



THE UNIVERSITY OF
**WESTERN
AUSTRALIA**

2017 Annual Report

EDUCATION

RESEARCH

COMMUNITY ENGAGEMENT



THE UNIVERSITY OF WESTERN AUSTRALIA

CERTIFICATIONS

FOR THE YEAR ENDED 31 DECEMBER 2017

STATEMENT OF COMPLIANCE

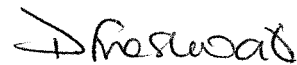
Minister for Education

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

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



Robert S French
Chancellor



Dawn Freshwater
Vice-Chancellor

12 March 2018



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Our year

Chancellor's introduction

In my short time as Chancellor of The University of Western Australia since 12 December 2017, I have been deeply impressed with the level of commitment of the University's people to maintain and enhance its performance, in all areas of its activities, as a world-class institution of higher education, research and scholarship. The range and depth of those activities and achievements resulting from them, particularly in research outcomes and research funding, are illustrated in this Annual Report, which includes a faculty-by-faculty overview and highlights for the year 2017.

The University operates in a complex and shifting regulatory and funding environment. It must be adaptable to change in that environment. The incremental reductions of public funding in recent years in particular have required a response. In that respect, 2017 saw the implementation of important restructuring measures designed to enable the University to operate more effectively in its administration and to recruit more high-performing academics to further strengthen its teaching and research. That restructuring has not been without stress for those affected by it but the University is now more sustainable financially and better able to define and pursue its strategic purposes.

The University's strategic purposes are the subject of a comprehensive review initiated by the Vice-Chancellor in 2017. Informed by extensive initial consultation, senior staff are preparing a series of 'Green Papers' for consideration by the Senate in 2018 and further refinement and development thereafter. A review of the numerous University statutes, which are a species of delegated legislation made by the University under the *University of Western Australia Act 1911* (WA), has also commenced for the purpose of reducing their numbers and simplifying their language.

The University has been the beneficiary of significant research funding and also of substantial funds raised through its New Century Campaign, which was completed in 2017. The Campaign attracted some major philanthropic donations. An outstanding contribution was made by Andrew and Nicola Forrest through their Minderoo Foundation, enabling the University, in collaboration with other Western Australian universities, to establish the Forrest Research Foundation and Forrest Hall, built on University land on Hackett Drive, which will provide accommodation and support for Forrest Fellows and Scholars funded by the Foundation.

The University has been strongly supported by its Alumni in its fundraising. That support owes much to Convocation, which consists of graduates of the University. Under the Act it is a part of the University and elects two members to the Senate. The University also enjoys a strong relationship with its student body through the Guild of Undergraduates, which has a long history of producing student leaders who have later gone on to important leadership positions in the wider Australian society.

An important legislative change in 2017 was the substantial amendment of the *University of Western Australia Act 1911* (WA) and similar amendments to the laws governing other universities in this State. The amendments will lead to a reduction in the size of the University's Senate while continuing to provide for members to be elected by students, staff and Convocation. Through the process of government appointment and co-option for which the Act continues to provide, the Senate is also able to acquire the range of skills and experience necessary to enable it to effectively discharge its functions. In that respect, I express my appreciation for the work done by all members of the Senate in 2017 and also to the members of its committees, including particularly those people who are not on the Senate but who have volunteered their skills and expertise to the service of the University.

The University has a legal purpose which is contained in the *University Act 1911* (WA) and embraced by the word 'university' which carries with it a long history and rich tradition. The University can also be thought of as having a social licence which extends well beyond its legally authorised functions. That social licence is reflected in the authority, legitimacy and respect which the University enjoys in the State, and nationally and internationally. Its maintenance requires that the University is and is seen to be committed to providing an enriching and challenging environment for all of its people, and thereby the opportunity to contribute materially to the welfare of the State, the nation and beyond. It also requires that the University ensures its people observe high standards of mutual respect for the human dignity of each other and



the rights and freedoms and equality of treatment and opportunity which are its incidents. In that respect, the University has taken strong, positive steps in the past year to respond to concerns about sexual harassment that have been raised nationally in relation to the tertiary sector in Australia.

The University has an Inclusion and Diversity Strategy 2015–2020 with continuing focus on Gender Equity, Cultural and Linguistic Diversity, Disability issues, and Indigenous and LGBTI-inclusion.

I would like to take this opportunity of expressing my deep appreciation for the work that has been done by my predecessor as Chancellor, Dr Michael Chaney AO, in 12 years of service in that office. I look forward to working with the Members of the Senate and with the Vice-Chancellor, Professor Dawn Freshwater, in the year ahead.

The Hon Robert French AC CitWA
Chancellor

Vice-Chancellor's overview

2017 was a year of significant development and transformation for the University as we continued to progress and implement strategies to improve the quality and relevance of our learning, teaching and research. Our focus was also on deepening our engagement with industry and the community, and continuing to strengthen our international outlook.

Western Australia is the gateway to the Indo-Pacific, an area of immense economic and social opportunity and home to 60 per cent of the world's population. As one of the leading universities in the region, we contribute to its future prosperity by forging new partnerships with global academic and government institutions, and attracting some of the world's best and brightest thought leaders to our State and nation. To this end, in 2017 we launched a recruitment campaign to attract 50 world-leading researchers and academics. This 'Be Inspired' campaign is now well established and we are proud to be adding to, and enhancing, our existing foci.

Throughout the year The University of Western Australia received a significant boost to its international reputation with improvements in key 2017 rankings – the QS World University Rankings, Academic Ranking of World

Universities (ARWU) and Times Higher Education (THE) World University Rankings. In addition, in 2017 we successfully implemented changes from a sector-leading functional and structural reform – the largest seen in the University's history. This has prepared the University well to undertake the development of its new 2030 Decadal Vision and Strategic Plan for the University, which commenced towards the end of the year and will set an ambitious agenda for the future.

The University continues to enjoy strong support from across the community, including industry and government, which are increasingly turning to the University as a source of knowledge and expertise. As an example of how this working partnership helps to boost innovation, the University received a \$447 million investment in industrial software from the global technology company

Siemens to help students develop the skills needed for the highly digitalised world of the future.

The University was also acknowledged for its leadership in offshore renewable energy research and technology with a grant from the State Government to establish a new wave energy centre in Albany. These initiatives, along with the opening of the world-class Indian Ocean Marine Research Centre earlier in the year, demonstrate that UWA is positioned to conduct and translate research into quality teaching which will develop the leaders of tomorrow.

Universities have a critical role to play in helping graduates become global citizens and critical thinkers, with the skills to innovate and improve people's lives through their work. In 2017 we continued to enhance the student experience to support this. In an Australian-first, UWA partnered with Harvard Business School through its HBX platform, to provide local students with access to some of the best online courses in the world. We also launched a new summer school program, providing students with an additional teaching period and the choice of 70 units with more than 1300 students enrolling.



As 2017 came to a close, the University celebrated the end of its New Century Campaign, raising more than \$400 million to support world-class teaching, research and community engagement. I would like to thank the more than 12,000 individuals, foundations and corporate partners who generously supported the University.

At the end of the year we welcomed a new Chancellor, Dr Robert French, an experienced leader of international standing, and in turn farewelled and acknowledged our immediate past Chancellor, Dr Michael Chaney, for his 12-year commitment to the University and enormous personal investment.

The University has enjoyed a most successful year in 2017 and I take this opportunity to thank our staff, students and community for their ongoing support.



Professor Dawn Freshwater
Vice-Chancellor

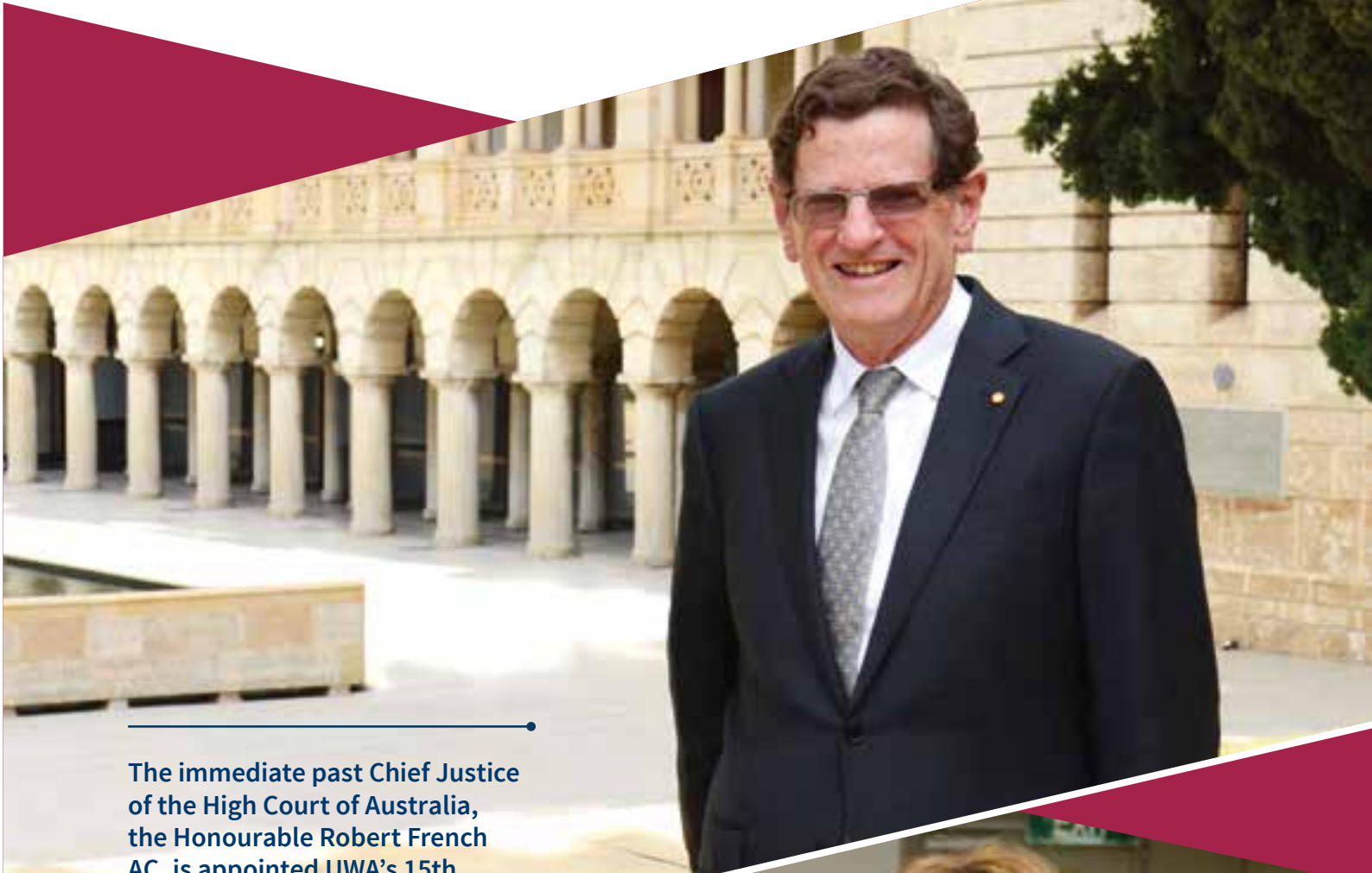
Highlights

The following pages highlight some of the many achievements of UWA staff, students and researchers.





Professor Dawn Freshwater is appointed the new Vice-Chancellor of UWA. Dr Michael Chaney concludes his appointment as UWA Chancellor after a successful 12-year term.



The immediate past Chief Justice of the High Court of Australia, the Honourable Robert French AC, is appointed UWA's 15th Chancellor.



Researchers make a medical breakthrough in discovering the molecular structure of a protein responsible for drug-resistant bacteria.

UWA celebrates the Medical School's 60th anniversary with a \$7 million upgrade of the medical and dental library, renamed the J. Robin Warren Library.



Scientists conduct research into the global impact of rising sea temperatures on coral reefs.

Researchers help detect the collision of two neutron stars
120 million light years away, back when dinosaurs existed.



In an Australian first, UWA joins forces with Harvard Business School to provide local students with access to some of the best online courses in the world.

The President of Ireland, His Excellency Michael Higgins, is awarded an honorary doctorate at UWA for his contribution to global affairs.





UWA student Tom MacLaurin invents a drone that can be used for everything from monitoring crops to spotting sharks.

UWA's Social Impact Festival promotes the importance of increasing social impact in the community.



Global technology company Siemens provides UWA with a \$447 million software investment to help students develop the skills needed for a highly digitalised world.

Archaeologists find evidence that pushes back human occupation of Australia to around 50,000 years ago.



UWA students and dentists volunteer their time to provide free dental treatment to nearly 100 homeless people and refugees.



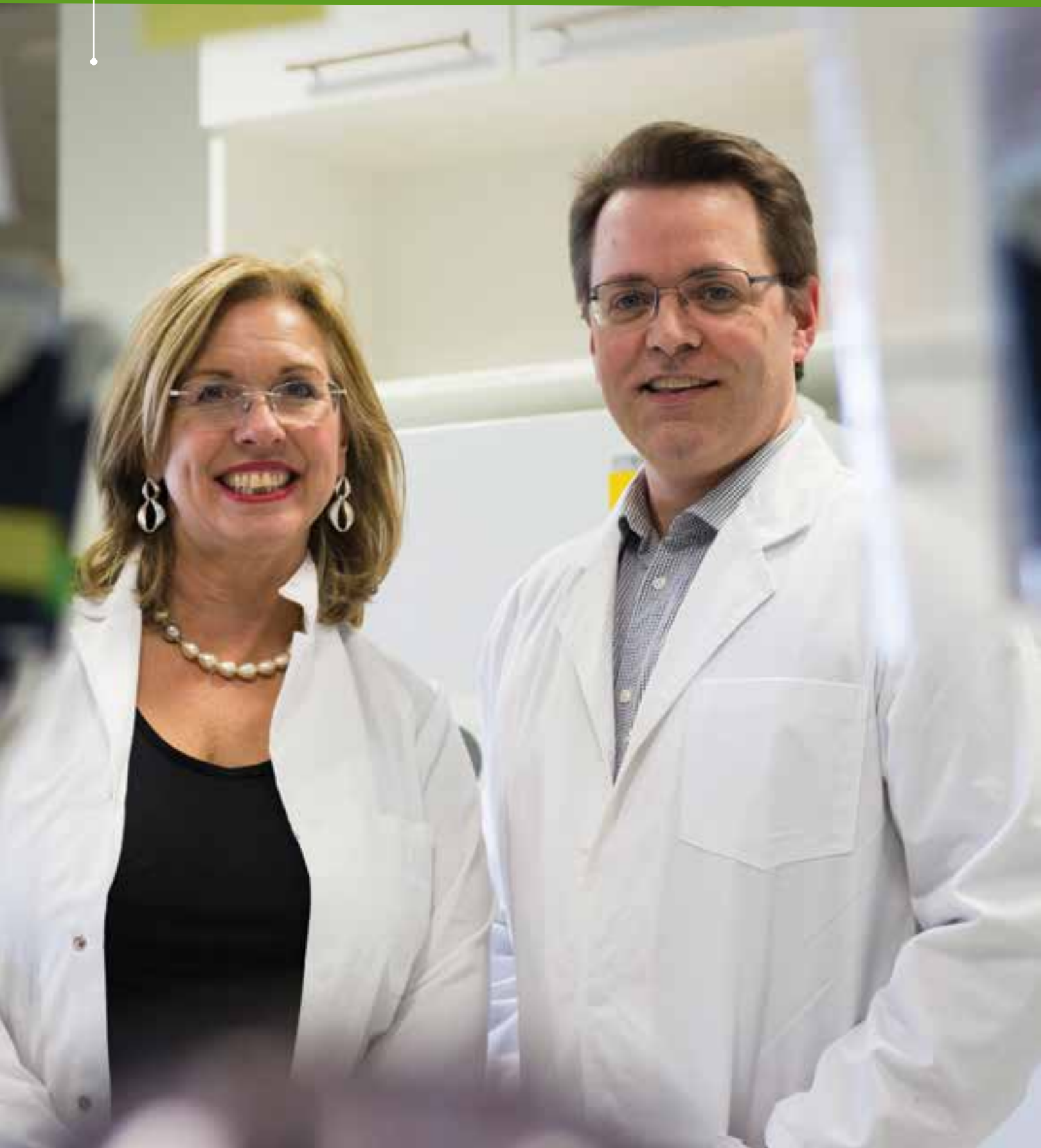


A unique study finds plants may be smarter than we think, with the ability to detect water before it reaches them.

A study finds magpies living in larger groups have advanced cognitive learning abilities.



A prominent cancer surgeon and a world leader in plant science are awarded Scientist of the Year at the 2017 Premier's Science Awards.



The University receives \$3.75 million from the State Government to set up a new wave energy centre in Albany.



A new state-of-the-art trading and analysis centre, the largest of its kind in Australia, is launched at UWA to benefit students.





UWA's Centre for Transformative Work Design begins the first comprehensive Statewide study into fly-in, fly-out (FIFO) mental health to support business and more than 60,000 FIFO workers in WA.

Scientists gain access to one of the world's most advanced optical microscopy facilities with the opening of the Nikon Centre of Excellence in Optical Microscopy at UWA's Centre for Microscopy, Characterisation and Analysis.





Researchers take a step forward in the fight against high blood pressure after the first human trials of a treatment produced successful results.

Student innovators and graduates develop a headset that can monitor human brain waves and stimulate the brain to improve concentration and performance.



UWA is announced as a new major partner of the West Coast Fever netball team.



An exhibition telling the story of the mutiny, murder and feats of survival surrounding the infamous *Batavia* shipwreck attracts more than 14,000 people to the Lawrence Wilson Art Gallery.

A record number of Indigenous Law students graduate from UWA.



UWA reaches its New Century Campaign target, raising more than \$400 million through endowments to support research and teaching and help leaders achieve global impact.

The UWA Law School celebrates its 90th anniversary, as the oldest law school in Western Australia.

UWA's In The Zone conference brings together more than 30 national and international speakers across business, government and academia to discuss major global challenges affecting our oceans.

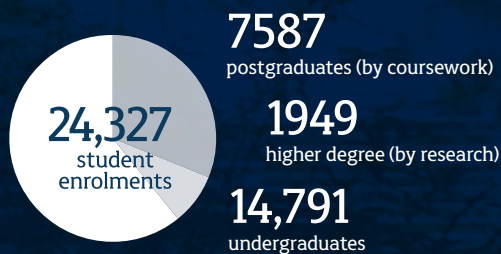




Key statistics



Students



Staff



Community engagement



Research

Rankings



The 2017 Academic Ranking of World Universities ranks UWA **91st** in the world.



The 2018 QS World University Rankings places UWA **93rd** in the world.



The Times Higher Education World University Rankings in 2017/18 ranks UWA **111th** in the world.





Education

As the new Deputy Vice-Chancellor (Education), I am pleased to announce that 2017 was a successful year with UWA providing students with an increasingly accessible and enriching education experience.

Classroom lessons were brought to life with the creation of new high technology facilities. Business School students now have access to a state-of-the-art trading and analysis centre, the largest of its kind in Australia. The Centre for Education Futures' new Creator Space enables students to create video and audio recordings for their studies.

UWA received a \$447 million software investment from Siemens to equip students for the highly digitalised world of the future, while UWA and Harvard Business School's digital learning initiative, HBX, helped students work through real-world business challenges with access to some of the world's best online courses. The inaugural 2017/2018 Summer School attracted more than 1300 enrolments in the new program of 70 units.

In a strong year for our special pathways and support programs, Fairway received a UWA Excellence in Teaching Award and a UWA Award for Programs that Enhance Learning, and Aspire UWA was a finalist in the WA Department of Mines, Industry

Regulation and Safety Community Partnership Award. We also completed a third National Priorities Pool Project, which engaged 2939 regional high school students and focused on raising aspirations for STEM careers.

It was a successful year of engagement with industry, schools and the community. Through Aspire UWA, school students benefited from workshops with BHP and Alcoa staff. A partnership with Kimberley Cup offered Engineering students a regional volunteering experience where they supported Kimberley high school students in the classroom and at their annual sporting carnival. Partnering with the School of Indigenous Studies also enabled UWA Indigenous students from the Kimberley to participate. This year, the McCusker Centre for Citizenship increased its partnership base with an additional 50 local, national and global organisations making their mark in the community.

UWA supported the groundbreaking 'Respect. Now. Always.' initiative, aimed at preventing and addressing sexual assault and harassment across the sector. UWA improved its processes to support students and visitors and enhanced support for Indigenous students. Counselling and Psychological Services and the School of Indigenous Studies collaborated to increase cultural understanding, resulting in a 50 per cent increase in counselling services requests from Indigenous students.

'I am pleased to announce that 2017 was a successful year with UWA providing students with an increasingly accessible and enriching education experience. It was a year of engagement with industry, schools and the community.'

UWA this year welcomed 755 residents from almost 60 different countries to our residential college, UniHall. With an increase from 15 last year, Global Learning facilitated 19 New Colombo Plan scholarships through the Department of Foreign Affairs and Trade, enabling UWA students to participate in study exchange and internships in Southeast Asia. A new agreement with the University of the Chinese Academy of Sciences saw the first intake of students complete a semester under a new study abroad model.

We continue our commitment to ensuring our graduates are job-ready with a webpage dedicated to Work Integrated Learning (careers.uwa.edu.au/wil) and pre-placement modules for students undertaking a practicum or work experience. Our Careers Team was awarded the Council for International



Students of WA
Provider of the Year for its
Career Mentor Link program.

UWA Sport had an outstanding year. UWA won Overall Champion University at the Western Australia Games, with three teams named national champions. Eight students joined the Australian Unirooms Team for the Summer University Games. UWA Hockey Club, UWA West Coast Swim Club and the UWA City Beach Water Polo Club enjoyed great success, winning various state and national titles.

This year, the Centre for Education Futures conducted a learning analytics project called Zenith, which enabled participating students to strive for improvements and renewed commitment to their study.

Four UWA teaching staff, Associate Professor Cosimo Faiello, Associate Professor Denese Playford, Associate Professor Natalie Skead and Dr Bonnie Thomas, were recognised this year with Australian Awards for University Teaching (AAUT).

I look forward to implementing our new education strategy, working with the Education Enhancement Unit (which will replace CEF), and bringing us closer to our goal of becoming a global leader in education.

Professor David Sadler
Deputy Vice-Chancellor
(Education)

Research

The University of Western Australia has demonstrated again in 2017 that our research and researchers are relevant, successful and making a global impact.

In May a team from Archaeology published the discovery of the earliest evidence of known human occupation in Australia, with a settlement on the North West Shelf dating from 50,000 years ago.

In science news, our researchers provided new insights. We published new research on the feeding behaviour of the tiger shark; demonstrated for the first time that anti-malarial compounds could be used as



herbicides; found the optimal substrates for the growth of stem cells, with important applications for cancer; used analysis of ancient lavas to provide critical insight into the Earth's origin; and produced work on how reef-building corals respond to climate change. Medical research received a boost with a new screening test developed to quickly confirm the effectiveness of antibiotics, ensuring the most effective ones are prescribed sooner.

Also noteworthy is a new agreement between UWA and China's National Institute of Clean and Low Carbon Energy to research ammonia as a clean transport fuel. The successful completion of the project will yield the world's first practical ammonia-powered vehicle and ammonia-based hydrogen production plant, placing China and Australia among the leaders of the global 'hydrogen economy' race.

'The University demonstrated again that our research and researchers are relevant, successful and making a global impact. We continue to strive for world-best and to use our strengths for the engagement and betterment of the world.'

A UWA study commissioned by the State Government has provided the first detailed analysis of government service provision and expenditure in the Kimberley and the Pilbara and its impact on Aboriginal communities. The study highlighted the need for government policies and programs to consider significant differences in demographics, geography and economy between regions in order to achieve positive outcomes.

UWA is part of the Accelerating Australia project, which will receive a \$1 million boost from MTPConnect (the Australian Government-funded Medical Technologies and Pharmaceuticals Industry Growth Centre). This will be matched by \$1 million from the medical sector to invest in big, bold ideas to improve the productivity, competitiveness and innovative capacity of Australia's medical technology, biotechnology and pharmaceutical sector. The funding will help researchers develop medical inventions and technology to meet the needs of doctors, medical staff and patients.

WA's renewable energy future has received a boost with a grant from the State Government to create a new Wave Energy Research Centre in Albany, which will put the State at the forefront of offshore renewable energy research and technology and improve knowledge and understanding of wave, tidal and offshore wind energy. The Centre will bring together more than 30 researchers from UWA and other multidisciplinary experts.

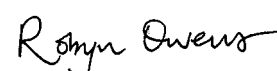
Our researchers won many State, national and international awards this year, including Scientist of the Year at the 2017 Premier's Science Awards (awarded to Professor

Christobel Saunders and Professor Harvey Millar), the 2018 American Chemical Society International Award for Research in Agrochemicals (Professor Stephen Powles), the 3M Eureka Prize for Emerging Leader in Science (Professor Andrew Whitehouse) and the Pioneer Award from the International Mesothelioma Applied Research Foundation (Professor Anna Nowak). The UWA node of the International Centre for Radio Astronomy Research (ICRAR) has also been recognised by the Astronomical Society of Australia for its commitment to advancing women in astronomical sciences and technology. Wilson's novel *Extinctions*, part of her creative writing PhD, won the 2017 Miles Franklin Literary Award.

UWA successfully improved its ranking across all five monitored international rankings, with a top 100 place in the QS (93), the U.S. News & World Report rankings (88) and the University's 2017 Academic Ranking of World Universities (91).

In National Health and Medical Research Council (NHMRC) project grants, UWA increased its percentage share of the Go8 universities' funding by 5.69 per cent to 13.3 per cent. This reflects our total NHMRC revenue from project grants of \$27 million. UWA had the highest average amount of funding per award of the Go8 (\$1.12 million). We also secured \$14.75 million in funding from the ARC.

UWA research continues to strive for world-best in all areas, and to use our strengths for the engagement and betterment of the world. We look forward to another year of success in 2018.



Professor Robyn Owens
Deputy Vice-Chancellor
(Research)

Community and Engagement

In 2017 the University continued to invest in and develop its strong engagement with the Western Australian community.

The UWA-founded Perth Festival provided an exciting start to the year with the spectacular opening event, *Boorna Waanginy: The Trees Speak* exploring the beauty of the WA landscape. This event was attended by 110,000 people. The festival continued to tell hundreds of stories through a rich program of film, theatre, dance, visual arts and literature.

UWA's Cultural Precinct enjoyed a successful year with more than 50,000 people attending exhibitions held on campus. The Batavia exhibition, *Giving Voice to the Voiceless, Country and Colony and Being Tiwi*, was a highlight drawing more than 14,000 people to see works highlighting the impact of the Batavia shipwreck, one of the darkest chapters in Australian maritime history. Another successful event was Inclusive Arts Week – an exhibition aimed at improving accessibility in the arts for everyone in the community by using new technologies and non-traditional ways of showing art.

University Theatres expanded its Young People's Performance Season to the delight of 10,000 students. One performance highlight was Bell Shakespeare's performance of *Macbeth*, while the AWESOME Festival included the ever-popular theatrical

performance of *The Very Hungry Caterpillar*, one of the most-read and famous children's books of all time.

UWA's commitment to the prosperity and welfare of the people was never more evident than in 2017. The New Century Campaign concluded with over \$430 million raised directly supporting UWA students and world-class research. Over 12,000 donors contributed.

Through the University's Community Partnerships Program we forged several new partnerships as well as continuing to support more than 40 local community initiatives. In partnering with the West Coast Fever netball team, we expanded our research and provided volunteering and work placement opportunities for students.

The University also cultivated strong industry partnerships. Our long-term collaboration with Chevron was recognised at the 2017 Business Higher Education Round Table by receiving the Outstanding Collaboration in Research and Development Award. UWA's rock art research was a finalist in the awards, supported by Rio Tinto.

In international engagement, UWA deepened ties with Sungkyunkwan University in Korea, with a delegation of 15 visiting Seoul in September. We welcomed the first group of eight students funded by Argentina's scholarship agency BEC.AR into UWA master's courses in Agriculture and

'Throughout the year the University cultivated strong local and international partnerships. The New Century Campaign was supported by more than 12,000 donors and exceeded its \$400 million target, directly supporting UWA students and world-class research.'

Biological Sciences, and launched a collaboration with RISTEK-DIKTI in Indonesia.

A campaign to engage future students and show them the exciting study opportunities at UWA was launched. In 2017 the total number of UWA students was 24,327. The University continued to attract WA's top school leavers with our median ATAR rising to 93. At the same time, the number of postgraduate students increased by 1,136 and our international students increased by 17 per cent.

We celebrated the inaugural UWA Innovation Quarter awards – a competition encouraging staff and



students to showcase their ideas and creativity; and in partnership with the Big Issue's Big Idea, 200 students competed at a national level presenting life-changing social enterprise ideas.

Graduates continue to have a lifelong relationship with the University through Convocation of UWA Graduates and in 2017 the University welcomed Dr Doug McGhie as the new Warden of Convocation. More graduates than ever before engaged in the life of the University with almost 3000 alumni volunteers contributing their time and support throughout the year.

In media engagement we had more than 4000 items in Australian media alone featuring the achievements of our staff and students. We enhanced our internal communications, keeping staff and students up to date through the weekly UWA Forward, a monthly Senior Leaders Brief and all-staff forums. UWA's magazine *Uniview* received a new look and launched a digital version.

The achievements this year could not have been possible without the commitment of staff, students, graduates and academics. We look forward to continued success and wide community engagement in 2018.

Professor Kent Anderson
Deputy Vice-Chancellor
(Community and Engagement)

Corporate Services

The Corporate Services portfolio was established in 2017 with the role of providing professional services across four University directorates – Finance, Information Technology, Campus, and Service Delivery.

