



University of New England

Annual Report 2019



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University of
New England

Letter of submission

University of New England
Armidale NSW 2351
April 2020

The Hon. Geoff Lee,
Minister for Skills and Tertiary Education.
c/o the Higher Education and Tertiary Policy Directorate
NSW Department of Education
Level 11, 1 Oxford Street
Darlinghurst NSW 2010

Dear Minister,

In accordance with the Annual Reports (Statutory Bodies) Act 1984, and the Public Finance and Audit Act 1983, the University of New England Council presents to you the annual report of the proceedings of the University and its audited financial statements for the year ended 31 December 2019.



Mr James Harris
Chancellor



Brigid Heywood
Vice-Chancellor and CEO



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Message from the Chancellor

↑ **James Harris**
Chancellor
UNE

It is my great pleasure to commend to you the 2019 Annual Report of the University of New England (UNE).

It has been a tumultuous year for higher education with the sector experiencing ongoing budget pressures, movement towards performance-based funding as well as unprecedented environmental hardship brought about by an ongoing drought and bushfires that have impacted so many of our students.

However, amongst the chaos emerged opportunities such as the rise of lifelong learning and an ever-evolving job market. Through our bespoke course offerings and flexible approach to learning UNE delivers education products that meet these emerging needs.

The quality of our research was tested against international standards under Excellence in Research for Australia, and we returned our best results yet. UNE has also experienced growth in research funding and impact, which enabled us to deliver a positive impact to communities regionally, nationally and globally.

We continued to streamline our admission processes and learning pedagogies, attracting more students to our quality online education courses. The University again scored five stars for student satisfaction, for the 14th

year in a row – a record unmatched by any other Australian public university.

Our engagement projects, such as the UNE Boilerhouse Discovery Space, have enjoyed strong support from the community and other benefactors throughout the year.

In late 2018, Vice-Chancellor Professor Annabelle Duncan announced that she would be standing down in 2019. I extend my thanks to her and the role she has played in leading the University during her tenure.

After an extensive global search, UNE appointed a new Vice-Chancellor and CEO, Professor Brigid Heywood, in 2019. In the short time Professor Heywood has been at UNE, we have experienced evidence of her strong leadership, capacity for innovation and passion for quality education. I look forward to working closely with Professor Heywood in 2020 and beyond.

UNE continues to grow as an institution and I thank Council and their committees, the senior management team, staff and the University community whose persistent hard work have contributed to the positive outcomes detailed in this report.

I look forward to the challenges and opportunities that 2020 will bring.



Vice-Chancellor's Year in Review

↑ **Professor Brigid Heywood**
Vice-Chancellor and CEO
UNE

The University of New England (UNE) progressed through 2019 and achieved significant outcomes despite a number of impactful political, environmental and structural challenges.

The commitment of directed effort to our strategic plan, *Together we can do this* 2016-2020 has borne fruit with sustained growth, progress with the progressive development of online provision and the advancement of our international portfolio.

Student numbers saw measured growth with a 10% increase in enrolments. An increase in Aboriginal and Torres Islander students candidates of 19% enhanced the diversity of our student community, while our international student recruitment grew by 26%. UNE's international student program grew in both inbound student numbers and offshore registered students supported through partnering arrangements.

UNE successfully bid for funds to develop *Destination Australia* scholarships, with the Federal Government awarding us 59 scholarships to attract more international and domestic students to study in regional Australia. The first students graduated from our new bespoke degree programme and the number of full fee paying students has increased.

We will have a diverse funding base in order to guarantee excellence in teaching, learning, research and innovation.

These successes are grounded in the recognised quality of our student support systems. The national Good Universities Guide reported UNE's outstanding performance as a modern values-centred, outcomes-focused tertiary education institution across all domains of student support (including exemplary measures for graduate outcomes, starting salaries, social equity teaching quality and learning resources). Data aggregated for the new Performance Based Funding model introduced by the Federal Government provided similar feedback.

Retention and progression remains an issue with UNE ranked below standard benchmarks. The diversity of our student community and our relatively large distance cohort makes retention a particular challenge for UNE. When coupled with the impact of our regional catchment and the unique challenges facing rural, remote, and mature age students it is then clear we must advance our pedagogic responses to the needs of these cohorts if we are to meet our responsibility as an educator.

The outcomes of the 2018 Excellence in Research Australia (ERA) exercise demonstrated the quality and impact of research at UNE. As a small regional university, our approach has been to focus on research that is relevant to geography, place and community. Our goal is to resolve real problems and add value to Australia. The result, based on independent feedback from our peers, is that across all key knowledge domains UNE rated at or above the applicable international standards. Nationally, the impact of UNE's research and the quality of our knowledge transfer partnerships were highly rated. Growth in competitive grant funding and our success in securing major research partnership funding provide further testament to our growing authority as a valued research partner.

We will achieve international distinction in research in our chosen fields, which will positively impact and strengthen our communities.

As UNE faces the next decade, the renewal, upgrading, and development of our complex physical infrastructure remain a priority. The development of a 10-year rolling capital master planning exercise was a significant milestone in 2019. Progress with key infrastructure projects to secure a sustainable campus with a low carbon footprint began with the installation of phase one of the new solar farm, additional energy saving infrastructure linked to the colleges, and a committed effort to manage water usage and catchment.

We will ensure our long term resilience by improving flexibility, responsiveness, efficiency and reliability and through adopting best practice in all things we do.

As the new Vice-Chancellor joining half way through the year, my immediate task was to calibrate the current strategic objectives and map their functional progress against both internal resources and external opportunities. The 2019 Voice Survey indicated significant issues with staff morale and confidence. Work to improve communications and consultation was a priority. Completing enterprise bargaining also required focused effort by all parties. Despite growth in student numbers, our overall business position is a matter of concern given the scale of the maintenance backlog and the need for planned strategic facilities renewal. UNE achieved operational budget targets for 2019 but our competitive position is under threat; it is therefore quite clear that we must refresh our academic offer.

In addition to all of these internal issues, the shifting external landscape presaged by the

Napthine Review, which raised the agenda for regional education, the *Coaldrake Review* which opened up a new conversation about university status, and the introduction of Performance Based Funding, all created challenges matched by new opportunities for UNE.

We will connect with our students for life. We will build enduring, global partnerships with industry, professions, business and government.

Our renewed engagement with the local community and the refresh of our relationships with our civic partners in Armidale, Tamworth and Sydney was also a priority action in 2019. Our new 'Town with Gown' model is an important addition to the engagement strategy and allowed UNE to focus more effectively on how we might best serve our communities. The launch of the *Resilient Armidale* forum and proposals for a New England *Learning Region* were all a part of our own more focused commitment to support the region. The ongoing success of the UNE SMART Regional Incubator (SRI) offers another dimension.

With the burden of the drought and significant impact of rampaging bush fires, UNE met and responded to new and exceptional challenges in 2019. The Armidale campus suffered greatly under the burden of persistent drought conditions – some buildings were rendered unusable and the sports facilities were severely affected. The new swimming pool cannot be filled until such time as water restrictions ease. The bush fires have also taken their toll. In addition to the material devastation of land and buildings in the region, UNE has coped with the re-assignment of over 80 staff providing support as reservists. This quantum of expertise being removed at short notice has affected several business areas. All of our staff, students and alumni have been affected as part of communities subjected to ongoing environmental duress. This all sounds very dramatic and indeed, at times, it has been so.

Through it all the UNE community has been simply amazing. They have remained committed to a 'business as usual' approach and our achievements signal that. The staff have supported each other and made every possible effort to enable and support our students. Our students have adapted when required to do so. Our alumni have offered support and stepped up to the front line when needed. And, more importantly perhaps, all have pulled together to support individuals and communities affected by the exceptional events of 2019.

Together, we have achieved much to be proud of.



↑ Academic campus,
University of New England,
Armidale NSW.

About UNE

Our founding principle is not to teach subjects or courses of study, but to educate people.

The University of New England (UNE), established in 1938, is Australia's first regional university with a mandate to serve the educational aspirations and needs of country Australia.

Located in Armidale, New South Wales, UNE remains true to this founding principle, specialising in student-focused teaching and world-class, applied research.

Our teaching staff are committed to the highest academic standards. Students have access to a large portfolio of courses delivered by a growing network of experts in their fields. As evidenced by our standing in the Good Universities Guide, UNE's teaching is characterised by outstanding engagement, a high level of personal support, and opportunity to network with industry.

We are one of Australia's premier online universities and use reliable technologies to deliver flexible education options to our students, wherever they are, enabling them to choose their own futures while balancing life and work commitments.

The University of New England has **three Faculties** and **nine Schools**:

The Faculty of Humanities, Arts, Social Sciences, and Education (HASSE), comprising:

- School of Humanities, Arts and Social Sciences (HASS); and
- School of Education.

The Faculty of Medicine and Health, comprising:

- School of Health;
- School of Psychology; and
- School of Rural Medicine.

Regional and rural students have access to extensive support through a network of 10 study centres located across northern New South Wales. UNE Sydney, in Parramatta, provides a convenient higher education hub for city-based learners.

With three faculties and nine academic schools, UNE offers over 200 courses at undergraduate, postgraduate coursework and higher degree research levels, providing our students with both choice and opportunity for specialisation.

Residential students enjoy a vibrant college experience with networks of friends, peer support and academic mentoring, as well as access to a diverse range of sporting and cultural activities.

UNE has an established international reputation for excellence in research. Our researchers, in collaboration with their growing networks of research partners comprising industry, government, tertiary institutions, Cooperative Research Centres and institutes, deliver improvements in agriculture, environmental sciences, mental health, education, local government, business, law, social sciences, medicine and productivity to communities throughout rural and regional Australia and around the world.

The Faculty of Science, Agriculture, Business and Law (SABL), comprising:

- School of Environmental and Rural Science (ERS);
- School of Law;
- School of Science and Technology (S&T); and
- UNE Business School (UNEBS).

Other student information

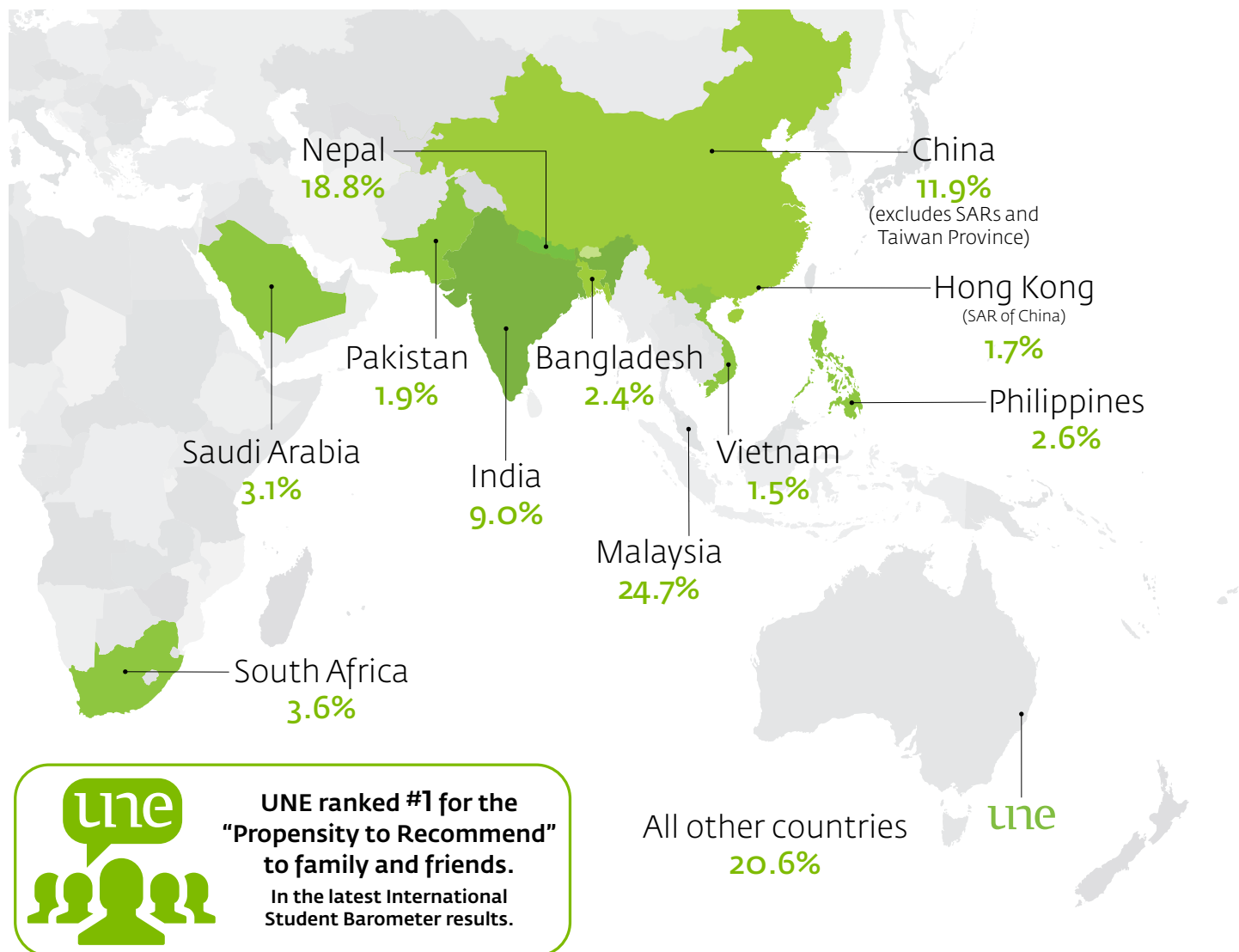
- Students - 25,328
- Student load (EFTSL) - 12,930.4
- Graduates - 3,630
- International HDR students - 246

The Good Universities Guide 2020 edition awarded UNE five stars for:

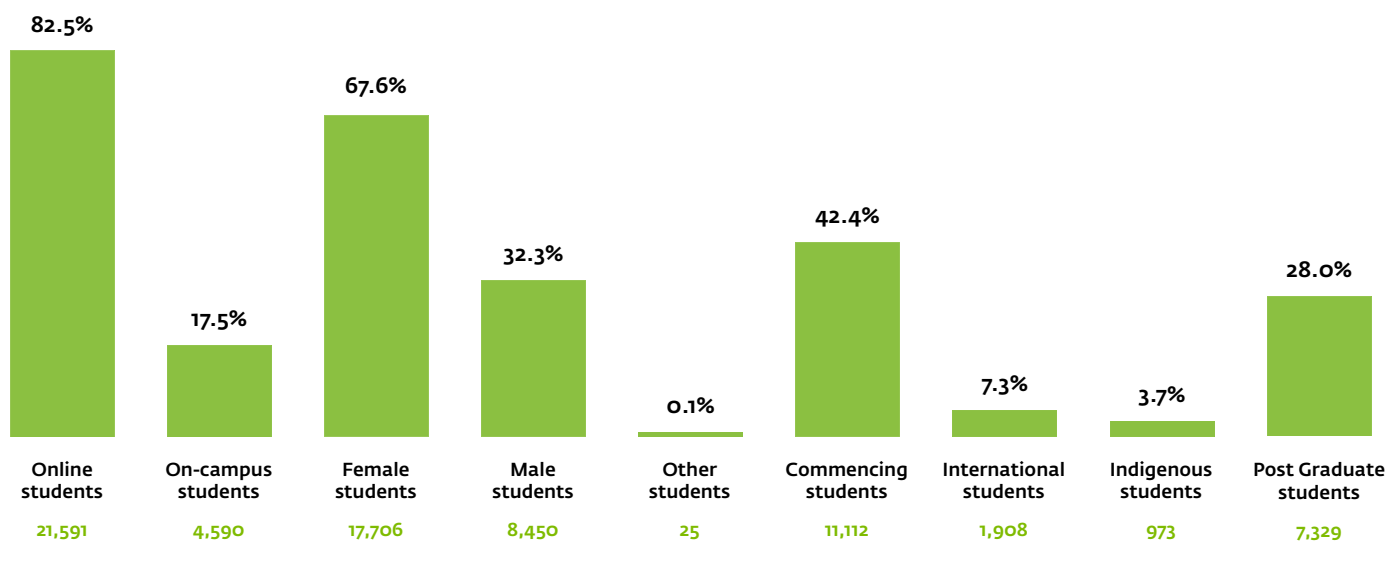


Student numbers

Top 10 countries for international students



2019 student enrolment demographics



Strategic Plan 2016-2020: *Together, we can do this*

In 2016, UNE developed and implemented its bold and innovative Strategic Plan 2016-2020: *"Together, we can do this"* to guide the University through an increasingly challenging higher education landscape. The plan set out our aspiration, purpose and strategy, and defined the values that underpinned our endeavours.

Aspiration

By 2020, we will be the University of Choice for students and researchers who desire to transform lives and help build resilient communities.

Purpose

Our role is to develop individual aspirations, potential and capability, and to enhance the future of our communities through quality research, fostering innovation and delivering a formative educational experience. The magnitude of our research and student participation is global. We will connect with our students for life. We will build enduring, global partnerships with industry, professions, business and government.

Values

- Creative, innovative, willing to change and take calculated risks;
- Respectful, approachable and helpful;
- Sustainable, robust and dependable; and
- Ethical, honest, accountable and authentic.

"Together, we can do this" will conclude in 2020.

While the themes and strategic priorities articulated in the plan remain relevant, we are reviewing our institutional strategy in the context of environmental and regulatory changes, and the evolving nature of student, community and institutional expectations.

In 2020, UNE will undertake a broad series of stakeholder engagements to develop a shared understanding of our mission, vision and strategic priorities. Concurrently, we will develop a planning and performance framework to ensure a coherent and comprehensive set of institutional plans to guide our activities over coming years.

↓ Northern Campus with Mary White College in the foreground University of New England, Armidale NSW.





↑ UNE's SMART Farm Innovation Centre, Armidale NSW.

Operational Report

The University of New England (UNE) progressed through 2019 and achieved significant outcomes as set out in our strategic plan, "*Together, we can do this 2016-2020*" despite a number of challenges posed by the current higher education environment.

Strategic Priority 1: Deliver excellent research with high impact

We will achieve international distinction in research in our chosen fields, which will positively impact and strengthen our communities.

The outcomes of the 2018 Excellence in Research Australia (ERA) exercise demonstrated the quality and impact of our research. UNE achieved high ratings across a number of key areas, including for the first time, genetics and veterinary science. In total, UNE achieved the highest rating of 5 (well above world standard) in 18 disciplines, including Environmental Sciences, Agriculture, and Mathematics. This represents a doubling in number of UNE's 5-star rated research disciplines from the ERA 2015 assessment.

UNE remained committed to engaging in ethically responsible open scholarly practices that support wider learning and research, foster the creation and dissemination of new knowledge, and contribute to strengthening learning, teaching and research outcomes. The implementation of Research UNE (RUNE) improved control and customisation of UNE's institutional repository and currently houses

25,144 publicly discoverable items. It supports other university functions such as academic promotions and the provision of accurate and reliable publication information. UNE continued to support authors to retain copyright for research outputs and make them free to read.

The University established a Collections Committee in 2019 to provide structure to the management of its diverse collections. The committee oversees collection management policy and procedure, and aids and reviews decisions. It provides advice to the Vice-Chancellor on significant matters relating to the development, documentation, care, access, research and interpretation of UNE's collections.

UNE continued to comply with the new Australian Code for the Responsible Conduct of Research (2018) under research integrity measures introduced in mid-2019. UNE built internal training capacity in research integrity to support the development of a high quality research culture, especially around the conduct of ethical research and research integrity. Over 100 staff completed face-to-face research integrity training in the second half of 2019. Transparent and integrated processes for the appointment of Faculty-based Research Integrity Advisors were established and specialised training provided. Formal procedures to investigate research-related complaints, based on the Australian Code, are now operational. These measures allow UNE to maintain a quality research culture of integrity with end-user driven solutions delivered to communities and industry partners.

Higher Degree Research

The diversity and excellence of UNE's research training is demonstrated by our PhD Medal award winners. The winning thesis titles reveal the diversity of topic area, application and dedication to solving global challenges. For example *Constructing Early Childhood Services as Culturally Credible Trauma Recovery Environments: An Exploration of Participatory Barriers and Enablers for Refugee Families* by Cherie Suzanne Lamb; *Historicising Islamisation in Pakistan: Constitutions, Contentions and Contradictions* by Imran Ahmed; *Carbon Storage and Emissions from Forest Products in Australian Landfills* by Fabiano de Aquino Ximenes; and *Improving Performance of Free-Range Laying by Hens* Zafar Iqbal. The diversity of this small group of PhD scholars is representative of the best PhD research undertaken at UNE, where 74 candidates successfully completed in 2019.

The Higher Degree by Research (HDR) Business Improvement Group sought to boost operational improvement through the review of end-to-end HDR support and administrative processes across both central and decentralised services within the University. The Group identified improved training for HDR candidates and supervisors as an immediate institutional priority. UNE is currently implementing renewed and comprehensive training packages for this group.

Research

The University invested approximately \$4.7 million in HDR scholarships, including 46 new scholarships over the next three years. UNE was successful in Australian Research Council (ARC) grants and fellowships, with our researchers awarded \$1.9 million across five ARC Discovery projects, including four Discovery Early Career Researcher Awards (DECRA). In addition, the University's investment in its UNE Post-Doctoral Fellowship (UNE-PDF) scheme, in operation since 2014, now supports 42 UNE-PDFs, including six newly awarded in 2019.

UNE had outstanding success in the prestigious Australian Research Council -Discovery Early Career Researcher Award (DECRA) in 2019. The successful researchers demonstrate the diversity of UNE's research and the competitiveness demonstrates the quality of research at UNE. The successful applicants include:

- Dr Deborah Bower – \$425,469 to investigate the capacity of farm dam management strategies to simultaneously support nature conservation and agricultural production;
- Dr Priscilla Gerber – \$425,941 to investigate the mechanisms of immune protection against infectious laryngotracheitis virus, a highly contagious respiratory disease in poultry;
- Dr Valentina Gosetti – \$329,246 to rediscover, document and analyse prominent regional voices swept aside by the powerful forces constructing national identity; and
- Dr Benjamin Henderson – \$373,857 to design an economically sound policy strategy for making the Australian agriculture sector carbon neutral by 2040.

Dr Lorina Barker, a leading Indigenous researcher, was awarded a prestigious Australian Research Council Discovery Indigenous award to investigate three Indigenous Songlines and explore their importance to cultural knowledge, history, language and identity. Dr Barker was also successful in collaborating with another ARC-supported project in 2019 – a Linkage

Project focussed on adult literacy in western NSW. Dr Barker attracted nearly \$1m dollars in funding towards Indigenous research in 2019 and stands as a distinctive emerging leader in this important area of our national development.

The SiMERR National Research Centre, originally the National Centre for Science, ICT and Mathematics Education for Rural and Regional Australia, celebrated 15 years of assisting rural and regional communities to achieve improved educational outcomes for students in the areas of science, information and communications technology and mathematics. *QuickSmart*, a SiMERR numeracy and literacy program for schools, achieved top ratings for engagement and impact in the first national assessment of Australian research released in 2019.

UNE is supporting education throughout the Pacific. One of our standout projects in 2019 was led by Associate Professor Pep Serow who has been collaborating with teacher education in Nauru for a number of years. Dr Serow was awarded \$685,000 by the New Zealand government to support teacher education in Nauru. This sits within a broader research effort that has attracted in excess of \$8m to support this vital area of applied research. This research seeks to develop the education capability of a pacific island nation within its own territory, enabling a better future for Nauru. This research at UNE has real and enduring impact.

Rural crime costs the community and government millions of dollars in losses each year and has devastating social and economic impact. However, the data and evidence to prove the size and scale of this problem is lacking. In response, HASSE launched the world's only research centre dedicated to rural criminology to help tackle the rising cost of rural crime and develop evidence-based solutions to the issue. The Centre for Rural Criminology brings together a network of world-leading criminologists in partnership with law enforcement and the wider community.

The Faculty of Medicine and Health successfully applied for a Medical Research Future Fund research project through NSW Regional Health Partners in Advanced Care Planning worth \$650,000. The Faculty also launched the New England Institute for Healthcare Research (NEIHR), complemented by the development of a NEIHR website. The NEIHR addresses health and medical research that improves the lives of regional and rural Australians by focussing on three research priority areas:

- (i) growing, living and ageing well;
- (ii) healthy minds; and
- (iii) sustainable systems.

The Faculty of Science, Agriculture, Business and Law (SABL), an area of traditional strength for UNE, launched the Applied Agricultural Remote Sensing Centre (AARSC), which attracted over \$12 million in grant funding in 2019. The Faculty also established the SABL Graduate Research School (GRS) to better develop academic and enterprise skills among HDR candidates. The GRS provides enhanced support for supervisory staff and closer links to industry, professions and government. In addition, The School of Law, within SABL, established the First Peoples Rights and Law Centre. The new centre will continue consultations with the Indigenous community in 2020 to finalise function and direction.

Noteworthy SABL grant successes include:

- (i) three DECRA grants,
- (ii) one Discovery grant, and
- (iii) a major grant in excess of \$14 million to manage feral cats alongside the NSW Department of Planning, Industry and Environment (DPI). UNE's data transformation hub CASI (Computation, Analytics, Software and Informatics)

will undertake database design and app development for the project, as well as assist with analytics.

A number of new projects, funded by major Rural Research and Development Corporations, including Meat and Livestock Australia (MLA), Horticulture Innovation Australia (HIA), and the Cotton Research and Development Corporation (CRDC), will extend UNE's impact in the agricultural industry.

Table 1: Highest value research grant allocations in 2019

Project	Principal Researcher	Faculty/School	Funding Body	Amount
Develop strategies for effective feral cat control	Dr Guy Ballard	SABL/ERS	Environmental Trust - Environmental Research Program	\$14,683,126
Improve small ruminant production and supply in Fiji and Samoa	Dr Fran Cowley	SABL/ERS	Australian Centre for International Agricultural Research	\$1,850,000
Prepare for the RESET project to rebuild livestock production and restore biodiversity and communities through predator management	Dr Guy Ballard	SABL/ERS	NSW Department of Primary Industries	\$1,330,000
Manage the ammonia emissions and paddock moisture of confined livestock. The effects of stocking density on behaviour and group dynamics of cattle and sheep.	Dr Amy Tait	SABL/ERS	Meat & Livestock Australia	\$1,200,000
Novel technologies and practices of the optimisation of pollination within protected cropping environment	Dr Romina Rader	SABL/ERS	Horticulture Innovation Australia - Rural Research & Development for Profit Program	\$986,000
Implement precision agriculture solutions in Australian avocado production systems	Prof. Andrew Robson	SABL/S&T	Horticulture Innovation Australia	\$949,408
Soil Biology Initiative	Dr Oliver Knox	SABL/ERS	Cotton Research and Development Corporation	\$887,480
Improve natural capital (biodiversity) on Australian cotton farms	Dr Rhiannon Smith	SABL/ERS	Cotton Research and Development Corporation	\$803,596
Predict and schedule lamb supply with variable seasonal conditions	Prof. Lewis Kahn	SABL/ERS	Australian Meat Processor Corporation	\$700,000
Nauru Inclusive Education Project, 2019 to 2020	A/Prof. Penelope Serow	HASSE/EDU	New Zealand Foreign Affairs & Trade Partnership with Nauru	\$685,857
Long term intervention monitoring of the Warrego-Darling Rivers and Gwydir River Selected Areas	Prof. Darren Ryder	SABL/ERS	Environmental Water Office	\$636,863
Optimise temperate cow herd efficiency - a trans-Tasman Genetics Collaboration of early life fertility in beef cattle	Dr Robert Banks	AGBU	Beef & Lamb New Zealand Genetics	\$489,500



Research across the University depends on information technology support and fit-for-purpose, secure physical infrastructure to progress. Business units such as the Information Technology Directorate (ITD) and Facility Management Services (FMS) provide these critical supports and expertise. Key deliverables during the reporting period included:

- The use of Internet of Things (IoT) technology at the UNE SMART Farms to support remote monitoring of livestock projects;
- The installation of badge readers at priority facilities to improve biosecurity and management of real-time access;
- The upgrade and/or replacement of key temperature-controlled environments with backup power supply to critical research areas;
- The completion of modern specialist temperature control animal research environments, with supporting blood laboratories; and
- The installation of a secondary water system to provide redundancy to existing supply and in preparation of bore water being used at UNE's feedlot research facility, Tullimba.

Strategic Priority 2: Deliver an outstanding student experience

As well as high quality education, we will provide a formative experience that enhances our students' lives and enables them to excel personally and professionally, nationally and internationally.

Student experience

The University embarked on a strategic Academic Transformation program across all three Faculties in 2019, resulting in the redesign of several courses and units, in particular for online learners. These included 130 units and six courses across the Faculty of Medicine and Health, as well as courses in Nursing, Psychology, and Health Management, and courses in Criminology and Education in HASSE. A new model of support for final year students applying for graduate programs in Nursing returned positive employment outcomes for the students.

Improving processes to support students identified as at risk of failure remained a priority. One such project, the Science Outreach project, resulted in contact with 753 first-year science students. Preliminary evidence suggests that students who receive a call or email from a student advisor are 3.97% less likely to fail the unit, 6.85% more likely to pass the unit, and 2.23% less likely to withdraw after census. To further support student success, SABL established a First Year Network with an appointed coordinator in each of its Schools. Several targeted

initiatives resulted in increased Grade Point Averages and Pass rates, and reduced unit level attrition in large first year units.

A new Social Media and Communications Strategy improved student engagement with students reporting a feeling of belonging and increased confidence to approach the University when in need of assistance. UNE appointed a Clubs & Student Experience Manager to support student inclusion. The role provides guidance and governance oversight to about 40 clubs and societies on campus, under the auspices of UNE Life.

UNE expanded its Academic Integrity module to provide students with a comprehensive introduction to academic integrity practice.

Work began to improve student experience began across four key areas: online interface, personalised experience, student advising, and virtual community. Three pilots focused on student support and advice, and peer-to-peer tutoring are currently underway.

Phase one of the strategic project "Admissions 2021" began in 2019. The project provides advisory services to prospective students, with the option of phone-based admission across the majority of course admission categories.

Student wellbeing remains at the forefront of the UNE residential experience. Vulnerable college residents from low SES areas received support through Higher Education Participation and Partnership Program (HEPPP) funded projects. This support, totalling \$77,000, ranged from food vouchers to financial assistance for uniforms, travel assistance, psychological and medical services. Over 40 financial hardship residential scholarships were also awarded for 2020 – the majority to rural students, both commencing and returning, to ensure their university journey is not interrupted or halted by financial hardship due to the drought.

UNE's IT Service Desk was rated number one - the eighth time in the last nine years - by our students in the annual Service Quality Benchmark survey which measures IT support across participating Australian Universities.

SABL's undergraduate teams took first and second place at the International Food and Agribusiness Management Association (IFAMA) Student Case Study Competition in Hangzhou, China. Another SABL team won the Young Professionals division.

SportUNE assisted 70 students to compete in Division Two of the Australian University Games, held on the Gold Coast. Results were satisfying with the Women's Soccer team placing third overall. The Men's Futsal team won a silver medal, which placed them in the top 10 nationally. Both squads progressed to Division One of the Games.

Progress on infrastructure

The Bellevue Residential Campus precinct plan underpins the development of UNE's capital development programme for student accommodation. It lays out a roadmap to ensure our accommodation remains desirable and affordable and that demand for student accommodation is constant.

Work progressed on various projects with a development application lodged with State Government for the redevelopment of the Wright Centre. Planning for the Robb College development is complete with procurement processes to begin in 2020, subject to budget considerations. Wright Village student accommodation underwent extensive refurbishment, resulting in a new look and revitalisation of dated space.

UNE's onsite Yarm Gwanga Preschool and Early Education Centre underwent an extensive external upgrade in 2019. Comprising natural materials such as logs and stones, the new playspace encourages children's engagement with their environment through nature-based play.

Respect.Now.Always.

In May 2019, the University received the report from the independent review of residential colleges commissioned from the Human Rights Commission on sexual harassment and assault. Our commitment to a safe and respectful campus for staff and students is steadfast as we continue to act on these recommendations through our *Respect.Now.Always.* implementation plan.

Community Engagement and Support

UNE Residential Colleges supported firefighters and auxiliary personnel battling bushfires in the region providing 1,872 bed nights to frontline personnel. Any UNE staff impacted by the fires were also able to access accommodation support.

Minister for Indigenous Australians, the Honourable Ken Wyatt AM MP delivered the annual Frank Archibald Lecture at UNE's Oorala Aboriginal Centre. The public lecture was well attended and received positive feedback.

During the reporting period, Oorala Aboriginal Centre hosted over 220 high school students to various Oorala Youth programs and had 695 students enrol in Oorala units – each of which are designed around the Indigenous curriculum. In total, the University had over 1,000 Aboriginal and Torres Strait Islander students enrolled. This represents four percent of UNE total student cohort and is twice the national average.

Student Services and Amenities Fee (SSAF) Funded Initiatives

Online students resumed contributing to SSAF in 2019, resulting in new services to assist students visiting Armidale, including a free shuttle to and from the campus at set times, and a dedicated transfer service between arrival ports and student accommodation for those using public transportation.

UNE's student advocacy service, Uni4Me, underwent a rebrand to UNE Life Advocacy & Welfare in 2019. It successfully launched the UNE Life Food Pantry pilot project, which provides accessible food and hygiene products to students in need.

The SSAF-funded Radio Broadcast Assistant program within student radio, Tune!FM, provides casual employment to

students. The radio station, which celebrated 50 years in 2019, provides essential information sharing services to on-campus and online students. Tune!FM played a key role in providing up to date coverage of the bushfires that swept through the New England and surrounding areas from September 2019.

Strategic Priority 3: Diversify and grow income

We will have a diverse funding base in order to guarantee excellence in teaching, learning, research and innovation.

The University's partnership with Open University Australia (OUA) grew in 2019, with UNE offering the only online science and law courses in the OUA catalogue. Bespoke Courses, which sit alongside UNE's comprehensive offering of undergraduate and postgraduate degrees, also saw an increase in enrolments. The Bespoke program was shortlisted for the Australian Financial Review Higher Education Awards, and recognised with an Honourable Mention by the International eLearning Awards. Work is now underway on educational design and program content development for a new bespoke undergraduate diploma that will provide flexible entry pathways for students into UNE degrees.

The UNE BOOST short course program provided new online offerings in Regulatory Sciences as well as courses to support professional development for high schools teachers across NSW.

UNE combined study offers with accommodation offers to promote Residential Colleges for identified international markets. The initiative expects to result in up to 60 incremental international students that may otherwise not have come to UNE.

In 2019, UNE secured the assignment of intellectual property, developed by CASI with the Sheep CRC (ASKBILL, RamSelect, SheepDNA and an extensive weather database) for the purposes of commercialisation. CASI's achievements to date have strong evidence of research impact, industry engagement, innovative use of data science technologies and significant external funding support.

Strategic Priority 4: Digital dominance

We will be a global leader in the delivery of high quality and innovative teaching and learning, with digital and online education accessible 24/7 throughout the world.

UNE pioneered distance education in the 1950s as it saw a need to take education to the students, irrespective of their geography. The University switched to online education with the advent of the internet and continued to refine its performance in this space, moving further into an interconnected, rapidly changing market.

UNE upgraded key teaching technologies, including Moodle, Zoom, Equella, and Blackboard Predict in 2019. Project groups also made substantial progress in mapping the process for consulting on UNE's learning technology requirements and the procurement of appropriate tools in preparation for renewing our core learning environments in 2020. The Learning and Teaching Transformation (LaTT) business unit developed 42 adaptive learning case studies in support of a strategic project for the Faculty of Medicine and Health, scheduled to start in 2020. The team also led the development of a simulated health region for the University's Master of Health Management program.

In preparation of future online offerings, UNE's English Language Centre began an extensive curriculum renewal and capability development project to incorporate recent digital technologies in pedagogical approaches and strengthen support for international students.

UNE's data transformation hub, CASI went from strength to strength in 2019. It delivered projects to enable research for Biosecurity Detector Dog operations, yield forecasts for the sugar industry, increase community engagement in protecting the wetlands on the Northern Tablelands, connect livestock value chains, and helped to train the next generation of agricultural students in genetic selection and pasture and animal management.

Strategic Priority 5: Improve operational resilience

We will ensure our long-term resilience by improving flexibility, responsiveness, efficiency and reliability, and through adopting best practice in all things we do.

New and continuing projects have strengthened operational foundations on several levels to ensure they are robust enough to carry the University into the new decade.

Systems and processes

UNE introduced a new Curriculum Management system to guide governance and approvals workflow, eliminate current manual processes and provide for greater efficiencies and data use. The consolidation of admissions platforms resulted in an improved applicant experience when navigating online processes. Backend processes were also enhanced by shifting from discrete annual data sets to continuous rolling databases, providing ongoing operational and reporting benefits. In addition, UNE implemented new software to improve administering examinations and support the ongoing transition to online examinations. In 2019, 403 units offered the option of online examinations, with 7,501 online exam sittings.

The Academic Transformation program comprises three pillars: curriculum renewal, learning environments renewal and academic development. Significant cross-institutional planning and consultation took place in 2019 and resulted in the development of a UNE Course Design framework, which ensures the nature and capacity of our learning ecosystem meets the needs of our diverse learner groups and the launch of a new academic development framework and accredited offerings.

The University's suite of teaching and learning policies was consolidated in a single Teaching and Learning Rule with a set of nested procedures resulting in more student-centred administrative processes. It will be submitted to Council for approval in 2020.

