow interest rate risk.

As at the end of the reporting period, the Company had the following variable rate borrowings:

	2016		2015	
	Weighted average interest rate	Balance	Weighted average interest rate	Balance
	%	\$	%	\$
	4	5,618,407	5	5,010,493
Net exposure to cash flow interest rate risk	4	5,618,407	5	5,010,493

(ii) Summarised sensitivity analysis

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

	Carrying amount	-1% Surplus/(Deficit)	-1% Equity	+1% Surplus/(Deficit)	+1% Equity
31 December 2016	\$	\$	\$	\$	\$
Financial Assets					
Cash and cash equivalents	496,008	(4,960)	(4,960)	4,960	4,960
Receivables	2,746,448	(27,464)	(27,464)	27,464	27,464
Financial Liabilities					
Borrowings	5,618,407	56,184	56,184	(56,184)	(56,184)
Trade and other payables	1,446,162	14,461	14,461	(14,461)	(14,461)
	10,307,025	38,221	38,221	(38,221)	(38,221)

Notes to the Financial Statements

For the Year Ended 31 December 2016

2 Financial Risk Management

	Carrying amount	-1% Surplus/(Deficit)	-1% Equity	+1% Surplus/(Deficit)	+1% Equity
31 December 2015	\$	\$	\$	\$	\$
Financial Assets					
Cash and cash equivalents	502,541	(5,025)	(5,025)	5,025	5,025
Receivables	1,131,602	(11,316)	(11,316)	11,316	11,316
Financial Liabilities					
Borrowings	(5,010,493)	50,105	50,105	(50,105)	(50,105)
Trade and other payables	(1,856,084)	18,561	18,561	(18,561)	(18,561)
	(5,232,434)	52,325	52,325	(52,325)	(52,325)

(b) Credit risk

The credit risk on financial assets of the Company which have been recognised on the statement of financial position is generally the carrying amount, net of provision for loss. Credit risk arises where there is a possibility of the Company's debtors defaulting on their contractual obligation, resulting in financial loss to the Company. The Company does not have any significant exposure to any unrelated customer.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due.

Maturities of financial liabilities:

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for all non- derivative financial liabilities.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Contractual maturities of financial assets and liabilities

	Less than 1 year	Between 1 and 5 years	Over 5 years	Non interest	Carrying amount	Average interest rate
2016	\$	\$	\$	\$	\$	%
Cash and cash equivalents	496,008	-	-	-	496,008	2
Trade and other receivables	2,746,448	-	-	2,746,448	2,746,448	-
Trade and other payables	(1,446,162)	-	-	(1,446,162)	(1,446,162)	-
Borrowings	(5,618,407)	-	-	-	(5,618,407)	4
Total non derivatives	(3,822,113)	-	-	1,300,286	(3,822,113)	

Notes to the Financial Statements

For the Year Ended 31 December 2016

2 Financial Risk Management

(c) Liquidity risk

	Less than 1 year	Between 1 and 5 years	Over 5 years	Non interest	Carrying amount	Average interest rate
2015	\$	\$	\$	\$	\$	%
Cash and cash equivalents	502,541	-	-	-	502,541	2
Trade and other receivables	1,131,602	-	-	1,131,602	1,131,602	-
Trade and other payables	(1,856,084)	-	-	(1,856,084)	(1,856,084)	-
Borrowings	(5,010,493)	-	-	-	(5,010,493)	5
Total non derivatives	(5,232,434)	-	-	(724,482)	(5,232,434)	

(d) Fair value measurements

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

As the Company's financial instruments are short term in nature, their carrying values recognised in the statement of financial position approximates their fair value.

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

	Carrying amount \$	Fair value \$
Financial assets		
Cash and cash equivalents	496,008	496,008
Trade and other receivables	2,746,448	2,746,448
Total	3,242,456	3,242,456
Financial Liabilities		
Borrowings	5,618,407	5,618,407
Trade and other payables	1,446,162	1,446,162
Total	7,064,569	7,064,569

Notes to the Financial Statements

For the Year Ended 31 December 2016

3 Revenue

Revenue from operating activities

	2016	2015
	\$	\$
Sale of goods		
Books	10,020,803	8,782,499
Food and beverage	6,990,275	8,751,331
Retail	246,710	515,179
Total sale of goods	17,257,788	18,049,009
Rendering of services		
Sports	989,201	882,708
Venue hire	10,078	3,271
Total rendering of services	999,279	885,979
University funding		
University funding - general	1,200,000	1,200,000
University funding - community services	171,433	650,746
University funding - clubs	350,000	401,459
University funding - sport	272,630	289,800
Total University Funding	1,994,063	2,542,005
Other revenue		
Bank interest	16,400	11,663
Other revenue	783,381	1,022,442
Total other revenue	799,781	1,034,105
Total revenue from operating activities	21,050,911	22,511,098

4 Gain on disposal of assets

	2016	2015
	\$	\$
Proceeds from sale	490,100	14,409
Carrying amount of assets sold	(115,989)	-
Total gain on disposal of assets	374,111	14,409

Notes to the Financial Statements

For the Year Ended 31 December 2016

5 Expenses

	2016	2015
	\$	\$
Employee benefits expense		
Salaries and wages	6,770,007	8,333,768
Superannuation	605,151	751,161
Annual leave	274,348	346,931
Long service leave	61,609	30,687
Workers compensation	189,655	212,707
Termination benefits	257,012	159,553
Other	231,377	120,400
Total	8,389,159	9,955,207
Depreciation		
Plant and equipment	15,646	50,945
Motor vehicles	32,378	47,623
	48,024	98,568
Amortisation		
Franchise fees	10,942	750
Total depreciation and amortisation	58,966	99,318
Occupancy expenses*		
Minimum lease payments on operating leases	76,442	96,356
Repairs and maintenance	116,899	140,141
Utilities	57,451	63,170
Cleaning and waste removal	69,162	193,199
Security	28,436	59,843
	348,390	552,709
Other expenses		
Consultancy, agency and service provider fees	111,322	67,002
Advertising, promotions and events	674,046	1,235,209
Equipment hire	133,405	100,657
Motor vehicle	128,001	120,384
Consumables and supplies	532,418	441,088
Other	466,899	656,155
	2,046,091	2,620,495

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

Notes to the Financial Statements**For the Year Ended 31 December 2016****6 Discontinued Operations**

On 22nd November 2016, uwsconnect Limited entered into an agreement with University Co-operative Bookshop Limited to dispose of its Retail business. The University Co-operative Bookshop Limited purchased all of the remaining inventory, fixtures and fittings of the outlets. The University Co-operative Bookshop Limited took over Retail operations, commencing trading from 15 December 2016.

Total Revenues for uwsconnect Limited's retail operation for the year ending 31 December 2016 were \$10,360,475 (2015: \$9,721,372). Expenditures for the Retail operation cannot be reliably measured or quantified.

7 Cash and cash equivalents

	2016	2015
	\$	\$
Cash at bank and on hand	496,008	502,541
Total cash at bank and on hand	496,008	502,541

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

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

	2016	2015
	\$	\$
Balance as above	496,008	502,541
Balance as per statement of cash flows	496,008	502,541

The Company's exposure to interest rate risk is discussed in note 2. The maximum exposure to credit risk at the end of each reporting period is the carrying amount of each class of cash and cash equivalents mentioned above.

Cash at bank and on hand are interest bearing.

Notes to the Financial Statements

For the Year Ended 31 December 2016

8 Trade and other receivables

	2016	2015
	\$	\$
Trade receivables	2,696,450	1,082,275
Sundry debtors and accruals	-	21,763
Net trade receivables	2,696,450	1,104,038
Prepayments	49,998	27,564
Total current trade and other receivables	2,746,448	1,131,602

Trade and other receivables are non-interest bearing.

At 31 December 2016, current receivables of uwsconnect Limited with a nominal value of \$Nil (2015 Nil) were impaired. The amount of the provision was \$Nil (2015 Nil).

As at 31 December 2016 trade receivables of \$75,172 (2015:\$145,578) were past due but not impaired. These relate to Western Sydney University. The ageing of these receivables is as follows:

	2016	2015
	\$	\$
Up to 3 months	22,002	129,522
3 to 6 months	7,339	12,718
Over 6 months	45,831	3,338
Total	75,172	145,578

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

(a) Fair value and credit risk

Due to the short term nature of these receivables, their carrying amount is assumed to approximate their fair value.

The maximum exposure to credit risk at the end of each reporting period is the carrying amount of each class of receivables mentioned above. Refer to note 2 for more information on the risk management policy of the Company and the credit quality of the entity's trade receivables.

Notes to the Financial Statements

For the Year Ended 31 December 2016

9 Inventories

	2016	2015
	\$	\$
Finished goods		
At net realisable value	14,753	2,954,192
Provision for impairment	-	(66,000)
	<u>14,753</u>	<u>2,888,192</u>

Provision for impairment

Provision for impairment of inventories to net realisable value recognised as an expense during the year ended 31 December 2016 amounted to \$NIL (2015: \$66,000).

Movement in the allowance for impairment

	2016	2015
	\$	\$
At 1 January	66,000	-
Provision used during the year	(66,000)	-
Allowance for stock obsolescence recognised during the year	-	66,000
At 31 December	<u>-</u>	<u>66,000</u>

10 Disposal group classified as held for sale ('NCA')

	2016	2015
	\$	\$
Current		
Disposal group relating to franchised Subway outlets	130,266	212,761
	<u>130,266</u>	<u>212,761</u>

NCAs (or disposal groups) held for sale are carried at the lower of the carrying amount or the fair value less costs to sell.

uwsconnect Limited entered into sales agreements to sell both its Parramatta and Kingswood Subway outlets. Settlement of the Parramatta Subway outlet occurred on 21 December 2016. A gain of \$347,505 has been recognised in the statement of comprehensive income, under the heading Gain on disposal of assets.

Settlement for the sale of the Kingswood Subway outlet is expected to occur by 31 December 2017.

Notes to the Financial Statements

For the Year Ended 31 December 2016

11 Property, plant and equipment

	2016	2015
	\$	\$
Plant and equipment		
At cost	225,782	244,997
Accumulated depreciation	(191,601)	(187,195)
Total plant and equipment	34,181	57,802
Motor vehicles		
At cost	285,038	487,579
Accumulated depreciation	(253,076)	(390,970)
Total motor vehicles	31,962	96,609
Total property, plant and equipment	66,143	154,411

(a) Movements in carrying amounts of property, plant and equipment

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

	Plant and Equipment	Furniture, Fixtures and Fittings	Motor Vehicles	Total
	\$	\$	\$	\$
Year ended 31 December 2016				
Balance at the beginning of the year	57,802	-	96,609	154,411
Additions	-	-	-	-
Disposals - written down value	(1,224)	-	(39,020)	(40,244)
Depreciation charge	(15,646)	-	(32,378)	(48,024)
Balance at the end of the year	40,932	-	25,211	66,143

	Plant and Equipment	Furniture, Fixtures and Fittings	Motor Vehicles	Total
	\$	\$	\$	\$
Year ended 31 December 2015				
Balance at the beginning of year	80,993	254,550	152,161	487,704
Disposals	(14,036)	-	(7,929)	(21,965)
Transfers	254,550	(254,550)	-	-
Transfers to held for sale	(212,761)	-	-	(212,761)
Depreciation charge	(50,944)	-	(47,623)	(98,567)
Balance at the end of the year	57,802	-	96,609	154,411

Notes to the Financial Statements

For the Year Ended 31 December 2016

12 Intangible assets

	Software	Franchise fees	Total
	\$	\$	\$
At 1 January 2016			
Cost	65,500	15,000	80,500
Accumulated amortisation	(65,500)	(15,000)	(80,500)
Net book amount	-	-	-
Year ended 31 December 2016			
Opening net book amount	-	10,942	10,942
Amortisation	-	(10,942)	(10,942)
Closing net book amount	-	-	-
At 31 December 2016			
Cost	65,500	15,000	80,500
Accumulated amortisation	(65,500)	(15,000)	(80,500)
Net book amount	-	-	-
At 1 January 2015			
Cost	65,500	15,000	80,500
Accumulated amortisation	(65,500)	(3,308)	(68,808)
Net book amount	-	11,692	11,692
Year ended 31 December 2015			
Opening net book amount	-	11,692	11,692
Amortisation charge	-	(750)	(750)
Closing net book amount	-	10,942	10,942
At 31 December 2015			
Cost	65,500	15,000	80,500
Accumulated amortisation	(65,500)	(4,058)	(69,558)
Net book amount	-	10,942	10,942

13 Trade and other payables

	2016	2015
	\$	\$
Trade payables	200,065	1,255,736
Accrued expenses	786,383	416,142
Other payables	511,288	200,341
	1,497,736	1,872,219

uwsconnect Limited

ABN 45 107 759 197

Notes to the Financial Statements**For the Year Ended 31 December 2016****14 Borrowings from the Parent**

	2016	2015
	\$	\$
Unsecured - current		
Loans from related parties	5,618,407	5,010,493
Total current borrowings	5,618,407	5,010,493

uwsconnect Limited has an unused borrowing facility to the value of \$0.382M.