Universities across Australia are experiencing pressures of increased competition in a difficult funding environment. UWA has responded by consolidating our services to



ensure we improve our customer service and governance as well as our financial investment in teaching, the student experience and research.

Guided by our pursuit of excellence, in research, learning and teaching, student satisfaction and sustainable operations, there have been four major accomplishments across the Corporate Services portfolio in 2017.

The first is the migration of our services to a new service delivery model. The new model provides a one-stop-shop for professional services and increases efficiencies to better support education, research and community engagement. Already we are seeing more responsive, consistent, and effective services – a foundation on which we will build in 2018.

The second accomplishment has been our planning to improve infrastructure

(physical and digital) and financial and management systems. This will support our long-term financial plan, campus operations and information technology.

This work has been supported by the third, and most significant, stream – appointments to key positions across the portfolio. This includes new leaders for each of the four directorates, staff in client service roles and my appointment as the Executive Director. These new appointments provide a fresh outlook and support our commitment to improving service quality, transformation and sustainability with fair and transparent leadership.

With the new leadership in place, work has begun on the development and roll-out of performance improvement projects. These will gain momentum in 2018 and position UWA for success in the years ahead.

Building on our new process improvements, there were a number of notable successes in 2017. The University implemented a new budget process with greater transparency and control over where we direct our resources. This delivered a strong operating result in 2017 and will see in excess of \$150 million directed to capital, strategic and sustainability initiatives in 2018.

The continuing capital works program has progressed across four major initiatives. The \$80 million EZONE UWA project, a development under way on campus to provide world-class facilities for our engineering researchers, students and industry, will be completed in 2020. This is complemented by the \$1.8 million refurbishment of the Masonic Hall (to be opened in 2018), a collaborative innovation hub for entrepreneurs including students, industry, community and academics. Work has also commenced on UWA's \$16.5 million School of Indigenous Studies

building. Due for completion in 2020, the contemporary four-storey building will house the School of Indigenous Studies and the Centre for Aboriginal Medical and Dental Health. Lastly, construction of the philanthropically funded Forrest Hall significantly advanced, and was on track for completion in 2018. Forrest Hall will provide accommodation for Forrest Fellows and Scholars.

Throughout 2017, Information Technology focused on upgrading the University's critical systems. These improvements provided immediate benefits to staff and students, including increased mailbox size, enhanced staff collaboration tools and the introduction of online payments for prospective international students. Through this work, new services will be implemented that will support our teaching and learning capabilities. The improvements include upgrades to audiovisual equipment in teaching spaces, wider adoption of High Performance Computing and improvements to lecture recordings.

In addition, the new Service Now Portal has improved the way staff and students engage with University IT, providing a user-friendly system for requesting services and assistance, and enabling quicker identification and resolution of issues. Improving the experience of future students has also been a priority in 2017, and the offer acceptance process for prospective international students has been greatly enhanced through UWA Accept – an upgraded web portal. Work is under way to roll out this acceptance process for all prospective students in 2018.

The work of 2017 has strengthened Corporate Services' capability and enabled a clearer focus on service excellence, student satisfaction and sustainable operations.



Robert Webster
Executive Director
(Corporate Services)

‘The Corporate Services portfolio was established in 2017 with the role of providing professional services across four University directorates – Finance, Information Technology, Campus and Service Delivery.’

Arts, Business, Law and Education

The Faculty of Arts, Business, Law and Education (FABLE) was created on 1 January 2017 through a merger of five faculties – Architecture, Landscape and Visual Arts (ALVA), the Faculty of Arts, the UWA Business School, the Graduate School of Education and the Law School. I am pleased to say that 2017 saw FABLE make excellent progress in all areas.

Throughout the year, the Faculty performed exceptionally well in the area of student experience. Seventy units were offered through our refreshed 2017/2018 UWA Summer School program that gave students the opportunity to complete units outside traditional teaching periods, giving them greater flexibility in when and how they study. A number of the overseas study programs offered in 2017 will be supported by successful bids for New Colombo Plan grants from the Federal Government. The UWA Business School's full-time MBA was ranked in the top five in Australia and in the top 20 in Asia.

Our students' interest in Work Integrated Learning (integrating theory taught with its practical application) is on the rise, as is the number of industry partnerships and placements we have available. More than 200 undergraduate and postgraduate students completed Work Integrated Learning units during 2017.

There have also been major improvements in infrastructure, with the Faculty's first one-button recording studio launched with great success, giving students access to cutting-edge technology that helps them produce creative videos to support their study and learning. In September the UWA Business School opened the Rosemarie Nathanson Financial Markets Trading Room, which provides a state-of-the-art facility for business education.

Our staff excelled during 2017. More than 750 nominations were received for Teaching and Service Awards from students who nominated academic and professional staff across every school. Two staff members were recognised through national awards for university teaching – Dr Bonnie Thomas (Humanities) and Associate Professor Natalie Skead (Law).

On the research front, our staff and students were part of an amazing array of projects and discoveries. UWA, along with an international team of archaeologists, found evidence from a remote cave in Australia's North West that pushes back known human occupation of Australia to around 50,000 years ago. The discovery is of international significance, providing one of the earliest age brackets for the settlement of Australia. Another highlight was our new project

researching the wellbeing and mental health impact of fly-in fly-out (FIFO) arrangements on workers to better support the needs of the FIFO workforce. The Faculty also had a high rate of success in attracting Australian Research Council funding, for projects across a broad range of discipline areas.

To support research, the Faculty established the prestigious Dean's Excellence in FABLE PhD Scholarships valued at \$33,000. These scholarships are awarded to PhD applicants with exceptional potential. In addition, we received more than 80 scholarships for domestic and international applicants.

A significant achievement of the Faculty was the establishment of a new dedicated community and engagement portfolio to increase engagement with future students, industry and the community. Broader community engagement included numerous scholarship and prize events, as well as public and industry lectures, exhibitions and performances. The Law School celebrated its 90th anniversary with an engagement initiative seeking input from graduates and industry. The School of Music (recently renamed the UWA Conservatorium of Music) engaged in an extensive program of concerts, outreach to schools and its enormously popular Junior Music School on Saturday mornings.

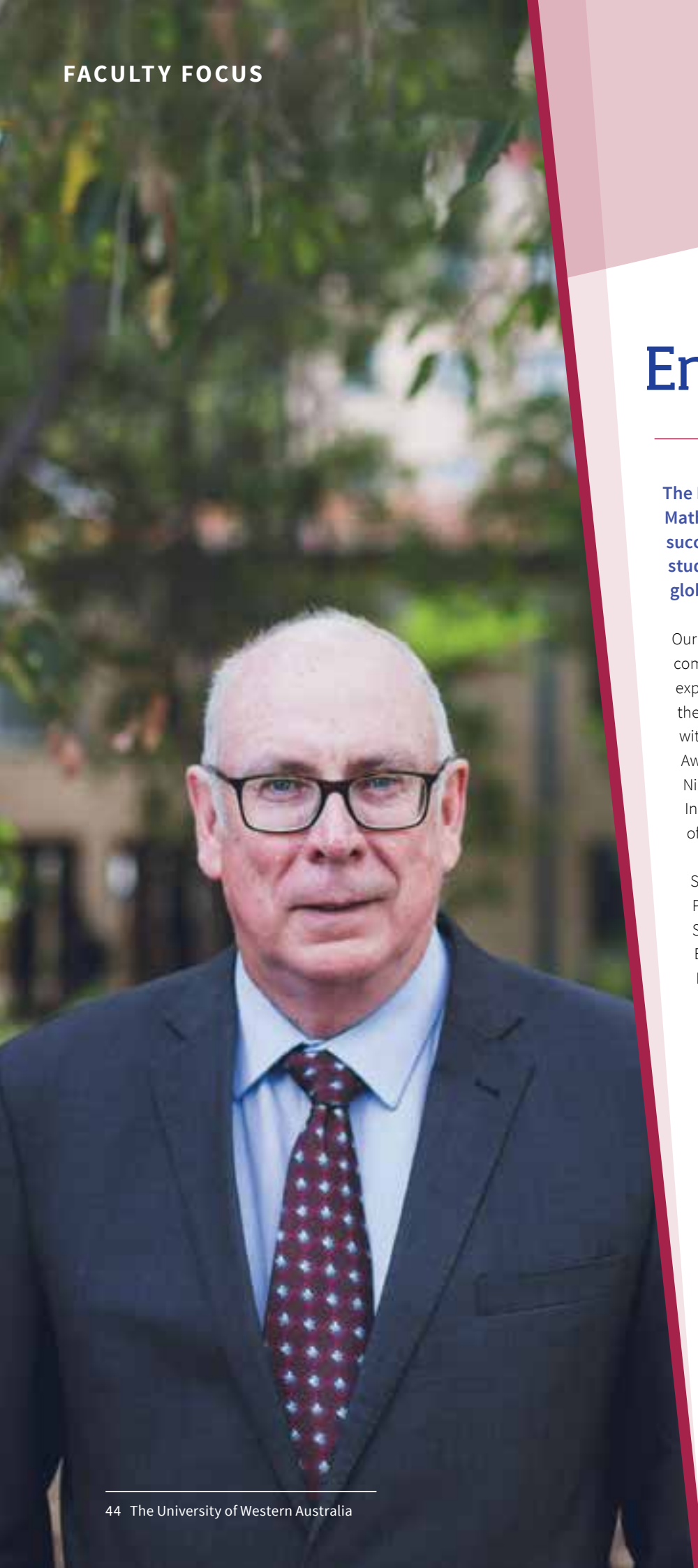
‘Our Faculty was created in 2017 through a merger of five faculties – Architecture, Landscape and Visual Arts (ALVA), the Faculty of Arts, the UWA Business School, the Graduate School of Education and the Law School.’

As we move towards a new year, I am confident the Faculty of Arts, Business, Law and Education will continue to play a pivotal role in student teaching and education, research and community engagement.



Professor Matthew Tonts
Executive Dean
*Faculty of Arts, Business,
Law and Education*





Engineering and

The Faculty of Engineering and Mathematical Sciences enjoyed a very successful year in 2017, with staff and students continuing to excel and have global impact in research and education.

Our students participated in international competitions, demonstrating skills and experience gained from their UWA studies. A theme of 2017 was recognition for innovation, with a team winning the Young Innovator Award at a mining hackathon, and student Nikhilesh Bappoo winning the Mimics Innovation Award at the International Society of Biomechanics conference.

Staff innovation was also recognised. Professor Yuxia Hu won the 2017 Start Something @ Woodside Oceanworks Entrepreneurship Prize, and UWA Senior Research Fellow Dr Brendan Kennedy and his team secured up to \$6 million to commercialise a surgical tool that will assist surgeons who treat breast cancer.

Industry bodies continue to recognise our students, with Engineers Australia's Young Environmental Engineer of the Year awarded to Rebecca Dracup and the Australian Computer Society's prestigious 1962 Prize awarded to Mark Shelton. David Gozzard, a PhD candidate in the School of Physics and Astrophysics, was named ExxonMobil Student Scientist of the Year at the 2017 Premier's Science Awards.

The Faculty's continued strong industry links resulted in global technology company Siemens providing a \$447 million software investment that will

Mathematical Sciences

give UWA students and academics access to cutting-edge technology.

Associate Professor Cosimo Faiello was recognised in the Federal Government's 2017 Australian Awards for University Teaching for influencing, motivating and inspiring postgraduate engineering students. A team led by Associate Professor Sally Male which included Professor Caroline Baillie, Dr Jeremy Leggoe and Associate Professor Cara MacNish from the Faculty and others from UWA, the University of Tasmania and RMIT, won the Australasian Association for Engineering Education Award for Engineering Education Research Design for an investigation of intensive mode teaching in engineering. Associate Professor Male also won the Engineers Australia Medal for 2017.

In the Faculty's annual 2017 Teaching and Learning Awards, Professor Tyrone Fernando won the Award for Teaching Excellence, while Professors Anas Ghadouani, Adam Wittek and Dr Chris McDonald received Commendations for Teaching Excellence. Associate Professor Adrian Keating received the Award for Outstanding Contribution to Student Learning.

The Faculty was very successful in Australian Research Council Discovery and Linkage Awards for 2018, attracting grants worth more than \$5 million and receiving a \$3.75 million State Government grant to establish a new Wave Energy Research Centre

in Albany. Research in alternative sources of energy was recognised internationally. The UWA Centre for Energy, led by Professor Dongke Zhang, signed a collaborative research agreement with China's National Institute of Clean and Low Carbon Energy to research ammonia as a clean transport fuel.

The Faculty did well in several international subject rankings, including Mineral and Mining Engineering and Civil and Structural Engineering, which are in the top 50 subjects in the QS World University Rankings. In the Academic Ranking of World Universities (ARWU) subject rankings, we are ranked seventh in the world for Mining and Minerals Engineering, ninth for Ocean Engineering and 16th for Environmental Science and Engineering.

There were many research successes in 2017. In February, UWA's Zadko Telescope captured the explosive birth of a black hole 12 billion light years away. Later in the year it was announced that Professor David Blair and colleagues from UWA had contributed significantly to one of the most significant scientific discoveries of this century, the detection of gravitational waves.

Throughout 2017, community engagement remained a priority. Twelve student ambassadors travelled to the Kimberley, promoting science, technology, engineering and

'The Faculty of Engineering and Mathematical Sciences enjoyed a very successful year, with staff and students continuing to excel and have global impact in research and education.'

mathematics to high school students. The Girls in Engineering program, a partnership with Rio Tinto, has continued to promote STEM subjects, engaging nearly 900 young women.

Construction of the first phase of EZONE UWA, a large student engineering hub that will become an exciting addition to our Perth campus, will begin in 2018 with completion expected in early 2020. The Faculty continues to receive generous philanthropic support for the project and I thank the individuals and companies investing in innovation and education for the future.



Professor John Dell
Executive Dean
*Faculty of Engineering and
Mathematical Sciences*

Health and Medical Sciences

2017 was a significant year for the Faculty of Health and Medical Sciences, with the creation of our new identity and the reshaping of our structure from nine schools to five. Although our people and teaching programs remain the same, each school is now focused on a major area of teaching in line with the University's vision of enhancing the student experience.

Throughout the year we celebrated 60 years of the UWA Medical School. The milestone allowed us to highlight the extraordinary generosity of the people of Western Australia, who played such an important role in helping us create the State's first medical school. It also gave us the opportunity to share the broad impact of our achievements on health outcomes in Western Australia and globally.

In November, the UWA Medical and Dental Library was officially reopened and renamed the J. Robin Warren Library by WA Health Minister Roger Cook. The library is named in honour of Emeritus Professor J. Robin Warren AC, who in 2005, along with Professor Barry Marshall, won the Nobel Prize for Physiology or Medicine. The Library, located on the UWA Health Campus,

underwent a \$7 million refurbishment which has transformed the traditional library into an innovative state-of-the-art, technology-rich space to enhance the student experience.

The first cohorts of our new postgraduate dental and medical professional degrees graduated in 2017 in the Doctor of Dental Medicine (DMD) Doctor of Medicine (MD) programs. Teaching of the new Medical Sciences major commenced, with strong interest from aspiring dental, allied health and medical students. We also welcomed our largest intake ever of students from rural Western Australia into our medical program, and farewelled Medical School graduates Dr Malindi Hagggett and Dr Richard O'Halloran to Oxford as 2017 Rhodes Scholars.

Our Faculty continues to deliver on its mission of advancing health through education and innovation to improve patient care and the wellbeing of people in the community. We had successes in research even in a tough funding environment. UWA was awarded the largest amount of National Health and Medical Research Council (NHMRC) research project grant funding and we improved our position in all four international ranking schemes.

The Western Australian Health Translation Network (WAHTN), which brings together Western Australia's major hospitals, medical research institutes and five universities including UWA, was accredited as an NHMRC Advanced Health Research and Translation Centre. The accreditation will deliver significant benefits, including improved access to national funding and networks. Its creation is testament to the strong collaboration between all partners.

Our staff achieved many successes in 2017. In particular I congratulate Professor Peter Klinken AC, who was made a Companion of the Order of Australia in the 2017 Queen's Birthday honours. Professor Carol Bower, Professor Karen Simmer and Professor Stephen Zubrick were recognised for their outstanding research contributions by being inducted as Fellows of the Australian Academy of Health and Medical Sciences. Professor Andrew Whitehouse was awarded the 3M Eureka Prize for Emerging Leader in Science for 2017. This is the most prestigious award in the country for young researchers, and was awarded in recognition of his outstanding leadership in the area of autism.

‘Throughout the year we celebrated 60 years of the UWA Medical School. It gave us the opportunity to share the broad impact of our achievements on health outcomes in Western Australia and globally.’

Professor Graeme Hankey was included on the 2017 Web of Science Highly Cited Researchers list. Ranking in the top one per cent by citations for field and publication year in Web of Science, inclusion on this list represents the highest quality of researchers whose work is making a positive impact. Professor Christobel Saunders was named WA Scientist of the Year.

Looking into 2018, we aim to bring the highest calibre students to UWA, the brightest researchers and best teachers we can. We will continue to offer our students a high-quality education and student experience.



Professor Wendy Erber
Executive Dean
Faculty of Health and Medical Sciences





Science

Following the wider University renewal process, 2017 has been a time of significant change for the Faculty of Science as we have worked to establish new school and governance structures.

A reduction in the number of schools from 10 to six has meant that many staff members have moved into new school groupings with new support structures and new heads of school; some have even relocated. All of this has been a significant cultural challenge for staff, yet the Faculty continued to deliver on its commitment to change lives for the better through the power of science.

The Faculty continues to demonstrate its research strength across several disciplines and we are ranked among the world's top institutions in the higher education sector. Building upon our reputation for research that has a global impact, the 2017 Excellence in Research for Australia (ERA) rankings rated the University's science research as either 'well above world standard' or 'above world standard'. In discipline-specific world rankings, UWA ranks first in Australia in agriculture, biological sciences, environmental science and engineering, and third in ecology (Academic Ranking of World Universities 2017). The University also holds top 100 positions in a number of other subjects, including geography, anatomy and physiology, and earth and marine science. These results are a testament to the diversity and quality of our research

‘2017 has been a time of significant change for the Faculty of Science following the wider University renewal process as we have worked to establish new school and governance structures.’

output and to the esteem in which we are held by our colleagues nationally and internationally.

Importantly, while there have been many new research initiatives this year, they have been spread across the Faculty’s newly formed schools. Some notable research achievements for members of the Faculty include:

- Professor Harvey Millar winning the WA Premier’s Science Award for Scientist of the Year
- Professor Stephen Powles receiving the 2017 American Chemical Society International Award for Research in Agrochemicals
- Professor Kadambot Siddique winning the 2017 Global Research Leadership in Agriculture Award from the Indian Council of Food and Agriculture
- Associate Professor Amir Karton receiving the Le Fèvre Medal from the Royal Australian Chemical Institute
- Professor Swaminathan Iyer receiving the Jacques Miller Medal from the Australian Academy of Science
- Dr Josh Mylne securing a Fulbright Professional Scholarship and Hannah Etchells and Jessica Kretzmann being awarded Fulbright Postgraduate Scholarships.

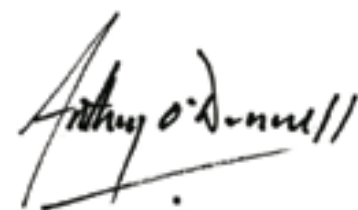
Evidently, it has been an outstanding year for our new School of Molecular Sciences.

We continued to enjoy success with national funding rounds in 2017. Professor Peter Eastwood from the Centre for Sleep Science was successful in renewing his National Health and Medical Research Council Research Fellowship. A new ARC Laureate Fellowship was awarded to Professor Colin MacLeod, and we secured a Cooperative Research Centre for the Developing Northern Australia project. We also launched the new Cooperative Research Centre for Honey Bee Products with a value to UWA of \$5.2 million. The Faculty continues to be attractive to the resources industry with \$3.6 million awarded by Rio Tinto to Professor EJ Holden for her work on data fusion.

As part of our ongoing internationalisation strategy, we continue to develop partnerships and collaborations to facilitate staff and student exchanges. Recently, we welcomed a cohort of 10 Argentinian students into Master of Science degrees in semester two. They joined a record number of students commencing postgraduate studies in the Faculty of Science. We have also made significant

progress with research collaborations worldwide, including with the universities of Nagoya, Colorado State, Naresuan in Thailand, UBA in Argentina and ESALQ in Brazil.

The Faculty continued its investment in its Work Integrated Learning program in response to industry demand for work-ready graduates. WIL engages with industry, government and schools to help bridge the gap between theory and practice by providing opportunities for students to gain hands-on, practical experience and for employers to help shape the graduates of tomorrow.



Professor Tony O'Donnell
Executive Dean
Faculty of Science





Our University

Mission, vision and objectives

The University's strategic plan for 2014 to 2020, UWA 2020 Vision, reaffirms the objective, 'to advance the welfare and prosperity of the people' through educational and research activities, first defined when the University was founded by the University of Western Australia Act 1911.

Mission

To provide world-class education, research and community engagement for the advancement of the prosperity and welfare of our communities.

- the achievement of Aboriginal peoples' rights, aspirations and potential, and the recognition of Indigenous knowledge, culture and values; and
- sustainability in environmental, economic and social dimensions.

Vision

We aspire to be recognised as one of the world's top 50 global universities by 2050.

Strategic priorities

UWA 2020 Vision, our strategic plan, defines our strategic objectives across three pillars:

Values

We value **respect, passion, excellence**, integrity and diversity and remain committed to:

- a culture of high performance and continuous improvement, designed to achieve international excellence;
- academic freedom to encourage staff and students to engage in the open exchange of ideas and thought;
- equity and merit as the fundamental principles for the achievement of the full potential of all staff and students;
- fostering the values of openness, honesty, tolerance, trust and responsibility in social, moral and academic matters;

Education: UWA will be recognised as a global leader in university education:

- Teaching practices will be designed to engage, challenge and transform students throughout their degree.
- Students will be provided with a variety of learning experiences that connect them to the local, global, research and professional communities.
- We will offer a supportive, collaborative learning environment with a vibrant student experience.

Research: UWA will deliver an international research agenda of relevance to the communities we serve:

- Problem-oriented multidisciplinary teams will focus on areas relevant to our strengths, assets, geography and partners to solve global challenges.
- Our funding base will be diversified and our culture high-performing.
- Scholarship resources will be built to support world-class research training.

Community and global engagement:

UWA will contribute intellectually, culturally and socially to our communities locally, nationally and internationally:

- broadening our international brand and reputation as a leading global university, by communicating our successes and demonstrating our impact to the communities we serve;
- connecting and partnering with industry locally and internationally to collaborate towards a better future; and
- recognise and engage with Indigenous people as the traditional custodians of the land.

In 2017, the University implemented a major organisational restructure to create a new operating environment to support future success. The academic structure was reduced from nine faculties to four to:


- encourage cross-discipline collaboration in research, teaching and innovation;
- align the organisational structure with University strategy; and
- promote identity and student attachment.

The administrative structure was redesigned to functionally align professional support services end-to-end, and create Service Delivery Centres focused on local delivery.

This creates:

- integrated and standardised functional units to minimise duplication, drive continuous improvement and improve service quality;
- clear delegation and lines of accountability; and
- optimises strategic planning and decision making.

The renewed operating model builds the foundation for a more resilient and agile institution, allowing us to be more competitive in uncertain environments and within fluctuating markets. This enables the commitment of funding to strategic investment to develop our education and research capabilities.



Operational structure: governance and management

The University was established by the *University of Western Australia Act 1911*. The Act provides the legislative machinery for administering the University; it establishes the Governing Body (the Senate), which is empowered to ‘have the entire control and management of the affairs of the University’.

The Act gives the Senate powers to act in the interests of the University through the making of statutes, regulations and by-laws, and through the management of income and expenditure. It provides powers of delegation for the Governing Body, so that day-to-day management of the University can be delegated to officers employed by the University. Membership of the Governing Body in 2017 (and information on the number of meetings held) is listed on pages 58-59 of this Annual Report.

Amendments to the *University of Western Australia Act 1911*, passed by Parliament in 2016, came into effect on 1 January 2017. These changes altered the size and composition of the Senate, but due to transitional provisions, the first change – by way of a reduction in the number of elected student members of the Senate – did not take effect until 1 December 2017. Amendments to the enabling legislation led to the initiation of a major project to review the University’s subsidiary legislation, and this project will continue into 2018.

Other State Acts that deal with aspects of the management of the University are the *University Buildings Act 1952*, the *University Medical School Teaching Hospitals Act 1955* and the *QEll Medical Centre Act 1966*.

The University is responsible to the State Minister for Education for the proper conduct of its business under the legal framework established by State legislation. However, the University receives the majority of its funding from the Commonwealth and is therefore responsible to the Commonwealth Minister for Education for the delivery of its teaching and research programs, and for the provision of adequate infrastructure to support those programs.

The Senate has identified its key activities as:

- the setting of strategic directions;
- the oversight, audit and review of proper governance processes to ensure proper systems of control, accountability and risk management;
- the assessment and monitoring of performance, including financial

performance, against established targets and budgets; and

- the making and amendment of University legislation.

It has adopted a charter that provides for these roles and has established standing committees to assist it in its tasks.

The **Audit and Risk Committee** assists the Senate in fulfilling its responsibilities by reviewing the University’s financial reporting; reviewing the effectiveness of the University’s systems of internal control and its risk-management framework; reviewing and assessing compliance with relevant regulatory and legal requirements; and by the fulfilment of its contractual obligations.

The **Chancellor’s Committee** coordinates planning for the programs of the Senate and its key committees, and reviews induction programs and the professional development program for Senators. The role of this committee, in relation to forward-planning and the making of recommendations on potential



candidates for appointment or co-option to the Senate, has been modified by amendments to the *University of Western Australia Act 1911*. A Nominations Committee has been established to perform this role.

The **Strategic Resources Committee** monitors, makes recommendations and reports to the Senate on the financial welfare of the University, including University investments and borrowings. It monitors and makes recommendations on campus planning initiatives and major physical infrastructure developments and monitors policy on staffing resources.

In order to fulfil its responsibilities effectively, the Senate appoints the Vice-Chancellor as its Chief Executive Officer and works in partnership with the incumbent in this role to maximise the University's capacity and performance and to ensure its fiscal viability. The Senate delegates operational responsibility to the Vice-Chancellor, and monitors, guides and supports the work of the Vice-Chancellor and executive.

The Vice-Chancellor is appointed by the Senate for a period normally not exceeding seven years, following public advertising and standard recruitment procedures. The Senate commenced the process to recruit Professor Paul Johnson's successor in late 2016. An international search culminated on 16

January 2017 with the announcement of the appointment of Professor Dawn Freshwater as the University's 18th Vice-Chancellor.

The Vice-Chancellor appoints an executive group to assist with the responsibilities for the University's academic, financial, administrative and other business.

Senior Deputy Vice-Chancellor — (position unfilled)

Responsible for broad line-management of the deans of faculties; for guiding the development of strategy; for planning and monitoring of performance; for staffing policy; and for deputising for the Vice-Chancellor in her absence.

The University undertook an international search to fill the vacancy in the position of Senior Deputy Vice-Chancellor that was created when Professor Dawn Freshwater was appointed to the role of Vice-Chancellor.

In mid-November 2017, the Vice-Chancellor announced the appointment to the role of Professor Simon Biggs. Professor Biggs is expected to take up the position in the first quarter of 2018.

Deputy Vice-Chancellor (Education) — Professor Grady Venville (acted in the role to October 2017); Professor David Sadler (from October 2017)

Responsible for undergraduate and postgraduate coursework education; for education policy; and for the UWA student experience, domestic student recruitment and services.

Deputy Vice-Chancellor (Community and Engagement) — Professor Kent Anderson

Responsible for leading the University's engagement with the wider community, locally, nationally and internationally. This includes marketing, government and corporate communication, international student recruitment and liaison with alumni.

Deputy Vice-Chancellor (Research) — Professor Robyn Owens

Responsible for research and research training, industry liaison, commercialisation, and the University Library.

Executive Director (Corporate Services) — Mr Pranay Lodhiya (to June 2017); Mr Robert Webster (from July 2017)

Responsible for matters relating to finance and resources, including facilities management, IT and campus development.

A key feature of the University's governance and management system is its strong collegial foundation. The University's peak academic body is the Academic Board, established by the Senate under Statute 19 and chaired in 2017 by Associate Professor Cara MacNish (and in her absence on secondment, from August 2017 to the end of the year, by Professor Colin MacLeod).

The Academic Board recommends to the Senate the making, amendment and repeal of regulations that relate to courses, scholarships, prizes and other awards, and to all other academic-related matters; and approves rules specifying the course requirements, structures and policies applying to courses for degrees, diplomas, and certificates. The Board also advises the Senate on all proposals for the creation or disestablishment of faculties and schools.

The Board is supported by its executive committee, the Academic Council, which has delegated powers for dealing with many items of Board business, and by a range of standing committees that provide policy advice on academic matters. The committee system is replicated at the faculty and school levels.

Statute 8 establishes the faculties, which are responsible for the general administration of the courses under their governance. Each faculty is headed by a Pro Vice-Chancellor and Executive Dean who has dual responsibilities to the faculty, for providing vision, academic leadership and effective management, and to the Vice-Chancellor, for the effective leadership and management of the faculty's human, physical, and financial resources located in the schools resourced by the faculty.

2017 Faculties and Executive Deans

Arts, Business, Law and Education	Professor Matthew Tonts
Engineering and Mathematical Sciences	Professor John Dell
Medical and Health Sciences	Professor Wendy Erber
Science	Professor Tony O'Donnell

The University's decision-making structures and processes combine a significant level of operational autonomy in the faculties (both academic and budgetary) with a cohesive institution-wide approach to policy in the collegial and executive governance systems.

