

WESTERN SYDNEY
UNIVERSITY



ANNUAL REPORT
2017



The Year in Review

Volume 2

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Western Sydney University

Consolidated Financial Statements

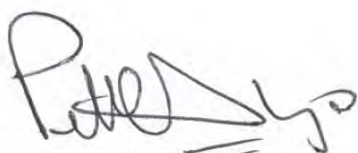
For the year ended 31 December 2017

Statement by the Members of the Board of Trustees

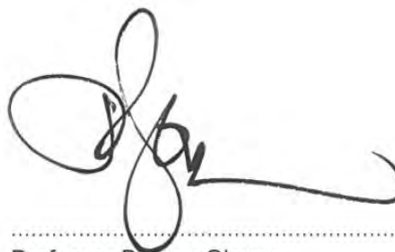
For the year ended 31 December 2017

In accordance with a resolution of the Board of Trustees of Western Sydney University dated 4 April 2018 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 for Western Sydney University and its controlled entities (the Group) present a true and fair view of the Group's financial position as at 31 December 2017 and the financial performance 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* and Regulation, the *Australian Charities and Not-for-profits Commission Act 2012* and Regulation and the *Financial Statement Guidelines for the Australian Higher Education Providers for the 2017 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) 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.
- (e) 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.
- (f) We are not aware of any circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.
- (g) There are reasonable grounds to believe that 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 4 April 2018

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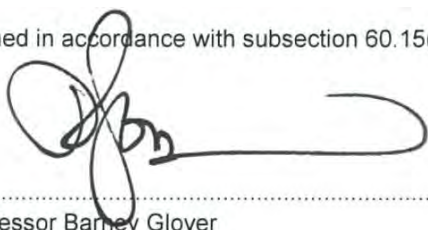
Responsible Entities Declaration

For the year ended 31 December 2017

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 4 April 2018



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 2017, I declare, to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature in black ink, appearing to read 'IG' followed by a long horizontal stroke.

Ian Goodwin
Acting Auditor-General of NSW

03 April 2018
SYDNEY

Income Statement

For the Year Ended 31 December 2017

	Notes	Consolidated		Parent	
		2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Income from continuing operations					
Australian Government financial assistance					
Australian Government grants	2	334,413	345,493	334,413	345,493
HELP - Australian Government payments	2(b)	218,750	223,757	218,750	223,757
State and Local Government financial assistance	3	19	6	19	6
HECS-HELP - student payments		13,700	14,594	13,700	14,594
Fees and charges	4	115,291	96,688	106,600	87,660
Investment revenue	5	14,047	8,535	13,939	8,456
Royalties, Trademarks and Licences	6	263	262	260	262
Consultancy and contracts	7	23,074	17,927	23,068	17,923
Share of net profit or loss on investments accounted for using the equity method	8	(834)	(1,052)	-	-
Other income	9	44,359	55,433	53,800	52,674
Gain on disposal of assets	10	36,023	13,191	35,940	12,842
Total income from continuing operations		799,105	774,834	800,489	763,667
Expenses from continuing operations					
Employee related expenses	11	444,098	466,003	404,032	420,814
Depreciation and amortisation	12	50,525	43,874	48,835	42,580
Repairs and maintenance	13	25,561	27,107	25,351	26,844
Borrowing costs	14	4,276	2,558	4,476	2,689
Impairment of assets	15	(62)	(183)	3,872	(214)
Other expenses	16	222,643	200,638	265,461	234,936
Total expenses from continuing operations		747,041	739,997	752,027	727,649
Net result from continuing operations		52,064	34,837	48,462	36,018

The accompanying notes form part of these financial statements.

Statement of Comprehensive Income

For the Year Ended 31 December 2017

	Notes	Consolidated		Parent	
		2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Net result for the period		52,064	34,837	48,462	36,018
<i>Items that will be reclassified to Income Statement</i>					
Gain / (loss) on revaluation of available-for-sale financial assets	29(b)	2,733	4,724	2,733	4,724
Total		2,733	4,724	2,733	4,724
<i>Items that will not be reclassified to Income Statement</i>					
Gain / (loss) on revaluation of land and buildings	29(b)	200,303	18,900	200,303	18,879
Gain / (loss) on revaluation of art collection	29(b)	(3)	986	(3)	986
Gain / (loss) on revaluation of livestock	29(b)	48	(214)	48	(214)
Net actuarial gains / (losses) recognised in respect of Defined Benefit Plans	29(b)	(1,447)	(366)	(1,447)	(366)
Total		198,901	19,306	198,901	19,285
Total other comprehensive income		201,634	24,030	201,634	24,009
Comprehensive result		253,698	58,867	250,096	60,027
Total comprehensive income attributable to members of the University		253,698	58,867	250,096	60,027

The accompanying notes form part of these financial statements.

Statement of Financial Position

As at 31 December 2017

		Consolidated		Parent	
		2017	2016	2017	2016
Notes		\$'000	\$'000	\$'000	\$'000
ASSETS					
Current assets					
Cash and cash equivalents	17	221,748	139,225	219,554	136,397
Receivables	18	56,069	61,525	54,395	64,151
Inventories	19	58	15	-	-
Other non-financial assets	24	1,196	244	1,196	244
Non-current assets held for sale	20	40,358	85,460	40,358	85,330
Total current assets		319,429	286,469	315,503	286,122
Non-current assets					
Receivables	18	388,045	353,345	388,045	353,345
Investments accounted for using the equity method	8	-	-	-	-
Property, plant and equipment	21	1,841,078	1,600,066	1,835,517	1,593,034
Intangible assets	22	14,788	10,294	14,788	10,140
Other financial assets	23	107,897	98,175	107,897	98,175
Other non-financial assets	24	5,281	1,002	5,281	1,002
Total non-current assets		2,357,089	2,062,882	2,351,528	2,055,696
Total assets		2,676,518	2,349,351	2,667,031	2,341,818
LIABILITIES					
Current liabilities					
Trade and other payables	25	56,403	47,695	55,911	47,297
Borrowings	26	-	72,000	9,201	79,228
Employee benefit provisions	27	72,881	68,421	69,727	65,819
Other liabilities	28	50,524	48,850	48,757	47,052
Total current liabilities		179,808	236,966	183,596	239,396
Non-current liabilities					
Trade and other payables	25	3,520	-	3,520	-
Borrowings	26	163,500	83,000	163,500	83,000
Employee benefit provisions	27	359,821	349,713	358,911	348,513
Provisions	27	826	707	826	707
Other liabilities	28	49,125	12,745	49,125	12,745
Total non-current liabilities		576,792	446,165	575,882	444,965
Total liabilities		756,600	683,131	759,478	684,361
Net assets					
		1,919,918	1,666,220	1,907,553	1,657,457
EQUITY					
Reserves	29	865,790	708,004	861,541	703,755
Retained earnings	29	1,054,128	958,216	1,046,012	953,702
Total equity		1,919,918	1,666,220	1,907,553	1,657,457

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

For the Year Ended 31 December 2017

		Reserves	Parent Retained Earnings	Total
	Notes	\$'000	\$'000	\$'000
Balance at 1 January 2017		703,755	953,702	1,657,457
Net result	29(c)	-	48,462	48,462
Gain / (loss) on revaluation of property, plant and equipment	29(b)	200,303	-	200,303
Gain / (loss) on revaluation of available-for-sale financial assets	29(b)	2,733	-	2,733
Gain / (loss) on revaluation of art collection	29(b)	(3)	-	(3)
Gain / (loss) on revaluation of livestock	29(b)	48	-	48
Remeasurements of Defined Benefit Plans	29(b)	(1,447)	-	(1,447)
Other comprehensive income		201,634	48,462	250,096
Total comprehensive income		905,389	1,002,164	1,907,553
Transfer from property plant and equipment reserve on disposal of assets	29(c)	(43,848)	43,848	-
Balance at 31 December 2017		861,541	1,046,012	1,907,553

		Reserves	Parent 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 / (loss) on revaluation of property, plant and equipment	29(b)	18,879	-	18,879
Gain / (loss) on revaluation of available-for-sale financial assets	29(b)	4,724	-	4,724
Gain / (loss) on revaluation of art collection	29(b)	986	-	986
Gain / (loss) on revaluation of livestock	29(b)	(214)	-	(214)
Remeasurements of Defined Benefit Plans	29(b)	(366)	-	(366)
Other comprehensive income	29(b)	24,009	-	24,009
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

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

For the Year Ended 31 December 2017

	Notes	Consolidated		
		Reserves	Retained Earnings	Total
		\$'000	\$'000	\$'000
Balance at 1 January 2017		708,004	958,216	1,666,220
Net Result	29(c)	-	52,064	52,064
Gain / (loss) on revaluation of property, plant and equipment	29(b)	200,303	-	200,303
Gain / (loss) on revaluation of available-for-sale financial assets	29(b)	2,733	-	2,733
Gain / (loss) on revaluation of art collection	29(b)	(3)	-	(3)
Gain / (loss) on revaluation of livestock	29(b)	48	-	48
Remeasurements of Defined Benefit Plans	29(b)	(1,447)	-	(1,447)
Other comprehensive income		201,634	-	201,634
Total comprehensive income		909,638	1,010,280	1,919,918
Transfer from property plant and equipment reserve on disposal of assets	29(c)	(43,848)	43,848	-
Balance at 31 December 2017		865,790	1,054,128	1,919,918

	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 / (loss) on revaluation of property, plant and equipment	29(b)	18,900	-	18,900
Gain / (loss) on revaluation of available-for-sale financial assets	29(b)	4,724	-	4,724
Gain / (loss) on revaluation of art collection	29(b)	986	-	986
Gain / (loss) on revaluation of livestock	29(b)	(214)	-	(214)
Remeasurements of Defined Benefit Plans	29(b)	(366)	-	(366)
Other comprehensive income		24,030	-	24,030
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

The accompanying notes form part of these financial statements.

Statement of Cash Flows

For the Year Ended 31 December 2017

		Consolidated		Parent	
		2017	2016	2017	2016
Notes		\$'000	\$'000	\$'000	\$'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Australian Government Grants		547,900	567,636	547,900	567,636
State Government Grants		19	6	19	6
HECS-HELP - Student payments		13,700	14,594	13,700	14,594
Receipts from student fees and other customers		233,131	167,926	233,461	156,864
Dividends received		2,041	1,258	2,041	1,258
Interest received		11,389	6,968	11,105	6,690
Payments to suppliers and employees (inclusive of GST)		(714,378)	(740,153)	(716,398)	(730,058)
Interest and other costs of finance		(4,276)	(2,558)	(4,277)	(2,550)
GST recovered		27,766	27,821	27,766	27,821
Net cash provided by operating activities	39	117,292	43,498	115,317	42,261
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from sale of property, plant and equipment		95,076	25,796	94,841	25,306
Payments for property, plant and equipment		(131,356)	(134,198)	(131,268)	(132,566)
Payments for financial assets		(6,989)	(7,915)	(6,989)	(7,915)
Loans to related parties		-	-	(450)	(841)
Repayment of loans by related parties		-	-	1,432	1,191
Net cash used in investing activities		(43,269)	(116,317)	(42,434)	(114,825)
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from borrowings		437,500	493,500	448,159	498,572
Repayment of borrowings		(429,000)	(414,000)	(437,885)	(419,664)
Net cash provided by financing activities	26	8,500	79,500	10,274	78,908
Net increase in cash and cash equivalents		82,523	6,681	83,157	6,344
Cash and cash equivalents at beginning of the financial year		139,225	132,544	136,397	130,053
Cash and cash equivalents at end of financial year	17	221,748	139,225	219,554	136,397

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 31 December 2017

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 and comply with the Australian Accounting Standards.

The University applies Tier 1 reporting requirements.

Additionally the statements have been prepared to comply with the following statutory requirements:

- *Public Finance and Audit Act 1983* and Regulation;

- *Higher Education Support Act 2003* (Financial Statement Guidelines for Australian Higher Education Providers for the 2017 Reporting Period);

- *The Australian Charities and Not-for-profits Commission Act* and Regulation.

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

Date of authorisation for issue

The financial statements were authorised for issue by the members of Western Sydney University on 4 April 2018.

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 2017

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 Australian Valuations who have performed an independent valuation as at 31 August 2017. 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 2017 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 2017

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 2017 are:

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

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 2017

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

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

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

(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 2017

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.

Dividend revenue is recognised when the dividend is declared and the right to receive payment is established.

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

(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 2017 this amounted to \$8.105M (2016: \$9.840M). In the 2017 reporting period the \$9.840M deferred in the prior year has been treated as income (2016: \$7.649M). The net impact on income in 2017 was therefore a decrease of \$1.735M (2016: increase of \$2.191M).

(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 2017

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 2017

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 and 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 2017

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) Recognition and derecognition of financial assets

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) Fair value

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 2017

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 31 August 2017 by external experts in accordance with AASB 13. Land and buildings were revalued on the basis of highest and best use.

For non-completed assets, construction costs totalling \$7.594M 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 30 September 2016 revaluation by the Valuer plus the construction costs capitalised in 2017.

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 rezoning of the land to allow alternate uses.

Notes to the Financial Statements

For the Year Ended 31 December 2017

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 31 August 2017 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, the Valuer utilised certain historical facts and relevant market data available up to the date of the valuation. The most recent valuation was completed as at 31 December 2016.

All other 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 2017

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	2017	2016
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 2017

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 2017

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

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

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

(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 2017

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 2017

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

Amounts in the financial statements have been rounded off in accordance with ASIC Corporations (Rounding in Financial /Directors' Reports) Instrument 2016/191 relating to the 'rounding off' of amounts in the financial statements. Amounts in the financial report have been rounded off 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 Western Unlimited Ltd and Western Sydney University 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 2017

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 2017 reporting periods. Western Sydney University's assessment of the impact of these new Standards and Interpretations is set out below:

(i) AASB 15 Revenue from contracts with customers; and AASB 1058 Income of not-for-profit entities

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

AASB 15 establishes a single and comprehensive framework which sets out how and when revenue is recognised. The core principle of AASB 15 is that revenue is recognised when transfers of goods or services to customers occurs in exchange for consideration which the vendor expects to be entitled to in exchange for the provision of those goods or services (i.e. fulfilment of performance obligations). Revenue will only be recognised when control over the goods or services is transferred to the customer, which is either over time or at a point in time.

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

(a) transactions where the consideration to acquire an asset is significantly less than fair value principally to enable a not-for-profit entity to further its objectives;

(b) the receipt of volunteer services; and

(c) transfers made to enable an entity to acquire or construct a non-financial asset for its own use.

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

(ii) AASB 16 Leases

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

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

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

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

Notes to the Financial Statements

For the Year Ended 31 December 2017

1 Summary of Significant Accounting Policies (continued)

(ad) New Accounting Standards and Interpretations (continued)

(iii) AASB 9 Financial Instruments

AASB 9 replaces AASB 139 effective 1 January 2018 and introduces a new classification model for financial assets which is more principles based than current requirements. Financial assets are classified according to their contractual cash flow characteristics and the business models under which they are held.

AASB 9 reduces the number of categories of financial assets from 4 to 3 and removes the available for sale and held to maturity categories. The categories of financial assets under AASB 9 are:

- (a) Amortised cost;
- (b) Fair value through other comprehensive income;
- (c) Fair value through profit or loss.

AASB 9 introduces a 3 staged approach to the impairment of financial assets (including trade receivables), based on changes in expected credit losses of a financial instrument.

The University is in the process of assessing the changes to its classification of financial instruments upon adoption of AASB 9. Until management completes that process, the University is unable to reasonably quantify the expected financial impacts of the Standard in future periods.

Notes to the Financial Statements

For the Year Ended 31 December 2017

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.

		2016 Reported Consolidated \$'000	2016 Revised Consolidated \$'000	2016 Reported Parent \$'000	2016 Revised Parent \$'000
	Note				
Note 2 - Australian Government financial assistance including HECS-HELP & other Australian Government loan programs					
Commonwealth Grants Scheme and Other Grants					
Higher Education Participation Fund	2(a)	11,625	-	11,625	-
Access and Participation Fund	2(a)	-	11,494	-	11,494
National Priorities Pool	2(a)	-	131	-	131
Indigenous Support Program	2(a)	1,758	1,927	1,758	1,927
		<u>13,383</u>	<u>13,552</u>	<u>13,383</u>	<u>13,552</u>
Scholarships					
Australian Postgraduate Awards	2(c)	3,361	-	3,361	-
International Postgraduate Research Scholarships	2(c)	274	-	274	-
Commonwealth Education Costs Scholarships	2(c)	109	-	109	-
Commonwealth Accommodation Scholarships	2(c)	21	-	21	-
Indigenous Access Scholarships	2(c)	39	-	39	-
		<u>3,804</u>	<u>-</u>	<u>3,804</u>	<u>-</u>
Education Research					
Joint Research Engagement Program	2(c)	3,813	-	3,813	-
Research Training Scheme	2(c)	7,070	-	7,070	-
Research Infrastructure Block Grants	2(c)	1,896	-	1,896	-
Sustainable Research Excellence in Universities	2(c)	1,753	-	1,753	-
Research Training Program	2(c)	-	10,705	-	10,705
Research Support Program	2(c)	-	7,462	-	7,462
		<u>14,532</u>	<u>18,167</u>	<u>14,532</u>	<u>18,167</u>
		<u>31,719</u>	<u>31,719</u>	<u>31,719</u>	<u>31,719</u>

Notes to the Financial Statements

For the Year Ended 31 December 2017

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

(a) Commonwealth Grants Scheme and Other Grants

	Note	Consolidated		Parent	
		2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Commonwealth Grants Scheme #1		286,995	297,511	286,995	297,511
Access and Participation Fund		10,231	11,494	10,231	11,494
Disability Performance Funding #2		970	924	970	924
Indigenous Student Success Program #3		2,643	1,927	2,643	1,927
National Priorities Pool		100	131	100	131
Promotion of Excellence in Learning and Teaching		31	155	31	155
Total Commonwealth Grants Scheme and Other Grants	40(a)	300,970	312,142	300,970	312,142

(b) Higher Education Loan Programs

HECS - HELP		199,580	204,836	199,580	204,836
FEE - HELP #4		12,286	11,862	12,286	11,862
SA - HELP		6,884	7,059	6,884	7,059
Total Higher Education Loan Programs	40(b)	218,750	223,757	218,750	223,757

(c) Education Research

Research Training Program		10,632	10,705	10,632	10,705
Research Support Program		7,623	7,462	7,623	7,462
Total Education Research	40(c)	18,255	18,167	18,255	18,167

(d) Australian Research Council

		Consolidated		Parent	
		2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Discovery		5,857	5,423	5,857	5,423
Linkages		1,028	1,146	1,028	1,146
Networks and Centres		1,161	1,136	1,161	1,136
Special Research Initiatives		249	-	249	-
Total ARC	40(d)	8,295	7,705	8,295	7,705

Notes to the Financial Statements

For the Year Ended 31 December 2017

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

(e) Other Australian Government Financial Assistance

	Consolidated		Parent	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Non-capital				
Department of Health	3,715	3,649	3,715	3,649
Away-from-base assistance	387	404	387	404
Indigenous Tutorial Assistance Scheme	-	480	-	480
Study overseas short term mobility project	1,773	1,877	1,773	1,877
Other	321	319	321	319
Total Non-capital	6,196	6,729	6,196	6,729
Capital				
Horticulture Innovation Australia	697	750	697	750
Total Capital	697	750	697	750
Total Other Australian Government Financial Assistance	6,893	7,479	6,893	7,479
Total Australian Government Financial Assistance	553,163	569,250	553,163	569,250

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

#2 Disability Performance Funding includes Additional Support for Students with Disabilities and Australian Disability Clearing.

#3 Indigenous Student Success Program has replaced the Indigenous Commonwealth Scholarships Program and the Indigenous Support Program as of 1 January 2017. Prior year programs have been combined and reported in Indigenous Student Success Program for 2016.