15 Provisions**Current provisions expected to be settled within 12 months.**

	2016	2015
	\$	\$
Annual leave	136,730	118,821
Long service leave	72,597	140,446
	209,327	259,267

Current provisions expected to be settled after more than 12 months

	2016	2015
	\$	\$
Annual leave	149,420	133,990
Long service leave	89,926	64,213
	239,346	198,203
Total current provisions	448,673	457,470

Non-current provisions

	2016	2015
	\$	\$
Employee benefits - long service leave	164,116	210,426
Total non-current provisions	164,116	210,426

16 Other liabilities

	2016	2015
	\$	\$
Voucher liability	104,985	228,522
Deposit on hand	-	539
	104,985	229,061

Notes to the Financial Statements

For the Year Ended 31 December 2016

17 Retained earnings

Movements in retained earnings were as follows:

	2016	2015
	\$	\$
Opening balance	(2,784,752)	(865,059)
Deficit for the year	(1,554,492)	(1,919,693)
Closing Balance	(4,339,244)	(2,784,752)

18 Remuneration of Auditors

	2016	2015
	\$	\$
Audit of financial statements	35,200	40,893
Total remuneration for audit and other assurance services (inclusive of GST)	35,200	40,893

19 Contingencies

The Company had no contingent liabilities at 31 December 2016 (2015: \$nil).

20 Commitments

(a) Operating lease commitments

	2016	2015
	\$	\$
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:		
Within one year	24,566	40,423
Between one year and five years	33,964	6,019
	58,530	46,442

(b) Capital expenditure commitments

There are no capital expenditure commitments as at the end of the 2016 reporting period (2015: \$nil).

Notes to the Financial Statements

For the Year Ended 31 December 2016

21 Related party transactions

(a) Parent entity

The ultimate parent entity of the Company is Western Sydney University.

(b) Transactions with related parties

The following transactions occurred with related parties:

	2016	2015
	\$	\$
Sale of goods and services		
Sale of goods and services to the ultimate parent entity	1,092,728	1,367,512
Sale of goods and services to other related parties	62,276	99,700
	<u>1,155,004</u>	<u>1,467,212</u>

Other transactions

	2016	2015
	\$	\$
Funding from the ultimate parent entity	1,994,063	2,542,005
Total	<u>1,994,063</u>	<u>2,542,005</u>

(c) Outstanding balances arising from sales or purchases of goods and services

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

	2016	2015
	\$	\$
Current receivables		
Ultimate parent entity	-	978,500
Other related parties	-	12,438
	<u>-</u>	<u>990,938</u>
Current payables		
Ultimate parent entity	102,936	712,978
Other related parties	-	2,013
	<u>102,936</u>	<u>714,991</u>

Notes to the Financial Statements

For the Year Ended 31 December 2016

	2016	2015
	\$	\$
(d) Loans from the ultimate parent entity		
Beginning of the year	5,010,493	3,532,365
Loans advanced	1,599,712	11,855,000
Interest charged	199,317	(10,502,763)
Loan repayment	(1,191,115)	125,891
End of the year	<u>5,618,407</u>	<u>5,010,493</u>

22 Economic dependency

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

The Company, as a wholly owned entity of Western Sydney University, received \$1,994,063 in direct funding in 2016 for University services.

Funding for 2017 has been approved for \$2,215,600 for the purpose of providing food, beverages, health awareness services, campus life activities and events.

In addition there is support and funding for community services and clubs from the parent entity Western Sydney University (refer to Note 3).

Further all borrowings are from the Parent Entity as mentioned in Note 21 (d), with funding limited to day to day working capital.

Therefore management believes that the Company will continue as a going concern and a Letter of Support has been provided by Western Sydney University.

23 Events occurring after the reporting period

There are no events after the balance sheet date of which the Directors are aware of (2015 \$Nil).

Notes to the Financial Statements

For the Year Ended 31 December 2016

24 Reconciliation of operating surplus/(deficit) to net cash flows from operating activities

	2016	2015
	\$	\$
Operating deficit for the year	(1,554,492)	(1,919,693)
Depreciation and amortisation	58,966	99,317
Interest accrual	-	125,891
Net (gain)/loss on sale of non-current assets	(374,111)	(14,409)
Changes in operating assets and liabilities		
(Increase)/decrease in trade debtors	(1,184,846)	52,953
(Increase)/decrease in inventories	2,873,439	1,007,805
(Increase)/decrease in other operating assets	53,415	(94,473)
Increase/(decrease) in trade creditors	(374,483)	27,168
Increase/(decrease) in other operating liabilities	(124,076)	(541,734)
Increase/(decrease) in other provisions	(55,109)	(35,542)
Net cash flows used in operating activities	(681,297)	(1,292,717)

End of the audited financial statements

Statement by Directors

The directors of uwsconnect Limited declare that:

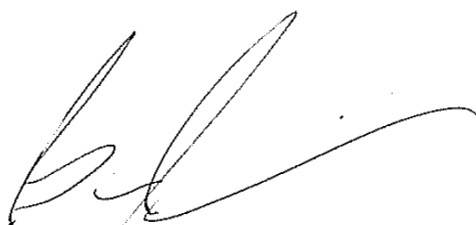
1. Under s41C (1b) of the Public Finance & Audit Act 1983 we state to the best of our knowledge and belief the financial statements and notes, as set out on pages 141 to 164 :
 - a. comply with Australian Accounting Standards, the Public Finance and Audit Act 1983, the Public Finance and Audit Regulation 2015 and the mandatory professional reporting requirements, and
 - b. give a true and fair view of the financial position as at 31 December 2016 and of the performance for the year ended on that date of uwsconnect Limited.
2. In the directors' opinion, there are reasonable grounds to believe that uwsconnect Limited will be able to pay its debts as and when they become due and payable.
3. We are not aware of any circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.

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



John Banks

Director



Bill Parasiris

Director

21 March 2017

uwsconnect Limited
ABN 45 107 759 197

Responsible Entities Declaration - *per section 60.15 of the Australian Charities and Not-for-profits Commission Regulation 2013*

The responsible entities declare that in the responsible entities opinion:

(a) there are reasonable grounds to believe that the registered entity is able to pay all of its debts, as and when they become due and payable; and

(b) the financial statements and notes satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

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

A handwritten signature in black ink, appearing to read 'John Banks', with a stylized flourish at the end.

John Banks

Director

21 March 2017



INDEPENDENT AUDITOR'S REPORT

uwsconnect Limited

To Members of the New South Wales Parliament

Opinion

I have audited the accompanying financial statements of uwsconnect Limited (the Company), which comprise the statement of financial position as at 31 December 2016, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the responsible entity's declaration.

In my opinion the financial statements:

- give a true and fair view of the financial position of the Company as at 31 December 2016, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (PF&A Act) and the Public Finance and Audit Regulation 2015
- have been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Act 2012* and Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013.

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

Basis for Opinion

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

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

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

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

The PF&A Act further promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:

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

Directors' Responsibility for the Financial Statements

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

In preparing the financial statements, the directors must assess the Company's ability to continue as a going concern unless they intend to liquidate the Company or cease operations. The assessment must disclose, as applicable, matters related to going concern and the appropriateness of using the going concern basis of accounting.

Auditor's Responsibility for the Audit of the Financial Statements

My objectives are to:

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

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

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

My opinion does *not* provide assurance:

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



Margaret Crawford
Auditor-General of NSW

23 March 2017
SYDNEY

UWS Early Learning Limited

ABN 39155993445

Financial Statements

For the Year Ended 31 December 2016

These financial statements are the individual entity statements of UWS Early Learning Limited (the Company).

The Company is a company limited by guarantee, incorporated and domiciled in Australia. The financial statements are presented in Australian currency.

Its registered office is:

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

The principal place of business is:

Western Sydney University
Building P18 College Drive
Richmond NSW 2753

The financial statements were authorised for issue by the Directors on 6 March 2017. The Directors have the power to amend and reissue the financial statements.



To the Directors
UWS Early Learning Limited

Auditor's Independence Declaration

As auditor for the audit of the financial statements of UWS Early Learning Limited for the year ended 31 December 2016, I declare, to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.

Margaret Crawford

Auditor-General of NSW

10 March 2017

SYDNEY

UWS Early Learning Limited

ABN 39155993445

Statement of Comprehensive Income**For the year ended 31 December 2016**

		2016	2015
	Notes	\$	\$
Revenue			
Child Care Services	2	6,397,816	6,010,368
Interest		37,479	32,537
Other Revenue	2	123,284	162,741
Total Revenue		6,558,579	6,205,646
Expenses			
Employee Benefits Expense	3	(5,551,480)	(5,333,351)
Provision for Doubtful Debts		(4,141)	(14,818)
Other Expenses	3	(770,037)	(640,823)
Total Expenses		(6,325,658)	(5,988,992)
Surplus (Deficit) for the year		232,921	216,654
Other Comprehensive Income for the year		-	-
Total Comprehensive Income for the year		232,921	216,654

The accompanying notes form part of these financial statements.

UWS Early Learning Limited

ABN 39155993445

**Statement of Financial Position
For the year ended 31 December 2016**

	Note	2016 \$	2015 \$
ASSETS			
Current Assets			
Cash and Cash Equivalents	4	647,363	555,260
Receivables	5	120,843	84,918
Prepayment		-	11,562
Total Current Assets		768,206	651,740
Non-Current Assets			
Loan Receivable	5	1,576,133	1,187,436
Total Non-Current Assets		1,576,133	1,187,436
Total Assets		2,344,339	1,839,176
LIABILITIES			
Current Liabilities			
Trade and Other Payables	6	574,994	472,567
Deferred Income		129,031	61,136
Provisions	7	504,415	429,810
Total Current Liabilities		1,208,440	963,513
Non-Current Liabilities			
Provisions	7	81,844	54,529
Total Non-Current Liabilities		81,844	54,529
Total Liabilities		1,290,284	1,018,042
Net Assets		1,054,055	821,134
EQUITY			
Retained Earnings	8	1,054,055	821,134
Total Equity		1,054,055	821,134

The accompanying notes form part of these financial statements.

UWS Early Learning Limited

ABN 39155993445

**Statement of Changes in Equity
For the year ended 31 December 2016**

	Retained earnings	Total equity
	\$	\$
Balance at 1 January 2016	821,134	821,134
Comprehensive income for the year		
Surplus for the year	232,921	232,921
Other comprehensive income for the year	-	-
Total comprehensive income for the year	232,921	232,921
Balance at 31 December 2016	1,054,055	1,054,055

	Retained earnings	Total equity
	\$	\$
Balance at 1 January 2015	604,480	604,480
Comprehensive income for the year		
Surplus for the year	216,654	216,654
Other comprehensive income for the year	-	-
Total comprehensive income for the year	216,654	216,654
Balance at 31 December 2015	821,134	821,134

The accompanying notes form part of these financial statements.

UWS Early Learning Limited

ABN 39155993445

Statement of Cash Flows**For the year ended 31 December 2016**

	2016	2015
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from fees	3,287,955	2,998,772
Payments to suppliers and employees	(6,126,092)	(5,809,200)
Receipts from Australian Government child care benefits	2,814,217	2,676,518
Subsidies received	467,240	564,496
Interest received	37,479	32,537
Net cash inflow/(outflow) from operating activities	14 480,799	463,123
CASH FLOWS FROM INVESTING ACTIVITIES		
Loans to related parties	(388,696)	(212,538)
Net cash (outflow) from investing activities	(388,696)	(212,538)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net cash provided by / (used in) financing activities	-	-
Net increase / (decrease) in cash and cash equivalents held	92,103	250,585
Cash and cash equivalents at the beginning of the year	555,260	304,675
Cash and cash equivalents at the end of the year	4 647,363	555,260

The accompanying notes form part of these financial statements.

UWS Early Learning Limited

ABN 39155993445

Notes to the Financial Statements For the year ended 31 December 2016

1 Summary of significant accounting policies

UWS Early Learning Limited (the Company) is a not-for-profit company limited by guarantee incorporated on 2nd March 2012 and domiciled in Australia.