The Vice-Chancellor may also appoint Pro Vice-Chancellors whose responsibilities extend across the University. In 2017, they were:

Pro Vice-Chancellor (Research)	Professor Peter Davies
Pro Vice-Chancellor (International)	Mr Iain Watt
Pro Vice-Chancellor (Education Innovation)	Professor Gilly Salmon (to mid-2017)
Pro Vice-Chancellor (Indigenous Education)	Professor Jill Milroy

The Executive, the Executive Deans, and committees at all levels work with and are supported by the University's professional staff, both technical and administrative.

Diagrammatic representations of the University's governance system and its executive management structure are set out on pages 60-63 of this Annual Report.

The major publications produced by the University are:

- Annual Report
- Research Expertise
- *Uniview* magazine
- UWA Handbook
- UWA Course Guides

The University's management structure is available at:

governance.uwa.edu.au/structure/university/management



Senate members

The members of the University Senate in 2017 are listed below. The date in brackets at the end of each entry indicates the year a person first became a member of the Senate. The second date indicates the year of expiry of the current term of office. An (*) indicates membership for part of the year only.

Chancellor

*Michael Chaney, AO, CitWA, BSc MBA
Hon.LLD W.Aust., FAICD (2005) 2017

*Robert S. French, AC (2017) 2020

Appointed by the Governor

Susan Jennifer Delyse Boyd, BA DipEd
Hon.DLitt W.Aust., FAICD (2006) 2018

Lynton Raymond Hayes, BEc W.Aust.,
MPA PhD Indiana, Hon.FAIM (2008) 2020

Robert John Inverarity, CitWA, MBE BA
DipEd W.Aust., Hon.D Murd. (2006) 2018

Susan Lee Murphy, BEng W.Aust.
(2015) 2019

Elected by Convocation

Simon Lee Dawkins, BEc W.Aust., DipEd
Canberra CAE, MPhil City (UK), FAICD
(2010) 2018

Warren Kerr, AM, BArch W.Aust., MHP
NSW, LFRAIA, FACHSM, FAIM Hon AIA,
Hon FNZIA (2016) 2019

Quang Tao Ly, BEng W.Aust. (2014) 2018

Hilary Ann Silbert, BEd MEd W.Aust.,
DipPE WA Secondary TC (2010) 2018

Elected by academic staff

Raymond da Silva Rosa, BCom PhD
W.Aust. (2015) 2019

Nigel Laing, BSc PhD Edin., FHGSA FFSc
(RCPA) (2010) 2018

James O'Shea, BSc PhD Melb.
(2012) 2020

Elected by Academic Board

*Cara MacNish, BE W.Aust., PhD Cantab.,
SMIEE (2015) 2018 (on secondment with
Universities Australia from 16 August
2017 until 25 January 2018)

*Colin MacLeod, BSc Glas., DPhil Oxf.,
MPhil Lond. (Acting Chair of Academic
Board from 16 August until 25 January
2018)

Elected by general staff

*Sato Juniper, BSc PhD W.Aust.
(2009) 2017

*Craig Williams, BSc W.Aust. (2017) 2020

Elected by students

*Madelene Mulholland (2015) 2017

*Nevin Jayawardena (2016) 2017

*Owen Myles (2016) 2017

*Megan Lee (2017) 2018

*Peter Watson (2017) 2018

Member ex-officio

The Vice-Chancellor, Dawn Freshwater,
BA Manc., PhD Nott., FRCN, RN

Co-opted members

Frank Cooper, BCom W.Aust.
(2012) 2020

Michele Dolin, BA Maryland, MA Mich.
State, MBA Melb., FCPA (2012) 2018

Penelope Ruth Flett, AO, MBBS
Adel., DGM, FRACMA, AFCHSM, FAIM
(2007) 2019

2017 meetings of Senate members

A = Number of meetings held during the time the member held office

B = Number of meetings of the Senate and Senate Committees that the members have attended

Meetings of committees											
	Senator's period of membership In 2017	Senate meetings		Audit and risk		Chancellor's		Honorary degrees		Strategic resources	
		A	B	A	B	A	B	A	B	A	B
Dr S Boyd	Whole year	7	7			2	2	2	2		
Chancellor (Dr M Chaney)	Whole year	7	7			2	2	2	1		
Mr F Cooper	Whole year	7	6			2	2			6	6
Professor R da Silva Rosa	Whole year	7	6							6	6
Mr S Dawkins	Whole year	7	6							6	6
Ms M Dolin	Whole year	7	6	4	4	2	2				
Dr P Flett	Whole year	7	6			2	2	2	2		
Vice-Chancellor (Professor D Freshwater)	Whole year	7	7			2	2	2	2	6	6
Dr L Hayes	Whole year	7	5	4	4						
Mr J Inverarity	Whole year	7	6								
Mr N Jayawardena	To 30.11.17	6	6							6	5
Dr S Juniper	To 03.03.17	0	0								
Adjunct Professor W Kerr	Whole year	7	6								
Professor N Laing	Whole year	7	6								
Ms M Lee	From 01.12.17	1	1								
Mr Q Ly	Whole year	7	7								
Professor Colin MacLeod (Acting Chair, Academic Board)	From 16.8.17	3	2							2	2
Associate Professor C MacNish (Secondment to Universities Australia)	To 16.8.17	4	4					1	1	4	4
Ms M Mulholland	To 30.11.17	6	6								
Ms S Murphy	Whole year	7	5							6	1
Mr O Myles	To 30.11.17	6	5								
Dr J O'Shea	Whole year	7	7								
Ms H Silbert	Whole year	7	7					2	2		
Mr P Watson	From 01.12.17	1	1								
Mr Craig Williams	From 04.03.17	7	7								

GUILD OF UNDERGRADUATES
UWA ACT, 1911
Statute 20

SENATE
UWA Act, 1911

VICE-CHANCELLOR
Statute 10

EXECUTIVE
*Senior Deputy
Vice-Chancellor*

*Deputy Vice-Chancellor
(Education)*

*Deputy Vice-Chancellor
(Community & Engagement)*

*Deputy Vice-Chancellor
(Research)*

*Executive Director
Corporate Services*

**VICE-CHANCELLOR'S
ADVISORY COMMITTEES**

ACADEMIC BOARD
Statute 19

ACADEMIC COUNCIL

**EXECUTIVE
DEANS**

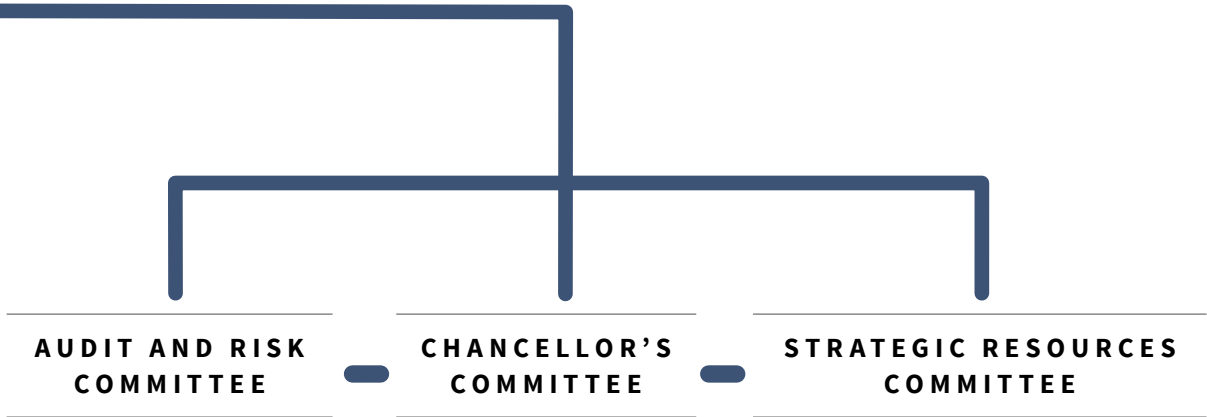
FACULTIES
Statute No. 8

HEADS

SCHOOLS

CONVOCATION

UWA ACT, 1911
Statutes 4, 9 and 12



University governance

**ACADEMIC COUNCIL/
BOARD COMMITTEES**

FACULTY COMMITTEES

SCHOOL COMMITTEES

**VICE-
CHANCELLOR**

**UNIVERSITY
SECRETARY**

**EXECUTIVE DIRECTOR,
CORPORATE SERVICES**

CHIEF FINANCIAL OFFICER
Finance

**CHIEF DIGITAL AND INFORMATION
OFFICER**
Information Technology

DIRECTOR
Campus Management

DIRECTOR
Service Delivery

**DEPUTY
VICE-CHANCELLOR
COMMUNITY AND
ENGAGEMENT**

**PRO VICE-CHANCELLOR
(INTERNATIONAL)**
Office of the PPCI
Director, CELT

CHIEF ADVANCEMENT OFFICER
Development and Alumni Relations

CHIEF MARKETING OFFICER
Brand, Marketing and Recruitment

DIRECTOR
Government and Corporate
Communications

CHIEF CULTURAL OFFICER
Cultural Precinct

EXECUTIVE DIRECTOR
Perth Festival

DIRECTOR
Business Development and Innovation

DIRECTOR
Venues Management

**DEPUTY
VICE-CHANCELLOR
RESEARCH**

PRO VICE-CHANCELLOR (RESEARCH)

DEAN
Graduate Research School

DIRECTOR
Institute of Advanced Studies

DIRECTOR
Institute of Agriculture

DIRECTOR
Oceans Institute

DIRECTOR
Office of Research Enterprise

DIRECTORS
Research Infrastructure Centres

UNIVERSITY LIBRARIAN
University Library

Management structure

**DEPUTY
VICE-CHANCELLOR
EDUCATION**

**PRO VICE-CHANCELLOR (EDUCATION
INNOVATION)**

Centre for Education Futures

DEAN (COURSEWORK STUDIES)

Office of the DCWS
Director, Albany Centre
Director, McCusker Centre for
Citizenship

DIRECTOR
Student Experience

DIRECTOR
Student Life

**SENIOR DEPUTY
VICE-CHANCELLOR**

EXECUTIVE DEANS OF
Arts, Business, Law and Education

Engineering and Mathematical
Sciences

Health and Medical Sciences

Science

DIRECTOR
Strategy, Planning and
Performance

DIRECTOR
Human Resources

**PRO VICE-
CHANCELLOR
(INDIGENOUS
EDUCATION)**

School of Indigenous Studies





Risk management

The University is committed to robust risk management practices as an integral part of good governance. A risk report provided on a quarterly basis to the Senate and the Audit and Risk Committee highlights major emerging risks and provides updates on risks from the Strategic Risk Register. The University's Strategic Risk Register is reviewed twice a year as part of the University's integrated planning processes.

A review of the University's operational risk management approach is planned for 2018 with a view to implement enhanced processes and systems to support enterprise-wide risk management and planning.

Statistical profile

Table 1: Total student enrolments by course type, 2008–2017

Course type	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Higher degree research										
Doctorate by research	1676	1761	1798	1767	1788	1754	1757	1782	1809	1748
Master's degree by research	310	298	306	285	270	241	218	196	210	200
Subtotal higher degree research	1986	2059	2104	2052	2058	1995	1976	1978	2019	1949
% Higher degree research	10.2%	9.8%	9.3%	8.6%	8.4%	8.0%	7.7%	8.1%	8.3%	8.0%
Postgraduate coursework										
Doctorate by coursework	16	26	46	57	58	21	22			
Master's degree extended						179	637	993	1,423	1,711
Master's degree by coursework	1612	2043	2345	2417	2406	2410	2623	3340	4202	5003
Higher degree qualifying	20	19	20	35	33	88	75	22	18	20
Graduate diploma	594	564	643	559	518	481	415	420	496	508
Graduate certificate	213	162	156	175	178	151	169	199	256	271
Postgraduate cross-institutional	44	61	57	67	59	48	50	72	56	74
Subtotal postgraduate coursework	2499	2875	3267	3310	3252	3378	3991	5046	6451	7587
% Postgraduate coursework	12.8%	13.6%	14.5%	13.9%	13.3%	13.5%	15.5%	20.6%	26.4%	31.2%
Undergraduate										
Graduate entry bachelor's degree	486	465	495	521	456	326	230	154	81	17
Bachelor's honours degree	445	439	468	424	515	558	617	687	726	705
Bachelor's pass degree	13,570	14,678	15,650	16,792	17,656	18,228	18,125	16,008	14,439	13,350
Diploma	66	78	85	84	99	148	231	220	270	269
Enabling	237	269	295	370	99	99	168	45	74	64
Undergraduate cross-institutional	225	225	218	229	285	315	460	405	406	384
Non-award	6	3	8	10	15		8	4	4	2
Subtotal undergraduate	15,035	16,157	17,219	18,430	19,125	19,674	19,839	17,523	16,000	14,791
% Undergraduate	77.0%	76.6%	76.2%	77.5%	78.3%	78.5%	76.9%	71.4%	65.4%	60.8%
Gross enrolments	19,520	21,091	22,590	23,792	24,435	25,047	25,806	24,547	24,470	24,327
Less dual enrolments	391	398	431	500	218	218	308	253	309	236
Net enrolments	19,129	20,693	22,159	23,292	24,217	24,829	25,498	24,294	24,161	24,091

Enrolments at 31 March each year

Total student enrolments by broad course type, 2008–2017

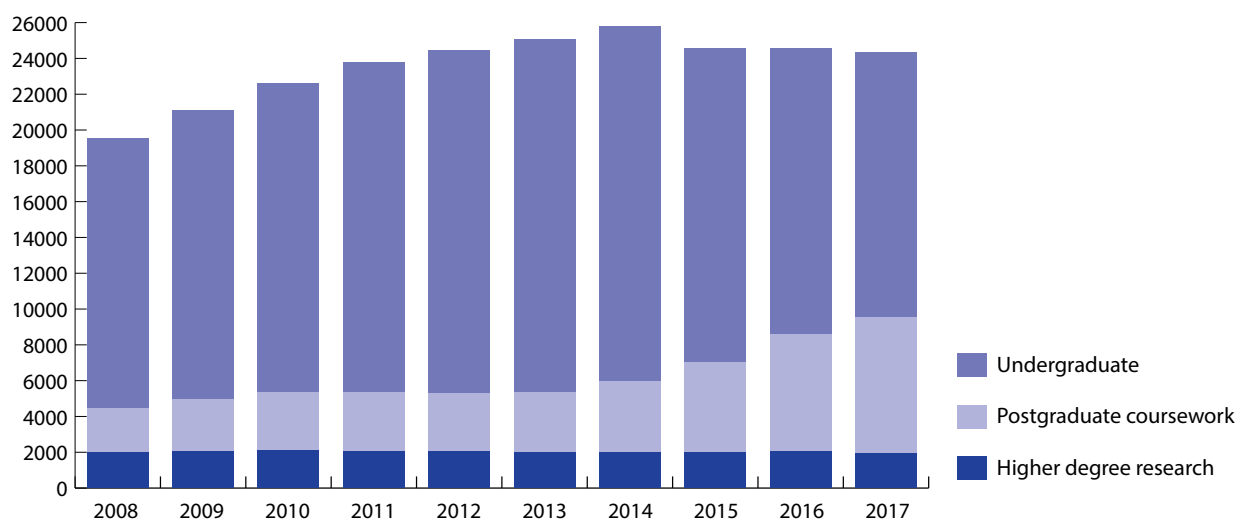


Table 2: Student load (EFTSL) by funding source and broad course type, actual 2013–2016 and 2017 preliminary

Funding source	2013	2014	2015	2016	2017(a)
Commonwealth-supported and Research Training Scheme (RTS) students					
Higher degree research	950.6	995.0	1,008.8	995.7	949.9
Postgraduate coursework	883.0	1323.2	2172.2	2941.8	3294.9
Undergraduate	13,953.9	13,818.5	11,750.7	10,613.8	9,764.8
Subtotal Commonwealth-supported and RTS	15,787.5	16,136.7	14,931.7	14,551.3	14,009.6
<i>% Commonwealth-supported and RTS</i>	75.7%	75.8%	75.0%	73.4%	71.1%
Domestic fee-paying students					
Higher degree research					
Postgraduate coursework	631.5	638.0	791.5	921.1	949.1
Undergraduate		1.0		0.5	2.0
Subtotal domestic fee-paying	631.5	639.0	791.5	921.6	951.1
<i>% Domestic Fee-paying</i>	3.0%	3.0%	4.0%	4.7%	4.8%
Onshore international fee-paying students					
Higher degree research	499.0	493.6	467.4	458.4	453.3
Postgraduate coursework	713.0	803.3	965.9	1311.9	1844.7
Undergraduate	2388.6	2410.9	2105.1	2151.9	2163.3
Subtotal onshore international fee-paying	3600.6	3707.8	3538.4	3922.2	4461.3
<i>% Onshore international fee-paying</i>	17.3%	17.4%	17.8%	19.8%	22.6%
Offshore international fee-paying students					
Higher degree research	26.0	28.5	29.8	22.0	27.8
Postgraduate coursework	13.6	15.5	10.1	6.3	3.0
Undergraduate	705.2	695.4	520.6	320.5	187.5
Subtotal offshore international fee-paying	744.8	739.4	560.5	348.8	218.3
<i>% Offshore international fee-paying</i>	3.6%	3.5%	2.8%	1.8%	1.1%
Time-limit and non-award students					
Higher degree research	86.6	76.8	79.6	72	63.6
Postgraduate coursework			0.3	1.8	2.6
Undergraduate	0.1	0.5		0.5	3.0
Subtotal time-limit and non-award	86.8	77.3	79.9	74.3	69.2
<i>% Time-limit and non-award</i>	0.4%	0.4%	0.4%	0.4%	0.4%
Total load ^(b)	20,851.3	21,300.3	19,902.0	19,818.1	19,709.4

^(a) 2017 full-year load as at 9 November 2017

^(b) Discrepancies between the sums of component items and totals are due to rounding.

Student load by funding source and broad course type, 2013–2017

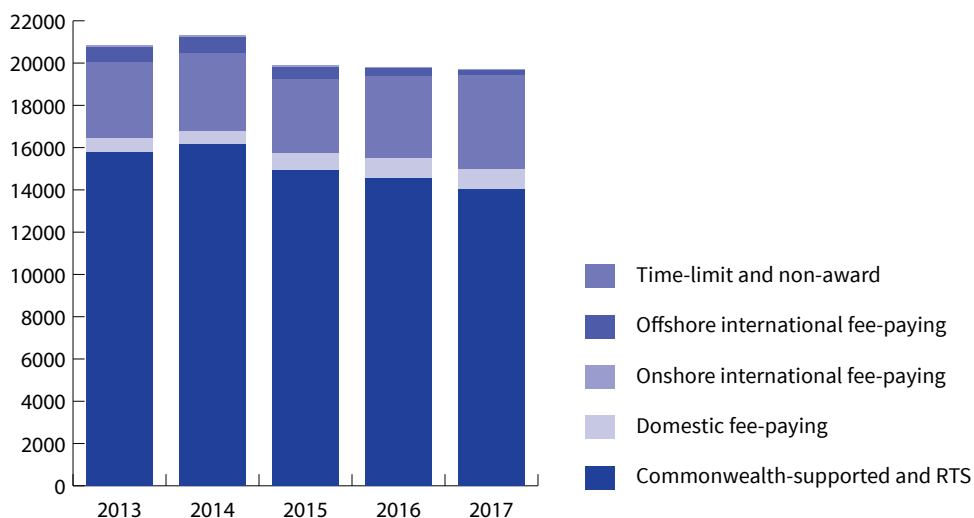


Table 3: Full-year student load (EFTSL) by faculty and broad course type 2017^(a)

Faculty	Higher degree research	Postgraduate coursework	Undergraduate	Total ^(b)
Arts, Business, Law and Education	339.1	2246.7	6182.3	8768.1
Engineering and Mathematical Sciences	302.8	1414.0	1815.5	3532.3
Health and Medical Sciences	266.4	1692.1	824.5	2783.1
Indigenous Studies		49.3	137.0	186.3
Office of the DVC E		3.5	16.6	20.1
Science	586.3	688.8	3144.6	4419.6
Total^(b)	1494.5	6,094.4	12,120.5	19,709.4

^(a) 2017 full-year load as at 9 November

^(b) Discrepancies between the sums of component items and totals are due to rounding.

Full-year student by faculty, 2017

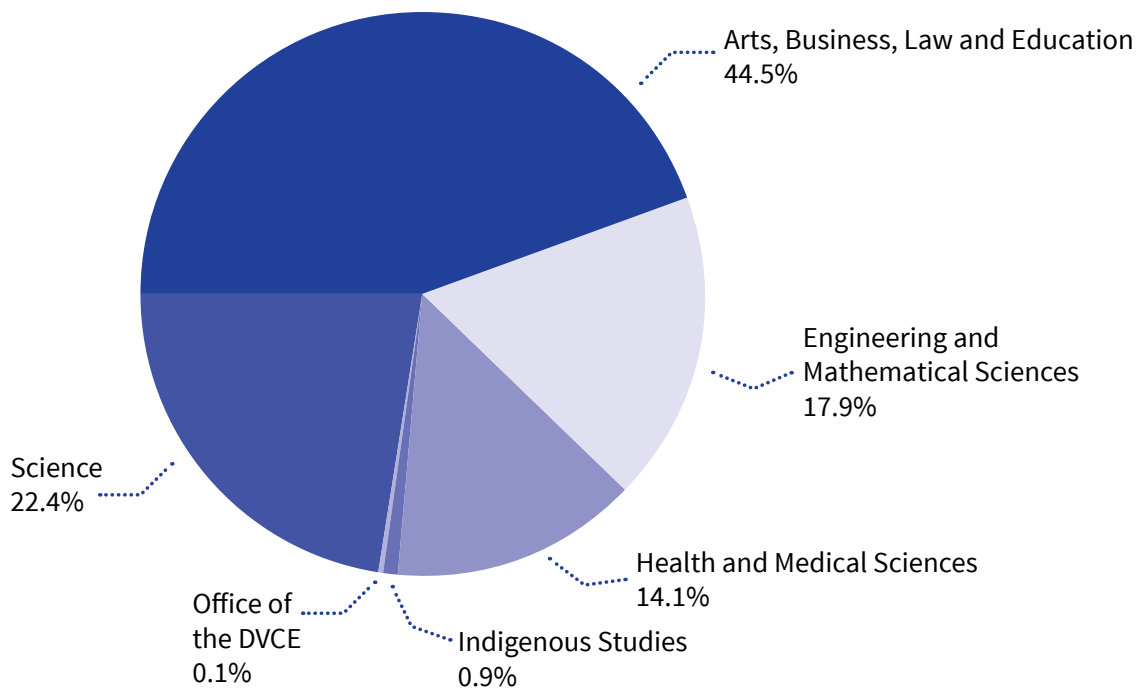


Table 4: Degrees and awards conferred by course type, 2008–2017

Course type	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Higher degree research										
Higher doctorate			1	1	1				2	
Doctorate by research	263	262	235	244	276	284	268	259	328	273
Master's degree by research	66	52	47	55	53	53	59	55	50	45
Sub-total higher degree research	329	314	283	300	330	337	327	314	380	318
% Higher degree research	7.0%	6.3%	5.3%	5.4%	5.5%	5.6%	5.0%	4.2%	4.7%	4.5%
Postgraduate coursework										
Doctorate by coursework			5	11	15					
Master's degree extended						81	44	21	74	161
Master's degree by coursework	563	628	798	855	910	741	764	747	1139	1403
Graduate diploma	335	330	342	345	372	300	336	285	313	327
Graduate certificate	79	139	137	143	109	113	105	103	130	188
Sub-total postgraduate coursework	977	1097	1282	1354	1406	1235	1249	1156	1656	2079
% Postgraduate coursework	20.8%	22.0%	24.1%	24.5%	23.3%	20.7%	19.1%	15.5%	20.4%	29.3%
Undergraduate										
Graduate entry bachelor's degree	91	89	90	99	119	113	91	87	133	6
Bachelor's honours degree	701	790	823	842	910	905	967	935	772	537
Bachelor's pass degree	2594	2689	2832	2917	3241	3356	3894	4893	5086	4105
Diploma	14	11	17	23	16	22	24	51	85	57
Sub-total undergraduate	3400	3579	3762	3881	4286	4396	4976	5966	6076	4705
% Undergraduate	72.2%	71.7%	70.6%	70.1%	71.2%	73.7%	75.9%	80.2%	74.9%	66.2%
Total	4706	4990	5327	5535	6022	5968	6552	7436	8112	7102

Degrees and awards conferred, 2008–2017

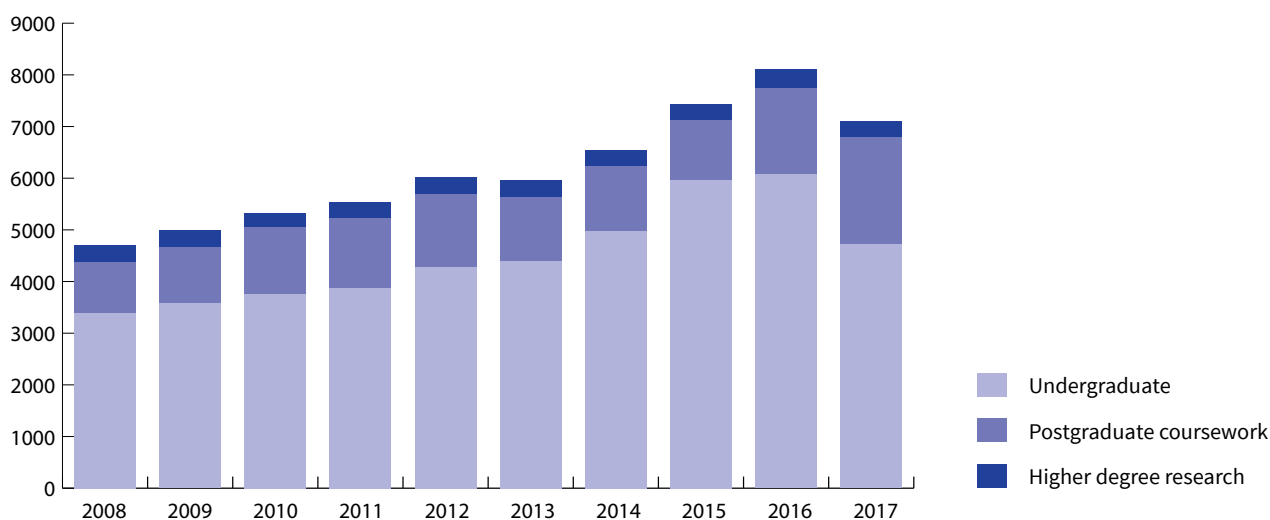


Table 5: Staff FTE^(a) by major organisational unit, 2013–2017

	2013	2014	2015	2016	2017
Academic organisational units (AOUs)					
Academic staff					
Teaching and research					
Total	805.8	812.3	782.4	778.9	707.5
% Female	33.2%	34.3%	34.1%	34.1%	34.3%
Teaching only					
Total	69.8	82.8	79.7	73.3	108.3
% Female	58.9%	57.1%	61.0%	61.0%	54.5%
Research only					
Total	633.4	617.2	607.4	568.0	529.5
% Female	44.7%	44.9%	44.2%	44.2%	43.9%
Total academic staff					
Total	1510.0(b)	1514.8(c)	1472.1(d)	1421.9(e)	1351.6(f)
% Female	39.2%	39.8%	39.7%	39.2%	39.6%
Professional staff					
Research only					
Total	195.5	181.1	185.3	163.3	163.3
% Female	72.8%	74.9%	73.9%	73.9%	70.9%
Other					
Total	933.3	930.6	916.1	875.6	348.1
% Female	68.1%	67.6%	68.2%	68.5%	70.0%
Total professional staff					
Total	1128.8	1111.7	1101.5	1038.9	511.4
% Female	68.9%	68.8%	69.2%	69.3%	70.3%
Total academic organisational units					
Total	2638.8	2626.5	2573.5	2460.8	1863.0
% Female	51.9%	52.1%	52.3%	51.9%	48.0%
Non-academic organisational units					
Total	1083.8	1130.1	1103.3	1098.2	1401.2
% Female	62.8%	65.0%	64.3%	64.5%	65%
Total University^(g)					
Total	3722.6	3756.6	3676.8	3558.0	3264.2
% Female	55.1%	56.0%	55.9%	55.8%	55.3%

^(a) Full-time equivalence of full-time and fractional full-time staff. Excludes full-time equivalence of casual staff.

^(b) Total academic staff FTE includes 1.0 FTE of staff with a function other than teaching and/or research. Excludes 23.6 FTE academic staff not in AOUs. Total academic staff is 1533.5 FTE.

^(c) Total academic staff FTE includes 2.5 FTE of staff with a function other than teaching and/or research. Excludes 23.2 FTE academic staff not in AOUs. Total academic staff is 1538.0 FTE.