Substantial staffing changes took place in the English Language Centre, moving from a highly casualised workforce to ongoing staff. Several school reviews were completed and the implementation of recommendations is underway.

UNE strengthened several of its cyber security practises and controls including enterprise security architecture, vulnerability management, security awareness, IT service continuity planning, security governance and incident management. The review will continue in 2020 with a focus on protecting priority information assets. The University also began to build cloud-hosted data centres in Sydney to provide capacity and scalability for future business processes and is rolling out a new, contemporary Identity and Access Management system to manage access to information resources.

Dixon Library recently joined JUSP, a Journal Usage Statistics Portal service, to facilitate the collection of data about use of e-books and e-journals at UNE, enable analysis of usage trends over time and allow benchmarking against other Australian universities.

Sustainability

There was a strong focus on sustainability in 2019, including for the UNE's Residential System. A more effective heat pump system was implemented and trialled at Wright College, resulting in cost savings of approximately \$30,000 per annum. This system will be rolled out to all residential colleges in 2020. Green waste recycling became the norm across all academic and residential campuses in 2019 with early returns indicating that 30% of waste was diverted from landfill through recycling and composting.

Armidale is in the midst of a severe drought with unprecedented impact on the town water supply. UNE took a very proactive approach, meeting with Armidale Regional Council and developing a response plan to reduce water consumption. Actions taken include:

- Implementing leak detections programs and installing additional water meters across campus and for each college;
- Applying for a license to undertake test drilling to determine the possibility of using bore water on campus; and
- Colleges introduced an Adopt a Plant program where greywater was used to keep flora alive during the drought.

UNE formed a Landscape Management Committee and Landscape Advisory Group to guide and endorse tree maintenance activities on campus. The initiative improved transparency and kept staff informed on landscape maintenance activities through the creation of an Urban Forest Maintenance website with an interactive tree map. The campus now also boasts conservation zones that promote natural regeneration of ecologically endangered communities, provide transport corridors for native wildlife and protect areas of Aboriginal significance.

Infrastructure

Infrastructure development in the Centre for Animal Research and Teaching (CART) resulted in increased capacity and scope for animal experimentation and improved utilisation of experimental spaces. Implementation of the CART review recommendations, in particular the application of best practice biosecurity, WHS and operational measures has improved the service platform for internal users and maintained the reputation of UNE as a quality research partner. New feed processing infrastructure was established on the Tullimba SMART Farm. It is linked to electronic data systems to provide industry best practice feeding and data management.

Strategic Priority 6: Create a bold and innovative culture

We will foster a constructive and engaged culture, where creative ideas and innovation thrive, and where staff flourish.

The University invested heavily in leadership development activities for senior leaders and key emerging leaders. Members of the Senior Executive Team and Senior Management teams also participated in a specific leadership program focused on supporting leadership growth both as individuals and as teams. This program made a demonstrable difference to the leadership capability of individuals and supported increased collaboration within the senior leadership team.

In addition to UNE's continued focus on leadership development, the University conducted an extensive staff engagement survey in 2019. The results of the Voice Project demonstrated the passion and commitment of our staff but also revealed some areas that require further focus going forward. The results of the survey outlined institutional priorities to support greater communication and collaboration across the University and the Senior Executive Team will continue to act upon the survey results in 2020.

UNE implemented an Academic Development Framework to support the continued professional learning of teaching-focused staff at UNE. Activities included workshops on digital learning and seminars on topics such as flexible assessment and open education resources.

At faculty level, the Faculty of Humanities, Arts, Social Sciences and Education (HASSE) ran an Academic Leadership Program (ALeAP), which supported 30 academics to develop their leadership and management skills while the Faculty of Science, Agriculture, Business and Law (SABL) launched the inaugural Early Career Researcher Awards in 2019.

Since its inception in 2016, the UNE SMART Region Incubator (SRI) has continued to grow in the number of start-ups (61) and processes for supporting founders through a structured SMART Sessions series, which has engaged over 3,500 people from across the New England North West region. Social media platforms for the SRI are growing weekly engagement on an average of 4.8% compared to 0.2% of similar incubators in NSW. The SRI has benchmarked its activities to the UBI Global World Rankings of Business Incubators and Accelerators, which shows that as a newly formed incubator, the SRI is tracking well on contributing to rural economic enhancement.

UNE was one of only 11 Australian Universities to receive full accreditation from FASEA for the new Graduate program in Financial Planning.

↓ Madgwick Hall,
University of New England,
Armidale NSW.





Governance

The University of New England (UNE) was formed under the University of New England Act, 1993 (NSW) (hereafter 'the Act') and its by-laws. In accordance with the Act, the Body of the University comprises the UNE Council, Convocation, the University's graduates and students as well as full-time members of staff as the by-laws may prescribe. The objective of the University, as outlined within the Act, is the promotion (within the limits of the University's resources) of scholarship, research, free inquiry, the interaction of research and teaching, and academic excellence.

Council

The UNE Council is the University's governing authority and has functions conferred upon it by the Act. Under its powers of delegation, the Council establishes Committees of Council that are responsible for the analysis, review and endorsement of recommendations from the University's management, as well as for the identification of organisational risk and opportunities.

The aim of the University Council and its committees is to oversee the operation of UNE for the benefit of its students, staff, academic community and the wider community as a whole. The Council may make rules in relation to any activity or function of the University provided they are consistent with the Act and the University's by-laws.

The Council seeks to make decisions that contribute to the learning environment and the interests of the University's stakeholders in a positive and transparent manner.

Voluntary Code of Best Practice

The University of New England (UNE) complied with the Voluntary Code of Best Practice for the Governance of Australian Universities, in 2019.

Academic Board

The Academic Board oversees academic governance at the University, provides advice to the Council and Vice-Chancellor on academic matters, and provides a forum for discussion of research, teaching and student engagement and support.

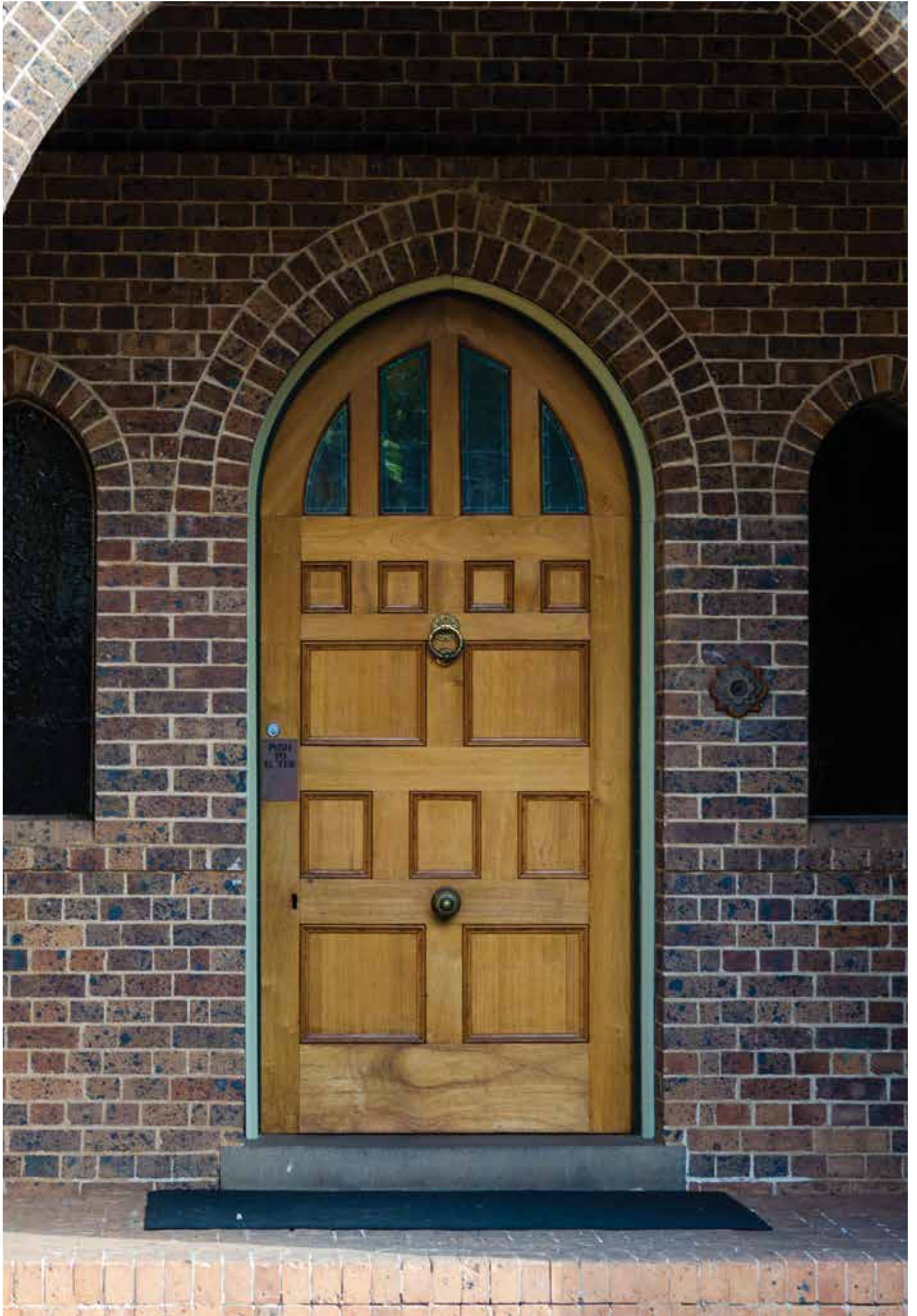
A key role of the Academic Board is to monitor the quality and integrity of the University's academic programs. The Board reviews and has oversight of the governance frameworks and policy instruments that guide the scholastic activities of the University. It provides a link between the University's internal quality assurance arrangements and the accountability of the Council for the quality of the higher education the University offers and for meeting the requirements of the Higher Education Standards Framework.



← Booloominbah,
University of New England,
Armidale NSW.

During 2019 the Academic Board and its Committees:

- Reviewed their terms of reference following the University wide restructuring, and considered significant course proposals and changes to UNE's Academic Calendar;
- Monitored and advised on ongoing works in progress, clarifying academic delegations, institutional benchmarks, areas of academic risk, the rationalisation of academic policies, and executed extensive reviews with the aim of improving Committee effectiveness and Board functions;
- Held thematic discussions on domains within the Threshold Standards, exploring opportunities for continuous improvement at UNE, and the effective interaction of governance and management functions;
- Monitored reports on student progress, learning outcomes, and student grievances and discussed areas of focus for change in the future; and
- Confirmed completion of actions and recommendations from an external review of human ethics structures, as well as from the external review of academic governance conducted in 2017.



Members of Council

Table 2: Members of Council, their qualifications and term of appointment

Appointment	Council members	Date elected ¹	Expiry date	Qualifications
Official	Chancellor, Mr James Harris (reappointed)	20/11/2014 20/11/2019	19/11/2019 19/11/2024	HonDUniv (UNE)
	Vice-Chancellor, Professor Annabelle Duncan	20/08/2014	05/07/2019	BSc, DipSc, MSc (Otago), PhD (La Trobe), HonDSc (Murdoch), PSM, FTSE
	Vice-Chancellor, Professor Brigid Heywood	15/07/2019	n/a	BSc (Hons) (Manchester), PhD (Liverpool UK)
	Chair Academic Board, Professor Mark Perry	18/06/2018 ³	18/06/2020	LLB (Hons) (Victoria, Manchester), DipSA (NCC UK), DipCompSci (Auckland), MJur (Auckland), Barrister-at-law (Canada)
Minister	Ms Meredith Symons (reappointed)	17/08/2016 17/08/2019	16/08/2019 16/08/2023	BFA, FCA
	Mr David van Aanholt (reappointed)	17/08/2016 17/08/2018	16/08/2018 16/08/2022	BBus (Land Economy), GradDipMgt, MBA (UNE), FAPI
UNE Council	Deputy Chancellor, Ms Jan McClelland AM	01/01/2018	31/12/2021	BA (Hons) (Syd), BLegS (Macq), FACEL, FIML, FAICD
	Mr Russell Evans	17/08/2018	16/08/2022	BBA (Charles Sturt), MBA (UNE), GAICD
	Ms Anne Myers (reappointed)	01/12/2016 01/12/2019	30/11/2019 30/11/2023	MBA (AGSM), GAICD
	Ms Rosemary Leamon (reappointed)	17/08/2016 17/08/2019	16/08/2019 16/08/2023	BFA (UNE), CA, GAICD
	Mr Robert Finch (reappointed)	01/01/2016 01/01/2019	31/12/2018 24/11/2020	ACA, FLGAA
Academic	Associate Professor Richard Scully	21/08/2018	20/08/2020	BA (Hons) (Monash), PhD (Monash)
Non-Academic	Mr Charles Hebblewhite	21/08/2018	20/08/2020	BEC BSc (ANU), BTh (MTC), GDipCompSci (UoN)
	Ms Louisa Quiddington	12/10/2018	11/10/2020	Undertaking BPsych (Hons)

← Main entrance to Booloominbah, University of New England, Armidale NSW.

¹ Council members may have served for previous terms or may be re-elected. The election date and term shown is the current term.

Council Committees

The UNE Council is supported in the execution of its duties by the:

- Academic Board;
- Audit and Risk Committee;
- Finance and Infrastructure Committee;
- Honorary Degrees Titles and Tributes Committee;
- Innovation and Development Committee;
- Nominations Committee;
- Remuneration Committee;
- Standing Committee of Council; and
- Vice-Chancellor Selection Committee.

Honorary Degrees

Council, at its meeting on 24 May 2019 unanimously resolved to award:

- Mr Paul Barratt AO, an Honorary Doctor of Letters *honoris causa* (HonDLitt); and
- Ms Wendy McCarthy AM, an Honorary Doctor of Letters *honoris causa* (HonDLitt).

Leadership

The Vice-Chancellor is the University's Chief Executive Officer (CEO) and is responsible for the management of the University and the implementation of the University's Strategic Plan.

The role of Vice-Chancellor and its functions is determined by the Act and includes official membership of the University's Council. The Vice-Chancellor has charge of UNE's administrative and financial activities, and manages the direction of the University's corporate planning, budget activities and implementation of policy.

The Vice-Chancellor reports directly to the Chancellor and the University Council. The Vice-Chancellor provides supervision to and receives support from a team of senior executives who provide strategic, policy and operational advice relating to their individual portfolios.

Senior executive team

Vice-Chancellor and CEO

Professor Brigid Heywood²

Biological Sciences, BSc Hons (Manchester), PhD (Liverpool)

Professor Annabelle Duncan³

BSc, DipSc, MSc (Otago), PhD (La Trobe), DSc (Murdoch), PSM FTSE

Provost and Deputy Vice-Chancellor

Professor Todd Walker

BMedBiotech (Hons) (CSU), Grad Cert GCULM (CSU) PhD (CSU), GAICD

Deputy Vice-Chancellor Research

Professor Heiko Daniel

BSc, MSc (Hannover), PhD (UWA)

Pro Vice-Chancellor Academic Innovation

Professor Jonathan Powles

BMus (Sydney), DPhil (Oxford)

Pro Vice-Chancellor External Relations

Professor Mingan Choct

BSc (Inner Mongolia), MSc(UNSW), PhD (Sydney), Grad.Dip. Company Director (AICD)

Chief Legal and Governance Officer

Mr Brendan Peet

LLB (QUT), Grad Dip ACG, AGIA, ACIS, MAICD

Chief Operating Officer

Professor Peter Creamer

BSc (Aston), PhD (Nott), CEng, FIMechE, MCMI

Chief Financial Officer (Acting)

Ms Sandra Mathews⁴

BBus (Swinburne), CPA Australia

Mr Kris Kauffmann⁵

BBus (Econ Hons) (USQ), Grad Dip App Fin Inv (FINSIA), MSc (London), MAICD, MFTA

Senior Management Remuneration

Table 3: Senior Management Remuneration⁶

Band	Salary package band	Count and gender	Average remuneration
Above band 4	>\$562,650	1 female	\$627,082.81 ⁷
Band 3	\$345,551 to \$487,050	3 males	\$387,281.51
Band 2	\$274,701 to \$345,550	3 males and 1 female	\$307,684.98
Band 1	\$192,600 to \$274,700	1 male	\$180,174.02 ⁸
Below Band 1	< \$192,600	1 female	\$105,402.42 ⁹

² Commenced role on 15 July 2019.

³ Until 19 August 2019.

⁴ As from 26 August 2019.

⁵ Resigned role on 25 August 2019.

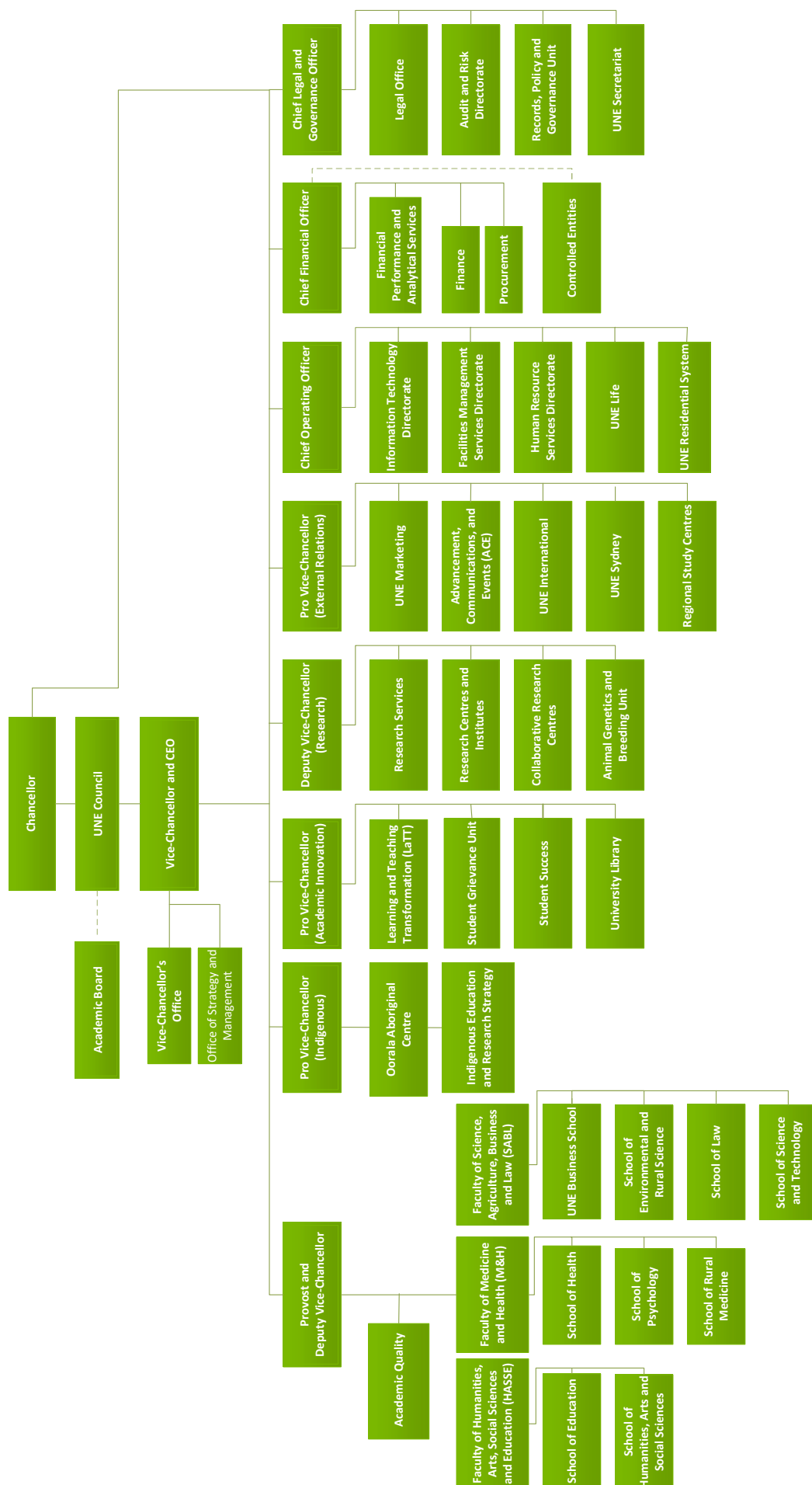
⁶ Public Service Sector Senior Executive bands as determined by the Statutory and Other Officers Remuneration Tribunal under the Statutory and Other Officers Remuneration Act 1975.

⁷ For the period 1 January to 19 August 2019.

⁸ For the period 1 January to 25 August 2019.

⁹ For the period 26 August to 31 December 2019.

Organisational Structure



Ombudsman recommendations

The University did not receive any recommendations from the NSW Ombudsman concerning the University or its Council in the reporting period.

Privacy

Like other sectors, universities are subject to increasingly sophisticated phishing attempts seeking unauthorised access to personal information and upholding privacy principles is a major focus for UNE. This includes ensuring appropriate collection and use of personal information in daily operations and managing security of stored personal information in a business environment.

UNE's Privacy Officers considered 17 matters that progressed beyond general enquiry and discussion. This included a number of potential Privacy Breach investigations, one of which led to a voluntary Data Notification submitted to the Information Privacy Commission in early 2020.

Other detailed privacy matters included:

- Data storage arrangements of third party software provider software used for surveys;
- Guidance on survey design to ensure only relevant information was collected;
- Consent forms for use with the collection of health and patient information;
- Support for health information storage protocols;
- Records management, consent and use of photographic collections for outreach projects in the School of Education;
- Use of name badges;
- Use of analytics software; and
- Privacy of information in some systems/forms relating to parking and travel including the use of notifications.

Policy review and development of the Privacy Management Plan and associated tools was progressed as part of a broader policy reform program during 2019.

The UNE Privacy Officer Support continued to provide privacy support to faculties and service areas across the University.

Privacy training is available online and provided in person to individuals and small teams. The University planned and developed additional outreach activities to promote a strong privacy culture and embed privacy principles in the design of practices and systems in 2019. These activities will be implemented throughout 2020.

Risk Management

A Risk Management Framework was established which is consistent with AS/NZS ISO31000. An external review team previously assessed risk management and found that "Risk Management at the University of New England is generally sound, with opportunity to further integrate Risk Management into everyday UNE activities, and build a risk-conscious culture throughout UNE."

Internal Audit and Risk Management Attestation Statement for the 2019 Financial Year

I, Professor Brigid Heywood, am of the opinion that the University of New England has internal audit and risk management processes in operation that are compliant with the eight (8) core requirements set out in the Internal Audit and Risk Management Policy for the NSW Public Sector, specifically:

Note: The Internal Audit and Risk Management Policy for the NSW Public Sector is a Treasurer's Direction issued per section 9 of the Public Finance and Audit Act 1983. Section 9(4) (b) of the Public Finance and Audit Act 1983 provides that Directions issued under section 9 shall not apply to Universities.

Core Requirements

Risk Management Framework

- 1.1 The agency head is ultimately responsible and accountable for risk management in the agency.

Compliant.

- 1.2 A risk management framework that is appropriate to the agency has been established and maintained and the framework is consistent with AS/NZS ISO 31000.

Compliant.

Internal Audit Function

- 2.1 An internal audit function has been established and maintained.

Compliant.

- 2.2 The operation of the internal audit function is consistent with the International Standards for the Professional Practice of Internal Auditing.

Compliant.

- 2.3 The agency has an Internal Audit Charter that is consistent with the content of the 'model charter'.

Compliant.

Audit and Risk Committee

- 3.1 An independent Audit and Risk Committee with appropriate expertise has been established.

Compliant.

- 3.2 The Audit and Risk Committee is an advisory committee providing assistance to the agency head on the agency's governance processes, risk management and control frameworks, and its external accountability obligations.

Compliant.

- 3.3 The Audit and Risk Committee has a Charter that is consistent with the content of the 'model charter'.

Compliant.

Membership

The chair and members of the Audit and Risk Committee are:

- Independent Chair, Jan McClelland, member since 16 February 2009
- Independent Member 1, Robert Finch, member since 16 February 2009
- Independent Member 2, Anne Myers, member since 1 December 2015
- Independent Member 3, Rosemary Leamon, member since 1 December 2015
- Independent Member 4, David Van Aanholt, member since 7 December 2016

Cyber Security Policy Attestation

I, Angie Hendrick, believe the Information Technology Directorate have managed cyber security risks in a manner consistent with the Mandatory Requirements set out in the NSW Government Cyber Security Policy within the caveats set out below.

Cyber security risks to the information and systems of the University of New England are continually assessed and our capability improved in line with an ongoing program of work.

Governance is in place to manage the cyber-security maturity program.

We met the requirements articulated in the Policy with the following digressions:

- The University employment policy does not currently include security screening for staff in administrative roles;
- Processes for sharing security threats and intelligence with government agencies are not yet in place;
- Implementation of a Cyber Security Management system is planned but not yet underway; and
- The Australian Cyber Security Centre recommends eight controls, of which the University has implemented four with four in progress. Independent review/audit/certification of effectiveness of the controls that are in place has been undertaken by various agencies and methodologies.

There exists a current Cyber Incident Response Plan for UNE, which was tested during the reporting period (Student Management System). This is part of an improvement program and will be retested (Finance System) in 2020.

UNE is also in the third year of a three-year program of works to uplift our Cyber Security Maturity from (Capability Maturity Model) level 1 to level 3.

Government Information Public Access (GIPA)

Details of the agency's review under S7(3) of the Act during the year and details of any information made publicly available as a result of the review.

Our agency's program for proactive release of information involves monitoring the nature of GIPA applications received and identifying information that may be of interest to the general public.

The agency also reviews the relevance and accuracy of the Open Access Information available on its website on an ongoing basis.

During the reporting period, UNE reviewed the program and discussed, at a senior level, possible new Open Access Information. The agency did not release any new information in 2019.

Total number of access applications received during the year (including withdrawn applications but not including invalid applications):

UNE received 16 applications in 2019.

Total number of access applications received that agency refused, either wholly or in part, because the application was for disclosure of information for which there is conclusive presumption of overriding public interest against disclosure:

Nil.

↓ SportUNE,
University of New England,
Armidale NSW.



Schedule 2: Statistical information about access applications (Clause 7)

Table 4: Number of applications by type of applicant and outcome¹⁰

	<i>Access granted in full</i>	<i>Access granted in part</i>	<i>Access refused in full</i>	<i>Information not held</i>	<i>Information already available</i>	<i>Refuse to deal with application</i>	<i>Refuse to confirm/deny whether information is held</i>	<i>Application withdrawn</i>
Media	0	1	0	1	0	0	0	0
Members of Parliament	0	0	0	0	0	0	0	0
Private sector business	0	0	0	0	0	0	0	0
Not-for-profit organisations or community groups	0	0	0	0	0	0	0	0
Members of the public (application by legal representative)	1	0	0	1	0	0	0	0
Members of the public (other)	4	6	0	1	0	0	0	1

Table 5: Number of applications by type of application and outcome

	<i>Access granted in full</i>	<i>Access granted in part</i>	<i>Access refused in full</i>	<i>Information not held</i>	<i>Information already available</i>	<i>Refuse to deal with application</i>	<i>Refuse to confirm/deny whether information is held</i>	<i>Application withdrawn</i>
Personal information applications ¹¹	1	3	0	0	0	0	0	0
Access applications (other than personal information applications)	3	4	0	3	0	0	0	1
Access applications that are partly personal information applications and partly other	1	0	0	0	0	0	0	0

¹⁰ More than one decision can be made in respect of a particular access application. If so, a recording must be made in relation to each such decision. This also applies to Table B.

¹¹ A personal information application is an access application for personal information (as defined in clause 4 of Schedule 4 to the Act) about the applicant (the applicant being an individual).

Table 6: Invalid applications

<i>Reason for invalidity</i>	<i>Number of applications</i>
Application does not comply with formal requirements (section 41 of the Act)	1
Application is for excluded information of the agency (section 43 of the Act)	0
Application contravenes restraint order (section 110 of the Act)	0
Total number of invalid applications received	1
Invalid applications that subsequently became valid applications	0

Table 7: Conclusive presumption of overriding public interest against disclosure: matters listed in Schedule 1 to Act

	<i>Number of times consideration used ¹²</i>
Overriding secrecy laws	0
Cabinet information	0
Executive Council information	0
Contempt	0
Legal professional privilege	1
Excluded information	0
Documents affecting law enforcement and public safety	0
Transport safety	0
Adoption	0
Care and protection of children	0
Ministerial code of conduct	0
Aboriginal and environmental heritage	0

Public Interest Disclosure

During 2019, UNE, as part of their induction program for new employees, provided training on the UNE Public Interest Disclosure Rule and Public Interest Disclosure Procedure.

Statistical information on the number of Public Interest Disclosures (PIDs) is detailed in the table below.

Table 8: Number of PIDs received and completed

<i>Particulars</i>	<i>1 January 2019 to 31 December 2019</i>
Number of employees that received training	179
Number of PIDs received	0
Categorisation of PIDs received:	
• Corrupt conduct	0
• Maladministration	0
• Serious and substantial waste	0
• Government information contravention	0

¹² More than one public interest consideration may apply in relation to a particular access application and, if so, each such consideration is to be recorded (but only once per application). This also applies in relation to Table E.

Legal Change

Legal changes with the most direct impact on the University are set out below.

Higher Education Loan Program (HELP) changes

The *Higher Education Support Legislation Amendment (Student Loan Sustainability) Act 2018*, was passed on 14 August 2018. It implemented a number of changes, including:

- from 1 January 2019:
 - new lifetime cap on the money the government will loan University and Vocational and Educational Training (VET) students for tuition fees, the Higher Education Loan Program (HELP) came into effect on 1 January 2019 and will be set at \$104,440 for most students, and \$150,000 for those studying medicine, dentistry or veterinary science;
 - renewable HELP balance which permits compulsory or voluntary amounts that are repaid to be re-borrowed in the future; and
 - removal of 25% FEE-HELP loan fee for undergraduate students at specified providers;
- from 1 July 2019:
 - changes to the minimum HELP repayment threshold and repayment rates;
 - indexation of HELP repayment thresholds using CPI; and
 - amending the order of repayment of some student loan debts.

Freedom of Speech

The public discourse around freedom of speech and academic freedom developed and matured in 2019. The *French Report* on freedom of speech at universities was carefully considered by the UNE Council and a working party established by the UNE Academic Board.

UNE is developing a new statement on freedom of speech and academic freedom, and when it is adopted it will replace UNE's current Intellectual Freedom Statement. This will ensure that the way UNE articulates its enduring commitments to these principles will remain aligned, in purpose and language, to both community expectations and the anticipated changes to the Higher Education Support Act 2003 (Cth) in 2020.

Modern Slavery

The *Modern Slavery Act 2018* (Cth) came into force on 1 January 2019. The commencement of the *Modern Slavery Act 2018* (NSW), which was expected to come into force on 1 July 2019, has however been delayed.

The *Modern Slavery Act 2018* (Cth) applies to entities based, or operating, in Australia with consolidated revenue of at least AU\$100 million. The main requirement under the legislation is to give an annual Modern Slavery Statement to the Minister, describing the risks of modern slavery in operation and supply chains of reporting entities owned or controlled by those entities.

UNE is committed to ensuring that its operations and supply chains are free from modern slavery. UNE has responded to the *Modern Slavery Act 2018* (Cth) by developing a modern slavery action plan that has been approved by UNE's Senior Executive Team. UNE is conducting a thorough scan and

risk assessment of its operations and supply chains; and managing risk by implementing controls in procurement, supplier contracts, research approvals and management. UNE monitors outcomes and performance through its compliance management system, and by compiling an annual report to the Government in accordance with its legal requirements..

Foreign Interference

The *Foreign Influence Transparency Scheme Act 2018* (Cth) (FITSA) commenced on 10 December 2018. Under the scheme, any person (including a University) that undertakes parliamentary lobbying, general political lobbying, communications activities or disbursement activities on behalf of a foreign principal is required to register with the Attorney General's Department unless an exemption applies.

The definitions of "foreign principal" and "registrable activity" are broad. The scheme establishes criminal offences for failing to comply with obligations under the scheme, failing to register and providing false or misleading information or destroying records.

UNE's commitment to meeting its obligations in relation to foreign interference, and its response to the applicable legislation, have been guided by the "*Guidelines to Counter Foreign Interference in the Australian University Sector*". These were developed by the University Foreign Interference Taskforce and published in November 2019. The guidelines and UNE response was considered by UNE leadership; and in December 2019 the Vice-Chancellor commenced a whole of University process of awareness and engagement with UNE staff. UNE's commitments have been incorporated into UNE's compliance management system. UNE is reviewing applicable policies and other actions to strengthen its internal controls.

Significant judicial decisions affecting agency

On 17 January 2019, following an appeal by the University, the Full Bench of the Fair Work Commission handed down a decision in arbitration of a dispute brought by the National Tertiary Education Industry Union concerning academic workloads. The appeal was upheld in part.

Consumer response

The Student Grievance Unit (SGU) received 400 grievances in the reporting period, including 180 complaints containing more than one issue. This is a slight increase from the 347 received in 2018. The nature of the complaints were multifaceted and of increasing complexity. Of note, is the recurring prominence of concerns relating to assessments and examinations, followed by issues relating to unit content, intensive schools, teaching standards and supervision.

The number of student conduct matters increased from 111 in 2018 to 146 in 2019. Sixty-one of these misconduct complaints were academic with the vast majority of reports generated from an invigilated exam setting, while 85 related to student behaviour. The increase in student conduct matters may be attributed to several factors, including enhanced awareness of reporting avenues, increased confidence to report, and active bystander intervention.

There was also an increase in the reporting of matters relating to sexual assault and harassment. This increase may be attributed to an increase in confidence in university

processes, confidentiality, transparency and support. SGU has observed increased bystander reporting and enquiries around *Respect. Now. Always.* related matters.

SGU has also experienced an increase in complaints concerning students presenting with mental health issues and requiring the assistance and support of the Access, Inclusion and Wellbeing unit.

In addition to processing complaints, SGU made several business improvement recommendations across the University in 2019, after identifying disparities within policy and procedures. These recommendations have resulted in amendments to relevant

policy documents and business practices and included matters inherently linked to the student experience and retention.

Academic Assessment Appeals relating to Unit Assessment dominated in 2019. To appeal a unit assessment the student must present a case demonstrating how the original marking was inconsistent with the requirements of the Unit Guide/Outline. As SGU are not authorised to reject any appeal, those appeals that were submitted and did not meet the required criteria were processed and sent to the specific school and are included in these statistics.

Table 9: 2019 Academic Assessment Appeals

Academic Assessment Appeals	Total	Progressed to next level of appeal
Appeals related to Unit Assessment	285	25
Appeals related to Assessment of a Practical and/or Professional Work Experience	3	0
Appeals against the Application of School Assessment Policies and Procedures	26	3
Appeals related to Special Assessment Application Outcomes	29	5
Appeals related to Exclusion for Insufficient Course Progress	28	3
Appeals related to Bachelor with Honours Assessment of Dissertations/Theses	7	3
Appeals against Results for Graduate Diploma and Non-Research Master Dissertations and Theses	1	0

Table 10: 2019 Complaints

Complaints	Total
Total number of complaints received	400
One issue within complaint	220
Multiple issues within complaint	180
	400
Complaints by students	392
Complaints by staff	6
Complaints by public	2
	400
Behavioural Misconduct (RNA & Sexual Assault/Harass included)	85
Academic Related Misconduct reports (Invigilated exam included)	61
Academic related complaints	178
Other complaints (Administrative, fees etc..)	76
	400
Sexual Assault/Sexual Harassment complaints	8
Officially recorded disclosures	5
RNA complaints (includes hazing, exposure, inappropriate material)	33
	46



Workplace

↑ Dixon Library,
University of New England,
Armidale NSW.

Industrial Relations

The *UNE Academic and English Language Teacher Staff Collective Agreement 2014 – 2017* or the *UNE Professional Staff Collective Agreement 2014 – 2017* primarily governs the conditions of employment of staff. Negotiations with staff representatives continued throughout 2019. The University expects to finalise a new agreement in early 2020.

The *Staff Code of Conduct* is the primary rule that sets out the expectations expected of staff employed by UNE.

Workforce diversity

Workplace

The University undertook a range of initiatives to progress diversity in 2019. The Diversity Advisory Committee, which met regularly during the year, oversaw the development and implementation of many of these initiatives.

Activity highlights:

- UNE became a member of the Allies Network, resulting in a stronger voice and connection for our LGBTQI community.
- In addition to its continued compliance to the Workplace Gender Equity Act 2012,

UNE undertook an extensive analysis and review of gender data in 2019. This review will inform future strategies to support gender equality in the workplace.

- UNE launched its new *Aboriginal Employment Strategy, 2019 – 2023*. A key deliverable within the Strategy is the appointment of a Pro Vice-Chancellor Indigenous. The role will be filled in 2020.
- *Early Career Academic Program* leadership programs continued as in previous years. These programs support leadership and development opportunities for female staff members.
- The *Accessibility Action Plan 2019 – 2022* was finalised.
- Over 130 staff completed the *Cultural Connections Program* in 2019. The training provides participants with an understanding and appreciation of Aboriginal people, their culture and history.
- UNE introduced a new online inclusion program to improve staff understanding of diversity and inclusion.
- A large number of managers and key staff undertook leadership in action training provided by Rape and Domestic Violence Services Australia.

UNE's Facilities Management Services engaged a local Anaiwan man to ensure understanding and appreciation of the campus' cultural heritage when planning for its conservation. Over 1,600 artefact sites were identified on UNE properties, documented and will be registered with the Office of Environment and Heritage. The sites are used to teach younger members of the Aboriginal community about cultural history, how to identify archaeological artefacts, and how to prepare the paperwork to register sites.