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

Notes to the Financial Statements

For the Year Ended 31 December 2017

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

	Consolidated		Parent	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Reconciliation				
Australian Government Grants (Note 2: a + c + d + e)	334,413	345,493	334,413	345,493
Higher Education Loan Programs (2b)	218,750	223,757	218,750	223,757
Total Australian Government Financial Assistance	553,163	569,250	553,163	569,250

(f) Australian Government Grants received - cash basis

		Consolidated		Parent	
		2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
	Notes				
CGS and Other Education Grants	40(a)	301,161	312,940	301,161	312,940
Higher Education Loan Programmes	40(b)	215,418	222,891	215,418	222,891
Education Research	40(c)	18,255	16,589	18,255	16,589
ARC Grants - Discovery	40(d)	5,484	5,133	5,484	5,133
ARC Grants - Linkages	40(d)	583	1,146	583	1,146
ARC Grants - Networks and Centres	40(d)	-	1,136	-	1,136
Other Australian Government Grants	2(e)	6,893	7,479	6,893	7,479
Total Australian Government Grants received - cash basis		547,794	567,314	547,794	567,314
OS-Help (Net)	40(e)	106	322	106	322
Total Australian Government funding received - cash basis		547,900	567,636	547,900	567,636

Notes to the Financial Statements

For the Year Ended 31 December 2017

3 State and local government financial assistance

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

	Consolidated		Parent	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Non-capital				
NSW Department of Primary Industries	19	6	19	6
Total Non-capital	19	6	19	6
Total State and Local Government Financial Assistance	19	6	19	6

4 Fees and charges

	Consolidated		Parent	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Course Fees and Charges				
Fee-paying onshore overseas students	97,191	79,643	96,362	77,728
Fee-paying offshore overseas students	746	1,099	598	822
Fee-paying domestic postgraduate students	2,674	2,771	2,674	2,771
Fee-paying domestic undergraduate students	443	454	333	291
Fee-paying domestic non-award students	1,011	868	840	730
Continuing education	4,007	3,044	67	9
Other domestic course fees and charges	47	(25)	47	(25)
Total Course Fees and Charges	106,119	87,854	100,921	82,326
Other Non-Course Fees and Charges				
Student services fees from students	3,176	2,781	3,176	2,781
Deferral fees	(2)	144	(2)	144
Library fines	180	215	180	215
Student accommodation	817	824	817	824
Academic transcripts	250	261	250	261
Graduation fees	389	385	389	385
Academic dress hire	357	367	357	367
Student test fees	3,266	3,311	-	-
Other	739	546	512	357
Total Other Fees and Charges	9,172	8,834	5,679	5,334
Total Fees and Charges	115,291	96,688	106,600	87,660

Notes to the Financial Statements

For the Year Ended 31 December 2017

5 Investment revenue and other investment income

	Consolidated		Parent	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Interest income				
Bank deposits	3,888	3,634	3,850	3,555
Other loans and receivables	600	438	530	438
Distribution from managed funds				
Available-for-sale financial assets	6,631	2,947	6,631	2,947
Held-to-maturity investments	387	258	387	258
Dividends received	2,541	1,258	2,541	1,258
Total investment income	14,047	8,535	13,939	8,456

6 Royalties, trademarks and licences

	Consolidated		Parent	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Royalties and intellectual property	263	262	260	262
Total royalties, trademarks and licences	263	262	260	262

7 Consultancy and contracts

	Consolidated		Parent	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Consultancy	2,881	4,230	2,875	4,226
Contract research	20,193	13,697	20,193	13,697
Total consultancy and contracts	23,074	17,927	23,068	17,923

Notes to the Financial Statements

For the Year Ended 31 December 2017

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 is not individually material in the consolidated financial statements:

	Consolidated Joint Ventures	
	2017	2016
	\$'000	\$'000
Profit/(loss) from continuing operations	(834)	(1,052)
Profit/(loss) from continuing operations after income tax	(834)	(1,052)
Other comprehensive income	-	-
Total comprehensive income	(834)	(1,052)

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

9 Other revenue and income

		Consolidated		Parent	
		2017	2016	2017	2016
	Note	\$'000	\$'000	\$'000	\$'000
Sale of goods		4,694	15,584	924	993
Parking fees		3,437	4,048	3,437	4,049
Donations and bequests		4,537	7,283	4,382	7,153
Commercial leases and other rental income		10,799	5,778	10,577	5,536
Salary recoveries		4,863	4,288	4,839	4,461
Childcare centre fees and grants		6,720	5,972	-	-
Non-salary recoveries		1,160	4,200	1,139	4,186
Scholarships and prizes		1,268	1,587	1,259	1,587
Commission income		859	715	834	715
Service income	34(d)	705	651	23,027	20,170
Non-government grants		62	260	62	260
Conference and seminar income		282	604	258	604
Other		4,973	4,463	3,062	2,960
Total other revenue and income		44,359	55,433	53,800	52,674

Notes to the Financial Statements

For the Year Ended 31 December 2017

10 Gain on disposal of assets

	Consolidated		Parent	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Proceeds from sale	95,076	25,771	94,841	25,306
Carrying amount of assets sold	(59,053)	(12,580)	(58,901)	(12,464)
Total gain on disposal of assets	36,023	13,191	35,940	12,842

11 Employee related expenses

	Consolidated		Parent	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Academic				
Salaries	186,204	191,081	166,257	170,181
Contribution to superannuation & pension schemes - funded	26,576	26,771	24,488	24,734
Payroll tax	11,447	11,554	10,160	10,229
Worker's compensation	993	783	920	699
Long service leave expense	2,483	5,194	2,211	5,032
Annual leave	809	1,012	754	949
Total academic	228,512	236,395	204,790	211,824
Non-academic				
Salaries	175,782	187,058	161,484	169,125
Contribution to superannuation & pension schemes - funded	24,884	25,359	23,543	23,821
Payroll tax	9,964	10,363	9,670	9,993
Worker's compensation	923	940	810	651
Long service leave expense	3,412	5,391	3,116	5,158
Annual leave	621	497	619	242
Total non-academic	215,586	229,608	199,242	208,990
Total employee related expenses	444,098	466,003	404,032	420,814
Total employee related expenses, including deferred Government Employee Benefits for Superannuation	444,098	466,003	404,032	420,814

Notes to the Financial Statements

For the Year Ended 31 December 2017

12 Depreciation and amortisation

	Consolidated		Parent	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Depreciation				
Buildings and Infrastructure	26,358	25,924	26,358	25,924
Plant and equipment	11,994	10,974	11,878	10,826
Library collection	2,569	2,945	2,569	2,945
Total depreciation	40,921	39,843	40,805	39,695
Amortisation				
Leasehold property	7,136	2,828	5,716	1,803
Intangible assets	2,468	1,203	2,314	1,082
Total amortisation	9,604	4,031	8,030	2,885
Total depreciation and amortisation	50,525	43,874	48,835	42,580

13 Repairs and maintenance

	Consolidated		Parent	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Buildings	19,836	21,692	19,788	21,616
Plant and equipment	5,116	4,784	5,029	4,676
Information technology	45	34	45	32
Motor vehicles	564	597	489	520
Total repairs and maintenance	25,561	27,107	25,351	26,844

14 Borrowing costs

	Consolidated		Parent	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Interest expense	4,276	2,558	4,476	2,689
Total borrowing costs expensed	4,276	2,558	4,476	2,689

15 Impairment of assets

	Consolidated		Parent	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Bad debts	(205)	127	3,722	112
Doubtful debts	143	(310)	150	(326)
Total impairment of assets	(62)	(183)	3,872	(214)

34(e)

Notes to the Financial Statements

For the Year Ended 31 December 2017

16 Other expenses

	Note	Consolidated		Parent	
		2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Fees for service #1	31	84,023	74,121	132,088	122,796
Consumables & supplies	34(d)	19,293	28,032	16,735	16,729
Scholarships, grants and prizes		22,868	20,243	22,445	20,176
Overheads		14,789	12,006	14,782	12,012
Advertising, marketing and promotional expenses		13,682	13,708	13,253	13,737
Minimum lease payments on operating leases		27,235	12,309	26,838	11,844
Non-capitalised equipment		3,151	4,456	3,021	4,165
Travel and entertainment		7,931	7,516	7,841	7,288
Cleaning and waste removal		8,830	9,059	8,582	8,780
Student education support		3,689	445	3,689	445
Communication costs		2,775	3,370	2,681	3,169
Staff development		2,097	2,703	2,007	2,509
Security costs		3,965	3,570	3,906	3,524
Student service fees		404	297	3	9
Other expenses		7,911	8,803	7,590	7,753
Total other expenses		222,643	200,638	265,461	234,936

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

Notes to the Financial Statements

For the Year Ended 31 December 2017

17 Cash and cash equivalents

	Consolidated		Parent	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Cash at bank and on hand	124,030	51,125	122,246	48,697
Short-term deposits	97,718	88,100	97,308	87,700
Total cash and cash equivalents	221,748	139,225	219,554	136,397

(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	221,748	139,225	219,554	136,397
Balance per statement of cash flows	221,748	139,225	219,554	136,397

(b) Cash at bank and on hand

The average interest rate during 2017 on bank accounts included in cash at bank and on hand was 2.05% (2016: 2.11%).

(c) Short term deposits

The deposits are at fixed interest rates ranging between 2.20% and 2.60%.

Notes to the Financial Statements

For the Year Ended 31 December 2017

18 Receivables

	Notes	Consolidated		Parent	
		2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Current					
Student fees		4,496	2,326	4,345	2,186
Trade receivables		22,330	21,494	20,845	24,284
Less Provision for impaired receivables		(770)	(618)	(738)	(586)
		26,056	23,202	24,452	25,884
Other		8,357	14,624	8,357	14,624
Prepayments		21,656	23,699	21,586	23,643
Total current receivables		56,069	61,525	54,395	64,151
Non-current					
Deferred government benefit for superannuation	41	345,703	332,281	345,703	332,281
Finance lease receivables	18(c)	18,115	17,673	18,115	17,673
Prepayments		24,227	3,391	24,227	3,391
Total non-current receivables		388,045	353,345	388,045	353,345
Total receivables		444,114	414,870	442,440	417,496

(a) Impaired receivables

As at 31 December 2017 current receivables of the Group with a nominal value of \$0.770M (2016: \$0.618M) were impaired. The amount of the provision was \$0.770M (2016: \$0.618M). 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	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
0 to 3 months	-	-	-	-
3 to 6 months	-	-	-	-
Over 6 months	(770)	(618)	(738)	(586)
Total current impaired receivables	(770)	(618)	(738)	(586)

Notes to the Financial Statements

For the Year Ended 31 December 2017

18 Receivables (continued)

(a) Impaired receivables (continued)

As at 31 December 2017 trade receivables of the Group totalling \$5.380M (2016: \$10.575M) 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	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Trade Receivables				
0 to 3 months	4,280	7,554	3,959	7,118
3 to 6 months	784	2,473	737	1,855
Over 6 months	316	548	307	501
Total past due but not impaired receivables	5,380	10,575	5,003	9,474

	Consolidated		Parent	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Movements in the provision for impaired receivables are as follows:				
At 1 January	618	1,176	586	897
Provision for impairment recognised / (reversed) during the year	118	(685)	4,061	(423)
Receivables written off / (reversed) during the year as uncollectable	34	127	26	112
Related party loan forgiven	-	-	(3,935)	-
At 31 December	770	618	738	586

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 2017

18 Receivables (continued)

(c) Amounts receivable under finance leases

	Minimum lease payments		Present value of minimum lease payments	
	2017	2016	2017	2016
	\$'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	18,115	17,673
Amounts receivable under finance leases	42,990	42,990	18,115	17,673
Less unearned finance income	(24,875)	(25,317)	-	-
Present value of minimum lease payments receivable	18,115	17,673	18,115	17,673
Allowance for uncollectable lease payments	-	-	-	-
Finance lease receivable	18,115	17,673	18,115	17,673

Unguaranteed residual values of assets leased under finance leases at the end of the reporting period are estimated at \$42.990M (2016: \$42.990M).

Contingent rents of \$0.773M (2016: \$0.810M) 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	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Current				
At cost:				
Stock on hand	58	15	-	-
Total inventories	58	15	-	-

Notes to the Financial Statements

For the Year Ended 31 December 2017

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

	Consolidated		Parent	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Current				
Land	39,671	85,330	39,671	85,330
Buildings	687	-	687	-
Subway Franchise	-	130	-	-
Total non-current assets or disposal groups classified as held for sale	40,358	85,460	40,358	85,330

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).

In 2017, the University entered into a sales agreement to sell land at it's Nirimba campus. Settlement is expected to occur by 1 December 2018. A gain on settlement of \$3.8M will be recognised in 2018. A gain on revaluation of \$4.5M was recognised in 2017 in the property development reserve and will be transferred to retained earnings in 2018 when the asset is de-recognised.

In 2016, the University entered into a sales agreement to sell land at it's Westmead campus. Settlement of Lot 5 occurred in October 2017, with a gain of \$26.4M recognised in the Statement of Comprehensive Income. In 2016 a gain on revaluation of \$43.8M was recognised in the property development reserve, once settlement occurred the asset was de-recognised and the reserve was transferred to retained earnings. Settlement of Lot 4 was deferred until January 2018, a gain on settlement of \$15.0M will be recognised in 2018. The remaining gain on revaluation of \$27.6M recognised in 2016 in the property development reserve will be transferred to retained earnings in 2018 when the asset is de-recognised.

Notes to the Financial Statements

For the Year Ended 31 December 2017

21 Property, plant and equipment

Consolidated	Construction in Progress \$'000	Freehold Land \$'000	Crown Land \$'000	Buildings \$'000	Infrastructure \$'000	Plant and Equipment \$'000	Leasehold Improvements \$'000	Library Collection \$'000	Artwork \$'000	Total \$'000
At 1 January 2016										
- Cost	62,261	-	-	7,929	1,637	132,831	23,242	82,713	-	310,613
- Valuation	-	214,596	162,335	905,781	85,557	-	-	1,651	3,152	1,373,072
Accumulated depreciation and impairment	-	-	-	(3,049)	(1,799)	(72,612)	(8,166)	(74,691)	-	(160,317)
Net Book Amount	62,261	214,596	162,335	910,661	85,395	60,219	15,076	9,673	3,152	1,523,368
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
Assets capitalised from Construction in Progress	(80,595)	-	-	54,304	11,674	10,022	4,595	-	-	-
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	148,577	27,865	81,139	-	392,931
- Valuation	-	204,632	162,335	920,514	90,256	-	-	1,712	4,204	1,383,653
Accumulated depreciation and impairment	-	-	-	(7,545)	(1,425)	(82,412)	(10,994)	(74,142)	-	(176,518)
Net Book Amount	85,044	204,632	162,335	960,757	91,349	66,165	16,871	8,709	4,204	1,600,066

Notes to the Financial Statements

For the Year Ended 31 December 2017

21 Property, plant and equipment (continued)

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

Notes to the Financial Statements

For the Year Ended 31 December 2017

21 Property, plant and equipment (continued)

Parent	Construction in Progress	Freehold Land	Crown Land	Buildings	Infrastructure	Plant and Equipment	Leasehold Improvements	Library Collection	Artwork	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 January 2016										
- Cost	58,778	-	-	7,929	1,637	131,471	18,412	82,713	-	300,940
- Valuation	-	214,596	162,335	905,781	85,557	-	-	872	3,140	1,372,281
Accumulated depreciation and impairment	-	-	-	(3,049)	(1,799)	(71,576)	(5,350)	(74,691)	-	(156,465)
Net Book Amount	58,778	214,596	162,335	910,661	85,395	59,895	13,062	8,894	3,140	1,516,756
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
Assets capitalised from Construction in Progress	(76,421)	-	-	54,304	11,674	9,760	683	-	-	-
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	147,150	19,122	81,139	-	381,888
- Valuation	-	204,632	162,335	920,514	90,256	-	-	881	4,192	1,382,810
Accumulated depreciation and impairment	-	-	-	(7,545)	(1,425)	(81,400)	(7,152)	(74,142)	-	(171,664)
Net Book Amount	84,171	204,632	162,335	960,757	91,349	65,750	11,970	7,878	4,192	1,593,034

Notes to the Financial Statements

For the Year Ended 31 December 2017

21 Property, plant and equipment (continued)

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

Notes to the Financial Statements

For the Year Ended 31 December 2017

22 Intangible Assets

Parent

	Development costs \$'000	Licences \$'000	Electronic Materials \$'000	Total \$'000
At 1 January 2016				
- Cost	-	250	5,264	5,514
- Accumulated amortisation and impairment	-	-	(453)	(453)
Net book amount at 1 January 2016	-	250	4,811	5,061
Year ended 31 December 2016				
Opening net book value	-	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
Year ended 31 December 2017				
Opening net book amount	-	221	9,919	10,140
Additions	-	-	6,962	6,962
Amortisation charge	-	(30)	(2,284)	(2,314)
Net book amount at 31 December 2017	-	191	14,597	14,788
At 31 December 2017				
- Cost	-	250	18,387	18,637
- Accumulated amortisation and impairment	-	(59)	(3,790)	(3,849)
Net book amount at 31 December 2017	-	191	14,597	14,788

Notes to the Financial Statements

For the Year Ended 31 December 2017

22 Intangible Assets (continued)

Consolidated

	Development costs \$'000	Licences \$'000	Electronic Materials \$'000	Total \$'000
At 1 January 2016				
- Cost	263	330	5,264	5,857
- Accumulated amortisation and impairment	-	(70)	(453)	(523)
Net book amount at 1 January 2016	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
Year ended 31 December 2017				
Opening net book amount	154	221	9,919	10,294
Additions	-	-	6,962	6,962
Amortisation charge	(154)	(30)	(2,284)	(2,468)
Net book amount at 31 December 2017	-	191	14,597	14,788
At 31 December 2017				
- Cost	264	316	18,387	18,967
- Accumulated amortisation and impairment	(264)	(125)	(3,790)	(4,179)
Net book amount at 31 December 2017	-	191	14,597	14,788

Notes to the Financial Statements

For the Year Ended 31 December 2017

23 Other financial assets

	Consolidated		Parent	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Non-Current				
Available for sale (Unlisted securities)	16,537	11,330	16,537	11,330
Available for sale (Listed securities)	80,299	76,143	80,299	76,143
Held to maturity (Amortised cost)	11,061	10,702	11,061	10,702
Total non-current other financial assets	107,897	98,175	107,897	98,175

24 Other non-financial assets

	Consolidated		Parent	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Current				
Lease incentives	1,196	244	1,196	244
Total current other non-financial assets	1,196	244	1,196	244
Non-current				
Livestock holdings	611	490	611	490
Lease incentives	4,670	512	4,670	512
Total non-current other non-financial assets	5,281	1,002	5,281	1,002
Total other non-financial assets	6,477	1,246	6,477	1,246

Notes to the Financial Statements

For the Year Ended 31 December 2017

25 Trade and other payables

	Consolidated		Parent	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Current				
Payables	56,297	47,373	55,805	46,975
OS-HELP liability to Australian Government	106	322	106	322
Total current payables	56,403	47,695	55,911	47,297
Non-current				
Payables	3,520	-	3,520	-
Total non-current payables	3,520	-	3,520	-
Total trade and other payables	59,923	47,695	59,431	47,297

(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	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Australian Dollars	54,237	46,833	53,745	46,435
US Dollars	5,213	396	5,213	396
Euro	211	146	211	146
GB Pounds	213	307	213	307
Other	49	13	49	13
	59,923	47,695	59,431	47,297

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 2017

26 Borrowings

	Consolidated		Parent	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Current				
Unsecured bank loans (i)	-	72,000	-	72,000
Unsecured other financial liabilities (ii)	-	-	9,201	7,228
Total current borrowings	-	72,000	9,201	79,228
Non-Current				
Unsecured bank loans (i)	163,500	83,000	163,500	83,000
Total non-current borrowings	163,500	83,000	163,500	83,000
Total borrowings	163,500	155,000	172,701	162,228

- (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 2.75% during 2017 and is not benchmarked for liability management performance. The loan facilities are unsecured.

The balance of the loan outstanding as at 31 December 2017 was \$163.5 million (2016: \$155.0 million).

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

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 2017

26 Borrowings (continued)

(a) Financing arrangements

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

	Consolidated		Parent	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Credit standby arrangements				
Total facilities				
Bank guarantees	2,000	825	2,000	825
Credit cards	4,500	4,500	4,500	4,500
Leasing facilities	31,000	26,000	31,000	26,000
Total credit standby arrangements	37,500	31,325	37,500	31,325
Used at balance date				
Bank guarantees	1,715	708	1,715	708
Credit cards	442	146	442	146
Leasing facilities	17,818	15,221	17,818	15,221
Total used at balance date	19,975	16,075	19,975	16,075
Unused at balance date				
Bank guarantees	285	117	285	117
Credit cards	4,058	4,354	4,058	4,354
Leasing facilities	13,182	10,779	13,182	10,779
Total unused at balance date	17,525	15,250	17,525	15,250
Bank loan facilities				
Total facilities	298,000	298,000	298,000	298,000
Used at balance date	(163,500)	(155,000)	(163,500)	(155,000)
Total unused at balance date	134,500	143,000	134,500	143,000

Notes to the Financial Statements

For the Year Ended 31 December 2017

27 Provisions

		Consolidated		Parent	
		2017	2016	2017	2016
Note		\$'000	\$'000	\$'000	\$'000
Current provisions expected to be settled within 12 months					
Employee benefits					
Annual leave		22,707	22,688	20,876	20,981
Long service leave		9,517	6,798	8,987	6,512
		32,224	29,486	29,863	27,493
Current provisions expected to be settled after more than 12 months					
Employee benefits					
Annual leave		6,831	5,576	6,582	5,286
Long service leave		33,826	33,359	33,282	33,040
		40,657	38,935	39,864	38,326
Total current provisions		72,881	68,421	69,727	65,819
Non-current provisions					
Employee benefits					
Long service leave		12,026	16,731	11,116	15,531
Defined benefit obligation	41(d)	347,795	332,982	347,795	332,982
Total non-current employee benefit provisions		359,821	349,713	358,911	348,513
Long-term provisions					
Make good on leases		826	707	826	707
Total non-current long-term provisions		826	707	826	707
Total non-current provisions		360,647	350,420	359,737	349,220
Total provisions		433,528	418,841	429,464	415,039

(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	2.10
Payroll tax	5.45
Workers compensation	0.34

Notes to the Financial Statements

For the Year Ended 31 December 2017

27 Provisions (continued)

(b) Long service leave

In 2017 the University engaged Mercer Consulting (Australia) Pty Ltd to undertake a valuation of the University's long service leave liability at 31 December 2017. Assumptions used in this measurement included:

	%
Estimate rate of inflation / salary increase - 2018	2.10
Estimate rate of inflation / salary increase - 2019	2.00
Estimate rate of inflation / salary increase - 2020	2.00
Estimate rate of long term inflation / salary increase	2.00
Estimate of long service leave taken "in service"	10.00
Discount for future investment earnings	2.39
Estimate of AL accrued on LSL taken in service	3.00
Estimate of LSL accrued on LSL taken in service	3.90
On costs used in this process were:	
Superannuation (for "in service leave")	17.00
Payroll tax	5.45
Workers compensation	0.34

(c) Movements in provisions

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 and Consolidated		
Non-current		
Carrying amount at start of year	707	707
Additional provisions	119	119
Carrying amount at end of year	826	826

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 2017

28 Other liabilities

	Consolidated		Parent	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Current				
Deferred income	23,052	27,411	23,028	27,285
Fees received in advance	20,924	15,197	19,744	13,946
Lease incentives	2,227	588	2,227	588
Other	4,321	5,654	3,758	5,233
Total current other liabilities	50,524	48,850	48,757	47,052
Non-current				
Deferred income	2,619	2,793	2,619	2,793
Lease incentives	46,506	9,952	46,506	9,952
Total non-current other liabilities	49,125	12,745	49,125	12,745
Total other liabilities	99,649	61,595	97,882	59,797

29 Reserves and retained earnings

(a) Reserves

	Consolidated		Parent	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Deferred superannuation reserve	(2,093)	(646)	(2,093)	(646)
Property development revaluation reserve	32,158	71,459	32,158	71,459
Property, plant and equipment revaluation surplus	813,272	617,516	813,076	617,320
Investment revaluation reserve	19,500	16,767	15,447	12,714
Art collection revaluation reserve	2,417	2,420	2,417	2,420
Livestock revaluation reserve	286	238	286	238
Licences revaluation reserve	250	250	250	250
Total Reserves	865,790	708,004	861,541	703,755

Notes to the Financial Statements

For the Year Ended 31 December 2017

29 Reserves and retained earnings (continued)

(b) Movements in Reserves

	Consolidated		Parent	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Property development revaluation reserve				
Balance at 1 January	71,459	63,429	71,459	63,429
Transfer from property, plant and equipment revaluation surplus	4,547	8,030	4,547	8,030
Write back on disposal of revalued assets	(43,848)	-	(43,848)	-
Balance at 31 December	32,158	71,459	32,158	71,459
Property, plant and equipment revaluation surplus				
Balance at 1 January	617,516	607,186	617,320	607,011
Revaluation - gross	200,303	18,900	200,303	18,879
Write back on disposal of revalued assets	-	(540)	-	(540)
Transfer to assets-held-for-sale reserve	(4,547)	(8,030)	(4,547)	(8,030)
Balance at 31 December	813,272	617,516	813,076	617,320
State superannuation funds revaluation reserve				
Balance at 1 January	(646)	(280)	(646)	(280)
Revaluation - gross	(1,447)	(366)	(1,447)	(366)
Balance at 31 December	(2,093)	(646)	(2,093)	(646)
Investment revaluation reserve				
Balance at 1 January	16,767	12,043	12,714	7,990
Revaluation - gross	2,733	4,724	2,733	4,724
Balance at 31 December	19,500	16,767	15,447	12,714
Art work revaluation reserve				
Balance at 1 January	2,420	1,434	2,420	1,434
Revaluation - gross	(3)	986	(3)	986
Balance at 31 December	2,417	2,420	2,417	2,420
Livestock revaluation reserve				
Balance at 1 January	238	452	238	452
Revaluation - gross	48	(214)	48	(214)
Balance at 31 December	286	238	286	238
Licences revaluation reserve				
Balance at 1 January	250	250	250	250
Balance at 31 December	250	250	250	250
Total reserves	865,790	708,004	861,541	703,755

Notes to the Financial Statements

For the Year Ended 31 December 2017

29 Reserves and retained earnings (continued)

(c) Movements in retained earnings

	Consolidated		Parent	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Retained earnings at 1 January	958,216	922,839	953,702	917,144
Net result for the period	52,064	34,837	48,462	36,018
Transfer from property, plant and equipment revaluation surplus	-	540	-	540
Transfer from non-current assets held for sale revaluation surplus	43,848	-	43,848	-
Retained earnings at 31 December	1,054,128	958,216	1,046,012	953,702

(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 2017 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 2017

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 2017.