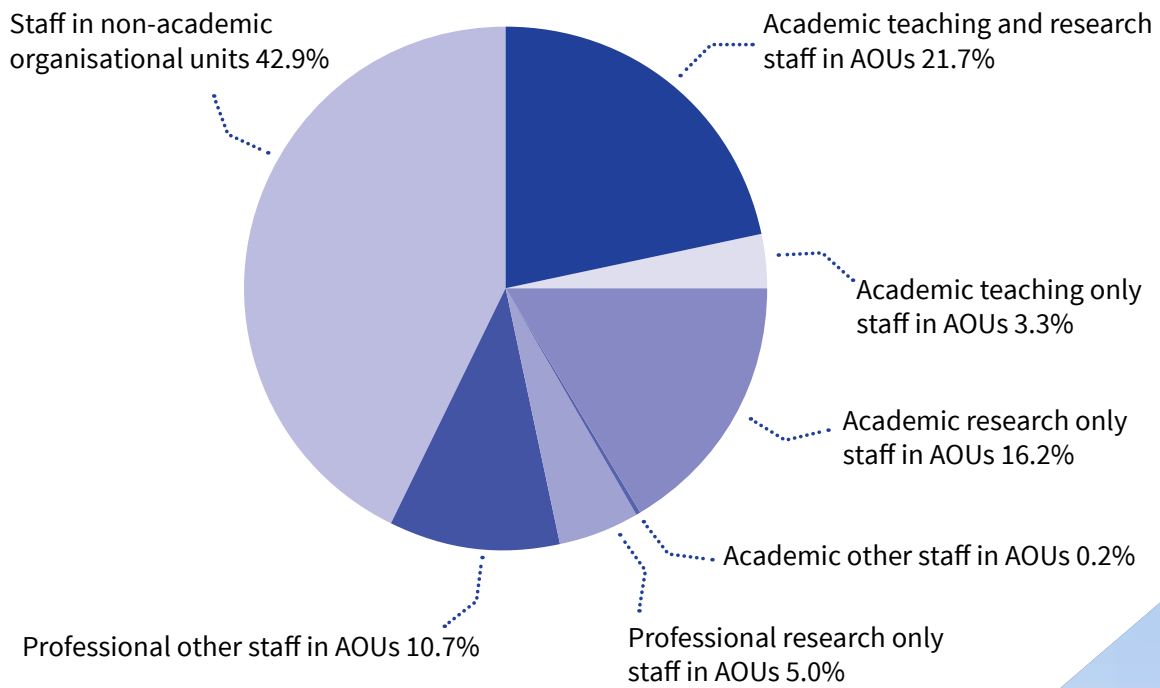
^(d) Total academic staff FTE includes 2.6 FTE of staff with a function other than teaching and/or research. Excludes 24.2 FTE academic staff not in AOUs. Total academic staff is 1496.3 FTE.

^(e) Total academic staff FTE includes 1.7 FTE of staff with a function other than teaching and/or research. Excludes 23.0 FTE academic staff not in AOUs. Total academic staff is 1422.7 FTE.

^(f) Total academic staff FTE includes 6.3 FTE of staff with a function other than teaching and/or research. Excludes 22 FTE academic staff not in AOUs. Total academic staff is 1373.6 FTE.

^(g) Discrepancies between the sums of component items and totals are due to rounding.

Staff FTE by major organisational unit, 2017



Significant issues and trends

Impacts of the tertiary environment

The Demand Driven System, which since 2012 has seen significant growth nationally in higher education student numbers, has also significantly increased the cost to the Government and the taxpayer. In May 2017, the Minister for Education announced the Higher Education Reform package, which contained a number of measures intended to reduce this cost. The full range of initiatives did not pass through Parliament, and instead the Government has enacted some changes which do not require legislation, with the intention of introducing a new Bill for those remaining initiatives requiring legislation.

The most significant non-legislated change is the capping of Commonwealth Grant Scheme (CGS) funding for bachelor-level courses in 2018/19 at 2017 levels. While this will have a negative impact on the University's budget, some level of reduction to CGS funding was anticipated and built into budget planning, and the capping of CGS funding is likely to have a less significant impact on the University's budget than the measures initially put forward. At the time of writing, the Government had put to the House of Representatives legislation to implement changes to loan repayment thresholds and indexing, as well as a lifetime limit on HELP loan borrowing.

At the State level, in 2017, a proportion of 'half-cohort' students had completed their undergraduate studies and were moving into postgraduate courses. This 'half-cohort', a smaller group of students that moved through the WA education system as a result of school entry age changes in 2002, entered university in 2015 and had a notable impact on all Western Australian universities due to reduced numbers. This is likely to further affect the supply of students who pursue postgraduate qualifications.

International student recruitment, which has grown significantly faster than State and national trends in the past two years, has been diminished by the State Government's decision in early 2017 to exclude the Perth metropolitan area from the definition of regional Australia for the Regional Sponsored Migration Scheme, a federal program allowing skilled migrants to fill employment vacancies. This change means Perth has become a less appealing study destination for some international students. This is expected to have an impact on 2018 international student recruitment at all Western Australian institutions.

UWA is responding to these challenges by harnessing educational opportunities outside of this limited funding context.

The impact of legislation

Effective as of 1 July 2018, the payroll tax levy in Western Australia will increase by 0.5 per cent for organisations with payroll liabilities of greater than \$100 million. The increase will remain in place for a period of five years and will result in a material negative financial impact to the University.

The impact of litigation

There have been no legal proceedings involving the University in 2017, either underway or forthcoming, which could have had a material impact on the University's operations.







Our performance



Auditor General

INDEPENDENT AUDITOR'S REPORT

To the Parliament of Western Australia

THE UNIVERSITY OF WESTERN AUSTRALIA

Report on the Financial Statements

Opinion

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

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

Basis for Opinion

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

Responsibility of the University Senate for the Financial Statements

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

In preparing the financial statements, the University Senate is responsible for assessing the 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.

Auditor's Responsibility for the Audit of the Financial Statements

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

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

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

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

Report on Controls

Opinion

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

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

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

The University Senate's Responsibilities

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

Auditor General's Responsibilities

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

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

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

Limitations of Controls

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

Report on the Key Performance Indicators

Opinion

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

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

The University Senate's Responsibility for the Key Performance Indicators

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

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

Auditor General's Responsibility

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

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

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

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

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

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

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

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



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

THE UNIVERSITY OF WESTERN AUSTRALIA

CERTIFICATIONS

FOR THE YEAR ENDED 31 DECEMBER 2017

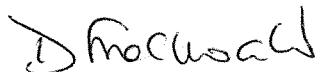
CERTIFICATION OF FINANCIAL STATEMENTS

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

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



Robert S French
Chancellor



Dawn Freshwater
Vice-Chancellor

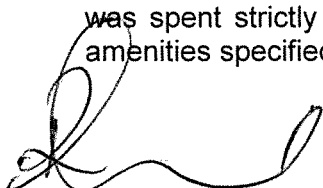


Jonathan Cowper
Chief Financial Officer

**CERTIFICATION OF FINANCIAL STATEMENTS REQUIRED BY
DEPARTMENT OF EDUCATION AND TRAINING**

We declare that:

- the amount of Australian Government financial assistance expended during the financial year ending 31 December 2017 was for the purpose(s) for which it was intended; and
- the University has complied with applicable legislation, contracts, agreements and programme guidelines in making expenditure;
- the University charged Student Services and Amenities Fees strictly in accordance with the *Higher Education Support Act 2003* and the Administration Guidelines made under the Act. Revenue from the fee was spent strictly in accordance with the Act and only on services and amenities specified in subsection 19-38(4) of the Act.



Robert S French
Chancellor



Dawn Freshwater
Vice-Chancellor

12 March 2018



Financial statements

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Financial highlights

The consolidated 2017 net operating results for The University of Western Australia and its subsidiaries was \$81.8 million, representing a margin of 8.4 per cent.

Despite declining government funding, relative to total funding, UWA is benefiting from its strategy of diversifying its income streams, as well as controlling costs, which has allowed for prioritised investments in student experience and academic excellence. The following sections refer to The University of Western Australia only, excluding subsidiaries.

Net result

Included within the University's net result of \$81.4 million was a further donation of \$27 million associated with a second gift from the Minderoo Foundation, which itself was associated with expanding the Forrest Foundation initiative to attract high-calibre students from around the globe to Western Australia.

Adjusting for this, the University generated a net result of 5.8 per cent, which is aligned to the University's target.

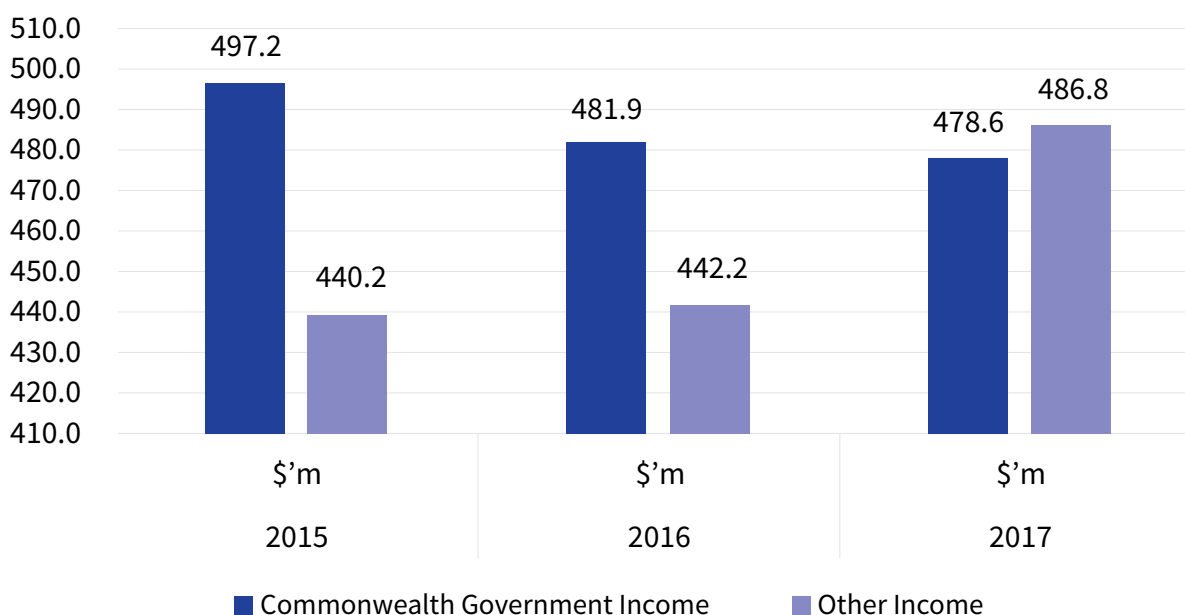
Income

In the face of Commonwealth funding cuts, the University successfully broadened its income streams. Total income increased by \$41.3 million or 4.5 per cent during 2017, despite declines in Commonwealth and State government funding. Key contributors to the income growth were \$28.7 million from international student fees and \$27 million from the Minderoo Foundation associated with the second gift from Andrew and Nicola Forrest.

Expenditure

The success of the University's renewal program has reduced expenditure by

Income





\$977.3m

Income
Up \$42.4 million
on FY16

\$81.8m

Net Result
Up \$55.9 million
on FY16

\$18.0m

Underlying Result
Up \$19.8 million
on FY16

\$14.2 million to \$884 million, while at the same time increasing investment in key student experiences and teaching and research facilities.

Employee expenses, which are by far the biggest cost to the University, fell by \$43.7 million, driven by the timing of hiring key appointments following renewal. These savings are being reinvested in academic excellence and student experience initiatives with the aim of maintaining UWA as a world-class institution.

The expenditure also included an asset impairment charge of \$9.8 million (see explanation to follow) along with an increase in grants distributed of \$9.6 million.

Underlying result

The University monitors its financial performance using a financial measure referred to as the 'underlying result' – which is widely used by the Australian Group of Eight universities – as a measure of the University's capacity to operate sustainably.

The underlying result adjusts the University's net result for items which are once-off or restricted in nature, such as research grants received where the expenditure will occur in future years.

Following the completion of the University's renewal program in 2016, the University generated a solid underlying surplus of \$18 million in 2017.

The table below shows the reconciliation from net result to underlying result. Included within the University's net result of \$81.4 million is a once-off charge of \$9.8 million associated with asset impairments, arising from the demolition of existing University buildings to make way for the new EZONE development, along with a write-down in property value associated with rural properties. This adjustment, which is included under extraordinary items, is a non-cash item.

Reconciliation from net result to underlying result

	2017 \$'m	2016 \$'m	2015 \$'m	2014 \$'m	2013 \$'m	2012 \$'m
Net result	81.4	25.8	32.4	91.2	124.8	101.8
Adjusted for						
Endowment and gifted funds	-84.2	-42.5	-51.2	-42.3	-89.9	-63.1
Investment funds	1.1	-3.2	-1.5	-12.7	-20.5	-21.4
Capital grants	-4.4	-1.8	-3.2	-17.8	-5.2	-18.1
Research and other specific grants	14.3	-4.4	2.5	-2.5	-8.0	-7.7
Extraordinary items	9.8	24.3	17.0			
Underlying result	18.0	-1.8	-4.0	15.9	1.2	-8.5

Balance sheet

The University has a strong financial balance sheet, with its net assets of \$1.95 billion being \$87 million higher than 2016.

Capital expenditure was \$86.5 million in the year, compared with \$61.8 million in 2016. The majority of capital expenditure relates to our capital program commitments associated with modernising UWA's campus, as shown on page 152 in the Annual Report.

Debt

The University operates a debt facility with the Western Australian Treasury Corp (WATC). As at December 2017, the University's total borrowings were \$144 million, a reduction of \$3 million in the year. Total debt facilities approved between the University and WATC are \$210 million. The facility is used to fund long-term capital program works.



Income statement

for the year ended 31 December 2017

	Notes	Consolidated		University	
		2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Income from continuing operations					
Australian Government financial assistance					
Australian Government grants	2	368,474	372,974	364,165	368,716
HELP - Australian Government payments	2	114,427	113,151	114,427	113,151
Western Australian and Local Government financial assistance	3	39,670	49,407	38,233	47,988
HECS-HELP - student payments		17,722	20,767	17,722	20,767
Other research grants and contracts	4	36,924	36,524	36,924	36,524
Investment revenue	5	38,777	46,463	38,756	46,444
Fees and charges	6	197,054	166,422	195,217	164,305
Other contributions and recoveries	7	40,025	39,396	39,278	39,290
Other revenue	8	103,484	83,920	99,958	81,044
Other investment income	5	2,265	210	2,265	210
Investment gains	5	18,310	5,621	18,306	5,621
Gain on disposal of non-current assets		169	-	182	-
Total income from continuing operations		977,301	934,855	965,433	924,060
Expenses from continuing operations					
Employee related expenses	9	537,781	580,966	527,319	570,992
Student expenses	10	46,524	46,238	48,022	47,894
Materials and supplies	11	31,320	30,564	27,867	26,912
Depreciation, amortisation and impairment	12	54,852	50,188	54,319	49,674
Repairs and maintenance	13	22,626	19,091	22,406	19,257
Finance costs	14	6,504	6,640	6,499	6,634
Grants distributed		19,604	10,175	19,330	9,686
Travel		20,403	21,238	20,382	21,235
Professional fees		26,900	25,384	26,882	25,256
Other expenses	15	128,992	117,619	130,958	119,863
Loss on disposal of non-current assets		-	820	-	822
Total expenses from continuing operations		895,506	908,923	883,984	898,225
Net result attributable to members from continuing operations		81,795	25,932	81,449	25,835

Statement of comprehensive income

for the year ended 31 December 2017

	Notes	Consolidated		University	
		2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Net result from continuing operations		81,795	25,932	81,449	25,835
Items that will be reclassified to profit or loss					
Net gains (losses) on available-for-sale financial assets	31	5,175	1,829	5,175	1,829
Items that will not be reclassified to profit or loss					
Net actuarial gains (losses) recognised in respect of Defined Benefit Plan	28	141	1	141	1
Total other comprehensive income		5,316	1,830	5,316	1,830
Total comprehensive income attributable to members from continuing operations		87,111	27,762	86,765	27,665

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

Statement of financial position

as at 31 December 2017

	Notes	Consolidated		University	
		2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
ASSETS					
Current assets					
Cash and cash equivalents	18	58,918	74,417	55,886	71,615
Receivables	19	49,252	51,334	48,845	50,990
Inventories	20	698	589	518	434
Other non-financial assets	21	15,665	16,313	15,628	16,681
Total current assets		124,533	142,653	120,877	139,720
Non-current assets					
Receivables	19	87	94	87	94
Investment properties	22	25,417	24,207	25,417	24,207
Other financial assets	23	833,528	758,178	833,026	758,178
Other non-financial assets	21	5,334	5,690	5,334	5,690
Property, plant and equipment	24	1,305,307	1,279,159	1,303,536	1,276,851
Intangible assets	25	28,898	23,419	28,898	23,419
Total non-current assets		2,198,571	2,090,747	2,196,298	2,088,439
Total assets		2,323,104	2,233,400	2,317,175	2,228,159
LIABILITIES					
Current liabilities					
Trade and other payables	27	67,966	66,388	66,359	64,576
Provisions	28	93,559	94,298	92,583	93,488
Other liabilities	29	47,200	40,907	46,273	40,644
Borrowings	30	3,171	3,207	3,181	3,065
Total current liabilities		211,896	204,800	208,396	201,773
Non-current liabilities					
Provisions	28	14,637	15,851	14,584	15,660
Borrowings	30	144,293	147,582	143,975	147,272
Total non-current liabilities		158,930	163,433	158,559	162,932
Total liabilities		370,826	368,233	366,955	364,705
Net assets		1,952,278	1,865,167	1,950,220	1,863,454
EQUITY					
Reserves	31	49,154	44,986	48,985	44,817
Retained earnings	32	1,903,124	1,820,181	1,901,235	1,818,637
Total equity		1,952,278	1,865,167	1,950,220	1,863,454

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

Statement of changes in equity

as at 31 December 2017

	Reserves \$'000	Retained earnings \$'000	Total \$'000
Consolidated			
Balance at 1 January 2016	39,971	1,797,434	1,837,405
Net result	-	25,932	25,932
Remeasurement of Defined Benefit Plan	-	1	1
Remeasurement of available-for-sale financial assets	1,829	-	1,829
Total comprehensive income	1,829	25,933	27,762
Transfer to/(from) reserves	3,186	(3,186)	-
Balance at 31 December 2016	44,986	1,820,181	1,865,167
Balance at 1 January 2017	44,986	1,820,181	1,865,167
Net result	-	81,795	81,795
Remeasurement of Defined Benefit Plan	-	141	141
Remeasurement of available-for-sale financial assets	5,175	-	5,175
Total comprehensive income	5,175	81,936	87,111
Transfer to/(from) reserves	(1,007)	1,007	-
Balance at 31 December 2017	49,154	1,903,124	1,952,278
University			
Balance at 1 January 2016	39,881	1,795,908	1,835,789
Net result	-	25,835	25,835
Remeasurement of Defined Benefit Plan	-	1	1
Remeasurement of available-for-sale financial assets	1,829	-	1,829
Total comprehensive income	1,829	25,836	27,665
Transfer to/(from) reserves	3,107	(3,107)	-
Balance at 31 December 2016	44,817	1,818,637	1,863,454
Balance at 1 January 2017	44,817	1,818,637	1,863,454
Net result	-	81,449	81,449
Remeasurement of Defined Benefit Plan	-	141	141
Remeasurement of available-for-sale financial assets	5,175	-	5,175
Total comprehensive income	5,175	81,590	86,765
Transfer to/(from) reserves	(1,007)	1,007	-
Balance at 31 December 2017	48,985	1,901,235	1,950,220

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

Statement of cash flows

for the year ended 31 December 2017

	Notes	Consolidated		University	
		2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Cash flows from operating activities					
Australian Government grants received		478,159	483,702	473,849	479,444
OS-HELP (net)		268	(45)	268	(45)
Western Australian Government grants received		37,710	50,908	36,274	49,489
Local Government grants received		14	18	14	18
HECS-HELP—student payments		17,722	20,767	17,722	20,767
Receipts from student fees and other customers		396,602	323,047	390,495	318,194
Dividends received		103	96	103	96
Interest received		2,148	4,904	2,128	4,885
Interest and other borrowing costs paid		(5,618)	(6,526)	(5,613)	(6,520)
Payments to suppliers and employees (inclusive of goods and services tax)		(834,824)	(833,743)	(822,978)	(824,057)
Net cash provided by/(used in) operating activities	40	92,284	43,128	92,262	42,271
Cash flows from investing activities					
Proceeds from sale of property, plant and equipment		231	790	231	790
Payments for property, plant and equipment		(86,617)	(60,260)	(86,565)	(59,710)
Proceeds from sale of financial assets		13,466	4,886	13,216	4,886
Payments for financial assets		(31,913)	(63,000)	(31,914)	(63,000)
Net cash provided by/(used in) investing activities		(104,833)	(117,584)	(105,032)	(117,034)
Cash flows from financing activities					
Proceeds from borrowings		-	25,513	-	25,077
Repayments of borrowings		(3,027)	-	(3,036)	-
Net cash provided by/(used in) financing activities		(3,027)	25,513	(3,036)	25,077
Net increase/(decrease) in cash and cash equivalents		(15,576)	(48,943)	(15,806)	(49,686)
Cash and cash equivalents at beginning of year		74,417	123,342	71,615	121,283
Effects of exchange rate changes on cash and cash equivalents		77	18	77	18
Cash and cash equivalents at end of year	18	58,918	74,417	55,886	71,615

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

Notes to the financial statements

for the year ended 31 December 2017

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1 Summary of significant accounting policies

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

The principal address of The University of Western Australia is 35 Stirling Highway, Crawley WA 6009, Australia.

(a) General statement

The financial statements constitute general purpose financial statements which have been prepared in accordance with Australian Accounting Standards, the Framework, Statement of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board as applied by the Treasurer's Instructions, with the exception of certain Treasurer's Instructions. Several of the Australian Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board are modified by the Treasurer's Instructions to vary application, disclosure, format and wording.

The *Financial Management Act 2006* and *Auditor General Act 2006* and the Treasurer's Instructions are legislative provisions governing the preparation of financial statements and take precedence over Australian Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board, the requirements of the Department of Education and other State/Australian Government legislative requirements.

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

Modifications or clarifications to accounting standards through the Treasurer's Instructions are to provide certainty and ensure consistency and appropriate reporting across the public sector.

(b) Basis of preparation

The financial statements have been prepared on the accrual basis of accounting using the historical cost convention as modified by the revaluation of financial assets at fair value through profit or loss, available for sale financial assets and investment properties. Comparative information is reclassified or re-stated where appropriate to enhance comparability.

The University of Western Australia 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 International Financial Reporting Standards requirements.

The financial statements are presented in Australian dollars (\$), which is the Group's functional and presentation currency. All values are rounded to the nearest thousand dollars (\$'000) unless otherwise stated.

Date of authorisation for issue

The financial statements were authorised for issue by the Senate members of The University of Western Australia on 12 March 2018.

Critical accounting estimates and judgements

In preparation of the financial statements, management is required to exercise its judgement when applying the accounting policies. When there is a higher degree of judgement or complexity or areas where assumptions and estimates are significant to the financial statements, these are disclosed separately. 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:

Property, plant and equipment

Property, plant and equipment and intangible assets are depreciated/amortised over their useful lives taking into account any residual values where appropriate. The useful lives of the assets and residual values (where appropriate) are assessed annually and may vary depending on a number of factors. In assessing asset lives, factors such as technological innovation, wear and tear and maintenance programs are taken into account. An increase (decrease) in asset lives would result in a lower (higher) future period charge recognised in the income statement.

Impairment

Assets are assessed annually for impairment. If the assessment indicates that an asset is impaired, then an assessment of that asset's recoverable amount is estimated to determine whether an impairment loss should be recognised.

Valuation of investment properties

The Group carried its investment properties at fair value with changes in the fair values recognised in the income statement. It obtains independent valuations at least annually. At the end of the reporting period the Group updates its assessment of the fair value of each property, taking into account the most recent valuations.

Notes to the financial statements

for the year ended 31 December 2017

Classification of funding received

The Group receives funding from a number of external sources. In preparing these financial statements the Group has had to exercise judgement in determining whether certain sources of funding meet the definition of a contribution, revenue, or a reduction to associated costs. Salary contributions totalling \$29.1 million (2016: \$29.9 million) received have been designated as contributions and recorded within total consolidated income from continuing operations. Changing the classification of these amounts to net them off against associated expenses would not cause a change in the net operating result for the period but would reduce total income and expenses.

Long service leave

Several estimations and assumptions used in calculating the Group's long service leave provision include expected future salary rates, discount rates, employee retention rates and expected future payments. Changes in these estimations and assumptions may impact on the carrying amount of the long service leave provision.

Restricted assets

The University receives assets from a large number of diverse and variable sources with a variety of legislative, contractual and compliance obligations. The assets that are not available for discretionary use by the University and must be used for the purposes stipulated are considered restricted and include:

- Research funds.
- Endowment and gifted funds, including land endowed by the State Government and gifts and bequests subject to external requirements formalised within a Will or Deed of Gift.

(c) Basis of consolidation

(i) Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of The University of Western Australia ('parent entity') as at 31 December 2017 and the results of all subsidiaries for the year then ended. The University of Western Australia and its subsidiaries together are referred to in this financial report as the Group or the consolidated entity.

Subsidiaries are all those entities (including structured entities) over which the Group has control. The Group has control over an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Power over the investee exists when the Group has existing rights that give it current ability to direct the relevant activities of the investee. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Returns are not necessarily monetary and can be only positive, only negative, or both positive and negative.

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

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

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

(ii) Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20 per cent and 50 per cent of the voting rights. Investments in associates are accounted for in the parent entity financial statements using the cost method and in the consolidated financial statements using the equity method of accounting, after initially being recognised at cost. The Group's investment in associates includes goodwill (net of any accumulated impairment loss) identified on acquisition (refer to note 38).

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

Gains or losses resulting from 'upstream' and 'downstream' transactions, involving assets that do not constitute a business, are recognised in the parent's financial statements only to the extent of unrelated investors' interests in the associate or joint venture. Gains or losses resulting from the contribution of non-monetary assets in exchange for an equity interest are accounted for in the same method.

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

Notes to the financial statements

for the year ended 31 December 2017

(iii) Joint arrangements

Joint operations

The Group's share of assets, liabilities, revenue and expenses of a joint operation have been incorporated in the financial statements under the appropriate headings.

Joint ventures

The interest in a joint venture entity is accounted for in the consolidated financial statements using the equity method and is carried at cost by the parent entity. 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.

(d) Revenue

Revenue is recognised at the fair value of the consideration received or receivable. Amounts disclosed as revenue are recognised net of returns, allowances and taxes paid 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 the future economic benefits will flow to the Group and specific criteria have been met for each of the Group's activities as described below.

Revenue is recognised as follows for major activities:

Sale of goods:

Revenue on the sale of goods is recognised by the Group when the goods have been despatched and the associated risk of ownership has passed to the customer.

Rendering of services:

Revenue is recognised in accordance with the percentage of completion method unless the outcome of the contract cannot be reliably measured. The stage of completion is determined by reference to expenditure incurred to date as a proportion of the total expenditure. If the outcome cannot be reliably measured, where it is probable that the costs will be recovered, revenue is recognised to the extent of costs incurred.

Government grants:

Grants from governments 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.

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 receipts are treated as income in advance. Conversely, fees and charges relating to debtors are recognised as revenue in the year to which the prescribed course relates.

Non-government grants and contributions:

Contributions are non-reciprocal transfers and are recognised as revenue at fair value when the Group obtains control of the contributions and it is probable that future economic benefits will flow to the Group.

(e) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, bank accounts and deposits and other short-term, highly liquid money market investments that are readily convertible to known amounts of cash, and which are subject to an insignificant risk of changes in value.

(f) Trade and other receivables

Receivables are initially recognised at fair value plus direct and incremental transaction costs and are subsequently recognised at amortised cost, using the effective interest method, less provision for impaired receivables.

Collectability is reviewed on an ongoing basis and those receivables individually determined to be uncollectible are written off. The amount of any impairment is calculated by comparing the asset's carrying amount with the present value of the estimated future cash flows, discounted at the effective interest rate. If impaired, the carrying value is adjusted and the difference charged to the income statement.

A collective provision is determined for groups of assets that have similar risk characteristics and a provision is raised using a methodology based on existing risk conditions or events that have a strong correlation with a tendency to default.

Notes to the financial statements

for the year ended 31 December 2017

(g) Inventories

Inventories are valued at the lower of cost and net realisable value. Cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost is assigned on a first-in, first-out basis. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(h) Non-current assets classified as held for sale

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

An impairment loss is recognised for any initial or subsequent write-down of the asset to fair value less costs of disposal. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset, 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 is recognised at the date of derecognition.

Non-current assets 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.

(i) Investments and other financial assets

The Group has classified its financial assets into the following categories: financial assets at fair value through profit or loss; loans and receivables; and available for sale financial assets. The classification depends on the purpose for which the assets are acquired.

Financial assets at fair value through profit or loss

An instrument is classified as a financial asset at fair value through profit or loss - as designated upon initial recognition - if the Group manages such investments directly or through professional fund managers and makes decisions based on their fair value, in accordance with the Group's documented investment strategy and risk management. Assets within this category are recorded at fair value and changes in fair value recognised in the income statement. Fair value is based on market price where there is an active market. The Group does not hold any financial assets at fair value – held for trading.

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 typically arise when the Group provides money, goods or services directly to a debtor with no intention of trading the receivable. Assets within this category are initially recorded at fair value plus direct and incremental transaction costs and are subsequently measured at amortised cost using the effective interest method.

A loan or receivable that is not based upon market terms is initially recognised at fair value plus attributable transaction costs. Fair value is estimated as the present value of all future cash receipts discounted using the prevailing market rate(s) of interest for a similar instrument (similar as to currency, term, type of interest rate, and other factors) with a similar credit rating. Any additional amount lent is an expense or a reduction of income unless it qualifies for recognition as some other type of asset.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale and that are not classified in any of the previous categories. The equity instruments are measured at fair value or cost where the fair value cannot be reliably measured (not traded in an active market).

Impairment

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or group of financial assets is impaired.

(i) Available-for-sale financial assets

If there is objective evidence of impairment for available-for-sale financial assets, the impairment loss is measured as the difference between the carrying amount of the financial asset and the market value or present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. The carrying amount of the asset is reduced and the amount of the loss is recognised in the income statement.

(ii) 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 income statement.

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.

Notes to the financial statements

for the year ended 31 December 2017

(j) Fair value measurement

The fair value of assets and liabilities must be measured for recognition and disclosure purposes. The Group measures financial instruments and investment properties at fair value at each balance sheet date.

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 is based on quoted market prices for identical assets or liabilities at the balance sheet 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 is 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) are used to determine fair value for the remaining assets and liabilities. The level in the fair value hierarchy is 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 use it in a manner that would be highest and best use.