Stone tools, stored in the Archaeology Department, were repatriated to Western Australia. In addition, cultural investigations were undertaken for a number of capital projects including a lake remediation project, scoping a mountain bike track and disposal of clean fill at a local quarry. FMS held a cultural induction ceremony at the solar farm and implemented conservation zones to protect areas of Aboriginal significance. UNE is also collaborating on a project with National Parks and Wildlife and an organisation called "Firestix" to undertake cultural hazard reduction burns in national parks.

Table 11: Trends in the representation of EEO groups: academic staff¹³

EEO group	NSW benchmark or target	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Women	60%	42%	44%	45%	46%	45%	47%	47%	45%	48%	47%	48.3%
Aboriginal people & Torres Strait islanders	2.63%	0.5%	1.1%	1%	1%	1%	1%	1%	1%	1%	1%	1.4%
People whose first language was not English	19%	21%	20%	18%	18%	18%	16%	15%	16%	18%	15%	14.0%
People with disability	N/A	8%	7%	6%	5%	5%	4%	4%	3%	3%	3%	2.4%
People with a disability requiring work-related adjustment (targeted increase)	by 1.1% (2011) 1.3% (2012) 1.5% (2013)	2%	2.3%	1.8%	2%	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Table 12: Trends in the representation of EEO groups: general staff

EEO group	NSW benchmark or target	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Women	60%	61%	61%	61%	61%	63%	62%	62%	61%	60%	60%	60.7%
Aboriginal people & Torres Strait islanders	2.63%	2%	2.2%	2.3%	2%	2%	2%	2%	2%	2%	3%	3.3%
People whose first language was not English	19%	3%	3%	3%	4%	4%	5%	5%	5%	4%	4%	4.0%
People with disability	N/A	7%	6%	6%	6%	5%	5%	5%	4%	5%	3%	3.0%
People with a disability requiring work-related adjustment (targeted increase)	by 1.1% in 2011 by 1.3% in 2012 by 1.5% in 2013	2.2%	2.3%	3%	n/a	n/a	n/a	n/a	n/a	n/a		

¹³ All statistics exclude casual staff.

Table 13: Trends in the distribution¹⁴ of EEO groups: academic staff

<i>EEO group</i>	<i>NSW benchmark or target</i>	<i>2009</i>	<i>2010</i>	<i>2011</i>	<i>2012</i>	<i>2013</i>	<i>2014</i>	<i>2015</i>	<i>2016</i>	<i>2017</i>	<i>2018</i>	<i>2019</i>
Women	100	80	81	81	94	95	95	94	96	94	95	94
Aboriginal people & Torres Strait islanders	100	n/a	n/a	n/a	n/a	84	84	88	87	82	89	88
People whose first language was not English	100	96	99	97	99	100	101	103	102	101	100	100
People with disability	100	93	96	101	103	109	107	106	104	100	110	111
People with a disability requiring work-related adjustment (targeted increase)	100	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Table 14: Trends in the distribution of EEO groups: general staff

<i>EEO group</i>	<i>NSW benchmark or target</i>	<i>2009</i>	<i>2010</i>	<i>2011</i>	<i>2012</i>	<i>2013</i>	<i>2014</i>	<i>2015</i>	<i>2016</i>	<i>2017</i>	<i>2018</i>	<i>2019</i>
Women	100	86	88	87	88	86	88	89	92	93	92	92
Aboriginal people & Torres Strait islanders	100	n/a	n/a	n/a	83	87	87	80	92	84	76	81
People whose first language was not English	100	107	106	110	112	99	101	103	105	103	108	111
People with disability	100	93	92	91	93	99	94	98	101	105	101	106
People with a disability requiring work-related adjustment (targeted increase)	100	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

¹⁴ A distribution index of 100 indicates that the centre of the distribution of the EEO group across salary levels is equivalent to that of other staff. Values less than 100 mean the EEO group tends to be more concentrated at lower salary levels than is the case for other staff. The more pronounced this tendency is, the lower the index will be. In some cases, the index may be more than 100, indicating the EEO group is less concentrated at lower salary levels.

Multicultural policies and services

The University currently has a draft *Multicultural Action Plan 2019-2020*, which aligns to the principles of the Multicultural NSW Act 2000. The timing of the current draft has been defined to align with the UNE Strategic Plan 2016-2020, Together we can do this. While the plan was being developed a range of activities under the previous plan continued to be progressed.

The key objectives of the previous plan actioned in 2019 were to:

- Provide an inclusive environment that supports and embraces a knowledge of, and respect for, cultural diversity and inclusion is free from harassment and discrimination;
- Provide education programs that reflect cultural and international awareness; and
- Strengthen collaboration between UNE and the local community to enrich the experiences of our culturally diverse students and workforce.

Key activities undertaken to support the above objectives included:

- The *Respect. Now. Always.* project, established in 2017, implemented significant positive changes to improve processes and raise awareness in relation to sexual harassment.
- UNE undertook a Global Connections Program in 2019 to:
 - Build better connections between international and domestic students.
 - Provide international students opportunity to improve their English language skills while encouraging domestic students to engage with other cultures and people to increase their understanding of the world outside Australia.
 - Address key areas such as confidence building, pronunciation and emphasis, vocabulary building, life skills and cross-cultural competency.
- The University participated in a range of community and international student events, such as:
 - Culture Fest 2019, which was held in conjunction with community partners;
 - learn how to swim programs for adults and children;
 - an English Language program;
 - a diversity expo; and
 - a driving program, which provided two free driving lessons to students and their spouses through a local driving school.

- UNE presented 100 repurposed computers to Ezidi students at the local high school to support their study and other connectivity needs. The University also awarded English Language Centre scholarships to two Ezidi recipients to assist with improving their language skills.

Agreements with Multicultural NSW

The University does not currently have any agreements with Multicultural NSW

↓ Flags atop Booloominbah, University of New England, Armidale NSW.





Workplace Health and Safety (WHS)

The Work Health and Safety (WHS) team has responsibility for safety, emergency management, business continuity, and health and wellbeing at UNE and deliver key services comprising:

- Hazard and risk management;
- Regulatory compliance;
- Training and administrative functions;
- Emergency and business continuity planning;
- The management of hazardous substances (biological, chemical and radioactive);
- Plant and equipment safety;
- Workers compensation and injury management; and
- Proactive wellness initiatives.

The *UNE Work, Health & Safety, Wellbeing and Emergency Management Strategic Plan 2018-2020* guides WHS activities. Its key objectives are to:

1. Develop and maintain our capability to effectively manage safety and our organisational hazards and risks;
2. Provide training, support and motivate our staff to effectively identify, report and investigate workplace incidents, hazards and risks;
3. Develop our culture to embed safety and wellbeing into all processes and tasks to continuously improve performance;
4. Build resilience through structured Emergency Management & Business Continuity planning and response practices; and
5. Support the Health and Wellbeing of our staff and students and deliver appropriate Injury/Illness Management.

Significant outcomes achieved against these objectives in 2019 included:

- UNE captured Hazard reporting and incident management data through Skytrust Reporting and recorded 198 incidents and 46 hazards in 2019. The numbers are consistent with those from 2018. The overall trend since 2017 is positive and confirms a growing culture of safety awareness at UNE.
- UNE developed new learning packages and centralised training initiatives in 2019. These included three induction packages for staff and visitors, namely WHS General Induction, UNE SMART Farm Induction and FMS Contractor Induction.

- Staff now have access to a centralised Risk Assessment process when planning activities, travel, and fieldwork.
- A Hazardous Substance Project Plan was developed. In addition, a number of staff and senior management completed Due Diligence training, Asbestos Awareness training and Risk Management training.
- A number of proactive safety, and health and wellbeing events took place during National Safe Work Month in October 2019. These events supported the theme 'Be a Safety Champion' and included safety presentations, mental health forums, and other workshops.
- UNE developed comprehensive Emergency Warden training programs and held practical evacuation exercise across the academic and residential campuses.

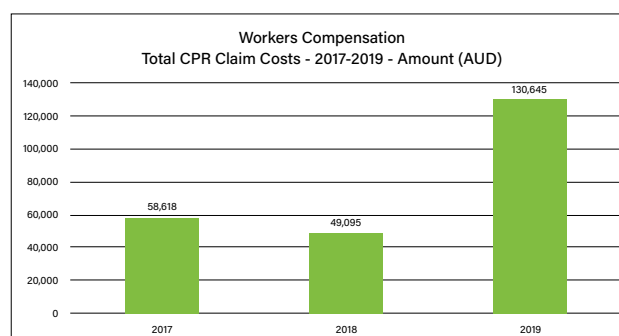
Workers' Compensation data for 2019

Injuries and claim performance data recorded in 2019 was higher than in 2018. The increase supports trends of a growing awareness of safety, health and wellbeing and consequent reporting thereof rather than any adverse trends.

Cost data, as shown below, is at the time of reporting each year. Data from previous years are subject to change due to the estimated future claim costs for that year.

- Total number of claims for 2019: 20
- Total time loss incurred for 2019: 3,128 hours
- Total claim costs for policy year 2019: \$130,645.67
- Total claim costs for policy year 2018: \$49,095.46
- Total claim costs for policy year 2017: \$58,618.38

Figure 1 : Total CPR claim costs 2017-2019



Staff numbers

Table 15: UNE staff numbers¹⁵

		Female	Male	Total
Staff in schools	Professor (E)	13	51	64
	Associate Professor (D)	26	37	63
	Senior Lecturer (C)	66	74	140
	Lecturer (B)	114	82	196
	Tutor (A)	32	28	60
	Total academic staff	251	272	523
	HEO10+	0	2	2
	HEO9	0	0	0
	HEO8	1	2	3
	HEO7	2	4	6
	HEO6	1	5	6
Staff in management, administration and centres	HEO5	4	3	7
	HEO4	1	0	1
	HEO3	1	0	1
	Total non-academic staff	10	18	28
	Total staff in schools	261	290	551
	Professor (E) and above	2	3	5
	Associate Professor (D)	2	0	2
	Senior Lecturer (C)	5	2	7
	Lecturer (B)	8	4	12
	Tutor (A)	4	4	8
	Total academic staff	21	13	34
Staff in Controlled Entities	HEO10+	29	42	71
	HEO9	22	19	41
	HEO8	55	38	93
	HEO7	71	51	122
	HEO6	95	47	142
	HEO5	113	53	166
	HEO4	48	21	69
	HEO3	12	7	19
	HEO2	6	4	10
	HEO1+	0	0	0
	Total non-academic staff	451	282	733
UNE total at 31 March, 2019	Total staff outside schools	472	295	767
	UNE total at 31 March, 2018	716	599	1,315

¹⁵ Data provided by Business Intelligence.



Finance

↑ Natural History Museum Building,
University of New England,
Armidale NSW.

UNE Budget and Structural Surplus

Table 16: Budget and Structural Surplus

Comparison to Budget	2019	2019	2020
Parent Entity	Budget	Actual	Budget
University of New England	\$M	\$M	\$M
Teaching Income	236.5	266.0	243.2
Research & Grant Income	74.7	48.6	72.2
Other Income	28.3	23.9	30.7
Total Income	339.5	338.5	346.2
Employee-related Expenses	192.1	201.2	202.3
Non Payroll Expenses	129.3	120.0	124.6
Underlying Result	18.1	17.3	19.4
Interest Income	3.2	2.7	3.1
Interest Expense	0.2	0.5	0.0
Depreciation & Amortisation	24.3	24.4	24.4
Operating Profit	(3.3)	(4.8)	(2.0)
One-off Income	9.0	0.0	2.0
One-off Expenditure	2.0	0.0	0.0
Operating Result attributable to members of the University of New England	3.7	(4.8)	0.0

Structural Surplus			
Description	2019		
	Budget	Actual	Variance
Financials	\$M	\$M	\$M
Teaching Revenue	236.5	266.0	29.5
Operating Revenue	103.0	72.5	(30.5)
Payroll Costs	192.1	201.2	9.1
Non-Payroll Costs	129.3	120.0	(9.3)
Operating Surplus	18.1	17.3	(0.8)
Interest Inc & Exp & Depreciation	21.3	22.2	0.8
Underlying Surplus/(Deficit)	(3.3)	(4.8)	(1.5)
Net Result	3.7	(4.8)	(8.5)

Overseas travel

- The former Vice-Chancellor and CEO, Prof Annabelle Duncan, travelled to Indonesia and Bhutan to attend a UNE-hosted collaboration event with high-level stakeholders and local universities.
- The Deputy Vice-Chancellor, Professor Todd Walker, travelled to Malaysia and China to attend the Malaysian Australian Alumni Council Gala Dinner.
- The Pro Vice-Chancellor External Relations, Professor Mingan Choct, travelled to Indonesia for meetings with students at Kupang. He also travelled to Canada for the Poultry Science Association 2019 Annual Meeting.
- The Pro Vice-Chancellor Academic Innovation, Professor Jonathan Powles, travelled to England for meetings at Open University and University of Liverpool. In addition, he travelled to the USA to attend the International Society for Exploring Teaching and Learning – Innovative Pedagogy Conference.
- The Deputy Vice-Chancellor Research, Professor Heiko Daniel, travelled to Indonesia for meetings with Indonesian partner universities, ACIAR and Indonesian government agencies.

Consultants

Table 17: Total consultant spend.

Spend in Excess of \$50,000			
Name of Consultant	Total 2019 Spend	Name of Project	Classification
David Lynas Consulting Ltd	\$391,100	Security Operating Models	Information Technology
Portland Group Pty Ltd	\$272,231	Procurement Delivery Services	Management Services
Gartner Australasia Pty Ltd	\$213,825	IT Executive Program	Information Technology
Workforce Planning Global Pty Ltd	\$201,728	Workforce Planning Consultation	Management Services
Nous Group Pty Ltd	\$194,078	Tamworth Strategy	Management Services
Boyden ANZ Pty Ltd	\$116,679	Recruitment services	Management Services
Less than \$50,000			
Classification	Total 2019 Spend	Number of consultants per category	
Management Services	\$234,680	16	
Finance and accounting	\$133,135	5	
Environmental	\$82,447	7	
Legal	\$27,979	1	
Information Technology	\$20,049	3	
Training	\$20,000	1	
Advertising	\$16,800	1	
Organisational Planning	\$7,000	1	

Liability Management Performance

Not applicable in financial year ending 31st December 2019 as UNE did not have debt greater than \$20 million.

Insurance

UNE renewed the primary areas of its insurance program through Unimutual Limited, Austbrokers Canberra and icare. These areas included property protection, general and products liability, professional indemnity, malpractice, management liability (including directors and officers), clinical trials, cyber, contractors' asbestos liability, and workers' compensation. Other classes of insurance held include, but are not limited to, business travel, student group personal accident, and comprehensive motor vehicle.

Land disposal

The University did not dispose of any land during the financial year 1st January 2019 to 31st December 2019.

UNE investments

Historically low returns from traditional fixed interest securities saw UNE's Term Deposit portfolio diversified in the latter half of 2019 to include the Russell Australian Cash Enhanced Fund (\$25M), a Floating Rate Note (\$5M) and a portfolio of Registered Mortgage Backed Securities (\$15.2M).

The weighted average return of the term deposits for 2019 was 3.13%, which outperformed the benchmark NSW Treasury Corporation Short Term Income Fund return of 2.46%. The value of the new investments may fluctuate slightly over the short term owing to market factors such as the outlook for interest rates influencing their valuation relative to alternative investments, however, a return premium of one to two per cent over term deposits is expected over three years.

UNE's ASX listed shares (\$1M) returned 25.31% and its unlisted shareholding (\$40M) returned 84%.

The Agriculture Business and Research Institute (ABRI) and UNE Foundation maintain investments through professional funds manager Russell Investments.

Funds granted to non-governmental community organisations

Table 18: Funds granted to non-government community organisations.

Non-Government Community Group	Sponsorship	Event	Total	Event Description
Academy of Management	\$1,415		\$1,415	Sponsorship
AgCommunicators Careers Expo	\$500		\$500	Sponsorship Careers Expo
AgForce Queensland	\$136		\$136	Sponsorship
ANZAM Limited	\$550		\$550	Sponsorship
Armidale & Region Aboriginal Cultural		\$1,500	\$1,500	Corporate Partnership
Armidale Business Chamber	\$9,000		\$9,000	Sponsorship of PVCER Portion
Armidale EALD	\$3,000		\$3,000	Sponsorship of Homework Centre
Armidale Incorporated	\$10,000		\$10,000	Sponsorship
Armidale Show	\$1,500		\$1,500	Sponsorship Cattle Section
Australian American		\$1,818	\$1,818	Gala Dinner
Australian Registered Cattle Breeders	\$5,000		\$5,000	Arthur Rickards Scholarship
AVPA Limited	\$1,818		\$1,818	Sponsorship
Conference Design Pty	\$6,818		\$6,818	Soil Symposium
Department of Home Affairs		\$3,620	\$3,620	Employer Nomination
Elders Olympics	\$500		\$500	Sponsorship
Farming Futures	\$5,793		\$5,793	Sponsorship
Financial Planning Association of Australia Limited	\$8,000		\$8,000	Sponsorship
HIRE ME UP		\$5,000	\$5,000	JobGetter Event
Malaysian Australian Alumni	\$3,650		\$3,650	Sponsorship Australia Alumni Gala Dinner
Manning Valley Neighbourhood		\$600	\$600	Wingham Akoostik Festival
Narwan	\$7,000		\$7,000	Sponsorship Aboriginal Knockout
NATSIPA Incorporated	\$1,200		\$1,200	Sponsorship Poster Competition
New England Regional Art Museum	\$31,000		\$31,000	Sponsorship
North West Incorporated	\$10,000		\$10,000	Sponsorship Regional Arts
Northern Inland Academy of Sport	\$10,000		\$10,000	NIAS Partnership
Northern Nations	\$3,000		\$3,000	Sponsorship
RAAN Conference	\$909		\$909	Bronze Sponsorship
Readers Companion		\$364	\$364	Book Vouchers School Presentations
Riverside Theatre		\$818	\$818	Fundraiser
Sports Power Armidale	\$2,050		\$2,050	Sponsorship NAIDOC
Tamworth Business Chamber	\$5,000		\$5,000	Quality Business Awards
Tamworth Regional Council	\$20,000		\$20,000	Future Leaders Program
Terra Firma	\$1,000	\$500	\$1,500	First Nation's Mariya Men's Team
The Crawford Fund Limited	\$9,000		\$9,000	Sponsorship
The View from 1919	\$5,000		\$5,000	Sponsorship Century Exhibition
UNE Mosque	\$2,000		\$2,000	Sponsorship of Eid Al-Adha
Wingham Show Society	\$1,000		\$1,000	Beef Week
Western Sydney Awards for Business Excellence (WSABE)	\$4,091		\$4,091	Sponsorship
Total	169,931	14,220	184,150	

NSW Audit Office Recommendations

UNE uses the Pentana Audit Work System to track, follow up and report on all audit recommendations, including NSW Audit Office audit recommendations. During 2018 the NSW Audit Office issued audit recommendations as follows:

Audit	Date of Letter/Report	Total Recommendations	Finalised at 31 December 2018	In progress but outstanding at 31 December 2019
2018 Report to Parliament	8 June 2018	4	1	3
2018 Audited Financial Statements Final Management Letter	10 April 2019	3	0	3
2018 Audited Financial Statements Final Management Letter – IS Audit	10 April 2019	8	0	8

Note: NSW Audit Office recommendations are normally only closed when the NSW Audit Office reviews the previous year's audit recommendations as part of the current year's audit. Therefore any completed 2018 and 2019 audit recommendations above would normally only be closed following the receipt of the 2019 management letter in April 2020.

Disclosure of Controlled Entities

In addition to our administrative areas, faculties and academic schools, UNE has a number of Controlled Entities..

Agricultural Business Research Institute (ABRI)

The ABRI employs agribusiness information specialists, who provide information services to the domestic and international livestock industries.

UNE Life

UNE Life manages a range of operations and facilities across the University. These include SportUNE, a student bar and nightclub, childcare facilities, restaurant facilities, hairdressers, a post office and newsagent, cinema, graduation, student advocacy and welfare, as well as functions and catering services.

UNE Foundation

The UNE Foundation receives donations from individuals, corporations and public entities to fund scholarships that contribute to the University's teaching and research priorities. An independent Board of Directors, comprising a group of dedicated professionals who volunteer their time and expertise for the benefit of UNE and its students, is responsible for managing the Foundation while the University provides administrative support.

UNE Partnerships

UNE Partnerships is the education and training company of the University. It has designed, developed and delivered customised solutions for organisations and individuals for over 30 years. UNE Partnerships programs suit those who balance life, work and family commitments with study.



Access Arrangements

The UNE website contains a wealth of organisation-specific material and is a key resource for current and prospective staff and students, as well as a reference point for visitors and the media. It can be accessed at: **www.une.edu.au**.

Office hours

Monday to Friday, 9.00am to 5.00pm (AEST)

University switchboard +61 2 6773 3333 (office hours)

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Taree Study Centre

Phone: +61 2 6557 7190

Email: tareesc@une.edu.au

Postal address

The relevant officer or business unit

The University of New England,

Armidale NSW 2351

University of New England



ABN: 75 792 454 315
Annual Financial Report
for the year ended
31 December 2019



INDEPENDENT AUDITOR'S REPORT

University of New England

To Members of the New South Wales Parliament

Opinion

I have audited the accompanying financial statements of the University of New England (the University), which comprise the Income Statement and Statement of Comprehensive Income for the year ended 31 December 2019, the Statement of Financial Position as at 31 December 2019, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, notes comprising a Summary of significant accounting policies and other explanatory information of the University and the consolidated entity. The consolidated entity comprises the University and the entities it controlled at the year's end or from time to time during the financial year.

In my opinion, the financial statements:

- Give a true and fair view of the financial position of the University and the consolidated entity, as at 31 December 2019, and of their financial performance and cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (PF&A Act) and the Public Finance and Audit Regulation 2015
- comply with the 'Financial Statement Guidelines for Australian Higher Education Providers for the 2019 Reporting Period' (the Guidelines), issued by the Australian Government Department of Education, pursuant to the *Higher Education Support Act 2003* and the *Australian Research Council Act 2001*.

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

Basis for Opinion

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

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

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

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

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

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

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

Other Information

The University's annual report for the year ended 31 December 2019, includes other information in addition to the financial statements and my Independent Auditor's Report thereon. The members of the Council of the University are responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprises the Report by Members of the Council and the Statement of Appointed Officers.

My opinion on the financial statements does not cover the other information. Accordingly, I do not express any form of assurance conclusion on the other information.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude there is a material misstatement of the other information, I must report that fact.

I have nothing to report in this regard.

University Council's Responsibilities for the Financial Statements

The Council is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, the PF&A Act and the Guidelines, and for such internal control as the Council determines is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Council 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 Responsibilities for the Audit of the Financial Statements

My objectives are to:

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

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

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

http://www.auasb.gov.au/auditors_responsibilities/ar3.pdf. The description forms part of my auditor's report.

My opinion does *not* provide assurance:

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

A handwritten signature in dark ink, reading "S Bond .". The signature is written in a cursive, slightly informal style.

Sally Bond
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

6 April 2020
SYDNEY

University of New England

Report by the Members of the Council

The members of the Council present their report on the consolidated entity consisting of the University of New England and the entities it controlled at the end of, or during, the year ended 31 December 2019.

Members

The following persons were members of the Council of the University of New England during the whole of the year and up to the date of this report:

Mr James Harris (reappointed 20/11/19) - Chancellor
Ms Jan McClelland - Deputy Chancellor
Professor Mark Perry, Chair Academic Board
Ms Meredith Symons (reappointed 17/08/19)
Mr David van Aanholt
Ms Anne Myers (reappointed 01/12/19)
Ms Rosemary Leamon (reappointed 17/08/19)
Mr Robert Finch (reappointed 01/01/19)
Mr Russell Evans
Associate Professor Richard Scully
Mr Charles Hebblewhite
Ms Louisa Quiddington

The following persons were appointed members in 2019 and continue in office at the date of this report:

Professor Brigid Heywood, Vice-Chancellor (from 15/07/19)

The following persons were members in 2019:

Professor Annabelle Duncan, Vice-Chancellor (from 23/03/14 to 05/07/19)

Meetings of Members

The number of meetings of the members of the University of New England's Council, the Standing Committee of Council and other relevant Committees reporting to Council held during the year ended 31 December 2019, and the numbers of meetings attended by each member is attached.

Principal Activities

During the year the principal continuing activities of the consolidated entity consisted of:

- (a) the provision of facilities for education and research;
- (b) the provision of courses of study across a range of disciplines;
- (c) the conferring of degrees at Bachelor, Master and Doctoral levels as well as the awarding of other diplomas and certificates;
- (d) the encouragement, dissemination and advancement of knowledge through free enquiry;
- (e) participation in public discourse;
- (f) administration in support of teaching, learning and research activities; and
- (g) community engagement in cultural, sporting, professional, technical and vocational services.

There were no significant changes in the nature of the activities of the consolidated entity during the year.

Review of Operations

A review of the operations of the University of New England during the year is provided in the Vice-Chancellor's report.

Significant Changes in the State of Affairs

No significant changes in the state of affairs of the consolidated entity occurred during the year.

Matters Subsequent to the End of the Financial Year

On March 11, 2020, the World Health Organization declared the outbreak of a coronavirus (COVID-19) as a pandemic. The impact of COVID-19 is envisaged to significantly affect the operations of the University of New England, the results of those operations and the state of affairs in future financial years. The measures introduced by the Australian Government on travel and social interaction, as well as the unfolding global economic shock, will impact student numbers, on-campus enrolments, college, teaching and research income, as well as a corresponding impact on costs. Further, the changing economic circumstances may impact on the fair value of assets into the future. Other unanticipated consequences could arise.

At the date of signing this report, we are unable to quantify the full effects of this pandemic, and the required mitigation strategies on our future financial statements.

Likely Developments and Expected Results of Operations

In November 2019 the University Council approved the 2020-2022 Business Plan and Budget, however with the advent of the COVID-19 pandemic and its as yet unknown impact to the global economy it is expected that Council will need to revisit the 2020-2022 Business Plan and Budget as more information becomes available during the second quarter of 2020. During 2019, the Commonwealth Government released the details of a new university funding regime which allocates funding to each university based on specified performance requirements along with a capped Commonwealth Grant Scheme places, however in light of COVID-19 the Federal Government response is evolving. The University is positioning itself, having regard to the opportunities and threats that may arise.

Environmental Regulation

During the year there were no significant changes to environmental regulations of the University other than that referred to in the financial statements and notes following.

The significant environmental regulations to which the University is subject are as follows:

Aboriginal and Torres Strait Islander Heritage Protection Act 1984 (Cth)
Animal Research Act 1985 (NSW)
Biodiversity Conservation Act 2016 (NSW)
Contaminated Land Management Act 1997 (some amendments made in 2008) (NSW)
Energy and Utilities Administration Act 1987 (NSW)
Environmental Planning and Assessment Act 1979 (NSW)
Environment Protection and Biodiversity Conservation Act 1999 (Cth)
Environmental Trust Act 1998 (NSW)
Environmentally Hazardous Chemicals Act 1985 (NSW)
Heritage Act 1977 (NSW)
Local Government Act 1993 (NSW)
Local Land Services Act 2013 (NSW)
National Greenhouse and Energy Reporting Act 2007 (Cth)
National Parks and Wildlife Act 1974 (NSW)
National Trust of Australia (New South Wales) Act 1990 (NSW)
Pesticides Act 1999 (NSW)
Protection of the Environment Operations Act 1997 (NSW)
Protection of the Environment Operations (Clean Air) Regulation 2010 (NSW)
Protection of the Environment Operations (General) Regulation 2009 (NSW)
Protection of the Environment Operations (Waste) Regulation 2014 (NSW)
Rural Fires Act 1997 (NSW)
Soil Conservation Act 1938 (NSW)
Threatened Species Conservation Act 1995 (NSW)
Waste Avoidance and Resource Recovery Act 2001 (NSW)
Water Management Act 2000 (NSW)
Wilderness Act 1987 (NSW)

Insurance of Officers

The University obtains commercial insurance to indemnify persons who serve on University Boards and Committees and on Boards and Committees of all entities in the Group. The annual premium of \$48,195 for Directors and Officers Insurance covered the period 1 November 2018 to 31 October 2019. Insurance has been renewed for the period 1 November 2019 to 31 October 2020 at a cost of \$60,244. Coverage also extends to University appointees who serve on the Boards of other entities, as designated representatives of the University, and who are not otherwise indemnified.

Proceedings on behalf of the University of New England

There are no material proceedings resulting in claims against the University that are required to be reported in this Report or in the Financial Report.

This report is made in accordance with a resolution of the members of the Council of the University of New England.



Mr James Harris
Chancellor
Member of Council of the University of New England
Armidale NSW
6 April 2020

Council Meeting Attendance

The numbers of meetings of the members of the University of New England Council and each of the committees held during the year ended 31 December 2019, and the numbers of meetings attended by each Council member were:

Members of Council 2019	Council		Finance & Infrastructure		Audit & Risk		Innovation & Development		HDTT*		Remuneration		Nominations		Vice-Chancellor Selection	
	A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B
The Chancellor																
Mr James Harris (reappointed 20/11/19)	7	7	7	7			2	2	2	2	6	6	3	3	5	5
The Deputy-Chancellor																
Ms Jan McClelland (See below Members appointed by Council)																
Official Members																
Professor Annabelle Duncan, Vice-Chancellor (from 23/03/14 to 05/07/19)	3	4	4	4	4	4	2	2	1	1	2	4	2	3		
Professor Brigid Heywood, Vice-Chancellor (from 15/07/19)	3	3	3	3	3	3	0	0	1	1	2	2	0	0		
Professor Mark Perry, Chair Academic Board	7	7	6	7			2	2	1	2			3	3	5	5
Members appointed by the Minister																
Ms Meredith Symons (reappointed 17/08/19)	6	7	6	7											5	5
Mr David van Aanholt	6	7	7	7	7	7	2	2	2	2	6	6			5	5
Members appointed by Council																
Ms Jan McClelland	7	7	6	7	6	7	2	2	1	2	5	6	3	3	5	5
Ms Anne Myers (reappointed 01/12/19)	6	7			7	7					6	6				
Ms Rosemary Leamon (reappointed 17/08/19)	7	7	6	7	6	7										
Mr Robert Finch (reappointed 01/01/19)	7	7	7	7	7	7					6	6				
Mr Russell Evans	6	7	6	7			2	2	2	2						
Members elected by academic staff																
Associate Professor Richard Scully	6	7														
Member elected by non-academic staff																
Mr Charles Hebblewhite	7	7					2	2								
Member elected by students																
Ms Louisa Quiddington	7	7					2	2								

A = Number of meetings attended

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

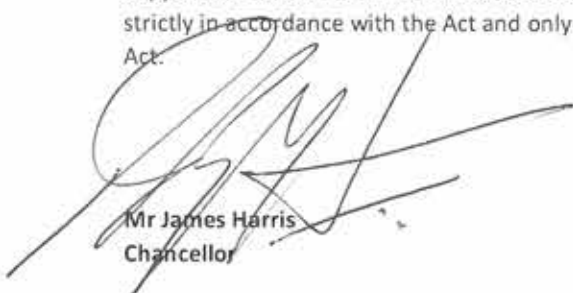
*Honorary Degrees, Titles and Tributes Committee

University of New England

STATEMENT OF APPOINTED OFFICERS

In accordance with a resolution of the Council of the University of New England and pursuant to Sections 41C (1B) and (1C) of the Public Finance and Audit Act 1983, we state that:

1. The financial reports represent a true and fair view of the consolidated financial position of the University and its controlled entities at 31 December 2019 and the result of their operations and transactions of the economic entity for the year then ended;
2. The financial reports have been prepared in accordance with the provisions of the New South Wales Public Finance and Audit Act 1983, the Public Finance and Audit Regulation 2015 and the "Financial Statement Guidelines for Australian Higher Education Providers for the 2019 Reporting Period" issued by the Australian Government Department of Education and Training;
3. The financial reports have been prepared in accordance with Australian Accounting Standards, including the Australian Accounting Interpretations, and other authoritative pronouncements of the Australian Accounting Standards Board;
4. We are not aware of any circumstances which would render any particulars included in the financial reports to be misleading or inaccurate;
5. There are reasonable grounds to believe that the University will be able to pay its debts as and when they fall due;
6. The amount of Australian Government financial assistance expended during the reporting period was for the purpose for which it was intended and the University has complied with applicable legislation, contracts, agreements and program guidelines in making expenditure; and
7. 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.



Mr James Harris
Chancellor



Professor Brigid Heywood
Vice-Chancellor & CEO

Being Councillors of the University authorised in accordance with a resolution of Council pursuant to 41C(1C) of the Public Finance and Audit Act 1983, as amended.

University of New England
Armidale, NSW
6 April 2020

Income Statement

for the year ended 31 December 2019

		Consolidated		Parent entity	
	Note	2019	2018	2019	2018
		\$'000	\$'000	\$'000	\$'000
Revenue and income from continuing operations					
Australian Government financial assistance					
Australian Government grants	3.1	160,304	158,375	160,304	158,375
HELP - Australian Government payments	3.1	88,527	80,344	88,527	80,344
State and local government financial assistance	3.2	9,716	3,276	8,914	2,668
HECS-HELP - Student payments		8,223	8,366	8,223	8,366
Fees and charges	3.3	51,633	45,981	48,122	43,234
Royalties, trademarks and licences	3.4	301	211	305	215
Consultancy and contracts	3.5	1,383	1,536	207	355
Other revenue	3.6	34,623	31,207	19,938	16,105
Other income	3.6	252	490	2,970	2,610
Gains on disposal of assets		27	-	27	-
Investment income (net gains/losses)	4	6,958	6,678	3,672	6,865
Total revenue and income from continuing operations		361,947	336,464	341,209	319,137
Expenses from continuing operations					
Employee related expenses	5	214,966	206,463	201,171	193,409
Depreciation and amortisation	6	25,305	25,176	24,386	24,446
Repairs and maintenance	7	8,293	6,903	9,867	8,622
Borrowing costs	8	543	1,040	510	1,026
Impairment of assets	9	324	(259)	220	(311)
Losses on disposal of assets		-	8,765	-	8,764
Deferred superannuation expense	5,34	190	216	190	216
Other expenses	10	116,148	111,454	109,710	105,402
Total expenses from continuing operations		365,769	359,758	346,054	341,574
Net result before income tax from continuing operations		(3,823)	(23,294)	(4,845)	(22,437)
Income tax expense		-	-	-	-
Net result attributable to members from continuing operations	23(b)	(3,823)	(23,294)	(4,845)	(22,437)

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

Statement of Comprehensive Income

for the year ended 31 December 2019

	Note	Consolidated		Parent entity	
		2019	2018	2019	2018
		\$'000	\$'000	\$'000	\$'000
Net result after income tax for the period		(3,823)	(23,294)	(4,845)	(22,437)
Items that will be reclassified to profit or loss					
Reclassification adjustments (i.e. recycling from OCI to P&L)		-	3	-	-
Total		-	3	-	-
Items that will not be reclassified to profit or loss					
Gain/(loss) on revaluation of land, buildings and infrastructure, net of tax		9,855	6,672	9,855	6,488
Gain/(loss) on equity instruments designated at fair value through other comprehensive income, net of tax		16,832	6,812	16,832	6,812
Net actuarial losses/(gains) recognised in respect of defined benefit plans		(256)	800	(256)	800
Other		-	-	-	-
Total		26,431	14,283	26,430	14,099
Total other comprehensive income		26,431	14,286	26,430	14,099
Total comprehensive income attributable to members of the University of New England		22,608	(9,008)	21,585	(8,338)

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

Statement of Financial Position

as at 31 December 2019

	Note	Consolidated		Parent entity	
		2019	2018	2019	2018
		\$'000	\$'000	\$'000	\$'000
Assets					
Current assets					
Cash and cash equivalents	11	43,678	88,962	36,049	82,000
Receivables	12	29,066	30,349	26,834	27,559
Contract assets	3.7/12	2,849	-	2,849	-
Inventories	13	1,287	1,353	206	230
Other financial assets	14	58,851	49,000	58,851	49,000
Other non-financial assets	15	16,631	13,312	16,905	13,160
Biological assets	16	320	876	320	876
Total current assets		152,682	183,852	142,014	172,825
Non-current assets					
Receivables	12	313,438	297,908	313,438	297,908
Other financial assets	14	70,646	48,571	41,810	23,942
Property, plant and equipment	17	336,440	313,866	331,861	309,673
Intangible assets	18	4,736	1,882	3,897	939
Total non-current assets		725,260	662,227	691,006	632,462
Total assets		877,942	846,079	833,020	805,287
Liabilities					
Current liabilities					
Trade and other payables	19	7,911	4,445	4,750	2,198
Borrowings	20	1,033	20,032	868	20,000
Provisions	21	53,757	51,762	52,138	50,168
Other liabilities	22	41,493	24,908	39,053	23,206
Total current liabilities		104,194	101,147	96,809	95,572
Non-current liabilities					
Borrowings	20	4,336	38	3,856	-
Provisions	21	326,332	310,357	326,096	310,163
Other liabilities	22	21,138	592	635	592
Total non-current liabilities		351,806	310,987	330,587	310,755
Total liabilities		456,000	412,134	427,396	406,327
Net assets		421,942	433,946	405,624	398,962
Equity					
Reserves	23 (a)	135,758	109,073	134,147	107,462
Retained earnings	23 (b)	286,184	324,874	271,477	291,500
Parent entity interest		421,942	433,947	405,624	398,962
Total equity		421,942	433,947	405,624	398,962

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

Statement of Changes in Equity

for the year ended 31 December 2019

	Consolidated			Parent Entity		
	Reserves	Retained earnings	Total	Reserves	Retained earnings	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 January 2018	101,870	341,086	442,956	99,979	307,319	407,298
Retrospective changes	-	-	-	-	-	-
Balance as restated	101,870	341,086	442,956	99,979	307,319	407,298
Net result	-	(23,294)	(23,294)	-	(22,437)	(22,437)
Gain/(loss) on revaluation of land, buildings and infrastructure, net of tax	6,672	-	6,672	6,488	-	6,488
Gain/(loss) on financial assets at fair value through OCI	6,812	-	6,812	6,812	-	6,812
Remeasurements of Defined Benefit Plans	-	800	800	-	800	800
Transfers from revaluation reserves to retained surplus for asset sales	(5,813)	5,816	3	(5,816)	5,816	-
Total comprehensive income	7,671	(16,678)	(9,007)	7,484	(15,821)	(8,337)
Balance at 31 December 2018	109,541	324,408	433,949	107,463	291,498	398,961
Balance at 1 January 2019	109,541	324,408	433,949	107,463	291,498	398,961
Retrospective changes	(468)	(34,145)	(34,613)	(1)	(14,920)	(14,921)
Balance as restated	109,073	290,263	399,336	107,462	276,578	384,040
Net result	-	(3,823)	(3,823)	-	(4,845)	(4,845)
Gain/(loss) on revaluation of land, buildings and infrastructure, net of tax	9,853	-	9,853	9,853	-	9,853
Gain/(loss) on financial assets at fair value through OCI	16,832	-	16,832	16,832	-	16,832
Remeasurements of Defined Benefit Plans	-	(256)	(256)	-	(256)	(256)
Others	-	-	-	-	-	-
Total comprehensive income	26,685	(4,079)	22,606	26,685	(5,101)	21,584
Balance at 31 December 2019	135,758	286,184	421,942	134,147	271,477	405,624

Statement of Cash Flows

for the year ended 31 December 2019

	Note	Consolidated		Parent entity	
		2019	2018	2019	2018
		\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities					
Australian Government grants		247,098	240,055	247,098	240,055
OS-HELP (net)		(127)	(574)	(127)	(574)
Superannuation supplementation		17,039	17,384	17,039	17,384
State Government Grants		7,122	2,343	7,122	2,343
HECS-HELP - Student payments		9,637	8,891	8,835	8,891
Receipts from student fees and other customers		102,333	83,013	80,343	60,413
Dividends received		3,099	3,120	2,841	2,977
Interest received		3,769	3,916	3,470	3,640
Payments to suppliers and employees (inclusive of GST)		(373,533)	(348,557)	(355,048)	(328,705)
Interest and other costs of finance		(339)	(1,026)	(319)	(1,026)
GST recovered		6,864	6,785	8,095	7,255
Short-term lease payments		(94)	-	(94)	-
Variable lease payments not included in the measurement of the lease liability		(153)	-	(153)	-
Net cash provided by / (used in) operating activities	31	22,715	15,350	19,102	12,653
Cash flows from investing activities					
Proceeds from sale of property, plant and equipment		69	433	49	433
Payments for property, plant and equipment		(34,357)	(30,089)	(33,828)	(29,834)
Proceeds from sale of financial assets		50,150	78,386	49,000	73,000
Payments for financial assets		(62,388)	(56,321)	(58,938)	(49,000)
Repayment of loans by related parties		-	-	-	-
Other investing outflows		-	(313)	-	-
Net cash provided by / (used in) investing activities		(46,526)	(7,904)	(43,717)	(5,401)
Cash flows from financing activities					
Repayment of borrowings		(20,000)	(7)	(20,000)	-
Repayment of lease liabilities		(1,473)	-	(1,336)	-
Net cash provided by / (used in) financing activities		(21,473)	(7)	(21,336)	-
Net increase / (decrease) in cash and cash equivalents		(45,284)	7,439	(45,951)	7,252
Cash and cash equivalents at the beginning of the financial year		88,962	81,523	82,000	74,748
Cash and cash equivalents at the end of the financial year		43,678	88,962	36,049	82,000

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

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Notes to and forming part of the Financial Statements

Note 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 statements for the University as the parent entity and the consolidated entity consisting of the University and its subsidiaries.