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

The financial statements for the year ended 31 December 2016 are authorised for issue in accordance with a resolution of the Board of Directors on 6 March 2017.

(a) Basis of preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board.

Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

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

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

- *Public Finance and Audit Act 1983 and Public Finance and Audit Regulations 2015*

The Company is a not-for-profit entity and these statements have been prepared on a going concern basis. The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

There are no areas which involve a high degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements of the Company.

(b) Functional and presentation currency

The financial statements are presented in Australian dollars.

(c) Revenue recognition

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Company and specific criteria have been met for each of the Company's activities as discussed below. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

UWS Early Learning Limited

ABN 39155993445

Notes to the Financial Statements For the year ended 31 December 2016

1 Summary of significant accounting policies continued

(c) Revenue recognition continued

Revenue is recognised for the major business activities as follows:

(i) Child care services

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

(ii) Government grants

UWS Early Learning Limited treats operating grants received from Australian Government entities as income in the year of receipt.

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

(iii) Investment income

Interest income is recognised using the effective interest method.

(d) Income tax exemption

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

(e) Cash and cash equivalents

Cash and cash equivalents includes cash at bank and on hand.

(f) Trade receivables

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

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

UWS Early Learning Limited

ABN 39155993445

Notes to the Financial Statements For the year ended 31 December 2016

1 Summary of significant accounting policies continued

(g) Financial assets

The UWS Early Learning Limited did not hold financial assets at fair value through profit or loss either in the current or comparative financial years.

(i) Loans and receivables

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

Loans and receivables are carried at amortised cost using the effective interest method.

(ii) Assets carried at amortised cost.

For loans and receivables, the amount of the loss is measured as the difference between the assets carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial assets original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the statement of comprehensive income. The loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Company may measure impairment on the basis of an instruments fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the statement of comprehensive income.

(h) Trade and other payables

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

(i) Employee benefits

Provision is made for the UWS Early Learning Limited's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than twelve months after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in the statement of comprehensive income.

Employee benefits are presented as current liabilities in the statement of financial position if the UWS Early Learning Limited does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date regardless of the classification of the liability for measurement purposes under AASB 119.

UWS Early Learning Limited

ABN 39155993445

Notes to the Financial Statements **For the year ended 31 December 2016**

1 Summary of significant accounting policies continued

(j) 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 of acquisition of the asset or as part of the expense.

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

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

(k) New and Revised Accounting Standards

Certain new accounting standards and Interpretations have been published that are not mandatory for 31 December 2016 reporting periods and have not yet been applied to the financial statements. The Company's assessment of the impact of these new standards and interpretations is that they will not materially affect any of the amounts recognised in the financial statements or significantly impact the disclosures in relation to the Company.

UWS Early Learning Limited

ABN 39155993445

**Notes to the Financial Statements
For the year ended 31 December 2016****2 Revenue**

	2016	2015
	\$	\$
Child care services		
Family fee income	3,178,328	2,890,223
Australian Government Childcare Benefits	2,705,330	2,532,803
Subsidies	514,158	587,342
Total child care services	6,397,816	6,010,368
Other revenue		
Australian Government Traineeship Funding	13,864	37,100
Long Day Care Development Grants	98,318	113,546
Other Income	11,102	12,095
Total other revenue	123,284	162,741

3 Expenses

The result for the year includes the following specific expenses:

	2016	2015
	\$	\$
Employee benefits expense		
Salaries and Wages	4,954,641	4,777,730
Superannuation Expense	407,725	414,596
Annual and Long Service Leave	101,920	72,745
Worker's Compensation	77,460	64,928
Other	9,734	3,352
Total employee benefit expense	5,551,480	5,333,351
Other expenses		
Catering	153,679	169,814
Cleaning	151,442	157,131
Legal Expenses	7,870	7,172
Non-capitalised Equipment	115,299	59,290
Centre resources and supplies	81,616	66,902
Repairs and Maintenance	5,939	4,286
Staff Development	118,613	53,470
Printing	27,690	22,781
Sundry expenses	107,889	99,977
Total other expenses	770,037	640,823

UWS Early Learning Limited

ABN 39155993445

**Notes to the Financial Statements
For the year ended 31 December 2016****4 Cash and cash equivalents**

		2016	2015
		\$	\$
	Note		
Cash at bank	14	647,363	555,260

The Company's exposure to interest rate risk is discussed in note 15. The maximum exposure to credit risk at the end of each reporting period is the carrying amount of each class of cash and cash equivalents mentioned above. Cash at bank is interest bearing.

5 Trade and other receivables

	2016	2015
	\$	\$
CURRENT		
Trade receivables	23,107	47,024
Receivable from Parent	65,682	30,071
less: Provision for impairment	(5,874)	(16,818)
	82,915	60,277
GST receivable	37,928	24,641
Total current receivables	120,843	84,918
NON-CURRENT		
Loan to Parent Entity	1,576,133	1,187,436
Total non-current receivable	1,576,133	1,187,436
Total trade and other receivables	1,696,976	1,272,354

(a) Trade and other receivables

As at 31 December 2016, trade receivable of \$23,107 (2015: \$47,024) and receivable from parent entity of \$65,682 (2015: \$30,071).

The ageing of total current receivables (excluding GST receivable) is as follows:

	2016	2015
	\$	\$
Up to 3 months	86,512	60,277
3 to 6 months	1,931	12,268
Over 6 months	346	4,550
	88,789	77,095

UWS Early Learning Limited

ABN 39155993445

Notes to the Financial Statements
For the year ended 31 December 2016**5 Trade and other receivables continued****(b) Credit risk**

The Company has no significant concentration of credit risk with respect to any single counter party or group or counterparties. The class of assets described as "trade and other receivables" is considered to be the main source of credit risk related to the Company.

The amounts within receivables do not contain impaired assets and are not significantly overdue. Based on credit history, it is expected that these amounts will be received in a timely manner and do not represent any material risk.

6 Trade and other payables

	2016	2015
	\$	\$
CURRENT		
Trade and other payables	120,796	29,642
Enrolment Deposits	233,877	224,326
Accrued Expenses	35,226	30,952
Other payables	185,095	187,647
Total trade and other payables	574,994	472,567

7 Provisions

	2016	2015
	\$	\$
CURRENT		
Employee benefits		
Annual Leave	313,966	287,131
Long Service Leave	190,449	142,679
Total current provisions	504,415	429,810
NON-CURRENT		
Employee benefits		
Long Service Leave	81,844	54,529
Total non-current provisions	81,844	54,529
Total provisions	586,259	484,339

UWS Early Learning Limited

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Notes to the Financial Statements For the year ended 31 December 2016

8 Retained earnings

Movements in Retained Earnings

	2016 \$	2015 \$
Retained Earnings at 1 January	821,134	604,480
Surplus/(Deficit) for the year	232,921	216,654
Balance at 31 December	1,054,055	821,134

9 Key management personnel disclosures

(a) Responsible persons and executive officers

The following persons were responsible persons and executive officers of UWS Early Learning Limited during the financial period.

Responsible Persons and Executive Officers:

Mrs Angie Atkinson - General Manager

All responsible persons and executive officers are employees of UWS Early Learning Ltd and are remunerated directly by the entity.

(b) Board of Directors

The following persons were Non-Executive Directors of UWS Early Learning Ltd during the financial period:

Ms Susan Hudson - Chair

Mrs Susan Benzie

Mrs Ellen Brackenreg

Mrs Denise Fraser

Mr Darren Greentree

Professor Michele Simons (appointed 10 October 2016)

No Board Member is remunerated for their services.

UWS Early Learning Limited

ABN 39155993445

Notes to the Financial Statements For the year ended 31 December 2016

10 Remuneration of auditors

During the period, the following fees were paid for services provided by the auditor of UWS Early Learning Limited:

	2016	2015
	\$	\$
Audit and review of the financial statements	29,600	24,000
Total fees paid to auditors	29,600	24,000

11 Contingencies

The Company had no contingent liabilities at 31 December 2016.

12 Commitments

The Company had no commitments at 31 December 2016.

13 Related Parties

(a) Entities exercising control over the Company

The ultimate parent entity of the Company is Western Sydney University.

(b) Transactions with related parties

The following transactions occurred with related parties:

	2016	2015
	\$	\$
Subsidies		
Parent entity	514,158	587,342
Total subsidies received	514,158	587,342

	2016	2015
	\$	\$
Related Party Receivables		
Parent entity subsidies	65,682	30,071
Loan to Parent Entity	1,576,133	1,187,436
Total related party receivables	1,641,815	1,217,507

UWS Early Learning Limited

ABN 39155993445

Notes to the Financial Statements
For the year ended 31 December 2016
14 Reconciliation of operating surplus/(deficit) to net cash inflow/(outflow) from operating activities

	2016	2015
	\$	\$
Surplus/(Deficit) for the year	232,921	216,654
Change in operating assets and liabilities:		
(Increase) / decrease in trade debtors	(35,926)	58,799
(increase)/decrease in prepayments	11,562	24,328
Increase/(decrease) in income in advance	67,895	(3,635)
Increase / (decrease) in trade creditors	91,154	12,646
Increase / (decrease) in other operating liabilities	11,273	82,997
Increase / (decrease) in other provisions	101,920	71,334
Net cash inflow/(outflow) from operating activities	480,799	463,123

15 Financial risk management

The Company's activities expose it to a variety of financial risks: market risk (including fair value interest rate risk), credit risk and liquidity risk. The Company'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 Company. The Company uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate and aging analysis for credit risk to determine market risk.

The Company holds the following financial instruments:

Note: Excludes GST receivable, prepayment, deferred income, income in advance and provision payable (not within scope of AASB 7).

	2016	2015
	\$	\$
Financial Assets		
Cash and Cash Equivalents	647,363	555,260
Trade Receivables	82,915	60,277
Loan to Parent Entity	1,576,133	1,187,436
Total financial assets	2,306,411	1,802,973
Financial Liabilities		
Trade and other payables	305,891	217,289
Total financial liabilities	305,891	217,289

UWS Early Learning Limited

ABN 39155993445

**Notes to the Financial Statements
For the year ended 31 December 2016****15 Financial risk management continued****(a) Market risk****(i) Cash flow and fair value interest rate risk**

The Company's exposure to interest rate risk is minimal as it has no borrowings.

(ii) Sensitivity analysis

The following table summarises the sensitivity of the Company's financial assets to interest rate risk.

31 December 2016

	Carrying amount \$	Interest rate risk			
		-1%		+1%	
		Result \$	Equity \$	Result \$	Equity \$
Financial assets					
Cash and Cash Equivalents	647,363	(6,474)	(6,474)	6,474	6,474
Loan Receivable - Parent Entity	1,576,133	(15,761)	(15,761)	15,761	15,761
Total increase/(decrease)		(22,235)	(22,235)	22,235	22,235

31 December 2015

	Carrying amount \$	Interest rate risk			
		-1%		+1%	
		Result \$	Equity \$	Result \$	Equity \$
Financial assets					
Cash and Cash Equivalents	555,260	(5,553)	(5,553)	5,553	5,553
Loan Receivable - Parent Entity	1,187,436	(11,874)	(11,874)	11,874	11,874
Total increase/(decrease)		(17,427)	(17,427)	17,427	17,427

None of the Company's financial liabilities are subject to interest rate risk.

(b) Credit risk

The credit risk on financial assets of the Company which have been recognised on the statement of financial position is generally the carrying amount, net of provision for loss. Credit risk arises when there is the possibility of the Company's debtors defaulting on their contractual obligations, resulting in financial loss to the Company. The Company does not have any significant exposure to any unrelated customer.

UWS Early Learning Limited

ABN 39155993445

Notes to the Financial Statements For the year ended 31 December 2016

15 Financial risk management continued

(c) Liquidity risk

Liquidity risk arises from the possibility that the Company might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Company manages this risk through the following mechanisms:

- preparing forward-looking cash flow analysis in relation to its operational, investing and financial activities which are monitored on a monthly basis;
- obtaining funding from a variety of sources;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets;
- only investing surplus cash with major financial institutions; and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

Typically, the Company ensures that it has sufficient cash on hand to meet expected operational expenses for a period of 30 days. Therefore the liquidity risk is considered to be minimal.