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

(k) Investment properties

Initially, investment properties are measured at cost including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value determined annually by an external valuer. Any gains or losses arising from changes in the fair values of investment properties are included in the income statement in the year in which they arise.

(l) Property, plant and equipment

Property, plant and equipment is measured at cost less accumulated depreciation less accumulated impairment losses. Where an asset is acquired at no cost or for a nominal cost, the cost recorded is the fair value of the asset at the acquisition date. Cultural assets where the fair value or economic benefit cannot be reliably measured are not ascribed a value.

Subsequent costs are included in the assets carrying value or recognised as a separate asset, where appropriate, when it is probable that future economic benefits associated with the asset will flow to the Group. All other repairs and maintenance are charged to the income statement when incurred.

The depreciation rate policy is as follows:

Asset class	Depreciation rate	Depreciation method
Leasehold land	Not depreciated	Not depreciated
Freehold land	Not depreciated	Not depreciated
Buildings		
Structure/shell/building fabric	2%	Reducing balance
Fixtures, fittings and central plant	5%	Straight line
Leasehold improvements	Over the life of the lease	Straight line
Plant and equipment		
Computer hardware and audio visual	25%	Straight line
General plant and equipment	12.5%	Straight line
Motor vehicles	17.4%	Straight line
Artworks	Not depreciated	Not depreciated
Library books	10%	Straight line
Special collections	Not depreciated	Not depreciated

Land, artworks and special collections controlled by the University are classified as non-current assets. They are anticipated to have indefinite useful lives since their service potential is not, in any material sense, consumed. As such, no amount for depreciation is recognised. Work in progress assets are not depreciated until construction has been completed and the asset is available for use.

Assets' residual values and useful lives are reviewed at each balance sheet date. Gains and losses on disposal are recorded in the income statement for the year.

Impairment testing is performed when an indicator of impairment is identified.

The carrying amount of an asset is derecognised when disposed of or when no future economic benefits are expected from its use or disposal. Where the cost of a replacement part of an item is recognised as part of an asset (or as a separate asset), the Group derecognises the carrying amount of the replaced part regardless of whether it had been depreciated separately.

Where it is not practicable for the Group to determine the carrying amount of the replaced part, the cost of the replacement is used as an indication of what the cost of the replaced part was at the time of acquisition or construction.

Notes to the financial statements

for the year ended 31 December 2017

(m) Impairment of assets

Assets that have an indefinite useful life are tested annually for impairment. Assets with a finite life are tested for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying value exceeds the recoverable amount. The recoverable amount is the higher of its fair value less costs of disposal and its value in use. As the Group is a not-for-profit entity, if the future economic benefits of the asset are not primarily dependent on its ability to generate net cash flows, unless the asset has been identified as surplus, the value in use is its depreciated replacement cost.

(n) Intangible assets

Intangible assets are capitalised at cost and from a business combination are capitalised at fair value as at the date of acquisition. Following initial recognition, the cost model is applied to the class of intangible assets.

Expenditure on research activities is recognised as an expense in the income statement when incurred. Expenditure on development activities is expensed unless the outcome is technically and commercially feasible, resources are available to complete the development and there is a commitment to complete the project.

Electronic library resources can be categorised into perpetual access and annual subscriptions. Perpetual access based resources are capitalised and amortised 10 per cent annually over 10 years. Annual subscriptions are expensed as incurred.

Asset class	Amortisation rate	Amortisation method
Software	20%	Straight line
Electronic library resources	10%	Straight line

Impairment testing is performed when an indicator of impairment is identified.

(o) Leases

Leases where the lessee has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lower of fair value and the present value of the minimum lease payments and the corresponding obligation is recorded in payables. Each lease payment is allocated between the finance charge and reducing the liability.

Leases are classified as operating leases when the lessor retains substantially all the risks and rewards of ownership. Payments or income received under operating leases are recognised in the income statement on a straight line basis over the lease term. Where the Group is the lessor, the asset subject to an operating lease is recognised in the statement of financial position according to the nature of the asset.

(p) Business combinations

The acquisition method shall be applied to account for each business combination; this does not include a combination of entities or businesses under common control, the formation of a joint venture, or the acquisition of an asset or a group of assets. The acquisition method requires identification of the acquirer, determining the acquisition date and recognising and measuring the identifiable assets acquired, liabilities assumed, any goodwill or gain from a bargain purchase and any non-controlling interest in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation. Identifiable assets acquired, liabilities assumed and any non-controlling interest in the acquiree shall be recognised separately from goodwill as of the acquisition date.

Intangible assets acquired in a business combination are recognised separately from goodwill if they are separable, but only together with a related contract, identifiable asset or liability.

Acquisition related costs are expensed in the periods in which they are incurred with the exception of costs to issue debt or equity securities, which are recognised in accordance with AASB132 and AASB139.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Measurement of any non-controlling interest in the acquiree is at fair value or the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets. All other components of non-controlling interests shall be measured at their acquisition-date fair values, unless another measurement basis is required by Australian Accounting Standards. Contingent liabilities assumed are recognised as part of the acquisition if there is a present obligation arising from past events and the fair value can be reliably measured. The excess at the acquisition date of the aggregate of the consideration transferred, the amount of any non-controlling interest and any previously held equity interest in the acquiree, over the net amounts of identifiable assets acquired and liabilities assumed is recognised as goodwill. If the cost of acquisition is less than the fair value of the identifiable net assets of the subsidiary acquired, the difference is recognised directly in the income statement of the acquirer, but only after a reassessment of the identification and measurement of the net assets acquired.

Consideration transferred in a business combination shall be measured at fair value. Where the business combination is achieved in stages, the acquirer shall remeasure previously held equity interest in the acquiree at its acquisition date fair value and recognise the resulting gain or loss in profit or loss.

Notes to the financial statements

for the year ended 31 December 2017

(q) Trade and other payables

Payables represent liabilities for goods or services incurred on or before the reporting date. Trade payables are initially recorded at fair value and subsequently recorded at amortised cost. Due to the short duration and other terms of payment these amounts usually equate to cost.

(r) Provisions

Provisions are recognised where there is a present obligation as a result of a past event, it is probable that an outflow of economic benefit will be required to settle the obligation and a reliable estimate can be made of the amount.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the balance sheet 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.

(s) Borrowings

Borrowings are recognised initially at fair value net of transaction costs that are directly attributable to its issue.

After initial recognition, borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in the income statement when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in the income statement.

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 balance sheet date and does not expect to settle the liability for at least 12 months after the balance sheet date.

(t) Borrowing costs

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

(u) Employee benefits

(i) Wages and salaries

Wages and salaries due to be settled within 12 months after the end of the period are measured at the amount expected to be paid when the liability is settled.

(ii) Annual leave

Annual leave is not expected to be settled wholly within 12 months after the end of the reporting period and therefore considered to be other long-term employee benefits. The annual leave liability is recognised and measured at the present value of amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement. 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.

(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.

(iv) Superannuation

The Group contributes to a number of employee funds that exist to provide benefits for employees and their dependants on retirement, disability or death. Three of these funds are defined benefit pension schemes.

(v) Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group 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 providing termination benefits as a result of an offer made to encourage voluntary redundancy.

Notes to the financial statements

for the year ended 31 December 2017

(vi) Retirement benefit obligation

The Group meets the benefits of the schemes as they fall due and consequently there are no plan assets within the scheme.

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. 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.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur in other comprehensive income. Past service costs are recognised immediately in income, unless the changes to the superannuation fund are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past service costs are amortised on a straight-line basis over the vesting period.

The Group recognises amounts payable to defined contributions schemes as an expense in the income statement in the period that the service has been rendered by the employee.

(vii) Other employee benefits

All other benefits are recognised when the benefit is received by the employee and measured at the rates paid or payable.

(v) Income tax

The Group is exempt from income tax in Australia.

The Group is subject to foreign income tax for overseas operations. Deferred tax assets are only recognised where it is probable that future taxable amounts will be available to utilise those temporary differences and unused tax losses.

(w) Foreign currency transactions

The functional currency of the Group and its subsidiaries is the Australian dollar.

Foreign currency transactions are initially translated into Australian currency at the rate of exchange at the date of the transaction. At the reporting date, amounts payable and receivable in foreign currencies are translated to Australian currency at rates of exchange at that date. Non-monetary items held at the reporting date are measured using the exchange rate at the date of the initial transaction. Resulting exchange differences are recognised in the income statement.

(x) 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 acquisition cost 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.

(y) Disclosure of changes in accounting policy and estimates

(i) Initial application of Australian Accounting Standards

The Group has not applied any new or revised Australian Accounting Standards and Australian Accounting Interpretations for annual reporting periods beginning on or after 1 January 2017 as they have no financial impact on the Group.

(ii) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2017 reporting periods. The University of Western Australia has elected not to early adopt any of these standards. The University's assessment of the impact of these new standards and interpretations is set out below:

Standard	Standard Name	Application date	Implications
AASB2010-7	<i>Amendments to Australian Accounting Standards arising from AASB 9</i>	1 Jan 2018	No material impact
AASB2014-1	<i>Amendments to Australian Accounting Standards</i>	various	No material impact
AASB2014-5	<i>Amendments to Australian Accounting Standards arising from AASB 15</i>	1 Jan 2019 [early adoption not permitted]	No material impact
AASB2014-7	<i>Amendments to Australian Accounting Standards arising from AASB 9</i>	1 Jan 2018 [early adoption permitted]	No material impact

Notes to the financial statements

for the year ended 31 December 2017

Standard	Standard Name	Application date	Implications
AASB2016-1	<i>Amendments to Australian Accounting Standards – Recognition of Deferred Tax Assets for Unrealised Losses</i>	1 Jan 2017 [early adoption permitted]	No material impact
AASB 2016-2	<i>Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107</i>	1 Jan 2017 [early adoption permitted]	No material impact
AASB 2016-3	<i>Amendments to Australian Accounting Standards – Classification and Measurement of Share-based Payment Transactions</i>	1 Jan 2018 [early adoption not permitted]	No material impact
AASB 2016-4	<i>Amendments to Australian Accounting Standards – Recoverable Amount of NonCash-Generating Specialised Assets of Not-for-Profit Entities</i>	1 Jan 2017 [early adoption permitted]	No material impact
AASB 2016-5	<i>Amendments to Australian Accounting Standards – Classification and Measurement of Share-based Payment Transactions</i>	1 Jan 2018 [early adoption permitted]	No material impact
AASB 2016-6	<i>Amendments to Australian Accounting Standards – Applying AASB 9 Financial Instruments with AASB 4 Insurance Contracts</i>	1 Jan 2018 [early adoption permitted]	No material impact
AASB 2016-8	<i>Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities</i>	1 Jan 2019 [early adoption permitted with AASB1058]	No material impact
AASB 2017-1	<i>Amendments to Australian Accounting Standards – Transfers of Investment Property, Annual Improvements 2014–2016 Cycle and Other Amendments</i>	1 Jan 2019 [early adoption permitted]	No material impact
AASB 2017-3	<i>Amendments to Australian Accounting Standards – Clarifications to AASB 4</i>	1 Jan 2018 [early adoption not permitted]	No material impact
AASB 2017-4	<i>Amendments to Australian Accounting Standards – Uncertainty over Income Tax Treatments</i>	1 Jan 2019 [early adoption permitted]	No material impact
AASB9	<i>Financial Instruments</i>	1 Jan 2018 [early adoption permitted]	No material impact
AASB15	<i>Revenue from Contract with Customers</i>	1 Jan 2019 [early adoption not permitted]	The Group has not yet determined the application or the potential impact of the Standard.
AASB16	<i>Leases</i>	1 Jan 2019 [early adoption not permitted]	The Group has not yet determined the application or the potential impact of the Standard.
AASB1058	<i>Income of Not-for-Profit Entities</i>	1 Jan 2019 [early adoption not permitted]	The Group has not yet determined the application or the potential impact of the Standard.
AASB1059	<i>Service Concession Arrangements: Grantors</i>	1 Jan 2019 [early adoption not permitted]	No material impact

Notes to the financial statements

for the year ended 31 December 2017

	Notes	Consolidated		University	
		2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
2 Australian Government financial assistance including HECS-HELP and other Australian Government loan programs					
(a) Commonwealth Grant Scheme and other grants					
Commonwealth Grant Scheme ¹	43.1	154,821	161,205	154,821	161,205
Indigenous Student Success Program ²	43.1	1,813	1,272	1,813	1,272
Access and Participation Fund	43.1	1,101	1,402	1,101	1,402
National Priorities Pool	43.1	-	570	-	570
Disability Performance Finding ³	43.1	71	97	71	97
Learning and Teaching Performance Fund	43.1	-	-	-	-
Promotion of Excellence in Learning and Teaching	43.1	55	165	55	165
Total Commonwealth Grant Scheme and other grants		157,861	164,711	157,861	164,711
(b) Higher Education Loan Programs					
HECS-HELP	43.2	94,152	94,324	94,152	94,324
FEE-HELP ⁴	43.2	18,954	17,433	18,954	17,433
SA-HELP	43.2	1,321	1,394	1,321	1,394
Total Higher Education Loan Programs		114,427	113,151	114,427	113,151
(c) EDUCATION research					
Research Support Program ⁵	43.3	47,075	43,767	47,075	43,767
Research Training Program ⁶	43.3	47,815	47,522	47,815	47,522
Total EDUCATION research grants		94,890	91,289	94,890	91,289
(d) Other capital funding					
Infrastructure	43.5	1,553	2,290	1,553	2,290
Total other capital funding		1,553	2,290	1,553	2,290
(e) Australian Research Council					
(i) Discovery					
Projects	43.6	13,373	14,769	13,373	14,769
Fellowships	43.6	5,803	6,677	5,803	6,677
Indigenous Research Development	43.6	219	213	219	213
Total discovery		19,395	21,659	19,395	21,659
(ii) Linkages					
Projects	43.6	4,379	5,135	4,379	5,135
Industrial Transformational Research Program	43.6	2,094	2,063	2,094	2,063
Total linkages		6,473	7,198	6,473	7,198
(iii) Networks and centres					
Centres	43.6	6,392	8,342	6,392	8,342
Total networks and centres		6,392	8,342	6,392	8,342

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

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

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

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

5 Research Support Program has replaced Joint Research Engagement, JRE Engineering Cadetships, Research Block Grants and Sustainable Research Excellence in Universities in 2017.

6 Research Training Program has replaced Australian Postgraduate Awards, International Postgraduate Research Scholarships and Research Training Scheme as of 1 January 2017.

Notes to the financial statements

for the year ended 31 December 2017

	Notes	Consolidated		University	
		2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
(f) Other Australian Government financial assistance					
Non-capital					
National Health and Medical Research Council		31,324	31,613	31,324	31,613
Other Commonwealth research grants		25,602	20,462	25,602	20,462
Other Commonwealth grants		24,984	25,410	20,675	21,152
Total non-capital grants		81,910	77,485	77,601	73,227
Capital					
Other grants		-	-	-	-
Total capital grants		-	-	-	-
Total other Australian Government financial assistance		81,910	77,485	77,601	73,227
Total Australian Government financial assistance		482,901	486,125	478,592	481,867
3 Western Australian and Local Government financial assistance					
Non-capital					
Western Australian research grants		12,442	19,472	12,442	19,472
Western Australian other grants		27,209	29,917	25,772	28,498
Local Government research grants		19	18	19	18
Total non-capital grants		39,670	49,407	38,233	47,988
Capital					
Other grants		-	-	-	-
Total capital grants		-	-	-	-
Total Western Australian and Local Government financial assistance		39,670	49,407	38,233	47,988

Notes to the financial statements

for the year ended 31 December 2017

Notes	Consolidated		University	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
4 Other research grants and contracts				
International	11,092	9,775	11,092	9,775
Bequests and donations	792	355	792	355
Industry and others	25,040	26,394	25,040	26,394
Total other research grants and contracts	36,924	36,524	36,924	36,524
5 Investment revenue, income and losses				
Investment revenue				
Dividend income	103	3,862	103	3,862
Interest income	2,148	6,425	2,127	6,406
Trust distributions	33,219	32,808	33,219	32,808
Imputation credits	3,307	3,368	3,307	3,368
Total investment revenue	38,777	46,463	38,756	46,444
Other investment income				
Other investment income	2,265	210	2,265	210
Total other investment income	2,265	210	2,265	210
Investment gains/(losses)				
Fair value gain/(loss) on other financial assets	17,103	5,040	17,099	5,040
Fair value gain/(loss) on investment properties	1,207	581	1,207	581
Total investment gains/(losses)	18,310	5,621	18,306	5,621
Net investment revenue and income	59,352	52,294	59,327	52,275
6 Fees and charges				
Course fees and charges				
Fee paying overseas students - onshore courses	144,170	114,439	144,170	114,439
Fee paying overseas students - offshore courses	2,364	3,388	2,364	3,388
Continuing education and short courses	13,514	11,226	13,514	11,226
Fee paying domestic postgraduate students	7,862	7,389	7,862	7,389
Total course fees and charges	167,910	136,442	167,910	136,442
Other non-course fees and charges				
Student Services and Amenities Fees from students	4,141	4,133	4,141	4,133
Student accommodation	9,203	9,076	9,203	9,076
Parking fees	3,191	3,305	3,191	3,304
Registration fees	8,698	8,844	8,487	8,637
Rental and hire charges	2,918	3,289	1,292	1,380
Other	993	1,333	993	1,333
Total non-course fees and charges	29,144	29,980	27,307	27,863
Total fees and charges	197,054	166,422	195,217	164,305
7 Other contributions and recoveries				
Salary contributions from external parties	29,121	29,863	27,931	29,167
Expense recoveries	10,904	9,533	11,347	10,123
Total other contributions and recoveries	40,025	39,396	39,278	39,290

Notes to the financial statements

for the year ended 31 December 2017

	Notes	Consolidated		University	
		2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
8 Other revenue					
Sales of goods and services		19,270	19,190	7,555	7,031
Donations and bequests		49,347	19,763	49,347	19,763
Sponsorships		6,062	7,868	6,066	7,868
Scholarships and prizes		1,387	1,252	1,387	1,252
Rental income		6,585	6,517	6,585	6,517
Other general grants		4,676	5,404	4,667	5,401
Consultancy		5,971	6,184	5,984	6,193
Royalties and licences		2,317	7,253	2,317	7,253
Performance and production		3,779	4,938	3,779	4,938
Insurance claim income		383	157	383	157
Subscriptions		396	264	396	264
Conference and symposium Income		361	1,228	361	1,228
Property management income		-	-	5,744	5,677
Other		2,950	3,902	5,387	7,502
Total other revenue		103,484	83,920	99,958	81,044
9 Employee related expenses					
Academic					
Salaries		232,966	245,961	232,966	245,961
Contributions to superannuation and pension schemes		35,558	37,064	35,558	37,064
Payroll tax		13,676	14,432	13,676	14,432
Worker's compensation		742	695	742	695
Long service leave expense		(920)	(701)	(920)	(701)
Annual leave expense		500	(81)	500	(81)
Other		926	1,223	926	1,223
Total academic		283,448	298,593	283,448	298,593
Non-academic					
Salaries		206,652	239,855	197,985	231,713
Contributions to superannuation and pension schemes		30,126	31,679	29,235	30,806
Payroll tax		12,312	14,129	11,922	13,746
Worker's compensation		736	622	731	608
Long service leave expense		1,697	(3,188)	1,598	(3,291)
Annual leave expense		1,663	(1,379)	1,253	(1,828)
Other		1,147	655	1,147	645
Total non-academic		254,333	282,373	243,871	272,399
Total employee benefits and on costs*		537,781	580,966	527,319	570,992
*There were no redundancy and leave expenses relating to restructuring in 2017 (2016: \$34.6million).					
10 Student expenses					
Scholarships and studentships		35,229	39,057	35,207	39,035
Grants and prizes		8,382	5,532	8,414	5,560
Amenities and services expenses		2,913	1,649	4,401	3,299
Total student expenses		46,524	46,238	48,022	47,894
11 Materials and supplies					
Laboratory, workshop and medical supplies		16,859	16,850	16,859	16,850
General office expenses		6,827	6,347	6,358	5,698
Other general consumables and supplies		7,634	7,367	4,650	4,364
Total materials and supplies		31,320	30,564	27,867	26,912

Notes to the financial statements

for the year ended 31 December 2017

	Notes	Consolidated		University	
		2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
12 Depreciation, amortisation and impairment					
Depreciation					
Buildings		21,146	19,162	20,914	18,929
Plant and equipment		19,216	19,871	18,915	19,590
Library books		1,004	966	1,004	966
Total depreciation	24	41,366	39,999	40,833	39,485
Amortisation					
Intangible assets		3,693	3,766	3,693	3,766
Total amortisation	25	3,693	3,766	3,693	3,766
Impairment of assets					
Land and buildings		9,793	3,590	9,793	3,590
Special collections*		-	2,833	-	2,833
Total impairment of assets	24	9,793	6,423	9,793	6,423
Total depreciation, amortisation and impairment		54,852	50,188	54,319	49,674
* Impairment recognised as a result of a valuation performed by an external independent valuer.					
13 Repairs and maintenance					
Building repairs and maintenance		14,156	10,391	14,147	10,660
Ground maintenance		4,236	3,077	4,236	3,077
General repairs and maintenance		4,234	5,623	4,023	5,520
Total repairs and maintenance		22,626	19,091	22,406	19,257
14 Finance costs					
Finance costs		6,504	6,640	6,499	6,634
Total finance costs		6,504	6,640	6,499	6,634
15 Other expenses					
Computing costs		23,105	23,435	23,077	23,394
Books, periodicals and electronic library resources		7,747	8,237	7,731	8,222
Utilities and rates		13,404	14,574	13,389	14,563
Non-capital equipment purchases		15,781	8,294	15,734	8,230
Performance and production costs		8,997	7,935	8,997	7,935
Insurance		4,741	3,934	4,723	3,911
Advertising, marketing and promotional expenses		7,372	6,585	7,068	6,328
Conference and course fees		3,119	3,177	3,101	3,167
Rental, hire and leasing fees		4,672	4,443	5,031	4,511
Cleaning and waste disposal		6,576	6,433	6,237	6,127
Bad and doubtful debts and other write-offs		1,134	690	1,122	680
Intellectual property, royalties and commissions		12,280	7,526	12,280	7,526
Exhibitions and conference costs		1,001	1,704	1,140	1,878
Vehicle costs		684	765	662	749
Parking, security and safety expenses		2,196	2,028	2,197	2,033
Appointment costs		1,404	1,011	1,393	1,002
Membership fees		2,108	2,507	2,108	2,512
Light meals		1,529	1,163	1,598	1,223
Cost of sales and production		1,516	1,355	3,619	3,884
General services		1,381	1,032	1,381	1,032
Other miscellaneous expenses		8,245	10,791	8,370	10,956
Total other expenses		128,992	117,619	130,958	119,863

Notes to the financial statements

for the year ended 31 December 2017

16 Remuneration of key management personnel

Key management personnel comprises the Senate members and the University executives.

The number of Senate members and University executives, and their remuneration for the reporting period are presented within the following bands:

	Senate members		University executives*	
	2017	2016	2017	2016
	Number		Number	
Remuneration of the University's Senate members and executives[#]				
Nil to \$9,999	18	16	-	2
\$20,000 - \$29,999	1	-	-	-
\$100,000 - \$109,999	1	-	-	-
\$110,000 - \$119,999	-	-	1	-
\$120,000 - \$129,999	1	-	-	-
\$130,000 - \$139,999	-	1	-	-
\$140,000 - \$149,999	-	1	-	-
\$150,000 - \$159,999	-	1	-	1
\$210,000 - \$219,999	1	1	-	-
\$230,000 - \$239,999	-	1	-	-
\$240,000 - \$249,999	1	1	-	-
\$250,000 - \$259,999	-	-	-	1
\$270,000 - \$279,999	1	-	1	-
\$280,000 - \$289,999	-	-	1	-
\$290,000 - \$299,999	-	-	-	1
\$350,000 - \$359,999	-	-	-	1
\$360,000 - \$369,999	-	-	-	3
\$380,000 - \$389,999	-	-	1	-
\$430,000 - \$439,999	-	-	1	1
\$440,000 - \$449,999	-	-	-	1
\$460,000 - \$469,999	-	-	1	-
\$480,000 - \$489,999	-	-	-	1
\$510,000 - \$519,999	-	-	-	2
\$520,000 - \$529,999	-	-	-	1
\$530,000 - \$539,999	-	-	-	1
\$540,000 - \$549,999	-	-	3	-
\$680,000 - \$689,999	-	-	-	1
\$810,000 - \$819,999	-	-	-	1
\$1,010,000 - \$1,019,999	1	-	-	-
\$1,030,000 - \$1,039,999	-	1	-	-
	Senate members		University executives	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Short-term employee benefits	1,786	1,817	3,021	6,223
Post-employment benefits	164	289	494	775
Other long-term benefits	46	61	98	100
Termination benefits	-	-	-	-
Total remuneration	1,996	2,167	3,614	7,098

* The number and the remuneration of the University executives reduced in 2017 as a result of restructuring.

[#] Remuneration of the University's Senate members and executives includes base salary plus payroll on-costs and an accrual reflecting annual leave and long service leave entitlements, as well as post-employment superannuation costs.

Notes to the financial statements

for the year ended 31 December 2017

	Consolidated		University	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
17 Remuneration of auditors				
During the year, the following fees were paid for services provided by the auditor of the parent entity, its related practices and non-related audit firms:				
Audit and review of the Financial Statements				
Office of the Auditor General	385	392	322	324
Total paid for audit and review of the Financial Statements	385	392	322	324
Other audit and assurance services*				
Office of the Auditor General	14	14	14	14
ShineWing Australia	81	57	81	57
Santo Casilli Auditing and Accounting Services	8	31	8	31
Ernst and Young	71	9	71	9
Quatum Assurance	-	7	-	7
G Hubbard Audit and Accounting Services	2	1	2	1
KPMG Australia	332	272	332	272
Butler Settineri	-	3	-	3
C&G Accounting Services	1	-	1	-
Escott Aston Chartered Accountants	7	-	7	-
AMD Chartered Accountants	2	3	2	3
William Buck Audit (WA) Pty Ltd	1	-	1	-
Total paid for other audit and assurance services	519	397	519	397
Total remuneration of auditors	904	789	841	721

* Other audit and assurance services are related to compliance audits, internal audits, grant acquittals and research project audits.

Notes to the financial statements

for the year ended 31 December 2017

	Consolidated		University	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
18 Cash and cash equivalents				
Cash at bank	17,057	14,049	14,028	11,247
Short-term money deposit	41,767	60,285	41,764	60,285
Cash held in imprests	94	83	94	83
Total cash and cash equivalents	58,918	74,417	55,886	71,615

The Group has pledged \$123,243 (2016: \$214,000) against cash assets as at 31 December 2017.

(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	58,918	74,417	55,886	71,615
Less: Bank overdrafts	-	-	-	-
Balance per statement of cash flows	58,918	74,417	55,886	71,615

(b) Cash at bank

These are interest bearing at an average interest rate of 1.19% as at 31 December 2017 (2016: 1.36%).

(c) Short term money deposit

The bank bills and deposits are bearing average fixed interest rates of 2.34% as at 31 December 2017 (2016: 2.83%). These deposits have an average maturity of 37 days (2016: 57 days).

(d) Cash held in imprests

These are non-interest bearing.

19 Receivables

Current

Receivables	42,446	43,700	41,948	43,328
Less: Provision for impaired receivables	(1,853)	(1,598)	(1,819)	(1,570)
	40,593	42,102	40,129	41,758
Accrued income	8,659	9,232	8,716	9,232
Total current receivables	49,252	51,334	48,845	50,990

Non-current

Receivables	87	94	87	94
Total non-current receivables	87	94	87	94
Total receivables	49,339	51,428	48,932	51,084

Impaired receivables

As at 31 December 2017 current receivables of the group with a nominal value of \$1,853,000 (2016: \$1,598,000) were impaired. The provision for impairment has been calculated on a collective basis, for groups of asset that share similar risk characteristics, taking into account historical loss rates for similar assets. No receivables have been individually assessed as being impaired as at 31 December 2017 (2016: \$0). The ageing of these impaired receivables is as follows:

Not past due	9	7	9	7
Past due 0-30 days	18	21	18	18
Past due 31-90 days	14	31	10	30
Past due 91-120 days	16	28	11	21
Past due 121-180 days	30	27	23	22
Past due 181-365 days	49	51	46	47
More than 1 year	1,717	1,433	1,702	1,425
Total	1,853	1,598	1,819	1,570

As at 31 December 2017 receivables of \$30,003,000 (2016: \$33,934,000) were past due but not impaired. Receivables classified as past due but not impaired have a low history of credit default and are expected to be realised when due, other than amounts provided for on a collective basis and included in the provision estimates above. The ageing of these receivables is as follows:

Not past due	10,590	8,168	10,420	8,027
Past due 0-30 days	10,706	9,604	10,547	9,529
Past due 31-90 days	6,678	15,905	6,647	15,872
Past due 91-120 days	955	2,090	918	2,051
Past due 121-180 days	6,050	2,979	6,007	2,948
Past due 181-365 days	3,377	2,735	3,359	2,729
More than 1 year	2,237	621	2,231	602
Total	40,593	42,102	40,129	41,758

Notes to the financial statements

for the year ended 31 December 2017

	Consolidated		University	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Movement in the provision for impairment of receivables is as follows:				
At 1 January	1,598	1,474	1,570	1,448
Provision for impairment recognised during the year	681	691	675	688
Receivables written off during the year as uncollectible	(426)	(567)	(426)	(566)
Unused amount reversed	-	-	-	-
	<u>1,853</u>	<u>1,598</u>	<u>1,819</u>	<u>1,570</u>

The creation and release of the provision for impaired receivables has been included in 'other expenses' in the income statement (note 15). Amounts charged to the provision account are generally written off when there is no expectation of recovering additional cash.