The principal address of the University is: University of New England, Armidale NSW 2351, Australia.

(a) Basis of preparation

As per AASB 1054 *Australian Additional Disclosures*, the annual financial statements represent the audited general purpose financial statements of the University and its subsidiaries. They have been prepared on an accrual basis and comply with Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board.

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

- Higher Education Support Act 2003 (Financial Statement Guidelines), and
- Public Finance and Audit Act 1983 and the Public Finance and Audit Regulation 2015.

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

Date of authorisation for issue

The financial statements were authorised for issue by the members of the University Council on 6 April 2020.

Historical cost convention

These financial statements have been prepared under the historical cost convention, except for debt and equity financial assets (including derivative financial instruments) that have been measured at fair value either through other comprehensive income or profit or loss, certain classes of property, plant and equipment and investment properties.

Critical accounting estimates

The preparation of financial statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the University's accounting policies. The estimates and underlying assumptions are reviewed on an ongoing basis. There were no areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements.

(b) Basis of consolidation

(i) Subsidiaries

The consolidated financial statements represent the financial statement of the parent entity, being the University of New England, and the assets and liabilities of all entities it controlled in accordance with AASB 10 *Consolidated Financial Statements* as at 31 December 2019 or during the financial year, and the results of all subsidiaries for the year then ended. The University and its subsidiaries together are referred to in the financial statements as the Group or the consolidated entity.

Subsidiaries are all those entities (including special purpose 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.

(c) Foreign currency translation

(i) Functional and presentation currency

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

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement. Foreign currency differences on qualifying cash flow hedges and qualifying net investment hedges in a foreign operation are accounted for by recognising the portion of the gain or loss determined to be an effective hedge in other comprehensive income and the ineffective portion in profit or loss.

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

(d) Income tax

The University of New England and its controlled entities do not provide for Australian income tax as the University of New England is exempt under the provisions of Division 50 of the Income Tax Assessment Act 1997.

Note 1. Summary of significant accounting policies (continued)

(e) Rounding of amounts

Amounts in the financial statements have been rounded off in accordance with Class Order 98/100 issued by the Australian Securities and Investment Commission (ASIC), relating to the rounding off of amounts in the financial statements. Amounts have been rounded off to the nearest thousand dollars.

(f) Website costs

Costs in relation to websites controlled by the University and its controlled entities arising from development are recognised as an intangible asset if, and only if, in addition to complying with the general requirements described in AASB 1383.21 for recognition and initial measurement, the University or controlled entity can satisfy the requirements in ASB138.57. When these criteria cannot be satisfied, all expenditure on developing such a website are recognised as an expense when incurred.

(g) Goods and Services Tax (GST)

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

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

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

(h) Comparative amounts

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

(i) New accounting standards and interpretations not yet adopted

The following standards have been issued but are not mandatory for the 31 December 2019 reporting period. The University 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	Application date	Implications
AASB 1059	1 Jan 2020	No material impact

In addition, at the date of authorisation of the financial statements, the following IASB Standards and IFRIC Interpretations were on issue but not yet effective, but for which Australian equivalent Standards and Interpretations have not yet been issued:

Amendments to the References to the Conceptual Framework in IFRS Standards – 1 January 2020.

(j) Initial application of AAS

The Group has adopted AASB 16 in accordance with the transitional provisions applicable to the standard. The Group has adopted AASB 15 and AASB 1058 using the modified retrospective method of transition with the date of initial application of 1 January 2019 for all non-research related income. For research income, the Group has deferred application to 1 January 2020 in accordance with AASB 2019-6 *Amendments to Australian Accounting Standards: Research Grants and Not-for-Profit Entities*.

The nature and effect of the changes as a result of adoption of these new accounting standards are described below.

The following interpretations and amending standards have also been adopted:

AASB 2018-2	Amendments to Australian Accounting Standards – Plan Amendment, Curtailment or Settlement. Adopted from 1 January 2019 with no impact to the financial statements.
AASB 2016-8	Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities. Adopted from 1 January 2019 with no impact to the financial statements.
AASB 2017-1	Amendments to Australian Accounting Standards – Transfers of Investment Property. Adopted from 1 January 2019 with no impact to the financial statements.
Interpretation 23	Uncertainty over Income Tax Treatments. Adopted from 1 January 2019 with no impact to the financial statements.
AASB 2017-7	Amendments to Australian Accounting Standards – Long-term Interests in Associates and Joint Ventures. Adopted from 1 January 2019 with no impact to the financial statements.
AASB 2018-1	Amendments to Australian Accounting Standards – Annual Improvements 2015-2017 Cycle. Adopted from 1 January 2019 with no impact to the financial statements.
AASB 2018-4	Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Public Sector Licensors. Adopted from 1 January 2019 with no impact to the financial statements.
AASB 2018-8	Amendments to Australian Accounting Standards – Right-of-Use Assets of Not-for-Profit Entities. Adopted from 1 January 2019 with the reduced disclosure requirements as applicable to Tier 2 entities.

Note 1. Summary of significant accounting policies (continued)

(j) Initial application of AAS (continued)

AASB 15 and AASB 1058

In accordance with the provisions of this transition approach, the group recognised the cumulative effect of applying these new standards as an adjustment to opening retained earnings at the date of initial application, i.e., 1 January 2019. In accordance with this transition approach, the comparative information presented has not been restated and continues to be reported under the previous standards on revenue and income. In addition, the Group has applied the practical expedient and elected to apply these standards retrospectively only to contracts and transactions that were not completed contracts at the date of initial application, i.e. as at 1 January 2019.

The new accounting policies for revenue and other income for not-for-profit in accordance with AASB 15 and AASB 1058 respectively are provide in note 3.

As the Group is applying the modified retrospective approach, the group did apply the practical expedient described in AASB 16.C5 (c), for contracts that were modified before the beginning of the earliest period presented.

The group did not retrospectively restate the contract for those modifications in accordance with AASB 15.20-21. Instead, the group reflected the aggregate effect of all of the modifications that occur before the beginning of the earliest period presented when:

- Identifying the satisfied and unsatisfied performance obligations
- Determining the transaction price
- Allocating the transaction price to the satisfied and unsatisfied performance obligation

The new accounting policies for revenue and other income for not-for-profit in accordance with AASB 15 and AASB 1058 respectively are provided in the note 3.7, below.

Overview of AASB 15 and AASB 1058

Under the new income recognition model applicable to not-for-profit entities, the Group shall first determine whether an enforceable agreement exists and whether the promises to transfer goods or services to the customer are 'sufficiently specific'.

If an enforceable agreement exists and the promises are 'sufficiently specific' (to a transaction or part of a transaction), the Group applies the general AASB 15 principles to determine the appropriate revenue recognition. If these criteria are not met, the Group shall consider whether AASB 1058 applies.

In accordance with AASB 2019-6 *Amendments to Australian Accounting Standards: Research Grants and Not-for-Profit Entities* the Group has elected to defer adoption of AASB 15 and AASB 1058 as it relates to research income until 1 January 2020. In relation to the adoption of AASB 15 and AASB 1058 in relation to non-research income the Group has adopted an over-time approach to calculating the timings of recognition and satisfaction of performance obligations.

AASB 16

The Group has adopted AASB 16 using the modified retrospective method of transition, with the date of initial application of 1 January 2019. Under the modified approach, the Group has chosen, on a lease-by-lease basis, to measure the related right-of-use asset at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position immediately before the date of initial application.

In accordance with the provisions of this transition approach, the Group recognised the cumulative effect of applying this new standard as an adjustment to opening retained earnings at the date of initial application i.e. 1 January 2019. Consequently, the comparative information presented has not been restated and continues to be reported under the previous standards on leases – AASB 117 and AASB Interpretation 4 *Determining whether an arrangement contains a lease* (Interpretation 4). The new accounting policies for leases in accordance with AASB 16 are provided in the note 20.

The nature and effect of the changes as a result of adoption of AASB 16 are as described below:

Definition of lease

Previously, the Group determined at contract inception whether an arrangement is or contains a lease under Interpretation 4. Under AASB 16, the Group will continue to assess at contract inception whether a contract is, or contains, a lease but now uses the new definition of a lease.

On transition to AASB 16, the Group elected to apply the practical expedient to grandfather the assessment of which transactions are or contain leases. This means that for arrangements entered into before 1 January 2019, the Group has not reassessed whether they are, or contain, a lease in accordance with the new AASB 16 lease definition. Consequently, contracts existing prior to 1 January 2019 which were assessed per the previous accounting policy described below in accordance with AASB 117 and Interpretation 4 as a lease will be treated as a lease under AASB 16. Whereas, contracts previously not identified as a lease, will not be reassessed to determine whether they would meet the new definition of a lease in accordance with AASB 16. Therefore, the Group applied the recognition and measurement requirements of AASB 16 only to contracts that were previously identified as leases, and does not apply AASB 16 to contracts that were previously not identified as leases. The new definition of lease under AASB 16 will only be applied to contracts entered into or modified on or after 1 January 2019.

The Group as a lessee

The Group previously classified leases as operating or finance leases based on its assessment of whether the lease transferred substantially all of the risks and rewards incidental to ownership of the underlying asset to the Group. Under AASB 16, this classification no longer exists for the Group as a lessee. Instead, practically all leases are now recognised on the statement of financial position as right-of-use assets with corresponding lease liabilities comprising all amounts which are considered to be lease payments (see note 20.1 for the new leases policy which explains what amounts are included in lease payments).

Note 1. Summary of significant accounting policies (continued)**j) Initial application of AAS (continued)****Leases previously classified as operating leases under AASB 117**

On transition to AASB 16, the Group recognised lease liabilities for leases previously classified as operating leases by discounting the remaining lease payments using the incremental borrowing rate as at the date of initial application, i.e. 1 January 2019. The right-of-use assets were recognised on a lease-by-lease basis at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position immediately before the date of initial application.

The Group has applied the following practical expedients in transitioning existing operating leases:

- (a) Applied the exemption not to recognise right-of-use assets and lease liabilities where the remaining leases term is 12 months or less from the date of initial application
- (b) Used hindsight in determining the lease term where the contract contains options to extend or terminate the lease
- (c) Excluded initial direct costs from the measurement of right-of-use asset at the date of initial application.

Leases previously classified as finance leases under AASB 117

On the date of initial application, right-of-use assets and lease liabilities continued to be recognised for leases previously classified as finance leases at the same carrying amounts of the leased assets and finance lease liabilities recognised in accordance with AASB 117 immediately before the date of initial application.

Reconciliation of operating lease commitments under AASB 117 and lease liabilities under AASB 16

As a lessee, the incremental borrowing rate applied to lease liabilities recognised in the statement of financial position on the date of initial application was 3.25%.

The difference between the operating lease commitments disclosed previously by applying AASB 117 and the value of the lease liabilities recognised under AASB 16 on 1 January 2019 is explained as follows:

	Consolidated 1 January 2019 \$'000	Parent entity 1 January 2019 \$'000
Operating lease commitments disclosed as at 31 December 2018	4,390	4,059
Less: Short-term leases recognised on a straight line basis as an expense	(4,320)	(4,059)
Less: Low-value leases recognised on a straight line basis as an expense	(70)	-
Add: Finance Lease liabilities recognised based on initial adoption of AASB16	6,570	5,869
Lease liability recognised as at 1 January 2019	6,570	5,869

The Group as a lessor

The Group is not required to make any adjustments on transition to AASB 16 where it is a lessor.

Note 2. Disaggregated information**Geographical [Consolidated Entity]**

	Revenue and income from transactions*		Results		Assets	
	2019	2018	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Australia	360,711	334,983	(3,785)	(23,089)	877,942	846,352
US/Canada	500	839	(16)	(122)	-	-
Unallocated	735	630	(23)	(92)	-	-
Total	361,946	336,452	(3,824)	(23,303)	877,942	846,352

*It includes Revenue from Contracts with Customers in scope of AASB 15 and Income of not-for-profit Entities in scope of AASB 1058.

Note 3. Revenue and Income

The notes 3.1 to 3.6 disclose the revenue and income received during the period according to the mandatory disclosures required by the department. The disclosures as per AASB 15 and AASB 1058 are included in the note 3.7 and a reconciliation is included in note 3.8.

Note 3.1 Australian Government financial assistance including Australian Government loan programs (HELP)

Note	Consolidated		Parent entity	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
(a) Commonwealth Grant Scheme and Other Grants	35a			
Commonwealth Grant Scheme ^{#1}	115,817	112,106	115,817	112,106
Promotion of Excellence in Learning and Teaching	-	-	-	-
Higher Education Participation and Partnership Program	3,771	3,786	3,771	3,786
Disability Performance Funding ^{#2}	155	162	155	162
Indigenous Student Success Program ^{#3}	2,425	2,161	2,425	2,161
Total Commonwealth Grant Scheme and Other Grants	122,168	118,215	122,168	118,215
(b) Higher Education Loan Programs	35b			
HECS-HELP	79,187	74,095	79,187	74,095
FEE-HELP ^{#4}	7,021	5,983	7,021	5,983
SA-HELP	2,319	267	2,319	267
Total Higher Education Loan Programs	88,527	80,344	88,527	80,344
(c) EDUCATION Research	35c			
Research Training Program	9,094	9,074	9,094	9,074
Research Support Program	7,365	7,287	7,365	7,287
Total EDUCATION Research Grants	16,459	16,361	16,459	16,361
(d) Australian Research Council	35e			
Discovery	1,306	1,099	1,306	1,099
Linkages	81	25	81	25
Total ARC	1,387	1,124	1,387	1,124
(e) Other Australian Government financial assistance	35f			
Non-capital				
Co-operative Research Centres	1,724	3,081	1,724	3,081
Other Research Financial Assistance	15,353	16,913	15,353	16,913
Non-Research Financial Assistance	3,213	2,681	3,213	2,681
Total other Australian Government financial assistance	20,290	22,675	20,290	22,675
Total Australian Government financial assistance	248,831	238,719	248,831	238,719

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

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

#3 Indigenous Student Success Program replaced the Indigenous Commonwealth Scholarships Program and the Indigenous Support Program as of 1 January 2017.

#4 ARC Linkage Infrastructure, Equipment and Facilities grants should be reported in (e) Other Capital Funding

Accounting Policy

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

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Group and specific criteria have been met for each of the Group's activities as described below. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement. This applies to revenue items recognised in notes 3 through to 4.

Note 3.1 Australian Government financial assistance including Australian Government loan programs (HELP) (continued)Accounting Policy (continued)

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

Revenue from HELP is categorised into those received from the Australian Government and those received directly from students. Revenue is recognised and measured in accordance with the above disclosure.

Note 3.2. State and Local Government financial assistance

Note	Consolidated		Parent entity	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Non-capital				
Research grants	7,122	2,343	7,122	2,343
Non research grants	2,594	933	1,792	325
Total State and Local Government financial assistance	9,716	3,276	8,914	2,668

Note 3.3 Fees and charges

Note	Consolidated		Parent entity	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Course fees and charges				
Fee-paying onshore overseas students	27,923	24,423	27,923	24,423
Fee-paying domestic postgraduate students	4,127	2,167	4,127	2,167
Fee-paying domestic undergraduate students	256	270	256	270
Fee-paying domestic non-award students	345	386	345	386
Other domestic course fees and charges	5,317	3,676	2,203	1,299
Total course fees and charges	37,968	30,922	34,854	28,545
Other non-course fees and charges				
Student services and amenities fees from students	612	525	612	525
Parking fees	437	417	437	418
Conference income	374	96	376	96
College residential rental	11,326	12,495	11,326	12,495
Other non course fees and charges	916	1,526	517	1,155
Total other fees and charges	13,665	15,059	13,268	14,689
Total fees and charges	51,633	45,981	48,122	43,234

Accounting Policy

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 recognised over time in proportion to teaching days for each reporting period. Conversely, fees and charges relating to debtors are recognised as revenue in the year to which the prescribed course relates or is taught.

Note 3.4 Royalties, trademarks and licences

Note	Consolidated		Parent entity	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Royalties, trademarks and licences	301	211	305	215
Total royalties, trademarks and licences	301	211	305	215

Accounting Policy

Revenue from royalties, trademarks and licences are recognised on an accrual basis in accordance with AASB 15 and AASB 1058.

Note 3.5 Consultancy and contract fees

	Note	Consolidated		Parent entity	
		2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Consultancy		1,368	1,507	192	326
Contract research		15	28	15	28
Total consultancy and contracts		1,383	1,536	207	355

Accounting Policy

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

Other income represents miscellaneous income and other grant income not derived from core business and is recognised when it is earned.

Note 3.6 Other revenue and income

	Note	Consolidated		Parent entity	
		2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Other revenue					
Donations and bequests		1,149	1,694	111	101
Non-government grants		8,906	6,643	8,906	6,650
Sundry trading income		24,558	22,753	10,911	9,237
Foreign exchange gains		10	117	10	117
Total other revenue		34,623	31,207	19,938	16,105
Other income					
Other income		251	490	2,970	2,610
Total other income		251	490	2,970	2,610
Total other revenue and income		34,874	31,697	22,908	18,715

Accounting Policy

Other income represents miscellaneous income and other grant income not derived from core business and is recognised in accordance with AASB 15 and AASB 1058.

Note 3.7 Revenue and Income from continuing operations

Sources of funding: the University receives funds from Australian Government as well as State and Local Government to assist with education programs across a wide range of disciplines, and at different education qualification levels. Apart from the sources received from Government, the University and its controlled entities also receives funds and fees from private organisations or individuals that are used for the different programs led by the University or correspond to the education services provided by the University and its controlled entities.

Revenue and income streams: the streams are distinguishing the different activities performed by the Group as well as acknowledge the different type of users of the programs and services provided:

- Education: The University has domestic and overseas students enrolled in a variety of programs for different qualification levels (from certificates to doctoral degrees). Whilst, the number of domestic students is affected by national economic factors as interest rates or unemployment, the overseas students are impacted by the changes in the immigration policies.
- Research: The University performs research activities in different fields such as health, engineering, education, or science. The University enters into many different types of research agreements with different counterparties, such as with private sector customers and Government agencies that award research grants. Each grant agreement needs to be assessed as to whether it is an enforceable arrangement and contains sufficiently specific promises to transfer outputs from the research to the customer (or at the direction of the customer). Judgement is required in making this assessment. The University has concluded that some research agreements represent a contract with a customer whereas other research grants are recognised as income when the University obtains control of the research funds
- Non-course fees and charges: these correspond to the complementary services provided by the University such as parking and veterinary services.

Note 3.7 Revenue and Income from continuing operations (continued)

a) Disaggregation

The Group derives revenue and income from:

	Consolidated Sources of Funding						2019		
	Higher Education Loan Program ("HELP") \$'000	Student fees \$'000	Australian Government financial assistance \$'000	State and Local Government financial assistance \$'000	Commercial arrangements \$'000	Donations, including corporate sponsorship \$'000	Others \$'000	Total Revenue from contracts with customers \$'000	Total Income of not-for-profit entities \$'000
Revenue and Income Streams									
Course fees and charges									
Domestic students undergraduate and postgraduate	94,430	4,728	122,168	802	3,511	-	-	225,639	-
Onshore overseas students undergraduate	-	22,193	-	-	-	-	-	22,193	-
Offshore overseas students undergraduate	-	-	-	-	-	-	-	-	-
Onshore overseas students postgraduate	-	5,731	-	-	-	-	-	5,731	-
Offshore overseas students postgraduate	-	-	-	-	-	-	-	-	-
Continuing education and executive programs	-	2,203	-	-	-	-	-	2,203	-
Total course fees and charges	94,430	34,855	122,168	802	3,511	-	-	255,766	-
Non-course fees and charges									
Parking fees	-	-	-	-	-	-	437	437	-
Use of facilities charges	-	10,380	612	-	-	-	376	11,368	-
Testing services	-	-	-	-	7,477	-	-	7,477	-
Commercial sales (e.g. sale of books and publications)	-	947	-	-	-	-	-	947	-
Other	-	209	-	-	-	-	546	755	-
Total non-course fees and charges	-	11,536	612	-	7,477	-	1,359	20,984	-
Royalties	-	-	-	-	301	-	-	301	-
Other									
Other [AASB15]	2,319	-	-	40	6,306	-	12,474	21,139	-
Other [AASB1058]	-	-	-	-	-	2,482	-	-	2,482
Total other	2,319	-	-	40	6,306	2,482	12,474	21,139	2,482
Total revenue from contracts with customers	96,749	46,391	122,780	842	17,595	-	13,833	298,190	-
Total income of not-for-profit	-	-	-	-	-	2,482	-	-	2,482

Note 3.7 Revenue and Income from continuing operations (continued)

a) Disaggregation (continued)

	Parent entity					2019			
	Sources of Funding					Total	Total Income		
	Higher Education Loan Program ("HELP") \$'000	Student fees \$'000	Australian Government financial assistance \$'000	State and Local Government financial assistance \$'000	Commercial arrangements \$'000	Donations, including corporate sponsorship \$'000	Others \$'000	Revenue from contracts with customers \$'000	of not-for-profit entities \$'000
Revenue and Income Streams									
Course fees and charges									
Domestic students undergraduate and postgraduate	94,430	4,728	122,168	-	-	-	-	221,326	-
Onshore overseas students undergraduate	-	22,193	-	-	-	-	-	22,193	-
Onshore overseas students postgraduate	-	5,731	-	-	-	-	-	5,731	-
Continuing education and executive programs	-	2,203	-	-	-	-	-	2,203	-
Total course fees and charges	94,430	34,855	122,168	-	-	-	-	251,453	-
Non-course fees and charges									
Parking fees	-	-	-	-	-	-	437	437	-
Use of facilities charges	-	10,380	612	-	-	-	376	11,368	-
Testing services	-	-	-	-	-	-	-	-	-
Commercial sales (e.g. sale of books and publications)	-	947	-	-	-	-	-	947	-
Other	-	209	-	-	-	-	546	755	-
Total non-course fees and charges	-	11,536	612	-	-	-	1,359	13,507	-
Royalties	-	-	-	-	305	-	-	305	-
Other									
Other [AASB15]	2,319	-	-	40	642	-	12,474	15,475	-
Other [AASB1058]	-	-	-	-	-	2,482	-	-	2,482
Total other	2,319	-	-	40	642	2,482	12,474	15,475	2,482
Total revenue from contracts with customers	96,749	46,391	122,780	40	947	-	13,833	280,740	-
Total income of not-for-profit	-	-	-	-	-	2,482	-	-	2,482

Note 3.7 Revenue and Income from continuing operations (continued)

Revenue from contracts with customers

b) Accounting policies and significant accounting judgements and estimates

Course fees and charges

The course fees and charges revenue relates to undergraduate programs, graduate and professional degree programs and continuing education and executive programs. Course fees are charged to students by academic term. Income is recognised over the period in which students are studying.

When the courses or trainings have been paid in advanced by students or the Group has received the government funding in advance (e.g. before starting the academic period) the Group recognises a contract liability until the services are delivered.

The Group does not have obligations to return or refund obligations or other similar obligations. This is mainly applicable if the student withdraws after the census date for that course.

There is no significant financing component, as the period from when the student pays and the service is provided is less than 12 months and the consideration is not variable.

Research

The Group deferred the application of AASB 15 and AASB 1058 for research income to 1 January 2020 in accordance with AASB 2019-6 *Amendments to Australian Accounting Standards: Research Grants and Not-for-Profit Entities*.

Non-course fees and charges

Non-course fees and charges revenue relates to student services and amenities fees, parking fees, publications and testing services.

Revenue is recognised at a point in time when the service has been performed.

Other

Other revenue that is within the scope of AASB 15 mainly relates to non-government grants and business income.

Revenue is recognised at a point in time when the service has been performed.

Royalties, trademarks and licences

Revenue from royalties, trademarks and licences are recognised on in accordance with the relevant agreement.

c) Unsatisfied performance obligations

The Group recognises revenue over time in proportion to the satisfaction of performance obligations. In relation to non-research revenue the Group allocates trimester three revenue across financial year accordingly.

d) Assets and liabilities related to contracts with customers

The Group has recognised the following assets related to contracts with customers:

AASB101.60, AASB15.116a	Note	Consolidated 2019		Parent Entity 2019	
		Closing Balance \$'000	Opening Balance \$'000	Closing Balance \$'000	Opening Balance \$'000
Contract Assets		2,849	0	2,849	0
Contract assets - current		2,849	0	2,849	0
Contract assets - non-current		0	0	0	0
Other contract liabilities		17,165	16,865	17,165	16,865
Contract liabilities - current		17,165	16,865	17,165	16,865
Contract liabilities - non-current		0	0	0	0

Note 3.7 Revenue and Income from continuing operations (continued)

Revenue from contracts with customers (continued)

d) Assets and liabilities related to contracts with customers (continued)

Contract assets

The contract assets are associated with Government funding for HELP Loan Programs for performance obligations satisfied in 2019 for which payments have not been received.

Impairment associated with the contract assets is disclosed in note 12. Receivables and contract assets.

Accounting policy

While a receivable is the Group's right to consideration that is unconditional, a contract asset is the Group's right to consideration in exchange for goods or services that the Group has transferred to the customer when that right is conditioned on something other than the passage of time.

Contract liabilities

The Group recognised contract liabilities as at 31st December 2019, in relation to teaching revenue that had been received but which related to services to be provided in the second part of the 2019 third trimester which would fall within the 2020 financial year.

Accounting policy

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

e) Right of return assets and refund liabilities

There were no right of return assets or refund liabilities as at 31 December 2019.

f) Costs to obtain a contract

The Group did not incur any costs to obtain contracts during 2019.

Income of not-for-profit

h) Accounting policies and significant accounting judgements and estimates

The Group recognises donations as income under AASB 1058. This revenue is recognised when the donation is received, unless said donations are tied funding in which case they are recognised as financial liabilities in the financial statements.

i) Transfers to acquire or construct a non-financial asset

During the reporting period, there were no liabilities which arose from cash received as result of acquiring or constructing non-financial assets.

j) Unsatisfied obligations

The Group had no unsatisfied obligations during 2019.

Note 3.8 Reconciliation of revenue and income

The following table reconciles the amounts disclosed in notes 3.1 to 3.6 which contain the mandatory disclosures required by the department and the disclosures provided in note 3.7 as per AASB 15 and AASB 1058:

		Consolidated 2019 \$'000	Parent Entity 2019 \$'000
Total Australian Government financial assistance including Australian Government Loan Programs (HELP)	3.1	248,831	248,831
Total state and local government financial assistance	3.2	9,716	8,914
Total HECS HELP Student Payments	3.2	8,223	8,223
Total fees and charges	3.3	51,633	48,122
Total royalties, trademarks and licences	3.4	301	305
Total consultancy and contracts	3.5	1,383	207
Total other revenue and income	3.6	34,874	22,908
		354,961	337,510
Less research income deferred		(54,289)	(54,288)
Total		300,672	283,222
Total revenue from contracts with customers as per AASB 15	3.7	298,190	280,740
Total income of not-for-profit as per AASB 1058	3.7	2,482	2,482
Total revenue and income from continuing operations		300,672	283,222

Note 4. Investment income (net gains/losses)

	Note	Consolidated		Parent entity	
		2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Interest					
Bank deposits		2,743	4,142	2,413	3,817
Loans and receivables		318	71	318	71
Total interest		3,061	4,213	2,731	3,888
Dividends					
Equity instruments designated at fair value through OCI		1,745	3,965	941	2,977
Total dividends		1,745	3,965	941	2,977
Net fair value gains (losses):					
Financial assets designated at fair value through profit or loss		2,152	(1,500)	-	-
Total net fair value gains (losses)		2,152	(1,500)	-	-
Investment income (gains/losses)		6,958	6,678	3,672	6,865

Accounting Policy

Interest

For all financial instruments measured at amortised cost and debt instruments measured at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). The EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in net investment income in the income statement.

Dividends

Revenue is recognised when (a) the Group's right to receive the payment is established, which is generally when shareholders approve the dividend, (b) it is probable that the economic benefits associated with the dividend will flow to the entity; and (c) the amount of the dividend can be measured reliably.

Note 5. Employee related expenses

	Note	Consolidated		Parent entity	
		2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Academic					
Salaries		74,340	70,298	74,340	70,298
Contributions to superannuation and pension schemes					
Contributions to funded schemes		12,398	12,373	12,398	12,373
Payroll tax		5,574	8,325	5,574	8,325
Worker's compensation		433	329	433	329
Long service leave expense		2,401	1,277	2,401	1,277
Annual leave		6,164	6,266	6,164	6,266
Other		174	178	174	178
Total academic		101,484	99,046	101,484	99,046
Non-academic					
Salaries		83,979	77,670	72,418	66,972
Contributions to superannuation and pension schemes					
Contributions to funded schemes		13,888	12,130	12,779	11,086
Contributions to unfunded schemes		-	-	-	-
Payroll tax		5,506	8,618	4,766	7,795
Worker's compensation		502	444	414	301
Long service leave expense		2,216	1,194	2,161	1,099
Annual leave		6,069	6,223	5,857	6,007
Other		1,322	1,138	1,292	1,103
Total non-academic		113,482	107,417	99,687	94,363
Total employee related expenses		214,966	206,463	201,171	193,409
Deferred superannuation expense	34	190	216	190	216
Total employee related expenses, including deferred government employee benefits for superannuation		215,156	206,679	201,361	193,625

Accounting Policy

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

Past service costs are recognised in profit or loss at the earlier of the following dates:

- when the plan amendment or curtailment occurs; and
- when the entity recognises related restructuring costs or termination benefits.

Short-term obligations

Liabilities for wages and salaries including non-monetary benefit, annual leave, and non-accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the statement of financial position.

Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits.

Payroll tax on unfunded defined superannuation funds

In 2019, an actuarial review was undertaken to assess the value of past, current and future payroll tax liability in relation to the unfunded defined benefit superannuation funds currently held by UNE (see note 21 Provisions). An additional \$0.7 million was recognised during the year for payroll tax to top up the \$5.2 million accrued from 31 December 2018. Future payroll tax liability on the unfunded defined superannuation fund has been assessed by the actuarial at \$5.9 million as at 31 December 2019.

Note 6. Depreciation and amortisation

Note	Consolidated		Parent entity	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Depreciation				
Buildings	12,925	13,007	12,829	12,926
Infrastructure	2,740	2,589	2,736	2,586
Plant and equipment	7,961	9,137	7,681	8,854
Right-of-use assets - leasing assets	1,154	-	1,031	-
Total depreciation	24,780	24,732	24,277	24,365
Amortisation				
Leasehold improvements	22	51	-	-
Intangibles	503	393	109	81
Total amortisation	525	444	109	81
Total depreciation and amortisation	25,305	25,176	24,386	24,446

Accounting Policy

Land, buildings under construction, rare books, works of art and museum assets are not subject to depreciation. Depreciation on other assets is calculated using the straight line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives, as follows:

	2019	2018
Buildings	2 – 40 years	2 – 40 years
Infrastructure	5 – 20 years	5 – 20 years
Vehicles	5 years	5 years
Furniture and fittings	7 – 20 years	7 – 20 years
Information technology equipment and software	5 – 15 years	5 – 15 years
Plant and equipment	5 – 15 years	5 – 15 years
Right-of-use assets – property	1 – 8 years	

Note 7. Repairs and maintenance

Note	Consolidated		Parent entity	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Buildings	1,978	1,762	1,978	1,762
Infrastructure	2,463	1,994	4,381	3,906
Plant, furniture and equipment	907	785	563	592
Grounds	152	233	152	233
Computer service costs	2,793	2,129	2,793	2,129
Total repairs and maintenance	8,293	6,903	9,867	8,622

Accounting Policy

Repairs and maintenance costs are recognised as expenses as incurred, except where they relate to the replacement of a component of an asset, in which case the carrying amount of those parts that are replaced is derecognised and the cost of the replacing part is capitalised if the recognition criteria are met. Other routine operating maintenance, repair and minor renewal costs are also recognised as expenses, as incurred.

During 2019 one building on campus was evacuated due to structural damage due to subsidence. The process regarding rectifying the damage and the potential insurance claim was on-going as at the 31st December, 2019.

Note 8. Borrowing costs

Note	Consolidated		Parent entity	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Interest expense on financial liabilities	329	1,040	319	1,026
Interest expense for long- term lease ROU assets	214	-	191	-
Less: amount capitalised	-	-	-	-
Total borrowing costs expensed	543	1,040	510	1,026

Accounting Policy

Borrowing costs incurred for the construction of any qualifying asset are expensed in the period in which they are incurred regardless of how the borrowings are applied.

Finance charges in respect of finance leases are included in the definition of borrowing costs.

For Interest expense on lease liabilities, please refer to note 20.1 which details the policy for lease accounting where the Group is a lessee.

Note 9. Impairment of assets

Note	Consolidated		Parent entity	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Impairment of receivables and contract assets	324	(292)	220	(311)
Impairment of other financial assets	-	33	-	-
Total impairment of assets	324	(259)	220	(311)

Accounting Policy

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows which are largely independent of the cash inflows from other assets or groups of assets (cash generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

No buildings have been impaired during 2019, however one known issue exists in relation to a building damaged due to subsidence. Refer to note 7.

For further information on accounting policies of impairment of financial assets, refer to note 12 Receivables and note 14 Other financial assets.