Peter Shergold, AC
Barney Glover
Paul Wormell
Christopher Brown
Peeyush Gupta
Gabrielle Trainor
Michael Pratt - ceased 31 August 2017
Kerry Stubbs - commenced 1 September 2017
Carmel Hourigan - commenced 1 July 2017
Elizabeth Dibbs
Genevieve Gregor
John Banks - ceased 31 December 2017
Vivienne James - ceased 31 December 2017
Ian Stone - ceased 31 December 2017
MaryAnn Bin-Sallik
Sophie Kobuch - ceased 30 June 2017
Alexandra Coleman - commenced 1 July 2017
Tim Ferraro - ceased 30 June 2017
Ben Etherington
Winnie Jobanputra - ceased 31 December 2017
Jenny Purcell - ceased 31 December 2017

Notes to the Financial Statements

For the Year Ended 31 December 2017

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 2017 these were:

Barney Glover
 Scott Holmes
 Denise Kirkpatrick
 Sharon Bell - commenced 8 May 2017
 Angelo Kourtis
 Peter Pickering
 Deborah Sweeney
 Linda Taylor
 Lisa Jackson-Pulver
 Simon Barrie
 Kevin Bell
 Michael Burgess
 Michael Adams - ceased 30 June 2017
 Steven Freeland - commenced 1 July 2017
 Annemarie Hennessy
 Deborah Hatcher
 Kevin Dunn
 Gregory Kolt
 Michele Simons
 Peter Hutchings
 Simeon Simoff
 Kerry Holling

(b) Remuneration of board members and executives

	Consolidated		Parent	
	2017	2016	2017	2016
	Number	Number	Number	Number
Remuneration of Board Members				
Nil to \$14,999	4	3	-	-
\$15,000 to \$29,999	-	1	-	-
\$30,000 to \$45,999	1	1	1	1
	5	5	1	1

Notes to the Financial Statements

For the Year Ended 31 December 2017

30 Key Management Personnel Disclosures (continued)

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

	Consolidated		Parent	
	2017 Number	2016 Number	2017 Number	2016 Number
Remuneration of executive officers				
\$140,000 to \$149,999	-	1	-	-
\$150,000 to \$159,999	1	-	-	-
\$160,000 to \$169,999	-	1	-	-
\$240,000 to \$249,999	1	1	1	1
\$270,000 to \$279,999	-	2	-	1
\$280,000 to \$289,999	3	1	3	1
\$290,000 to \$299,999	1	-	-	-
\$300,000 to \$309,999	1	5	-	3
\$310,000 to \$319,999	2	-	2	-
\$320,000 to \$329,999	1	1	1	2
\$330,000 to \$339,999	2	2	2	3
\$340,000 to \$349,999	2	1	2	1
\$350,000 to \$359,999	2	1	2	1
\$380,000 to \$389,999	-	2	-	2
\$390,000 to \$399,999	2	1	2	1
\$400,000 to \$409,999	1	-	1	-
\$440,000 to \$449,999	-	1	-	1
\$450,000 to \$459,999	1	-	1	-
\$470,000 to \$479,999	-	1	-	1
\$480,000 to \$489,999	1	-	1	-
\$490,000 to \$499,999	-	1	-	1
\$510,000 to \$520,000	1	-	1	-
\$520,000 to \$529,999	-	1	-	1
\$540,000 to \$549,999	1	-	1	-
\$550,000 to \$559,999	1	-	1	-
\$570,000 to \$579,999	-	1	-	1
\$870,000 to \$879,999*	-	1	-	1
\$900,000 to \$909,999*	1	-	1	-
	25	25	22	22

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

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

Notes to the Financial Statements

For the Year Ended 31 December 2017

30 Key Management Personnel Disclosures (continued)

(c) Key management personnel compensation

Key management personnel include Board Members and Executives.

	Consolidated		Parent	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Short-term employee benefits	8,042	7,334	7,593	7,071
Post-employment benefits	1,001	949	963	924
Termination benefits	-	-	-	-
Total key management personnel compensation	9,043	8,283	8,556	7,995

(d) Loans to key management personnel

No loans were made to key management personnel during the financial year (2016: nil).

31 Remuneration of Auditors

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

	Consolidated		Parent	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Audit and review of the Financial Statements				
Fees paid to the Audit Office of New South Wales	389	376	283	276
Total paid for audit and review	389	376	283	276

Fees shown are exclusive of Goods and Services Tax.

Notes to the Financial Statements

For the Year Ended 31 December 2017

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 Liverpool City Campus with B H Property Holdings 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 2017. 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 2018. Practical completion has not yet occurred, and therefore the Commercial Lease has not yet commenced. 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 2017 period.

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

Notes to the Financial Statements

For the Year Ended 31 December 2017

33 Commitments

(a) Capital commitments

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

	Consolidated		Parent	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Property, plant and equipment				
Within one year	54,589	49,528	54,567	49,061
Between one year and five years	-	-	-	-
Later than five years	-	-	-	-
Total	54,589	49,528	54,567	49,061

The above amounts included commitments for capital expenditure on joint operations of \$8.7M (2016: \$11.8M) payable within one year.

(b) Lease commitments

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	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Within one year	25,963	10,731	25,618	10,209
Between one year and five years	84,395	11,911	83,922	11,683
Later than five years	204,963	1,358	204,963	1,358
Total future minimum lease payments	315,321	24,000	314,503	23,250

In 2017, the University entered into a Commercial Lease agreement for the lease of the Parramatta CBD premises. The lease is for an initial term of 15 years, and the operating lease commitments are included above.

Notes to the Financial Statements

For the Year Ended 31 December 2017

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.

(d) Transactions with related parties

The following transactions occurred with related parties:

	Note	Consolidated		Parent	
		2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Sale of goods and services					
Royalty payments to University	9	-	-	22,919	20,092
Expense recoveries from controlled entities		-	-	108	-
Total sales of goods and services		-	-	23,027	20,092
Purchase of goods					
Services to University		-	-	1,545	1,097
Funding to controlled entities	16	-	-	53,256	53,671
Total purchase of goods		-	-	54,801	54,768

Notes to the Financial Statements

For the Year Ended 31 December 2017

34 Related Parties (continued)

(e) Loans to/from related parties

		Consolidated		Parent	
		2017	2016	2017	2016
Note		\$'000	\$'000	\$'000	\$'000
Loans to subsidiaries					
Beginning of the year		-	-	5,619	5,011
Loans advanced		-	-	450	1,600
Loan repayment received		-	-	(1,330)	(1,000)
Interest charged		-	-	177	199
Interest received		-	-	(182)	(191)
Loans forgiven by Parent		-	-	(3,935)	-
End of year	25	-	-	799	5,619

		Consolidated		Parent	
		2017	2016	2017	2016
		\$'000	\$'000	\$'000	\$'000
Loans from subsidiaries					
Beginning of the year		-	-	7,228	7,681
Loans advanced		-	-	10,687	5,072
Loan repayments paid		-	-	(8,913)	(5,664)
Interest charged		-	-	199	139
End of year	26	-	-	9,201	7,228

At 31 December 2017 the University forgave loans outstanding from Western Unlimited Ltd to the value of \$3.935M.

Notes to the Financial Statements

For the Year Ended 31 December 2017

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	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Current receivables (sale of goods and services)				
Subsidiaries	-	-	-	1
Current receivables (loans)				
Subsidiaries	-	-	799	5,619
Current payables (purchase of goods)				
Subsidiaries	-	-	-	12
Current payables (loans)				
Parent entity	-	-	9,201	6,583

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 cash and cash equivalents, as well as 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 2017

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 the risk that the value of a financial instrument will fluctuate as a result of changes in market prices. This arises from investments held by the University and classified on the Statement of Financial Position as available for sale. 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.

Notes to the Financial Statements

For the Year Ended 31 December 2017

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 2017		Interest rate risk				Foreign exchange risk				Other price risk			
Carrying amount		-0.25%		+0.25%		-10%		+10%		-10%		+10%	
		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	221,748	(554)	(554)	554	554	-	-	-	-	-	-	-	-
Receivables	444,114	-	-	-	-	-	-	-	-	-	-	-	-
Financial assets - available-for-sale	96,836	-	-	-	-	-	-	-	-	-	(9,684)	-	9,684
Financial assets - Held to maturity	11,061	(28)	(28)	28	28	-	-	-	-	-	-	-	-
Financial liabilities													
Trade and other payables	59,923	-	-	-	-	569	569	(569)	(569)	-	-	-	-
Borrowings	163,500	409	409	(409)	(409)	-	-	-	-	-	-	-	-
Other liabilities	99,649	-	-	-	-	-	-	-	-	-	-	-	-
Total increase/(decrease)		(173)	(173)	173	173	569	569	(569)	(569)	-	(9,684)	-	9,684

31 December 2016		Interest rate risk				Foreign exchange risk				Other price risk			
Carrying amount		-0.25%		+0.25%		-10%		+10%		-10%		+10%	
		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	-	-	-	-	-	-	-	-	-	(8,747)	-	8,747
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)	-	(8,747)	-	8,747

Notes to the Financial Statements

For the Year Ended 31 December 2017

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. Fund 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 2017

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	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
	%	%	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial Assets:														
Cash and cash equivalents	2.39	2.73	124,030	51,125	97,718	88,100	-	-	-	-	-	-	221,748	139,225
Receivables (a)	-	-	-	-	-	-	-	-	-	-	92,286	77,446	92,286	77,446
Other Financial Assets:														
Available-for-sale (Unlisted securities)	-	-	-	-	-	-	-	-	-	-	16,537	11,330	16,537	11,330
Available-for-sale (Listed securities)	-	-	-	-	-	-	-	-	-	-	80,299	76,143	80,299	76,143
Held to maturity	3.40	3.50	1,020	152	-	501	8,775	8,540	1,266	1,509	-	-	11,061	10,702
Total Financial Assets			125,050	51,277	97,718	88,601	8,775	8,540	1,266	1,509	189,122	164,919	421,931	314,846
Financial Liabilities:														
Payables	-	-	-	-	-	-	-	-	-	-	(55,636)	(43,995)	(55,636)	(43,995)
Borrowings	2.75	2.78	-	-	-	(72,000)	(163,500)	(83,000)	-	-	-	-	(163,500)	(155,000)
Other financial liabilities	-	-	-	-	-	-	-	-	-	-	(97,237)	(58,279)	(97,237)	(58,279)
Total Financial Liabilities			-	-	-	(72,000)	(163,500)	(83,000)	-	-	(152,873)	(102,274)	(316,373)	(257,274)

(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 2017

36 Fair Value Measurement

(a) Fair value measurements

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

Due to the short-term nature of the current 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	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Financial assets				
Cash and cash equivalents	221,748	139,225	221,748	139,225
Receivables	444,114	414,870	444,114	414,870
Other financial assets				
Available-for-sale (Unlisted securities)	16,537	11,330	16,537	11,330
Available-for-sale (Listed securities)	80,299	76,143	80,299	76,143
Held-to-maturity investments	11,061	10,702	11,231	10,767
Total financial assets	773,759	652,270	773,929	652,335
Financial liabilities				
Payables	59,923	47,695	59,923	47,695
Borrowings	163,500	155,000	163,500	155,000
Other financial liabilities	4,321	5,654	4,321	5,654
Total financial liabilities	227,744	208,349	227,744	208,349

The Group measures and recognises 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 2017

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:

Fair value measurements at 31 December 2017

	Notes	2017 \$'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)		16,537	-	16,200	337
Available-for-sale (Listed securities)		80,299	-	80,299	-
Total financial assets		96,836	-	96,499	337
Non-financial assets					
Property, plant and equipment	21				
Land		528,314	-	980	527,334
Buildings		981,524	-	-	981,524
Infrastructure		109,035	-	-	109,035
Artwork		4,410	-	4,410	-
Rare book collection		1,742	-	1,742	-
Total non-financial assets		1,625,025	-	7,132	1,617,893
Non-recurring fair value measurements					
Non-current assets held for sale	20	40,358	-	40,358	-
Total non-recurring fair value measurements		40,358	-	40,358	-

Notes to the Financial Statements

For the Year Ended 31 December 2017

36 Fair Value Measurement (continued)

(b) Fair value hierarchy (continued)

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 (Listed securities)		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		85,460	-	85,460	-
Total non-recurring fair value measurements	20	85,460	-	85,460	-

There were transfers between levels 1 and 2 for recurring fair value measurements during the year. For transfers in and out of level 3 measurements, see (d) below.

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

(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 2017

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 2017, the borrowing rates averaged 2.75% 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 and land, 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 residential 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 2017

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 2017 and 2016.

Level 3 Fair Value Measurement 2017	Unlisted equity securities \$'000	Buildings \$'000	Infrastructure \$'000	Land \$'000	Total \$'000
Opening balance	303	960,757	91,349	-	1,052,409
Acquisitions	-	25,364	6,358	-	31,722
Transfers from level 2	-	-	-	366,032	366,032
Transfer to held for sale assets	-	(687)	-	(5,180)	(5,867)
Recognised in profit or loss*	-	(23,179)	(3,179)	-	(26,358)
Recognised in other comprehensive income	34	19,269	14,507	166,482	200,292
Closing balance	337	981,524	109,035	527,334	1,618,230

Level 3 Fair Value Measurement 2016	Unlisted equity securities \$'000	Buildings \$'000	Infrastructure \$'000	Land \$'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)
Disposals	-	(758)	-	-	(758)
Transfer to held for sale assets	-	-	(5,171)	-	(5,171)
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

* This includes nil gains / (losses) (2016: Nil) attributable to the change in unrealised gains / (losses) recognised in profit or loss attributable to unlisted securities, and \$26.358M (2016: \$25.924M) 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 transferred the value of one of its investments in unlisted securities from level 3 to level 2 at the end of 2016.

As a result of new valuer being appointed and their position on the recommended fair value hierarchies the University has transferred all land from level 2 to level 3, with the exception of residential land holdings.

Notes to the Financial Statements

For the Year Ended 31 December 2017

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 2017 \$'000	Unobservable inputs*	Range of inputs (probability weighted average)	Relationship of unobservable inputs to fair value
Unlisted equity securities	337	*	*	*
Buildings	981,524	*	*	*
Infrastructure	109,035	*	*	*
Land	527,334	*	*	*

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

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	
		2017 %	2016 %
Western Sydney University Enterprises Pty Limited trading as Western Sydney University The College (formerly UWS Enterprises Pty Limited)	Australia	100	100
Western Sydney University Early Learning Limited (formerly UWS Early Learning Limited)	Australia	100	100
Western Unlimited Ltd (formerly uwsconnect Limited)	Australia	100	100
Whitlam Institute (within Western Sydney University) Limited and Trust	Australia	100	100

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

Notes to the Financial Statements

For the Year Ended 31 December 2017

38 Joint Operations

Joint operation with Urban Growth at Campbelltown

The project is for the development of a residential subdivision comprising of 966 lots over 122 hectares located on the south west portion of the Campbelltown property. Land sales commenced in 2014 and extended through a number of stages throughout 2018, 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	
			2017 %	2016 %
Campbelltown residential development	Jointly controlled operation with Urban Growth for the residential subdivision of land.	Australia	50	50

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	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Statement of Financial Position				
Other receivables	3,004	2,083	3,004	2,083
Construction in Progress	12,862	9,461	12,862	9,461
Deferred income	(400)	(480)	(400)	(480)
Trade and other payables	(1,412)	(1,562)	(1,412)	(1,562)
Statement of Comprehensive Income				
Proceeds from sale of assets	16,775	25,173	16,775	25,173
Carrying amount of assets sold	(6,803)	(11,310)	(6,803)	(11,310)
Gain on disposal of assets	9,976	13,863	9,976	13,863
Other expenses	(331)	(500)	(331)	(500)
Interest revenue	27	7	27	7

Notes to the Financial Statements

For the Year Ended 31 December 2017

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

	Consolidated		Parent	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Net result for the period	52,064	34,837	48,462	36,018
Net (gain)/loss on disposal of property, plant and equipment	(35,805)	(13,191)	(35,940)	(12,842)
Superannuation adjustments	(14,869)	2,685	(14,869)	2,685
Depreciation and amortisation	50,307	43,874	48,835	42,580
Impairment of receivables	152	(558)	4,087	(311)
Cost of goods sold - livestock	(73)	(82)	(73)	(82)
(Increase)/decrease in trade debtors	6,182	(16,431)	5,565	(15,540)
Increase/(decrease) in other operating liabilities	37,573	7,111	37,801	6,611
(Increase)/decrease in inventories	(43)	2,873	-	-
(Increase)/decrease in other non-financial assets	(5,110)	(602)	(5,110)	(602)
Increase/(decrease) in trade creditors	12,228	(10,765)	12,134	(10,151)
Increase/(decrease) in other provisions	14,664	(6,253)	14,425	(6,105)
Net cash provided by operating activities	117,270	43,498	115,317	42,261

Notes to the Financial Statements

For the Year Ended 31 December 2017

40 Acquittal of Australian Government Financial Assistance

(a) Education - CGS and other Education grants

	Note	Commonwealth Grants Scheme #1		Indigenous Student Success Program #3		Access and Participation Fund		Disability Performance Funding #2		National Priorities Pool		Promotion of Excellence in Learning & Teaching		Total	
		2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Parent Entity (University) Only		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assistance received in CASH during the reporting period (total cash received from Australian Government for the program)		287,192	298,324	2,643	1,927	10,231	11,494	970	924	100	131	25	140	301,161	312,940
Net accrual adjustments		(197)	(813)	-	-	-	-	-	-	-	-	6	15	(191)	(798)
Revenue for the period	2(a)	286,995	297,511	2,643	1,927	10,231	11,494	970	924	100	131	31	155	300,970	312,142
Surplus/(deficit) from the previous year		-	-	31	27	159	1,513	602	787	323	1,013	154	461	1,269	3,801
Total revenue including accrued revenue		286,995	297,511	2,674	1,954	10,390	13,007	1,572	1,711	423	1,144	185	616	302,239	315,943
Less expenses including accrued expenses		(286,995)	(297,511)	(2,674)	(1,923)	(10,345)	(12,848)	(834)	(1,109)	35	(821)	(23)	(462)	(300,836)	(314,674)
Surplus/(deficit) for the reporting period		-	-	-	31	45	159	738	602	458	323	162	154	1,403	1,269

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

#2 Disability Performance Funding includes Additional Support for Students with Disabilities and Australian Disability Clearing.

#3 Indigenous Student Success Program has replaced the Indigenous Commonwealth Scholarships Program and the Indigenous Support Program as of 1 January 2017. Prior year programs have been combined and reported in Indigenous Student Success Program for 2016.

Notes to the Financial Statements

For the Year Ended 31 December 2017

40 Acquittal of Australian Government Financial Assistance (continued)

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

	Note	HECS-HELP (Aust. Government payments only)		FEE-HELP #4		SA-HELP		Total	
		2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Parent Entity (University) Only									
Cash Payable/(Receivable) at the beginning of the year		1,416	916	(1,263)	(461)	(520)	44	(367)	499
Financial assistance received in cash during the reporting period		195,631	205,336	12,805	11,060	6,982	6,495	215,418	222,891
Cash available for the period		197,047	206,252	11,542	10,599	6,462	6,539	215,051	223,390
Revenue earned	2(b)	199,580	204,836	12,286	11,862	6,884	7,059	218,750	223,757
Cash Payable/(Receivable) at the end of the year		(2,533)	1,416	(744)	(1,263)	(422)	(520)	(3,699)	(367)

#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 2017

40 Acquittal of Australian Government Financial Assistance (continued)

(c) Department of Education and Training 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

Total revenue including accrued revenue

Less expenses including accrued expenses

Surplus/(deficit) for reporting period

Note	Research Training Program #5		Research Support Program #6		Total	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
	10,632	10,705	7,623	5,884	18,255	16,589
	-	-	-	1,578	-	1,578
2(c)	10,632	10,705	7,623	7,462	18,255	18,167
	10,632	10,705	7,623	7,462	18,255	18,167
	(10,632)	(10,705)	(7,623)	(7,462)	(18,255)	(18,167)
	-	-	-	-	-	-

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

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

Total Higher Education Provider Research Training Program expenditure

	Total domestic students \$'000	Total overseas students \$'000
Research Training Program Fees offsets	-	-
Research Training Program Stipends	3,569	180
Research Training Program Allowances	6,883	-
Total for all types of support	10,452	180

Notes to the Financial Statements

For the Year Ended 31 December 2017

40 Acquittal of Australian Government Financial Assistance (continued)

(d) Australian Research Council Grants

	Discovery		Linkages		Networks and Centres		Special Research Initiatives		Total	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Parent Entity (University) Only										
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the program)	5,484	5,133	583	1,146	-	1,136	-	-	6,067	7,415
Net accrual adjustments	373	290	445	-	1,161	-	249	-	2,228	290
Revenue for the period	5,857	5,423	1,028	1,146	1,161	1,136	249	-	8,295	7,705
Surplus/(deficit) from the previous year	4,239	5,072	1,321	1,058	918	1,052	20	20	6,498	7,202
Total revenue including accrued revenue	10,096	10,495	2,349	2,204	2,079	2,188	269	20	14,793	14,907
Less expenses including accrued expenses	(5,949)	(6,256)	(1,321)	(883)	(1,341)	(1,270)	(57)	-	(8,668)	(8,409)
Surplus/(deficit) for reporting period	4,147	4,239	1,028	1,321	738	918	212	20	6,125	6,498

Notes to the Financial Statements

For the Year Ended 31 December 2017

40 Acquittal of Australian Government Financial Assistance (continued)

(e) OS-HELP

		2017	2016
	Note	\$'000	\$'000
Parent Entity (University) Only			
Cash received during the reporting period	2(f)	2,099	2,658
Cash spent during the reporting period		(2,315)	(1,772)
Net cash received		(216)	886
Cash surplus/(deficit) from the previous period		322	(564)
Cash surplus/(deficit) for reporting period	25	106	322

(f) Student Services and Amenities Fee

		2017	2016
	Note	\$'000	\$'000
Parent Entity (University) Only			
Unspent/(overspent) revenue from previous period		-	-
SA-HELP revenue earned	2(b)	6,884	7,059
Student Services and Amenities Fees direct from students	4	3,176	2,781
Total revenue expendable in period		10,060	9,840
Student services expenses during period		(10,060)	(9,840)
Unspent/(overspent) student services revenue		-	-

Notes to the Financial Statements

For the Year Ended 31 December 2017

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 2017 was \$345.703M (2016: \$332.281M) 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 2017 totalling \$2.092M (2016: \$0.701M) 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 2017 was \$347.982M (2016: \$332.982M), 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 \$1.21M (2016: \$1.48M) to the defined benefit plan during the next financial year.

The weighted average duration of the defined benefit obligation is 11.9 years (2016: 11.9 years).