The following tables summarise the maturity of the UWS Early Learning Limited's financial assets and financial liabilities:

	Average Interest rate		Less than 1 year		1 to 5 years		5+ years		Total	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
	%	%	\$	\$	\$	\$	\$	\$	\$	\$
Financial Assets:										
Receivables	2.9%	2.9%	82,915	60,277	1,576,133	1,187,436	-	-	1,659,048	1,247,713
Total Financial Assets			82,915	60,277	1,576,133	1,187,436	-	-	1,659,048	1,247,713
Financial Liabilities:										
Payables			305,891	217,289	-	-	-	-	305,891	217,289
Total Financial Liabilities			305,891	217,289	-	-	-	-	305,891	217,289

UWS Early Learning Limited

ABN 39155993445

Notes to the Financial Statements For the year ended 31 December 2016

15 Financial risk management continued

(d) Fair value estimation

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

Due to the Company's financial instruments short-term nature, the carrying value of all financial instruments recognised in the statement of financial position approximates their fair value.

16 Economic dependency

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

17 Events occurring after the reporting date

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

UWS Early Learning Limited

ABN 39155993445

Statement by Directors

The directors of the UWS Early Learning Limited declare that:

1. Under s41C (1b) of the Public Finance & Audit Act 1983 we state to the best of our knowledge and belief the financial statements and notes, as set out on pages 171 to 187:
 - a. comply with Australian Accounting Standards, the Public Finance and Audit Act 1983, the Public Finance and Audit Regulation 2015 and the mandatory professional reporting requirements, and
 - b. give a true and fair view of the financial position as at 31 December 2016 and of the performance for the year ended on that date of the UWS Early Learning Limited.
2. In the directors' opinion, there are reasonable grounds to believe that the UWS Early Learning Limited will be able to pay its debts as and when they become due and payable.
3. We are not aware of any circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.

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

Director

Director

Dated this sixth day of March 2017

UWS Early Learning Limited

ABN 39155993445

Responsible entities declaration per section 60.15 of Australian Charities and Not-for-profits Commission Regulation 2013

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

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

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



Darren Greentree

Director

6 March 2017



INDEPENDENT AUDITOR'S REPORT

UWS Early Learning Limited

To Members of the New South Wales Parliament

Opinion

I have audited the accompanying financial statements of UWS Early Learning Limited (the Company), which comprise the statement of financial position as at 31 December 2016, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the responsible entity's declaration.

In my opinion the financial statements:

- give a true and fair view of the financial position of the Company as at 31 December 2016, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (PF&A Act) and the Public Finance and Audit Regulation 2015
- have been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Act 2012* and Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013.

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

Basis for Opinion

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

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

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

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

The PF&A Act further promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:

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

Directors' Responsibility for the Financial Statements

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

In preparing the financial statements, the directors must assess the Company's ability to continue as a going concern unless they intend to liquidate the Company or cease operations. The assessment must disclose, as applicable, matters related to going concern and the appropriateness of using the going concern basis of accounting.

Auditor's Responsibility for the Audit of the Financial Statements

My objectives are to:

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

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

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

My opinion does *not* provide assurance:

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



Margaret Crawford
Auditor General of NSW

10 March 2017
SYDNEY

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Whitlam Institute within Western Sydney University Limited

ABN: 50 100 342 309

Financial statements

For the year ended 31 December 2016

These financial statements of the Whitlam Institute within Western Sydney University Limited (the Company) are presented as an individual entity. The financial statements are presented in Australian currency.

The registered office and principal place of business of the Company is:
Whitlam Institute within Western Sydney University Limited
Western Sydney University
Building EZ, Parramatta Campus
Cnr James Ruse Dr & Victoria Rd
Rydalmere NSW 2116

Registered postal address is:
Whitlam Institute within Western Sydney University Limited
Locked Bag 1797
Penrith NSW 2751

A description of the nature of the Company's operations and its principal activities is included in the director's report which is not part of these financial statements.

These financial statements were authorised for issue by the directors on 17 February 2017. The directors have the power to amend and reissue the financial statements.

Whitlam Institute within Western Sydney University Limited

ABN: 50 100 342 309

Director's report

For the year ended 31 December 2016

Your directors present their report on the Company for the financial year ended 31 December 2016.

Directors

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

The Hon. John Faulkner	
Ms Patricia Amphlett OAM	
Prof. Barney Glover	
Ms Gabrielle Trainor	
Mr John Wells	
Mr Talal Yassine OAM	
Ms Catherine Dovey	
Mr Cameron Clyne	Appointed 6 September 2016
Mr Geoffrey Roberson	Resigned 25 November 2016
Dr Kerry Schott AO	Resigned 20 May 2016

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

Company secretary

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

Principal activities

The principal activity of the Company is to manage the Company and to act as Trustee of the Trust. The main function of the Company is fundraising in support of the University, and the effective management control of all Trust funds held within the Whitlam Institute Trust account.

The Whitlam Institute works as an educator, policy influencer and research institute. The Institute bridges the historical legacy of the late Gough Whitlam's years in public life and the contemporary relevance of the Whitlam Program to public discourse and policy. It links policies with people - connecting communities with the decisions and policies that affect their lives. The Whitlam Institute is guided by the 'three great aims' that drove the Whitlam Program of 1972. They are to promote equality, to involve the people of Australia in the decision-making processes of our land, and to liberate the talents and uplift the horizons of the Australian people.

The Whitlam Institute supports Western Sydney University development by working with schools to bring knowledge to life in the community. In a range of practical ways we make scholarship relevant to everyday lives. We are inspired by the E.G Whitlam Prime Ministerial Collection which represents the life's work of an Australian statesman who has pursued his convictions with a constant commitment to community engagement and a determination to put words into action.

No significant changes in the nature of the Company's activity occurred during the financial year.

Review of operations

The surplus of the Company amounted to \$ NIL (2015: \$ NIL).

Dividends

No dividend is paid or payable since the commencement of the financial year and up to and including the date of signing this report (2015: \$nil).

Events after the reporting date

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

Future developments

Future developments are not expected to significantly affect the future operations of the Company.

Environmental matters

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

Whitlam Institute within Western Sydney University Limited

ABN: 50 100 342 309

Director's report

For the year ended 31 December 2016

Auditors independence declaration

The Audit Office of New South Wales continues in office in accordance with section 327 of the *Corporations Act 2001*.

The lead auditors independence declaration for the year ended 31 December 2016 has been received and can be found on page 200 of the financial statements.

Information on directors

The Hon. John Faulkner

Experience

BA, DipEd (Macquarie). Chair.

Appointed as Director 8 March 2011. Senator the Hon. John Faulkner was a Labor Senator for New South Wales from 1989 to 2015. Since his election to the Senate in 1989, Senator Faulkner has held a number of ministries, serving as Minister for Veterans' Affairs, Minister for Defence Science and Personnel, Minister for the Environment, Sport and Territories, Cabinet Secretary, Special Minister of State and Minister for Defence. He served as Leader of the Opposition in the Senate from 1996 to 2004. He has also held a range of senior positions within the Australian Labor Party, including National President of the party, twenty years as a member of its National Executive and nine years as Assistant General Secretary of the New South Wales Branch. Senator Faulkner is well versed in, and passionate about the history of the Australian Labor Party. Prior to his political career, Senator Faulkner worked as a teacher of children with severe disabilities.

Ms Patricia Amphlett OAM

Experience

Non-Executive.

Appointed as Director 29 June 2010. Ms Patricia Amphlett OAM is the Federal President of the Media, Entertainment and Arts Alliance, a position she has held since 2002. With a succession of hits and as a long standing member of the Bandstand Family, she established herself as a prominent force in the Australian music industry. Her musical talents are credited with many industry awards including Best Female Singer, Most Popular Female Performer, TV Logie for Best Teenage Personality and a succession of Gold Records. A definite 'all rounder' in the music and entertainment industry, Ms Amphlett's talent spans a broad spectrum from writing, producing and performing shows for children, and hosting charity and corporate events. She maintains a high profile in the music industry, with many live performances at Festivals, Corporate Events, Clubs and Television shows. Ms Amphlett has a strong commitment to music education. She is a consultant for the NSW Government's Talent Development Project. She is a member of the Board of the National Film & Sound Archives.

Whitlam Institute within Western Sydney University Limited

ABN: 50 100 342 309

Director's report

For the year ended 31 December 2016

Information on directors (continued)

Prof. Barney Glover

PhD (Applied Mathematics), MSc, BSc (Honours), Dip Ed (Melbourne), MAICD. Non-Executive.

Experience

Appointed as Director 1 Jan 2014. Professor Barney Glover has been the Vice-Chancellor and President of the Western Sydney University since he commenced in this role on 1 January 2014. Professor Glover is an accomplished academic leader and experienced Vice-Chancellor. Previously Vice-Chancellor at Charles Darwin University from 2009 to 2013, he has a long record of success in university management and leadership, particularly in research, intellectual property management and major capital development projects. Before relocating to the Northern Territory in 2009 Professor Glover was the Deputy Vice-Chancellor, Research at the University of Newcastle. Prior to this, he held several positions at Perth's Curtin University of Technology including Pro Vice-Chancellor, Research and Development. He has a strong research publication record and has co-authored four texts in mathematics education. Before his appointment at Curtin Professor Glover held a number of positions at the University of Ballarat in Victoria. Professor Glover holds a PhD in Applied Mathematics and has worked on both the east and west coasts of Australia.

Ms Gabrielle Trainor

LLB (Melb). Non-Executive.

Experience

Appointed as Director 29 June 2010. Ms Gabrielle Trainor is a non-executive director and advisor. Her chair and director roles have spanned organisations in urban development, transport, education, public interest law, tourism, culture and sport. She was a founding partner and co-owner of specialist consultancy John Connolly & Partners and over 25 years advised large listed companies on the management of major transactions and significant issues across stakeholder groups including in capital markets, government, NGO's and other influencers. Ms Trainor is a member of the board of Leighton Contractors (advisory board), a director of the Barangaroo Delivery Authority, Business Events Sydney, Cape York Group, the Aurora Education Foundation and is a trustee of the Charlie Perkins Education Trust. She is a member of the board of trustees of the Western Sydney University. She is Chair of the National Film and Sound Archive and Chair of Barnardo's Australia. She co-chaired the 2012 Federal Government review of the Australia Council for the Arts. She has had a long term involvement in indigenous affairs, including as director of Cape York Partnerships and a member of the Victorian Government's Aboriginal Economic Development Group which reported in 2010. Ms Trainor was educated as LL.B at the University of Melbourne and was awarded a 1986 Churchill Fellowship. She studied in the USA and UK, including as a visiting scholar at Stanford University. She is an Honorary Associate in the Graduate School of Government at Sydney University and a Fellow of the Australian Institute of Company Directors.

Mr John Wells

Non-Executive.

Experience

Appointed as Director 15 June 2005. Mr John Wells is Chairman of Wells Haslem Pty Ltd. His career has embraced journalism at the most senior levels in Australia and overseas, senior media involvement in newspapers, television and radio, policy advice to Federal political leaders and public affairs consulting. His major interests are in government and media and the operational elements of strategic communication campaigns. He works for all of Wells Haslem's major clients in these and many other roles.

Director's report

For the year ended 31 December 2016

Information on directors (continued)

Mr Talal Yassine OAM

Experience

BA Lib (Macquarie), Master of Laws (Sydney), MBA (Deakin). Non-Executive.

Appointed as Director 8 October 2010. Mr Talal Yassine OAM is an experienced lawyer, banker and Non-Executive Director. After 10 years at PricewaterhouseCoopers as a Director and strategist, he joined investment firm Babcock & Brown Ltd in the Corporate Finance Group and later in the Technical Real Estate Division. Later he held leadership positions in Better Place Australia and is currently the Managing Director of Crescent Wealth. Mr Yassine currently serves on the Board of Australia Post, Sydney Ports, the Whitlam Institute, The Australian Multicultural Council and as Deputy Chairman of the Gulf Australia Business Council. He has also served on the Board of Macquarie University; and as the Deputy Chairman of a government regulator, and as Chairman as Platinum Sound Pty Ltd. Mr Yassine holds a Master of Laws, a Master of Business Administration which was focused on international business strategy, as well as holding degrees in law and diplomas from the AICD and UNE in directorship. In November 2012, he was appointed as a Professorial Fellow at the Crawford School of Public Policy, at the Australian National University. On Australia Day 2010, he was awarded a Medal of the Order of Australia (OAM) for his service to business and to the community through a range of education.

Ms Catherine Dovey

Experience

BA (UNSW), Dip Ed (Sydney Teacher College). Non-Executive.

Catherine Dovey worked in the New South Wales public service in public policy formulation and administration. Her roles include an early period as a probation and parole officer with the NSW Corrections system and later as a member of the parole Board of NSW. In the interim she served in a variety of positions at Sydney Water. Catherine graduated from the University of New South Wales as a Bachelor of Arts and with a Diploma of Education from the then Sydney Teachers' College. Catherine has always reflected a spirited engagement with community and education issues which included serving a decade as a Board member of the International Grammar School.