Note 10. Other expenses

Note	Consolidated		Parent entity	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Scholarships, grants and prizes	15,750	14,532	15,885	14,991
Non-capitalised equipment	2,784	2,703	2,645	2,687
Advertising, marketing and promotional expenses	11,330	10,960	11,141	10,723
Utilities	5,137	4,768	4,855	4,658
Consumables and materials	8,525	6,984	4,534	3,211
Telecommunications	1,146	1,549	674	1,079
Travel, entertainment and staff development	8,789	8,476	8,575	8,176
Books, serials and other library media	5,528	4,974	5,538	4,958
Printing and Stationery	1,489	1,440	1,489	1,440
Consultants and professional fees	20,409	17,320	18,964	15,350
External contributions	8,141	7,243	10,814	9,638
Catering services	2,329	2,065	2,231	2,016
Property and facilities	5,417	6,812	5,291	6,465
Asset revaluation decrement	-	924	-	924
Information technology	7,764	9,627	7,764	9,627
Miscellaneous expenses	11,610	11,076	9,310	9,458
Total other expenses	116,148	111,454	109,710	105,402

Note 11. Cash and cash equivalents

	Note	Consolidated		Parent entity	
		2019	2018	2019	2018
		\$'000	\$'000	\$'000	\$'000
Cash at bank and on hand		23,226	14,795	19,049	13,000
Short-term deposits at call		20,452	74,167	17,000	69,000
Total cash and cash equivalents		43,678	88,962	36,049	82,000

(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:

	Note	Consolidated		Parent entity	
		2019	2018	2019	2018
		\$'000	\$'000	\$'000	\$'000
Balances as above		43,678	88,962	36,049	82,000
Balance per statement of cash flows		43,678	88,962	36,049	82,000

(b) Cash at bank and on hand

Cash on hand is non-interest bearing. Cash at bank earns floating interest rates being between 0.25% and 0.85% (2018: 1.00% and 1.50%).

(c) Deposits at call

The deposits are bearing floating interest rates between 1.65% and 2.90% (2018: 2.60% and 2.90%). These deposits have an average maturity of 226 days (2018: 236 days).

Accounting Policy

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

Note 12. Receivables and contract assets

	Note	Consolidated		Parent entity	
		2019	2018	2019	2018
		\$'000	\$'000	\$'000	\$'000
Current					
Trade and other debtors		9,830	11,417	7,459	8,558
Less: allowance for expected credit losses		(1,100)	(985)	(961)	(916)
Subtotal		8,730	10,432	6,498	7,642
Deferred government benefit for superannuation		20,336	19,917	20,336	19,917
Total current receivables		29,066	30,349	26,834	27,559
Non-current					
Other receivables		50	50	50	50
Deferred government benefit for superannuation	34	313,388	297,858	313,388	297,858
Total non-current receivables		313,438	297,908	313,438	297,908
Total receivables		342,504	328,257	340,272	325,467

Trade receivables are non-interest bearing and are generally on terms of 14 to 30 days.

Note 12. Receivables and contract assets (continued)

Set out below is the movement in the allowance for expected credit losses of trade receivables and contract assets:

Note	Consolidated		Parent entity	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
As at 1 January	(985)	(1,588)	(916)	(1,509)
Provision for expected credit losses	(314)	292	(217)	311
Write-off	199	311	172	282
At 31 December	<u>(1,100)</u>	<u>(985)</u>	<u>(961)</u>	<u>(916)</u>

As at 31 December 2019, the Group has contract assets of \$2.9 million. There was no allowance for expected credit losses in relation to contract assets. Refer to note 3.7 and note 32 for further detail.

Accounting Policy

Trade receivables are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. At initial recognition trade receivables are measured at their transaction price and subsequently these are classified and measured as debt instruments at amortised cost. Trade receivables are due for settlement no more than 120 days from the date of recognition for land development and resale debtors, and no more than 30 days for other debtors.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for impairment of receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (debt remains unpaid 90 days after invoice date) are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. Cash flows relating to short-term receivable are not discounted if the effect of discounting is immaterial. The amount of the provision is recognised in the income statement.

Note 13. Inventories

Note	Consolidated		Parent entity	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Current				
Fodder and produce	206	230	206	230
Other stocks	1,081	1,123	-	-
Total current inventories	<u>1,287</u>	<u>1,353</u>	<u>206</u>	<u>230</u>

Accounting Policy

Inventories and work in progress are stated 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. Costs are assigned to individual items of inventory on the basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts. 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.

Note 14. Other financial assets

Note	Consolidated		Parent entity	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Current				
Held-to-maturity	19,000	49,000	19,000	49,000
Other financial assets at fair value through profit or loss	39,851	-	39,851	-
Total current other financial assets	<u>58,851</u>	<u>49,000</u>	<u>58,851</u>	<u>49,000</u>
Non-current				
Loans to related parties	-	-	950	1,900
Less: Provision for impairment loans to related parties	-	-	-	(1,900)
Other financial assets at fair value through other comprehensive income	40,860	23,942	40,860	23,942
Other financial assets at fair value through profit or loss	29,786	24,629	-	-
Total non-current other financial assets	<u>70,646</u>	<u>48,571</u>	<u>41,810</u>	<u>23,942</u>
Total other financial assets	<u>129,497</u>	<u>97,571</u>	<u>100,661</u>	<u>72,942</u>

Note 14. Other financial assets (continued)

Changes in fair values of other financial assets at fair value through profit or loss are recorded in other income in the income statement (note 4 – Investment income).

(a) Allowance for debt instruments other than receivables

Set out below is the movement in the allowance for debt instruments other than receivables:

Note	Consolidated		Parent entity	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
At 1 January	4,142	4,505	-	-
Write-off	429	(363)	-	-
At 31 December	4,571	4,142	-	-

The information about the credit exposures are disclosed in note 32 Financial risk management.

(b) Equity instruments elected to be at fair value through other comprehensive income

The Group classifies its investments in public listed entities as investments in equity instruments designated to be measured at fair value through other comprehensive income. The Group has no intention to redeem the investments in the immediate future and could hold on to these investments in perpetuity. The fair value of these investments is \$40.8 million. Total dividend, including available franking credits, recognised during in 2019 was \$0.9 million. No investments were derecognised during the year.

In March 2020 the University was advised that holdings in Education Australia included in the above investment value were expected to be impacted by the global financial situation unfolding in relation to the COVID-19 pandemic. At the time of signing the statements the full financial impact was not known.

Accounting Policy

Financial Assets

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Initial recognition and measurement

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

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

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

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

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- (Other) financial assets at amortised costs
- (Other) financial assets at fair value through other comprehensive income
- Investments in equity instruments designated at fair value through other comprehensive income
- (Other) financial assets at fair value through profit or loss

Financial assets at amortised cost

The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. The Group's financial assets at amortised cost includes trade receivables, and loan to related parties.

Note 14. Other financial assets (continued)

Accounting Policy (continued)

Financial assets at fair value through other comprehensive income

The Group measures debt instruments at fair value through OCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the income statement and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

The Group's debt instruments at fair value through OCI includes investments in quoted debt instruments included under other non-current financial assets.

Investments in equity instruments designated at fair value through other comprehensive income

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

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the income statement when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the income statement.

This category includes derivative instruments and listed equity investments which the Group had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are also recognised as other income in the income statement when the right of payment has been established.

Derecognition

A financial asset is primarily derecognised when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of debt instruments other than receivables

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments other than receivables and not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For debt instruments at fair value through OCI, the Group applies the low credit risk simplification. At every reporting date, the Group evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Group reassesses the internal credit rating of the debt instrument. In addition, the Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the

Note 14. Other financial assets (continued)

Accounting Policy (continued)

Impairment of debt instruments other than receivables (continued)

outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Note 15. Other non-financial assets

	Note	Consolidated		Parent entity	
		2019	2018	2019	2018
		\$'000	\$'000	\$'000	\$'000
Current					
Accrued income		2,104	6,333	2,448	6,201
Prepaid expenses		12,090	4,483	12,020	4,463
Other non-financial assets		2,437	2,496	2,437	2,496
Total current other non-financial assets		16,631	13,312	16,905	13,160

Amounts related to the recognition of right of return and costs to fulfil or obtain a contract as per AASB 15 are disclosed in note 3.7.

Accounting Policy

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

Note 15.1 University as lessor

Amounts included in the income statement are as follows:

	Consolidated	Parent entity
	2019	2019
	\$'000	\$'000
Operating leases		
Lease income	328	328
Variable lease payments not included in the measurement of leases	29	29
	357	357

Operating leases as a Lessor

Risk management for rights retained in the underlying assets

The Group ensures that the underlying leases are written agreements and legally binding with the essential terms of the agreement. Risk mitigation options like regular planning, inspections and due diligence have been undertaken before entering and renewing all lease contracts. Make good provisions and variable lease payment options are part of lease agreements to safeguard the title and rights of the underlying leases.

Accounting Policy

When the Group acts as a lessor, it determines at inception whether each lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers indicators such as whether the lease is for the major part of the economic life of the asset. The Group reassesses the lease classification only if there is a lease modification. Changes in estimates (e.g. changes in estimates of the economic life or of the residual value of the underlying asset), or changes in circumstances (e.g. default by the lessee), do not give rise to a new classification of a lease for accounting purposes.

When the Group is an intermediate lessor in a sublease, it accounts for its interests in the head lease and the sublease separately as two separate contracts. The Group assesses the lease classification as a lessor in the sublease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the short-term lease exemption as described in the policy where the Group is a lessee, then the sublease is classified as an operating lease.

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of other income.

Where the lease is classified as a finance lease, the Group recognises assets held under a finance lease in its statement of financial position and presents them as a receivable at an amount equal to the net investment in the lease. Subsequently, the Group recognises finance income over the lease term, based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease.

Note 16. Biological assets

	Note	Consolidated		Parent entity	
		2019	2018	2019	2018
		\$'000	\$'000	\$'000	\$'000
Livestock		320	876	320	876
Total biological assets		320	876	320	876
Reconciliation of changes in the carrying amount of biological assets					
Livestock - Balance as at 1 January		876	1,217	876	1,217
Purchases		732	579	732	579
Sales		(753)	(610)	(753)	(610)
Revaluation gain/(loss)		(535)	(310)	(535)	(310)
Balance as at 31 December		320	876	320	876
Total biological assets		320	876	320	876

At 31 December 2019, livestock held for sale comprised of 77 cattle and 3,174 sheep (2018: 283 cattle and 5,656 sheep).

Note 17. Property, plant and equipment

	Infrastructure		Land		Buildings		Plant and equipment*		Leasehold improvements		Leased plant & equipment		Library rare books		Other**		Work in Progress		Total	
Consolidated	\$'000		\$'000		\$'000		\$'000		\$'000		\$'000		\$'000		\$'000		\$'000		\$'000	
At 1 January 2018																				
- Cost	591		-		723		73,435		796		116		1,769		2,517		17,394		97,341	
- Valuation	18,283		20,617		223,929		-		-		-		-		-		-		262,829	
Accumulated depreciation and impairment	(20)		-		(39)		(46,829)		(714)		(20)		-		-		-		(47,622)	
Net book amount	18,854		20,617		224,613		26,606		82		96		1,769		2,517		17,394		312,548	
Year ended 31 December 2018																				
Opening net book amount	18,854		20,617		224,613		26,606		82		96		1,769		2,517		17,394		312,548	
Additions	3,968		-		2,137		3,165		-		-		-		69		20,204		29,543	
Revaluation surplus	2,652		1,285		2,735		-		-		-		(924)		-		-		5,748	
Depreciation written back on disposal	53		-		142		1,770		118		-		-		-		-		2,083	
Transfers	2,082		-		2,187		5,102		-		-		-		-		(9,371)		-	
Derecognition	-		-		-		(174)		(123)		-		-		-		-		(297)	
Disposals	(421)		(1,650)		(7,208)		(1,627)		-		-		(69)		-		-		(10,975)	
Depreciation charge	(2,589)		0		(13,007)		(9,136)		(52)		-		-		-		-		(24,784)	
Closing net book amount	24,599		20,252		211,599		25,706		25		96		776		2,586		28,227		313,866	
At 31 December 2018																				
- Cost	-		-		640		79,922		672		116		776		2,586		28,227		112,939	
- Valuation	24,599		20,252		210,982		-		-		-		-		-		-		255,833	
Accumulated depreciation and impairment	-		-		(23)		(54,216)		(647)		(20)		-		-		-		(54,906)	
Net book amount	24,599		20,252		211,599		25,706		25		96		776		2,586		28,227		313,866	

* Plant & equipment includes all operational assets.

** Other includes non-operational assets such as Museum & Collections and Artworks. A change in policy in 2015 has seen Museums and Artwork restated at cost and not valuation.

A valuation of land, buildings and infrastructure was conducted during 2018 by Global Valuations Pty Ltd and the valuation results are reflected in the above table.

A valuation of rare library books was conducted during 2018 by Anne Carlson and the valuation results are reflected in the above table.

Note 17. Property, plant and equipment (continued)

Consolidated	Infrastructure	Land	Buildings	Plant and equipment*	Leasehold improvements	Leased plant & equipment	Library rare books	Other**	Work in Progress	Subtotal Property, plant and equipment	Subtotal Right of use assets***	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Year ended 31 December 2019												
Opening net book amount	24,599	20,252	211,599	25,706	25	96	776	2,586	28,227	313,866	-	313,866
Adoption of AASB 16	-	-	-	-	-	-	-	-	-	-	6,570	6,570
Additions	645	-	1,100	771	-	2	-	-	28,542	31,060	-	31,060
Depreciation written back on disposal	-	-	-	113	-	-	-	-	-	113	-	113
Transfers	2,591	-	13,106	6,808	-	-	-	15	(22,520)	-	-	-
Disposals	-	-	-	(220)	-	-	-	-	-	(220)	-	(220)
Revaluation surplus	2,233	1,170	6,450	-	-	-	-	-	-	9,853	-	9,853
Depreciation charge	(2,741)	-	(12,924)	(7,936)	(21)	(26)	-	-	-	(23,648)	(1,154)	(24,802)
Closing net book amount	27,327	21,422	219,331	25,242	4	72	776	2,601	34,249	331,024	5,416	336,440
At 31 December 2019												
-Cost	2,019	-	3,062	87,164	673	98	776	2,601	34,249	130,642	6,570	137,212
-Valuation	25,372	21,422	216,415	-	-	-	-	-	-	263,209	-	263,209
Accumulated depreciation and impairment	(64)	-	(146)	(61,922)	(669)	(26)	-	-	-	(62,827)	(1,154)	(63,981)
Net book amount	27,327	21,422	219,331	25,242	4	72	776	2,601	34,249	331,024	5,416	336,440

* Plant & equipment includes all operational assets.

** Other includes non-operational assets such as Museum & Collections and Artworks. A change in policy in 2015 has seen Museums and Artwork restated at cost and not valuation.

*** Right-of-use assets excluding those disclosed as part of investment property. Disclosure per each class of right-of-use asset in note 17.1

A valuation of land, buildings and infrastructure was conducted during 2019 by Global Valuations Pty Ltd and the valuation results are reflected in the above table.

Note 17. Property, plant and equipment (continued)

Parent entity	Infrastructure	Land	Buildings	Plant and equipment*	Library rare books	Other**	Work in Progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 January 2018								
- Cost	591	-	723	69,543	1,769	2,517	17,394	92,537
- Valuation	18,211	20,167	221,548	-	-	-	-	259,926
Accumulated depreciation and impairment	(20)	-	(39)	(44,216)	-	-	-	(44,275)
Net book amount	18,782	20,167	222,232	25,327	1,769	2,517	17,394	308,188
Year ended 31 December 2018								
Opening net book amount	18,782	20,167	222,232	25,327	1,769	2,517	17,394	308,188
Additions	3,968	-	2,137	3,087	-	69	20,204	29,465
Depreciation written back on disposal	53	-	142	1,601	-	-	-	1,796
Transfers	2,082	-	2,187	5,102	-	-	(9,371)	-
Disposals	(421)	(1,650)	(7,208)	(1,627)	(69)	-	-	(10,975)
Revaluation surplus	2,649	1,240	2,599	-	(924)	-	-	5,564
Depreciation charge	(2,586)	-	(12,926)	(8,854)	-	-	-	(24,366)
Closing net book amount	24,527	19,757	209,163	24,636	776	2,586	28,227	309,672
At 31 December 2018								
- Cost	-	-	640	76,106	776	2,586	28,227	108,335
- Valuation	24,527	19,757	208,546	-	-	-	-	252,830
Accumulated depreciation and impairment	-	-	(23)	(51,469)	-	-	-	(51,492)
Net book amount	24,527	19,757	209,163	24,637	776	2,586	28,227	309,673

* Plant & equipment includes all operational assets.

** Other includes non-operational assets such as Museum & Collections and Artworks. A change in policy in 2015 has seen Museums and Artwork restated at cost and not valuation.

A valuation of land, buildings and infrastructure was conducted during 2018 by Global Valuations Pty Ltd and the valuation results are reflected in the above table.

A valuation of rare library books was conducted during 2018 by Anne Carlson and the valuation results are reflected in the above table.

Note 17. Property, plant and equipment (continued)

	Infrastructure	Land	Buildings	Plant and equipment*	Library rare books	Other**	Work in Progress	Subtotal Property, plant and equipment (owned)	Subtotal Right of use assets***	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000		
Parent entity										
Year ended 31 December 2019										
Opening net book amount	24,527	19,757	209,163	24,637	776	2,586	28,227	309,673	-	309,673
Adoption of AASB16	-	-	-	-	-	-	-	-	5,869	5,869
Additions	645	-	1,100	563	-	-	28,542	30,850	-	30,850
Depreciation written back on disposal	-	-	-	88	-	-	-	88	-	88
Revaluation surplus	2,233	1,170	6,450	-	-	-	-	9,853	-	9,853
Transfers	2,591	-	13,106	6,808	-	15	(22,520)	-	-	-
Disposals	-	-	-	(195)	-	-	-	(195)	-	(195)
Depreciation charge	(2,736)	-	(12,829)	(7,681)	-	-	-	(23,246)	(1,031)	(24,277)
Closing net book amount	27,260	20,927	216,990	24,220	776	2,601	34,249	327,023	4,838	331,861
At 31 December 2019										
- Cost	2,019	-	3,062	83,183	776	2,601	34,249	125,890	5,869	131,759
- Valuation	25,301	20,927	213,978	-	-	-	-	260,206	-	260,206
Accumulated depreciation and impairment	(60)	-	(50)	(58,963)	-	-	-	(59,073)	(1,031)	(60,104)
Net book amount	27,260	20,927	216,990	24,220	776	2,601	34,249	327,023	4,838	331,861

* Plant & equipment includes all operational assets.

** Other includes non-operational assets such as Museum & Collections and Artworks. A change in policy in 2015 has seen Museums and Artwork restated at cost and not valuation.

*** Right-of-use assets excluding those disclosed as part of investment property. Disclosure per each class of right-of-use asset in note 17.1

A valuation of land, buildings and infrastructure was conducted during 2019 by Global Valuations Pty Ltd and the valuation results are reflected in the above table.

Note 17. Property, plant and equipment (continued)

Accounting Policy

Land, buildings, infrastructure and rare books are shown at fair value based on periodic, but at least triennial, valuations by external independent valuers less subsequent depreciation for buildings and infrastructure. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. All other property, plant and equipment, including Works of Art and Museum assets, are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. The University holds assets for scientific or research purposes that are not recognised in the statement of financial position because the University is unable to reliably measure the value for these assets. The Herbarium, Zoological and Geological collections have nil balance recorded in the University's asset register. The changing scientific value over time, the uniqueness of the time of collection and the changing nature of the physical characteristics of the original collection sites (for example, changes due to climate change or habitat destruction) result in these collections not being capable of a reliable valuation.

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

Increases in the carrying amounts arising on revaluation of land and buildings are recognised, net of tax, in other comprehensive income and accumulated in equity under the heading of revaluation surplus. To the extent that the increase reverses a decrease previously recognised in profit or loss, the increase is first recognised in profit and loss. Decreases that reverse previous increases of the same asset are firstly recognised in other comprehensive income before reducing the balance of revaluation surpluses in equity, to the extent of the remaining reserve attributable to the asset; all other decreases are charged to the income statement.

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

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

Construction work in progress

Construction work in progress is stated at the aggregate of contract costs incurred to date. Contract costs include all costs directly related to specific contracts, cost that are specifically attributable to the contract activity in general and can be allocated to the contract.

Note 17.1 Right-of-use-assets

The Group leases property assets.

Information about leases where the Group is a lessee is presented below:

	Consolidated	Parent entity
Note	2019	2019
	\$'000	\$'000
Right-of-use assets - property		
As at 1 January 2019	6,570	5,869
Additions of right-of-use assets	-	-
Depreciation charge	(1,154)	(1,031)
Total current other non-financial assets	5,416	4,838

Accounting policy

At inception of a contract, the group assesses whether a contract is, or contains a lease. A contract is, or contains a lease, if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

The Group assesses whether:

- The contract involves the use of an identified asset – The asset may be explicitly or implicitly specified in the contract. A capacity portion of larger assets is considered an identified asset if the portion is physically distinct or if the portion represents substantially all of the capacity of the asset. The asset is not considered an identified asset, if the supplier has the substantive right to substitute the asset throughout the period of use.
- The customer has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use.
- The customer has the right to direct the use of the asset throughout the period of use – The customer is considered to have the right to direct the use of the asset only if either:
 - i. The customer has the right to direct how and for what purpose the identified asset is used throughout the period of use; or
 - ii. The relevant decisions about how and for what purposes the asset is used is predetermined and the customer has the right to operate the asset, or the customer designed the asset in a way that predetermines how and for what purpose the asset will be used throughout the period of use.

Note 17.1 Right-of-use-assets (continued)

Accounting policy (continued)

Accounting for leases – Group as lessee

In contracts where Group is a lessee, it recognises a right-of-use asset and a lease liability at the commencement date of the lease, unless the short-term or low-value exemption is applied.

A right-of-use asset is initially measured at cost comprising the initial measurement of the lease liability adjusted for any lease payments made before the commencement date (reduced by lease incentives received), plus initial direct costs incurred in obtaining the lease and an estimate of costs to be incurred in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Concessionary (peppercorn) leases AASB 2018-8

The Group has elected to measure a class (or classes) of right-of-use assets arising under 'concessionary leases' at initial recognition at cost, in accordance with AASB 16 paragraphs 23–25, which incorporates the amount of the initial measurement of the lease liability. The Group assessed the peppercorn lease agreements and fair valuing the underlying lease agreements with the nature and term of the leases considered immaterial. The Group has not incurred any cost for the peppercorn leases for the current financial year.

Note 18. Intangible assets

	Software Development \$'000	Licences \$'000	Goodwill \$'000	Course Development \$'000	Total \$'000
Consolidated					
At 1 January 2018					
Cost	11,026	525	1,269	984	13,804
Accumulated amortisation and impairment	(10,697)	-	(1,269)	(207)	(12,173)
Net book amount	329	525	-	777	1,631
Year ended 31 December 2018					
Opening net book amount	329	525	-	777	1,631
Additions - internal development	355	-	-	118	473
Additions - Separately acquired	5	-	-	-	5
Impairment losses	-	(25)	-	-	(25)
Amortisation charge	(149)	-	-	(243)	(392)
Work in progress movement	-	-	-	190	190
Closing net book amount	540	500	-	842	1,882
At 31 December 2018					
Cost	11,312	500	-	1,292	13,104
Accumulated amortisation and impairment	(10,772)	-	-	(450)	(11,222)
Net book amount	540	500	-	842	1,882
Year ended 31 December 2019					
Opening net book amount	540	500	-	842	1,882
Additions - internal development	3,128	-	-	340	3,468
Amortisation charge	(164)	-	-	(338)	(502)
Work in progress movement	-	-	-	(112)	(112)
Closing net book amount	3,504	500	-	732	4,736
At 31 December 2019					
Cost	14,413	500	-	1,519	16,432
Accumulated amortisation and impairment	(10,909)	-	-	(787)	(11,696)
Net book amount	3,504	500	-	732	4,736

Note 18. Intangible assets (continued)

	Note	Software Development \$'000	Licences \$'000	Total \$'000
Parent				
At 1 January 2018				
Cost		10,718	500	11,218
Accumulated amortisation and impairment		(10,548)	-	(10,548)
Net book amount		170	500	670
Year ended 31 December 2018				
Opening net book amount		170	500	670
Additions - internally developed		350	-	350
Amortisation charge		(81)	-	(81)
Closing net book amount		439	500	939
At 31 December 2018				
Cost		11,068	500	11,568
Accumulated amortisation and impairment		(10,629)	-	(10,629)
Net book amount		439	500	939
Year ended 31 December 2019				
Opening net book amount		439	500	939
Additions		3,067	-	3,067
Amortisation charge		(109)	-	(109)
Closing net book amount		3,397	500	3,897
At 31 December 2019				
Cost		14,135	500	14,635
Accumulated amortisation and impairment		(10,738)	-	(10,738)
Net book amount		3,397	500	3,897

Accounting Policy

Research

Expenditure on research activities is recognised in the income statement as an expense, when it is incurred.

Development

Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset.
- How the asset will generate future economic benefits.
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation is recorded in profit or loss. During the period of development, the asset is tested for impairment annually.

Goodwill

Goodwill represents the excess of the aggregate of the fair value measurement of the consideration transferred in an acquisition, the amount of any non-controlling interest and any previously held equity interest in the acquiree, over the fair value of the Group's share of the net identifiable assets of the acquiree at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisitions of associates is included in investments in associates. Goodwill is not amortised, instead it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Licences

Licences have an indefinite useful life and are not amortised. They are assessed for impairment annually and, whenever there is an indication that the licences may be impaired, an impairment is recognised in accordance with note 9 Impairment of assets.

Leasehold improvements

Leasehold improvements are capitalised and amortised over the shorter of their useful life or the remaining life of the lease.

Note 19. Trade and other payables

Note	Consolidated		Parent entity	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Current				
Trade payables	7,386	3,793	4,225	1,546
OS-HELP Liability to Australian Government	525	652	525	652
Total current trade and other payables	7,911	4,445	4,750	2,198

Accounting Policy

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

Note 20. Borrowings

Note	Consolidated		Parent entity	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Current				
Unsecured bank loans	-	20,000	-	20,000
Finance lease liabilities	1,001	-	868	-
Vehicle finance	32	32	-	-
Total current borrowings	1,033	20,032	868	20,000
Non-current				
Finance lease liabilities	33	38	-	-
Lease liabilities	4,303	-	3,856	-
Total non-current borrowings	4,336	38	3,856	-
Total borrowings	5,369	20,070	4,724	20,000

(a) Assets pledged as security

The Group and parent entity had no assets pledged as security in 2019.

(b) Financing arrangements

The University had a floating rate debt facility for \$20m with the National Australia Bank which was 100% swapped to fixed rate with a 5 year forward start interest rate swap. This loan was fully repaid in March 2019.

(c) Borrowings in respect of assets

The Group has no borrowings in respect to assets in 2019.

(d) Fair value

The carrying amounts of borrowings at the date of statement of financial position are approximate to their fair value.

(e) Risk exposure

Information about the Group and the parent entity's exposure to interest changes and contractual repricing dates is provided in note 32.

Accounting Policy

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

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

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

Note 20.1 The Group as lessee

	Note	Consolidated 2019 \$'000	Parent entity 2019 \$'000
Amounts recognised in the income statement			
Interest on lease liabilities		211	191
Variable lease payments not included in the measurement of leases		95	95
Expenses relating to short-term leases		153	153
		459	439
Maturity analysis – undiscounted contractual cash flows			
Less than one year		1,038	926
One to five years		4,814	4,346
More than 5 years		-	-
Total undiscounted contractual cash flows		5,852	5,272
Lease liabilities recognised in the statement of financial position		4,782	4,724
Current		901	868
Non-current		3,881	3,856

Property Leases

The Group leases land and buildings for its office space and operations. It has exclusive use of the property, or a defined portion of that property, that is physically distinct. The leases of office space is typically run for a period of 5 years and some leases include an option to renew for an additional period based on mutual agreements between the lessee and lessor. Some leases provide for additional rent payments that are based on local consumer price indices (CPI's). Monthly outgoings and variable components for property taxes, insurance and council and utility rates are included in the lease.

Leases are classified as short-term if the tenure of the lease is less than a year from inception of the contract. No major property taken on lease is subleased.

The Group elected not recognise right-of-use assets and lease liabilities for short-term leases for information technology equipment and machinery that have a lease term of 12 months or less and low value assets including plant and machinery or equipment leased for specific purposes. Lease payments associated with such contracts are recognised as expense on a straight-line basis over the lease term.

Exposure from variable lease payments not reflected in the measurement of lease liabilities

The variable lease payments exposure of the current leases were \$94,600 for the current financial year. The exposure for short term property leases not recognised in lease liabilities were \$152,900.

The exposure for information technology equipment and multi-function device leases not recognised as lease liabilities were \$504,000.

Exposure from extension options and termination options

The extension options of existing property leases are not reasonably certain of being exercised. If they were exercised, the annual lease payments would be above \$1.3 million in future years.

A lease for property has a termination option that, if exercised, would result in a loss of \$1.65 million for property improvements undertaken and rent of \$450,000 that may not be recoverable.

Exposure from residual value guarantees

The university has no residual value agreements included in property leases.

Exposure from leases not yet commenced but committed

The Group does not have any exposure to leases not yet commenced but committed.

Restrictions and covenants imposed by leases

All lease agreements have exclusive use of the property or a defined portion of that property that is physically distinct (e.g. a floor of a building). There are no covenants that have the potential to expose the Group to future cash outlays.

Note 20.1 The Group as lessee (continued)

Sale and leaseback transactions

The Group does not hold the rights to any sale and leaseback agreements.

Amounts recognised in statement of cash flows

	Consolidated	Parent Entity
	2019	2019
	\$'000	\$'000
Total cash outflow for leases	1,720	1,583

Accounting Policy

Lease Liability

A lease liability is initially measured at the present value of unpaid lease payments at the commencement date of the lease. To calculate the present value, the unpaid lease payments are discounted using the interest rate implicit in the lease if the rate is readily determinable. If the interest rate implicit in the lease cannot be readily determined, the incremental borrowing rate at the commencement date of the lease is used. Lease payments included in the measurement of lease liabilities comprise:

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date (e.g. payments varying on account of changes in CPI); and
- Amounts expected to be payable by the lessee under residual value guarantees
- The exercise price of a purchase option if the Group is reasonably certain to exercise that option
- Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Subsequently, the lease liability is measured at amortised cost using the effective interest rate method resulting in interest expense being recognised as a borrowing cost in the income statement. The lease liability is remeasured when there are changes in future lease payments arising from a change in an index or rate with a corresponding adjustment to the right-of-use asset. The situations where a remeasurement may occur is a change of the lease agreement on renewal, early termination or a decision to purchase the underlying asset. The adjustment amount is factored into depreciation of the right-of-use asset prospectively.

Right-of-use assets are presented within property, plant and equipment in note 17.1 and lease liabilities are presented as borrowings in note 20.1

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases, i.e. leases with a lease term of 12 months or less, and leases of low-value assets, i.e. when the value of the leased asset when new is \$3,000 or less. The Group recognises the lease payments associated with these leases as expense on a straight-line basis over the lease term.

Note 21. Provisions

	Note	Consolidated		Parent entity	
		2019	2018	2019	2018
		\$'000	\$'000	\$'000	\$'000
Current provisions expected to be settled within 12 months					
Employee benefits					
Annual leave		12,523	12,013	11,982	11,456
Long service leave		3,713	3,754	3,583	3,633
Employment on-costs provision		357	343	357	343
Defined benefit obligation		20,336	19,917	20,336	19,917
Other		4	4	0	0
Subtotal		36,933	36,031	36,258	35,349
Current provisions expected to be settled after more than 12 months					
Employee benefits					
Annual leave		3,619	3,832	3,275	3,483
Long service leave		13,205	11,899	12,605	11,336
Subtotal		16,824	15,731	15,880	14,819
Total current provisions		53,757	51,762	52,138	50,168
Non-current provisions					
Employee benefits					
Long service leave		5,614	5,435	5,378	5,241
Employment on-costs provision		5,531	5,157	5,531	5,157
Defined benefit obligation		315,173	299,413	315,173	299,413
Professorial superannuation		14	352	14	352
Total non-current provisions		326,332	310,357	326,096	310,163
Total provisions		380,089	362,119	378,234	360,331

Accounting Policy

Provisions for legal claims and service warranties are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

Employee Benefits

(i) Short-term obligations

Liabilities for wages and salaries including non-monetary benefit, annual leave, and non-accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the statement of financial position.

(ii) Other long-term obligations

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

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

Note 21. Provisions (continued)

Accounting Policy (continued)

Employee Benefits (continued)

(ii) Retirement benefit obligations

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

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

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

Past service costs are recognised in profit or loss at the earlier of the following dates:

- a) when the plan amendment or curtailment occurs; and
- b) when the entity recognises related restructuring costs or termination benefits.

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

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

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

Note 22. Other liabilities

Note	Consolidated		Parent entity	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Current				
(i) Accrued liabilities				
Salary related	8,470	5,476	8,392	5,425
Other accrued expenditure	3,571	6,483	3,148	6,379
	12,041	11,959	11,540	11,804
(ii) Monies received in advance				
Australian Government unspent financial assistance	1,638	1,940	1,638	1,940
Fees in advance	26,379	8,559	24,584	7,005
	28,017	10,499	26,222	8,945
(iii) Trust funds				
Security deposits	34	38	34	38
Employee deduction clearing accounts	906	1,960	906	1,967
Associated entities	12	12	12	12
Other	483	441	339	441
	1,435	2,450	1,291	2,457
Total current other liabilities	41,493	24,908	39,053	23,206
Non Current				
Financial liability	21,138	592	635	592
Total non current other liabilities	21,138	592	635	592
Total other liabilities	62,631	25,500	39,688	23,798

Note 22. Other liabilities (continued)

In 2019, any Australian Government unspent financial assistance amounts that are part of the contract liabilities in scope of AASB 15 are now disclosed in note 3.7. For comparative purposes, all Australian Government unspent financial assistance amounts (including amounts that are now classified as contract liabilities) are presented in this note.

Note 23. Reserves and retained earnings

Note	Consolidated		Parent entity	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
(a) Reserves				
Revaluation reserve - investments	40,716	23,884	40,716	23,884
Revaluation reserve - buildings	64,086	57,636	62,926	56,476
Revaluation reserve - land	13,722	12,551	13,307	12,136
Revaluation reserve - infrastructure	17,234	15,001	17,198	14,965
Total reserves	135,758	109,073	134,147	107,462
Movements				
Asset revaluation reserve - investments				
Balance 1 January	23,884	17,536	23,884	17,072
Transfer from reserves	-	(464)	-	-
Increment/(decrement) on revaluation	16,832	6,812	16,832	6,812
Balance 31 December	40,716	23,884	40,716	23,884
Asset revaluation reserve - buildings				
Balance 1 January	57,636	59,398	56,476	58,374
Increment/(decrement) on revaluation	6,450	4,054	6,450	3,918
Transfer to/(from) retained earnings on disposal	-	(5,816)	-	(5,816)
Balance 31 December	64,086	57,636	62,926	56,476
Asset revaluation reserve - land				
Balance 1 January	12,551	12,266	12,136	11,896
Increment/(decrement) on revaluation	1,171	285	1,171	240
Balance 31 December	13,722	12,551	13,307	12,136
Asset revaluation reserve - infrastructure				
Balance 1 January	15,001	12,669	14,965	12,636
Increment/(decrement) on revaluation	2,233	2,332	2,233	2,329
Balance 31 December	17,234	15,001	17,198	14,965
(b) Retained earnings				
Movements in retained earnings were as follows:				
Retained earnings at 1 January	324,874	341,085	291,500	307,319
Actuarial changes for defined benefit superannuation schemes	(256)	800	(256)	800
Transfer to/(from) retained earnings on disposal of revalued assets	-	5,818	-	5,818
Other	(34,610)	465	(14,922)	0
Net result for the year	(3,823)	(23,294)	(4,845)	(22,437)
Retained earnings at 31 December	286,185	324,874	271,477	291,500

(c) Nature and purpose of reserves

(i) Asset revaluation reserve - land, buildings and infrastructure

The reserve reflects the difference between the valuation assessment amount and the carrying cost. It records increments and decrements on the revaluation of non-current assets, as described in note 17 Property, plant and equipment.

(ii) Asset revaluation reserve - investments

The reserve reflects the difference between the carrying cost and market value of Other financial assets at fair value through other comprehensive income.

Note 24. Key management personnel disclosures

(a) Names of responsible persons

A list of the Members of the University Council are included in the University's Annual Report.

(b) Names of executive officers

The following persons also had authority and responsibility for planning, directing and controlling the activities of the University of New England during the financial year.

Professor Brigid Heywood - 2019	Professor Mingan Choct
Professor Annabelle Duncan - 2019	Professor Peter Creamer
Professor Todd Walker	Mr Kris Kauffmann - 2019
Professor Heiko Daniel	Ms Sandra Matthews - 2019
Professor Jonathan Powles	Mr Brendan Peet

(c) Remuneration of Council Members and Executives

Note	Consolidated		Parent entity	
	2019 Number	2018 Number	2019 Number	2018 Number
i) Remuneration of council and/or board members Nil to \$9,999	36	25	6	9
\$10,000 to \$19,999	7	7	7	7
\$20,000 to \$29,999	1	1	1	1
\$30,000 to \$39,999	1	1	1	1
	45	34	15	18

Members of staff serving as Members of Council receiving remuneration as per their employment conditions are excluded.