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

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Defined benefit obligations					
- 31 December 2017	24,098	24,790	71,874	422,452	543,214
Defined benefit obligations					
- 31 December 2016	24,435	24,643	74,836	467,758	591,672

Notes to the Financial Statements

For the Year Ended 31 December 2017

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:

	2017 (%)		2016 (%)	
	Active Market	No Active Market	Active Market	No Active Market
Equity instruments	72	-	66	3
Property	4	5	4	5
Alternatives	10	9	12	10
Total	86	14	82	18

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

	2017 %	2016 %
Discount rate(s)	2.65	2.78
Expected return on plan assets	7.40	7.40
Expected return on reimbursement rights	3.16	2.97
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 2017

41 Defined Benefits Plans (continued)

(d) Statement of financial position amounts

Amounts recognised in the statement of financial position - 2017	Note	\$'000 SASS	\$'000 SANCS	\$'000 SSS	\$'000 Total
Liabilities					
Provision for deferred government benefits for superannuation	27	12,641	4,244	330,910	347,795
Total liabilities recognised in the statement of financial position		12,641	4,244	330,910	347,795
Assets					
Receivables for deferred government contribution for superannuation	18	10,935	3,858	330,910	345,703
Total assets recognised in the statement of financial position		10,935	3,858	330,910	345,703
Net liability recognised in the statement of financial position		1,706	386	-	2,092
Net liability reconciliation - 2017					
Defined benefit obligation		25,176	4,349	409,545	439,070
Fair value of plan assets		(12,535)	(105)	(78,635)	(91,275)
Net liability	27	12,641	4,244	330,910	347,795
Reimbursement right	18	(10,935)	(3,858)	(330,910)	(345,703)
Total net liability/(asset)		1,706	386	-	2,092
Reimbursement rights - 2017					
Opening value of reimbursement right		10,605	3,718	317,958	332,281
Emerging liability for excess salaries		(1,707)	(385)	-	(2,092)
Return on reimbursement rights		1,362	260	9,038	10,660
Remeasurements		675	265	3,914	4,854
Closing value of reimbursement right	18	10,935	3,858	330,910	345,703

Notes to the Financial Statements

For the Year Ended 31 December 2017

41 Defined Benefits Plans (continued)

(d) Statement of financial position amounts (continued)

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

Notes to the Financial Statements

For the Year Ended 31 December 2017

41 Defined Benefits Plans (continued)

(d) Statement of financial position amounts (continued)

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	27	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 2017

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
	<u>46,079</u>	<u>7,365</u>	<u>434,495</u>	<u>487,939</u>
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)
	<u>270</u>	<u>360</u>	<u>(11,315)</u>	<u>(10,685)</u>
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
	<u>(8,126)</u>	<u>(1,667)</u>	<u>(13,940)</u>	<u>(23,733)</u>
Closing defined benefit obligation	<u>38,794</u>	<u>6,058</u>	<u>409,418</u>	<u>454,270</u>
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
	<u>33,553</u>	<u>3,601</u>	<u>103,349</u>	<u>140,503</u>
Remeasurements				
Return on plan assets, excluding amounts included in net interest expense	642	16	1,135	1,793
	<u>642</u>	<u>16</u>	<u>1,135</u>	<u>1,793</u>
Contributions				
Employers	1,013	265	697	1,975
Plan participants	572	-	178	750
	<u>1,585</u>	<u>265</u>	<u>875</u>	<u>2,725</u>
Payments from plan				
Benefits paid	(8,008)	(1,609)	(16,157)	(25,774)
Taxes, premiums and expenses paid	(118)	(58)	2,217	2,041
	<u>(8,126)</u>	<u>(1,667)</u>	<u>(13,940)</u>	<u>(23,733)</u>
Closing fair value of plans assets	<u>27,654</u>	<u>2,215</u>	<u>91,419</u>	<u>121,288</u>

Notes to the Financial Statements
For the Year Ended 31 December 2017

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 Income Statement and Statement of Comprehensive Income for the year ended 31 December 2017, the Statement of Financial Position as at 31 December 2017, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the responsible entities declaration of the University and the consolidated entity. The consolidated entity comprises the University and the entities it controlled at the year's end or from time to time during the financial year.

In my opinion, the financial statements:

- give a true and fair view of the financial position of the University and the consolidated entity, as at 31 December 2017, 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 2017 Reporting Period' (the Guidelines), issued by the Australian Government Department of Education and Training, pursuant to the *Higher Education Support Act 2003*, the *Higher Education Funding Act 1988* and the *Australian Research Council Act 2001*
- have been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* and Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013.

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

Basis for Opinion

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

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

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

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

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

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

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

University Board of Trustees' Responsibilities for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

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

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

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

My opinion does *not* provide assurance:

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



Ian Goodwin
Acting Auditor-General of NSW

05 April 2018
SYDNEY

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

ABN: 44 003 474 468

Financial Statements

For the Year Ended 31 December 2017

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

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

Nirimba Education Precinct

Eastern Road, Quakers Hill NSW 2763

A description of the nature of the Company's operations and its principal activities is included in the directors' report on pages 96 to 99, which is not part of these financial statements.

The financial statements were authorised for issue by the directors on 19 March 2018. The directors have the power to amend and reissue the financial statements.

Directors' Report

31 December 2017

The directors present their report on Western Sydney University Enterprises Pty Limited trading as Western Sydney University The College (the Company) for the financial year ended 31 December 2017.

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, FCPA, FGIA
Professor Denise Kirkpatrick	Doctor of Philosophy (PhD), Education (Chair)
Mr Angelo Kourtis	BA
Professor Simon Barrie	Doctor of Philosophy (PhD), B.App Sci
Ms Caroline Hutchinson	B Economics, B Laws (Appointed 1 January 2017)
Mr Robin Shreeve	B Arts (Hons), M Arts (Appointed 1 June 2017)
Ms Le Ho	Cert III Transport & Logistics (Appointed 1 October 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 2017

2. Operating results and review of operations for the year

The net result of the Company for the year ended 31 December 2017 amounted to NIL (2016: NIL) which included a royalty payment to the parent entity of \$22,919,450 (2016: \$20,092,238).

Student enrolments were slightly below the prior year after several years of strong growth. The 2017 year represented the first full year under a decentralised model of operation and the lower associated expenses were reflected in an increased royalty paid to the parent entity.

3. Other items

Significant changes in state of affairs

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

Events after the reporting date

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

Future developments and results

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

Environmental issues

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

Dividends paid or recommended

No dividend was paid or payable since the commencement of the financial year and up to and including the date of signing the report (2016: nil).

Company secretary

Ms Wendy Barker held the position of Company Secretary for the whole of the financial year and to the date of this report. Mr Ian Londish held the position of Company Secretary until 05 December 2017.

Directors' Report

31 December 2017

Meetings of directors

During the financial year ended 31 December 2017, 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
Professor Denise Kirkpatrick	6	6
Mr Angelo Kourtis	6	4
Professor Simon Barrie	6	6
Ms Caroline Hutchinson	6	6
Mr Robin Shreeve	4	4
Ms Le Ho	2	2

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 2017 has been received and can be found on page 101 of the financial statements.

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

Director:

Director:

Dated:

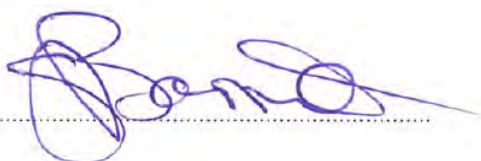
19 March 2018

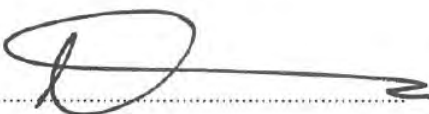
Directors' Declaration

In the directors' opinion:

1. the financial statements and notes, as set out on pages 102 to 137, 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 2017 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,
3. We are not aware of any circumstances which would render any particulars in the financial statements to be misleading or inaccurate.

This declaration is made in accordance with a resolution of the Board of Directors, pursuant to section 295(4) of the *Corporations Act 2001*, and 41(C) of the *Public Finance and Audit Act 1983*.

Director 

Director 

Dated 19 March 2018

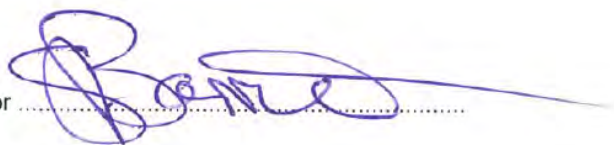
Responsible Entities' Declaration

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

19 March 2018



To the Directors

Western Sydney University Enterprises Pty Limited

(trading as Western Sydney University The College)

Auditor's Independence Declaration

As auditor for the audit of the financial statements of Western Sydney University Enterprises Pty Limited (trading as Western Sydney University The College) for the year ended 31 December 2017, 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

16 March 2018
SYDNEY

Western Sydney University 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 2017

	Notes	2017 \$	2016 \$
Revenue			
Rendering of services	14(a)	59,399,557	60,565,646
Interest revenue		233,742	149,633
Share of net profit or loss on investments accounted for using the equity method	7	(833,847)	(1,052,110)
Other revenue	14(b)	806,407	305,801
Total revenue		59,605,859	59,968,970
Expenses			
Employee related expenses	15	(29,426,549)	(31,811,836)
Royalty to parent	16	(22,919,450)	(20,092,238)
Fees for service	15	(3,297,498)	(3,858,286)
Depreciation and amortisation expense	15	(1,669,715)	(1,235,440)
Advertising, marketing and promotional expenses		(355,619)	(132,018)
Occupancy expenses	15	(288,576)	(339,947)
Consumables and supplies		(228,624)	(302,139)
Student expenses		(192,252)	(329,246)
Other expenses	15	(1,227,576)	(1,867,820)
Total Expenses		(59,605,859)	(59,968,970)
Surplus / (deficit) for the year		-	-
Other comprehensive income		-	-
Total comprehensive income for the year		-	-
Comprehensive income for the year attributable to			
Non - controlling interest		-	-
Western Sydney University (The Parent)		-	-
Total comprehensive income for the year		-	-

The accompanying notes form part of these financial statements.

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

ABN: 44 003 474 468

Statement of Financial Position

As At 31 December 2017

	Notes	2017 \$	2016 \$
ASSETS			
Current Assets			
Cash and cash equivalents	2	906,965	1,109,058
Loans to parent entity	20(c)	7,001,886	5,651,726
Trade and other receivables	3	429,588	401,737
Receivables from related parties	20(d)	1,651,601	585,588
Prepayments	4	302,358	879,154
Total Current Assets		10,292,398	8,627,263
Non-Current Assets			
Loans to joint venture	20(c)	214,043	247,890
Property, plant and equipment	5	4,254,369	5,262,295
Intangible assets	6	-	153,658
Total Non-Current Assets		4,468,412	5,663,843
Total Assets		14,760,810	14,291,106
LIABILITIES			
Current Liabilities			
Trade payables		467,295	139,066
Tuition fees advance receipts		1,074,170	776,051
Amounts due to related parties	20(d)	-	684,058
Accrued expenses	8	3,016,451	2,210,500
Provisions	9	2,131,424	1,838,997
Other liabilities	10	554,021	1,113,673
Total Current Liabilities		7,243,361	6,762,345
Non-Current Liabilities			
Provisions	9	752,000	763,312
Total Non-Current Liabilities		752,000	763,312
Total Liabilities		7,995,361	7,525,657
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

The accompanying notes form part of these financial statements.

Western Sydney University 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 2017

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

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

The accompanying notes form part of these financial statements.

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

ABN: 44 003 474 468

Statement of Cash Flows

For the Year Ended 31 December 2017

	Notes	2017 \$	2016 \$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers		59,777,225	60,604,124
Payments to suppliers and employees		(58,983,576)	(58,674,787)
Interest received		84,853	49,502
Other receipts / (payments)		806,407	305,801
Net cash provided by operating activities	21	<u>1,684,909</u>	<u>2,284,640</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Return of capital works funding		158,454	-
Purchase of property, plant and equipment		(44,185)	(1,581,117)
Payments for operations of joint venture		(800,000)	(1,300,000)
Repayments received from the parent entity		12,774,984	7,978,278
Advances made to the parent entity		(13,976,255)	(6,969,114)
Net cash used in investing activities		<u>(1,887,002)</u>	<u>(1,871,953)</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		(202,093)	412,687
Cash and cash equivalents at beginning of year		<u>1,109,058</u>	<u>696,371</u>
Cash and cash equivalents at end of financial year	2	<u><u>906,965</u></u>	<u><u>1,109,058</u></u>

Notes to the Financial Statements

For the Year Ended 31 December 2017

1 Summary of Significant Accounting Policies

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

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

(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*, the *Public Finance & Audit Act 1983*, *Public Finance & Audit Regulation 2015*, the *Australian Charities and Not-for profits Commission Act 2012* and *Regulation 2013*.

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.

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.

The financial statements were authorised for issue by the Directors of the Company on 4 April 2018.

(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 interest in the Joint Venture is accounted for in the financial statements using the equity method in accordance with AASB 11 Joint Arrangements.

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

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

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

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

Notes to the Financial Statements

For the Year Ended 31 December 2017

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.

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

	Note	2016 Reported \$	2016 Revised \$
Statement of Comprehensive Income - Revenue			
Other revenue	14(b)	329,105	305,801
Statement of Comprehensive Income - Expenses			
Employee related expenses	15	(31,835,140)	(31,811,836)
Student expenses		(491,411)	(329,246)
Fees for service	15	(3,696,121)	(3,858,286)
	15	(36,022,672)	(35,999,368)
Statement of Cash Flows - Cash Flows From Operating Activities			
Payments to suppliers and employees		(58,698,091)	(58,674,787)
Other receipts / payments		329,105	305,801
		(58,368,986)	(58,368,986)
Note 13 - Financial Risk Management			
Loans to joint venture	13	247,890	1,300,000
Note 14 (b) - Other revenue			
Salary recoveries		23,304	-
Service fee from joint venture		-	217,274
Other income		305,801	88,527
		329,105	305,801

Notes to the Financial Statements

For the Year Ended 31 December 2017

1 Summary of Significant Accounting Policies continued

(d) Comparative Amounts continued

		2016 Reported	2016 Revised
	Note	\$	\$
Note 15 - Expenses			
Salaries and wages	15	25,416,923	25,393,619
Study tours	15	65,957	228,122
Testing fees	15	-	1,752,305
Other	15	1,979,693	227,389
	15	<u>27,462,573</u>	<u>27,601,435</u>
Note 20(b) - Related party transactions			
Payment of management fee to joint venture		-	2,172,737
Recoupment of commissions, salaries and other expenses from joint venture		-	(1,417,438)
Service fee from joint venture		-	(217,274)
Share in loss of joint venture		(1,052,110)	1,052,110
Interest received on loan to joint venture		33,239	(33,239)
		<u>(1,018,871)</u>	<u>1,556,896</u>

Notes to the Financial Statements

For the Year Ended 31 December 2017

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, which are classified as non-current assets. Loans and receivables are included in trade and other receivables in the statement of financial position.

(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 assets 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 is immaterial. The amount of the provision is recognised in the statement of comprehensive income.

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

(g) Cash and cash equivalents

For the statement of cash flow presentation purposes, 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.

Notes to the Financial Statements

For the Year Ended 31 December 2017

1 Summary of Significant Accounting Policies continued

(h) Employee benefits

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

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

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

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

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

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

(i) Provisions

Provisions for legal claims and service warranties are recognised when the Company 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 obligation at the end of the reporting period. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as a finance cost.

Notes to the Financial Statements

For the Year Ended 31 December 2017

1 Summary of Significant Accounting Policies continued

(j) 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.

(k) Leases

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

(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).

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

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

Notes to the Financial Statements

For the Year Ended 31 December 2017

1 Summary of Significant Accounting Policies continued

(n) Critical accounting estimates and judgements

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

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 Accounting Standards and Interpretations not yet mandatory or early adopted

Adoption of new and revised accounting standards

The Company has adopted all standards which became effective for the first time for the financial year beginning 1 January 2017. The adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Company.

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2017 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.

(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.

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 financial period in which they are incurred.

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.

Notes to the Financial Statements

For the Year Ended 31 December 2017

1 Summary of Significant Accounting Policies continued

(p) Property, Plant and Equipment continued

Plant and equipment continued

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

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

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

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

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

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

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

Notes to the Financial Statements

For the Year Ended 31 December 2017

1 Summary of Significant Accounting Policies continued

(q) 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 to 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 15a). For the purposes of assessing the impairment, assets are grouped as 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).

(r) 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.

Amortisation

Online teaching units are amortised for a period of two years on a straight line basis.

(s) Royalties

Royalties are due by the Company for its access to the parent entity's intellectual property, infrastructure, premises and business services.

(t) 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.

Notes to the Financial Statements

For the Year Ended 31 December 2017

2 Cash and cash equivalents

	2017	2016
	\$	\$
Cash at bank and on hand	496,431	886,197
TCorp Hour-Glass Investment Facility	410,534	222,861
Total cash and cash equivalents	906,965	1,109,058

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:

	2017	2016
	\$	\$
Cash and cash equivalents	906,965	1,109,058
Balance as per statement of cash flows	906,965	1,109,058

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

Notes to the Financial Statements

For the Year Ended 31 December 2017

3 Trade and other receivables

	2017	2016
Note	\$	\$
Student receivables	151,122	121,248
Trade receivables	266,571	304,953
Less: Provision for impaired receivables	3(a) (19,469)	(26,379)
Net student and trade receivables	398,224	399,822
Accrued revenue	28,288	-
Accrued interest	965	344
Other receivables	2,111	1,571
Total current trade and other receivables	429,588	401,737

(a) Provision for impairment of receivables

Movement in provision for impaired receivables is as follows:

	2017	2016
	\$	\$
Opening balance as at 1 January	26,379	258,905
Provision for impairment recognised during the year	27,097	16,137
Bad debts written off	(34,007)	(248,663)
Balance as at 31 December	19,469	26,379

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

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.

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.

Notes to the Financial Statements

For the Year Ended 31 December 2017

3 Trade and other receivables continued

As at 31 December 2017, current trade and other receivables with a nominal value of \$19,469 (2016: \$26,379) were impaired. The amount of the provision was \$19,469 (2016: \$23,679). The individually impaired receivables mainly relate to individual debtors whose balances aged greater than 90 days.

As at 31 December 2017 current trade and other receivables of \$429,588 (2016: \$401,737) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these receivables is as follows:

	2017	2016
	\$	\$
3 to 6 months	415,937	383,917
6 to 12 months	13,651	9,357
Over 12 months	-	8,463
Total past due but not impaired receivables	429,588	401,737

The balances of receivables that remain within initial trade terms are considered to be of high credit quality.

4 Prepayments

	2017	2016
	\$	\$
Prepayments	52,358	6,754
Payments made to parent entity for capital projects	250,000	872,400
Total Prepayments	302,358	879,154

Notes to the Financial Statements

For the Year Ended 31 December 2017

5 Property, plant and equipment

	2017	2016
	\$	\$
Leasehold Improvements		
At cost	7,808,816	8,742,040
Accumulated depreciation	(3,864,434)	(3,841,451)
Total leasehold improvements	3,944,382	4,900,589
Plant and equipment		
At cost	787,844	901,463
Accumulated depreciation	(489,766)	(551,666)
Total plant and equipment	298,078	349,797
Artwork		
At cost	11,909	11,909
Total artwork	11,909	11,909
Total property, plant and equipment	4,254,369	5,262,295

(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
	\$	\$	\$	\$
Year ended 2017				
Balance at the beginning of year	4,900,589	349,797	11,909	5,262,295
Additions	463,946	44,185	-	508,131
Depreciation expense	(1,420,153)	(95,904)	-	(1,516,057)
Balance at 31 December 2017	3,944,382	298,078	11,909	4,254,369
Year ended 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
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

Notes to the Financial Statements

For the Year Ended 31 December 2017

6 Intangible assets

	2017	2016
	\$	\$
Online teaching units		
At cost	263,414	263,414
Accumulated amortisation	(263,414)	(109,756)
Net carrying value	-	153,658
Total Intangibles	-	153,658

(a) Movements in carrying amounts of intangible assets

	Online Teaching Units	Total
	\$	\$
Year ended 2017		
Balance at the beginning of the year	153,658	153,658
Amortisation	(153,658)	(153,658)
Closing value at 31 December 2017	-	-

	\$	\$
Year ended 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

Notes to the Financial Statements

For the Year Ended 31 December 2017

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 interest in the joint venture accounted for using the equity method that are not individually material in the financial statements:

	Joint Venture	
	2017	2016
	\$	\$
Profit/(loss) from continuing operations	(833,847)	(1,052,110)
Profit/(loss) from continuing operations after income tax	(833,847)	(1,052,110)
Other comprehensive income	-	-
Total comprehensive income	(833,847)	(1,052,110)

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

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 (2016: nil).

(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

	2017	2016
	\$	\$
Current		
Salary	811,307	329,858
Non-salary overheads	362,583	391,568
Agents' commissions	1,730,563	1,371,074
Provision for staff redundancy	111,998	118,000
	3,016,451	2,210,500

Notes to the Financial Statements

For the Year Ended 31 December 2017

9 Provisions

	2017	2016
	\$	\$
Current		
Annual leave	1,465,424	1,396,560
Long service leave	666,000	442,437
	<u>2,131,424</u>	<u>1,838,997</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.

	2017	2016
	\$	\$
Annual leave obligations expected to be settled after 12 months	187,301	140,585
Long service leave obligations expected to be settled after 12 months	428,713	228,962
	<u>616,014</u>	<u>369,547</u>
Non-Current		
Long service leave	752,000	763,312

10 Other liabilities

	2017	2016
	\$	\$
Unearned IELTS revenue *	144,870	160,710
Payroll tax	261,198	245,554
Fringe benefits tax	16,795	18,587
Other liabilities	131,158	688,822
	<u>554,021</u>	<u>1,113,673</u>

*Represents IELTS test fees paid in advance.

11 Issued Capital

	2017	2016
	\$	\$
Ordinary shares	1	1
Total contributed equity	<u>1</u>	<u>1</u>

Notes to the Financial Statements

For the Year Ended 31 December 2017

12 Capital and Leasing Commitments

(a) Operating lease commitments

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

	2017	2016
	\$	\$
Payable - minimum lease payments:		
- no later than 1 year	307,480	496,600
- between 1 year and 5 years	438,015	194,769
- greater than 5 years	-	-
Total future minimum lease payments	745,495	691,369

(b) Capital commitments

	2017	2016
	\$	\$
Capital expenditure commitments contracted for:		
- no later than 1 year	8,806	365,312
- between 1 year and 5 years	-	-
- greater than 5 years	-	-
Total capital commitments	8,806	365,312

(c) Expenditure commitments from joint venture entities

	2017	2016
	\$	\$
Capital expenditure commitments contracted for:		
- no later than 1 year	-	101,408
- between 1 year and 5 years	-	-
- greater than 5 years	-	-
Total joint venture commitments	-	101,408

Notes to the Financial Statements

For the Year Ended 31 December 2017

13 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 ageing analysis for credit 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	
	2017	2016	2017	2016
	%	%	\$	\$
Financial Assets				
Cash and cash equivalents	1.44	1.73	906,965	1,109,058
Loans to parent entity (1)	2.25	2.40	7,001,886	5,651,726
Trade and other receivables (2)			429,588	401,737
Receivables from related parties			1,651,601	585,588
Loans to joint venture (3)	4.50	4.67	2,100,000	1,300,000
Total financial assets			12,090,040	9,048,109
Financial Liabilities				
Trade payables (4)			467,295	139,066
Amounts due to related parties			-	684,058
Accrued expenses			3,016,451	2,210,500
Other liabilities (4)			7,028	380,756
Total financial liabilities			3,490,774	3,414,380

Notes:

- (1) The loan is repayable on demand and therefore classified as a current asset.
- (2) Excludes statutory receivables and prepayments (not within the scope of AASB 7).
- (3) Excludes share in loss of joint venture which is charged against the loan per AASB 128.
- (4) Excludes statutory payables and unearned revenue (not within the scope of AASB 7).