Mr Cameron Clyne

Experience

BA (Sydney). Non-Executive.

Cameron Clyne is currently Chairman of Camel Partners, a private advisory firm and the Camel Foundation. He is Chairman of the Australian Rugby Union; a director of SANZAAR Pty Ltd; the Western Sydney University Foundation; Camp Quality; a Patron of the Western Sydney Leadership Dialogue, and an Adjunct Professor at the WSU Business School. Cameron was Group Chief Executive Officer of National Australia Bank (NAB) from January 2009 until August 2014. He was also Chairman of Clydesdale Bank in the United Kingdom and a Director of the Bank of New Zealand. Prior to NAB Cameron was a Partner at PriceWaterhouseCoopers (PwC). He worked in their Sydney, Melbourne, San Francisco and New York offices. In 2008 he was named a Young Global Leader by the World Economic Forum.

Mr Geoffrey Roberson

Experience

HonDLitt (WSU). Non-Executive.

Serving as Director from 26 April 2002 until 25 November 2016. Mr Geoffrey Roberson is a solicitor, an Accredited Specialist in Commercial Litigation and he is a former President of the Law Society of New South Wales and former Deputy Chancellor of Western Sydney University. Currently the Chairman of Champion Legal Pty Limited, a Sydney-based law firm he also chairs and serves on a number of company Boards.

Whitlam Institute within Western Sydney University Limited

ABN: 50 100 342 309

Director's report

For the year ended 31 December 2016

Information on directors (continued)

Dr Kerry Schott AO

Experience

BA (Hons) (UNE), MA (British Columbia), DPhil (Oxon). Non-Executive.

Serving as Director from 11 September 2009 until 20 May 2016. Dr Kerry Schott AO is Chairman of the Moorebank Intermodal Company Ltd, a Director of NBN Co, a Director of the TCorp Board in NSW, a member of the Infrastructure Australia Board, Patron and Board member of Infrastructure Partnerships Australia and a member of the Whitlam Institute Board. Dr Schott was the Project Director for the NSW Treasury managing the sales of the government owned electricity generating plants. She was previously the Project Director of the successful sale and lease of the Sydney desalination plant. She completed her role as CEO of the Commission of Audit for the NSW Government early in 2012. Previously she was Managing Director and CEO of Sydney Water from 2006 to 2011. Dr Schott spent 15 years as an investment banker, including as Managing Director of Deutsche Bank and Executive Vice President of Bankers Trust Australia. During this time she specialised in privatisation, restructuring, and infrastructure provision. Dr Schott holds a doctorate from Oxford University (Nuffield College), a Master of Arts from the University of British Columbia, Vancouver and a Bachelor of Arts (first class Honours) from the University of New England.

Whitlam Institute within Western Sydney University Limited

ABN: 50 100 342 309

Director's report

For the year ended 31 December 2016

Meetings of directors

During the financial year, 4 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
The Hon. John Faulkner	4	4
Ms Patricia Amphlett OAM	4	3
Prof. Barney Glover	4	4
Ms Gabrielle Trainor	4	4
Mr John Wells	4	3
Mr Talal Yassine OAM	4	3
Ms Catherine Dovey	4	4
Mr Cameron Clyne	1	1
Mr Geoffrey Roberson	4	3
Dr Kerry Schott AO	2	2

Indemnification of Directors and Officers

Whitlam Institute within Western Sydney University Limited is insured externally and in line with the Western Sydney University policies for all significant areas of risk exposure and accordingly, is not a self-insurer and makes no provision in its financial statements for internal coverage.

Proceedings on behalf of company

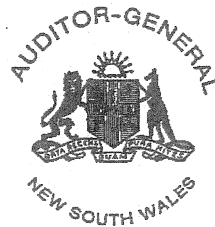
No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

Signed in accordance with a resolution of the Board of Directors'.


Director:
The Hon. John Faulkner


Director:
Ms Gabrielle Trainor

Dated 17 February 2017



To the Directors
Whitlam Institute within Western Sydney University Limited

Auditor's Independence Declaration

As auditor for the audit of the financial statements of Whitlam Institute within Western Sydney University Limited for the year ended 31 December 2016, I declare, to the best of my knowledge and belief, there have been no contraventions of:

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

Renee Meimaroglou
Director, Financial Audit Services

16 February 2017
SYDNEY

Whitlam Institute within Western Sydney University Limited

ABN: 50 100 342 309

Statement of comprehensive income

For the year ended 31 December 2016

	2016	2015
	\$	\$
Revenue		
Other revenue	-	-
Total revenue	-	-
Total income	-	-
Expenses		
Finance costs	-	-
Total expenses	-	-
Surplus/(deficit) for the year	-	-
Other comprehensive income for the year	-	-
Total comprehensive income for the year	-	-

The accompanying notes form part of these financial statements.

Whitlam Institute within Western Sydney University Limited

ABN: 50 100 342 309

Statement of financial position

As at 31 December 2016

	Note	2016 \$	2015 \$
ASSETS			
Current assets			
Cash and cash equivalents	6	1	1
Total current assets		1	1
Total assets		1	1
LIABILITIES			
Current liabilities			
Trade and other payables		-	-
Total current liabilities		-	-
Total liabilities		-	-
Net assets		1	1
EQUITY			
Contributed equity		1	1
Retained earnings		-	-
Total equity		1	1

The accompanying notes form part of these financial statements.

Whitlam Institute within Western Sydney University Limited

ABN: 50 100 342 309

Statement of changes in equity

For the year ended 31 December 2016

	Contributed equity \$	Retained Earnings \$	Total equity \$
Balance at 1 January 2016	1	-	1
Total comprehensive income for the year	-	-	-
Balance at 31 December 2016	1	-	1

	Contributed equity \$	Retained Earnings \$	Total equity \$
Balance at 1 January 2015	1	-	1
Total comprehensive income for the year	-	-	-
Balance at 31 December 2015	1	-	1

The accompanying notes form part of these financial statements.

Whitlam Institute within Western Sydney University Limited

ABN: 50 100 342 309

Statement of cash flows

For the year ended 31 December 2016

		2016	2015
	Note	\$	\$
Cash flows from operating activities			
Payments to suppliers and employees		-	-
Net cash inflow/(outflow) from operating activities	14	-	-
Cash flows from investing activities			
Net cash (outflow)/inflow from investing activities		-	-
Cash flows from financing activities			
Net cash inflow/(outflow) from financing activities		-	-
Net increase/(decrease) in cash and cash equivalents		-	-
Cash and cash equivalents at beginning of year		1	1
Cash and cash equivalents at end of year	6	1	1

The accompanying notes form part of these financial statements.

Notes to the financial statements

For the year ended 31 December 2016

1 Summary of Significant Accounting Policies

(a) Basis of Preparation

These financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) adopted by the AASB, the *Corporations Act 2001*, the requirements of the *Public Finance & Audit Act 1983*, *Public Finance and Audit Regulation 2015* and other authoritative pronouncements of the Australian Accounting Standards Board (AASB).

These financial statements of the Company comply with Australian Accounting Standards some of which contain requirements specific to not-for-profit entities that are inconsistent with International Financial Reporting Standards (IFRS) requirements.

Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

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

(b) Revenue recognition

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Company's activities. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

(c) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(d) Income tax exemption

The Company is exempt from the payment of tax by virtue of section 50 B of the *Income Tax Assessment Act 1997*.

(e) Foreign currency transactions and balances

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

(f) Goods and Services Tax (GST)

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

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

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

Notes to the financial statements

For the year ended 31 December 2016

1 Summary of Significant Accounting Policies (continued)

(g) Comparative amounts

Comparative figures have been reclassified and repositioned in the financial statements, where necessary, to conform with the basis of preparation and classification used in the current year.

(h) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2016 reporting periods and have not yet been applied in the financial statements. The Company's assessment of the impact of these new standards and interpretations is that they will not materially affect any of the amounts recognised in the financial statements or significantly impact the disclosures in relation to the Company.

(i) Critical accounting estimates and judgments

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires Management to exercise its judgement in the process of applying the Company's accounting policies. Estimates and judgements are continually evaluated and are based on historic experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

There are no areas which involve a high degree of judgement or complexity or where assumptions and estimates are significant to the financial statements of the Company.

2 Financial Risk Management

The main risks the Company is exposed to through its financial instruments are credit risk, liquidity risk and market risk (interest rate risk). The Company'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 Company. The Company uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate and ageing analysis for credit risk.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	2016 \$	2015 \$
Financial Assets		
Cash and cash equivalents	1	1
	<u>1</u>	<u>1</u>

(a) Credit risk

The credit risk on financial assets of the Company (which have been recognised in the statement of financial position) is generally the carrying amount, net of provision for loss. Credit risk arises when there is the possibility of the Company's debtors defaulting on their contractual obligations, resulting in financial loss to the Company. The Company does not have any significant exposure to any unrelated debtor.

(b) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. At the end of the reporting period the Company held deposits at call of \$1 (2015: \$1) that are expected to readily generate cash inflows for managing liquidity risk.

Whitlam Institute within Western Sydney University Limited

ABN: 50 100 342 309

Notes to the financial statements

For the year ended 31 December 2016

2 Financial Risk Management (continued)

(c) Market risk

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

i. Cash flow and fair value interest rate

The Company's exposure to interest rate risk is minimal as it has no borrowings.

3 Expenses

No expenses were paid by the ultimate parent entity on behalf of the Company during 2016 (2015: NIL).

4 Remuneration of Auditors

Full audit fees for 2016 are reflected in the books of the Whitlam Institute within Western Sydney University Trust and will be paid by the ultimate parent entity (2015: NIL).

5 Fair Value Measurement

Fair value measurements of balance sheet items are not categorised given the lack of any assets or liabilities as at 31 December 2016.

6 Cash and cash equivalents

	2016 \$	2015 \$
Cash at bank and in hand	1	1
	<u>1</u>	<u>1</u>

(a) Risk exposure

The Company's exposure to interest rate risk is discussed in note 2. The maximum exposure to credit risk at the end of each reporting period is the carrying amount of each class of cash and cash equivalents mentioned above.

(b) Cash at bank and on hand

These are non-interest bearing.

(c) Fair value

The carrying amount for cash and cash equivalents equals the fair value.

7 Contributed equity

	Shares		Total	
	2016 \$	2015 \$	2016 \$	2015 \$
Ordinary shares				
Fully paid	1	1	1	1
Total contributed equity	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

(a) Movements in ordinary share capital

There were no movements in contributed equity during the financial year.

Whitlam Institute within Western Sydney University Limited

ABN: 50 100 342 309

Notes to the financial statements

For the year ended 31 December 2016

8 Commitments

The Company had no commitments at 31 December 2016 (31 December 2015: nil).

9 Contingencies

In the opinion of the Directors, the Company did not have any contingencies as at 31 December 2016 (31 December 2015: nil).

10 Key Management Personnel Disclosures

No remuneration has been paid to the key management personnel of Whitlam Institute within Western Sydney University Limited during the year (2015: nil).

11 Related party transactions

(a) Parent entity

The ultimate parent entity of the Trust is Western Sydney University.

(b) Transactions with related parties

There were no transactions with related parties in 2016 (2015: nil).

12 Economic dependency

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

13 Events occurring after the reporting date

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years (2015: nil).

14 Reconciliation of result for the year to cashflows from operating activities

	2016	2015
	\$	\$
Surplus for the year	-	-
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	-	-
- (increase)/decrease in assets	-	-
- increase/(decrease) in trade and other payables	-	-
Cashflow from operations	-	-

END OF AUDITED FINANCIAL STATEMENTS

Whitlam Institute within Western Sydney University Limited

ABN: 50 100 342 309

Director's declaration

In the Director's opinion:

1. The financial statements and notes are in accordance with the *Corporations Act 2001* and:
 - a. comply with Australian Accounting Standards and other interpretations, the *Corporations Regulations 2001*, *Public Finance and Audit Act 1983* the *Public Finance and Audit Regulation 2015* and other mandatory professional reporting requirements; and
 - b. give a true and fair view of the financial position as at 31 December 2016 and of the performance for the year ended on that date of the Company.
2. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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



Director

The Hon. John Faulkner



Director

Ms Gabrielle Trainor

Dated 17 February 2017



INDEPENDENT AUDITOR'S REPORT

Whitlam Institute within Western Sydney University Limited

To Members of the New South Wales Parliament and Members of Whitlam Institute within Western Sydney University Limited

Opinion

I have audited the accompanying financial statements of Whitlam Institute within Western Sydney University Limited (the Company), which comprise the statement of financial position as at 31 December 2016, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In my opinion the financial statements:

- are in accordance with the *Corporations Act 2001*, including:
 - giving a true and fair view of the Company's financial position as at 31 December 2016 and its performance for the year ended on that date
 - complying with Australian Accounting Standards and the Corporations Regulations 2001
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (PF&A Act) and the Public Finance and Audit Regulation 2015.