Note	Consolidated		Parent entity	
	2019 Number	2018 Number	2019 Number	2018 Number
ii) Remuneration of executive officers				
\$90,000 to \$99,999	1	-	1	-
\$130,000 to \$139,999	1	-	-	-
\$140,000 to \$149,999	1	2	-	-
\$150,000 to \$159,999	1	1	-	-
\$170,000 to \$179,999	-	-	-	-
\$180,000 to \$189,999	1	-	-	-
\$200,000 to \$209,999	-	-	-	-
\$230,000 to \$239,999	1	1	-	-
\$250,000 to \$259,999	1	-	1	-
\$260,000 to \$269,999	-	-	-	-
\$290,000 to \$299,999	1	-	1	-
\$300,000 to \$309,999	-	2	-	2
\$310,000 to \$319,999	2	2	2	2
\$320,000 to \$329,999	1	1	1	1
\$350,000 to \$359,999	1	-	1	-
\$380,000 to \$389,999	1	1	1	1
\$420,000 to \$429,999	-	1	-	1
\$440,000 to \$449,999	1	-	1	-
\$630,000 to \$639,999	1	-	1	-
\$730,000 to \$739,999	-	1	-	1
	15	12	10	8

(d) Key management personnel compensation

Note	Consolidated		Parent entity	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Short-term employee benefits	4,219	3,949	3,045	2,779
Post-employment benefits	403	375	386	363
Termination benefits	-	-	-	-
Total key management personnel compensation	4,622	4,324	3,431	3,142

(e) Loans to key management personnel

The University has not made any loans to key management personnel.

Note 25. 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:

Note	Consolidated		Parent entity	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Audit the Financial Statements				
Fees paid to the Audit Office of NSW	390	390	266	270
Total paid for audit services	390	390	266	270
Other services				
Forsyths Business Services Pty Ltd	-	6	-	6
Alexandra Gene Mooney	-	27	-	27
Australian Human Rights Commission	89	179	89	179
Infosec Services Pty Ltd	19	-	19	-
Total paid for other services	108	212	108	212
Total audit fees	498	602	374	482

Note 26. Contingencies

Contingent liabilities

As at 31 December 2019 there is one proceeding relating to the Fair Work Ombudsman. The Group has been advised that no levies will be assessed against it for this matter.

Contingent assets

The University does not have any contingent assets.

Accounting policy

A contingent liability is:

- (a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the Group, or
- (b) a present obligation that arises from past events but is not recognised because:
 - (i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or
 - (ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Note 27. Commitments

(a) Capital commitments

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

Note	Consolidated		Parent entity	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Property, plant and equipment				
Within one year	5,960	24,670	5,753	24,670
Between one and five years	3,661	-	3,661	-
Later than five years	-	-	-	-
Total Property, plant and equipment commitments	9,621	24,670	9,414	24,670

Note 27. Commitments (continued)

(b) Lease commitments

(i) Operating leases

Operating leases for multi-functional devices contracted for at the reporting date but not recognised as liabilities is as follows:

	Note	Consolidated		Parent entity	
		2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Within one year		-	1,584	-	1,424
Between one and five years		-	2,304	-	2,203
Later than five years		-	432	-	432
Total operating leases		-	4,320	-	4,059

(ii) Finance Leases

Commitments in relation to finance leases are payable as follows:

	Note	Consolidated		Parent entity	
		2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Within one year		-	32	-	-
Between one and five years		-	38	-	-
Later than five years		-	-	-	-
Total finance leases		-	70	-	-
Total lease commitments		-	4,390	-	4,059

No lease arrangement existing as at 31 December 2019 contained contingent rental payments, purchase options, escalation clauses or restrictions imposed by lease arrangements including dividends, additional debt or further leasing. Lease commitments existed at the end of the previous year 2018 has been recognised as lease liability in the current year financials as per the initial adoption of AASB 16.

Note 28. Related parties

(a) Parent entities

The ultimate parent entity within the Group is the University of New England.

(b) Subsidiaries

Interest in subsidiaries are set out in note 29.

(c) Key management personnel

Disclosures relating to directors and specified executives are set out in note 24.

(d) Transactions with related parties

The following transactions occurred with related parties:

	Note	Parent entity	
		2019 \$'000	2018 \$'000
Sale of goods and services		3,250	3,080
Purchase of goods and services		6,424	5,311
Total		9,674	8,391

(e) Loans to related parties

	Note	Parent entity	
		2019 \$'000	2018 \$'000
Loans to subsidiaries			
Beginning of the year		-	-
Reversal of impairment of loan		1,900	-
Forgiveness of loan		(950)	-
End of year		950	-

Note 28. Related parties (continued)

(f) Outstanding balances

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

	Note	Parent entity	
		2019 \$'000	2018 \$'000
Current receivables (sale of goods and services)			
Subsidiaries		310	492
Total current receivables		310	492
Non-current receivables (loans)			
Subsidiaries		794	1,900
Subsidiaries (provision for impairment of loans)		-	(1,900)
Total non-current receivables		794	-
Current payables (purchases of goods and services)			
Subsidiaries		83	536
Total current payables		83	536

No provision for doubtful debts has 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.

(g) Terms and conditions of outstanding balance

A loan to a related party was signed on 12th December 2016, providing an unsecured loan facility of up to \$1.9 million until 31 March 2020. Interest is currently charged at 4.5% per annum. This was amended in July 2019, with \$950,000 of the principal and all interest to date forgiven. The amended loan principal under the new loan agreement is now \$950,000 repayable over a nominal term of 7 years with 4% p.a. interest.

(h) Guarantees

In a letter of comfort to the controlled entities, the University of New England has undertaken to support the controlled entities to ensure they can operate as a going concern.

Note 29. Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described below:

Name of entity	Principal place of business	Ownership interest	
		2019 %	2018 %
UNE Partnerships Pty Ltd	Armidale, NSW	100	100
Agricultural Business Research Institute	Armidale, NSW	100	100
UNE Life Pty Ltd	Armidale, NSW	100	100
UNE Foundation Ltd as Trustee for UNE Foundation	Armidale, NSW	100	100

Accounting policy

Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of the University of New England as at 31 December 2019 and the results of all subsidiaries for the year then ended. The University of New England and its subsidiaries together are referred to in this financial report as the consolidated entity.

Subsidiaries are all those entities (including structured entities) over which the University has control. The University 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 University 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 University controls another entity. Returns are not necessarily monetary and can be only positive, only negative, or both positive and negative.

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

Note 29. Subsidiaries (continued)

Accounting Policy (continued)

Subsidiaries (continued)

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.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of comprehensive income, statement of financial position and statement of changes in equity respectively.

Loss of control of the subsidiary will result in derecognition of the assets and liabilities of the former subsidiary from the consolidated statement of financial position. Any investment retained in the former subsidiary is recognised and accounted for in accordance with the relevant Standards. The loss or gain associated with loss of control attributable to the former controlling interest is recognised.

Note 30. Events occurring after the end of the reporting period

COVID-19

The declaration of the coronavirus pandemic is expected to have an impact on the financial performance and liquidity of the University in 2020. At the time of signing the 2019 Financial Statements, the University is not yet in a position to fully assess the severity of the impact. There are a number of elements that contribute to this:

- The uncertainty inherent in determining the number of students who will not be able to or choose not to participate in their enrolled subjects during 2020
- The length and impact of the Australian Government's evolving position on the domestic and international travel bans and the unfolding mandatory social isolation measures
- The extent to which a fully online model is required and the extent to which course materials can be transitioned to full online delivery
- The financial and social impact on the closure of critical pastoral support for students, staff and the wider community
- The possible requirement to pause, discontinue or rebuild research activities
- The global economic shock and market volatility impact on investment income and valuations
- The capacity for UNE to retain a competitive advantage given the quantum of other tertiary education providers who have entered the online market in Australia.

The University has been undertaking regular assessment of the current and potential impact of the Novel Coronavirus on 2020 and beyond.

Note 31. Reconciliation of net result after income tax to net cash provided by / (used in) operating activities

Note	Consolidated		Parent entity	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Net result for the period	(3,823)	(23,294)	(4,845)	(22,437)
Depreciation and amortisation	25,305	25,176	24,386	24,446
Impairment of assets	-	34	-	-
Provision for impaired receivables	125	(602)	45	(594)
Provision for impaired related party loans	950	-	(950)	-
Actuarial gain / (loss) on deferred superannuation	(256)	800	(256)	800
Capitalisation and reinvestment of dividend	(703)	(871)	-	-
Gain/(loss) on revaluation of investments at fair value through	(2,152)	1,500	-	-
Lease payment for ROU liabilities	194	-	191	-
Loss / (gain) on asset revaluation decrement	-	924	-	924
Net (gain) / loss on disposal of non-current assets	(28)	8,765	(27)	8,763
Increase / (decrease) in payables and prepaid income	7,448	21,760	5,646	21,439
Increase / (decrease) in provision for employee entitlements	17,565	(17,155)	17,471	(17,403)
Increase / (decrease) in trust funds	(1,138)	(3)	(1,138)	(3)
(Increase) / decrease in receivables and prepaid expenses	(20,837)	(768)	(21,444)	(3,182)
(Increase) / decrease in inventories	65	(916)	23	(100)
Net cash provided by / (used in) operating activities	22,715	15,350	19,102	12,653

Note 32. Financial risk management

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

The Group has adopted a Financial Management Rule approved by the Finance and Infrastructure Committee, a Committee of Council, which provides written principles for financial risk management including foreign exchange risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment and excess liquidity.

(a) Market risk

(i) Foreign exchange risk

Foreign exchange risk arises when future commercial transactions and recognised financial assets and financial liabilities are denominated in a currency that is not the Group's functional currency.

The Group undertakes certain transactions denominated in foreign currencies. These transactions expose the Group to exchange rate fluctuations. To minimise the risk, the Group recognises all transactions, assets and liabilities in Australian dollars only. Foreign currency deposits are recorded at cost and revalued at balance date.

Forward contracts were entered into in 2019 to mitigate the risk of foreign currency exposure for expense commitments. There were no forward contract balances as at 31 December 2019 as they were closed during the year.

(ii) Price risk

Price risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market prices. To manage the price risk arising from investments in equity securities, the Group diversifies its portfolio. For the parent entity, diversification of the portfolio is done in accordance with the limits set by the University Finance and Infrastructure Committee.

(iii) Cash flow and fair value interest rate risk

The Group invests in term deposits with various financial institutions and is exposed to interest rate risk arising from normal interest rate variations.

The Group's interest rate risk arises primarily from investments in long term interest bearing financial instruments due to the potential fluctuation in interest rates. In order to minimise exposure to this risk, the Group invests in a range of financial instruments with varying degrees of potential returns.

Note 32. Financial risk management (continued)

(a) Market risk (continued) (iv) Summarised sensitivity analysis

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

31 December 2019	Carrying amount \$'000	Interest rate risk			Foreign exchange risk			Other price risk		
		-1%		+1%	-10%		+10%	-1%		+1%
		Result \$'000	Equity \$'000	Result \$'000	Result \$'000	Equity \$'000	Result \$'000	Result \$'000	Equity \$'000	Result \$'000
Financial assets										
Cash and cash equivalents	23,226	(232)	(232)	232	-	-	-	-	-	-
Short term deposits - at call	20,452	(205)	(205)	205	-	-	-	-	-	-
Receivables	29,066	-	-	-	-	-	-	-	-	-
Held-to-maturity - current	19,000	(190)	(190)	190	-	-	-	-	-	-
Other financial assets at fair value through OCI	40,860	-	-	-	-	-	-	(409)	(409)	409
Other financial assets at fair value through P&L	69,637	-	-	-	-	-	-	(696)	(696)	696
Financial liabilities										
Payables	7,911	-	-	-	-	-	-	-	-	-
Borrowings	5,369	-	-	-	-	-	-	-	-	-
Other liabilities	13,475	-	-	-	-	-	-	-	-	-
Total increase / (decrease)	-	(627)	(627)	627	-	-	-	(1,105)	(1,105)	1,105

Comparative figures for the previous year are as follows:

31 December 2018	Carrying amount \$'000	Interest rate risk			Foreign exchange risk			Other price risk		
		-1%		+1%	-10%		+10%	-1%		+1%
		Result \$'000	Equity \$'000	Result \$'000	Result \$'000	Equity \$'000	Result \$'000	Result \$'000	Equity \$'000	Result \$'000
Financial assets										
Cash at bank and on hand	14,795	(148)	(148)	148	-	-	-	-	-	-
Short term deposits - at call	74,167	(742)	(742)	742	-	-	-	-	-	-
Receivables	30,349	-	-	-	-	-	-	-	-	-
Held-to-maturity - current	49,000	(490)	(490)	490	-	-	-	-	-	-
Other financial assets at fair value through OCI	23,942	-	-	-	-	-	-	(239)	(239)	239
Other financial assets at fair value through P&L	24,629	-	-	-	-	-	-	(246)	(246)	246
Financial liabilities										
Payables	4,445	-	-	-	-	-	-	-	-	-
Borrowings	20,077	-	-	-	-	-	-	-	-	-
Other liabilities	14,410	-	-	-	-	-	-	-	-	-
Total increase / (decrease)	-	(1,380)	(1,380)	1,380	-	-	-	(485)	(485)	485

Note 32. Financial risk management (continued)

(b) Credit Risk

Credit risk is the risk of financial loss arising from another party to a contract or financial position failing to discharge a financial obligation there under. The Group's maximum exposure to credit rate risk is represented by the carrying amounts of the financial assets as contained in the table in note 32(a).

Receivables and contract assets

Credit risk is managed at each entity's level subject to their established policy, procedures and control relating to credit risk management. Credit quality of a customer is assessed based on individual credit limits. Outstanding receivables are regularly monitored.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region, product type, customer type and rating). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written-off if past due for more than one year and are not subject to enforcement activity. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in the notes above.

The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

Set out below is the information about the credit risk exposure on the University's receivables using a provision matrix:

31 December 2019		Trade receivables				Total
	Current	Day past due				
		<30 days	30-60 days	61-90 days	>91 days	
Expected credit loss rate	%	0%	0%	0%	100%	
Estimated total gross carrying amount at default	\$'000	-	-	-	961	961
Expected credit loss	\$'000	-	-	-	961	961

31 December 2018		Trade receivables				Total
	Current	Day past due				
		<30 days	30-60 days	61-90 days	>91 days	
Expected credit loss rate	%	0%	0%	0%	100%	
Estimated total gross carrying amount at default	\$'000	-	26	24	865	915
Expected credit loss	\$'000	-	26	24	865	915

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the University in accordance with its policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the University's Finance and Infrastructure Committee on an annual basis, and may be updated throughout the year subject to approval of the University's Finance and Infrastructure Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments.

The University invests only in quoted short term debt securities with very low credit risk.

The University's maximum exposure to credit risk for the components of the statement of financial position at 31 December 2019 and 2018 is the carrying amounts as illustrated in note 14.

(c) Liquidity risk

Liquidity risk refers to the risk that, as a result of operational liquidity requirements, the Group:

- will not have sufficient funds to settle a transaction on the due date,
- will be forced to sell financial assets at a value which is less than their worth, or
- may be unable to settle or recover a financial asset at all.

For the parent entity, the Finance and Infrastructure Committee monitors the actual and forecast cash flow of the University on a regular basis ensuring sufficient cash reserves are held to meet the ongoing operations and obligations of the University as they fall due. The University receives regular payments from the Commonwealth Government, which constitute a significant proportion of the University's income, of which the date and amount of receipt are known.

Note 32. Financial risk management (continued)

(c) Liquidity risk (continued)

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

31 December 2019	Average interest rate %	Variable interest rate \$'000	Less than 1 year \$'000	1 to 5 years \$'000	5+ years \$'000	Non-interest Bearing \$'000	Total \$'000
Financial assets							
Cash and cash equivalents	0.55%	23,226	-	-	-	-	23,226
Short term deposits - at call	2.39%	-	20,452	-	-	-	20,452
Receivables		-	-	-	-	29,066	29,066
Held-to-maturity - current	2.37%	-	19,000	-	-	-	19,000
Held-to-maturity - non-current		-	-	-	-	-	-
Other financial assets at fair value through OCI		-	-	-	-	40,860	40,860
Other financial assets at fair value through P&L		-	-	-	-	69,637	69,637
Total financial assets		23,226	39,452	-	-	139,563	202,241
Financial liabilities							
Payables		-	-	-	-	7,911	7,911
Borrowings		-	1,033	4,336	-	-	5,369
Other liabilities		-	-	-	-	13,475	13,475
Total financial liabilities		-	1,033	4,336	-	21,386	26,755

Comparative figures for the previous year are as follows:

31 December 2018	Average interest rate %	Variable interest rate \$'000	Less than 1 year \$'000	1 to 5 years \$'000	5+ years \$'000	Non-interest Bearing \$'000	Total \$'000
Financial assets							
Cash and cash equivalents	1.50%	14,795	-	-	-	-	14,795
Short term deposits - at call	2.60%	-	74,167	-	-	-	74,167
Receivables		-	-	-	-	30,337	30,337
Held-to-maturity - current	2.73%	-	49,000	-	-	-	49,000
Other financial assets at fair value through OCI		-	-	-	-	23,942	23,942
Other financial assets at fair value through P&L		-	-	-	-	24,629	24,629
Total financial assets		14,795	123,167	-	-	78,908	216,870
Financial liabilities							
Payables		-	-	-	-	4,441	4,441
Borrowings		-	20,032	38	-	-	20,070
Other liabilities		-	-	-	-	14,409	14,409
Total financial liabilities		-	20,032	38	-	18,850	38,920

Note 33. Fair Value Measurements

(a) Fair value measurements

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

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

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

Consolidated	Notes	Carrying amount		Fair value	
		2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Financial assets					
<i>Other financial assets</i>					
Held-to-maturity	14	19,000	49,000	19,000	49,000
Other financial assets at fair value through other comprehensive income	14	40,860	23,942	40,860	23,942
Other financial assets at fair value through profit or loss	14	69,637	24,629	69,637	24,629
Total financial assets		129,497	97,571	129,497	97,571
Non-financial assets					
<i>Other non-financial assets</i>					
Accrued income	15	2,104	6,333	2,104	6,333
Prepaid expenses	15	12,090	4,483	12,090	4,483
Other non-financial assets	15	2,437	2,496	2,437	2,496
Total non-financial assets		16,631	13,312	16,631	13,312
Financial liabilities					
Payables	19	7,911	4,445	7,911	4,445
Borrowings	20	5,369	20,070	5,369	20,070
Total financial liabilities		13,280	24,515	13,280	24,515

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

- Financial assets at fair value through profit or loss
- Financial assets at fair value through other comprehensive income
- Land and buildings
- Infrastructure
- Cultural and heritage assets
- Biological assets

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

(i) Disclosed fair values

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

The fair value of assets or liabilities traded in active markets (such as publicly traded derivatives, and listed equity instruments) is based on quoted market prices for identical assets or liabilities at the end of the reporting period (level 1). This is the most representative of fair value in the circumstances.

The fair values of the non-listed equity investments have been estimated using a discounted cash flow model. The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, the discount rate, credit risk and volatility. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these non-listed equity investments.

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

The fair value of non-current borrowings disclosed in note 20 is estimated by discounting the future contractual cash flows at the current market interest rates that are available to the Group for similar financial instruments. The fair value of current borrowings approximates the carrying amount, as the impact of discounting is not significant (level 2).

Derivative contracts classified as held for trading are fair valued by comparing the contracted rate to the current market rate for a contract with the same remaining period to maturity.

Note 33. Fair Value Measurements (continued)

(b) Fair value hierarchy

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

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

(i) Recognised fair value measurements

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

Fair value measurements at 31 December 2019

Recurring fair value measurements	Note	Consolidated			
		2019 \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Financial assets					
Other financial assets at fair value through other comprehensive income		40,860	40,860	-	-
Other financial assets at fair value through profit or loss		69,637	69,637	-	-
Other financial assets					
Held-to-maturity - current		19,000	19,000	-	-
Total financial assets		129,497	129,497	-	-
Fair value measurements at 31 December 2019					
Recurring fair value measurements	Note	Consolidated			
		2019 \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Non-financial assets					
Land		21,422	-	13,227	8,195
Buildings		219,331	-	30,116	189,215
Infrastructure		27,327	-	2,150	25,177
Total non-financial assets		268,080	-	45,493	222,587
Financial liabilities					
Payables		7,911	-	7,911	-
Borrowings		5,369	-	5,369	-
Total liabilities		13,280	-	13,280	-
Total fair value measurements at 31 December 2019		410,857	129,497	58,773	222,587

Fair value measurements at 31 December 2018

Recurring fair value measurements		Consolidated			
		2018 \$000	Level 1 \$000	Level 2 \$000	Level 3 \$000
Financial assets					
Other financial assets at fair value through other comprehensive income		23,942	23,942	-	-
Other financial assets at fair value through profit or loss		24,629	24,629	-	-
Other financial assets					
Held-to-maturity - current		49,000	49,000	-	-
Total financial assets		97,571	97,571	-	-
Non-financial assets					
Land		20,252	-	12,407	7,845
Buildings		211,599	-	23,683	187,916
Infrastructure		24,599	-	2,315	22,284
Total non-financial assets		256,450	-	38,405	218,045
Financial liabilities					
Payables		4,445	-	4,445	-
Borrowings		20,070	-	20,070	-
Total financial liabilities		24,515	-	24,515	-
Total fair value measurements at 31 December 2018		378,536	97,571	62,920	218,045

There were no transfers between levels 1 and 2 for recurring fair value measurements during the year. For details of transfers in and out of level 3 measurements, see (d) below.

During 2019, a revaluation was conducted on the Group's land, buildings and infrastructure assets. Consistent with previous valuations, these asset classes are recorded as level 2 and level 3 assets.

Note 33. Fair Value Measurements (continued)

(b) Fair value hierarchy (continued)

(i) Recognised fair value measurements (continued)

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

(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 (for example, over-the-counter derivatives) 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:

- the use of quoted market prices or dealer quotes for similar instruments,
- the fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves,
- the fair value of forward foreign exchange contracts is determined using forward exchange rates at the end of the reporting period, and
- other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

The independent valuer has assessed the assets based on observable market transactions or market information when available (Sales Comparison Approach and Income Capitalisation Approach). These items are generally the 'Off Campus' land and building assets which have established and relatively liquid markets. These are referred to as Level 2 inputs.

For the building and infrastructure assets, market information is not observable, and other valuation techniques (DRC) that maximise the use of relevant observable inputs and minimises the use of unobservable inputs were utilised. These are referred to as Level 3 inputs.

(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 2019 and 2018:

	Land \$000	Buildings \$000	Infrastructure \$000	Total \$000
Level 3 fair value measurements 2019				
Opening balance	7,845	187,916	22,284	218,045
Acquisitions	-	7,774	3,222	10,996
Depreciation written back on disposal	-	-	-	-
Revaluation surplus	350	5,119	2,203	7,672
Disposals	-	-	-	-
Total gains / (losses)	-	-	-	-
Recognised in profit or loss - depreciation	-	(11,594)	(2,532)	(14,126)
Recognised in other comprehensive income	-	-	-	-
Closing balance	8,195	189,215	25,177	222,587
Level 3 fair value measurements 2018				
Opening balance	7,450	192,730	16,774	216,954
Acquisitions	-	5,137	5,674	10,811
Depreciation written back on disposal	-	1,357	(126)	1,231
Revaluation surplus	395	2,973	2,784	6,152
Disposals	-	(2,711)	(421)	(3,132)
Total gains / (losses)	-	-	-	-
Recognised in profit or loss - depreciation	-	(11,570)	(2,401)	(13,971)
Recognised in other comprehensive income	-	-	-	-
Closing balance	7,845	187,916	22,284	218,045

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

There have been no transfers between level 2 and 3 during 2019. Works of art and museums were restated at cost not valuation in 2015.

Note 33. Fair Value Measurements (continued)

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

(ii) Valuation inputs and relationships to fair value

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

Description	Fair value at 31 Dec 2019 \$000	Unobservable inputs*	Range of inputs	Relationship of unobservable inputs to fair value
Land	21,422	Global Valuations	+/-5%	Increase in value of land by 5% would increase value by \$1.1 million.
Buildings	216,415	Global Valuations	+/-5%	Decrease in value of land by 5% would decrease value by \$1.1 million.
Infrastructure	25,372	Global Valuations	+/-5%	Increase in replacement cost of buildings by 5% would increase value by \$10.8 million.
Buildings	2,916	Value of transfers from WIP	n/a	Decrease in replacement cost of buildings by 5% would decrease value by \$10.8 million.
Infrastructure	1,955	Value of additions from WIP	n/a	Increase in replacement cost of infrastructure by 5% would increase value by \$1.3 million.
				Decrease in replacement cost of infrastructure by 5% would decrease value by \$1.3 million.
Total	268,080			

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

(iii) Valuation processes

In assessing fair value, Global Valuations has determined current replacement cost of the assets based on actual costs for similar assets for the Group and similar organisations. This includes references to Global Valuations database of construction cost and other databases such as the Rawlinsons Construction Handbook.

Accounting policy

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

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

The fair value of assets or liabilities traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices for identical assets or liabilities at the end of the reporting period (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 (for example, over-the-counter derivatives) 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) such as estimated discounted cash flows, are used to determine fair value for the remaining assets and liabilities. The fair value of interest-rate swaps is calculated as the present value of the estimated future cash flows. The fair value of forward exchange contracts is determined using forward exchange market rates at the end of the reporting period. 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.

Note 34. Defined Benefit Plans

a) Fund specific disclosure

Most employees are entitled to benefits from superannuation plans on retirement, disability or death. Superannuation plans have defined benefits sections and defined contribution sections. The defined benefit sections provide lump sum benefits based on years of service and final average salary

The pooled fund holds in trust the investments of the closed NSW public sector superannuation schemes:

State Authorities Superannuation Scheme (SASS),
State Authorities Non-contributory Superannuation (SANCS), and
State Superannuation Scheme (SSS)

These schemes are all defined benefit schemes; at least a component of the final benefit is derived from a multiple of member salary and years of membership. Actuarial gains and losses are recognised immediately in profit and loss in the year in which they occur.

These schemes are closed to new members.

Description of the regulatory framework

The schemes in the Pooled Fund are established and governed by the following NSW legislation: Superannuation Act 1916, State Authorities Superannuation Act 1987, State Authorities Non-Contributory Superannuation Act 1987, and their associated regulations.

The schemes in the Pooled Fund are exempt public sector superannuation schemes under the Commonwealth Superannuation Industry (Supervision) Act 1993 (SIS). The SIS Legislation treats exempt public sector superannuation funds as complying funds for concessional taxation and superannuation guarantee purposes.

Under a Heads of Government agreement, the New South Wales Government undertakes to ensure that the Pooled Fund will conform with the principles of the Commonwealth's retirement incomes policy relating to preservation, vesting and reporting to members and that members' benefits are adequately protected.

The New South Wales Government prudentially monitors and audits the Pooled Fund and the Trustee Board activities in a manner consistent with the prudential controls of the SIS legislation. These provisions are in addition to other legislative obligations on the Trustee Board and internal processes that monitor the Trustee Board's adherence to the principles of the Commonwealth's retirement incomes policy.

An actuarial investigation of the Pooled Fund is performed every three years. The last actuarial investigation was performed as at 30 June 2018. The next actuarial investigation will be performed at 30 June 2021.

Description of other entities' responsibilities for the governance of the fund

The Fund's Trustee is responsible for the governance of the Fund. The Trustee has a legal obligation to act solely in the best interests of fund beneficiaries. The Trustee has the following roles:

- * Administration of the fund and payment to the beneficiaries from fund assets when required in accordance with the fund rules;
- * Management and investment of the fund assets; and
- * Compliance with other applicable regulations.

Description of risks

There are a number of risks to which the Fund exposes the Employer. The more significant risks relating to the defined benefits are:

Investment risk - The risk that investment returns will be lower than assumed and the Employer will need to increase contributions to offset this shortfall.

Longevity risk – The risk that pensioners live longer than assumed, increasing future pensions.

Pension indexation risk – The risk that pensions will increase at a rate greater than assumed, increasing future pensions.

Salary growth risk - The risk that wages or salaries (on which future benefit amounts for active members will be based) will rise more rapidly than assumed, increasing defined benefit amounts and thereby requiring additional employer contributions.

Legislative risk - The risk is that legislative changes could be made which increase the cost of providing the defined benefits.

The defined benefit Fund assets are invested with independent fund managers and have a diversified asset mix. The Fund has no significant concentration of investment risk or liquidity risk.

Description of significant events

There were no fund amendments, curtailments or settlements during the year.

Professorial superannuation scheme

The fund is closed to new members and provides active members with a combination of accumulation benefits and defined benefits. Pensioner members receive pension payments from the fund.

The defined benefits section of the fund provides members with an optional Voluntary Spouse Pension (VSP) that allows members to provide an income benefit to their spouse in the event of their death, funded by the member and the University; an optional Additional Contributory Pension (ACP) payable from age 60, funded by the member and the University; and an unfunded Non-Contributory Pension (NCP) payable from age 60.

Previously the benefits provided under the defined benefit section were substantially unfunded with pension payments met by the University on a "pay-as-you-go" basis (except as described above). However, in 2006 the University commenced funding the unfunded NCP payable from age 60. This is in addition to previous funding arrangements in relation to the VSP and ACP benefits provided to some members.

Note 34. Defined Benefit Plans (continued)

Professorial superannuation scheme (continued)

a) Fund specific disclosure

Benefits under the accumulation section of the fund are provided through endowment assurance policies effected with life assurance companies and managed fund accounts maintained with investment managers. These benefits are fully funded by contributions from fund members and the University.

The University made a contribution of \$317k in 2019, (2018: \$Nil) to the defined benefit plan during the year.

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

	Less than 1 year \$'000	Between 1 and 2 years \$'000	Between 2 and 5 years \$'000	Over 5 years \$'000	Total \$'000
Defined benefit obligation - 31 Dec 2019	20,336	20,146	58,467	265,016	363,965
Defined benefit obligation - 31 Dec 2018	19,917	20,185	59,243	284,779	384,124

b) Categories of plan assets

For the closed NSW Public Sector Superannuation Schemes pooled fund assets are invested by SAS Trustee Corporation (STC) at arm's length through independent fund managers, assets are not separately invested for each entity and it is not possible or appropriate to disaggregate and attribute fund assets to individual entities. As such, the disclosures below relate to total assets of the Pooled Fund.

As at 30 November 2019*	Total (A\$'000)	Quoted prices in active markets for identical assets Level 1 (A\$'000)	Significant observable inputs Level 2 (A\$'000)	Unobservable inputs Level 3 (A\$'000)
Short term securities	3,761,027	1,820,905	1,940,122	-
Australian fixed interest	1,474,232	0	1,474,232	-
International fixed interest	2,054,882	17,668	2,033,168	4,046
Australian equities	8,164,849	7,603,409	561,440	-
International equities	13,273,396	11,376,130	1,897,221	45
Property	3,690,300	748,491	831,249	2,110,559
Alternatives	9,980,311	21,100	5,412,428	4,546,783
Total	42,398,997	21,587,703	14,149,860	6,661,433

As at 30 November 2018	Total (A\$'000)	Quoted prices in active markets for identical assets Level 1 (A\$'000)	Significant observable inputs Level 2 (A\$'000)	Unobservable inputs Level 3 (A\$'000)
Short term securities	3,845,538	1,626,895	2,218,643	-
Australian fixed interest	2,199,199	7,968	2,191,231	-
International fixed interest	1,371,539	32,330	1,338,810	399
Australian equities	7,580,239	7,081,918	495,266	3,055
International equities	10,273,845	7,897,078	2,376,554	213
Property	3,485,411	596,740	767,678	2,120,993
Alternatives	10,488,520	424,255	6,070,406	3,993,859
Total	39,244,291	17,667,184	15,458,588	6,118,519

* Actual asset allocation as at 31 December 2019 is not yet available; the latest allocation available as at 30 November 2019 has been used.

Level 1 - quoted prices in active markets for identical assets or liabilities. The assets in this level are listed shares; listed unit trusts.

Level 2 - inputs other than quoted prices observable for the asset or liability either directly or indirectly. The assets in this level are cash; notes; government, semi-government and corporate bonds; unlisted trusts where quoted prices are available in active markets for identical assets or liabilities.

Note 34. Defined Benefit Plans (continued)

Professorial superannuation scheme (continued)

b) Categories of plan assets (continued)

Level 3 - inputs for the asset or liability that are not based on observable market data. The assets in this level are unlisted property; unlisted shares; unlisted infrastructure; distressed debt; hedge funds.

Derivatives, including futures and options, can be used by investment managers. However, each manager's investment mandate clearly states that derivatives may only be used to facilitate efficient cash flow management or to hedge the portfolio against market movements and cannot be used for speculative purposes or gearing of the investment portfolio. As such managers make limited use of derivatives.

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

	2019 (%)	2018 (%)
State schemes (SASS, SANCS, SSS)		
Discount rate(s)		
Expected return on plan assets	7.4	7.4
Expected rate(s) of salary increase	3.2	2.7% to 30 June 2019 then 3.2% thereafter
Expected return on reimbursement rights	6.4	6.4
Rate of CPI Increase	2.2	2.2
Professorial Superannuation Fund		
Discount rate(s) (gross of tax)	1.0	2.0
Discount rate(s) (net of tax)	n/a	n/a
Expected return on fund assets	1.0	2.0
Expected rate(s) of salary increase	1.5	1.5

c) Actuarial assumptions and sensitivity

The entity's total defined benefit obligation as at 31 December 2019 under several scenarios is presented below. The total defined benefit obligation disclosed is inclusive of the contribution tax provision which is calculated based on the asset level at 31 December 2019.

Scenarios A to F relate to sensitivity of the total defined benefit obligation to economic assumptions, and scenarios G and H relate to sensitivity to demographic assumptions.

Impact on defined benefit obligation

	Base case	Scenario A -1.0% discount rate	Scenario B +1.0% discount rate
Discount rate	as above	above rates less 1.0%	above rates plus 1.0%
Rate of CPI increase	as above	as above	as above
Salary inflation rate	as above	as above	as above
Defined benefit obligation (A\$)	366,636,397	408,741,286	331,318,506
	Base case	Scenario C +0.5% rate of CPI increase	Scenario D -0.5% rate of CPI increase
Discount rate	as above	as above	as above
Rate of CPI increase	as above	above rates plus 0.5% pa	above rates less 0.5% pa
Salary inflation rate	as above	as above	as above
Defined benefit obligation (A\$)	366,636,397	387,179,986	347,665,907
	Base case	Scenario E +0.5% rate of CPI increase	Scenario F -0.5% rate of CPI increase
Discount rate	as above	as above	as above
Rate of CPI increase	as above	as above	as above
Salary inflation rate	as above	above rates plus 0.5% pa	above rates less 0.5% pa
Defined benefit obligation (A\$)	366,636,397	367,227,420	366,062,746
	Base case	Scenario G lower mortality*	Scenario H higher mortality **
Defined benefit obligation (A\$)	366,636,397	370,404,288	362,599,840

* Assumes the short term pensioner mortality improvement factors for years 2019-2023 also apply for years after 2023.

** Assumes the long term pensioner mortality improvement factors for years post 2023 also apply for years 2019 to 2023.

The defined benefit obligation has been recalculated by changing the assumptions as outlined above, whilst retaining all other assumptions.

Note 34. Defined Benefit Plans (continued)

Professorial superannuation scheme (continued)

c) Actuarial assumptions and sensitivity (continued)

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

31 December 2019	
Discount rate	1.37% p.a.
Salary increase (exclude promotional increases)	3.2% p.a.
Rate of CPI increase	1.75% for 2019/20 and 2020/21; 2.00% for 2021/22 and 2022/23; 2.50% pa thereafter
Pensioner mortality	The pensioner mortality assumptions are as per the 2018 Actuarial Investigation of the Pooled Fund. These assumptions are disclosed in the actuarial investigation report available from the trustee's website. The report shows the pension mortality rates for each age.
31 December 2018	
Discount rate	2.33%
Salary increase (exclude promotional increases)	2.70% p.a. for 2018/2019, 3.20% p.a. thereafter
Rate of CPI increase	2.00% for 2018/19, 2.25% for 2019/20, 2.50% p.a. thereafter.
Pensioner mortality	The pensioner mortality assumptions are as per the 2018 Actuarial Investigation of the Pooled Fund. These assumptions are disclosed in the actuarial investigation report available from the trustee's website. The report shows the pension mortality rates for each age.