20 Inventories

Current				
Raw materials and stores-at cost	590	551	410	396
Work in progress-at cost	108	38	108	38
Total current inventories	698	589	518	434

21 Other non-financial assets

Current				
Advances and prepayments*	15,665	16,313	15,628	16,681
Total current other non-financial assets	15,665	16,313	15,628	16,681
Non-current				
Advances and prepayments*	5,334	5,690	5,334	5,690
Total non-current other non-financial assets	5,334	5,690	5,334	5,690
Total other non-financial assets	20,999	22,003	20,962	22,371

*Advances and prepayments include \$2.52 million of prepayments for property, plant and equipment (2016: \$4.82 million).

22 Investment properties

At fair value				
Opening balance at 1 January	24,207	23,603	24,207	23,603
Capitalised subsequent expenditure	3	24	3	24
Net gain/(loss) from fair value adjustment	1,207	580	1,207	580
Closing balance at 31 December	25,417	24,207	25,417	24,207

(a) Amounts recognised in profit and loss for investment properties

Direct operating expenses from property that did not generate rental income	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

(b) Valuation basis

Investment properties are stated at fair value, being the amounts for which properties could be exchanged between willing parties in an arm's length transaction, based on comparable market transactions. The valuation adjustments are based on independent assessments by a Certified Practising Valuer.

23 Other financial assets

Non-current				
Fair value through profit or loss #	815,527	744,927	815,025	744,927
Available for sale financial assets*	17,201	12,027	17,201	12,027
Loans and receivables	2,689	2,664	2,689	2,664
Less: Impairment	(1,889)	(1,440)	(1,889)	(1,440)
Total non-current other financial assets	833,528	758,178	833,026	758,178

#Other financial assets recognised through profit or loss relates predominantly to the University investment portfolio.

*Equity instruments that do not have an active market and whose fair value cannot be reliably measured are classified as available for sale assets, and cannot be designated at fair value through profit or loss.

Impairment

The movement in the provision for impairment in respect of available for sale financial assets and loans and receivables during the year was as follows:

Balance as at 1 January	1,440	2,315	1,440	2,315
Impairment loss recognised	449	-	449	-
Disposal of impaired asset	-	(875)	-	(875)
Balance as at 31 December	<u>1,889</u>	<u>1,440</u>	<u>1,889</u>	<u>1,440</u>

The group has fully impaired a loan asset due to the level of uncertainty surrounding future repayment of the principal amount.

Notes to the financial statements

for the year ended 31 December 2017

24 Property, plant and equipment

	Notes	Freehold land \$'000	Leasehold land \$'000	Buildings \$'000	Work in progress \$'000	Plant and equipment \$'000	Artworks \$'000	Library books \$'000	Special collections \$'000	TOTAL \$'000
2017 Consolidated										
At 1 January 2017										
Cost		188,543	80,000	1,024,716	12,276	245,392	28,408	9,896	64,829	1,654,060
Accumulated depreciation		-	-	(169,703)	-	(175,909)	-	(4,628)	-	(350,240)
Accumulated impairment		(674)	-	(2,969)	-	-	-	-	(21,018)	(24,661)
Net book value		187,869	80,000	852,044	12,276	69,483	28,408	5,268	43,811	1,279,159
Year ended 31 December 2017										
Opening net book value		187,869	80,000	852,044	12,276	69,483	28,408	5,268	43,811	1,279,159
Additions		-	-	1,642	60,288	14,345	748	346	51	77,420
Disposals		-	-	-	-	(113)	-	-	-	(113)
Depreciation	12	-	-	(21,146)	-	(19,216)	-	(1,004)	-	(41,366)
Impairment	12	(1,152)	-	(8,641)	-	-	-	-	-	(9,793)
Transfer		-	-	16,899	(16,932)	33	-	-	-	-
Closing net book value		186,717	80,000	840,798	55,632	64,532	29,156	4,610	43,862	1,305,307
At 31 December 2017										
Cost		188,543	80,000	1,043,257	55,632	256,960	29,156	10,242	64,880	1,728,670
Accumulated depreciation		-	-	(190,849)	-	(192,428)	-	(5,632)	-	(388,909)
Accumulated impairment		(1,826)	-	(11,610)	-	-	-	-	(21,018)	(34,454)
Net book value		186,717	80,000	840,798	55,632	64,532	29,156	4,610	43,862	1,305,307

Notes to the financial statements

for the year ended 31 December 2017

24 Property, plant and equipment

	Notes	Freehold land \$'000	Leasehold land \$'000	Buildings \$'000	Work in progress \$'000	Plant and equipment \$'000	Artworks \$'000	Library books \$'000	Special collections \$'000	TOTAL \$'000
2017										
University										
At 1 January 2017										
Cost		188,543	80,000	1,022,821	12,113	243,677	28,408	9,897	64,829	1,650,288
Accumulated depreciation		-	-	(168,893)	-	(175,254)	-	(4,629)	-	(348,776)
Accumulated impairment		(674)	-	(2,969)	-	-	-	-	(21,018)	(24,661)
Net book value		187,869	80,000	850,959	12,113	68,423	28,408	5,268	43,811	1,276,851
Year ended 31 December 2017										
Opening net book value		187,869	80,000	850,959	12,113	68,423	28,408	5,268	43,811	1,276,851
Additions		-	-	1,642	60,267	14,311	748	346	51	77,365
Disposals		-	-	-	-	(54)	-	-	-	(54)
Depreciation	12	-	-	(20,914)	-	(18,915)	-	(1,004)	-	(40,833)
Impairment	12	(1,152)	-	(8,641)	-	-	-	-	-	(9,793)
Transfer		-	-	16,899	(16,899)	-	-	-	-	-
Closing net book value		186,717	80,000	839,945	55,481	63,765	29,156	4,610	43,862	1,303,536
At 31 December 2017										
Cost		188,543	80,000	1,041,362	55,481	255,336	29,156	10,243	64,880	1,725,001
Accumulated depreciation		-	-	(189,807)	-	(191,571)	-	(5,633)	-	(387,011)
Accumulated impairment		(1,826)	-	(11,610)	-	-	-	-	(21,018)	(34,454)
Net book value		186,717	80,000	839,945	55,481	63,765	29,156	4,610	43,862	1,303,536

Notes to the financial statements

for the year ended 31 December 2017

24 Property, plant and equipment

	Notes	Freehold land \$'000	Leasehold land \$'000	Buildings \$'000	Work in progress \$'000	Plant and equipment \$'000	Artworks \$'000	Library books \$'000	Special collections \$'000	TOTAL \$'000
2016										
Consolidated										
At 1 January 2016										
Cost		188,492	80,000	947,780	45,108	245,681	27,782	9,453	64,809	1,609,105
Accumulated depreciation		-	-	(150,537)	-	(166,234)	-	(3,663)	-	(320,434)
Accumulated impairment		-	-	(53)	-	(147)	-	-	(18,185)	(18,385)
Net book value		188,492	80,000	797,190	45,108	79,300	27,782	5,790	46,624	1,270,286
Year ended 31 December 2016										
Opening net book value		188,492	80,000	797,190	45,108	79,300	27,782	5,790	46,624	1,270,286
Additions		51	-	1,828	42,344	11,062	626	444	52	56,407
Disposals		-	-	(12)	-	(1,068)	-	-	(32)	(1,112)
Depreciation	12	-	-	(19,162)	-	(19,871)	-	(966)	-	(39,999)
Impairment	12	(674)	-	(2,916)	-	-	-	-	(2,833)	(6,423)
Transfer		-	-	75,116	(75,176)	60	-	-	-	-
Transfer of carrying amount from (to) assets held for sale		-	-	-	-	-	-	-	-	-
Closing net book value		187,869	80,000	852,044	12,276	69,483	28,408	5,268	43,811	1,279,159
At 31 December 2016										
Cost		188,543	80,000	1,024,716	12,276	245,392	28,408	9,896	64,829	1,654,060
Accumulated depreciation		-	-	(169,703)	-	(175,909)	-	(4,628)	-	(350,240)
Accumulated impairment		(674)	-	(2,969)	-	-	-	-	(21,018)	(24,661)
Net book value		187,869	80,000	852,044	12,276	69,483	28,408	5,268	43,811	1,279,159

Notes to the financial statements

for the year ended 31 December 2017

24 Property, plant and equipment

	Notes	Freehold land \$'000	Leasehold land \$'000	Buildings \$'000	Work in progress \$'000	Plant and equipment \$'000	Artworks \$'000	Library books \$'000	Special collections \$'000	TOTAL \$'000
2016										
University										
At 1 January 2016										
Cost		188,492	80,000	945,909	45,099	244,327	27,782	9,453	64,809	1,605,871
Accumulated depreciation		-	-	(149,963)	-	(165,844)	-	(3,663)	-	(319,470)
Accumulated impairment		-	-	(53)	-	(147)	-	-	(18,185)	(18,385)
Net book value		188,492	80,000	795,893	45,099	78,336	27,782	5,790	46,624	1,268,016
Year ended 31 December 2016										
Opening net book value		188,492	80,000	795,893	45,099	78,336	27,782	5,790	46,624	1,268,016
Additions		51	-	1,819	42,106	10,337	626	444	52	55,435
Disposals		-	-	-	-	(660)	-	-	(32)	(692)
Depreciation	12	-	-	(18,929)	-	(19,590)	-	(966)	-	(39,485)
Impairment	12	(674)	-	(2,916)	-	-	-	-	(2,833)	(6,423)
Transfer		-	-	75,092	(75,092)	-	-	-	-	-
Closing net book value		187,869	80,000	850,959	12,113	68,423	28,408	5,268	43,811	1,276,851
At 31 December 2016										
Cost		188,543	80,000	1,022,821	12,113	243,677	28,408	9,897	64,829	1,650,288
Accumulated depreciation		-	-	(168,893)	-	(175,254)	-	(4,629)	-	(348,776)
Accumulated impairment		(674)	-	(2,969)	-	-	-	-	(21,018)	(24,661)
Net book value		187,869	80,000	850,959	12,113	68,423	28,408	5,268	43,811	1,276,851

Notes to the financial statements

for the year ended 31 December 2017

Notes	Consolidated		University	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
25 Intangible assets				
Software	-	-	-	-
Software work in progress	3,188	-	3,188	-
Electronic library resources	25,710	23,419	25,710	23,419
Total intangible assets	28,898	23,419	28,898	23,419

Movements in each class of intangible assets is set out below:

Consolidated and University

	Software \$'000	Software work in progress \$'000	Electronic library resources \$'000	TOTAL \$,000
At 1 January 2016				
Cost	11,392	-	29,040	40,432
Accumulated amortisation and impairment	(10,729)	-	(8,851)	(19,580)
Net book value	663	-	20,189	20,852
Year ended 31 December 2016				
Opening net book value	663	-	20,189	20,852
Additions	-	-	6,333	6,333
Disposals	-	-	-	-
Amortisation	(663)	-	(3,103)	(3,766)
Closing net book value	-	-	23,419	23,419
At 31 December 2016				
Cost	11,392	-	35,373	46,765
Accumulated amortisation and impairment	(11,392)	-	(11,954)	(23,346)
Net book value	-	-	23,419	23,419
Year ended 31 December 2017				
Opening net book value	-	-	23,419	23,419
Additions	-	3,188	5,984	9,172
Disposals	-	-	-	-
Amortisation	-	-	(3,693)	(3,693)
Closing net book value	-	3,188	25,710	28,898
At 31 December 2017				
Cost	11,129	3,188	41,357	55,674
Accumulated amortisation and impairment	(11,129)	-	(15,647)	(26,776)
Net book value	-	3,188	25,710	28,898

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Notes to the financial statements

for the year ended 31 December 2017

	Consolidated		University	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
26 Restricted assets				
Cash and cash equivalents	24,798	42,923	24,798	42,923
Investment properties	25,417	24,207	25,417	24,207
Other financial assets	702,319	641,794	702,319	641,794
Property, plant and equipment	283,351	273,958	283,351	273,958
Total restricted assets	1,035,885	982,882	1,035,885	982,882

A proportion of the Group's assets is restricted in nature, in that the funds and/or assets are for a specific use or benefit as outlined in note 1(b).

27 Trade and other payables

Trade payables	28,453	30,297	27,070	28,551
Other payables	38,191	35,037	37,967	34,971
OS-HELP liability to the Australian Government	1,322	1,054	1,322	1,054
Total trade and other payables	67,966	66,388	66,359	64,576

28 Provisions

Current

Annual, long service and other leave*	88,149	85,496	87,173	84,686
Employment on-costs provision*	5,320	5,159	5,320	5,159
Revenue sharing provision	90	278	90	278
Redundancy and redeployment provision	-	3,365	-	3,365
Total current provisions	93,559	94,298	92,583	93,488

Non-current

Superannuation (defined benefit)	3,783	4,594	3,783	4,594
Long service leave	10,223	10,610	10,170	10,419
Employment on-costs provision	631	647	631	647
Total non-current provisions	14,637	15,851	14,584	15,660

Total provisions

108,196	110,149	107,167	109,148
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*Settlement of current liabilities - Annual, long service and other leave and employment on-cost provision are as follows:

Annual leave (including employment on-costs)

Annual leave liabilities (including employment on-costs) have been classified as current as there is no unconditional right to defer settlement for at least 12 months after balance sheet date. Actual settlement of the current liabilities is expected to occur as follows:

Within 12 months of balance sheet date	34,903	32,279	34,581	31,989
More than 12 months after balance sheet date	9,960	10,836	9,870	10,739
	44,863	43,115	44,451	42,728

Long service leave (including employment on-costs)

Long service leave liabilities (including employment on-costs) have been classified as current as there is no unconditional right to defer settlement for at least 12 months after balance sheet date. Actual settlement of the current liabilities is expected to occur as follows:

Within 12 months of balance sheet date	8,448	8,198	8,350	8,125
More than 12 months after balance sheet date	40,158	39,342	39,692	38,992
	48,606	47,540	48,042	47,117

Total annual and long service leave (including employment on-costs)

93,469	90,655	92,493	89,845
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(a) Revenue sharing

This provision relates to amounts set aside for distribution to beneficial owners of certain investments arising from a revenue sharing arrangement.

(b) Redundancy and redeployment

This provision relates to staff where roles have been identified as redundant, and staff have elected for temporary redeployment within the Group. Staff under temporary redeployment may not receive a redundancy payment as they may obtain a permanent role within the Group.

Notes to the financial statements

for the year ended 31 December 2017

	Consolidated		University	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
(c) Movements in provisions				
Movements in each class of provisions during the financial year, other than employee benefits, are set out below.				
<u>Employment on-costs provision</u>				
Opening balance at 1 January	5,805	6,450	5,805	6,156
Charged/(credited) to profit or loss				
Additional provision recognised	2,817	2,127	2,751	2,397
Unused amounts reversed	(88)	(119)	(88)	(119)
Amounts used during the period	(2,583)	(2,653)	(2,517)	(2,629)
Closing balance at 31 December	5,951	5,805	5,951	5,805
<u>Revenue sharing provision</u>				
Opening balance at 1 January	278	195	278	195
Charged/(credited) to profit or loss				
Additional provision recognised	-	83	-	83
Unused amounts reversed	-	-	-	-
Amounts used during the period	(188)	-	(188)	-
Closing balance at 31 December	90	278	90	278
<u>Redundancy and redeployment provision</u>				
Opening balance at 1 January	3,365	-	3,365	-
Charged/(credited) to profit or loss				
Additional provision recognised	-	3,365	-	3,365
Unused amounts reversed	(1,075)	-	(1,075)	-
Amounts used during the period	(2,290)	-	(2,290)	-
Closing balance at 31 December	-	3,365	-	3,365
(d) Superannuation - defined benefit section				
(i) Nature of the benefits provided by the Scheme				
A group of employees are entitled, on retirement, death or disablement, to defined benefits under The University of Western Australia Supplementary Pension Scheme or University of Western Australia Supplementary Benefit Scheme. The Schemes provide pension and lump sum benefits respectively. The Schemes are not regulated superannuation plans. The University meets the benefits directly as they fall due. There are a number of risks to which the benefits exposes the University. The more significant risks are salary growth risk and longevity risk.				
(ii) Recognition of the net defined benefit liability/(asset)				
Net defined benefit liability/(asset) at start of year	4,594	5,303	4,594	5,303
Service cost	7	13	7	13
Net interest	100	122	100	122
Past service cost	-	-	-	-
Settlement (gains)/losses	-	-	-	-
Accrual return on assets minus interest income	-	-	-	-
Actuarial (gain)/loss—demographic	-	-	-	-
Actuarial (gain)/loss—financial	(111)	29	(111)	29
Actuarial (gain)/loss—experience	(31)	(29)	(31)	(29)
University contributions (equal to benefit payments)	(775)	(844)	(775)	(844)
Adjustment for asset ceiling	-	-	-	-
Net defined benefit liability/(asset) at end of year	3,784	4,594	3,784	4,594
(iii) Reconciliations				
Reconciliation of the Fair Value of Scheme Assets:				
Fair value at start of year	-	-	-	-
Interest income	-	-	-	-
Actual return on assets minus interest income	-	-	-	-
University contributions	-	-	-	-
Member contributions	-	-	-	-
Benefits paid	-	-	-	-
Taxes, expenses, premiums paid	-	-	-	-
Settlements	-	-	-	-
Fair value at end of year	-	-	-	-

Notes to the financial statements

for the year ended 31 December 2017

	Consolidated		University	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Reconciliation of the defined benefit obligation:				
Present value of the defined benefit obligation at start of year	4,594	5,303	4,594	5,303
Service cost	7	13	7	13
Interest expense	100	122	100	122
Member contributions	-	-	-	-
Actuarial (gain)/loss—demographic	-	-	-	-
Actuarial (gain)/loss—financial	(111)	29	(111)	29
Actuarial (gain)/loss—experience	(31)	(29)	(31)	(29)
Benefits paid	(775)	(844)	(775)	(844)
Taxes, expenses, premiums paid	-	-	-	-
Settlements	-	-	-	-
Present value of the defined benefit obligations at end of year	3,784	4,594	3,784	4,594
(iv) Amounts recognised in income statement				
Current service cost	7	13	7	13
Interest cost	100	123	100	123
Expected return on plan assets	-	-	-	-
Actuarial (gains)/losses	(142)	-	(142)	-
Past service cost	-	-	-	-
Losses (gains) on curtailments and settlements	-	-	-	-
Total included in employee benefits expenses	(35)	136	(35)	136
(v) Amounts recognised in other comprehensive income				
Actuarial (gains)/losses	(141)	(1)	(141)	(1)
	(141)	(1)	(141)	(1)
(vi) Significant actuarial assumptions at the reporting date				
Discount rate	2.40%	2.40%	2.40%	2.40%
Future salary increases	2.60%	2.50%	2.60%	2.50%
Future inflation	2.60%	2.50%	2.60%	2.50%
Future pension increases	2.60%	2.50%	2.60%	2.50%

(vii) Sensitivity analysis

2017

The defined benefit obligation is presented on following scenarios

	Required Basis	+0.5% Discount rate	+0.5% Salary/Pension Increase rate	Mortality rates adjusted to be 10% lighter
Discount rate	2.40%	2.90%	2.40%	2.40%
Future salary and pension increases	2.60%	2.60%	3.10%	2.50%
Defined benefit obligation	3,784	3,679	3,862	4,006
Change in obligation		(104)	78	223
Percentage change in obligation		-2.80%	2.10%	5.90%

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

2016

The defined benefit obligation is presented on following scenarios

	Required Basis	+0.5% Discount rate	+0.5% Salary/Pension Increase rate	Mortality rates adjusted to be 10% lighter
Discount rate	2.40%	2.90%	2.40%	2.40%
Future salary and pension increases	2.50%	2.50%	3.00%	2.50%
Defined benefit obligation	4,594	4,465	4,758	4,841
Change in obligation		(129)	164	247
Percentage change in obligation		-2.80%	3.60%	5.40%

(viii) Funding arrangements

Employer contributions are made to meet the cost of the defined benefits as they fall due.

Expected employer contributions (equal to expected benefits) in the next 12 months are \$1.24 million (2016: \$1.36 million).

(ix) Maturity profile of defined benefit obligation

The weighted average duration (in years) of the defined benefit obligation is:

Supplementary Pension Scheme	6.0 (2016: 6.4)
Supplementary Benefit Scheme	0.2 (2016: 0.5)
Overall	4.8 (2016: 5.0)

In accordance with AASB 101(7), actuarial gains and losses on defined benefit plan are included in other comprehensive income and are not recognised in profit and loss.

Notes to the financial statements

for the year ended 31 December 2017

	Consolidated		University	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
29 Other liabilities				
Deferred revenue:				
Student fees	23,715	17,208	23,714	17,208
Other	19,549	17,984	18,623	17,723
Funds held for outside parties	3,936	5,715	3,936	5,713
Total other liabilities	47,200	40,907	46,273	40,644

Other funds held for outside parties that do not qualify for recognition in the financial statements

As at reporting date the Group held \$19.0 million (2016: \$16.6 million) in financial assets on behalf of various outside parties. The Group performs administrative functions for these entities, these funds do not meet the asset recognition criteria and consequently have not been included in the assets (or the related liabilities) of the consolidated entity or the Group.

30 Borrowings

Current

Western Australian Treasury Corporation	3,171	3,065	3,181	3,065
Other	-	142	-	-
Total current borrowings	3,171	3,207	3,181	3,065

Non-current

Western Australian Treasury Corporation	143,976	147,272	143,975	147,272
Other	317	310	-	-
Total non-current borrowings	144,293	147,582	143,975	147,272

Total borrowings

147,464	150,789	147,156	150,337
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Borrowings are measured at amortised cost using the effective interest rate method. The difference between total WATC borrowings of \$147.1 million and the principal outstanding on the loans of \$145.8 million represents the amortised cost adjustment. This adjustment discounts the estimated future cash payments over the expected life of the borrowings.

The Group has the following loans with the Western Australian Treasury Corporation (WATC) for the purpose of financing the University's Capital Program and other specific capital projects:

	Maturity date	Principal outstanding		Average interest rate	
		2017	2016	2017	2016
Western Australian Treasury Corporation Loans					
- Term floating rate lending	15/10/19	6,275	21,275	2.06%	2.34%
- Debt portfolio manager - term fixed rate	15/01/18 - 15/10/27	98,125	98,125	4.12%	4.31%
- Debt portfolio manager - term floating rate	21/01/18 - 21/10/22	20,600	5,600	1.99%	2.28%
- Fixed rate project	15/10/23	20,780	23,816	3.78%	3.78%
Total WATC loans		145,780	148,816		

Average interest rates are calculated based on the total interest expenses and average borrowing amount of each loan during the reporting period.

The borrowings, excluding Fixed Rate Project, have varying maturity dates up to 10 years and are expected to be refinanced or rolled over under a rolling facility arrangement. The Fixed Rate Project loan has a fixed maturity date with annual repayments.

	Principal outstanding	
	2017	2016
Financing facilities available		
The following facilities had been negotiated and were available as at reporting date:		
Facilities used at reporting date:		
- WATC loans	145,780	148,816
Facilities unused at reporting date:		
- WATC loans	64,220	11,184
Total debt facilities	210,000	160,000

Asset pledged as security

The Group has not pledged any assets as security against the borrowings in the current and previous financial year. A State Treasurer's Guarantee has been provided, at a cost of 0.7% (2016: 0.7%) per annum of the outstanding loan principal.

Fair value

The fair value of borrowings have been disclosed in note 42.

Notes to the financial statements

for the year ended 31 December 2017

	Consolidated		University	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
31 Reserves				
Available-for-sale financial assets revaluation reserve	16,192	11,017	16,192	11,017
Short-term investment fluctuation reserves	32,793	33,800	32,793	33,800
Other specific reserves	169	169	-	-
Total reserves	49,154	44,986	48,985	44,817
(a) Movements				
Available-for-sale financial asset revaluation reserve				
Balance 1 January	11,017	9,188	11,017	9,188
Net gain/(losses) on Available-for-sale financial asset	5,175	1,829	5,175	1,829
Balance 31 December	16,192	11,017	16,192	11,017
Short-term investment fluctuation reserves				
Balance 1 January	33,800	30,693	33,800	30,693
Transfer from/(to) accumulated funds	(1,007)	3,107	(1,007)	3,107
Balance 31 December	32,793	33,800	32,793	33,800
Other specific reserves				
Balance 1 January	169	90	-	-
Transfer from/(to) accumulated funds	-	79	-	-
Balance 31 December	169	169	-	-
Total reserves	49,154	44,986	48,985	44,817

(b) Nature and purpose of reserve

The Available-for-sale financial asset revaluation reserve reflects the changes in the fair value of investments classified as available for-sale financial assets. Amounts are recognised in the income statement when the associated assets are sold or impaired.

The short-term investment fluctuation reserves have been created to provide a degree of smoothing in regards investment income distributions from year to year and provide increased predictability for planning and budgeting purposes. The Group policy for the short-term investment pool is to distribute the income at a smoothed rate and to credit any excess or debit any shortfall to the investment fluctuation reserve.

Other specific reserves:

- UWA Sport Pty Ltd reserve to fund future capital works.

	Consolidated		University	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
32 Retained earnings				
Retained earnings at 1 January	1,820,181	1,797,434	1,818,637	1,795,908
Net result for the period	81,795	25,932	81,449	25,835
Item of other comprehensive income recognised directly in retained earnings				
Net actuarial gains/(losses) on Defined Benefit Plan	141	1	141	1
Transfer (to)/from reserves	1,007	(3,186)	1,007	(3,107)
Retained earnings at 31 December	1,903,124	1,820,181	1,901,235	1,818,637

Notes to the financial statements

for the year ended 31 December 2017

33 Commitments

(a) Expenditure commitments

Commitments for general expenditure in existence at the reporting date but not recognised as liabilities are payable as follows:

	Consolidated		University	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Within one year	47,886	39,302	47,521	39,302
Later than one year but no later than five years	1,583	3,439	1,583	3,439
Later than five years	-	-	-	-
	<u>49,469</u>	<u>42,741</u>	<u>49,104</u>	<u>42,741</u>

(b) Capital commitments

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

Land and buildings

Within one year	19,373	41,539	19,373	41,539
Later than one year but no later than five years	-	-	-	-
Later than five years	-	-	-	-
	<u>19,373</u>	<u>41,539</u>	<u>19,373</u>	<u>41,539</u>

Other plant and equipment

Within one year	16,180	6,150	16,180	6,150
Later than one year but no later than five years	42	86	42	86
Later than five years	-	-	-	-
	<u>16,222</u>	<u>6,236</u>	<u>16,222</u>	<u>6,236</u>

(c) Lease commitments

The nature of the operating lease commitments disclosed below relate to property, equipment, and motor vehicles.

Commitments in relation to non-cancellable operating leases are payable as follows:

Within one year	797	1,384	617	1,171
Later than one year but no later than five years	656	1,618	402	798
Later than five years	47	-	-	-
	<u>1,500</u>	<u>3,002</u>	<u>1,019</u>	<u>1,969</u>

34 Contingencies

(a) Contingent liabilities

As at 31 December 2017 or at the date of this report, there are no known contingent liabilities which are likely to materially affect the Group's financial position.

(b) Contingent assets

Contingent assets exist in relation to funds bequeathed to the University through a number of wills that are pending at year end. The amount and timing of the future inflow of economic benefits cannot be reasonably determined.

As at 31 December 2017 or at the date of this report, there are no other known contingent assets which are likely to materially affect the University's financial position.

35 Supplementary financial information

(a) Write-offs

Bad debts and other write-offs, written off by the Senate, University Club Executive and UWA Sport Pty Ltd board during the financial year:

Trade and other receivables	425	576	425	566
Property, plant and equipment	34	74	34	74
	<u>459</u>	<u>650</u>	<u>459</u>	<u>640</u>

(b) Losses through theft, default and other causes

Losses through theft and default	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Notes to the financial statements

for the year ended 31 December 2017

36 Related parties

(a) Parent entity

The parent entity within the Group is The University of Western Australia.

(b) Subsidiaries and associates

Interests in subsidiaries are set out in note 37.

Interests in associates are set out in note 38.

(c) Key management personnel

Disclosures relating to key management personnell are set out in Note 16.

(d) Transactions with related parties

	Consolidated		University	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
The following transactions occurred with related parties:				
Sales of goods and services				
Subsidiaries	-	-	7,950	7,191
Grant revenue				
Associates	-	-	-	-
Purchase of goods and services				
Subsidiaries	-	-	5,697	5,581
Grant expense				
Associates	305	300	305	300

(e) Outstanding balances

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

Current receivables (sales of goods and services)				
Subsidiaries	-	-	325	258
Current payables (purchases of goods and services)				
Subsidiaries	-	-	351	218

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

(f) Terms and conditions

Amounts were billed based on market rates for such supplies/services and were due and payable under normal payment terms.

37 Subsidiaries

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

Name of entity	Principal place of business	Class of shares	Equity holding		Principal activity
			2017 %	2016 %	
The University Club of Western Australia Pty Ltd	Australia	Ordinary	100	100	Events and function centre
UWA Accommodation Services Pty Ltd	Australia	Ordinary	100	100	Student accommodation
UWA Sport Pty Ltd	Australia	Ordinary	100	100	Sports and recreational activities

Notes to the financial statements

for the year ended 31 December 2017

38 Associates

Associates are all entities over which the economic entity has significant influence but not control, generally accompanying a shareholding of between 20 percent and 50 percent of the voting rights.

Investments in associates are accounted for in the financial statements using the equity method of accounting. Information relating to the associates is set out below.

Name of entity	Country of incorporation	Class of shares	Ownership interest		Carrying amount		Principal activity
			2017	2016	2017	2016	
			%	%	\$'000	\$'000	
Perth USAsia Centre Limited*	Australia	Ordinary	50	50	-	-	Collaborative research on US and Australia relationship

* The company is "Limited by Guarantee". The constitution of the company prohibits distribution of funds to the members. Accordingly, the result of the company is equity accounted at nil value.