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

Basis for Opinion

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

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

- Australian Auditing Standards
- *Corporations Act 2001*
- Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants' (APES 110).

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

The PF&A Act further promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:

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

I confirm the independence declaration, required by the *Corporations Act 2001*, provided to the directors of the Company on 16 February 2017, would be in the same terms if provided to the directors as at the time of this Independent Auditor's Report.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, the PF&A Act and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors must assess the Company's ability to continue as a going concern unless they intend to liquidate the Company or cease operations. The assessment must disclose, as applicable, matters related to going concern and the appropriateness of using the going concern basis of accounting.

Auditor's Responsibility for the Audit of the Financial Statements

My objectives are to:

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

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

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

My opinion does *not* provide assurance:

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



Renee Meimaroglou
Director, Financial Audit Services

21 February 2017
SYDNEY

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Whitlam Institute Within Western Sydney University Trust

ABN: 42 247 216 279

Financial Statements

For the Year Ended 31 December 2016

These financial statements of the Whitlam Institute Within Western Sydney University Trust (the Trust) are presented as an individual entity. The financial statements are presented in Australian currency.

The registered office and principal place of business of the Whitlam Institute Within Western Sydney University Trust is:

Whitlam Institute Within Western Sydney University Trust

Western Sydney University

Building EZ, Parramatta Campus

Cnr James Ruse Dr & Victoria Rd

Rydalmere NSW 2116

Registered postal address is:

Whitlam Institute Within Western Sydney University Trust

Locked Bag 1797

Penrith NSW 2751

A description of the nature of the Trust's operations and its principal activities is included in the Trustees' report which is not part of these financial statements.

These financial statements were authorised for issue by the Trustees' on 17 February 2017. The Trustees have the power to amend and reissue the financial statements.

Whitlam Institute Within Western Sydney University Trust

ABN: 42 247 216 279

Trustees' report

For the year ended 31 December 2016

The Trustees present their report on Whitlam Institute Within Western Sydney University Trust for the financial year ended 31 December 2016.

Trustees

The Whitlam Institute Within Western Sydney University Limited (referred to hereafter as the Trustee Company) has been appointed as the Trustee of the Trust. The following persons have been directors of the Trustee Company during the whole of the financial year and to the date of this report:

The Hon. John Faulkner

Ms Patricia Amphlett OAM

Prof. Barney Glover

Ms Gabrielle Trainor

Mr John Wells

Mr Talal Yassine OAM

Ms Catherine Dovey

Mr Cameron Clyne

Mr Geoffrey Roberson

Dr Kerry Schott AO

Appointed 6 September 2016

Resigned 25 November 2016

Resigned 20 May 2016

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

Principal Activities

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

The Whitlam Institute Within Western Sydney University Trust exists to support (through the provision of money, property or benefits) Western Sydney University, specifically the work of the Whitlam Institute with respect to the Whitlam Prime Ministerial Collection and the Institute's research, educational and policy activity.

Whitlam Institute Within Western Sydney University Trust

ABN: 42 247 216 279

Trustees' report

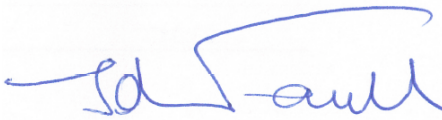

For the year ended 31 December 2016

Meetings of trustees

During the financial year, 4 meetings of trustees (including committees of trustees) were held. Attendances by each trustee during the year were as follows:

	Trustees Meetings	
	Number eligible to attend	Number attended
The Hon. John Faulkner	4	4
Ms Patricia Amphlett OAM	4	3
Prof. Barney Glover	4	4
Ms Gabrielle Trainor	4	4
Mr John Wells	4	3
Mr Talal Yassine OAM	4	3
Ms Catherine Dovey	4	4
Mr Cameron Clyne	1	1
Mr Geoffrey Roberson	4	3
Dr Kerry Schott AO	2	2

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

 Director: Director: 

The Hon. John Faulkner Ms Gabrielle Trainor

Dated 17 February 2017

Whitlam Institute Within Western Sydney University Trust

ABN: 42 247 216 279

Statement of comprehensive income

For the Year Ended 31 December 2016

	Notes	2016 \$	2015 \$
Revenue	3		
Services	3	150,725	79,328
Other revenue	3	14,079	11,341
Contribution of assets		31,575	-
Total revenue		196,379	90,669
Expenses			
Contribution to Ultimate Parent Entity	4	(55,870)	(55,000)
Event expenses	4	(1,191)	-
Bank charges	4	(197)	(194)
Total expenses		(57,258)	(55,194)
Surplus for the year		139,121	35,475
Other comprehensive income for the year			
Revaluation changes for property, plant and equipment		20,040	-
Total other comprehensive income for the year		20,040	-
Total comprehensive income for the year		159,161	35,475
Comprehensive income for the year attributable to			
Non - controlling interest		-	-
The parent		159,161	35,475
Total comprehensive income for the year		159,161	35,475

The accompanying notes form part of these financial statements.

Whitlam Institute Within Western Sydney University Trust

ABN: 42 247 216 279

Statement of financial position

As at 31 December 2016

	Notes	2016 \$	2015 \$
ASSETS			
Current assets			
Cash and cash equivalents	7	575,222	471,976
Trade and other receivables		3,700	-
Total current assets		<u>578,922</u>	<u>471,976</u>
Non-current assets			
Property, plant and equipment	8	830,442	778,827
Total non-current assets		<u>830,442</u>	<u>778,827</u>
Total assets		<u>1,409,364</u>	<u>1,250,803</u>
LIABILITIES			
Current liabilities			
Other liabilities		-	600
Total current liabilities		<u>-</u>	<u>600</u>
Total liabilities		<u>-</u>	<u>600</u>
Net assets		<u>1,409,364</u>	<u>1,250,203</u>
TRUST FUNDS			
Settled fund		1	1
Reserves	9	195,247	175,207
Retained earnings	10	1,214,116	1,074,995
Total trust funds		<u>1,409,364</u>	<u>1,250,203</u>

The accompanying notes form part of these financial statements.

Whitlam Institute Within Western Sydney University Trust

ABN: 42 247 216 279

Statement of changes in equity

For the Year Ended 31 December 2016

	Settled fund	Retained Earnings	Reserves	Total Equity
	\$	\$	\$	\$
Balance at 1 January 2016	1	1,074,995	175,207	1,250,203
Revaluation of property, plant and equipment	-	-	20,040	20,040
Surplus for the year	-	139,121	-	139,121
Total comprehensive income for the year	-	139,121	20,040	159,161
Balance at 31 December 2016	1	1,214,116	195,247	1,409,364

	Settled fund	Retained Earnings	Reserves	Total Equity
	\$	\$	\$	\$
Balance at 1 January 2015	1	1,039,520	175,207	1,214,728
Revaluation of property, plant and equipment	-	-	-	-
Surplus for the year	-	35,475	-	35,475
Total comprehensive income for the year	-	35,475	-	35,475
Balance at 31 December 2015	1	1,074,995	175,207	1,250,203

The accompanying notes form part of these financial statements.

Whitlam Institute Within Western Sydney University Trust

ABN: 42 247 216 279

Statement of cash flows

For the Year Ended 31 December 2016

	Notes	2016 \$	2015 \$
Cash flows from operating activities			
Receipts from customers		150,125	79,328
Payments to suppliers and employees		(57,258)	(55,194)
Investment income		10,379	11,341
Net cash inflow/(outflow) from operating activities	16	103,246	35,475
Cash flows from investing activities			
Net cash inflow/(outflow) from investing activities		-	-
Cash flows from financing activities			
Net cash inflow/(outflow) from financing activities		-	-
Net increase/(decrease) in cash and cash equivalents		103,246	35,475
Cash and cash equivalents at beginning of year		471,976	436,501
Cash and cash equivalents at end of year	7	575,222	471,976

The accompanying notes form part of these financial statements.

Notes to the financial statements

For the Year Ended 31 December 2016

1 Summary of Significant Accounting Policies

(a) Basis of Preparation

These financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) adopted by the AASB, the requirements of the *Public Finance & Audit Act 1983*, *Public Finance and Audit Regulation 2015* and other authoritative pronouncements of the Australian Accounting Standards Board (AASB).

These financial statements of the Whitlam Institute Within Western Sydney University Trust comply with Australian Accounting Standards some of which contains requirements specific to not for profit entities that are inconsistent with International Financial Reporting Standards (IFRS) requirements.

Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

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

(b) Revenue recognition

The Trust recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Trust's activities as described below. The Trust bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue is recognised for the major business activities as follows:

(i) Donations, Scholarships and Prizes

Donations, scholarships and prizes are recognised when they are received.

A sale is recorded when goods have been delivered to the customer, the customer has accepted the goods and collectability of the related receivables is probable.

(ii) Rendering of services

Revenue is recognised when the service is provided or by reference to the stage of completion (based on labour hours incurred to date).

(iii) Event income

Event income is only recognised when the economic benefits associated with the transaction flows to the entity.

(iv) Investment income

Investment income is recognised as it accrues using the effective interest method.

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

Notes to the financial statements

For the Year Ended 31 December 2016

1 Summary of Significant Accounting Policies (continued)

(c) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(d) Income tax exemption

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

(e) Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Trust will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in the surplus or deficit over the period necessary to match them with the costs that they are intended to compensate.

(f) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Trade receivables are generally due for settlement within 30 days. They are presented as current assets unless collection is not expected for more than 12 months after the reporting date.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off by reducing the carrying amount directly. An allowance account (provision for impairment of trade receivables) is used when there is objective evidence that the Trust will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the impairment is the difference between the book value and the amount determined to be collectable.

The amount of the impairment loss is recognised in surplus/(deficit) within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectable in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in surplus/(deficit).

(g) Fair value estimation

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

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short term nature.

(h) Property, plant and equipment

Property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Notes to the financial statements

For the Year Ended 31 December 2016

1 Summary of Significant Accounting Policies (continued)

(h) Property, plant and equipment (continued)

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Trust and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to surplus or deficit during the reporting period in which they are incurred.

Property, plant and equipment consists only of the Whitlam Collection and is not depreciated given the nature of its contents.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

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

Whitlam Collection

Assets comprising the Whitlam Collection have been donated to the Trust. Market valuations have been obtained from a valuer to determine the fair value of the contribution in accordance with AASB 13 and AASB116 Fair value measurement. The Whitlam Collection was revalued in 2016 in accordance with the ultimate parent entity three year revaluation cycle however previously the Whitlam Collection was revalued at the end of 2014 following the passing of the Hon Gough Whitlam AC QC.

(i) Goods and Services Tax (GST)

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

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

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

(j) Comparative amounts

No comparatives were restated in the financial statements.

(k) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2016 reporting periods and have not yet been applied in the financial report. The Trust's assessment of the impact of these new standards and interpretations is that they will not materially affect any of the amounts recognised in the financial statements or significantly impact the disclosures in relation to the Trust.

Whitlam Institute Within Western Sydney University Trust

ABN: 42 247 216 279

Notes to the financial statements

For the Year Ended 31 December 2016

1 Summary of Significant Accounting Policies (continued)

(I) Critical accounting estimates and judgments

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Trust's accounting policies. Estimates and judgements are continually evaluated and are based on historic experience and other factors, including expectations of future events that may have a financial impact on the Trust and that are believed to be reasonable under the circumstances.

The valuation of assets and the estimate of useful life uses estimates and judgments.

The valuation of the Whitlam Collection within Property Plant and Equipment has been signed by an independent expert valuer Peter Tinslay, Valuer on the basis of a fair value for accounting purposes.

Whitlam Institute Within Western Sydney University Trust

ABN: 42 247 216 279

Notes to the financial statements

For the Year Ended 31 December 2016

2 Financial Risk Management

The main risks Whitlam Institute Within Western Sydney University Trust is exposed to through its financial instruments are liquidity risk and market risk (interest rate risk). The Trust'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 Trust. The Trust uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate and ageing analysis for credit risk.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	Notes	2016 \$	2015 \$
Financial Assets			
Cash and cash equivalents	7	575,222	471,976
Trade and other receivables		3,700	-
		578,922	471,976
Financial Liabilities			
Other liabilities		-	600
		-	600

(a) Credit risk

The credit risk on financial assets of the Trust which have been recognised on the statement of financial position is generally the carrying amount, net of provision for loss. Credit risk arises when there is the possibility of the Trust's debtors defaulting on their contractual obligations, resulting in financial loss to the Trust. The Trust does not have any significant exposure to any unrelated debtor.