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

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

Note 34. Defined Benefit Plans (continued)

Professorial superannuation scheme (continued)

d) Statement of financial position amounts

Amounts recognised in the statement of financial position - 2019

	\$'000 SASS	\$'000 SANCS	\$'000 SSS	\$'000 PSF	\$'000 Total
Liabilities					
Provision for deferred government benefits for superannuation	22,389	3,581	340,666	5,786	372,422
Provision for pension entitlements	-	-	-	-	-
Total liabilities	22,389	3,581	340,666	5,786	372,422
Add: on-costs on pension entitlements	-	-	-	-	-
Total pension entitlements (including on-costs)	-	-	-	-	-
Total liabilities recognised in statement of financial position	22,389	3,581	340,666	5,786	372,422
Assets					
Receivable for deferred government contribution for superannuation	12,830	573	17,724	5,772	36,899
Total assets recognised in statement of financial position	12,830	573	17,724	5,772	36,899
Net liability recognised in the statement of financial position	(9,559)	(3,008)	(322,942)	(14)	(335,523)
Net liability reconciliation - 2019	SASS	SANCS	SSS	PSF	Total
Defined benefit obligation	22,389	3,581	340,666	5,786	372,422
Fair value of plan assets	12,830	573	17,724	5,772	36,899
Net liability	9,559	3,008	322,942	14	335,523
Reimbursement right	-	-	-	-	-
Total net liability/(asset)	9,559	3,008	322,942	14	335,523

Note 34. Defined Benefit Plans (continued)

Professorial superannuation scheme (continued)

d) Statement of financial position amounts (continued)

Reimbursement rights - 2019	SASS	SANCS	SSS	PSF	Total
Opening value of reimbursement right	6,733	3,019	308,023	-	317,775
Return on reimbursement rights	5	(236)	(4,156)	-	(4,387)
Remeasurements	-	-	-	-	-
Closing value of reimbursement right	6,738	2,783	303,867	-	313,388

	\$'000	\$'000	\$'000	\$'000	\$'000
Present value of obligations - 2019	SASS	SANCS	SSS	PSF	Total
Opening defined benefit obligation	23,093	3,841	325,622	5,470	358,026
Current service cost	606	122	-	209	937
Past service cost	-	-	-	-	-
Interest expense	511	84	7,458	84	8,137
Remeasurements					
Return on plan assets, excluding amounts included in net interest expense	-	-	-	-	-
Actuarial losses/(gains) arising from changes in demographic assumptions	-	-	-	552	552
Actuarial losses/(gains) arising from changes in financial assumptions	754	181	26,305	399	27,639
Actuarial losses/(gains) arising from liability experience	1,135	31	(1,371)	(118)	(323)
Experience (gains)/losses	-	-	-	-	-
Exchange differences on foreign plans	-	-	-	-	-
Contributions					
Plan participants	271	-	36	-	307
Payments from plan					
Benefits paid	(3,931)	(586)	(16,822)	(810)	(22,149)
Taxes, premiums & expenses paid	(50)	(92)	(562)	-	(704)
Closing defined benefit obligation	22,389	3,581	340,666	5,786	372,422

Present value of plan assets - 2019	SASS	SANCS	SSS	PSF	Total
Opening fair value of plan assets	15,307	528	17,391	5,382	38,608
Interest (income)	330	14	479	103	926
Remeasurements					
Return on plan asset, excluding amounts included in net interest expense	902	(8)	(133)	-	761
Actuarial (loss)/gain on fund assets	-	-	-	780	780
Exchange differences on foreign plans	-	-	-	-	-
Contributions					
Employers	-	717	17,336	317	18,370
Plan participants	271	-	36	-	307
Payments from plan					
Benefits paid	(3,930)	(586)	(16,822)	(810)	(22,148)
Settlements	-	-	-	-	-
Taxes, premiums and expenses paid	(50)	(92)	(563)	-	(705)
Assets acquired in a business combination	-	-	-	-	-
Closing fair value of plan assets	12,830	573	17,724	5,772	36,899

Note 34. Defined Benefit Plans (continued)

Professorial superannuation scheme (continued)

d) Statement of financial position amounts (continued)

Amounts recognised in the statement of financial position - 2018					
	\$'000 SASS	\$'000 SANCS	\$'000 SSS	\$'000 PSF	\$'000 Total
Liabilities					
Provision for deferred government benefits for superannuation	23,094	3,841	325,622	5,470	358,027
Provision for pension entitlements	-	-	-	-	-
Total liabilities	23,094	3,841	325,622	5,470	358,027
add: on-costs on pension entitlements	-	-	-	-	-
Total pension entitlements (including on-costs)	-	-	-	-	-
Total liabilities recognised in statement of financial position	23,094	3,841	325,622	5,470	358,027
Assets					
Receivable for deferred government contribution for superannuation	15,308	528	17,391	5,118	38,345
Total assets recognised in statement of financial position	15,308	528	17,391	5,118	38,345
Net liability recognised in the statement of financial position	(7,786)	(3,313)	(308,231)	(352)	(319,682)
	\$'000 SASS	\$'000 SANCS	\$'000 SSS	\$'000 PSF	\$'000 Total
Net liability reconciliation - 2018					
Defined benefit obligation	23,094	3,841	325,622	5,470	358,027
Fair value of plan assets	15,308	528	17,391	5,118	38,345
Net liability	7,786	3,313	308,231	352	319,682
Reimbursement right	-	-	-	-	-
Total net liability /(asset)	7,786	3,313	308,231	352	319,682
	SASS	SANCS	SSS	PSF	Total
Reimbursement rights - 2018					
Opening value of reimbursement right	6,983	4,114	308,893	-	319,990
Return on reimbursement rights	(250)	(1,095)	(870)	-	(2,215)
Remeasurements	-	-	-	-	-
Closing value of reimbursement right	6,733	3,019	308,023	-	317,775
	SASS	SANCS	SSS	PSF	Total
Present value of obligations - 2018					
Opening defined benefit obligation	24,055	4,222	327,071	7,261	362,609
Current service cost	649	133	100	202	1,084
Past service cost	-	-	-	-	-
Interest expense	610	104	8,409	147	9,270
	SASS	SANCS	SSS	PSF	Total
Remeasurements					
Return on plan assets, excluding amounts included in net interest expense	-	-	-	-	-
Actuarial losses/(gains) arising from changes in demographic assumptions	(190)	(44)	1,471	-	1,237
Actuarial losses/(gains) arising from liability experience	(1,084)	(316)	(3,692)	(718)	(5,810)
Actuarial losses/(gains) arising from changes in financial assumptions	279	66	10,114	(471)	9,988
Contributions					
Plan participants	298	-	81	-	379
Payments from plan					
Benefits paid	(1,427)	(263)	(16,880)	(951)	(19,521)
Taxes, premiums & expenses paid	(97)	(61)	(1,052)	-	(1,210)
Closing defined benefit obligation	23,093	3,841	325,622	5,470	358,026

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Note 34. Defined Benefit Plans (continued)

Professorial superannuation scheme (continued)

d) Statement of financial position amounts (continued)

Amounts recognised in the statement of financial position – 2018 (continued)

Present value of plan assets - 2018	SASS	SANCS	SSS	PSF	Total
Opening fair value of plan assets	16,282	(120)	17,847	6,119	40,128
Interest (income)	404	1	442	133	980
Remeasurements					
Return on plan assets, excluding amounts included in net interest expense	(154)	3	(131)	-	(282)
Actuarial losses/(gains) on fund assets	-	-	-	(183)	(183)
Contributions					
Employers	-	968	17,085	264	18,317
Plan participants	299	-	80	-	379
Payments from plan					
Benefits paid	(1,427)	(263)	(16,880)	(951)	(19,521)
Settlements	-	-	-	-	-
Taxes, premiums & expenses paid	(97)	(61)	(1,052)	-	(1,210)
Closing fair value of plan assets	15,307	528	17,391	5,382	38,608

e) Amounts recognised in other statements

	\$'000 SASS	\$'000 SANCS	\$'000 SSS	\$'000 PSF	\$'000 Total
Amounts recognised in the Income Statement – 2019					
The amounts recognised in the Income Statement are restricted to the 4 schemes and pension in accordance with note 1(v). The amounts are included in employee related expenses (note 5).					
Current service cost	605	122	-	209	936
Past service cost	-	-	-	-	-
Net interest	181	69	6,980	(19)	7,211
Interest income	-	-	-	-	-
Total expense recognised in the Income Statement	786	191	6,980	190	8,147

	\$'000 SASS	\$'000 SANCS	\$'000 SSS	\$'000 PSF	\$'000 Total
Amounts recognised in the Statement of Comprehensive Income - 2019					
The amounts recognised in the Statement of Comprehensive Income are restricted to the 2 schemes and pension in accordance with note 1(v). The amounts are included in reserves (note 23).					
Remeasurements					
Actuarial losses (gains) arising from changes in financial assumptions	-	-	-	53	53
Actuarial losses (gains) arising from experience adjustments	-	-	-	-	-
Actual return on plan assets less interest income	-	-	-	-	-
Total remeasurements in other comprehensive income	-	-	-	53	53
Total remeasurements recognised in the Statement of Comprehensive Income			-	53	53

Amounts recognised in the Income Statement – 2018	SASS	SANCS	SSS	PSF	Total
The amounts recognised in the Income Statement are restricted to the 4 schemes and pension in accordance with note 1(v). The amounts are included in employee related expenses (note 5).					
Current service cost	648	134	100	202	1,084
Net interest	206	102	7,968	14	8,290
Interest income	-	-	-	-	-
Total expense recognised in the Income Statement	854	236	8,068	216	9,374

Note 34. Defined Benefit Plans (continued)

Professorial superannuation scheme (continued)

e) Amounts recognised in other statements (continued)

Amounts recognised in the Statement of Comprehensive Income - 2018	SASS	SANCS	SSS	PSF	Total
The amounts recognised in the Statement of Comprehensive Income are restricted to the 2 schemes and pension in accordance with note 1(v). The amounts are included in reserves (note 23).					
Remeasurements					
Actuarial losses (gains) arising from changes in financial assumptions	-	-	-	(471)	(471)
Actuarial losses (gains) arising from experience adjustments	-	-	-	(718)	(718)
Actual return on plan assets less interest income	-	-	-	183	183
Total remeasurements in other comprehensive income	-	-	-	(1,006)	(1,006)
Total amounts recognised in the Statement of Comprehensive Income	-	-	-	(1,006)	(1,006)

f) Financial impact for other funds

UniSuper

This is a defined benefit superannuation scheme with the entitlements of the scheme being fully met by UniSuper from contributions paid by the University and its employees. UniSuper is not considered to be controlled by the University and therefore the surplus has not been included in the University's accounts. The UniSuper Defined Benefit Division (DBD) is a defined benefit plan under Superannuation Law but is considered to be a defined contribution plan under Accounting Standard AASB 119.

As at 30 June 2019, the assets of the DBD in aggregate were estimated to be \$5,643 million above vested benefits, after allowing for various reserves. The Vested Benefit Index based on funding assumptions was 125.4%. The vested benefits are benefits which are not conditional upon continued membership (or any factor other than leaving the service of the participating institution) and include the value of indexed pensions being provided by the DBD.

As at 30 June 2019, the assets of the DBD in aggregate were estimated to be \$7.301 million above accrued benefits, after allowing for various reserves. The Accrued Benefit Index based on best estimate assumptions was 135.5%. The accrued benefits have been calculated as the present value of expected future benefit payments to members and indexed pensioners which arise from membership of UniSuper up to the reporting date.

The vested benefit and accrued benefit liabilities were determined by the Fund's actuary using the actuarial demographic assumptions outlined in their report on the actuarial investigation of the DBD as at 30 June 2019. The financial assumptions used were:

	Vested benefits	Accrued benefits
Gross of tax investment return – DBD pensions	4.8% pa	6.6% pa
Gross of tax investment return – commercial rate indexed pensions	2.4% pa	2.9% pa
Net of tax investment return - non pensioner members	4.3% pa	5.8% pa
Consumer Price Index	2.0% pa	2.0% pa
Inflationary salary increases long term		
- For the next 3 years	2.75% pa	2.75% pa
- Beyond 3 years	3.0% pa	3.0% pa

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

Accounting Policy

Defined Benefit Plans

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

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

Past service costs are recognised in profit or loss immediately.

Note 34. Defined Benefit Plans (continued)

Accounting Policy (continued)

Deferred government benefit for superannuation

EDUCATION

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

The unfunded liabilities recorded in the Statement of Financial Position under Provisions have been determined by Pillar Administration and relate to the defined benefit superannuation plans of State Superannuation Scheme (SSS), State Authorities Superannuation Scheme (SASS), State Authorities Non-Contributory Superannuation Scheme (SANCS) and the UNE Professorial Superannuation Fund.

Note 35. Acquittal of Australian Government financial assistance

35a Education - CGS and Other Education Grants

	Note	Parent entity (University) only				
		Commonwealth Grant		Indigenous Student		Access and Participation Fund
		Scheme #1	2018	Success Program #2	2018	
		2019	2018	2019	2018	2019
		\$'000	\$'000	\$'000	\$'000	\$'000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the program)		112,997	111,153	2,425	2,161	3,771
Net accrual adjustments		2,820	953	-	-	-
Revenue and income for the period	3.1(a)	115,817	112,106	2,425	2,161	3,771
Surplus / (deficit) from the previous year		(29)	(923)	136	247	-
Total revenue and income including accrued revenue		115,789	111,183	2,561	2,408	3,771
Less expenses including accrued expenses		118,638	111,213	2,313	2,272	3,771
Surplus / (deficit) for reporting period		(2,850)	(29)	247	136	-

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

2 Indigenous Student Success Program has replaced the Indigenous Commonwealth Scholarships Program and the Indigenous Support Program as of 1 January 2017.

	Note	Parent entity (University) only				
		Disability Performance		Promotion of		Total
		Funding #3	2018	Excellence in Learning and	2018	
		2019	2018	2019	2018	2019
		\$'000	\$'000	\$'000	\$'000	\$'000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the program)		155	162	-	-	119,348
Net accrual adjustments		-	-	-	-	117,262
Revenue and income for the period	3.1(a)	155	162	-	-	2,820
Surplus / (deficit) from the previous year		-	-	-	-	122,168
Total revenue and income including accrued revenue		155	162	-	-	107
Less expenses including accrued expenses		155	162	-	-	122,275
Surplus / (deficit) for reporting period		-	-	-	-	124,878
						(2,603)
						107

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

Note 35. Acquittal of Australian Government financial assistance (continued)

35b Higher Education Loan Programs (excluding OS-HELP)	Note	HECS-HELP (Australian Government payments only)		Parent entity (University) only										
		2019	2018	FEE-HELP			SA-HELP			Total				
				2019	2018	2019	2018	2019	2018					
											2019	2018	2019	2018
Cash Payable / (Receivable) at beginning of year														
Financial assistance received in Cash during the reporting period														
Cash available for the period														
Revenue and income earned														
Cash Payable / (Receivable) at end of year														

35c Department of Education and Research#4

35c Department of Education and Research#4	Parent entity (University) only	Research Training Program		Research Support Program		Total	
		2019	2018	2019	2018	2019	2018
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Note							
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the program)		9,094	9,074	7,365	7,287	16,458	16,360
Net accrual adjustments		-	-	-	-	-	-
Revenue for the period	3.1(c)	9,094	9,074	7,365	7,287	16,458	16,360
Surplus / (deficit) from the previous year		-	-	-	-	-	-
Total revenue including accrued revenue		9,094	9,074	7,365	7,287	16,458	16,360
Less expenses including accrued expenses		9,094	9,074	7,365	7,287	16,458	16,360
Surplus / (deficit) for reporting period		-	-	-	-	-	-

35e Australian Research Council Grants

35e Australian Research Council Grants	Note	Parent entity (University) only				
		Discovery		Linkages		Total
		2019	2018	2019	2018	2019
		\$'000	\$'000	\$'000	\$'000	\$'000
Financial assistance received in CASH during the reporting period (total cash received from the Australian Government for the program)		1,306	1,099	81	24	1,387
Net accrual adjustments		-	-	-	-	-
Revenue for the period	3.1(d)	1,306	1,099	81	24	1,387
Surplus / (deficit) from the previous year		863	835	-	336	863
Total revenue including accrued revenue		2,169	1,934	81	361	2,250
Less expenses including accrued expenses		1,047	1,071	81	361	1,128
Surplus / (deficit) for reporting period		1,122	863	-	-	1,122
						863

University of New England

Note 35. Acquittal of Australian Government financial assistance (continued)

35f Other Australian Government Financial Assistance

Note	Parent entity (University) only	
	2019 \$'000	2018 \$'000
Cash Received during the reporting period	20,290	22,675
Cash Spent during the reporting period	(20,290)	(22,675)
Net Cash received	-	-
Cash Surplus / (deficit) from the previous period	-	-
Cash Surplus / (deficit) for the reporting period	-	-

35g OS-HELP

Note	Parent entity (University) only	
	2019 \$'000	2018 \$'000
Cash Received during the reporting period	1,510	1,320
Cash Spent during the reporting period	(1,637)	(1,893)
Net Cash received	(127)	(573)
Cash Surplus / (deficit) from the previous period	652	1,226
Cash Surplus / (deficit) for the reporting period	525	652

Note 35. Acquittal of Australian Government financial assistance (continued)

35h Higher Education Superannuation Program

Note	Parent entity (University) only	
	2019 \$'000	2018 \$'000
Cash Received during the reporting period	17,039	17,384
University contribution in respect of current employees	-	-
Cash available	17,039	17,384
Cash Surplus / (deficit) from the previous period	-	-
Cash available for current period	17,039	17,384
Contributions to specified defined benefit funds	(17,039)	(17,384)
Cash Surplus / (deficit) this period	-	-

35i Student Services and Amenities Fee

Note	Parent entity (University) onl	
	2019 \$'000	2018 \$'000
Unspent / (overspent) revenue from previous period	-	336
SA-HELP Revenue Earned	3.1(b) 2,319	267
Student Services and Amenities Fees direct from Students	3.3 612	525
Total revenue expendable in period	2,931	1,128
Student Services expenses during period	2,931	1,128
Unspent / (overspent) Student Services Revenue	-	-

End of Audited Financial Statements

Agricultural Business Research Institute



Agricultural Business Research Institute

**ABN: 59 781 301 088
Annual Financial Report
for the year ended
31 December 2019**



INDEPENDENT AUDITOR'S REPORT

Agricultural Business Research Institute

To Members of the New South Wales Parliament and Members of the Agricultural Business Research Institute

Opinion

I have audited the accompanying financial statements of the Agricultural Business Research Institute (the Company), which comprises the Income Statement and Statement of Comprehensive Income for the year ended 31 December 2019, the Statement of Financial Position as at 31 December 2019, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In my opinion, the financial statements:

- are in accordance with the *Corporations Act 2001*, including:
 - giving a true and fair view of the Company's financial position as at 31 December 2019 and its performance for the year ended on that date
 - complying with Australian Accounting Standards and the Corporations Regulations 2001
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (PF&A Act) and the Public Finance and Audit Regulation 2015.

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

Basis for Opinion

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

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

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

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

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

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

I confirm the independence declaration, required by the *Corporations Act 2001*, provided to the directors of the Company on 13 March 2020, would be in the same terms if provided to the directors as at the time of this Independent Auditor's Report.

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

Directors' Responsibilities for the Financial Statements

The directors of the Company are responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, the PF&A Act and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

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

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

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

My opinion does not provide assurance:

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

S Bond .

Sally Bond
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

18 March 2020
SYDNEY

Agricultural Business Research Institute

Directors' Report

Your Directors submit their report, together with the financial statements of the company for the year ended 31 December 2019 and the Auditors Report thereon.

Director details

The following persons were Directors of the company during or since the end of the financial year:

Qualifications and Experience

Name and Occupation:	Ian Michael LOCKE
Qualifications:	B. Agric. Econ.
Experience:	Mr Locke worked as a agricultural business consultant in Poolmans Pty Ltd and in the Centre for Agricultural Risk Management Pty Ltd before returning to the family property in Holbrook in 1994. He is a principal of the Wirruna Poll Hereford Stud which has won State and National Seedstock Producers of the Year Awards.
Special Responsibilities	Chairman, IBRS Sub-Committee, Finance and Admin Sub-Committee Non-executive director since June 2002.
Name and Occupation:	Hugh Peter NIVISON
Qualifications:	B.V.Sc., MAICD FARL
Experience:	Mr Nivison was appointed Managing Director in 2015. He has a lifelong involvement in, and passion for, livestock production industries as a wool and cattle producer. Mr Nivison has previously acted as an advisor to global investment funds, identifying and acquiring assets including due diligence, strategic & business plan evaluation and operational advice on agricultural investments in Australia and internationally. He has a high level of corporate experience having served on numerous industry organisations and remains Chair of the Australian Farmers' Fighting Fund. With a degree in Veterinary Science and appointed an Adjunct Associate Professor at the University of Queensland School of Veterinary Science, Mr Nivison is also a graduate of the Australian Rural Leadership Program.
Special Responsibilities	Managing Director since October 2015.
Name and Occupation:	Sarah NOLET
Qualifications:	B.S. Computer Science; B.S. Human Factors Engineering; M.S. Systems Engineering and Management
Experience:	Ms Nolet is an internationally recognized food systems innovation expert. She is the CEO and Founder of AgThentic, a global food and agriculture strategy firm; co-founder of Tenacious Ventures, Australia's first dedicated agrifood tech VC firm; and co-founder of Farmers2Founders, a national innovation program that supports Australian primary producers to commercialize inventions and new businesses, as well as gain early access to emerging technologies.
Special Responsibilities	Non-executive director since October 2019
Name and Occupation:	Professor Heiko DANIEL
Experience:	Professor Daniel is the Deputy Vice-Chancellor (Research) (DVCR). In this role, Professor Daniel provides strategic leadership for all aspects of the University's research activities, oversight of the UNE Research Strategic Plan and oversees the strategies and operations of the Research Services Directorate.
Special Responsibilities	Non-executive director since June 2015.
Name and Occupation:	Peter Brett COOMBE
Qualifications:	Bachelor of Business (Rural Management), from Gatton College
Experience:	Mr Coombe is General Manager of THF Agribusiness Pty Ltd which operates five Central Queensland properties running 10,000 head in a breeding, backgrounding and finishing operation. He has extensive experience in the use of genetic technologies in his own Brahman herd and was a member of the Animal Genetics and Breeding Unit Consultative Committee from 2007 to 2014. Mr Coombe has been a member of the Australian Brahman Breeders' Association Council since 1991 and served as President from 1999 to 2001. He is currently Treasurer, a member of the Executive Committee and Chairman of the Association's Technical Committee.
Special Responsibilities	IBRS Sub-Committee Non-executive director since July 2014.
Name and Occupation:	Morris George MCINNES
Qualifications:	Certificate in Animal Husbandry, Emerald College
Experience:	Mr McInnes manages a 450 cow dairy in South East Queensland. Prior experience on local and regional catchment/land care bodies and on Queensland Irrigators Council.
Special Responsibilities	Dairy Express Sub-Committee Non-executive director since November 2009. Resigned October 2019
Name and Occupation:	Kris KAUFFMANN
Experience:	Mr Kauffmann is the former Chief Financial Officer of UNE and previously held the role of Executive Director Policy, Planning and External Relations at UNE. He has extensive experience in strategic planning and resource management in public institutions both in Australia and abroad. Mr Kauffmann has completed a Masters of Public Policy and Management (London), a Graduate Diploma in Applied Finance and a Bachelor of Business (Economic Hons). He is a member of the Australian Institute of Company Directors and is a Certified Finance and Treasury Professional.
Special Responsibilities	Finance and Admin Sub-Committee Non-executive director since May 2017.

Name and Occupation: **James Sebastian NEAL**
Qualifications: B Ag Sci (Hon 1) PhD MAICD
Experience: Mr Neal has a PhD in Veterinary Science from the University of Sydney and Agricultural science degree from the University of Adelaide. He has worked as a research Scientist for New South Wales Department of Primary Industries for 8 years and Adelaide University for 2 years. He has been a director of the Australian Dairy Herd Improvement Scheme. Mr Neal currently runs a 700 cow dairy farm on Oxley Island Taree NSW.

Special Responsibilities: Dairy Express Advisory Committee
Non-executive director since May 2017.

Name and Occupation: **Karen DADO**
Qualifications: BSc (UNSW), MBA (London), Certificate Governance & Risk Management
Experience: Ms Dado is an experienced management consultant and company director. Former Director at PricewaterhouseCoopers in their London and Sydney offices. Advises on governance and risk matters, strategy, financial and operational performance improvement. Provides corporate advisory assistance to technology start-ups including in the agricultural sector and to organisations commercialising internet of things business solutions and data-analytics software.

Special Responsibilities: Finance and Admin Sub-Committee
Non-executive director since November 2017.

Name and Occupation: **Justin BOSHAMMER**
Qualifications: B. App. Science
Experience: Mr Boshammer has an Applied Science degree from the University of Queensland. He has corporate experience being a past Director of the Agforce Cattle Board, a member of the Research, development and Adoption Consultative Committee for the Cattle Council of Australia. Past Chair of the Queensland Angus Committee and co-founder of the Young Beef Producers Forum. Mr Boshammer is current Managing Director of JK Cattle Company based near Condamine, QLD which is recognised as a leading Angus and Brangus Seedstock herd with additional interests in commercial beef and horse breeding.

Special Responsibilities: IBRS Sub-Committee
Non-executive director since May 2018.

Company Secretary

The following person held the position of corporate secretary at the end of the financial year:

Name and Occupation: Coenraad Hendrik Mouton (Manager/Accountant)
Qualifications: B Econ(Accounting), BS (Computer Science)

Principal Activities

The principal activities of the company in the course of the year were to provide data processing services, computer software products and educational services to improve productivity and efficiency of Australian and overseas agribusiness and rural-based industries.

There have been no significant changes in the nature of these activities during the year.

Company Objectives

The ABRI's Constitution records the objects for which the company was established as follows:

- (a) To promote Australian primary production industries.
- (b) To conduct research into Australian primary production industries.
- (c) To provide genetic evaluation services aimed at improving the productivity of Australian livestock industries.
- (d) To develop software beneficial to members of Australian primary production industries.
- (e) To provide seminars, workshops and field days beneficial to members of Australian primary production industries.

Strategy for achieving these objectives

The ABRI Board has developed a Strategic Plan for 2018-2022, which includes the following strategies and activities:

Object (a) – the ABRI provides an office environment that allows industry groups to set up their national headquarters and promote their sector of agriculture. Twenty five organisations have already done this. ABRI is also active in promoting Australia's cattle genetics in overseas countries. ABRI provides a service for accreditation of cattle for export as breeding stock.

Object (b) – ABRI provides research, particularly in beef cattle breeding, that assists beef cattle breeders increase the rate of genetic progress in their herds.

Object (c) - ABRI provides the BREEDPLAN® genetic evaluation service to the beef cattle industry nationally. The average weighted production index of cows recorded by ABRI in southern Australia has improved from an index of \$10/cow to \$62/cow in the time ABRI has been offering a selection system.

Object (d) – ABRI has developed a range of software products to help Australia's primary producers:

ILR2 – breed register software for multiple species.

BREEDPLAN – beef cattle genetic evaluation system.

Dairy Express – a comprehensive herd recording system for the dairy industry.

HerdMASTER – a PC-based herd management system for beef cattle breeders.

Object (e) ABRI has established two projects which provide seminars, workshops and field days to primary producers namely:

Southern Beef Technology Services (in Southern Australia).

Tropical Beef Technology Services (in Northern Australia).

Together these two projects provide a national field extension service.

How entity measures performance

KPI's revolve around:

Rate of genetic progress being achieved,
The number of animals being recorded,
Members participating in the services,
Number of attendees to various workshops and seminars,
Financial returns.

Directors' meetings

During the financial year ended 31 December, 2019 four directors' meetings were held. Attendance at the meeting was as follows:

Directors' Name	Directors' Meetings	
	Eligible to	Number
Hugh Peter NIVISON	4	4
Sarah NOLET	1	1
Ian Michael LOCKE	4	4
Peter Brett COOMBE	4	4
Morris George MCINNES	3	3
Heiko DANIEL	4	4
Kris KAUFFMANN	4	2
James Sebastian NEAL	4	3
Karen DADO	4	4
Justin BOSHAMMER	4	4

Contribution in winding up

The company is incorporated under the Corporations Act 2001 and is an entity limited by guarantee. There is only one class of member who has a \$100 liability should the company be wound up. At 31 December 2019, the collective liability of members was \$700 (\$100 per member, maximum number of members 7).

Review of Operations

The operating deficit of the company was \$501,916 (2018 = \$1,175,769) and the deficit after fair value adjustments on the financial assets was \$250,457 (2018 = \$1,357,687)

After considering the approved budget, business activity, and trading conditions for the year, the operating result is deemed by the Directors to be a satisfactory result for the company.

Significant Changes in the State of Affairs

No significant changes in the company's state of affairs occurred during the financial year.

Events Subsequent to the End of the Reporting Period

There are no reportable events occurring after the balance date.

Likely Developments and Expected Results of Operations

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

Environmental Regulations

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

Indemnification of Officers

The company obtains insurance as part of the University of New England's commercial insurance to indemnify persons who serve on University Boards and Committees and on Boards and Committees of all entities in the Group. The annual premium for the Group of \$48,195 for Directors and Officers Insurance covered the period 1 November 2018 to 31 October 2019. Insurance has been renewed for the Group for the period 1 November 2019 to 31 October 2020 at a cost of \$60,244. Coverage also extends to the Group's appointees who serve on the Boards of other entities, as designated representative of the University and controlled entities and who are not otherwise indemnified.

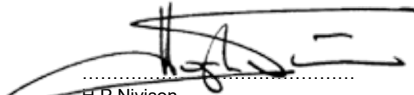
Legal proceedings on behalf of the Company

There were no legal proceedings brought against the company during the financial year. At the date of this report, the directors are not aware of any legal proceedings which have arisen since the end of the financial year and up to the date of this report.

AUDITOR'S INDEPENDENCE DECLARATION

The Auditor's Independence Declaration as required under section 307C of the Corporations Act is set out on the next page and forms part of the directors' report for the financial year ended 31 December 2019.

The report is signed on behalf of the directors in accordance with a resolution of the directors made pursuant to the Corporations Act 2001.


.....
H P Nivison
Director

Date: 16th March 2020


H DANIEL
Director

Date: 16th March 2020



To the Directors

Agricultural Business Research Institute

Auditor's Independence Declaration

As auditor for the audit of the financial statements of the Agricultural Business Research Institute for the year ended 31 December 2019, I declare, to the best of my knowledge and belief, there have been no contraventions of:

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

S Bond .

Sally Bond
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

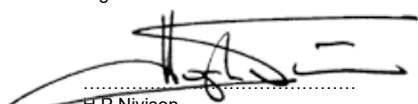
13 March 2020
SYDNEY

Directors' Declaration

The directors declare that:

1. the financial statements and notes comply with Australian Accounting Standards (including Australian Accounting Interpretations);
2. the financial statements and notes give a true and fair view of the financial position and performance of the company for the financial year ended 31 December 2019;
3. the financial statements and notes are in accordance with the Corporations Act 2001; and
4. there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors made pursuant to s295(5) of the Corporations Act, 2001.



H P Nivison
Director

Date: 16th March 2020



H DANIEL
Director

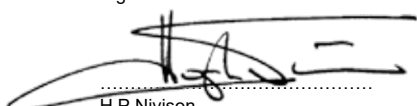
Date: 16th March 2020

Directors' Statement Pursuant to Section 41C(1B) and (1C) of the *Public Finance and Audit Act 1983*

In accordance with a resolution of the directors and pursuant to Section 41C (1B) and 1(C) of the *Public Finance and Audit Act 1983*, we state that:

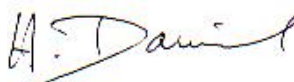
1. The attached general purpose financial statements and notes present a true and fair view of the financial position and performance of the Company at 31 December 2019 and the results of its operations and transactions of the Company for the year then ended;
2. The financial statements and notes have been prepared in accordance with the provisions of the *Public Finance and Audit Act 1983* and *Public Finance and Audit Regulation 2015*;
3. The financial statements and notes have been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and authoritative pronouncements of the Australian Accounting Standards Board;
4. We are not aware of any circumstances which would render any particulars included in the financial statements to be misleading or inaccurate; and
5. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors.



H P Nivison
Director

Date: 16th March 2020



H DANIEL
Director

Date: 16th March 2020

Income Statement

For the year ended 31 December 2019

	Note	2019 \$	2018 \$
Revenue and income from continuing operations			
Investment income	2	275,875	252,427
Trading revenue	4	7,477,142	7,686,121
Total revenue and income from continuing operations		<u>7,753,017</u>	<u>7,938,548</u>
Expenses from continuing operations			
Employee related expenses	5	5,390,510	5,540,919
Depreciation and amortisation	6	256,453	241,434
Repairs and maintenance	7	41,673	33,272
Borrowing costs	9	12,857	13,659
Impairment of assets	8	16,367	30,511
Investment losses	3	-	-
Other expenses	9	2,537,073	3,254,522
Total expenses from continuing operations		<u>8,254,933</u>	<u>9,114,317</u>
Net result from continuing operations		<u>(501,916)</u>	<u>(1,175,769)</u>
Other Gains/(Losses)			
Other investment gain/(loss)	3	253,971	(181,918)
Gain/(Loss) on sale of assets	3	(2,512)	-
Net result attributable to the ABRI	20(b)	<u>(250,457)</u>	<u>(1,357,687)</u>

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

Statement of Comprehensive Income

For the year ended 31 December 2019

	2019 \$	2018 \$
Net result for the year	(250,457)	(1,357,687)
Items that will not be reclassified to profit or loss		
Gain/(loss) on revaluation of land, buildings and infrastructure	-	184,036
Total other comprehensive income	-	184,036
Total comprehensive income for the year	<u>(250,457)</u>	<u>(1,173,651)</u>

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

Statement of Financial Position

As at 31 December 2019

	Note	2019 \$	2018 \$
ASSETS			
Current assets			
Cash and cash equivalents	10	4,048,201	4,781,563
Receivables	11	1,646,615	1,725,802
Other assets	13	303,705	113,010
Total current assets		5,998,521	6,620,375
Non-current assets			
Other financial assets	12	4,571,929	4,142,456
Property, plant and equipment	14	3,510,753	3,628,262
Intangible assets	15	-	9,090
Total non-current assets		8,082,682	7,779,808
Total assets		14,081,203	14,400,183
LIABILITIES			
Current liabilities			
Trade and other payables	16	603,946	644,970
Borrowings	17	60,348	32,515
Provisions	18	1,091,119	1,110,697
Other liabilities	19	687,528	745,348
Total current liabilities		2,442,941	2,533,530
Non-current liabilities			
Borrowings	17	58,644	37,578
Provisions	18	97,000	96,000
Total non-current liabilities		155,644	133,578
Total liabilities		2,598,585	2,667,108
Net assets		11,482,618	11,733,075
EQUITY			
Asset revaluation reserve	20(a)	1,611,945	1,611,945
Retained earnings	20(b)	9,870,673	10,121,130
Total equity attributable to equity holders of the company		11,482,618	11,733,076

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

Statement of Changes in Equity

For the year ended 31 December 2019

	Note	Reserves	Retained Earnings	Total
Balance at 1 January 2018		1,427,909	11,478,817	12,906,726
Net result			(1,357,687)	(1,357,687)
Revaluation of Land, Buildings and Infrastructure		184,036	-	184,036
Total comprehensive income		184,036	(1,357,687)	(1,173,651)
Balance at 31 December 2018	20	1,611,945	10,121,130	11,733,075
Balance at 1 January 2019		1,611,945	10,121,130	11,733,075
Net result			(250,457)	(250,457)
Total comprehensive income		-	(250,457)	(250,457)
Balance at 31 December 2019	20	1,611,945	9,870,673	11,482,618

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

Statement of Cash Flows

For the year ended 31 December 2019

	Note	2019 \$	2018 \$
Cash flows from operating activities			
Receipts from customers		8,113,348	8,795,288
Interest received		275,875	252,427
Payments to suppliers and employees		(8,392,112)	(9,235,518)
GST recovered/paid		(480,967)	(426,634)
Net cash provided by/ (used in) operating activities	26	(483,856)	(614,437)
Cash flows from investing activities			
Payments for property, plant and equipment		(46,763)	(25,520)
Proceeds from sale of financial assets		(178,015)	364,269
Net cash (used in)/ provided by investing activities		(224,778)	338,749
Cash flows from financing activities			
Repayment of lease liabilities		(24,728)	-
Net cash provided by / (used in) financing activities		(24,728)	-
Net decrease in cash and cash equivalents		(733,362)	(275,688)
Cash and cash equivalents at the beginning of the financial year		4,781,564	5,057,252
Cash and cash equivalents at the end of the financial year	10	4,048,202	4,781,564

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

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Notes to and forming part of the Financial Statements

Note 1. Summary of significant accounting policies

Agricultural Business Research Institute, an income tax exempt entity, was incorporated in Australia on 11 January 1993 as a company limited by guarantee and is domiciled in Australia. The amount of the guarantee is limited to \$100 per member, which can be called upon in the event of winding up. At December 31, 2019 membership of the company stood at seven.

The company is a controlled entity of the University of New England and as such is considered to be a reporting entity as defined in Australian Accounting Standard AASB 127 "*Consolidated and Separate Financial Statements*".

The principal address of ABRI is: C/o UNE, The Short Run, Armidale, NSW 2351

The financial statements for the year ended 31 December 2019 was authorised for issue in accordance with a resolution of the Board on 11th February 2020.

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

(a) Basis of preparation

The annual financial statements represent the audited general purpose financial statements of Agricultural Business Research Institute. They have been prepared on an accrual basis and comply with Australian Accounting Standard, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and Australian Accounting Interpretations.

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

- *Public Finance and Audit Act 1983*,
- *Public Finance and Audit Regulations 2015*.
- *Corporations Act 2001*.

The Financial Statements has been prepared in accordance with the historical cost convention, except for debt and equity financial assets that have been measured at fair value through profit or loss and certain classes of property, plant and equipment.

(b) Foreign currency translation

(i) Functional and presentation currency

The financial statements are presented in Australian dollars which is the Entity's functional and presentation currency.

(ii) Transactions and balances

Foreign currency translations are translated into the functional currency using the exchange rates prevailing at the date of the respective transactions. Balances existing at balance date have been translated at the exchange rates ruling at that date.

(c) Income tax

Agricultural Business Research Institute does not provide for Australian Income Tax as it is exempt under the provisions of Section 50-B of the *Income Tax Assessment Act 1997 (ITAA)*.