39 Events occurring after the end of the reporting period

There are no other known events occurring after the end of the reporting period up until the date of this report which are likely to materially affect the Group's financial position.

Notes to the financial statements

for the year ended 31 December 2017

	Consolidated		University	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
40 Reconciliation of net result to net cash provided by/(used in) operating activities				
Net result for the year	81,795	25,932	81,449	25,835
Adjustments: non-cash items				
Depreciation, amortisation and impairment	54,852	50,188	54,319	49,674
Investment adjustments	(52,417)	(40,721)	(51,409)	(40,721)
Net (profit)/loss on sale of non-current assets	(169)	820	(182)	822
Donation of artworks and equipment	(651)	(851)	(651)	(851)
Net exchange differences	77	(18)	77	(18)
Changes in assets and liabilities				
Decrease/(increase) in receivables and prepayments	116	(14,597)	436	(14,105)
Decrease/(increase) in inventories	(109)	(23)	(83)	7
(Decrease)/increase in payables and borrowings	4,451	19,237	4,658	18,633
(Decrease)/increase in other liabilities	6,291	6,564	5,629	6,459
(Decrease)/increase in provisions	(1,952)	(3,403)	(1,981)	(3,464)
Net cash provided by/(used in) operating activities	92,284	43,128	92,262	42,271

Notes to the financial statements

for the year ended 31 December 2017

41 Financial instruments

(a) Financial risk management - overview

The University's Governing Body, the Senate, has overall responsibility for risk management. To assist in fulfilling this aspect of its role, the Senate has established two standing committees—the Strategic Resources Committee and the Audit and Risk Committee, both of which report directly to the Senate. The Strategic Resources Committee has, as part of its role, responsibility for monitoring the financial welfare of the University, and, within the limits of agreed delegations, making decisions, or recommendations to Senate, on investments, debt and the capital structure within a framework of strategy approved by Senate. The Audit and Risk Committee has, as part of its role, responsibility to satisfy that the University has sound policies and arrangements in place for corporate governance and for controlling the institution's exposure to risk. The Audit and Risk Committee also oversees how the University's management monitors compliance with the risk management policies and reviews the adequacy of the risk management framework in relation to the financial risks faced by the University.

The University is committed to robust risk management practices as an integral part of good governance. A risk report provided on a quarterly basis to the Senate and the Audit and Risk Committee highlights major emerging risks and provides updates on risks from the Strategic Risk Register. The University's Strategic Risk Register is reviewed twice a year as part of the University's integrated planning processes.

A review of the University's risk management framework is planned for 2018 with a view to procure a technology solution to help support enterprise-wide risk management and planning.

A major component of the University's governance framework is the annual Cycle of Planning and Accountability. This cycle involves two key processes, being the preparation of budgets and the review of actual performance against budget or other relevant benchmarks. Where necessary, the quarterly reporting process highlights significant financial issues and risks. The monitoring and review process is fulfilled by the University Management and Executive, Strategic Resources Committee and Senate.

The Group has exposure to credit, market and liquidity risk.

The Group has appointed an Implemented Consultant effective 23 December 2016 to manage the Group's investment portfolio. The Implemented Consultant provides a fully implemented investment management solution via a manager of managers style approach to portfolio construction, strategy implementation, diversification, management and overarching risk management.

(b) Credit risk

Credit risk arises principally from the Group's investment securities, and to a limited extent from its loans and receivables. The carrying amount of the financial assets represents the maximum credit risk exposure at the reporting date.

In accordance with the Group's Investment Policy, credit risk is minimised by appropriate diversification of investments gained through asset allocation, investment styles, manager and portfolio construction.

The Investment Policy Statement, which is managed by the Strategic Resources Committee and approved by Senate, sets out investment policy for matters such as performance objectives, investment restrictions, performance benchmarks and monitoring, and the strategic asset allocation benchmark for each investment pool. The investment policy is formally reviewed every two years and an investment consultant is appointed to undertake an independent review every four years and at any time a material change to the policy is proposed.

The majority of the Group's exposure to credit risk from loans and receivables is denominated in Australian dollars. The Group's credit control policy is designed to ensure that credit facilities are provided to customers with an appropriate credit history. Thereafter, the Group has an active credit management policy.

The Group's cash and cash equivalent transactions are invested only through pre-approved authorised deposit taking institutions and in accordance with the Group's Investment Policy, where maximum exposure limits are set for each institution according to their risk profile.

(c) 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 always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or other related costs. Under normal conditions, the Group aims to achieve the optimum level of cash holding, so that it minimises liquidity risk to an acceptable level, while at the same time maximising return from investment, for an agreed level of risk.

To manage these conflicting objectives, and achieve a workable solution, the Group prepares daily rolling liquidity forecasts, so that pro-active, informed decisions may be made in relation to liquidity management. In addition, the Group has the flexibility to liquidate a portion of its pool investments in a short time frame, if required.

The Group has a lending agreement with the Western Australian Treasury Corporation. The maximum amount eligible for draw down under the agreement is \$210.0 million (2016: \$160.0 million). As at reporting date the outstanding balance owing by the group, including accrued interest and guarantee levy fees is \$147.2 million (2016: \$150.3 million). The borrowings provide liquidity to support the Group's capital program, and to fund the student accommodation under the National Rental Affordability Scheme (NRAS).

Notes to the financial statements

for the year ended 31 December 2017

The following table presents the maturities of the financial assets and financial liabilities at the reporting date:

Consolidated 31 December 2017	Average interest rate	Non-interest bearing	Interest bearing	Maturity Profile			Total
				Less than 1 year	1 to 5 years	5+ years	
	%	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets							
Cash and cash equivalents	2.01%	94	58,824	58,918	-	-	58,918
Accounts receivable	-	44,981	-	44,981	-	-	44,981
Other financial assets	-	403,416	430,112	-	-	833,528	833,528
Loans and other receivables	-	87	-	-	87	-	87
Total		448,578	488,936	103,899	87	833,528	937,514
Financial liabilities							
Trade and other payables	-	63,486	-	63,486	-	-	63,486
Borrowings	4.39%	-	147,464	3,171	20,112	124,181	147,464
Other financial liabilities	-	3,937	-	3,937	-	-	3,937
Total		67,423	147,464	70,594	20,112	124,181	214,887

Consolidated 31 December 2016	Average interest rate	Non-interest bearing	Interest bearing	Maturity Profile			Total
				Less than 1 year	1 to 5 years	5+ years	
	%	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets							
Cash and cash equivalents	2.55%	83	74,334	74,417	-	-	74,417
Accounts receivable	-	48,777	-	48,777	-	-	48,777
Other financial assets	-	294,254	463,923	-	-	758,177	758,177
Loans and other receivables	-	94	-	-	94	-	94
Total		343,208	538,257	123,194	94	758,177	881,465
Financial liabilities							
Trade and other payables	-	64,659	-	64,659	-	-	64,659
Borrowings	4.49%	-	150,789	3,207	19,609	127,973	150,789
Other financial liabilities	-	5,715	-	5,715	-	-	5,715
Total		70,373	150,789	73,580	19,609	127,973	221,163

(d) Market risk

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Group Investment Policy provides strategies for managing the impact from market risk.

(i) Foreign exchange risk

Foreign exchange risk arises principally from overseas sources of income and expenditure in relation to the Group's international offshore teaching programmes, foreign donors, foreign customers and foreign sourced supplies. For the purposes of managing some international transactional activities, the Group holds US dollar and Singapore dollar bank accounts. At year end, the Group has foreign exchange risk exposure on these bank accounts as disclosed in the market sensitivity analysis.

Foreign Exchange Contracts

The Group enters into forward exchange contracts which are economic hedges that are not designated for hedge accounting, consequently fair value gains and losses are recorded in the income statement. Foreign exchange contracts are used to manage foreign exchange risk to specifically identified transactional activity.

Details of the forward exchange contracts outstanding at the end of the reporting period are given below:

2017 instrument	Notional amount	Rate	Expiry
Forward Foreign Exchange contract (buy)	USD \$1.0million	0.7630	21/12/2018
	USD \$5.0million	0.7648	15/12/2018
	USD \$0.16million	0.7645	31/01/2018
	EUR \$0.05million	0.6382	28/02/2018
Forward Foreign Exchange contract (sell)	-	-	-
2016 instrument	Notional amount	Rate	Expiry
Forward Foreign Exchange contract (buy)	EUR \$0.29 million	0.6928	31/01/2017
	EUR \$0.08 million	0.6906	31/01/2017
	USD \$0.04 million	0.7300	21/07/2017
	EUR \$0.10 million	0.6769	30/11/2017
	EUR \$0.10 million	0.6757	22/12/2017
Forward Foreign Exchange contract (sell)	USD \$8.0 million	0.7631	13/01/2017

Notes to the financial statements

for the year ended 31 December 2017

Where possible, the Group requires that transactions be contracted in Australian dollars and, if this is not possible, then forward currency contracts may be considered to manage the currency exposure. The Group enters into a forward contract when there is an underlying actual exposure and not for speculative purposes.

The Group's portfolio of investment assets includes, amongst other things, investments in unit trusts which have underlying exposure to international debt, equity and property asset classes. This risk is managed under the Investment Policy Statement, which sets parameters for the level of exposure to unhedged asset classes. Currently, the Group only invests in unit trusts priced in Australian dollars, consequently resulting in no direct foreign currency risk. The risk is reflected in other price risk through changes in Australian dollar quoted unit prices.

The Debt Management Policy restricts borrowings so that all borrowings are in Australian currency only. Specific Senate approval is required for foreign currency borrowings.

Given these risk management procedures, the level of foreign exchange risk exposure is considered minimal.

(ii) Interest rate risk

Interest rate risk arises from holding interest-bearing financial assets. Fixed interest rate investments expose the Group to changes in fair value through profit and loss, while variable interest rate investments expose the Group to fluctuations in interest income and cash flow. However, fixed and floating rate interest securities are critical to a well diversified investment strategy, forming the defensive component of the overall investment strategy.

The Group has interest bearing liabilities by way of a long term borrowing for financing the Group's capital program and other specific capital projects. Interest rate risk arises on the borrowing portfolio and is managed by using a portfolio of debt diversified across a range of debt maturities and interest rate term exposures and diversification of fixed and floating rate debt.

The Capital Debt Management Policy Statement, which is managed reviewed by the Strategic Resources Committee and approved by Senate, sets out the debt policy requirements for the administration and management of the portfolio and includes interest rate and short: long benchmarks, borrowing restrictions and reporting and monitoring obligations. The Capital Debt Management Policy Statement is regularly and routinely reviewed.

(iii) Price risk

The Group's investment pools are exposed to fluctuations in the prices of debt and equity securities and property units. The Group Investment Policy provides strategies for the minimisation of price risk with the diversification of that risk across a number of investment managers and classes of investment. The Investment Policy explicitly restricts the level of investment in any particular security by an individual investment manager. Ongoing monitoring takes place to ensure there is no concentration of risk exposure in any one area. The Group has a long term strategic approach to its Investment Policy, which decreases its exposure to price risk over the long term.

(iv) Summarised sensitivity analysis

Consolidated 31 December 2017	Carrying amount \$'000	Interest rate risk			
		-1.0% Profit \$'000	Equity \$'000	+1.0% Profit \$'000	Equity \$'000
Financial assets					
Cash and cash equivalents	58,918	(588)	-	588	-
Accounts receivable	44,981	-	-	-	-
Other financial assets	833,528	(27,926)	-	27,926	-
Loans and other receivables	87	-	-	-	-
Financial liabilities					
Trade and other payables	(63,486)	-	-	-	-
Borrowings	(147,464)	332	-	(332)	-
Other financial liabilities	(3,937)	-	-	-	-
Total increase/(decrease)		(28,182)	-	28,182	-

Notes to the financial statements

for the year ended 31 December 2017

Consolidated 31 December 2017	Carrying amount \$'000	Foreign exchange rate risk			
		-20.0% Profit \$'000	Equity \$'000	+20.0% Profit \$'000	Equity \$'000
Financial assets					
Cash and cash equivalents	58,918	389	-	(389)	-
Accounts receivable	44,981	353	-	(353)	-
Other financial assets	833,528	-	-	-	-
Loans and other receivables	87	-	-	-	-
Financial liabilities					
Trade and other payables	(63,486)	-	-	-	-
Borrowings	(147,464)	-	-	-	-
Other financial liabilities	(3,937)	-	-	-	-
Total increase/(decrease)		742	-	(742)	-

Consolidated 31 December 2017	Carrying amount \$'000	Other price risk			
		-20.0% Profit \$'000	Equity \$'000	+20.0% Profit \$'000	Equity \$'000
Financial assets					
Cash and cash equivalents	58,918	-	-	-	-
Accounts receivable	44,981	-	-	-	-
Other financial assets	833,528	(80,683)	-	80,683	-
Loans and other receivables	87	-	-	-	-
Financial liabilities					
Trade and other payables	(63,486)	-	-	-	-
Borrowings	(147,464)	-	-	-	-
Other financial liabilities	(3,937)	324	-	(324)	-
Total increase/(decrease)		(80,359)	-	80,359	-

Consolidated 31 December 2016	Carrying amount \$'000	Interest rate risk			
		-1.0% Profit \$'000	Equity \$'000	+1.0% Profit \$'000	Equity \$'000
Financial assets					
Cash and cash equivalents	74,417	(743)	-	743	-
Accounts receivable	48,776	-	-	-	-
Other financial assets	758,178	(27,542)	-	27,542	-
Loans and other receivables	94	-	-	-	-
Financial liabilities					
Trade and other payables	(64,659)	-	-	-	-
Borrowings	(150,789)	333	-	(333)	-
Other financial liabilities	(5,715)	-	-	-	-
Total increase/(decrease)		(27,952)	-	27,952	-

Consolidated 31 December 2016	Carrying amount \$'000	Foreign exchange rate risk			
		-20.0% Profit \$'000	Equity \$'000	+20.0% Profit \$'000	Equity \$'000
Financial assets					
Cash and cash equivalents	74,417	290	-	(290)	-
Accounts receivable	48,776	-	-	-	-
Other financial assets	758,178	2,757	-	(2,757)	-
Loans and other receivables	94	-	-	-	-
Financial liabilities					
Trade and other payables	(64,659)	-	-	-	-
Borrowings	(150,789)	-	-	-	-
Other financial liabilities	(5,715)	-	-	-	-
Total increase/(decrease)		3,047	-	(3,047)	-

Notes to the financial statements

for the year ended 31 December 2017

Consolidated 31 December 2016	Carrying amount \$'000	Other price risk			
		-20.0% Profit \$'000	Equity \$'000	+20.0% Profit \$'000	Equity \$'000
Financial assets					
Cash and cash equivalents	74,417	-	-	-	-
Accounts receivable	48,776	-	-	-	-
Other financial assets	758,178	(58,851)	-	58,851	-
Loans and other receivables	94	-	-	-	-
Financial liabilities					
Trade and other payables	(64,659)	-	-	-	-
Borrowings	(150,789)	-	-	-	-
Other financial liabilities	(5,715)	679	-	(679)	-
Total increase/(decrease)		(58,172)	-	58,172	-

(e) Capital management

The Group is funded principally by equity capital which is comprised of reserves and retained earnings as outlined in notes 31 and 32. The Group also employs debt funding to specifically support the Group's capital program as outlined in note 30. Senate's policy is to maintain a strong capital base to ensure that the Group is able to continue to provide the services to the community for which it was originally established.

The Group is not subject to externally imposed capital requirements, but does have responsibilities, in relation to maintaining the level of restricted funds derived from funds that have been endowed upon the Group. The Group continuously monitors its level of reserves, profitability and level of restricted and unrestricted funds within an established risk management framework.

Notes to the financial statements

for the year ended 31 December 2017

42 Fair value measurements

(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:

Consolidated 31 December	Carrying amount		Fair value	
	2017	2016	2017	2016
Financial assets				
Cash and cash equivalents	58,918	74,417	58,918	74,417
Receivables	45,068	48,870	45,068	48,870
Other financial assets	833,528	758,178	833,528	758,178
Total financial assets	937,514	881,465	937,514	881,465
Financial liabilities				
Trade and other payables	(63,486)	(64,659)	(63,486)	(64,659)
Borrowings	(147,464)	(151,240)	(145,867)	(149,719)
Other financial liabilities	(3,937)	(5,715)	(3,937)	(5,715)
Total financial liabilities	(214,887)	(221,163)	(213,290)	(226,294)

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

- Financial assets at fair value through profit and loss;
- Investment properties;
- Loans and receivables; and
- Available for sale financial assets.

(b) Fair value hierarchy

The University categorises assets and liabilities measured at fair value into a hierarchy based on the level of inputs used in measurement:

- Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2: Inputs that are observable for the asset or liability, either directly or indirectly; and
- Level 3: Inputs for the asset or liability that are not based on observable market data, that is, unobservable inputs.

The valuation level has been determined on the basis of the lowest level input. The level classification for financial assets at fair value through profit or loss have been determined by type of investments:

- Managed investments - Classified based on valuation of the investments, being either unit trusts or direct holdings. Unit trusts are priced based on the latest net asset price per unit. The managed investments are classified as level 1 fair value assets and consist either of publicly quoted unit trusts or assets with quoted pricing readily available, all in active markets.
- Direct investments - Holdings have been classified based on the market price of each holding and have been classified as level 1 fair value assets. Holdings in unlisted equity instruments have been classified as level 3 fair value assets.

The fair value of financial assets disclosed as level 2 fair value assets have been based on:

- Loans and receivables - Fair value is estimated as the present value of all future cash receipts discounted using the prevailing market rates of interest for a similar instrument, net of impairment.

The fair value of non-financial assets disclosed as level 2 fair value assets have been based on:

- Investment property - Fair values were determined by an independent valuer, and were derived from the sales prices of comparable properties after adjusting for differences in key attributes such as property size.

The fair value of financial assets disclosed as level 3 fair value assets have been based on:

- Unlisted credit securities held for investment purposes - Fair value based on an independent brokers quotation where due to the level of market activity and valuation methodology, the valuation is considered a level 3 valuation.
- Unlisted shares held by the University - Fair value is based on either last issue price or fund raising value, net tangible asset value, discounted net asset value or at cost where the market is generally limited.

Notes to the financial statements

for the year ended 31 December 2017

(i) Recognised fair value measurements

Fair value measurements recognised in the balance sheet are categorised into the following levels:

Consolidated 31 December 2017		Note	2017 \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Recurring fair value measurements						
Financial assets						
Other financial assets	23	833,528	815,526	800	17,202	
Total financial assets		833,528	815,526	800	17,202	
Non-financial assets						
Investment properties	22	25,417	-	25,417	-	
Total non-financial assets		25,417	-	25,417	-	
Consolidated 31 December 2016		Note	2016 \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Recurring fair value measurements						
Financial assets						
Other financial assets	23	758,178	744,927	1,224	12,027	
Total financial assets		758,178	744,927	1,224	12,027	
Non-financial assets						
Investment properties	22	24,207	-	24,207	-	
Total non-financial assets		24,207	-	24,207	-	

There were no transfers between fair value hierarchy levels during the year.

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

The carrying value of cash and cash equivalents, net accounts receivable, trade and other payables and other liabilities are considered a reasonable approximation of fair value due to the relatively short term nature of the instruments. The provision for impairment brings the face value of account receivables to fair value. The fair value of borrowings for disclosure purposes is determined after consideration of the premium or discount that would be required under a hypothetical settlement at the reporting date. Other financial liabilities consists of funds held for outside parties effectively at call and the carrying value represents the amount the University is required to pay to settle the liabilities.

(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 is determined using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

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

- Investment property - fair values were determined by an independent valuer, and were derived from the sales prices of comparable properties after adjusting for differences in key attributes such as property size.
- Loans and receivables - fair value is estimated as the present value of all future cash receipts discounted using the prevailing market rates of interest for a similar instrument, net of impairment.
- Unlisted shares held by the University - fair value is based on their last issue price or fundraising value, net tangible asset value, discounted net asset value or at cost where the market is generally limited.

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

(ii) Non-recurring fair value measurements

The University has no assets or liabilities measured at fair value on a non-recurring basis.

Notes to the financial statements

for the year ended 31 December 2017

(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 measurements 2017	Other financial assets \$'000
Opening balance	12,027
Acquisitions	-
Transfers from level 1	-
Transfers from level 2	-
Transfers out of level 3	-
Acquisitions	-
Disposals	-
Total gains/(losses)	5,175
Recognised in profit or loss*	-
Recognised in other comprehensive income	5,175
Closing balance	17,202

Level 3 fair value measurements 2016	Other financial assets \$'000
Opening balance	9,658
Acquisitions	-
Transfers from level 1	-
Transfers from level 2	-
Transfers out of level 3	-
Acquisitions	540
Disposals	-
Total gains/(losses)	1,829
Recognised in profit or loss*	-
Recognised in other comprehensive income	1,829
Closing balance	12,027

*Unrealised gains/(losses) recognised in profit or loss attributable to assets held at the end of the reporting period	Other financial assets \$'000
2017	-
2016	-

(i) Transfers between categories and changes in valuation techniques

There were no transfers between categories or changes in valuation techniques during the year.

(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.

Description	Fair value at 31 Dec 2017 \$'000	Fair value at 31 Dec 2016 \$'000	Unobservable inputs	Range of inputs	Relationship of unobservable inputs to fair value
Unlisted shares with underlying investment assets	16,202	11,027	Discount rate	30%	The higher the discount rate, the lower the fair value
Unlisted shares with intellectual property assets	1,000	1,000	Not applicable - measured at cost	Not applicable - measured at cost	Not applicable - measured at cost

(iii) Valuation processes

The fair value of unlisted shares held by the University with underlying investment assets was determined by an independent valuer, and were derived by calculating the entity's net assets and applying a discount rate to factor in restrictions that prevent the entity from disposing its underlying net assets.

The unlisted shares with intellectual property assets held by the University are held for operational or research commercialisation purposes where no active market exists. The fair value of these assets cannot be reliably measured and are recognised at cost.

Notes to the financial statements

for the year ended 31 December 2017

43 Acquittal of Australian Government financial assistance

43.1	Education - Commonwealth Grant Scheme and other Education grants	Note	Commonwealth Grant Scheme ¹		Access and Participation Fund		National Priorities Pool		University Promotion of Excellence in Learning and Teaching		Disability Performance Funding ²		Indigenous Student Success Program ³		Diversity and Structural Adjustment Fund	
			2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
	Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the programs)		154,821	161,205	1,101	1,402	-	570	55	165	71	97	1,829	1,510	-	-
	Net accrual adjustments		-	-	-	-	-	-	-	-	-	-	(16)	(238)	-	-
	Revenue for the period	2(a)	154,821	161,205	1,101	1,402	-	570	55	165	71	97	1,813	1,272	-	-
	Surplus/(deficit) from the previous year		-	-	-	28	386	105	388	738	-	-	21	238	153	157
	Total revenue including accrued revenue		154,821	161,205	1,101	1,430	386	675	443	903	71	97	1,834	1,510	153	157
	Less expenses including accrued expenses		(154,821)	(161,205)	(1,070)	(1,430)	(386)	(289)	(175)	(515)	(71)	(97)	(1,666)	(1,489)	(3)	(4)
	Surplus/(deficit) for the reporting period		-	-	31	-	-	386	268	388	-	-	168	21	150	153

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 Student with Disabilities and Australian Disability Clearinghouse on Education & Training

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

43.1	Education - Commonwealth Grant Scheme and other Education grants (continued)	Note	University Learning and Teaching Performance Fund		University Total	
			2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
	Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the programs)		-	-	157,877	164,949
	Net accrual adjustments		-	-	(16)	(238)
	Revenue for the period	2(a)	-	-	157,861	164,711
	Surplus/(deficit) from the previous year		149	196	1,097	1,462
	Total revenue including accrued revenue		149	196	158,958	166,173
	Less expenses including accrued expenses		(48)	(47)	(158,240)	(165,076)
	Surplus/(deficit) for the reporting period		101	149	718	1,097

Notes to the financial statements

for the year ended 31 December 2017

43.2 Higher Education Loan Programs (excl OS-HELP)	Note	HECS - HELP (Commonwealth Payments)		University				Total	
		2017 \$'000	2016 \$'000	FEE - HELP ⁴	SA - HELP	2016 \$'000	2017 \$'000		2016 \$'000
Cash Payable/(Receivable) at the beginning of year	2(b)	(94,152)	(94,324)	(18,954)	(17,433)	(1,321)	(1,394)	(114,427)	(113,151)
Financial assistance received in CASH during the reporting period		101,359	94,244	18,954	17,433	1,321	1,394	121,634	113,071
Revenue earned		99,690	92,655	18,954	17,433	1,321	1,394	119,965	111,482
		5,538	(1,669)	-	-	-	-	5,538	(1,669)

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

43.3 Department of Education and Training Research ⁵	Note	Research Training Program ⁶		University Research Support Program ⁷		Total	
		2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the programs)		47,815	47,522	47,075	43,767	94,890	91,289
Net accrual adjustments		-	-	-	-	-	-
Revenue for the period	2(c)	47,815	47,522	47,075	43,767	94,890	91,289
Surplus/(deficit) from the previous year		539	46	997	695	1,536	741
Total revenue including accrued revenue		48,354	47,568	48,072	44,462	96,426	92,030
Less expenses including accrued expenses		(47,815)	(47,029)	(48,072)	(43,465)	(95,887)	(90,494)
Surplus/(deficit) for the reporting period		539	539	-	997	539	1,536

⁵ The reported surpluses for Research Training Program of \$0.539 million for 2017 are expected to be rolled over for future use by the University

⁶ Research Training Program has replaced Australian Postgraduate Awards, International Postgraduate Research Scholarships and Research Training Scheme in 2017

⁷ Research Support Program has replaced Joint Research Engagement, JRE Engineering Cadetships, Research Block Grants and Sustainable Research Excellence in Universities in 2017

Notes to the financial statements

for the year ended 31 December 2017

43.4	Total Higher Education Provider Research Training Program expenditure	Note	Total domestic students 2017		Total overseas students 2017	
			\$'000	\$'000	\$'000	\$'000
	Research Training Program Fees offsets		31,272		4,041	
	Research Training Program Stipends		11,274		920	
	Research Training Program Allowances		9		298	
	Total for all types of support		42,555		5,259	

University Linkage Infrastructure, Equipment and Facilities Grant

43.5	Other Capital Funding	Note	2017 \$'000	2016 \$'000
	Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the programs)		1,553	2,290
	Net accrual adjustments		-	-
	Revenue for the period	2(d)	1,553	2,290
	Surplus/(deficit) from the previous year		970	830
	Total revenue including accrued revenue		2,523	3,120
	Less expenses including accrued expenses		(1,862)	(2,150)
	Surplus/(deficit) for the reporting period		661	970

43.6	Australian Research Council Grants (i) Discovery	Note	Discovery		Linkages		University Network and Centres		Total	
			2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
	Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the programs)		19,395	21,659	6,473	7,198	6,392	8,342	32,260	37,199
	Net accrual adjustments		-	-	-	-	-	-	-	-
	Revenue for the period	2(e)	19,395	21,659	6,473	7,198	6,392	8,342	32,260	37,199
	Surplus/(deficit) from the previous year		13,527	14,601	8,140	7,836	3,249	3,504	24,916	25,941
	Total revenue including accrued revenue		32,922	36,260	14,613	15,034	9,641	11,846	57,176	63,140
	Less expenses including accrued expenses		(21,253)	(22,733)	(9,504)	(6,893)	(7,980)	(8,597)	(38,737)	(38,223)
	Surplus/(deficit) for the reporting period		11,669	13,527	5,109	8,141	1,661	3,249	18,439	24,917

Notes to the financial statements

for the year ended 31 December 2017

43.7 Other Australian Government Financial Assistance	University Other Australian Government Financial Assistance	
	2017 \$'000	2016 \$'000
Cash received during the reporting period	72,913	70,601
Cash spent during the reporting period	(72,913)	(70,601)
Net cash received	-	-
Cash surplus/(deficit) from previous period	-	-
Cash surplus/(deficit) for reporting period	-	-

43.8 OS-HELP	University OS-HELP	
	2017 \$'000	2016 \$'000
Cash received during the reporting period	2,289	2,151
Cash spent during the reporting period	(2,021)	(2,196)
Net cash received	268	(45)
Cash surplus/(deficit) from previous period	1,054	1,099
Cash surplus/(deficit) for reporting period	27	1,054

43.9 Student services and amenities fee	University Student Services and Amenities Fee		Note
	2017 \$'000	2016 \$'000	
Unspent/(overspent) revenue from previous period	-	-	
SA-HELP revenue earned	1,321	1,394	2(b)
Student services and amenities fees from students	4,141	4,133	6
Total revenue expendable in period	5,462	5,527	
Student services expenses during period	(5,462)	(5,527)	
Unspent/(overspent) student services revenue	-	-	




THE UNIVERSITY OF WESTERN AUSTRALIA

CERTIFICATIONS


FOR THE YEAR ENDED 31 DECEMBER 2017

CERTIFICATION OF KEY PERFORMANCE INDICATORS

We hereby certify that the key performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the performance of The University of Western Australia, and fairly represent the performance of The University of Western Australia for the year ended 31 December 2017.



Robert S French
Chancellor



Dawn Freshwater
Vice-Chancellor

12 March 2018



Key performance indicators

UWA's mission is to provide world-class education, research and community engagement for the advancement of the prosperity and welfare of our communities. The University aspires to be recognised in the world's top 50 universities by 2050 for its commitment to excellence in all our activities.

The following KPIs are designed to evidence progress towards our vision and mission.

A small number of KPIs have been revised since the 2016 Annual Report to reflect changing emphasis and performance reporting mechanisms. These changes are noted where relevant in the following pages.



1. Leadership in education

Strategic goal

To be recognised as a global leader in university education.

Services

UWA delivers excellent courses that will engage, challenge and transform students through a rich variety of learning experiences.