The following table details the Trust's trade and other receivables exposure to credit risk with ageing analysis.

	2016 \$	2015 \$
Up to 3 months	2,645	-
3 to 6 months	1,055	-
Total	3,700	-

(b) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. At the end of the reporting period the Trust held deposits at call of \$575,222 (2015: \$471,976) that are expected to readily generate cash inflows for managing liquidity risk.

Whitlam Institute Within Western Sydney University Trust

ABN: 42 247 216 279

Notes to the financial statements

For the Year Ended 31 December 2016

2 Financial Risk Management (continued)

(c) Market risk

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

(i) Cash flow and fair value interest rate

The Trust's exposure to interest rate risk is minimal as it has no borrowings.

(ii) Summarised sensitivity analysis

The following table summarises the sensitivity of the Trust's financial assets and financial liabilities to interest rate risk. The Trust's financial assets and financial liabilities are not subject to foreign exchange risk and other price risk.

	-100bps		+100bps	
	Carrying amount \$	Surplus/ (deficit) \$	Trust funds \$	Trust funds \$
31 December 2016				
Financial assets				
Cash and cash equivalents	575,222	(5,752)	(5,752)	5,752
Trade receivables ^(a)	3,700	(37)	(37)	37
Total increase/(decrease) in financial assets		(5,789)	(5,789)	5,789
Financial liabilities				
Other liabilities ^(a)	-	-	-	-
Total increase/(decrease) in financial liabilities		-	-	-
Total increase/(decrease)		(5,789)	(5,789)	5,789
	-100bps		+100bps	
	Carrying amount \$	Surplus/ (deficit) \$	Trust funds \$	Trust funds \$
31 December 2015				
Financial assets				
Cash and cash equivalents	471,976	(4,720)	(4,720)	4,720
Total increase/(decrease) in financial assets		(4,720)	(4,720)	4,720
Financial liabilities				
Other liabilities ^(a)	600	(6)	(6)	6
Total increase/(decrease) in financial liabilities		(6)	(6)	6
Total increase/(decrease)		(4,726)	(4,726)	4,726

(a) These amounts exclude all statutory payables and receivables.

Whitlam Institute Within Western Sydney University Trust

ABN: 42 247 216 279

Notes to the financial statements

For the Year Ended 31 December 2016

3 Revenue

	2016	2015
	\$	\$
Services		
Donations ^(a)	150,725	55,778
Royalty and intellectual property	-	23,550
Total services	150,725	79,328
Other revenue		
Interest	4,114	607
Distributions from managed funds	9,965	10,734
Total other revenue	14,079	11,341
Total revenue	164,804	90,669

(a) Donations

In 2016 the Trust received donations of \$150,725. This has increased significantly from 2015 following the establishment of the EG Whitlam Centenary Endowment Fund along with a fund raising dinner to mark the centenary of the Hon Gough Whitlam AC QC .

4 Expenses

	2016	2015
	\$	\$
Contribution to Ultimate Parent Entity	55,870	55,000
Event expenses	1,191	-
Bank charges	197	194
Total expenses	57,258	55,194

5 Remuneration of Auditors

Audit fees of \$9,635 for 2016 (2015: \$9,404) will be paid by the ultimate parent entity.

Whitlam Institute Within Western Sydney University Trust

ABN: 42 247 216 279

Notes to the financial statements

For the Year Ended 31 December 2016

6 Fair Value Measurement

Fair value hierarchy

Whitlam Institute Within Western Sydney University Trust categorises assets and liabilities measured at fair value into a hierarchy based on the level of inputs used in measurements as follows:

Level 1	Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.
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	Unobservable inputs for the asset or liability.

The table below shows the assigned level for each asset and liability held at fair value by the Trust:

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
31 December 2016				
Non-financial assets				
Property, plant and equipment	-	830,442	-	830,442
Total non-financial assets	-	830,442	-	830,442
Total assets	-	830,442	-	830,442

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
31 December 2015				
Non-financial assets				
Property, plant and equipment	13,575	765,252	-	778,827
Total non-financial assets	13,575	765,252	-	778,827
Total assets	13,575	765,252	-	778,827

Notes to the financial statements

For the Year Ended 31 December 2016

6 Fair Value Measurement (continued)

(a) Fair value measurements

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

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

	Carrying Amount		Fair Value	
	2016	2015	2016	2015
	\$	\$	\$	\$
Financial assets				
Cash and cash equivalents	575,222	471,976	575,222	471,976
Trade and other receivables	3,700	-	3,700	-
Total financial assets	578,922	471,976	578,922	471,976
Financial Liabilities				
Other liabilities	-	600	-	600
Total financial liabilities	-	600	-	600

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

- Property, plant and equipment

(b) Valuation techniques used to derive level 1, level 2 and level 3 fair values

(i) Recurring fair value measurements

The fair value of assets 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.

The Trust uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date.

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

Property, plant and equipment is valued using current observable market values.

All of the resulting fair value estimates are included in level 1 and level 2.

Whitlam Institute Within Western Sydney University Trust

ABN: 42 247 216 279

Notes to the financial statements

For the Year Ended 31 December 2016

6 Fair Value Measurement (continued)

(b) Valuation techniques used to derive level 1, level 2 and level 3 fair values (continued)

(ii) Non-recurring fair value measurement

The Trust does not hold assets that use non-recurring fair value measurements during the current or prior periods.

7 Cash and cash equivalents

	2016	2015
	\$	\$
Cash at bank and on hand	27,196	23,915
Term deposits	400,000	-
T-Corp investments	148,026	448,061
	575,222	471,976

(a) Risk exposure

The Trust's exposure to interest rate risk is discussed in note 2. The maximum exposure to credit risk at the end of each reporting period is the carrying amount of each class of cash and cash equivalents mentioned above.

(b) Cash at bank and on hand

These are non-interest bearing.

(c) Fair value

The carrying amount for cash and cash equivalents equals the fair value.

Whitlam Institute Within Western Sydney University Trust

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Notes to the financial statements

For the Year Ended 31 December 2016

8 Property, plant and equipment

	Library \$	Total \$
At 1 January 2015		
Valuation	778,827	778,827
Net book amount	778,827	778,827
Year ended 31 December 2015		
Opening net book amount	778,827	778,827
Revaluation	-	-
Additions	-	-
Closing net book amount	778,827	778,827
At 31 December 2015		
Valuation	778,827	778,827
Net book amount	778,827	778,827
Year ended 31 December 2016		
Opening net book amount	778,827	778,827
Revaluation	20,040	20,040
Additions	31,575	31,575
Closing net book amount	830,442	830,442
At 31 December 2016		
Valuation	830,442	830,442
Net book amount	830,442	830,442

9 Reserves

	2016 \$	2015 \$
Revaluation surplus - property, plant and equipment	195,247	175,207
	195,247	175,207

Movements

	2016 \$	2015 \$
Revaluation surplus - property, plant and equipment		
Balance 1 January	175,207	175,207
Revaluation - gross	20,040	-
Balance 31 December	195,247	175,207

(a) Nature and purpose of reserves

(i) Revaluation surplus - property, plant and equipment

The property, plant and equipment revaluation reserve is used to record increments and decrements on the revaluation of non-current assets, as described in note 1(h).

Whitlam Institute Within Western Sydney University Trust

ABN: 42 247 216 279

Notes to the financial statements

For the Year Ended 31 December 2016

10 Retained surplus

Movements in retained surplus were as follows:

	2016	2015
	\$	\$
Balance as at 1 January	1,074,995	1,039,520
Surplus for the year	139,121	35,475
Trust distributions for the year	-	-
Balance as at 31 December	1,214,116	1,074,995

11 Commitments

The Trust had no commitments at 31 December 2016 (31 December 2015: nil).

12 Contingencies

The Trust did not have any contingencies at 31 December 2016 (31 December 2015: nil).

13 Key Management Personnel Disclosures

No remuneration has been paid to the key management personnel of Whitlam Institute Within Western Sydney University Trust during the year (2015: nil).

14 Related party transactions

(a) Parent entity

The ultimate parent entity of the Trust is Western Sydney University.

(b) Transactions with related parties

	2016	2015
	\$	\$
Matched Donations from the Ultimate Parent Entity	(10,804)	(17,717)
Payments to the Ultimate Parent Entity	55,870	55,000

15 Economic dependency

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

Whitlam Institute Within Western Sydney University Trust

ABN: 42 247 216 279

Notes to the financial statements

For the Year Ended 31 December 2016

16 Reconciliation of surplus/(deficit) to net cash inflow from operating activities

Reconciliation of net income to net cash provided by operating activities:

	2016	2015
	\$	\$
Surplus for the year	139,121	35,475
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	(3,700)	-
- (increase)/decrease in assets	(31,575)	-
- increase/(decrease) in other liabilities	(600)	-
Cashflow from operations	<u>103,246</u>	<u>35,475</u>

17 Events occurring after the reporting date

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Trust, the results of those operations, or the state of affairs of the Trust in future financial years (2015: nil).

END OF AUDITED FINANCIAL STATEMENTS

Whitlam Institute Within Western Sydney University Trust


ABN: 42 247 216 279

Trustees' declaration

In the Trustee's opinion:

1. the financial statements and notes, as set out on pages 216 to 232
 - a. comply with Australian Accounting Standards and other interpretations, the Public Finance and Audit Act 1983, the Public Finance and Audit Regulation 2015 and other mandatory professional reporting requirements; and
 - b. give a true and fair view of the financial position as at 31 December 2016 and of the performance for the year ended on that date of the Trust;
2. There are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Trustee Company, the Whitlam Institute with Western Sydney University Limited.

	
Director	Director
The Hon. John Faulkner	Ms Gabrielle Trainor

Dated 17 February 2017



INDEPENDENT AUDITOR'S REPORT

Whitlam Institute within Western Sydney University Trust

To Members of the New South Wales Parliament

Opinion

I have audited the accompanying financial statements of Whitlam Institute within Western Sydney University Trust (the Trust), which comprise the statement of financial position as at 31 December 2016, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the financial statements:

- give a true and fair view of the financial position of the Trust as at 31 December 2016, and of its financial performance and its cash flows for the year then ended
- in accordance with Australian Accounting Standards
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (PF&A Act) and the Public Finance and Audit Regulation 2015.

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

Basis for Opinion

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

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

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

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

The PF&A Act further promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:

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

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

Director's Responsibility for the Financial Statements

The Directors are responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards and the PF&A Act, and for such internal control as the Directors determine is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors must assess the Trust's ability to continue as a going concern unless the Trust will be dissolved by an Act of Parliament or otherwise cease operations. The assessment must disclose, as applicable, matters related to going concern and the appropriateness of using the going concern basis of accounting.