Notes to the Financial Statements

For the Year Ended 31 December 2017

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;

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

Notes to the Financial Statements

For the Year Ended 31 December 2017

13 Financial Risk Management continued

Financial asset and liability maturity analysis - Non-derivative

	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2017	2016	2017	2016	2017	2016	2017	2016
	\$	\$	\$	\$	\$	\$	\$	\$
Financial assets due for receipt								
Cash and cash equivalents	906,965	1,109,058	-	-	-	-	906,965	1,109,058
Loans to parent entity	7,001,886	5,651,726	-	-	-	-	7,001,886	5,651,726
Trade and other receivables	429,588	401,737	-	-	-	-	429,588	401,737
Receivables from related parties	1,651,601	585,588	-	-	-	-	1,651,601	585,588
Loans to joint venture	-	-	2,100,000	1,300,000	-	-	2,100,000	1,300,000
	9,990,040	7,748,109	2,100,000	1,300,000	-	-	12,090,040	9,048,109
Financial liabilities due for payment								
Trade payables	467,295	139,066	-	-	-	-	467,295	139,066
Amounts due to related parties	-	684,058	-	-	-	-	-	684,058
Accrued expenses	3,016,451	2,210,500	-	-	-	-	3,016,451	2,210,500
Other liabilities	7,028	380,756	-	-	-	-	7,028	380,756
	3,490,774	3,414,380	-	-	-	-	3,490,774	3,414,380

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.

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

Notes to the Financial Statements

For the Year Ended 31 December 2017

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

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.

With all other things constant, an increase or decrease of 100 basis points would impact equity and the surplus or deficit, by the amounts shown below.

The movements in the surplus or deficit reflects the impact of changes in interest rates on variable rate loans or receivables 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 2016.

Western Sydney University 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 2017

13 Financial Risk Management continued

Interest Rate Risk - Sensitivity Analysis continued

2017

Financial assets

Cash and cash equivalents

Loans to parent entity

Loans to joint venture

Total 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 \$
906,965	9,070	(9,070)	9,070	(9,070)
7,001,886	70,019	(70,019)	70,019	(70,019)
2,100,000	21,000	(21,000)	21,000	(21,000)
10,008,851	100,089	(100,089)	100,089	(100,089)

2016

Financial assets

Cash and cash equivalents

Loans to parent entity

Loans to joint venture

Total increase / (decrease) in financial assets

1,109,058	11,091	(11,091)	11,091	(11,091)
5,651,726	56,517	(56,517)	56,517	(56,517)
1,300,000	13,000	(13,000)	13,000	(13,000)
8,060,784	80,608	(80,608)	80,608	(80,608)

None of the Company's financial liabilities are subject to interest rate risk.

Notes to the Financial Statements

For the Year Ended 31 December 2017

14 Revenue

(a) Rendering of services

	2017	2016
	\$	\$
Tuition income	55,899,633	57,062,410
Student test fees	3,266,014	3,310,884
Student charges	233,910	192,352
Total revenue from rendering of services	59,399,557	60,565,646

(b) Other revenue

	2017	2016
	\$	\$
Service fee from joint venture	619,439	217,274
Other income	186,968	88,527
Total other revenue	806,407	305,801

Notes to the Financial Statements

For the Year Ended 31 December 2017

15 Expenses

	2017	2016
	\$	\$
Employee related expense (including academic and non academic)		
Salaries and wages	23,103,409	25,393,619
Leave	1,763,566	1,554,063
Superannuation	2,573,618	2,561,789
Payroll tax	1,581,192	1,691,369
Workers compensation	90,226	106,206
Redundancies	314,538	504,790
Total employee related expenses	29,426,549	31,811,836
Fees for service		
Testing fees	1,704,985	1,752,305
Study tours	637,608	228,122
Agent's commission	362,258	865,336
Consultants	267,950	275,877
Temporary contract staff	66,491	317,097
Services from Parent	852	192,161
Other	257,354	227,389
Total fees for service	3,297,498	3,858,287
Depreciation and amortisation		
Leasehold improvements	1,420,153	1,025,518
Intangible assets	153,658	109,756
Plant and equipment	95,904	100,166
Total depreciation and amortisation	1,669,715	1,235,440
Occupancy expenses		
Lease of building teaching space	193,928	250,000
Cleaning	23,213	33,227
Other	71,435	56,720
Total occupancy expenses	288,576	339,947
Other expenses		
Minor Equipment	55,088	149,466
Staff recruitment	2,407	71,240
Training and seminars	23,411	38,050
Conference fees	14,534	19,077
Other expenses (See (a) below)	1,132,136	1,589,987
Total other expenses	1,227,576	1,867,820

Notes to the Financial Statements

For the Year Ended 31 December 2017

15 Expenses continued

(a) Other Expenses

	2017	2016
	\$	\$
Postage, printing, telephone & internet	532,391	673,734
Equipment lease	369,090	388,355
Motor vehicle expenses	101,453	139,435
Staff travel	57,976	125,605
Repairs & maintenance	25,864	68,907
Furniture	22,035	67,508
Fringe Benefits Tax on motor vehicles	16,254	2,544
Provision for impaired receivables	(6,910)	16,137
Sundry expenses	13,983	107,762
Total other expenses	1,132,136	1,589,987

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 Company's operating surplus before royalty.

17 Remuneration of Auditors

	2017	2016
	\$	\$
The Audit Office of New South Wales		
- Audit of financial statements	38,460	34,440
Total remuneration for audit (excluding GST)	38,460	34,440

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 2017 (2016: nil).

Guarantees

The Directors of the Company are not aware of any guarantees that are in place as at 31 December 2017 (2016: nil).

The Directors of the Company are not aware of any further instances.

Notes to the Financial Statements

For the Year Ended 31 December 2017

19 Key management personnel disclosures

(a) Responsible persons and executive officers

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

Mr Andrew Dawkins - CEO (Resigned 3 November 2017)

Mr Alan Moran - Acting CEO (Appointed 6 November 2017)

(b) Board of Directors

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

Mr Ramy Aziz (Independent)

Professor Denise Kirkpatrick (Chair)

Mr Angelo Kourtis

Professor Simon Barrie

Ms Caroline Hutchinson (Independent - Appointed 1 January 2017)

Mr Robin Shreeve (Independent - Appointed 1 June 2017)

Ms Le Ho (Independent - Appointed 1 October 2017)

Notes to the Financial Statements

For the Year Ended 31 December 2017

19 Key management personnel disclosures continued

(c) Remuneration of Board Members and Executives

	2017 Number	2016 Number
Remuneration of board members		
\$10,000 to \$19,999	3	1
	<u>3</u>	<u>1</u>
Remuneration of executive officers*		
\$250,000 to \$259,999	-	1
\$270,000 - \$279,999	-	1
\$290,000 - \$299,999	1	-
\$300,000 - \$309,999	1	1
	<u>2</u>	<u>3</u>

*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.

(d) Key management personnel compensation

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

	2017 \$	2016 \$
Short-term employee benefits	302,679	281,022
Post-employment benefits	24,841	21,475
	<u>327,520</u>	<u>302,497</u>
Total key management personnel compensation	<u>327,520</u>	<u>302,497</u>

Other key management personnel transactions

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

Notes to the Financial Statements

For the Year Ended 31 December 2017

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:

	2017	2016
	\$	\$
Purchase of goods and services		
Payment to parent entity for capital projects	463,946	3,748,844
Purchase of catering services from other related parties	38,675	115,782
Total	502,621	3,864,626
 Other transactions		
Royalty to parent entity*	22,919,450	20,092,238
Payment of management fee to joint venture	6,194,392	2,172,737
Share of loss of joint venture	833,847	1,052,110
Recoupment of commissions, salaries and other expenses from joint venture	(3,040,209)	(1,417,438)
Service fee from joint venture	(619,439)	(217,274)
Interest received on loan to joint venture	(70,040)	(33,239)
Total	26,218,001	21,649,134

*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 2017

20 Related Parties continued

(c) Loans to/from related parties

	2017	2016
	\$	\$
Loans to Parent		
Beginning of the year	5,651,726	6,560,759
Loans advanced	13,976,255	6,969,114
Loan repayment received	(12,774,984)	(7,978,277)
Interest charged	148,889	100,130
End of year	7,001,886	5,651,726
Loans to Joint Venture		
Beginning of the year	247,890	-
Loans advanced	800,000	1,300,000
Share of loss of joint venture	(833,847)	(1,052,110)
End of year	214,043	247,890

No provisions for impaired receivables 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 2017

20 Related Parties continued

(d) Outstanding balances

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

	2017	2016
	\$	\$
Current receivables (loans)		
Western Sydney University	7,001,886	5,651,726
Current receivables (provision of services)		
Western Sydney University International College Pty Ltd	1,651,601	585,588
Total current receivables	8,653,487	6,237,314
Non-current receivables (loans)		
Western Sydney University International College Pty Ltd	214,043	247,890
Total non-current receivables	214,043	247,890
Current payables (purchase of services)		
Western Sydney University International College Pty Ltd	-	684,058
Total current payables	-	684,058

No provisions for impaired receivables 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 2017

21 Reconciliation of Surplus to Net Cash Flows From Operating Activities

	2017	2016
	\$	\$
Surplus for the year	-	-
Non-cash flows in surplus		
Depreciation and amortisation	1,669,715	1,235,440
Western Sydney University loan interest non cash	(148,889)	(100,130)
Provision for impaired receivables	(6,910)	16,137
Share of joint venture entity net profit after income tax and dividends	833,847	1,052,110
Changes in assets and liabilities		
(increase)/decrease in trade and other receivables	(20,941)	(48,787)
(increase)/decrease in prepayments	(45,604)	124,488
increase/(decrease) in related party account balances	(1,750,071)	106,021
increase/(decrease) in accruals	805,951	67,698
increase/(decrease) in trade and other payables	328,229	(352,097)
increase/(decrease) in other operating liabilities	(261,533)	378,956
increase/(decrease) in employee benefits	281,115	(195,196)
Net cash flows provided by operating activities	<u>1,684,909</u>	<u>2,284,640</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.

Western Sydney University 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 2017

23 Company Details

The registered office of the Company

Western Sydney University 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

Western Sydney University Enterprises Pty Limited

Trading as Western Sydney University The College

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

Opinion

I have audited the accompanying financial statements of Western Sydney University Enterprises Pty Limited trading as Western Sydney University The College (the Company), which comprise, the Statement of Comprehensive Income for the year ended 31 December 2017, the Statement of Financial Position as at 31 December 2017, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, the directors' declaration and the responsible entity's 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 2017 and its performance for the year ended on that date
 - complying with Australian Accounting Standards and the Corporations Regulations 2001
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (PF&A Act) and the Public Finance and Audit Regulation 2015
- have been prepared in accordance with Division 60 of the Australian Charities and Not-for-profits Commission Act 2012 and Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013.

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

Basis for Opinion

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

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

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

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

Basis for Opinion

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

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

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

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

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

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

I confirm the independence declaration, required by the *Corporations Act 2001*, provided to the directors of the Company on 16 March 2018, would be in the same terms if provided to the directors as at the time of this Independent Auditor's Report.

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

Directors' Responsibilities for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

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

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

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

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

My opinion does not provide assurance:

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



Margaret Crawford
Auditor-General of NSW

22 March 2018
SYDNEY

Western Unlimited Ltd

(formerly uwsconnect Limited)

ABN 45 107 759 197

Financial Statements

For the Year Ended 31 December 2017

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

The Company is limited by guarantee, incorporated and domiciled in Australia. Its registered office is:
Western Sydney University
Great Western Highway
Werrington NSW 2747

The financial statements were authorised for issue by the directors on 15 March 2018. The directors have the power to amend and reissue the financial statements.



To the Directors

Western Unlimited Ltd (formerly uwsconnect Limited)

Auditor's Independence Declaration

As auditor for the audit of the financial statements of Western Unlimited Ltd for the year ended 31 December 2017, 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

16 March 2018
SYDNEY

Statement of Comprehensive Income

For the Year Ended 31 December 2017

	Note	2017 \$	2016 \$
Revenue			
Sale of goods	3	5,361,382	17,257,788
Rendering of services	3	941,284	999,279
University funding	3	2,418,063	1,994,063
Other revenue	3	740,617	799,781
Total revenue from operations		9,461,346	21,050,911
Gain on disposal of assets	4	85,596	374,111
Loans forgiven by the ultimate parent entity		3,935,385	-
Total income		13,482,327	21,425,022
Expenses			
Raw materials and consumables used		(2,580,142)	(11,838,685)
Employee related expense	5	(5,517,944)	(8,389,159)
Depreciation and amortisation expense	5	(20,059)	(58,966)
Occupancy expenses	5	(220,957)	(348,390)
Minor equipment		(76,935)	(98,906)
Finance costs		(176,975)	(199,317)
Other expenses	5	(1,779,901)	(2,046,091)
Total expenses		(10,372,913)	(22,979,514)
Surplus / (Deficit) for the year		3,109,414	(1,554,492)
Other comprehensive income for the year		-	-
Total comprehensive income for the year		3,109,414	(1,554,492)
Comprehensive income for the year attributable to:			
Non-controlling interests		-	-
Parent		3,109,414	(1,554,492)
Total comprehensive income for the year		3,109,414	(1,554,492)

The accompanying notes form part of these financial statements.

Statement of Financial Position

As at 31 December 2017

	Note	2017 \$	2016 \$
ASSETS			
Current assets			
Cash and cash equivalents	7	142,653	496,008
Trade and other receivables	8	105,261	2,746,448
Inventories	9	58,060	14,753
Other assets		43,738	41,055
Disposal groups classified as held for sale	10	-	130,266
Total current assets		349,712	3,428,530
Non-current assets			
Property, plant and equipment	11	34,346	66,143
Intangible assets	12	-	-
Total non-current assets		34,346	66,143
Total assets		384,058	3,494,673
LIABILITIES			
Current liabilities			
Trade and other payables	13	367,297	1,497,736
Borrowings from the parent	14	799,365	5,618,407
Provisions	15	374,226	448,673
Other liabilities	16	-	104,985
Total current liabilities		1,540,888	7,669,801
Non-current liabilities			
Provisions	15	73,000	164,116
Total non-current liabilities		73,000	164,116
Total liabilities		1,613,888	7,833,917
Net assets		(1,229,830)	(4,339,244)
EQUITY			
Retained Earning	17	(1,229,830)	(4,339,244)
Total equity		(1,229,830)	(4,339,244)

The accompanying notes form part of these financial statements.

Western Unlimited Ltd

ABN 45 107 759 197

Statement of Changes in Equity**For the Year Ended 31 December 2017**

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

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

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The accompanying notes form part of these financial statements.

Statement of Cash Flows

For the Year Ended 31 December 2017

	2017	2016
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	12,018,622	21,333,696
Payments to suppliers and employees	(11,982,694)	(21,832,076)
Interest received	6,999	16,400
Interest paid	(176,975)	(199,317)
Net cash used in operating activities	25 (134,048)	(681,297)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of plant and equipment	664,350	66,850
Net cash provided by investing activities	664,350	66,850
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	899,900	1,599,713
Payment of borrowings	(1,783,557)	(991,799)
Net cash (used in) / provided by financing activities	(883,657)	607,914
Net (decrease) / increase in cash and cash equivalents held	(353,355)	(6,533)
Cash and cash equivalents at beginning of the year	496,008	502,541
Cash and cash equivalents at end of financial year	7 142,653	496,008

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 31 December 2017

1 Summary of Significant Accounting Policies

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

The principal place of business for Western Unlimited Ltd is:

Western Sydney University
Great Western Highway
Werrington NSW 2747

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

(a) Basis of Preparation

The financial statements are general purpose financial statements which have been prepared on an accruals basis and in accordance with:

- Australian Accounting Standards (which include Australian Accounting Interpretations),
- the *Public Finance and Audit Act 1983*,
- the *Public Finance and Audit Regulation 2015*,
- the *Australian Charities and Not-for-profits Commission Act 2012 (ACNC Act) and Regulation 2013*.

Western Unlimited Ltd is a not-for-profit entity and these statements have been prepared on that basis. Some of the Australian Accounting Standards requirements for not-for-profit entities are inconsistent with the International Financial Reporting Standards (IFRS) requirements.

(i) Date of authorisation for issue

The financial statements were authorised for issue by the Board members of Western Unlimited Ltd on 15 March 2018.

(ii) Historical cost convention

These financial statements have been prepared under the historical cost convention, modified by the measurement at fair value of selected financial assets and liabilities.

(iii) Critical accounting estimates

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

Notes to the Financial Statements

For the Year Ended 31 December 2017

1 Summary of Significant Accounting Policies (Continued)

(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 Company and specific criteria have been met for each of the Company's activities as described below. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

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

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 monthly in advance. Only the revenue pertaining to the month is accounted as revenue with the balance shown as income earned in advance.

(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.

Notes to the Financial Statements

For the Year Ended 31 December 2017

1 Summary of Significant Accounting Policies (Continued)

(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.

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. Leasehold improvements are depreciated over the shorter of their useful life or the remaining life of the lease.

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

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

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

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

Notes to the Financial Statements

For the Year Ended 31 December 2017

1 Summary of Significant Accounting Policies (Continued)

(i) Property, Plant and Equipment (Continued)

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 Franchises are amortised over a period of 20 years on a straight line basis.

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

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

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.

Notes to the Financial Statements

For the Year Ended 31 December 2017

1 Summary of Significant Accounting Policies (Continued)

(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.

(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 not yet mandatory or early adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2017 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.

Adoption of new and revised accounting standards

The Company has adopted all standards which became effective for the first time for the financial year beginning 1 January 2017. The adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of 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 2017.

Notes to the Financial Statements

For the Year Ended 31 December 2017

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:

	2017 \$	2016 \$
Financial Assets		
Cash and cash equivalents	142,653	496,008
Trade and other receivables*	99,215	2,696,450
Total Financial Assets	241,868	3,192,458
Financial Liabilities		
Trade and other payables**	342,157	1,446,162
Borrowings from the parent	799,365	5,618,407
Total Financial Liabilities	1,141,522	7,064,569

* Excludes statutory receivables and prepayments (not within the scope of AASB 7).

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

(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:

	2017		2016	
	Weighted average interest rate %	Balance \$	Weighted average interest rate %	Balance \$
	4	799,365	4	5,618,407
Net exposure to cash flow interest rate risk	4	799,365	4	5,618,407

Notes to the Financial Statements

For the Year Ended 31 December 2017

2 Financial Risk Management (Continued)

(ii) Summarised sensitivity analysis

The following table summarises the sensitivity of the Company's financial assets and financial liabilities to interest rate risk.

	Carrying amount	-1% Surplus/(Deficit)	-1% Equity	+1% Surplus/(Deficit)	+1% Equity
31 December 2017	\$	\$	\$	\$	\$
Financial Assets					
Cash and cash equivalents	142,653	(1,427)	(1,427)	1,427	1,427
Total Financial Assets	142,653	(1,427)	(1,427)	1,427	1,427
Financial Liabilities					
Borrowings	799,365	7,994	7,994	(7,994)	(7,994)
Total Financial Liabilities	799,365	7,994	7,994	(7,994)	(7,994)

	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
Total Financial Assets	496,008	(4,960)	(4,960)	4,960	4,960
Financial Liabilities					
Borrowings	5,618,407	56,184	56,184	(56,184)	(56,184)
Total Financial Liabilities	5,618,407	56,184	56,184	(56,184)	(56,184)

(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.

Notes to the Financial Statements

For the Year Ended 31 December 2017

2 Financial Risk Management (Continued)

(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.

The tables below summarise 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 tables 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
31 December 2017	\$	\$	\$	\$	\$	%
Cash and cash equivalents	142,653	-	-	-	142,653	1
Trade and other receivables	99,215	-	-	99,215	99,215	-
Trade and other payables	(342,157)	-	-	(342,157)	(342,157)	-
Borrowings	(799,365)	-	-	-	(799,365)	4
Total non derivatives	(899,654)	-	-	(242,942)	(899,654)	

	Less than 1 year	Between 1 and 5 years	Over 5 years	Non interest	Carrying amount	Average interest rate
31 December 2016	\$	\$	\$	\$	\$	%
Cash and cash equivalents	496,008	-	-	-	496,008	2
Trade and other receivables	2,696,450	-	-	2,696,450	2,696,450	-
Trade and other payables	(1,446,162)	-	-	(1,446,162)	(1,446,162)	-
Borrowings	(5,618,407)	-	-	-	(5,618,407)	4
Total non derivatives	(3,872,111)	-	-	1,250,288	(3,872,111)	

Notes to the Financial Statements

For the Year Ended 31 December 2017

2 Financial Risk Management (Continued)

(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 fair values of financial assets and financial liabilities at balance date are:

	Note	Carrying Amount		Fair Value	
		2017	2016	2017	2016
		\$	\$	\$	\$
Financial assets					
Cash and cash equivalents	7	142,653	496,008	142,653	496,008
Trade and other receivables	8	99,215	2,696,450	99,215	2,696,450
Total financial assets		241,868	3,192,458	241,868	3,192,458
Financial Liabilities					
Trade and other payables	13	342,157	1,446,162	342,157	1,446,162
Borrowings	14	799,365	5,618,407	799,365	5,618,407
Total financial liabilities		1,141,522	7,064,569	1,141,522	7,064,569

Notes to the Financial Statements

For the Year Ended 31 December 2017

3 Revenue

	2017 \$	2016 \$
Sale of goods		
Books	394,400	10,020,803
Food and beverage	4,911,329	6,990,275
Retail	55,653	246,710
Total sale of goods	5,361,382	17,257,788
Rendering of services		
Sports	938,157	989,201
Venue hire	3,127	10,078
Total rendering of services	941,284	999,279
University funding		
University funding - general	1,200,000	1,200,000
University funding - community services	425,694	171,433
University funding - clubs	350,000	350,000
University funding - sport	442,369	272,630
Total University Funding	2,418,063	1,994,063
Other revenue		
Bank interest	6,999	16,400
Other revenue	733,618	783,381
Total other revenue	740,617	799,781
Total revenue	9,461,346	21,050,911

4 Gain on disposal of assets

	2017 \$	2016 \$
Proceeds from sale	234,350	490,100
Carrying amount of assets sold	(148,754)	(115,989)
Total gain on disposal of assets	85,596	374,111

Notes to the Financial Statements

For the Year Ended 31 December 2017

5 Expenses

	2017	2016
	\$	\$
Employee related expense		
Salaries and wages	4,566,992	6,770,007
Superannuation	405,629	605,151
Annual leave	170,742	274,348
Long service leave	108,524	61,609
Workers compensation	39,442	189,655
Termination benefits	-	257,012
Other	226,615	231,377
Total employee related expenses	5,517,944	8,389,159
Depreciation		
Plant and equipment	8,914	15,646
Motor vehicles	11,145	32,378
Total depreciation	20,059	48,024
Amortisation		
Franchise fees	-	10,942
Total depreciation and amortisation	-	58,966
Occupancy expenses*		
Minimum lease payments on operating leases	24,774	76,442
Repairs and maintenance	94,523	116,899
Utilities	33,861	57,451
Cleaning and waste removal	39,376	69,162
Security	28,423	28,436
Total occupancy expenses	220,957	348,390
Other expenses		
Advertising, promotions and events	781,796	674,046
Consumables and supplies	360,520	532,418
Consultancy, agency and service provider fees	234,065	111,322
Equipment hire	44,788	133,405
Motor vehicle	68,872	128,001
Other	289,860	466,899
Total other expenses	1,779,901	2,046,091

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

Notes to the Financial Statements

For the Year Ended 31 December 2017

6 Discontinued Operations

On 22nd November 2016, Western Unlimited Ltd 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 Western Unlimited Ltd'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

	2017	2016
	\$	\$
Cash at bank and on hand	<u>142,653</u>	496,008
Total cash and cash equivalents	<u>142,653</u>	<u>496,008</u>

(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:

	2017	2016
	\$	\$
Balance as above	<u>142,653</u>	496,008
Balance as per statement of cash flows	<u>142,653</u>	<u>496,008</u>

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 is interest bearing and Cash on hand is non-interest bearing.