Key performance indicators

Achievement of this goal will be measured by the following indicators:

- 1.1 Share of first preferences in TISC applications from school leavers with an ATAR ≥ 95 (effectiveness)
- 1.2 Student satisfaction (effectiveness)
- 1.3 Graduate outcomes (effectiveness)
- 1.4 Equity access rate (effectiveness)

These metrics are the best representation of UWA's strategic aspirations and their structure is consistent with the measures reported in 2016.

1.1 Share of first preferences in TISC applications from school leavers with an ATAR ≥95

This effectiveness indicator measures the University’s ability to attract the highest performing school leavers. The quality of incoming students is an important driver of educational performance and a marker of the University’s reputation for academic excellence and success.

The following table shows the proportion of school leavers with an ATAR ≥95 who applied to study at UWA as a first preference in TISC applications.

The 2017 figures indicate that despite UWA remaining the first-choice university for the majority of WA’s highest-performing school leavers, the University is losing share of this high-performing cohort to other public WA universities.

The University is implementing a range of strategies designed to attract high-performing students.

Share of first preferences in TISC applications from school leavers with an ATAR≥95, 2013–2017

	2013	2014	2015	2016	2017	2017 target
Proportion of school leavers with an ATAR ≥95	75%	74%	75%	70%	64%	70%

Data source: Tertiary Institutions Service Centre (TISC)

Note: Population is limited to school leavers listing one of the four WA universities as their first preference. Figures are rounded to the nearest whole number.

1.2 Student satisfaction

This effectiveness indicator provides an insight into students’ perceptions of the overall student experience at UWA. It includes perspectives from domestic and international students in undergraduate and postgraduate coursework and research degrees.

Students’ satisfaction with their courses is derived from the Course Experience Questionnaire (CEQ) for coursework students and the Postgraduate Research Experience

Questionnaire (PREQ) for Higher Degree by Research students. In each questionnaire, graduates are asked to respond to the statement “Overall, I was satisfied with the quality of this course” using a five-point scale, ranging from “strongly disagree” to “strongly agree”. Percentage agreement is the proportion of graduates who responded with “agree” or “strongly agree” divided by the total number of valid responses. These surveys are undertaken four months following the completion of a degree.

The table below shows that the percentage agreement results have declined slightly over the past few years. Numerous initiatives are being implemented, starting in 2018, to reverse the University’s performance in these areas.

Percentage agreement on the Overall Satisfaction Item in the Course Experience Questionnaire and Postgraduate Research Experience Questionnaire, 2013–2017^(a)

	2013	2014	2015	2016	2017	2017 target
CEQ^(b)						
% agreement	83%	80%	78%	76%	75%	80%
WA average	83%	83%	83%	82%	83%	
National average	83%	83%	83%	82%	81%	
UWA response rate ^(c)	50%	50%	37%	35%	38%	
PREQ^(c)						
% agreement	84%	86%	87%	85%	82%	88%
WA average	88%	89%	87%	84%	82%	
National average	86%	87%	87%	85%	84%	
UWA response rate ^(d)	65%	61%	59%	52%	56%	

Data source: Course Experience Questionnaire (CEQ) and Postgraduate Research Experience Questionnaire (PREQ)

Notes: (a) Year refers to the reference year of the survey e.g. 2016 represents 2015 graduates; (b) Responses of graduates of undergraduate and postgraduate coursework degrees; (c) Offshore students are excluded from the CEQ and PREQ figures; (d) Responses of graduates of postgraduate research degrees.

1.3 Graduate outcomes

To gain an indication of the quality of the University's students and courses, and how well these meet individual, global and industry needs, graduates are surveyed four months after they have finished their courses to determine their employment status.

The following table shows the trends in total employment rate, which is the proportion of graduates who are in either full-time or part-time

employment, as a percentage of those who are available for work (working or seeking work, but not in full-time study). The total employment rate can also point to trends in the way new graduates are seeking to work, as well as changes in the local labour market conditions. Gaining a better understanding of the paths students take after graduation also informs the development of the University's educational experience and the courses it offers.

The table below indicates that in 2017 the total employment rate for domestic and international students who had graduated from UWA was 83 per cent. The trends seen in this data mirror the performance of the WA average, reflecting the nature of the current WA labour market.

Total employment rate of students ^(a) who completed coursework at UWA, 2013–2017 ^(b)						
	2013	2014	2015	2016	2017	2017 target
UWA	90%	87%	87%	84%	83%	88%
WA average	91%	89%	89%	87%	86%	-
UWA response rate	47%	46%	35%	32%	39%	-

Data source: Graduate Destination Survey (pre-2016), Graduate Outcomes Survey (2016+)

Notes: (a) The respondents include domestic and international students who have completed either an undergraduate or postgraduate coursework degree or a Higher Degree by Research; (b) Year refers to the reference year of the survey e.g. 2016 represents 2015 graduates..

1.4 Equity access rate

UWA recognises the importance of achieving a more diverse student population and has developed a range of strategies to improve access by students from designated equity groups: low socioeconomic status (SES) students, students from a non-English speaking background (NESB), Indigenous students, students with disability and students from regional and remote locations.

It is inherent in UWA's values to provide the broader community with access to a world-class education. Access rates from these equity groups provide an indicator of the University's effectiveness towards achieving diversity and accessibility.

The table below presents access rates of domestic commencing students belonging to designated groups. In 2017, the University did not achieve

any of the access rate targets, but an Inclusion and Diversity Strategy is under development to assist in improving these results.

Access rates ^(a) for equity groups commencing at UWA, 2013–2017						
	2013	2014	2015	2016 ^(d)	2017 ^(e)	2017 target
Low SES students ^(b)	8.8%	9.0%	9.3%	10.3%	9.5%	12.0%
Students from a NESB ^(c)	5.2%	5.6%	5.8%	5.2%	5.0%	6.0%
Indigenous students	1.6%	1.5%	1.7%	1.6%	1.5%	1.7%
Students with a disability	7.4%	7.0%	7.7%	7.6%	7.8%	8.0%
Students from a regional location	9.0%	8.9%	8.9%	8.9%	8.2%	10.0%
Students from a remote location	2.2%	2.1%	2.0%	1.9%	1.5%	2.5%

Data source: Commonwealth Government Higher Education Student Data Collection Files, 2013–2017, Socio-Economic Indexes for Areas 2011.

Notes: (a) The access rate is the proportion of the domestic commencing students who are from each equity group; (b) SES is attributed based on postcode of the permanent home address; (c) NESB students comprise those who arrived in Australia in the previous 10 years and speak a language that is not English at home; (d) Variation from previously reported figures is due to the inclusion of full-year data in the figures currently presented; (e) Based on preliminary data prior to the March 2018 finalisation.



2. Internationally renowned research

Strategic goal

To strive for an international research agenda of relevance to the community it serves.

Services

UWA undertakes research across all disciplines focused on issues of relevance to its communities and industries while generating understanding and solutions of global value, and offers high-quality research training principally through its Higher Degree by Research (HDR) programs.

Key performance indicators

Achievement of this goal will be measured by the following indicators:

- 2.1 Research income (effectiveness)
- 2.2 Publications (effectiveness, efficiency)

In 2016 the excellence in Research for Australia (ERA) effectiveness was reported. This measure is only conducted every three years, meaning updated results will not be available until 2019.



2.1 Research income

Research funds earned by an institution provide an indication of its effectiveness in conducting relevant and valued research, while also informing the community how the University funds its efforts towards the advancement of knowledge. The Australian Competitive Grants funds are allocated on the basis of competitive bids to the Australian Research Council (ARC), the National Health and Medical Research Council (NHMRC), primary industry research and development corporations, and

other Commonwealth departments and organisations. An institution's share of research income is a proxy measure of research relevance and competitiveness.

As shown in the table below, in 2016 the University received \$190 million in total research income, which equates to an average of \$158,229 per academic staff FTE (excluding casual appointments). This total research income places UWA seventh in Australia for funding within the Group of Eight universities.

Sector-wide declines in Australian Competitive Grants are driving diversification into other funding categories – maintaining this shift is a focus for 2018. Initiatives are in place to secure improvements in funding performance for 2017 and 2018.

The University continues to seek further increases in its research income, and the diversity of sources of that income, to grow its research capacity.

Research income awarded to UWA, 2013–2016					
	2013	2014	2015	2016	2016 Target
Total research income (\$M)	\$214	\$204	\$195	\$190	\$205
Total research income per academic FTE at Level B+ ^(a) (\$)	\$171,280	\$161,581	\$157,324	\$158,229	\$160,000
UWA share of total research income (%)	6.0%	5.5%	5.2%	5.0%	6.0%
National rank ^(b)	3 rd	6 th	7 th	7 th	
Australian Competitive Grants (\$M)	\$109	\$108	\$87	\$86	\$85
International research income (\$M)	\$12	\$12	\$16	\$15	\$20
Research contract income (\$M)	\$30	\$19	\$26	\$28	\$30

Data source: Commonwealth Government Higher Education Research Data Collections (HERDC), figures in millions are rounded to the nearest million.

Notes: (a) Full-time equivalence of academic staff at lecturer Level B and above, excluding casual appointments; (b) Rank based upon total research income per academic staff FTE at Level B and above relative to Australian universities.



2.2 Publications

UWA is committed to communicating its research globally through high-quality publications. The numbers of refereed publications in reputable journals are indicators measuring the research output of a university. Publications in the top journal quintile are used to benchmark research outputs regardless of differences in size and disciplinary profiles, and to showcase the presence of publications in journals considered to be the most prestigious around the world. The numbers of weighted publications

per academic staff FTE are efficiency indicators of research productivity.

UWA continues to maintain the high quality and quantity of its publication output, as measured by the proportion published in top quintile journals and output per academic staff FTE.

Selected weighted ^(a) research publications per academic staff FTE ^(b)						
	2012	2013	2014	2015	2016	2016 Target ^(c)
UWA weighted research publications per academic staff FTE	3.2	3.5	3.5	3.7	3.9	4.0
National weighted research publications per academic staff FTE	1.6	1.7	1.8	1.9	1.9	
	2012	2013	2014	2015	2016	2016 Target ^(c)
National weighted research publications per academic staff FTE	1.7	1.8	1.9	1.9	2.0	-

Percentage of UWA articles published in the top 20% journals						
	2013	2014	2015	2016	2017	2017 Target
% UWA articles published in the top 20% journals ^(d)	46%	47%	46%	47%	47%	49%

Data source: Publications: (books, book chapters, articles in scholarly refereed journals and full written papers in refereed proceedings) as indexed in Scopus (www.scopus.com); Staff FTE: Commonwealth Government Higher Education Staff Collection; Top 20% journal list generated with Clarivate's Journal Citation Report. Proportion of articles published in the top 20 per cent of journals generated using the Science Citation Index-Expanded and Social Science Citation Index, in the Web of Science.

Notes: (a) Books are weighted 5:1; (b) Full-time equivalent of academic staff at Level B or above, excluding casual appointments; (c) Reported to 2016 instead of 2017 as data in Scopus has not been finalised for 2017 due to timing of actual publication and the data collation in Scopus; (d) Top 20% journals are the top quintile journals based on the number of citations per citable publications as it relates to the Web of Science category to which it is mapped.





3. Community and global engagement

Strategic goal

To be recognised for the strong and mutually beneficial relationships forged with stakeholders.

Services

UWA engages with global stakeholders and partners to contribute to the intellectual, cultural and social lives of its community; expand access to capabilities and resources; and seek feedback to focus and align research and education with community needs.

Key performance indicators

Achievement of this goal will be measured by the following indicators:

- 3.1 Key rankings (effectiveness)
- 3.2 Media (effectiveness)
- 3.3 Development outcomes (effectiveness)

These metrics are the best representation of UWA's strategic aspirations' and their structure is consistent with the measures reported in 2016.

3.1 Key rankings

UWA aspires to be a global top 50 university and this indicator tracks its progress towards the achievement of this goal. To provide a robust reflection of the University's comparative performance, UWA's international ranking is measured using the three most influential international rankings instruments:

- Academic Ranking of World Universities (ARWU) – based on research measures
- Quacquarelli Symonds (QS) World University Ranking – based on research measures, reputation

measures, the mix of international staff and students and the staff-to-student ratio

- Times Higher Education (THE) World University Ranking – based on research measures, a teaching score and an international mix component

UWA remains a top 100 university in the ARWU ranking and also made the top 100 in the QS ranking, improving its position by nine rank places within the QS in 2017. The University's position in the THE improved by 14 rank places. Being positioned in the top 100 for both the ARWU and

QS is a great achievement given the competitiveness within these global rankings and the high quality of the world's tertiary education sector.

International ranks, 2013–2017						
	2013	2014	2015	2016	2017	2017 Target
ARWU	91	88	87	96	91	90-95
QS	84	89	98	102	93	95-100
THE	168	157	109	125	111	110-115

Data source:

shanghairanking.com
topuniversities.com
timeshighereducation.co.uk/world-university-rankings/



3.2 Media outcomes

This effectiveness indicator provides a measure of the University's coverage in the media, with media engagement undertaken to communicate the University's successes and demonstrate our impact and value to the societies we serve.

Quarterly reporting on media coverage is compiled by external company iSentia for the University, and this

type of analysis has been in place since January 2015. The analysis is of Australian press and broadcast media only and covers major media outlets. Social media, journals, blogs and some media publications are not included. It must also be noted that the University's media coverage is subject to a large range of uncontrollable internal and external factors.

In 2017 the University continued to attract a large volume of media coverage. A majority of this coverage was deemed to be positive, with the remainder being neutral (48.5%) and negative (1%). While the total volume of coverage was higher in 2016, this reflects the changing nature of the media environment.

Yearly comparison of media coverage, 2015–2017

	2015	2016	2017	2017 Target
Number of media items	5846	5460	4414	5500
Percentage of positive coverage	55%	58.5%	50.5%	60%

Data source: iSentia

Notes: The percentage of positive coverage outlined is based on a yearly average taken from the iSentia quarterly analysis. The quarterly analysis of positive coverage is calculated through a random representative sample. The sample in 2016 was 2294 items (42% of total media items), and in 2017 the sample was 2327 items (53% of total media items).

3.3 Development outcomes

This indicator is a measure of the effectiveness of the achievement of philanthropy targets by determining the proportion of the target that has been raised (committed) each year.

Funds raised include all donations, bequests and philanthropic grants.

The New Century Campaign had a target of \$400m for its completion at the end of 2017. Performance of the

New Century Campaign maintained a strong trajectory towards this campaign target across its operational time frame, resulting in UWA exceeding the targeted amount.

Percentage of development targets achieved, 2013–2017

	2013	2014	2015	2016	2017	2017 Target
Percentage raised against target	50%	60%	75%	83%	108%	100%

Data source: Internal data



4. Financial ratios

4.1. Teaching and research revenue per staff dollar employed (cost-effectiveness)

4.2. Operating margin (cost-effectiveness)

These indicators are designed to inform the operating efficiency and cost productivity of the University's core activities. Performance on these indicators is primarily driven by the percentage of fee-paying equivalent full-time student load (EFTSL) (to yield a higher gross margin), as well as the timing of income and expenditure associated with research grants, donations and capital grants. These

indicators are also influenced by annual investment returns and expenditure associated with investment in academic excellence, student experience and other University strategic priorities.

Both indicators exceeded target in 2017, with a significant improvement in operating margin driven by increased donation income.

Financial ratios, 2013–2017

	2013	2014	2015	2016	2017	2017 Target
Teaching and research revenue per dollar of staff expenditure ^(a)	1.26	1.24	1.23	1.17	1.30	1.29
Operating margin	12.7%	9.5%	3.5%	2.8%	8.4%	4.9%

Notes: (a) Staff expenditure is defined as salaries (plus on-costs: superannuation, payroll tax, workers' compensations, leave expenses) (all funds).



Other financial disclosures

Major capital projects

The University defines major capital projects as those costing more than \$5 million. During 2017 the University spent \$41 million on major capital projects. Total capital expenditure in 2017 was \$86.5 million. The University places student experience at the heart of its teaching and research mission and will continue to invest in the modernisation of the campus to achieve this aim.

Completed projects

The Medical and Dental Library was transformed to better meet the needs of current and future students, researchers and the community, and was renamed the J. Robin Warren Library in honour of UWA's Nobel laureate. The refurbishment works were completed in 2017 at a cost of \$7 million (\$5 million CAPEX). This investment strengthens the strategic presence for the University on the QEII Medical Centre campus and provides a high-quality teaching and learning environment incorporating innovative spaces and facilities.

A major refurbishment program to modernise and revitalise the central teaching and bathroom facilities within the Arts, Social Sciences, Law, Physics and Engineering precincts was completed in 2017 at a total cost of \$11 million.

Projects in progress

During 2017, the University began forward works on the transformational EZONE UWA project, which will become Western Australia's premier

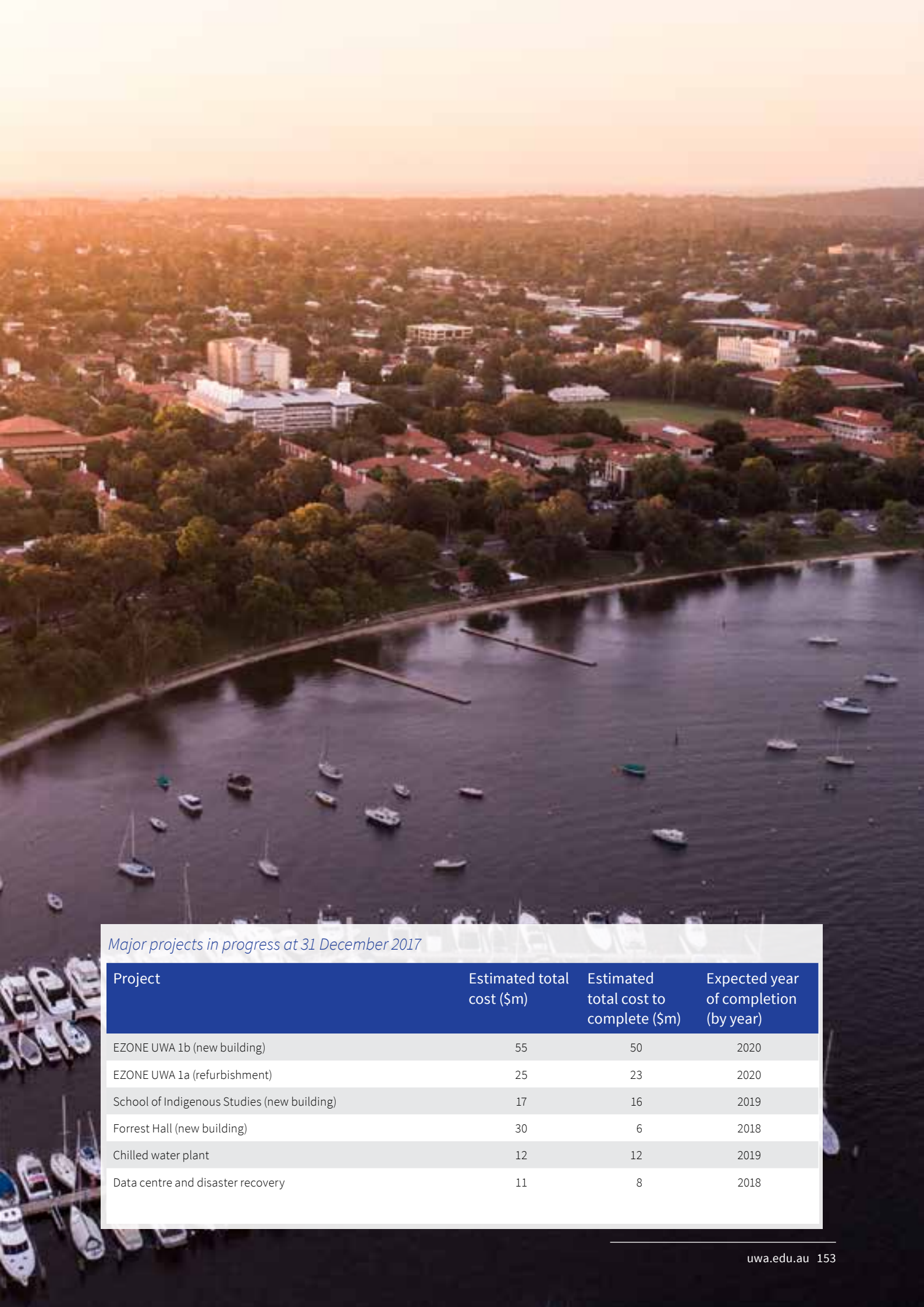
engineering learning facility when completed in early 2020. The major building component of the \$80 million project begins construction in 2018.

The concept design for the new \$16.5 million School of Indigenous Studies building was approved by the Senate in 2017. It includes the expansion of Prescott Court towards Hackett Drive, enhancing internal and external space integration. The building is planned to be completed late in 2019.

Forrest Hall is nearing completion. The \$30 million building on the bank of the Swan River will offer contemporary accommodation to some of the world's leading PhD students coming to study and live in Western Australia.

Planning to increase the capacity of the mechanical system at the Crawley campus to support heating and cooling requirements is underway, with the aim of being implemented prior to EZONE UWA completion in 2020. The University has allocated \$12 million to this project, and forward infrastructure upgrade works are underway.





Major projects in progress at 31 December 2017

Project	Estimated total cost (\$m)	Estimated total cost to complete (\$m)	Expected year of completion (by year)
EZONE UWA 1b (new building)	55	50	2020
EZONE UWA 1a (refurbishment)	25	23	2020
School of Indigenous Studies (new building)	17	16	2019
Forrest Hall (new building)	30	6	2018
Chilled water plant	12	12	2019
Data centre and disaster recovery	11	8	2018



Our people and culture

The people priorities for 2017 focused on the successful implementation of the transformational University structure. This new structure provided the flexibility for staff to reshape their roles and pursue new career paths in different teams. It has also provided an exciting opportunity to embark on an international recruitment campaign focused on UWA's teaching and research priority areas.

A wide range of strategic staffing programs has been undertaken throughout 2017, focusing on strengthening the capabilities of academic and professional staff to continue to perform to the University's high standards during a period of significant change as well as maintaining the organisational culture which defines UWA.

In 2018, we will focus on continuing to develop the People and Culture Strategy, which will be underpinned by a strong workforce plan, a high-performance culture, and one of continuous improvement, clear, insightful and incisive leadership, and a focus on a sustainable workforce, through talent development strategies.

Inclusion and diversity

In line with the Inclusion and Diversity Strategy 2015–2020, UWA established five working groups to ensure there is a continued focus on Gender Equity, Cultural and Linguistic Diversity (CaLD), Disability issues, and Indigenous and LGBTI-inclusion.

UWA continues to maintain its stellar performance in LGBTI-inclusion, achieving Platinum Status as the only university to be ranked as a Top 10 employer in the Australian Workplace Equality Index (AWEI) since the inception of the awards in 2011. Successes of recent programs include: the annual Isabelle Lake Memorial Lecture series, run in partnership with the Equal Opportunity Commission; the rollout of unconscious bias training; the continued success of the ALLY Program across Australia and New Zealand; and equal opportunity online training modules (to prevent workplace bullying and sexual harassment) implemented across the University.

The UWA node of the International Centre for Radio Astronomy Research (ICRAR) has been recognised by the Astronomical Society of Australia for its commitment to advancing women in astronomical sciences and technology, and in March 2017 ICRAR received Silver in The Pleiades Awards.

The University remains committed to achieving bronze status in the Science in Australia Gender Equity (SAGE) Athena-Swan pilot, which is focused on encouraging women in the Science, Technology, Engineering, Mathematics and Medicine (STEMM) areas.

Employee relations

The successful negotiation of new enterprise agreements for academic and professional staff was a significant achievement in 2017.

In 2018, Human Resources will focus on implementing the new terms and conditions from the agreements and then shift to cascading the improvements into existing policies, processes and practices to better align with UWA's values and culture.

Work health and safety

UWA is committed to providing a safe and healthy working and learning environment for its staff, students, visitors and contractors and takes a proactive approach to minimising the potential for injury, illness and harm. This is achieved by ensuring that health and safety management is a key priority in all areas of planning, implementation, measurement and review.



During 2017, there were 263 incidents and injuries reported; 27 were accepted as workers' compensation claims, and 10 cases were recorded as lost time injuries (LTIs) with a total of 155 work days lost. By comparison, in 2016 there were 324 incidents and injuries reported with 34 accepted workers' compensation claims, and 10 cases recorded as LTIs with a total of 167 work days lost.

Detailed information on the work health and safety, injury management, and health and wellbeing program priorities, activities and reporting is provided in the University Safety Committee Annual Report. The information provided in the table on this page aligns with the requirements of the Public Sector Commission reporting.

UWA continues to provide a dedicated service to assist staff return to work following injuries or illness through its Injury Management and Wellbeing team. This team provides best practice injury management services for both work-related and non-compensable conditions, along with proactive and targeted wellbeing initiatives which ensure the University continues to meet its obligations under the *Workers'*

Compensation and Injury Management Act 1981. This proactive approach enables area-specific injury prevention projects across UWA to target positive health and safety outcomes.

Reportable key performance Work health and safety indicators—2017

MEASURE	TARGET	2015	2016	2017	COMMENT
Number of fatalities	Zero (0)	0	0	0	Achieved
Lost time injury/disease (LTI/D) incident rate ¹	Zero or 10% reduction on previous year	0.2	0.2	0.3	Not achieved
Lost time injury/disease (LTI/D) severity rate ²	Zero or 10% reduction on previous year	0	0	10	Not achieved
Percentage of injured workers returning to work within ³	Greater than or equal to 80% return to work within 26 weeks				
13 weeks		70	76	80	Achieved
26 weeks		80	100	90	Achieved
Percentage of managers trained on OSH and injury management	Greater than or equal to 80%	N/A	30%	33%	Not achieved

¹ Lost time injury/disease (LTI/D) incident rate = Number of LTI/D divided by FTEs times 100.

² Lost time injury/disease (LTI/D) severity rate calculation = Number of injuries > 60 days divided by LTI/D times 100.

³ Return to work (RTW) within 13/26 weeks calculation = Percentage of LTI/D with a RTW outcome within 13/26 weeks.

Governance disclosures

Details of shares in any subsidiary body of the agency held as a nominee or held beneficially by a senior officer of the agency.

There is nothing to report under this heading.

Particulars of any interest in any existing or proposed contract which a senior officer, or a firm of which a senior officer is a member, or any entity in which a senior officer has a substantial financial interest has made with the University.

There is nothing to report under this heading.

The amount of any insurance premium paid to indemnify any director.

In 2017, the University paid a premium of \$162,890 for Directors' and Officers' Liability Insurance.

Other legal requirements

Public Interest Disclosure Act

There have been no Public Interest Disclosures in 2017.

Environmental legislation

In 2017 there were no breaches or alleged breaches by the University of environmental regulations established under State or federal legislation.

Statement of compliance with the record keeping plan

The University is committed to continually improving its Information Management (IM) practices to deliver tangible benefits to the University. UWA continues to develop and implement information governance policies, processes and training to assist staff and the University meet their information management responsibilities and comply with relevant legislation.

UWA has a current approved Record Keeping Plan (RKP) and an approved Sector Disposal Authority (SDA) in place in compliance with the *State Records Act 2000*.

The University's achievements and improvements in 2017 include:

- creation of a new Information Governance and Reporting Team aligned to the University's Strategy, Planning and Performance function
- establishment of a cross-functional IM Strategy Team to drive continual service improvement for records management
- submission of a review of the University's RKP in compliance with s28 of the *State Records Act 2000* to the State Records Commission
- completion of a review of UWA's student records digitalisation

- program and document scanning solution to improve practices, processes and technology
- delivery of training to more than 600 staff through group presentations, workshops and one-to-one sessions
 - implementation of improvements to TRIM* to future-proof managing UWA administrative records and to capture electronically an important set of historic records
 - implementation of a streamlined online TRIM account application process to better serve staff

*TRIM is the University's official electronic document and records management system.



Media and advertising expenditure

In compliance with section 175ZE of the *Electoral Act 1907*, the University is required to report on expenditure incurred during the financial year in relation to advertising agencies, market research organisations, polling organisations, direct mail organisations and media advertising organisations.

The details of the report are as follows:

Expenditure with advertising agencies	\$3,521,215
Adcorp Australia Ltd	
BPO Intelligence Pty Ltd	
Carat Australia Media Services Pty Ltd	
Echosmsv	
Expandabrand	
LinkedIn Singapore	
Proton Promotional Advertising	
Science In Public	
Tangibility	
The Brand Agency	
Adstream Quickcut	
Never Sit Still	
AO Lets Go	
Expenditure with market research organisations	\$175,267
Isentia Pty Limited	
Market Management Services Sdn Bhd	
Out & About Marketing & Media Pty Ltd	
Pritzwalks GmbH & Co KG	
Researchgate GmbH	
Roy Morgan Ltd	
Catalyse	
Ecu Survey Research Centre	
Expenditure with polling organisations	\$ -
Expenditure with direct mail organisations	\$8,824
The Poster Girls	
The Pamphleteers	

Expenditure with media advertising organisations	\$348,238
Brandspankin Design	
Flight Publishing Pty Ltd	
Nationwide News Pty Ltd	
Nero Visual Design Studio	
Noongar Media Enterprises	
O.K Media Group Pty Ltd	
Pitch Projects Communications	
Southern Cross Austereo Pty Ltd	
The Chronicle Of Higher Education	
West Australian Newspapers Limited	
Zeitgeist Media Group	
Noongar Media Enterprises	
Austereo	
Gingerbread Media	
For The People	
X-Press Magazine	
Total expenditure	\$4,053,544



THE UNIVERSITY OF
**WESTERN
AUSTRALIA**

Published by:
The University of Western Australia

Official correspondence should be addressed to:
University Secretary
The University of Western Australia
35 Stirling Highway, Crawley, Western Australia 6009
Telephone: +61 8 6488 2450
Email: deirdre.de.souza@uwa.edu.au
Web: annualreport.uwa.edu.au