Auditor's Responsibility for the Audit of the Financial Statements

My objectives are to:

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

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

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

My opinion does *not* provide assurance:

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



Renee Meimaroglou
Director, Financial Audit Services

21 February 2017
SYDNEY

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Western Sydney University and Controlled Entities

Budget and Performance Indicators

2016 Actual to Budget Comparative Analysis

	2016 BUDGET \$'000	2016 ACTUAL \$'000	2016 VARIANCE \$'000	2016 VARIANCE %
INCOME FROM CONTINUING OPERATIONS				
GOVERNMENT	559,247	553,490	(5,757)	-1.0%
ACADEMIC ACTIVITIES				
International Onshore	80,569	77,728	(2,841)	-3.5%
International Offshore	699	822	123	17.6%
Local fee-paying	15,322	15,643	321	2.1%
External Research Grants	29,800	26,378	(3,422)	-11.5%
Consulting, Contracting & Royalties	1,705	4,209	2,504	146.9%
Other Academic	42,764	43,116	352	0.8%
Sub Total	170,859	167,896	(2,963)	-1.7%
OTHER INCOME ACTIVITIES				
Leases & Other Commercial	5,903	5,034	(869)	-14.7%
Investment Income	10,163	8,649	(1,514)	-14.9%
Land/Property Development Projects	162,676	25,083	(137,593)	-84.6%
Other Incidental	12,266	16,099	3,833	31.2%
Sub Total	191,008	54,865	(136,143)	-71.3%
WSU ENTITIES				
WSU College	65,112	59,992	(5,120)	-7.9%
Whitlam Institute	62	197	135	217.7%
UWSELL	6,294	6,559	265	4.2%
uwsconnect	19,999	21,541	1,542	7.7%
Adjustments on Consolidation				
Sub Total	91,467	88,289	(3,178)	-3.5%
TOTAL SELF-GENERATED INCOME	453,334	311,050	(142,284)	-31.4%
TOTAL INCOME	1,012,581	864,540	(148,041)	-14.6%
EXPENSES FROM CONTINUING OPERATIONS				
Schools	228,216	220,668	7,548	3.3%
Research	86,400	79,266	7,134	8.3%
Divisions	159,626	156,013	3,613	2.3%
WSU Entities	90,678	89,471	1,207	1.3%
Consulting & Innovation	2,443	3,648	(1,205)	-49.3%
WSU Wide	131,908	149,384	(17,476)	-13.2%
Strategic Initiatives	58,502	48,231	10,271	17.6%
Minor Works (Expensed)	7,000	8,996	(1,997)	-28.5%
External Trust & Tied Grants	17,208	18,853	(1,645)	-9.6%
Depreciation	37,000	42,579	(5,579)	-15.1%
Land Development Projects	61,022	12,594	48,428	79.4%
Adjustments on Consolidation				
TOTAL EXPENDITURE	880,003	829,703	50,299	5.7%
NET OPERATING RESULT	132,578	34,837	(97,742)	-73.7%

Western Sydney University 2017 Budget

	2017 BUDGET \$'000
INCOME FROM CONTINUING OPERATIONS	
GOVERNMENT	554,690
ACADEMIC ACTIVITIES	
International Onshore	88,843
International Offshore	957
Local fee-paying	17,440
External Research Grants	36,285
Consulting, Contracting & Royalties	4,066
Other	44,936
Sub Total	192,527
OTHER INCOME ACTIVITIES	
Leases & Other Commercial	9,440
Investment Income	10,148
Land/Property Development Projects	178,039
Other Incidental	9,993
Sub Total	207,620
WSU ENTITIES	
WSU College	63,013
Whitlam Institute	175
UWS Early Learning	6,864
uwsconnect	16,155
Sub Total	86,207
TOTAL SELF-GENERATED INCOME	486,354
TOTAL INCOME	1,041,044
EXPENSES FROM CONTINUING OPERATIONS	
Schools	226,429
Research	90,178
Divisions	160,793
WSU Entities	85,825
Consulting & Innovation	4,066
WSU Wide	165,775
Strategic Initiatives	50,448
Minor Works (Expensed)	7,000
External Trust & Tied Grants	16,422
Depreciation	45,402
Land Development Projects	109,516
TOTAL EXPENDITURE	961,854
NET REPORTED RESULT	79,190

Accounts Payable Performance Indicators - 2016

Category	First Quarter \$	Second Quarter \$	Third Quarter \$	Fourth Quarter \$
1. Schedule of Accounts Payable				
Paid within 30 days	72,385,141	84,872,544	102,473,974	118,534,647
Paid between 31-60 days	33,159,239	27,852,608	33,092,517	45,880,293
Paid between 61-90 days	3,166,135	1,942,601	4,610,399	1,819,415
Paid between 91-120 days	666,243	719,451	824,282	651,396
Paid more than 120 days	1,060,999	1,039,362	681,619	271,913
Total	110,437,757	116,426,566	141,682,791	167,157,664
2. Accounts Paid on Time				
Target percentage of accounts paid on time	100.0%	100.0%	100.0%	100.0%
Actual percentage of accounts paid on time [#]	65.5%	72.9%	72.3%	70.9%
Total dollar amount of accounts paid on time	72,385,141	84,872,544	102,473,974	118,534,647
Total dollar amount of accounts paid	110,437,757	116,426,566	141,682,791	167,157,664

[#] based on invoice date, not date received in Accounts Payable.

Investment Portfolio Performance

The University had \$98.2 million in investments at 31 December 2016 (\$85.5 million at 31 December 2015). The University increased its investment in the Acadian Australian Equity High Yield Fund during the 2016 year by \$0.6 million. The underperformance of the Acadian fund occurred in the 2nd half of 2016, and is a result of the strong performance of the higher risk and higher volatility sectors such as energy, materials and banking to which the Acadian strategy has a lower exposure. On an annualised basis the return since inception is 14.37% compared to the benchmark of 12.32%. Distributions received were re-invested. The University increased its investment in a fixed income portfolio managed by JBWere during 2016 by \$4.1 million. Investment performance was satisfactory and the lower yield reflected lower interest rates. Distributions received were re-invested.

Fund	2016		2015		2014		2013	
	Actual Return %	Benchmark Return %	Actual Return %	Benchmark Return %	Actual Return %	Benchmark Return %	Actual Return %	Benchmark Return %
Other Financial Assets - Non-current								
Acadian Australian Equity High Yield Fund ⁴	11.41%	13.40%	10.38%	4.40%	12.01%	6.90%	22.28%	21.76%
Held To Maturity - JB Were ⁵	3.50%	2.07%	4.04%	2.33%	4.76%	2.69%	-	-
Unlisted Securities ⁶	-	-	-	-	-	-	-	-

⁴ - Acadian Australian Equity High Yield Fund - full year performance

⁵ - Fixed income portfolio managed by JBWere - full year performance

⁶ - The University had \$11.3 million in unlisted securities as at 31 December 2016 (\$9.5 million at 31 December 2015) which are not measured for performance.

uwsconnect Ltd

Principal Objectives

The principal objective of the company is to provide food and beverage, retail, sporting and campus life facilities and services across all six of the Western Sydney University campuses.

Principal Activities and Strategic Projects

The principal activity of the company during the 2016 financial year was the provision of sports and leisure, retail, food and beverage, and other services to the Western Sydney University community including students, staff, alumni and residents of greater Western Sydney.

Performance measures

The performance measures of the company are financial and non-financial related to trading in community services.

<i>Category</i>	<i>FY 2016 Actual</i>	<i>Annual 2016 Budget</i>	<i>% Full year achieved</i>
Revenue	\$21,425,022	\$19,998,824	107%
Expenses	\$22,979,514	\$19,722,584	117%
Operating Surplus/(Deficit)	(\$1,554,492)	\$276,240	0%
Accumulated Retained Earnings	(\$4,339,244)		

Financial KPI's were not achieved with the budgeted operating surplus not met due to higher expenses than budget; primarily due to decline in student numbers in addition to increase in cost of raw materials and consumables used.

Non-financial KPI's related primarily to the centralisation of shared services, including Finance and Administration, IT, Visual Communications and Human Resources, and inventory reduction.

As a key provider of student services uwsconnect receives some ongoing financial support from the University.

Management and Operations

uwsconnect Ltd is a wholly owned entity of Western Sydney University. An independent Board of Directors is responsible for the overall operations of the Company.

UWS Early Learning Ltd

Principal Objectives

The principal objective of the Company is to provide affordable, high quality early childhood care and education for the children of Western Sydney University staff, students and the local community.

Principal Activities and Strategic Projects

To provide affordable, high quality early childhood care and education for the children of Western Sydney University staff, students and the local community. The provision of this service is campus based to enable staff, students and the local community the greatest opportunity to balance work and study commitments with childrearing.

Performance Measures

The performance measures of the company are both financial and non-financial. The Company has adopted the following key performance indicators

- Ensure all services at least meet Education and Care National Quality Standards
- Utilisation rates at all Centres increasing and stabilising
- Centralisation of the Financial and Administrative functions
- Financial operations of the Company now consolidated into the University's financial reporting and budgeting cycle
- Continuing to explore ways of offering casual care in addition to permanent placement
- Community Engagement

<i>Category</i>	<i>FY 2016 Actual</i>	<i>Annual 2016 Budget</i>	<i>% Full year achieved</i>
Revenue	\$6,558,579	\$6,293,986	104%
Expenses	\$6,325,658	\$6,208,829	102%
Operating Surplus	\$232,921	\$85,157	0%
Accumulated Retained Earnings	\$1,054,055		

Management and Operations

UWS Early Learning Limited is a wholly owned entity of Western Sydney University. An independent Board of Directors is responsible for the overall operations of the Company.

UWS Enterprises Pty Ltd (trading as Western Sydney University The College)

Principal Objectives

The principal objective of the company is to provide English and Academic Pathways programs to the University, complemented by other professional and community programs, consistent with Western Sydney University imperatives.

Principal Activities and Strategic Projects

The principal activities of the company are structured into the following three key areas:

- Academic Pathways which provides Foundation Studies and a variety of Diploma programs for students proceeding to an academic degree at Western Sydney University. The College continues to offer the Extended Four Term Diploma in addition to the existing University Foundation Studies and Diplomas courses (that are equivalent to first year University programs). The College established the Western Sydney University International College ("the International College") as a joint venture with Navitas Ltd.
- English Programs which enable international students to gain the academic English skills essential for university entrance. This unit also provides a diversity of programmes for international groups including industry visits and cultural immersion, as well as IELTS and other English-language assessment tests.
- Professional and Community Programs which delivers VET sector courses, acts as the College Registered Training Organisation (RTO), and conducts Property and Trust Management, SKILLMAX and HSC preparation courses.

During the 2016 financial year the company undertook numerous strategic projects in accordance with the company's overall objectives and principal activities.

Performance Measures

The performance measures of the Company are both financial and non-financial:

- The relatively new Extended Diploma Program still provides some challenges in the prediction of load/revenue for the year. Other Academic Pathway Programs performed below expected projections.
- Shift towards International College as preferred provider for international pathways along with general decrease in international enrolments is having an impact on Income
- English Programs continue to be affected by Visa issues.

<i>Category</i>	<i>FY 2016 Actual</i>	<i>Annual 2016 Budget</i>	<i>% Full year achieved</i>
Revenue	\$59,992,274	\$65,111,780	92%
Expenses	\$59,992,274	\$64,683,688	93%
Operating Surplus	-	\$428,092	0%
Accumulated Retained Earnings	\$6,765,448		

Management and Operations

UWS Enterprises Pty Ltd (trading as Western Sydney University The College) is a wholly owned entity of Western Sydney University. An independent Board of Directors is responsible for the overall operations of the company and the day to day activities are managed by a newly appointed Chief Executive Officer.

The Board has oversight of the Academic Advisory Committee and the English and Professional and Community Programs Academic Advisory Committee. An Audit Committee of the Board was established in 2010 and has made a significant contribution to financial monitoring and reporting within the organisation.

Whitlam Institute within Western Sydney University Limited

Principal Objectives

The Whitlam Institute is a trustee of the Whitlam Institute within Western Sydney University Trust which was established by agreement between Western Sydney University and the Hon EG Whitlam in 2000. Its spirit is best captured in Gough's own words when signing the Deed of Gift:

'The greatest contribution that I hope to bestow is inspiration. That the work and causes championed in my parliamentary career and the statesman service that followed, will provide the basis for ongoing research and advocacy from this university into the contemporary challenges that confront and can improve the quality of life for all Australians.'[December 2003]

Principal Activities and Strategic Projects

The Whitlam Institute works as an educator, policy influencer and research institute. It is also home to the Whitlam Prime Ministerial Collection and the Whitlam Reading Room which houses selected books and papers donated by Mr. Whitlam. The collection provides on-line access to papers held both at the Institute and in the National Archives. It maintains an active public education program.

The Institute's strategic program continues to expand in accordance with the intentions outlined in its current Strategic Plan 2016-2018 and subsequently amended in the mid-term review. The strategic priorities focus on:

- The historical legacy;
- Contemporary relevance through public policy development;
- The education and outreach program;
- Governance;
- Organisation; and
- Resourcing.

Performance Measures

The performance measures of the Company are primarily of a non-financial nature and are driven by the philanthropic nature of the trust and the role of the trustee.

The Whitlam Institute is guided by the 'three great aims' that drove the Whitlam Program of 1972. They are

- to promote equality
- to involve the people of Australia in the decision-making processes of our land, and
- to liberate the talents and uplift the horizons of the Australian people.

Category	FY 2016 Actual	Annual 2016 Budget	% Full year achieved
Revenue	\$196,379	\$158,694	124%
Expenses	\$57,258	\$56,065	102%
Operating Surplus	\$139,121	\$102,629	0%
Accumulated Retained Earnings	\$1,214,116		

Management and Operations

The Whitlam Institute within Western Sydney University Limited is a wholly owned entity of Western Sydney University.

The Whitlam Institute Board is politically bipartisan and consists of leaders in academia, business, and government organisations. The Board participates in the strategic development of the Institute.

The Whitlam Institute is led by its Director Eric Sidoti. Its small secretariat is committed to the highest quality in all its activity whether that might be its policy and research work, outreach activity, public information program or events.

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