Notes to the Financial Statements

For the Year Ended 31 December 2017

8 Trade and other receivables

	2017	2016
	\$	\$
Trade receivables	99,215	2,696,450
Prepayments	6,046	49,998
Total current trade and other receivables	105,261	2,746,448

Trade and other receivables are non-interest bearing.

At 31 December 2017, current receivables of Western Unlimited Ltd with a nominal value of \$ Nil (2016: Nil) were impaired. The amount of the provision was \$Nil (2016 Nil).

As at 31 December 2017 trade receivables of \$99,215 (2016:\$75,172) were past due but not impaired. The ageing of these receivables is as follows:

	2017	2016
	\$	\$
Up to 3 months	78,205	22,002
3 to 6 months	12,554	7,339
Over 6 months	8,456	45,831
Total past due but not impaired	99,215	75,172

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

(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 2017

9 Inventories

	2017 \$	2016 \$
Finished goods		
At net realisable value	58,060	14,753
	58,060	14,753

Provision for impairment

Provision for impairment of inventories to net realisable value recognised as an expense during the year ended 31 December 2017 amounted to \$Nil (2016: \$Nil).

Movement in the allowance for impairment

	2017 \$	2016 \$
At 1 January	-	66,000
Provision used during the year	-	(66,000)
At 31 December	-	-

10 Disposal group classified as held for sale

	2017 \$	2016 \$
Current		
Disposal group relating to franchised Subway outlets	-	130,266
	-	130,266

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

Western Unlimited Ltd entered into agreements to sell both its Parramatta and Kingswood Subway outlets in 2016. Settlement of the Parramatta Subway outlet occurred on 21 December 2016. A gain of \$347,505 was recognised in the 2016 year.

Settlement of the Kingswood Subway outlet occurred on 16 March 2017 and a gain on disposal of \$69,734 has been recognised in the 2017 year.

Notes to the Financial Statements

For the Year Ended 31 December 2017

11 Property, plant and equipment

	2017 \$	2016 \$
Plant and equipment		
At cost	209,920	225,782
Accumulated depreciation	(179,736)	(191,601)
Total plant and equipment	30,184	34,181
Motor vehicles		
At cost	193,576	285,038
Accumulated depreciation	(189,414)	(253,076)
Total motor vehicles	4,162	31,962
Total property, plant and equipment	34,346	66,143

(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 \$	Motor Vehicles \$	Total \$
Year ended 31 December 2017			
Balance at the beginning of the year	40,932	25,211	66,143
Additions	-	-	-
Disposals - written down value	(1,834)	(16,654)	(18,488)
Depreciation charge	(8,914)	(11,145)	(20,059)
Non-cash adjustment	-	6,750	6,750
Balance at the end of the year	30,184	4,162	34,346

	Plant and Equipment \$	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

Notes to the Financial Statements

For the Year Ended 31 December 2017

12 Intangible assets

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

* One intangible asset with a carrying value of nil was disposed of during the year

At 31 December 2017			
Cost	65,500	-	65,500
Accumulated amortisation	(65,500)	-	(65,500)
Net book amount	-	-	-

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 charge	-	(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	-	-	-

13 Trade and other payables

	2017	2016
	\$	\$
Trade payables	145,047	200,065
Accrued expenses	152,698	786,383
Other payables	69,552	511,288
	367,297	1,497,736

Notes to the Financial Statements

For the Year Ended 31 December 2017

14 Borrowings from the Parent

	2017	2016
	\$	\$
Unsecured - current		
Loans from related parties	799,365	5,618,407
Total current borrowings	799,365	5,618,407

Western Unlimited Ltd has an unused borrowing facility to the value of \$1.701M.

15 Provisions

Current provisions expected to be settled within 12 months.

	2017	2016
	\$	\$
Annual leave	143,874	136,730
Long service leave	53,785	72,597
	197,659	209,327

Current provisions expected to be settled after more than 12 months

	2017	2016
	\$	\$
Annual leave	61,567	149,420
Long service leave	115,000	89,926
	176,567	239,346
Total current provisions	374,226	448,673

Non-current provisions

	2017	2016
	\$	\$
Long service leave	73,000	164,116
Total non-current provisions	73,000	164,116

16 Other liabilities

	2017	2016
	\$	\$
Voucher liability	-	104,985
	-	104,985

Notes to the Financial Statements

For the Year Ended 31 December 2017

17 Retained earnings

Movements in retained earnings were as follows:

	2017	2016
	\$	\$
Opening balance	(4,339,244)	(2,784,752)
Surplus / (Deficit) for the year	3,109,414	(1,554,492)
Closing Balance	(1,229,830)	(4,339,244)

18 Key Management Personnel Disclosures

(a) Names of responsible persons and executive officers

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

(i) Names of Responsible Persons and Executive Officers

Bill Parasiris
Ellen Brackenreg
Ian Londish - ceased 5 December 2017

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

(ii) Board of Directors

John Banks (Chair)
Peter Pickering
Bill Parasiris
Ellen Brackenreg
John Hart - commenced 1 June 2017
Elise Buisson - ceased 8 May 2017
Michael Scullino - ceased 8 May 2017

(b) Remuneration of Board Members

	2017	2016
	Number	Number
Remuneration of Board Members		
Nil to \$9,999	1	-
	1	-

Notes to the Financial Statements

For the Year Ended 31 December 2017

18 Key Management Personnel Disclosures (Continued)

(c) Key management personnel compensation

	2017	2016
	\$	\$
Short-term employee benefits	6,850	-
Post-employment benefits	-	-
Termination benefits	-	-
Total key management personnel compensation	6,850	-

19 Remuneration of Auditors

	2017	2016
	\$	\$
Audit of financial statements		
Fees paid to the Audit Office of NSW	36,080	35,200
Total paid for audit (inclusive of GST)	36,080	35,200

20 Contingencies

The Company had no contingent liabilities at 31 December 2017 (2016: \$Nil).

21 Commitments

(a) Operating lease commitments

	2017	2016
	\$	\$
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:		
Within one year	36,895	24,566
Between one and five years	31,821	33,964
Total future minimum lease payments	68,716	58,530

(b) Capital expenditure commitments

Property, plant and equipment		
Within one year	12,807	-
Between one and five years	-	-
Total capital expenditure commitments	12,807	-

Notes to the Financial Statements

For the Year Ended 31 December 2017

22 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:

	2017	2016
	\$	\$
Sale of goods and services		
Sale of goods and services to the ultimate parent entity	1,545,547	1,092,728
Sale of goods and services to other related parties	48,163	62,276
Total sale of goods and services	1,593,710	1,155,004

University Funding

Funding from the ultimate parent entity

Total University funding

	2,418,063	1,994,063
Total University funding	2,418,063	1,994,063

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

(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:

	2017	2016
	\$	\$
Current payables		
Ultimate parent entity	67,790	102,936
Total current payables	67,790	102,936

Notes to the Financial Statements

For the Year Ended 31 December 2017

22 Related party transactions (Continued)

(d) Loans from the ultimate parent entity

	2017	2016
	\$	\$
Beginning of the year	5,618,407	5,010,493
Loans advanced	899,900	1,599,712
Interest charged	176,975	199,317
Loan repayment	(1,960,532)	(1,191,115)
Loans forgiven by the parent entity	(3,935,385)	-
End of the year	799,365	5,618,407

23 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 \$ 2,418,063 in direct funding in 2017 for University services.

The Company's borrowings are from the Parent entity as mentioned in Note 22 (d), with funding limited to day to day working capital.

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

24 Events occurring after the reporting period

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years (2016: \$Nil).

Notes to the Financial Statements

For the Year Ended 31 December 2017

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

	2017	2016
	\$	\$
Surplus / (Deficit) for the year	3,109,414	(1,554,492)
Depreciation and amortisation	20,059	58,966
Loans forgiven by the ultimate parent entity	(3,935,385)	-
Net (gain)/loss on sale of non-current assets	(85,596)	(374,111)
Changes in operating assets and liabilities		
(Increase)/decrease in trade debtors	2,204,437	(1,184,846)
(Increase)/decrease in inventories	(43,307)	2,873,439
(Increase)/decrease in other operating assets	(2,684)	53,415
Increase/(decrease) in trade creditors	(1,130,438)	(374,483)
Increase/(decrease) in other operating liabilities	(104,985)	(124,076)
Increase/(decrease) in other provisions	(165,563)	(55,109)
Net cash flows used in operating activities	(134,048)	(681,297)

End of the audited financial statements

Statement by Directors

The directors of Western Unlimited Ltd declare that:

1. The financial statements and notes:
 - a. comply with Australian Accounting Standards (which include Australian Accounting Interpretations).
 - b. comply with the *Public Finance and Audit Act 1983* and the *Public Finance and Audit Regulation 2015*
 - c. give a true and fair view of the financial position as at 31 December 2017 and financial performance for the year ended on that date of Western Unlimited Ltd.
2. In the directors' opinion, there are reasonable grounds to believe that Western Unlimited Ltd will be able to pay its debts as and when they become due and payable.
3. We are not aware of any circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.

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



John Banks

Director



Bill Parasiris

Director

15 March 2018

Responsible Entities' Declaration

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*.



John Banks

Director

15 March 2018



INDEPENDENT AUDITOR'S REPORT

Western Unlimited Ltd (formerly uwsconnect Limited)

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

Opinion

I have audited the accompanying financial statements of Western Unlimited Ltd (the Company), which comprise, the Statement of Comprehensive Income for the year ended 31 December 2017, the Statement of Financial Position as at 31 December 2017, 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 Company's financial position as at 31 December 2017 and its performance for the year ended on that date
- comply with Australian Accounting Standards
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (PF&A Act) and the Public Finance and Audit Regulation 2015
- have been prepared in accordance with Division 60 of the Australian Charities and Not-for-profits Commission Act 2012 and Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013.

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

Basis for Opinion

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

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

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

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

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

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

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

Directors' Responsibilities for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

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

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

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

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

My opinion does not provide assurance:

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



Margaret Crawford
Auditor-General of NSW

22 March 2018
SYDNEY

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Western Sydney University Early Learning Limited

(formerly UWS Early Learning Limited)

ABN 39155993445

Financial Statements

For the Year Ended 31 December 2017

These financial statements are the individual entity statements of Western Sydney University 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:

Western Sydney University Early Learning Limited

WSU Company Secretary, Entities, Finance Office

Building M16 College Drive

Richmond NSW 2753

The principal place of business is:

Western Sydney University

Building P18 College Drive

Richmond NSW 2753

The financial statements were authorised for issue by the Directors on 5 March 2018. The Directors have the power to amend and reissue the financial statements.



To the Directors

Western Sydney University Early Learning Limited

Auditor's Independence Declaration

As auditor for the audit of the financial statements of Western Sydney University Early Learning Limited for the year ended 31 December 2017, 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

8 March 2018
SYDNEY

Western Sydney University Early Learning Limited

ABN 39155993445

Statement of Comprehensive Income**For the year ended 31 December 2017**

	Notes	2017 \$	2016 \$
Revenue			
Child Care Services		6,771,921	6,209,422
Interest		50,563	37,479
Other Revenue	2	219,218	311,678
Total Revenue		7,041,702	6,558,579
Expenses			
Employee Related Expenses	3	(5,829,194)	(5,551,480)
Provision for Doubtful Debts		(7,244)	(4,141)
Other Expenses	3	(830,433)	(770,037)
Total Expenses		(6,666,871)	(6,325,658)
Surplus (Deficit) for the year		374,831	232,921
Other Comprehensive Income for the year		-	-
Total Comprehensive Income for the year		374,831	232,921

The accompanying notes form part of these financial statements.

Western Sydney University Early Learning Limited

ABN 39155993445

Statement of Financial Position

As at 31 December 2017

	Note	2017 \$	2016 \$
ASSETS			
Current Assets			
Cash and Cash Equivalents	4	482,158	647,363
Trade and Other Receivables	5	2,229,894	1,696,976
Prepayments		173,396	-
Total Current Assets		2,885,448	2,344,339
Total Assets		2,885,448	2,344,339
LIABILITIES			
Current Liabilities			
Trade and Other Payables	6	600,157	574,994
Deferred Income		122,777	129,031
Provisions	7	648,628	504,415
Total Current Liabilities		1,371,562	1,208,440
Non-Current Liabilities			
Provisions	7	85,000	81,844
Total Non-Current Liabilities		85,000	81,844
Total Liabilities		1,456,562	1,290,284
Net Assets		1,428,886	1,054,055
EQUITY			
Retained Earnings	8	1,428,886	1,054,055
Total Equity		1,428,886	1,054,055

The accompanying notes form part of these financial statements.

Western Sydney University Early Learning Limited

ABN 39155993445

Statement of Changes in Equity
For the year ended 31 December 2017

	Retained earnings	Total equity
	\$	\$
Balance at 1 January 2017	1,054,055	1,054,055
Comprehensive income for the year		
Surplus for the year	374,831	374,831
Other comprehensive income for the year	-	-
Total comprehensive income for the year	374,831	374,831
Balance at 31 December 2017	1,428,886	1,428,886

	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

The accompanying notes form part of these financial statements.

Western Sydney University Early Learning Limited

ABN 39155993445

Statement of Cash Flows

For the year ended 31 December 2017

	2017	2016
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts for services	7,054,109	6,569,412
Payments to suppliers and employees	(6,646,865)	(6,126,092)
Interest received	50,563	37,479
Net cash inflow from operating activities	14 457,807	480,799
CASH FLOWS FROM INVESTING ACTIVITIES		
Loans to related parties	(623,012)	(388,696)
Net cash (outflow) from investing activities	(623,012)	(388,696)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net cash provided by / (used in) financing activities	-	-
Net increase / (decrease) in cash and cash equivalents held	(165,205)	92,103
Cash and cash equivalents at the beginning of the year	647,363	555,260
Cash and cash equivalents at the end of the year	4 482,158	647,363

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the year ended 31 December 2017

1 Summary of significant accounting policies

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

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 2017 are authorised for issue in accordance with a resolution of the Board of Directors on 5 March 2018.

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

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.

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.

Notes to the Financial Statements
For the year ended 31 December 2017

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

Western Sydney University 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 Western Sydney University Early Learning Limited obtains control of the right to receive the grant, it is probable that economic benefits will flow to Western Sydney University 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 comprise 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.

Notes to the Financial Statements

For the year ended 31 December 2017

1 Summary of significant accounting policies (continued)

(g) Financial assets

Western Sydney University 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 Western Sydney University 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 Western Sydney University 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.

Notes to the Financial Statements

For the year ended 31 December 2017

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 Accounting Standards and Interpretations not yet mandatory or early adopted

Certain new Accounting Standards and Interpretations have been published that are not mandatory for 31 December 2017 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.

Adoption of new and revised accounting standards

The Company has adopted all standards which became effective for the first time for the financial year beginning 1 January 2017. the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Company.

(l) 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 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.

Notes to the Financial Statements

For the year ended 31 December 2017

1 Summary of significant accounting policies (continued)

(l) Comparative amounts (continued)

	Note	2016 Reported \$	2016 Revised \$
Statement of Comprehensive Income			
Revenue			
Child Care Services		6,397,816	6,209,422
Other Revenue	2	123,284	311,678
		<u>6,521,100</u>	<u>6,521,100</u>
Statement of Cash flows			
Cash Flows from Operating Activities			
Receipts for services		-	6,569,412
Receipts from fees		3,287,955	-
Receipts from Australian Government child care benefits		2,814,217	-
Subsidies received		467,240	-
		<u>6,569,412</u>	<u>6,569,412</u>
Note 2 - Revenue			
Other Revenue			
Government Traineeship Funding		13,864	13,864
Government Childcare Grants		-	98,318
Long Day Care Development Grants		98,318	-
Related Party Services		-	186,999
Other Income		11,102	12,497
		<u>123,284</u>	<u>311,678</u>
Note 13 (b) - Transactions with related parties			
Related Party Income			
Discount funding		-	327,159
Other services		-	186,999
Interest received		-	37,479
Parent entity		514,158	-
		<u>514,158</u>	<u>551,637</u>
Note 14 - Reconciliation of operating surplus to net cash flow from operating activities			
Change in operating assets and liabilities			
Increase/(decrease) in trade and other payables		-	102,427
Increase/(decrease) in trade creditors		91,154	-
Increase/(decrease) in operating liabilities		11,273	-
		<u>102,427</u>	<u>102,427</u>

Notes to the Financial Statements

For the year ended 31 December 2017

2 Revenue

	2017	2016
	\$	\$
Other revenue		
Government Traineeship Funding	30,000	13,864
Government Childcare Grants	62,175	98,318
Related Party Services	124,009	186,999
Other Income	3,034	12,497
Total other revenue	219,218	311,678

3 Expenses

The result for the year includes the following specific expenses:

	2017	2016
	\$	\$
Employee related expenses		
Salaries and Wages	5,163,728	4,954,641
Superannuation Expense	449,820	407,725
Annual and Long Service Leave	147,484	101,920
Worker's Compensation	55,654	77,460
Other	12,508	9,734
Total employee related expenses	5,829,194	5,551,480
Other expenses		
Consumables	231,365	153,679
Cleaning	162,294	151,442
Consulting	6,500	7,870
Non-capitalised Equipment	74,203	115,299
Centre resources and supplies	119,664	81,616
Repairs and Maintenance	52,122	5,939
Staff Development	40,412	118,613
Printing	44,293	27,690
Sundry expenses	99,580	107,889
Total other expenses	830,433	770,037

4 Cash and cash equivalents

	2017	2016
	\$	\$
Cash at bank	482,158	647,363

The Company's exposure to interest rate risk is discussed in note 15.

Notes to the Financial Statements
For the year ended 31 December 2017

5 Trade and other receivables

	2017	2016
	\$	\$
CURRENT		
Trade receivables	43,249	23,107
Receivable from Parent	-	65,682
less: Provision for impairment	(12,500)	(5,874)
	30,749	82,915
Loan to Parent Entity	2,199,145	1,576,133
GST receivable	-	37,928
Total trade and other receivables	2,229,894	1,696,976

(a) Trade and other receivables

The ageing of total current receivables (excluding GST receivable) is as follows:

	2017	2016
	\$	\$
Up to 3 months	43,249	86,512
3 to 6 months	-	1,931
Over 6 months	-	346
	43,249	88,789

(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.

Notes to the Financial Statements
For the year ended 31 December 2017

6 Trade and other payables

	2017	2016
	\$	\$
CURRENT		
Trade payables	73,802	120,796
Enrolment deposits	250,935	233,877
Accrued expenses	149,033	35,226
Other payables	126,387	185,095
Total trade and other payables	600,157	574,994

7 Provisions

	2017	2016
	\$	\$
CURRENT		
Employee benefits		
Annual leave	409,628	313,966
Long service leave	239,000	190,449
Total current provisions	648,628	504,415
NON-CURRENT		
Employee benefits		
Long service leave	85,000	81,844
Total non-current provisions	85,000	81,844
Total provisions	733,628	586,259

8 Retained earnings

Movements in Retained Earnings	2017	2016
	\$	\$
Retained Earnings at 1 January	1,054,055	821,134
Surplus for the year	374,831	232,921
Balance at 31 December	1,428,886	1,054,055

Notes to the Financial Statements
For the year ended 31 December 2017

9 Key management personnel disclosures

(a) Responsible persons and executive officers

The following persons were responsible persons and executive officers of Western Sydney University Early Learning Limited during the financial period.

Responsible Persons and Executive Officers:

Mrs Angie Atkinson - General Manager

All responsible persons and executive officers are employees of Western Sydney University Early Learning Limited and are remunerated directly by the entity.

(b) Board of Directors

The following persons were Non-Executive Directors of Western Sydney University Early Learning Limited during the financial period:

Ms Susan Hudson - Chair

Mrs Susan Benzie

Mrs Ellen Brackenreg

Mrs Denise Fraser (ceased 31 December 2017)

Mr Darren Greentree

Professor Michele Simons

No Board Member is remunerated for their services.

Western Sydney University Early Learning Limited

ABN 39155993445

Notes to the Financial Statements For the year ended 31 December 2017

10 Remuneration of auditors

During the period, the following fees were paid for services provided by the auditor of Western Sydney University Early Learning Limited:

	2017	2016
	\$	\$
Audit and review of the financial statements	25,200	29,600
Total fees paid to auditors	25,200	29,600

11 Contingencies

The Company had no contingent liabilities at 31 December 2017.

12 Commitments

The Company had no commitments at 31 December 2017.

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:

	2017	2016
	\$	\$
Related Party Income		
Discount funding	355,465	327,159
Other services	124,009	186,999
Interest received	50,563	37,479
Total subsidies received	530,037	551,637

	2017	2016
	\$	\$
Related Party Receivables		
Parent Entity trade receivable	-	65,682
Loan to Parent Entity	2,199,145	1,576,133
Total related party receivables	2,199,145	1,641,815

Notes to the Financial Statements

For the year ended 31 December 2017

14 Reconciliation of operating surplus to net cash inflow from operating activities

	2017	2016
	\$	\$
Surplus for the year	374,831	232,921
Change in operating assets and liabilities:		
(Increase) / decrease in trade debtors	90,094	(35,926)
(increase)/decrease in prepayments	(173,396)	11,562
Increase/(decrease) in income in advance	(6,254)	67,895
Increase / (decrease) in trade and other payables	25,163	102,427
Increase / (decrease) in other provisions	147,369	101,920
Net cash inflow from operating activities	457,807	480,799

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:

	2017	2016
	\$	\$
Financial Assets		
Cash and cash equivalents	482,158	647,363
Trade receivables	30,749	82,915
Loan to Parent Entity	2,199,145	1,576,133
Total financial assets	2,712,052	2,306,411
Financial Liabilities		
Trade and other payables	200,189	305,891
Total financial liabilities	200,189	305,891

Note: Excludes GST receivable, prepayment, deferred income, income in advance and provisions payable (not within scope of AASB 7).

Notes to the Financial Statements

For the year ended 31 December 2017

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 2017

	Carrying amount \$	Interest rate risk			
		-1%		+1%	
		Result \$	Equity \$	Result \$	Equity \$
Financial assets					
Cash and Cash Equivalents	482,158	(4,822)	(4,822)	4,822	4,822
Loan Receivable - Parent Entity	2,199,145	(21,991)	(21,991)	21,991	21,991
Total increase/(decrease)		(26,813)	(26,813)	26,813	26,813

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

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.

Notes to the Financial Statements

For the year ended 31 December 2017

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 Western Sydney University Early Learning Limited's financial assets and financial liabilities:

	Average Interest rate		Less than 1 year		Total	
	2017	2016	2017	2016	2017	2016
	%	%	\$	\$	\$	\$
Financial Assets:						
Trade receivables			30,749	82,915	30,749	82,915
Loan to Parent Entity	2.5%	2.9%	2,199,145	1,576,133	2,199,145	1,576,133
Total Financial Assets			2,229,894	1,659,048	2,229,894	1,659,048
Financial Liabilities:						
Trade and other payables			200,188	305,891	200,188	305,891
Total Financial Liabilities			200,188	305,891	200,188	305,891

Notes to the Financial Statements

For the year ended 31 December 2017

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.

Western Sydney University Early Learning Limited

ABN 39155993445

Statement by Directors

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

1. Under s41C (1b) of the *Public Finance & Audit Act 1983* we state to the best of our knowledge and belief the financial statements and notes, as set out on pages 177 to 194:
 - a. comply with:
 - Australian Accounting Standards, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board
 - *The Public Finance & Audit Act 1983*, and Regulation
 - *The Australian Charities and Not-For-Profits Commission Act 2012*, and
 - b. give a true and fair view of the financial position as at 31 December 2017 and of the performance for the year ended on that date of Western Sydney University Early Learning Limited.
2. In the directors' opinion, there are reasonable grounds to believe that Western Sydney University Early Learning Limited will be able to pay its debts as and when they become due and payable.
3. We are not aware of any circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.

This declaration is made in accordance with a resolution of the Board of Directors, pursuant to section 295(4) of the *Corporation Act 2001*, and 41(C) of the *Public Finance and Audit Act 1983*.

Director

Director

Dated this

day of

2018

Western Sydney University Early Learning Limited

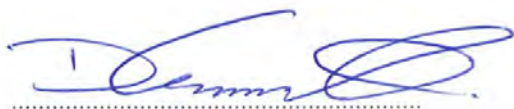
ABN 39155993445

Responsible entities declaration

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 the *Australian Charities and Not-for-profit Commission Act 2012*.

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



Darren Greentree

Director

5 March 2018



INDEPENDENT AUDITOR'S REPORT

Western Sydney University Early Learning Limited

To Members of the New South Wales Parliament

Opinion

I have audited the accompanying financial statements of Western Sydney University Early Learning Limited (the Company), which comprise the Statement of Comprehensive Income for the year ended 31 December 2017, the Statement of Financial Position as at 31 December 2017, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, notes comprising a summary of significant accounting policies, other explanatory information and the responsible entities declaration.

In my opinion, the financial statements:

- give a true and fair view of the financial position of the Company as at 31 December 2017, and of its financial performance and cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (PF&A Act) and the Public Finance and Audit Regulation 2015
- have been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* and Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013.

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

Basis for Opinion

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

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

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

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

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

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

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

Directors' Responsibilities for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

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

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

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

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

My opinion does *not* provide assurance:

- that the 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

8 March 2018
SYDNEY

Whitlam Institute within Western Sydney University Limited

ABN: 50 100 342 309

Financial statements

For the year ended 31 December 2017

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 23 February 2018. 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 2017

The directors present their report on Whitlam Institute Within Western Sydney University Limited (the Company) for the financial year ended 31 December 2017.

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 Talal Yassine OAM	
Ms Catherine Dovey	
Mr Cameron Clyne	
Dr Rebecca Huntley	Appointed 6 February 2017
Ms Amanda McKenzie	Appointed 6 February 2017
Mr John Wells	Resigned 17 November 2017

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

Company secretary

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

Principal activities and significant changes in nature of activities

The principal activity of the Company is to manage the Company and to act as Trustee of the Whitlam Institute Within Western Sydney University Trust. The main function of the Company is fundraising in support of the University, and the effective management control of all Trust funds held within the Whitlam Institute Trust account.

The Whitlam Institute works as an educator, policy influencer and research institute. The Institute bridges the historical legacy of the late Gough Whitlam's years in public life and the contemporary relevance of the Whitlam Program to public discourse and policy. It links policies with people - connecting communities with the decisions and policies that affect their lives. The Whitlam Institute is guided by the 'three great aims' that drove the Whitlam Program of 1972. They are to promote equality, to involve the people of Australia in the decision-making processes of our land, and to liberate the talents and uplift the horizons of the Australian people.

The Whitlam Institute supports Western Sydney University development by working with schools to bring knowledge to life in the community. In a range of practical ways we make scholarship relevant to everyday lives. We are inspired by the E.G Whitlam Prime Ministerial Collection which represents the life's work of an Australian 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 (2016: \$ 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 (2016: \$ 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

Director's report

For the year ended 31 December 2017

Environmental matters (continued)

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

Auditors independence declaration

The Audit Office of New South Wales continues in office in accordance with section 327 of the *Corporations Act 2001*.

The lead auditors independence declaration for the year ended 31 December 2017 has been received and can be found on page 206 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.

Director's report

For the year ended 31 December 2017

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 (Melbourne). Non-Executive.

Experience

Appointed as Director 29 June 2010. Ms Gabrielle Trainor is a non-executive director and advisor. Her chair and director roles have spanned organisations in urban development, transport, education, public interest law, tourism, culture and sport. She was a founding partner and co-owner of specialist consultancy John Connolly & Partners and over 25 years advised large listed companies on the management of major transactions and significant issues across stakeholder groups including in capital markets, government, NGO's and other influencers. Ms Trainor is a member of the board of Leighton Contractors (advisory board), a director of the Barangaroo Delivery Authority, Business Events Sydney, Cape York Group, the Aurora Education Foundation and is a trustee of the Charlie Perkins Education Trust. She is a member of the board of trustees of the Western Sydney University. She is Chair of the National Film and Sound Archive and Chair of Barnardo's Australia. She co-chaired the 2012 Federal Government review of the Australia Council for the Arts. She has had a long term involvement in indigenous affairs, including as director of Cape York Partnerships and a member of the Victorian Government's Aboriginal Economic Development Group which reported in 2010. Ms Trainor was educated as LLB 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.

Director's report

For the year ended 31 December 2017

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.

Dr Rebecca Huntley

Experience

LLB (UNSW), BA (Honors) (UNSW), PhD (USYD). Non-Executive.

Dr Rebecca Huntley is one of Australia's foremost researchers on social trends. She holds degrees in law and film studies and a PhD in gender studies. For nearly nine years, Rebecca was at the global research firm Ipsos. From 2006 until 2015, she was the Director of the Mind & Mood Report, Australia's longest-running social trends report. She is the author of numerous books, and was a feature writer for Australian Vogue, a columnist for BRW and the presenter of Drive on a Friday on Radio National. She is on the Artistic Advisory Board of the Bell Shakespeare Company and is an adjunct senior lecturer at the School of Social Sciences at The University of New South Wales. Rebecca is currently the Head of Research at Essential Media, an integrated research and communications agency in Australia and New Zealand. Her latest book, Still Lucky: why you should be optimistic about Australia and its people was published by Penguin in January 2017.

Director's report

For the year ended 31 December 2017

Information on directors (continued)

Ms Amanda McKenzie

Experience

LLB (Honors) (Monash), BA (Political Science) (Melbourne). Non-Executive.

Amanda McKenzie is an environmental leader and CEO of the Climate Council, which was launched following Australia's largest ever crowd-funding campaign. She is on the Board of the Centre for Australian Progress and on the Board of Plan International Australia. In 2014, Amanda was recognised as one of Westpac's 100 Women of Influence. Previously, Amanda founded the Australian Youth Climate Coalition.

Mr John Wells

Experience

Non-Executive.

Serving as Director from 15 June 2005 until 17 November 2017. 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 2017

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 Talal Yassine OAM	4	3
Ms Catherine Dovey	4	4
Mr Cameron Clyne	4	3
Dr Rebecca Huntley	4	3
Ms Amanda McKenzie	4	2
Mr John Wells	4	4


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: 
Mr Cameron Clyne

Dated 23 February 2018



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 2017, I declare, to the best of my knowledge and belief, there have been no contraventions of:

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

David Daniels
Director, Financial Audit Services

22 February 2018
SYDNEY

Whitlam Institute within Western Sydney University Limited

ABN: 50 100 342 309

Start of audited financial statements

Statement of comprehensive income

For the year ended 31 December 2017

	2017	2016
	\$	\$
Revenue		
Other revenue	-	-
Total revenue	-	-
Expenses		
Finance costs	-	-
Total expenses	-	-
Surplus/(deficit) for the year	-	-
Other comprehensive income for the year	-	-
Total comprehensive income for the year	-	-

The accompanying notes form part of these financial statements.

Whitlam Institute within Western Sydney University Limited

ABN: 50 100 342 309

Statement of financial position**As at 31 December 2017**

	Note	2017 \$	2016 \$
ASSETS			
Current assets			
Cash and cash equivalents	6	1	1
Total current assets		<u>1</u>	<u>1</u>
Total assets		<u>1</u>	<u>1</u>
LIABILITIES			
Current liabilities			
Trade and other payables		-	-
Total current liabilities		<u>-</u>	<u>-</u>
Total liabilities		<u>-</u>	<u>-</u>
Net assets		<u>1</u>	<u>1</u>
EQUITY			
Contributed equity	7	1	1
Retained earnings		-	-
Total equity		<u>1</u>	<u>1</u>

The accompanying notes form part of these financial statements.

Statement of changes in equity

For the year ended 31 December 2017

	Contributed equity \$	Retained Earnings \$	Total equity \$
Balance at 1 January 2017	1	-	1
Other comprehensive income	-	-	-
Surplus for the year	-	-	-
Total comprehensive income for the year	-	-	-
Balance at 31 December 2017	1	-	1

	Contributed equity \$	Retained Earnings \$	Total equity \$
Balance at 1 January 2016	1	-	1
Other comprehensive income	-	-	-
Surplus for the year	-	-	-
Total comprehensive income for the year	-	-	-
Balance at 31 December 2016	1	-	1

The accompanying notes form part of these financial statements.

Statement of cash flows

For the year ended 31 December 2017

		2017	2016
	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 2017

Whitlam Institute within Western Sydney University Limited (the Company) is a not-for-profit controlled entity of the Western Sydney University. The Company is incorporated and domiciled in Australia.

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

The financial statements were authorised for issue by the Directors on 23 February 2018

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), the *Corporations Act 2001*, the requirements of the *Public Finance & Audit Act 1983*, *Public Finance and Audit Regulation 2015* and other authoritative pronouncements of the Australian Accounting Standards Board (AASB).

These financial statements and notes of the Company comply with Australian Accounting Standards some of which contain requirements specific to not-for-profit entities that are inconsistent with International Financial Reporting Standards (IFRS) requirements.

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

(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

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

(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.

Notes to the financial statements

For the year ended 31 December 2017

1 Summary of Significant Accounting Policies (continued)

(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.

(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 2017 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.

(j) Adoption of new and revised accounting standards

The Company has adopted all standards which became effective for the first time for the financial year beginning 1 January 2017. The adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Company:

Notes to the financial statements

For the year ended 31 December 2017

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 Company holds the following financial instruments:

	2017 \$	2016 \$
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. As financial obligations of the Whitlam Institute are managed through the Trust, the Company is not exposed to liquidity risk

(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 does not have exposure to interest bearing financial instruments.

3 Expenses

No expenses were paid by the ultimate parent entity on behalf of the Company during 2017 (2016: NIL).

4 Remuneration of Auditors

Full audit fees for 2017 are reflected in the books of the Whitlam Institute within Western Sydney University Trust and will be paid by the ultimate parent entity (2016: 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 2017.

Notes to the financial statements

For the year ended 31 December 2017

6 Cash and cash equivalents

	2017 \$	2016 \$
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	
	2017 \$	2016 \$	2017 \$	2016 \$
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.

8 Commitments

The Company had no commitments at 31 December 2017 (31 December 2016: nil).

9 Contingencies

The Company did not have any contingencies as at 31 December 2017 (31 December 2016: nil).

10 Key Management Personnel Disclosures

No remuneration has been paid to the key management personnel of the Company during the year (2016: nil).

11 Related party transactions

(a) **Parent entity**

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

(b) **Transactions with related parties**

There were no transactions with related parties in 2017 (2016: nil).

12 Economic dependency

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

Notes to the financial statements

For the year ended 31 December 2017

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 (2016: nil).

14 Reconciliation of surplus / (deficit) for the year to cashflows from operating activities

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	-	-
Net cash flows provided by operating activities	-	-

End of audited financial statements

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 Company's financial position as at 31 December 2017 and financial performance for the financial year ended on that date;
2. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
3. We are not aware of any circumstances which would render any particulars in the financial statements to be misleading or inaccurate.

This declaration is made in accordance with a resolution of the Directors, pursuant to section 295(4) of the *Corporations Act 2001*, and 41(C) of the *Public Finance and Audit Act 1983*.

Director



The Hon. John Faulkner

Director



Mr Cameron Clyne

Dated 23 February 2018



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 Comprehensive Income for the year ended 31 December 2017, the Statement of Financial Position as at December 2017, 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 2017 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.

Basis for Opinion

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

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

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

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

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

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

I confirm the independence declaration, required by the *Corporations Act 2001*, provided to the directors of the Company on 22 February 2018, would be in the same terms if provided to the directors as at the time of this Independent Auditor's Report.

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

Directors' Responsibilities for the Financial Statements

The directors of the Company are responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, the PF&A Act 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 are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

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


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

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at:

http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. The description forms part of my auditor's report.

My opinion does not provide assurance:

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



David Daniels
Director, Financial Audit Services

1 March 2018
SYDNEY

Whitlam Institute Within Western Sydney University Trust

ABN: 42 247 216 279

Financial Statements

For the Year Ended 31 December 2017

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 23 February 2018. 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 2017

The Trustees present their report on Whitlam Institute Within Western Sydney University Trust for the financial year ended 31 December 2017.

Trustees

The Whitlam Institute Within Western Sydney University Limited (referred to hereafter as the Trustee Company) has been appointed as the Trustee of the Trust. The following persons have been directors of the Trustee Company during the financial year and to the date of this report:

The Hon. John Faulkner
Ms Patricia Amphlett OAM
Prof. Barney Glover
Ms Gabrielle Trainor
Mr Talal Yassine OAM
Ms Catherine Dovey
Mr Cameron Clyne
Dr Rebecca Huntley
Ms Amanda McKenzie
Mr John Wells

Appointed 6 February 2017
Appointed 6 February 2017
Resigned 17 November 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

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 2017

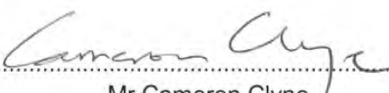
Meetings of trustees

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 Talal Yassine OAM	4	3
Ms Catherine Dovey	4	4
Mr Cameron Clyne	4	3
Dr Rebecca Huntley	4	3
Ms Amanda McKenzie	4	2
Mr John Wells	4	4

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

Director: 
The Hon. John Faulkner

Director: 
Mr Cameron Clyne

Dated 23 February 2018

Start of audited financial statements

Statement of comprehensive income
For the Year Ended 31 December 2017

	Notes	2017 \$	2016 \$
Revenue			
Services	3	180,334	150,725
Other revenue	3	15,908	14,079
Contribution of assets		30,730	31,575
Total revenue		226,972	196,379
Expenses			
Contribution to Ultimate Parent Entity	4	(107,543)	(55,870)
Event expenses	4	(1,452)	(1,191)
Bank charges	4	(195)	(197)
Total expenses		(109,190)	(57,258)
Surplus for the year		117,782	139,121
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		117,782	159,161
Comprehensive income for the year attributable to			
Non - controlling interest		-	-
The parent		117,782	159,161
Total comprehensive income for the year		117,782	159,161

The accompanying notes form part of these financial statements.

Statement of financial position

As at 31 December 2017

	Notes	2017 \$	2016 \$
ASSETS			
Current assets			
Cash and cash equivalents	7	766,186	575,222
Trade and other receivables		3,752	3,700
Total current assets		<u>769,938</u>	<u>578,922</u>
Non-current assets			
Property, plant and equipment	8	861,172	830,442
Total non-current assets		<u>861,172</u>	<u>830,442</u>
Total assets		<u>1,631,110</u>	<u>1,409,364</u>
LIABILITIES			
Current liabilities			
Amount owed to Ultimate Parent Entity		103,964	-
Total current liabilities		<u>103,964</u>	<u>-</u>
Total liabilities		<u>103,964</u>	<u>-</u>
Net assets		<u>1,527,146</u>	<u>1,409,364</u>
TRUST FUNDS			
Settled fund		1	1
Reserves	9	195,247	195,247
Retained earnings	10	1,331,898	1,214,116
Total trust funds		<u>1,527,146</u>	<u>1,409,364</u>

The accompanying notes form part of these financial statements.

Statement of changes in equity

For the Year Ended 31 December 2017

	Settled fund \$	Retained Earnings \$	Reserves \$	Total Equity \$
Balance at 1 January 2017	1	1,214,116	195,247	1,409,364
Revaluation of property, plant and equipment	-	-	-	-
Other comprehensive income	-	-	-	-
Surplus for the year	-	117,782	-	117,782
Total comprehensive income for the year	-	117,782	-	117,782
Balance at 31 December 2017	1	1,331,898	195,247	1,527,146

	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
Other comprehensive income	-	-	20,040	20,040
Surplus for the year	-	139,121	-	139,121
Total comprehensive income for the year	-	139,121	-	139,121
Balance at 31 December 2016	1	1,214,116	195,247	1,409,364

The accompanying notes form part of these financial statements.

Statement of cash flows

For the Year Ended 31 December 2017

	2017	2016
Notes	\$	\$
Cash flows from operating activities		
Receipts from customers	168,357	150,125
Payments to suppliers and employees	6,751	(57,258)
Investment income	15,856	10,379
Net cash provided by operating activities	16 190,964	103,246
Cash flows from investing activities		
Net cash provided by investing activities	-	-
Cash flows from financing activities		
Net cash provided by financing activities	-	-
Net increase/(decrease) in cash and cash equivalents	190,964	103,246
Cash and cash equivalents at beginning of year	575,222	471,976
Cash and cash equivalents at end of year	7 766,186	575,222

The accompanying notes form part of these financial statements.

Notes to the financial statements

For the Year Ended 31 December 2017

Whitlam Institute Within Western Sydney University Trust (the Trust) is a not-for-profit controlled entity of the Western Sydney University. The Company is incorporated and domiciled in Australia.

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

The financial statements were authorised for issue by the Directors on 23 February 2018

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), the requirements of the *Public Finance & Audit Act 1983*, *Public Finance and Audit Regulation 2015* and other authoritative pronouncements of the Australian Accounting Standards Board (AASB).

These financial statements and notes comply with Australian Accounting Standards some of which contains requirements specific to not for profit entities that are inconsistent with International Financial Reporting Standards (IFRS) requirements.

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

(b) Revenue recognition

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

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

Revenue is recognised for the major business activities as follows:

(i) Donations, Scholarships and Prizes

Donations, scholarships and prizes are recognised when they are received.

(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 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.

Notes to the financial statements

For the Year Ended 31 December 2017

1 Summary of Significant Accounting Policies (continued)

(c) Cash and cash equivalents

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

(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 the Trust obtains control of the right to receive the grant, it is probable that economic benefits will flow to the Trust and it can be reliably measured.

(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. A provision for impairment of receivables is recognised 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 asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

The amount of the 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 of trade receivables and payables are assumed to approximate their fair values due to short term nature.

Notes to the financial statements

For the Year Ended 31 December 2017

1 Summary of Significant Accounting Policies (continued)

(h) Property, plant and equipment

Property, plant and equipment consists only of the Whitlam Collection and is not depreciated given the nature of its contents.

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

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

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

Whitlam Collection

Assets comprising the Whitlam Collection have been donated to the Trust. Market valuations have been obtained from an independent valuer to determine the fair value of the collection in accordance with AASB 13 Fair Value Measurement and AASB 116 Property, plant and Equipment. The Whitlam Collection was revalued in 2016 in accordance with the ultimate parent entity three year revaluation cycle.

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

(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

Where necessary, comparative information has been reclassified to enhance comparability in respect of changes in presentation adopted in the current year. No comparatives were restated in the financial statements.

Notes to the financial statements

For the Year Ended 31 December 2017

1 Summary of Significant Accounting Policies (continued)

(k) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2017 reporting periods and have not yet been applied in the financial statements. The Trust's assessment of the impact of these new standards and interpretations is that they will not materially affect any of the amounts recognised in the financial statements or significantly impact the disclosures in relation to the Trust.

(l) 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.

(m) Adoption of new and revised accounting standards

The Trust has adopted all standards which became effective for the first time for the financial year beginning 1 January 2017. The adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Trust.

Notes to the financial statements

For the Year Ended 31 December 2017

2 Financial Risk Management

The main risks the 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 Trust holds the following financial instruments:

		2017	2016
	Notes	\$	\$
Financial Assets			
Cash and cash equivalents	7	766,186	575,222
Trade and other receivables ⁽¹⁾		3,752	3,700
		769,938	578,922
Financial Liabilities			
Amount owed to Ultimate Parent Entity		103,964	-
		103,964	-

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

(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.

	2017	2016
	\$	\$
Up to 3 months	2,600	2,645
3 to 6 months	1,152	1,055
Total	3,752	3,700

Notes to the financial statements

For the Year Ended 31 December 2017

2 Financial Risk Management (continued)

(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 \$766,186 (2016: \$575,222) that are expected to readily generate cash inflows for managing liquidity risk.

The table below reflect maturity analysis for financial assets.

	Weighted Average Effective Interest Rate		Floating Interest Rate		Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
	%	%	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Financial assets - cash flows realisable												
Cash and cash equivalents	2.40	2.65	355,834	175,222	410,352	400,000	-	-	-	-	766,186	575,222
Total financial assets			355,834	175,222	410,352	400,000	-	-	-	-	766,186	575,222

Notes to the financial statements

For the Year Ended 31 December 2017

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 \$	Surplus/ (deficit) \$	Trust funds \$
31 December 2017					
Financial assets					
Cash and cash equivalents	766,186	(7,662)	(7,662)	7,662	7,662
Trade receivables ^(a)	3,752	-	-	-	-
Total increase/(decrease) in financial assets		(7,662)	(7,662)	7,662	7,662
Financial liabilities					
Amounts owed to ultimate parent entity ^(b)	103,964	-	-	-	-
Total increase/(decrease) in financial liabilities		-	-	-	-
Total increase/(decrease)		(7,662)	(7,662)	7,662	7,662

		-100bps		+100bps	
	Carrying amount \$	Surplus/ (deficit) \$	Trust funds \$	Surplus/ (deficit) \$	Trust funds \$
31 December 2016					
Financial assets					
Cash and cash equivalents	575,222	(5,752)	(5,752)	5,752	5,752
Trade receivables ^(a)	3,700	-	-	-	-
Total increase/(decrease) in financial assets		(5,752)	(5,752)	5,752	5,752
Financial liabilities					
Amounts owed to ultimate parent entity ^(b)	-	-	-	-	-
Total increase/(decrease) in financial liabilities		-	-	-	-
Total increase/(decrease)		(5,752)	(5,752)	5,752	5,752

(a) Excludes statutory receivables and prepayments (not within the scope of AASB 7)

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

Notes to the financial statements

For the Year Ended 31 December 2017

3 Revenue

	2017	2016
	\$	\$
Services		
Donations	177,150	150,725
Royalty and intellectual property	3,184	-
Total services	180,334	150,725
Other revenue		
Interest	10,713	4,114
Distributions from managed funds	5,195	9,965
Total other revenue	15,908	14,079
Total revenue	196,242	164,804

4 Expenses

	2017	2016
	\$	\$
Contribution to Ultimate Parent Entity	107,543	55,870
Event expenses	1,452	1,191
Bank charges	195	197
Total expenses	109,190	57,258

5 Remuneration of Auditors

Audit fees of \$9,878 (including GST) for 2017 (2016: \$9,635) will be paid by the ultimate parent entity.

Notes to the financial statements

For the Year Ended 31 December 2017

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.
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).

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 2017				
Recurring fair value measurements				
Non-financial assets				
Property, plant and equipment	-	861,172	-	861,172
Total non-financial assets	-	861,172	-	861,172
	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
31 December 2016				
Recurring fair value measurements				
Non-financial assets				
Property, plant and equipment	-	830,442	-	830,442
Total non-financial assets	-	830,442	-	830,442

Notes to the financial statements

For the Year Ended 31 December 2017

6 Fair Value Measurement (continued)

(a) Valuation techniques used to derive level 2 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 2.

The Trust uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date.

Property, plant and equipment is valued using current observable market values.

All of the resulting fair value estimates are included in level 2.

The level 2 fair value valuation for the Western Sydney University Whitlam Collection was undertaken by research of records of Australian and international sales, on-line databases, purchases and other forms of acquisition and knowledge of prices paid by other institutions.

(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.

Notes to the financial statements

For the Year Ended 31 December 2017

6 Fair Value Measurement (continued)

(b) Fair value measurements

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	
	2017	2016	2017	2016
	\$	\$	\$	\$
Financial assets				
Cash and cash equivalents	766,186	575,222	766,186	575,222
Trade and other receivables	3,752	3,700	3,752	3,700
Total financial assets	769,938	578,922	769,938	578,922
Financial Liabilities				
Amounts owed to ultimate parent entity	103,964	-	103,964	-
Total financial liabilities	103,964	-	103,964	-

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

- Property, plant and equipment

Notes to the financial statements

For the Year Ended 31 December 2017

7 Cash and cash equivalents

	2017	2016
	\$	\$
Cash at bank and on hand	18,613	27,196
Term deposits	410,352	400,000
T-Corp investments	337,221	148,026
	<u>766,186</u>	<u>575,222</u>

Reconciliation of cash at the end of the year

Cash and Cash equivalents reported in the statement of cash flows are reconciled to the equivalent items in the statement of financial position as follows:

	2017	2016
	\$	\$
Cash and cash equivalents	<u>766,186</u>	<u>575,222</u>
Balance as per statement of cash flows	<u><u>766,186</u></u>	<u><u>575,222</u></u>

(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

Cash at bank is interest bearing and cash on hand is non-interest bearing.

(c) Fair value

The carrying amount for cash and cash equivalents equals the fair value.

Notes to the financial statements

For the Year Ended 31 December 2017

8 Property, plant and equipment

At 1 January 2016

	Library \$	Total \$
Valuation	778,827	778,827
Net book amount	<u>778,827</u>	<u>778,827</u>

Year ended 31 December 2016

Opening net book amount	778,827	778,827
Revaluation surplus	20,040	20,040
Additions	31,575	31,575
Closing net book amount	<u>830,442</u>	<u>830,442</u>

At 31 December 2016

Valuation	830,442	830,442
Net book amount	<u>830,442</u>	<u>830,442</u>

Year ended 31 December 2017

Opening net book amount	830,442	830,442
Revaluation surplus	-	-
Additions	30,730	30,730
Closing net book amount	<u>861,172</u>	<u>861,172</u>

At 31 December 2017

Valuation	861,172	861,172
Net book amount	<u>861,172</u>	<u>861,172</u>

9 Reserves

	2017 \$	2016 \$
Revaluation surplus - property, plant and equipment	195,247	195,247
	<u>195,247</u>	<u>195,247</u>

Movements

	2017 \$	2016 \$
Revaluation surplus - property, plant and equipment		
Balance 1 January	195,247	175,207
Revaluation - gross	-	20,040
Balance 31 December	<u>195,247</u>	<u>195,247</u>

(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).

Notes to the financial statements

For the Year Ended 31 December 2017

10 Retained earnings

Movements in retained earnings were as follows:

	2017	2016
	\$	\$
Balance as at 1 January	1,214,116	1,074,995
Surplus for the year	117,782	139,121
Trust distributions for the year	-	-
Balance as at 31 December	1,331,898	1,214,116

11 Commitments

The Trust had no commitments at 31 December 2017 (31 December 2016: nil).

12 Contingencies

The Trust did not have any contingencies at 31 December 2017 (31 December 2016: nil).

13 Key Management Personnel Disclosures

(a) Names of responsible persons and executive officers

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

(i) Names of Responsible Persons

Ms Leanne Smith - appointed 18 September 2017

Mr Eric Sidoti - resigned 15 September 2017

All responsible persons of the Trust are employees of the Western Sydney University (parent entity) and are not remunerated by either the parent entity or the Trust for their executive responsibilities.

(ii) Names of Executive Officers

The Hon. John Faulkner (Chair)

Ms Patricia Amphlett OAM

Prof. Barney Glover

Ms Gabrielle Trainor

Mr Talal Yassine OAM

Ms Catherine Dovey

Mr Cameron Clyne

Dr Rebecca Huntley - appointed 6 February 2017

Ms Amanda McKenzie - appointed 6 February 2017

Mr John Wells - resigned 17 November 2017

All executive officers of the Trust are not employees of the Western Sydney University (parent entity) except for Prof. Barney Glover and are not remunerated by either the parent entity or the Trust for their executive responsibilities.

Notes to the financial statements

For the Year Ended 31 December 2017

14 Related party transactions

(a) Parent entity

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

(b) Transactions with related parties

	2017	2016
	\$	\$
Matched Donations from the Ultimate Parent Entity	(8,290)	(10,804)
Payment to Ultimate Parent Entity	107,543	55,870

15 Economic dependency

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

16 Reconciliation of surplus/(deficit) to net cash provided by operating activities

	2017	2016
	\$	\$
Surplus for the year	117,782	139,121
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	(52)	(3,700)
- (increase)/decrease in assets	(30,730)	(31,575)
- increase/(decrease) in other liabilities	103,964	(600)
Net cash flows provided by operating activities	190,964	103,246

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 (2016: nil).

END OF AUDITED FINANCIAL STATEMENTS

Trustees' declaration

In the Trustee's opinion:

1. the financial statements and notes, as set out on pages 222 to 240:
 - 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 Trust's financial position as at 31 December 2017 and financial performance for the financial year ended on that date;
2. There are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable.
3. We are not aware of any circumstances which would render any particulars in the financial statements to be misleading or inaccurate.

This declaration is made in accordance with a resolution of the Trustee Company, the Whitlam Institute with Western, pursuant to the *Public Finance and Audit Act 1983*.

Director
The Hon. John Faulkner

Director
Mr Cameron Clyne

Dated 23 February 2018



INDEPENDENT AUDITOR'S REPORT

Whitlam Institute within Western Sydney University Trust

To Members of the New South Wales Parliament and Members of Whitlam Institute within Western Sydney University Trust

Opinion

I have audited the accompanying financial statements of the Whitlam Institute within Western Sydney University Trust (the Trust), which comprise, the Statement of Comprehensive Income for the year ended 31 December 2017, the Statement of Financial Position as at 31 December 2017, 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 trustees' declaration.

In my opinion the financial statements:

- give a true and fair view of the Trust's financial position as at 31 December 2017 and its performance for the year ended on that date
- comply with Australian Accounting Standards
- are in accordance with section 41 B of the *Public Finance and Audit Act 1983* (PF&A Act) and the Public Finance and Audit Regulation 2015.

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

Basis for Opinion

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

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

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

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

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

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

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

Directors' Responsibilities for the Financial Statements

The directors of the Trust are responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, the 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 are responsible for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Trust or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

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

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

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

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

My opinion does not provide assurance:

- that the 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.



David Daniels
Director, Financial Audit Services

1 March 2018
SYDNEY

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Appendices

Western Sydney University

2017 Actual to Budget Comparative Analysis

	2017 BUDGET \$'000	2017 ACTUAL \$'000	2017 VARIANCE \$'000	2017 VARIANCE %
INCOME FROM CONTINUING OPERATIONS				
GOVERNMENT	554,690	539,414	(15,276)	-2.8%
ACADEMIC ACTIVITIES				
International Onshore	88,843	96,362	7,519	8.5%
International Offshore	957	598	(359)	-37.5%
Local fee-paying	17,440	16,305	(1,135)	-6.5%
External Research Grants	36,285	29,169	(7,116)	-19.6%
Consulting, Contracting & Royalties	4,066	3,058	(1,008)	-24.8%
Other Academic	44,936	42,824	(2,112)	-4.7%
Sub Total	192,527	188,316	(4,211)	-2.2%
OTHER INCOME ACTIVITIES				
Leases & Other Commercial	9,440	9,991	551	5.8%
Investment Income	10,148	14,090	3,942	38.8%
Land/Property Development Projects	178,039	94,802	(83,237)	-46.8%
Other Incidental	9,993	12,563	2,570	25.7%
Sub Total	207,620	131,446	(76,174)	-36.7%
ENTITIES				
The College	63,013	59,607	(3,406)	-5.4%
Whitlam Institute	175	227	52	29.7%
ELL	6,864	7,042	178	2.6%
Western Unlimited	16,155	13,631	(2,524)	-15.6%
Adjustments on Consolidation				
Sub Total	86,207	80,507	(5,700)	-6.6%
TOTAL SELF-GENERATED INCOME	486,354	400,269	(86,085)	-17.7%
TOTAL INCOME	1,041,044	939,683	(101,361)	-9.7%
EXPENSES FROM CONTINUING OPERATIONS				
Schools	226,429	220,457	5,972	2.6%
Research	90,178	79,149	11,029	12.2%
Divisions	160,793	161,064	(271)	-0.2%
Entities	85,825	76,904	8,921	10.4%
Consulting & Innovation	4,066	3,347	719	17.7%
University Wide	164,325	154,324	10,001	6.1%
Strategic Initiatives	51,898	46,479	5,419	10.4%
Minor Works (Expensed)	7,000	8,094	(1,094)	-15.6%
External Trust & Tied Grants	16,422	22,347	(5,925)	-36.1%
Depreciation	45,402	48,834	(3,432)	-7.6%
Land Development Projects	109,516	62,685	46,831	42.8%
Adjustments on Consolidation		3,935		
TOTAL EXPENDITURE	961,854	887,619	74,235	7.7%
NET OPERATING RESULT	79,190	52,064	(27,126)	-34.3%

Western Sydney University 2018 Budget

	2018
	BUDGET
	\$'000
INCOME FROM CONTINUING OPERATIONS	
GOVERNMENT	547,924
ACADEMIC ACTIVITIES	
International Onshore	124,269
International Offshore	727
Local fee-paying	17,500
External Research Grants	32,150
Consulting, Contracting & Royalties	1,693
Other	47,824
Sub Total	224,163
OTHER INCOME ACTIVITIES	
Leases & Other Commercial	10,874
Investment Income	13,451
Land/Property Development Projects	53,809
Other Incidental	10,883
Sub Total	89,017
ENTITIES	
The College	63,657
Whitlam Institute	177
ELL	7,278
Western Unlimited	9,473
Sub Total	80,585
TOTAL SELF-GENERATED INCOME	393,765
TOTAL INCOME	941,689
EXPENSES FROM CONTINUING OPERATIONS	
Schools	228,766
Research	83,922
Divisions	170,678
Entities	80,697
Consulting & Innovation	2,307
University Wide	183,492
Strategic Initiatives	48,527
Minor Works (Expensed)	8,500
External Trust & Tied Grants	21,391
Depreciation	49,440
Land Development Projects	29,746
TOTAL EXPENDITURE	907,466
NET REPORTED RESULT	34,223

Accounts Payable Performance Indicators - 2017

The University's payment terms to creditors is 30 days. Any variation to these terms with due justification must be approved by the University Treasurer. University payment runs are fortnightly. The majority of payments are made via electronic transfer with the remainder being settled by cheque.

Accounts Payable Performance in 2017

Category	First Quarter \$	Second Quarter \$	Third Quarter \$	Fourth Quarter \$
1. Schedule of Accounts Payable				
Paid within 30 days	81,654,501	60,898,674	58,585,732	78,780,542
Paid between 31-60 days	24,307,584	28,923,100	38,766,503	40,786,619
Paid between 61-90 days	1,398,508	2,462,581	3,239,652	1,131,991
Paid between 91-120 days	1,199,832	686,760	858,530	624,649
Paid more than 120 days	1,855,353	1,540,374	814,831	575
Total	110,415,778	94,511,490	102,265,248	121,324,376
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 [#]	74.0%	64.4%	57.3%	64.9%
Total dollar amount of accounts paid on time	81,654,501	60,898,674	58,585,732	78,780,542
Total dollar amount of accounts paid	110,415,778	94,511,490	102,265,248	121,324,376

[#] based on invoice date, not date received in Accounts Payable.

Investment Portfolio Performance - 2017

The University had \$107.9 million in investments at 31 December 2017 (\$98.2 million at 31 December 2016). The University did not apply for any new investments in the Acadian Australian Equity High Yield Fund during 2017. The underperformance of the Acadian fund during 2017 is as a result of improved performance of higher risk and higher volatility sectors such as energy and materials to which the Acadian strategy has a lower exposure. The result has also been affected by the underperformance of some lower volatility sectors such as consumer staples, consumer discretionary and telecoms to which the Acadian strategy has a higher exposure. On an annualised basis the return since inception is 13.08% compared to the benchmark of 12.54%. Distributions received were re-invested. Some units (total \$1.2 million) of the fixed income portfolio managed by JBWere matured or were sold by the University during 2017. The University applied for new investments for the same value also during 2017. Investment performance of the fixed income portfolio was satisfactory and exceeded benchmark. Distributions received were re-invested.

Fund	2017		2016		2015		2014	
	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	7.55%	13.53%	11.41%	13.40%	10.38%	4.40%	12.01%	6.90%
Held To Maturity - JB Were ⁵	3.40%	1.75%	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 \$16.5 million in unlisted securities as at 31 December 2017 (\$11.3 million at 31 December 2016) which are not measured for performance.

Promotion and Travel

For the 2017 year the total University expenditure for overseas travel was \$5,258,759. Travel was for a variety of University related purposes including research collaboration, university promotion and development of new partnerships, presentation of papers at conferences, overseas joint university projects, academic development program, student practicums and International study exchange and tours.

All Travel was in accordance with the University Travel Policy <https://policies.westernsydney.edu.au/document/view.current.php?id=268> which complies with regulations and guidelines of NSW Treasury.

Credit Card Certification

Credit card use within Western Sydney University is in accordance with the University's corporate credit card policy <https://policies.westernsydney.edu.au/document/view.current.php?id=65> which complies with regulations and guidelines of NSW Treasury.

Credit card usage is acquitted via the online Travel and Expense Management System and checked and authorised by the appropriate senior delegated officer.

The University conducts regular reviews of credit card usage and where a cardholder is found to be in contravention of the policy regulations by either misuse or non-quittal in a timely manner, the credit card will be cancelled.

Funds Granted to Non-Government Community Organisations

During 2017 the University provided \$33,337 in funding to non-government community organisations

Name of recipient organisation	Program area as per budget	Nature and purpose of project including aims and target clients	Amount \$
Langtang Museum, Nepal	Research and community engagement	Following the earthquake to establish a museum to preserve cultural history and assist in reviving the economy by bringing tourists to the region	26,337
Western Sydney Homeless connect	Community Engagement	Providing free health checks to homeless community members in Western Sydney including blood pressure, blood sugar levels together with enhancing the clinical skills of WSU nursing students	1,500
Country Education Foundation	Community Engagement	The foundation provides funds to school leavers who need a helping hand to transition from school to higher education or the workforce	5,500

Controlled Entities

Western Unlimited Ltd

Principal Objectives

The principal objective of the company is to provide food and beverage, 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 2017 financial year was the provision of campus life, clubs and societies, sports and fitness, food and beverage and other services to the Western Sydney University community including students, staff, alumni and residents of greater Western Sydney.

Performance measures

The performance measures of the company are financial and non-financial related to trading in community services.

<i>Category</i>	<i>FY 2017 Actual</i>	<i>Annual 2017 Budget</i>	<i>% Full year achieved</i>
Revenue	\$13,482,327	\$16,154,627	83%
Expenses	\$10,372,913	\$15,997,522	65%
Operating Surplus/(Deficit)	\$3,109,414	\$157,105	0%
Accumulated Retained Earnings	(\$1,229,830)		

Financial KPI's were achieved with the budgeted operating surplus being met due to forgiveness of debt obligation to the University totalling \$3.935M.

Non-financial KPI's related primarily to the centralisation of shared services, including Finance and Administration, IT, Visual Communications and Human Resources, and inventory reduction.

As a key provider of student services Western Unlimited receives some ongoing financial support from the University.

Management and Operations

Western Unlimited Ltd is a wholly owned entity of Western Sydney University. An independent Board of Directors is responsible for the overall operations of the Company.

Western Sydney University Early Learning Limited

Principal Objectives

The principal objective of the Company is to provide affordable, high quality early childhood care and education for the children of Western Sydney University staff, students and the local community.

Principal Activities and Strategic Projects

To provide affordable, high quality early childhood care and education for the children of Western Sydney University staff, students and the local community. The provision of this service is campus based to enable staff, students and the local community the greatest opportunity to balance work and study commitments with childrearing.

Performance Measures

The performance measures of the company are both financial and non-financial. The Company has adopted the following key performance indicators

- Ensure all services at least meet Education and Care National Quality Standards
- Utilisation rates at all Centres increasing and stabilising
- Centralisation of the Financial and Administrative functions
- Financial operations of the Company now consolidated into the University's financial reporting and budgeting cycle
- Continuing to explore ways of offering casual care in addition to permanent placement
- Community Engagement

Category	FY 2017 Actual	Annual 2017 Budget	% Full year achieved
Revenue	\$7,041,702	\$6,864,438	103%
Expenses	\$6,666,871	\$6,707,707	99%
Operating Surplus	\$374,831	\$156,731	0%
Accumulated Retained Earnings	\$1,428,886		

Management and Operations

Western Sydney University Early Learning Limited is a wholly owned entity of the Western Sydney University. An independent Board of Directors is responsible for the overall operations of the Company.

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

Principal Objectives

The principal objective of the company is to provide English and Academic Pathways programs to the University, complemented by other professional and community programs, consistent with Western Sydney University imperatives.

Principal Activities and Strategic Projects

The principal activities of the company are structured into the following three key areas:

- Academic Pathways which provides Foundation Studies and a variety of Diploma programs for students proceeding to an academic degree at Western Sydney University. The College continues to offer the Extended Four Term Diploma in addition to the existing University Foundation Studies and Diplomas courses (that are equivalent to first year University programs). The College also established the Western Sydney University International College ("the International College as a joint venture with Navitas Ltd.
- English Programs which enable international students to gain the academic English skills essential for university entrance. This unit also provides a diversity of programmes for international groups including industry visits and cultural immersion, as well 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 2017 financial year the company undertook numerous strategic projects in accordance with the company's overall objectives and principal activities.

Performance Measures

The performance measures of the Company are both financial and non-financial:

- The Extended Diploma Program provides some challenges in the prediction of load/revenue for the year. Other Academic Pathway Programs performed below expected projections.
- Shift towards International College as preferred provider for international pathways along with general decrease in international enrolments is having an impact on income.
- English Programs continue to be affected by Visa issues.

Category	FY 2017 Actual	Annual 2017 Budget	% Full year achieved
Revenue	\$59,605,859	\$63,012,721	95%
Expenses	\$59,605,859	\$63,012,721	95%
Operating Surplus	\$0	\$0	0%
Accumulated Retained Earnings	\$6,765,448		

Management and Operations

Western Sydney University Enterprises Pty Limited (trading as Western Sydney University The College) is a wholly owned entity of the of Western Sydney University. An independent Board of Directors is responsible for the overall operations of the company and the day to day activities are managed by a Chief Executive Officer.

The Board has oversight of the Academic Advisory Committee and the English and Professional and Community Programs Academic Advisory Committee. An Audit Committee of the Board was established in 2010 and has made a significant contribution to financial monitoring and reporting within the organisation.

Whitlam Institute within Western Sydney University Limited

Principal Objectives

The Whitlam Institute is a trustee of the Whitlam Institute within Western Sydney University Trust which was established by agreement between Western Sydney University and the Hon EG Whitlam in 2000. Its spirit is best captured in Gough's own words when signing the Deed of Gift:

'The greatest contribution that I hope to bestow is inspiration. That the work and causes championed in my parliamentary career and the statesman service that followed, will provide the basis for ongoing research and advocacy from this university into the contemporary challenges that confront and can improve the quality of life for all Australians.'[December 2003]

Principal Activities and Strategic Projects

The Whitlam Institute works as an educator, policy influencer and research institute. It is also home to the Whitlam Prime Ministerial Collection and the Whitlam Reading Room which houses selected books and papers donated by Mr. Whitlam. The collection provides on-line access to papers held both at the Institute and in the National Archives. It maintains an active public education program.

The Institute's strategic program continues to expand in accordance with the intentions outlined in its current Strategic Plan 2016-2018 and subsequently amended in the mid-term review. The strategic priorities focus on:

- The historical legacy;
- Contemporary relevance through public policy development;
- The education and outreach program;
- Governance;
- Organisation; and
- Resourcing.

Performance Measures

The performance measures of the Company are primarily of a non-financial nature and are driven by the philanthropic nature of the trust and the role of the trustee.

The Whitlam Institute is guided by the 'three great aims' that drove the Whitlam Program of 1972. They are

- to promote equality
- to involve the people of Australia in the decision-making processes of our land, and
- to liberate the talents and uplift the horizons of the Australian people.

Category	FY 2017 Actual	Annual 2017 Budget	% Full year achieved
Revenue	\$226,972	\$174,910	130%
Expenses	\$109,190	\$107,648	101%
Operating Surplus	\$117,782	(\$67,262)	0%
Accumulated Retained Earnings	\$1,331,898		

Management and Operations

The Whitlam Institute within Western Sydney University Limited is a wholly owned entity of Western Sydney University.

The Whitlam Institute Board is politically bipartisan and consists of leaders in academia, business, and government organisations. The Board participates in the strategic development of the Institute.

The Whitlam Institute is led by its Director Leanne Smith. Its small secretariat is committed to the highest quality in all its activity whether that might be its policy and research work, outreach activity, public information program or events.

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