(d) Goods and Services Tax (GST)

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

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

Cash flows are 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.

(e) Comparative amounts

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

(f) New standards and interpretations issued but not yet adopted.

Certain new Accounting Standards and Interpretations have been published that are not mandatory for the 31 December 2019 reporting period.

The Entity has elected not to early adopt any of these standards. The Entity has assessed the impact of these future interpretations and considers the impact to be insignificant for the year ending December 2019.

(g) Initial application of AAS

AASB16

The Entity has adopted AASB16 using the modified retrospective method of transition, with the date of initial application of 1 January 2019. Under the modified approach, the Entity has chosen, on a lease-by-lease basis, to measure the related right-of-use asset at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position immediately before the date of initial application.

The nature and effect of the changes as a result of adoption of AASB16 are as described below:

Definition of lease

Previously, the Entity determined at contract inception whether an arrangement is or contains a lease under Interpretation 4. Under AASB16, the Entity will continue to assess at contract inception whether a contract is, or contains, a lease but now uses the new definition of a lease.

On transition to AASB16, the Entity elected to apply the practical expedient to grandfather the assessment of which transactions are or contain leases. This means that for arrangements entered into before 1 January 2019, the Entity has not reassessed whether they are, or contain, a lease in accordance with the new AASB16 lease definition. Consequently, contracts existing prior to 1 January 2019 which were assessed per the previous accounting policy described below in accordance with AASB117 and Interpretation 4 as a lease will be treated as a lease under AASB16. Whereas, contracts previously not identified as a lease, will not be reassessed to determine whether they would meet the new definition of a lease in accordance with AASB16. Therefore, the Entity applied the recognition and measurement requirements of AASB16 only to contracts that were previously identified as leases, and does not apply AASB16 to contracts that were previously not identified as leases. The new definition of lease under AASB16 will only be applied to contracts entered into or modified on or after 1 January 2019.

The Entity as a lessee

The Entity previously classified leases as operating or finance leases based on its assessment of whether the lease transferred substantially all of the risks and rewards incidental to ownership of the underlying asset to the Entity. Under AASB16, this classification no longer exists for the Entity as a lessee. Instead, practically all leases are now recognised on the statement of financial position as right-of-use assets with corresponding lease liabilities comprising all amounts which are considered to be lease payments (see Note 17 for the new leases policy which explains what amounts are included in lease payments).

Leases previously classified as operating leases under AASB117

On transition to AASB16, the Entity recognised lease liabilities for leases previously classified as operating leases by discounting the lease payments using the incremental borrowing rate as at the date of initial application, i.e. 1 January 2019. The right-of-use assets were recognised on a lease-by-lease basis at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease relating to that lease recognised in the statement of financial position immediately before the date of initial application.

The Entity has applied the following practical expedients in transitioning existing operating leases:

- (a) Applied the exemption not to recognise right-of-use assets and lease liabilities where the remaining leases term is 12 months or less from the date of initial application.
- (b) Used hindsight in determining the lease term where the contract contains options to extend or terminate the lease.
- (c) Excluded initial direct costs from the measurement of right-of-use asset at the date of initial application.

Notes to the financial statements
(continued)
31 December 2019

Notes	2019 \$	2018 \$
Note 2. Investment income		
Interest	275,875	252,427
Dividend Income	-	-
Total investment income	<u>275,875</u>	<u>252,427</u>

Interest income is recognised as it accrues. Dividend income is recognised when the dividend is declared by the investee.

Note 3. Gains and losses

Other investment gains/(losses)	253,970	(181,918)
Gain on sale of assets	(2,512)	-
Total gains and losses	<u>251,458</u>	<u>(181,918)</u>

Note 4. Trading revenue

Fees and charges	7,477,142	7,686,121
Total trading revenue	<u>7,477,142</u>	<u>7,686,121</u>

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

Revenue from fees and charges, which is predominantly rendering of services, is recognised in proportion to the level of service provided under the sales contract.

Note 5. Employee related expenses

Salaries	4,639,900	4,601,901
Contribution to funded superannuation and pension schemes	428,816	422,397
Payroll tax	296,941	439,247
Worker's compensation	29,708	20,658
Leave accrual expense	(18,579)	47,740
Other (Allowances, penalties and fringe benefits tax)	13,724	8,977
Total employee related expenses	<u>5,390,510</u>	<u>5,540,920</u>

Refer to note 18 for accounting policies on employee benefits.

Note 6. Depreciation and amortisation

Depreciation

Buildings	95,973	80,811
Infrastructure	4,500	3,625
Furniture and Fittings	13,702	17,402
Plant and Equipment	80,919	82,164
Motor Vehicles	3,044	17,785
Leased assets	26,081	11,806
Right-of-use assets - leasing assets	23,144	-
Total depreciation	<u>247,363</u>	<u>213,593</u>

Amortisation

Intangibles	9,091	27,840
Total amortisation	<u>9,091</u>	<u>27,840</u>

Total depreciation and amortisation

<u>256,454</u>	<u>241,433</u>
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Land is not subject to depreciation. Depreciation on other assets is calculated using the straight line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives, as follows:

Buildings 3 - 60 yrs,

Computing Equipment / Software - 4 - 15 yrs,

Motor Vehicles - 5 yrs,

Infrastructure - 10 yrs.

Furniture and Fittings - 7-20 yrs,

Other Plant and Equipment - 4 - 15 yrs,

Intangible 3 - 5yrs

Notes to the financial statements
(continued)
31 December 2019

Notes	2019 \$	2018 \$
Note 7. Repairs and maintenance		
Plant/furniture/equipment	41,673	33,272
Total repairs and maintenance	<u>41,673</u>	<u>33,272</u>
Note 8. Impairment of assets		
Total impairment of receivables	16,367	30,511
Total impairment of assets	<u>16,367</u>	<u>30,511</u>

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows which are largely independent of the cash inflows from other assets or groups of assets (cash generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

Note 9. Other expenses

Non-capitalised equipment	11,397	13,886
Advertising, marketing and promotional expenses	57,507	35,098
Utilities	31,543	33,656
Postal and Telecommunications	458,380	455,226
Travel and Entertainment	169,195	214,322
Operating Lease Rental Charges	24,307	48,598
Consultants	801,058	937,632
Royalties	177,699	300,445
Computer and Office Supplies	286,262	727,712
Other Expenditure	519,725	487,947
Total other expenses	<u>2,537,073</u>	<u>3,254,522</u>

The lease liability is measured at amortised cost using the effective interest rate method resulting in interest expense being recognised as a borrowing cost in the income statement.

Interest expense on financial liability	10,154	13,659
Interest expense for long-term lease ROU assets	2,702	-
Borrowing costs	<u>12,857</u>	<u>13,659</u>
Reconciliation of Finance costs		
Finance lease interest	12,857	13,659
Less : amount capitalised	-	-
Total borrowing costs expended	<u>12,857</u>	<u>13,659</u>

Note 10. Cash and cash equivalents

Cash at bank	631,681	216,977
At call investments	3,416,520	4,564,586
Total cash and cash equivalents	<u>4,048,201</u>	<u>4,781,563</u>

(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 cash flow statement as follows:

Balances as above	4,048,201	4,781,563
Less: Bank Overdrafts	-	-
Balance per cash flow statement	<u>4,048,201</u>	<u>4,781,563</u>

(b) Deposits at call

The deposits are bearing floating interest rates between 2.5% and 2.68% (2018: 2.6% and 2.68%). These deposits have an average maturity of 365 days.

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

Notes to the financial statements
(continued)
31 December 2019

Notes	2019 \$	2018 \$
Note 11. Receivables		
Current		
Trade and Other Debtors	1,717,361	1,791,767
Less: Allowance for expected credit losses	(70,746)	(65,966)
Total receivables	<u>1,646,615</u>	<u>1,725,801</u>

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

Collectability of receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for expected credit losses of receivables is established when there is objective evidence that the Entity will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. Cash flows relating to short-term receivable are not discounted if the effect of discounting is immaterial. The amount of the provision is recognised in the income statement.

(a) Impaired receivables

As at 31 December 2019 current receivables of the entity with a nominal value of \$70,746 (2018: \$65,966) were impaired. The amount of the allowance was \$70,746 (2018: \$65,966).

The ageing of these receivables is as follows:

3 to 6 months	-	-
Over 6 months	70,746	65,966
	<u>70,746</u>	<u>65,966</u>

As of 31 December 2019, trade receivables of \$261,817 (2018: \$205,768) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these receivables is as follows:

3 to 6 months	72,956	114,866
Over 6 months	188,861	90,902
	<u>261,817</u>	<u>205,768</u>

Movements in the allowance for expected credit losses are as follows:

As at 1 January	35,455	37,596
Provision for expected credit losses during the year	4,780	28,370
Receivables written off during the year as uncollectible	(16,367)	(30,511)
	<u>23,868</u>	<u>35,455</u>

The creation and release of the provision for expected credit losses has been included in 'other expenses' in the Income Statement. Amounts charged to the provision account are generally written off when there is no expectation of recovering additional cash.

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

The carrying amount of the asset is reduced through the use of an expense account and the amount of the loss is recognised in the income statement under note 8. When a receivable is uncollectible, it is written off against the allowance account for receivables. Subsequent recoveries of amounts previously written off are credited to Bad Debts Recovered in the income statement.

Notes to the financial statements
(continued)
31 December 2019

Notes	2019 \$	2018 \$
	4,571,929	4,142,456
	4,571,929	4,142,456

Note 12. Other financial assets

Non-current

Summary of portfolio as at 31 December:

Fair value through profit and loss

Total non-current other financial assets

For purposes of subsequent measurement, financial assets are classified in four categories:

- (Other) financial assets at amortised costs
- (Other) financial assets at fair value through other comprehensive income
- Investments in equity instruments designated at fair value through other comprehensive income
- (Other) financial assets at fair value through profit or loss

(i) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value.

Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the income statement.

Derecognition

A financial asset is primarily derecognised when:

- The rights to receive cash flows from the asset have expired or
- The Entity has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Entity has transferred substantially all the risks and rewards of the asset, or (b) the Entity has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Entity has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Entity continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Entity also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Entity has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Entity could be required to repay.

Impairment of debt instruments other than receivables

The Entity recognises an allowance for expected credit losses (ECLs) for all debt instruments other than receivables and not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Entity expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Note 13. Other assets

Current

Accrued Income

Prepaid Expenses

Total current other non-financial assets

291,545	100,653
12,160	12,358
303,705	113,011

Notes to the financial statements
(continued)
31 December 2019

Note 14. Property, plant and equipment

	Freehold land \$	Freehold buildings \$	Infrastructure \$	Plant and equipment \$	Motor vehicle \$	Leased assets \$	Furniture & fittings \$	Total \$
Year ended 31 December 2018								
Opening net book amount	450,000	2,381,200	72,500	557,663	16,235	95,553	59,147	3,632,298
Additions	-	-	-	24,305	-	-	1,216	25,521
Revaluation increment/(decrement)	45,000	135,911	3,125	-	-	-	-	184,036
Adjustment to accumulated depreciation on revaluation	-	-	-	-	-	-	-	-
Assets classified as held for sale and other disposals	-	-	-	-	-	-	-	-
Depreciation charge	-	(80,811)	(3,625)	(82,164)	(6,087)	(23,503)	(17,402)	(213,593)
Closing net book amount	<u>495,000</u>	<u>2,436,300</u>	<u>72,000</u>	<u>499,804</u>	<u>10,148</u>	<u>72,050</u>	<u>42,961</u>	<u>3,628,262</u>
At 31 December 2018								
- Cost	-	-	-	2,104,264	71,590	95,553	293,709	2,565,116
- Valuation	495,000	2,436,300	72,000	-	-	-	-	3,003,300
Accumulated depreciation	-	-	-	(1,604,460)	(61,442)	(23,503)	(250,749)	(1,940,154)
Net book amount	<u>495,000</u>	<u>2,436,300</u>	<u>72,000</u>	<u>499,804</u>	<u>10,148</u>	<u>72,050</u>	<u>42,960</u>	<u>3,628,262</u>

	Freehold land \$	Freehold buildings \$	Infrastructure \$	Plant and equipment \$	Motor vehicle \$	Leased assets \$	Furniture & fittings \$	Subtotal Property, plant & equipment \$	* Right of use assets \$	Total \$
Year ended 31 December 2019										
Opening net book amount	495,000	2,436,300	72,000	499,804	10,148	72,050	42,960	3,628,262	-	3,628,262
Adoption of AASB16	-	-	-	-	-	-	-	-	83,090	83,090
Additions	-	-	-	18,715	0	25,777	9,375	53,867	-	53,867
Revaluation increment/(decrement)	-	-	-	-	-	-	-	-	-	-
Adjustment to accumulated depreciation on revaluation	-	-	-	-	-	-	-	-	-	-
Assets classified as held for sale and other disposals	-	-	-	-	(7,104)	-	-	(7,104)	-	(7,104)
Depreciation charge	-	(95,973)	(4,500)	(80,919)	(3,044)	(26,081)	(13,702)	(224,218)	(23,144)	(247,362)
Closing net book amount	<u>495,000</u>	<u>2,340,327</u>	<u>67,500</u>	<u>437,600</u>	<u>0</u>	<u>71,746</u>	<u>38,633</u>	<u>3,450,807</u>	<u>59,946</u>	<u>3,510,753</u>
At 31 December 2019										
- Cost	-	-	-	2,122,979	45,465	97,827	303,084	2,569,355	83,090	2,652,445
- Valuation	495,000	2,436,300	72,000	-	-	-	-	3,003,300	-	3,003,300
Accumulated depreciation	-	(95,973)	(4,500)	(1,685,379)	(45,465)	(26,081)	(264,451)	(2,121,848)	(23,144)	(2,144,992)
Net book amount	<u>495,000</u>	<u>2,340,327</u>	<u>67,500</u>	<u>437,600</u>	<u>0</u>	<u>71,746</u>	<u>38,633</u>	<u>3,450,807</u>	<u>59,946</u>	<u>3,510,753</u>

Land and buildings are shown at fair value, based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. All other property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

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

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

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

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

Land, Buildings and Infrastructure controlled by the Entity were revalued as at 31 December 2019 by Global Valuation Services.

* Right-of-use assets excluding those disclosed as part of investment property. Disclosure per each class of right-of-use asset in note 14.

Note 14.1 Right-of-use-assets

Right-of-use assets - Property	2019
As at 1 January 2019	83,090
Additions of right-of-use assets	-
Depreciation charge	(23,144)
Total right-of-use assets	<u>59,946</u>

Notes to the financial statements
(continued)
31 December 2019

Note 15. Intangible assets

	2019 \$	2018 \$
At 1 January		
Cost	2,474,137	2,474,137
Accumulated amortisation and impairment	(2,474,137)	(2,465,047)
Net book amount	-	9,090
Year ended 31 December		
Opening net book amount	9,091	36,931
Amortisation charge	(9,091)	(27,841)
Closing net book amount	(0)	9,090

Expenditure on development activities, relating to the design and testing of new or improved products, are recognised as intangible assets when it is probable that the project will, after considering its commercial and technical feasibility, be completed and generate future economic benefits and its costs can be measured reliably. The expenditure capitalised comprises all directly attributable costs, including costs of materials, services, direct labour and an appropriate proportion of overheads. Other development expenditure is recognised in the income statement as an expense when incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. Capitalised development expenditure is recorded as intangible assets and amortised from the point at which the asset is ready for use. Amortisation is calculated using the straight-line method to allocate the cost over the period of the expected benefit, which varies from 3 to 5 years.

Note 16. Trade and other payables

Current

Trade Payables	344,004	483,916
Other Payables	259,942	161,054
Total current trade and other payables	603,946	644,970

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

Note 17. Borrowings

Current

Finance lease liabilities	27,833	-
ALP Automotive	32,515	32,515
Total current borrowings	60,348	32,515

Non-current

Finance lease liabilities	33,231	-
ALP Automotive	25,413	37,578
Total non-current borrowings	58,644	37,578

Lease Liability

A lease liability is initially measured at the present value of unpaid lease payments at the commencement date of the lease.

To calculate the present value, the unpaid lease payments are discounted using the interest rate implicit in the lease if the rate is readily determinable. If the interest rate implicit in the lease cannot be readily determined, the incremental borrowing rate at the commencement date of the lease is used. Lease payments included in the measurement of lease liabilities comprise:

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date (e.g. payments varying on account of changes in CPI); and
- Amounts expected to be payable by the lessee under residual value guarantees
- The exercise price of a purchase option if the Entity is reasonably certain to exercise that option
- Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The lease liability is remeasured when there are changes in future lease payments arising from a change in an index or rate with a corresponding adjustment to the right-of-use asset. The situations where a remeasurement may occur is a change of the lease agreement on renewal, early termination or a decision to purchase the underlying asset. The adjustment amount is factored into depreciation of the right-of-use asset prospectively.

Right-of-use assets are presented within property, plant and equipment in Note 14 and lease liabilities are presented as borrowings in Note 17.

Note 18. Provisions

Current provisions expected to be settled within 12 months

Annual leave	303,430	327,651
Long service leave	116,000	108,000
Make good provision	3,600	3,600
Total Current Provision	423,030	439,251

Current provisions expected to be settled wholly after more than 12 months

Employee benefits

Annual leave	280,089	302,447
Long service leave	388,000	369,000
Make good provision	-	-
Subtotal	668,089	671,447
Total Current Provision	1,091,119	1,110,698

Non-current provisions

Employee benefits

Long service leave	97,000	96,000
Total non-current provision	97,000	96,000

Total provisions

1,188,119	1,206,698
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Provisions for legal claims and service warranties are recognised when: the Entity has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

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

Employee benefits

(i) Wages and salaries

Liabilities for short-term employee benefits including wages and salaries, non-monetary benefits and profit-sharing bonuses 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 and are recognised in other payables. Liabilities for non-accumulating sick leave are recognised when the leave is taken and is measured at the rates paid or payable.

(ii) Annual leave and sick leave

The liability for long-term employee benefits such as annual leave and non-accumulating sick leave is measured at the amount expected to be paid when the liability is settled. 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.

Annual leave is not expected to be settled within 12 months after the end of the annual reporting period in which the employees render the related service. As such it is measured at nominal value, which is not materially different to present value.

(iii) Long service leave

Long service leave recognised in respect of employee benefits which are not expected to be settled within twelve months are measured at present value in accordance with AASB119 Employee Benefits. This is based on external actuarial advice obtained based on the application of certain factors to employees with five or more years of service. 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.

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.

Note 19. Other Liabilities

Current

Accrued Liabilities

Accrued Expenses	409,270	447,837
Fees in Advance	203,129	228,783
GST Payable	75,128	68,728
Total current other liabilities	687,527	745,348

Note 20. Reserves and retained earnings

a) Reserves

Revaluation Reserve		
- Land	415,000	415,000
- Buildings	1,160,441	1,160,441
- Infrastructure	36,504	36,504
	1,611,945	1,611,945

Notes to the financial statements
(continued)

31 December 2019

	2019 \$	2018 \$
Note 20. Reserves and retained earnings (continued)		
Movements in reserves were as follows:		
Reserves at 1 January - Land	415,000	370,000
Increment/(decrement) on revaluation	-	45,000
Reserves at 31 December	415,000	415,000
Reserves at 1 January - Buildings	1,160,441	1,024,530
Increment/(decrement) on revaluation	-	135,911
Reserves at 31 December	1,160,441	1,160,441
Reserves at 1 January - Infrastructure	36,504	33,379
Increment/(decrement) on revaluation	-	3,125
Reserves at 31 December	36,504	36,504
b) Retained earnings		
Movements in retained earnings were as follows:		
Retained earnings at 1 January	10,121,130	11,478,817
Net Operating Result for the year	(250,457)	(1,357,687)
Retained Earnings at 31 December	9,870,673	10,121,130
Total Equity	11,482,618	11,733,074

Note 21. Key management personnel disclosures

Remuneration of Board Members

The Directors of the company act in an honorary capacity and receive only a nominal amount to cover costs for their services as Directors. The Directors did not receive benefits and fees from a related body corporate except for H.P. Nivison in his capacity as Managing Director of ABRI.

Nil to \$9,999	No. 10	No. 10
	10	10
Aggregate Remuneration of Board Members	\$	\$
Total Aggregate Remuneration	7,000	6,400
Remuneration of executive officers	No.	No.
\$100,000 to \$129,999	3	4
\$130,000 to \$159,999	3	2
\$160,000 to 240,000	1	1
	7	7
Aggregate Remuneration of executive officers		
Total Aggregate Remuneration	1,001,141	998,503

Note 22. Remuneration of auditors

During the year, the following fees were paid for services provided by the auditor of the company, its related practices and non-related audit firms:

Audit of the Financial Statements

Fees paid to The Audit Office of NSW:	27,500	26,800
Total remuneration for audit services	27,500	26,800

Note 23. Contingencies

At balance date, no legal proceeding had been identified as being progressed against or on behalf of the company.

At balance date, no contingent liabilities or contingent assets of a material nature to the company had been identified.

Notes to the financial statements
(continued)
31 December 2019

Note 24. Commitments

	2019 \$	2018 \$
(i) Operating Leases		
Within one year		35,906
Between one and five years		100,222
Total future minimum lease payments	-	136,128
(ii) Finance Leases		
Within one year	43,519	32,515
Between one and five years	14,409	37,578
Total future minimum lease payments	57,928	70,093
Total lease commitments	57,928	206,221

No lease arrangements, existing as at 31 December 2019, contain contingent rental payments, purchase options, escalation clauses or restrictions imposed by lease arrangements including dividends, additional debt or further leasing.

Note 25. Related parties

(a) Parent entities

The ultimate parent entity within the group is the University of New England which is incorporated in Australia.

(b) Subsidiaries

The entity does not have any interest in a subsidiary.

(c) Key management personnel

Disclosures relating to directors and specified executives are set out in note 21.

(d) Transactions with related parties

Transactions with related parties are on normal terms no more favourable than those available to other parties unless otherwise stated.

The following transactions occurred with related parties:

Transactions during the period

University of New England

Sales to	-	-
Payments to	100,241	115,407
Net	100,241	115,407

With other related parties

Income received		
Payments made	12,100	-
Net	12,100	-

Outstanding balances

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

University of New England

Payables to	206	0
-------------	-----	---

With other related parties

Receivables		
Payables	12,100	0

(e) Guarantees

There have been no guarantees given.

(f) Terms and conditions

Related party outstanding balances are unsecured and have been provided on interest-free terms.

Note 26. Reconciliation of operating result to net cash flows from operating activities

	2019 \$	2018 \$
Net result for the year	(250,457)	(1,357,687)
Depreciation and amortisation	256,454	241,434
Provision for expected credit losses	16,367	30,511
(Gain)/Loss on revaluation of land, buildings and infrastructure	-	(184,036)
Lease interest payment for ROU liabilities	2,702	-
(Gain)/Loss on revaluation of investments	(251,459)	181,918
Increase/(Decrease) in Payables and Prepaid Income	(111,010)	153,865
Increase/(Decrease) in Provision for Employee Entitlements	28,000	2,000
Increase/(Decrease) in Provision for Annual Leave	(46,579)	5,374
(Increase)/Decrease in Receivables and Prepaid Expenses	(127,875)	312,185
Net cash provided by / (used in) operating activities	(483,857)	(614,436)

Note 27. Events subsequent to reporting period

There are no reportable events occurring after balance date.

Note 28. Financial risk management

The accounting policies, including the terms and conditions of each class of financial asset and financial liability, both recognised and unrecognised at balance date, are as follows:

(a) Market Risk

(i) Terms and conditions

Recognised Financial Instruments	Note	Accounting Policies	Terms and Conditions
Financial Assets			
Receivables and Accrued Income	11 & 18	Receivables are carried at nominal amounts due less any provision for expected credit losses	Accounts Receivable credit terms are 30 days
Deposits at Call	10(b)	Term Deposits are stated at cost	Bank Call Deposits interest rate is determined by the official Money Market
Term Deposits	10(b)	Term Deposits are stated at cost	Term deposits are for a period of up to one year. Interest rates are between 2.5% and 2.68%. Average maturity of 365 days
Listed Shares	12	Listed Shares are carried at bid price	
Financial Liabilities			
Creditors and Accruals	16 & 18	Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not invoiced to the economic entity.	Creditors are normally settled on 30 day terms

(ii) Foreign exchange risk

Foreign exchange risk arises when future commercial transactions and recognised financial assets and financial liabilities are denominated in a currency that is not the Entity's functional currency.

The entity undertakes certain transactions denominated in foreign currencies. These transactions expose the economic entity to exchange rate fluctuations. As the company recognises all transactions, assets and liabilities in Australian dollars only, it has some exposure to foreign exchange risk.

(iii) Price risk

Price risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market prices.

The entity is not exposed to commodity price risk. To manage its price risk arising from investments in equity securities, the entity diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the entity's Investment Committee.

(iv) Cash flow and fair value interest rate risk

The entity invests in term deposits with various financial institutions and is exposed to interest rate risk arising from normal interest rate variations.

The company interest rate risk arises primarily from investments in long term interest bearing financial instruments, due to the potential fluctuation in interest rates. In order to minimise exposure to this risk, the company invests in a diverse range of financial instruments with varying degrees of potential returns.

(v) Summarised sensitivity analysis

The table on the last page of the financial report summarises the sensitivity of the entity's financial assets and liabilities to interest rate risk.

(b) Credit Risk

Credit risk is the risk of financial loss, arising from another party, to a contract or financial position failing to discharge a financial obligation thereunder. The entity's maximum exposure, to credit rate risk, is represented by the carrying amounts of the financial assets included in the statement of financial position.

Financial risk management (continued)

(c) Liquidity Risk

Liquidity risk refers to the risk that, as a result of operational liquidity requirements, the company:

- will not have sufficient funds to settle a transaction on the due date
- will be forced to sell financial assets at a value which is less than their worth
- may be unable to settle or recover a financial asset at all

The finance committee monitors the actual and forecast cash flow of the economic entity on a regular basis, ensuring that sufficient cash reserves are held to meet the ongoing operations and obligations of the economic entity as they fall due.

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

31 December 2019	Average Interest Rate	Variable Interest Rate	Less than 1 Year	1 to 5 Years	5+ Years	Non Interest	Total
	%	\$	\$	\$	\$	\$	\$
Financial Assets							
Cash & cash equivalents	0.50	631,681					631,681
Investments-Term Deposits	2.59		3,416,520				3,416,520
Receivables						1,646,615	1,646,615
Listed Shares						4,571,929	4,571,929
Accrued Income						291,545	291,545
Total Financial Assets		631,681	3,416,520			6,510,089	10,558,290
Financial Liabilities							
Borrowings			60,348	58,644			118,992
Payables						344,004	344,004
Total Financial Liabilities			60,348	58,644		344,004	462,996
Net Financial Assets(Liabilities)		631,681	3,356,172	(58,644)		6,166,085	10,095,294

Comparative figures for the previous year are as follows:

31 December 2018	Average Interest Rate	Variable Interest Rate	Less than 1 Year	1 to 5 Years	5+ Years	Non Interest	Total
	%	\$	\$	\$	\$	\$	\$
Financial Assets							
Cash and cash equivalents	1.00%	216,977					216,977
Investments - Term Deposits	2.60%		4,564,586				4,564,586
Receivables						1,725,802	1,725,802
Listed Shares						4,142,456	4,142,456
Accrued Income						100,653	100,653
Total Financial Assets		216,977	4,564,586	-	-	5,968,911	10,750,474
Financial Liabilities							
Borrowings							
Payables						483,916	483,916
Total Financial Liabilities						483,916	483,916
Net Financial Assets(Liabilities)		216,977	4,564,586			5,484,995	10,266,558

Financial risk management (continued)

Summarised sensitivity analysis

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

31 December 2019	Carrying amount	Interest rate risk				Other price risk			
		-1%		+1%		-1%		+1%	
		Result	Equity	Result	Equity	Result	Equity	Result	Equity
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Financial Assets									
Cash and cash equivalents	631,681	(6,317)	(6,317)	6,317	6,317	N/A	N/A	N/A	N/A
Investments-Term Deposits	3,416,520	(34,165)	(34,165)	34,165	34,165	N/A	N/A	N/A	N/A
Receivables	1,646,615								
Listed Shares	4,571,929					(45,719)	(45,719)	45,719	45,719
Accrued Income	291,545								
Total Financial Assets	10,558,290	(40,482)	(40,482)	40,482	40,482	(45,719)	(45,719)	45,719	45,719
Financial Liabilities									
Payables	344,004	(3,440)	(3,440)	3,440	3,440	N/A	N/A	N/A	N/A
Borrowings	118,992	(1,190)	(1,190)	1,190	1,190				
Total Financial Liabilities	520,924	(4,630)	(4,630)	4,630	4,630				
Total increase / (decrease)	10,037,366	(35,852)	(35,852)	35,852	35,852	(45,719)	(45,719)	45,719	45,719

Comparative figures for the previous year are as follows:

31 December 2018	Carrying amount	Interest rate risk				Other price risk			
		-1%		+1%		-1%		+1%	
		Result	Equity	Result	Equity	Result	Equity	Result	Equity
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Financial Assets									
Cash and cash equivalents	216,977	(2,170)	(2,170)	2,170	2,170	N/A	N/A	N/A	N/A
Investments-Term Deposits	4,564,586	(45,646)	(45,646)	45,646	45,646	N/A	N/A	N/A	N/A
Receivables	1,725,802								
Listed Shares	4,142,456					(41,425)	(41,425)	41,425	41,425
Accrued Income	100,653								
Total Financial Assets	10,750,474	(47,816)	(47,816)	47,816	47,816	(41,425)	(41,425)	41,425	41,425
Financial Liabilities									
Payables	644,970	(6,450)	(6,450)	6,450	6,450	N/A	N/A	N/A	N/A
Borrowings	-								
Total Financial Liabilities	644,970	(6,450)	(6,450)	6,450	6,450				
Total increase / (decrease)	10,105,505	(41,366)	(41,366)	41,366	41,366	(41,425)	(41,425)	41,425	41,425

Note 29 Fair value measurements

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

The fair value of financial instruments traded in active markets (such as available for sale securities) is based on quoted market prices at the balance date. The quoted market price used for financial assets held by the Entity is the current bid price.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques. The Entity uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market exit prices declared by fund managers are used to estimate fair value for unlisted unit trusts.

The carrying value less allowance for expected credit losses of trade receivables and payables is a reasonable approximation of their fair values due to the 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 Entity for similar financial instruments.

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

- Financial assets at fair value through profit or loss
- Land and buildings
- Infrastructure

A revaluation of Land, Buildings and Infrastructure was conducted in October 2019.

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

Level 1 - quoted prices(unadjusted) in active markets for identical assets or liabilities

Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Listed securities

Fair values have been determined by reference to their quoted bid prices at the reporting date.

Recognised fair value measurements

Fair value measurements recognised in the statement of financial position are categorised into the following levels at 31 December 2019.

	31 Dec 2019 \$	Level 1 \$	Level 2	Level 3
Financial assets				
Other financial assets	4,571,929	4,571,929	-	-
Total	4,571,929	4,571,929	-	-
Non financial assets				
Land	495,000	-	495,000	-
Buildings	2,340,327	-	-	2,340,327
Infrastructure	67,500	-	-	67,500
Total	2,902,827	-	495,000	2,407,827
	31 Dec 2018 \$	Level 1 \$	Level 2	Level 3
Financial assets				
Other financial assets	4,142,456	4,142,456	-	-
Total	4,142,456	4,142,456	-	-
Non financial assets				
Land	495,000	-	495,000	-
Buildings	2,436,300	-	-	2,436,300
Infrastructure	72,000	-	-	72,000
Total	3,003,300	-	495,000	2,508,300

Valuation techniques used to derive level 3

Land, buildings and infrastructure are valued independently at least every three years. At the end of each reporting period, the Entity updates the assessment of the fair value of each property, taking into account the most recent independent valuations.

The best evidence of fair value is current prices in an active market for similar properties. Where such information is not available the Entity considers information from a variety of sources, including:

- current prices in an active market for properties of different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences
- discounted cash flow projections based on reliable estimates of future cash flows
- capitalised income projections based on a property's estimated net market income, and a capitalisation rate derived from an analysis of market evidence

All resulting fair value estimates for properties are included in level 3 except for vacant land.

Note 29 Fair value measurements (continued)

Fair value measurements using significant unobservable inputs (level 3)

Level 3 Fair value measurements 2019

	Buildings	Infrastructure	Total
Opening balance	2,436,300	72,000	2,508,300
Recognised in profit or loss *	(95,973)	(4,500)	(100,473)
Closing balance	2,340,327	67,500	2,407,827

Level 3 Fair value measurements 2018

	Buildings	Infrastructure	Total
Opening balance	2,381,200	72,500	2,453,700
Recognised in profit or loss *	(80,811)	(3,625)	(84,436)
Recognised in other comprehensive income	135,911	3,125	139,036
Closing balance	2,436,300	72,000	2,508,300

*change in unrealised gains/(losses) recognised in profit or loss attributable to assets held at the end of the reporting period

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

Description	Fair value at 31 Dec	Unobservable inputs	Relationship of unobservable inputs to fair value
Buildings	2,340,327	Global Valuation	For buildings and infrastructure, market date is not observable. These are valued using a discounted recovery approach.
Infrastructure	67,500	Global Valuation	

END OF AUDITED FINANCIAL STATEMENTS

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UNE Foundation Ltd



ABN: 77 094 834 107
Annual Financial Report
for the year ended
31 December 2019



INDEPENDENT AUDITOR'S REPORT

UNE Foundation Limited

To Members of the New South Wales Parliament and Members of the Agricultural Business Research Institute

Opinion

I have audited the accompanying financial statements of the UNE Foundation Limited (the Company), which comprises the Income Statement and Statement of Comprehensive Income for the year ended 31 December 2019, the Statement of Financial Position as at 31 December 2019, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In my opinion, the financial statements:

- are in accordance with the *Corporations Act 2001*, including:
 - giving a true and fair view of the Company's financial position as at 31 December 2019 and its performance for the year ended on that date
 - complying with Australian Accounting Standards and the Corporations Regulations 2001
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (PF&A Act) and the Public Finance and Audit Regulation 2015.

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

Basis for Opinion

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

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

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

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

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

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

I confirm the independence declaration, required by the *Corporations Act 2001*, provided to the directors of the Company on 27 March 2020, would be in the same terms if provided to the directors as at the time of this Independent Auditor's Report.

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

Directors' Responsibilities for the Financial Statements

The directors of the Company are responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, the PF&A Act and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

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

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

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

My opinion does not provide assurance:

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

S Bond .

Sally Bond
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

1 April 2020
SYDNEY

UNE FOUNDATION LIMITED

Directors' Report

The Directors present their report together with the financial statements of UNE Foundation Ltd ("the Company") for the financial year ended 31 December 2019 and the Auditors Report thereon.

Director details

The following persons were Directors of the Company during or until the end of the financial year:

Mr Martin Dolan

Martin Dolan was born in Scotland in 1957 and raised in Armidale, where his parents both taught at the University. He was educated at Armidale High School and the University of New England, where he completed a Bachelor of Arts degree with Honours in French.

Martin had a thirty-six year career with the Australian Government. He started his public service career in 1980 with AusAid, managing aid projects in developing countries, including a two-year posting to Bangladesh. He then undertook various corporate management roles in the Department of Agriculture, Fisheries and Forestry, including as Chief Finance Officer and Head of Corporate Management.

From 2001–2005 he was Executive Director, Aviation and Airports at the Department of Transport and Regional Services, with responsibility for airport sales and regulation, aviation security, aviation safety policy and international aviation negotiations. He was given charge of aviation security for two years in the aftermath of the events of 11 September 2001. In 2006, Martin was the first Chief Executive Officer of the Australian Energy Markets Commission. Following that, he was Deputy Chief Executive Officer and then CEO of Comcare, with responsibility for the occupational health and safety and workers' compensation of Commonwealth employees.

In July 2009, Martin was appointed as the first Chief Commissioner of the Australian Transport Safety Bureau for a term of five years, which was later extended for a further two years. The ATSB investigates transport accidents in the air, rail and marine sectors. In addition, it had led the search for the missing Malaysia Airlines flight MH 370.

Martin retired from the Australian Public Service in 2016 to focus on his writing. He is currently a PhD candidate in creative writing at the University of Canberra.

Appointed as a Director of UNE Foundation Limited at the Annual General Meeting on 28 February 2017.

Professor Brigid Heywood

The University of New England's 14th Vice-Chancellor, Professor Brigid Heywood, joins the University following an academic career spanning several countries.

From leadership positions in regional and online universities in the United Kingdom, New Zealand and Australia, Prof. Heywood has successfully driven advances in academic excellence, research performance and engagement through innovation knowledge transfer.

Given her proven commitment to education as an instrument for social and economic opportunity, Prof. Heywood is well placed to lead UNE as the University adapts to a changing higher education environment.

Prof. Heywood joins UNE from the University of Tasmania, where she was Deputy Vice Chancellor (Research). During her time in this role, UTas's research income lifted above \$100 million for the first time, and its success rate with government research funder and support from industry were all improved significantly.

Before joining UTas in 2015, Prof. Heywood was at New Zealand's Massey University, initially as Assistant Vice Chancellor – Research and Enterprise (2011–13), then Assistant Vice Chancellor – Research, Academic and Enterprise (2013–15). In these roles she was responsible for strategic development of the university's research and enterprise agenda, and for academic advancement of teaching and learning, curriculum development, quality assurance and student support.

In her native United Kingdom, Prof. Heywood was Pro Vice Chancellor — Research and Enterprise at The Open University (2005–2011) and Pro Vice Chancellor — Research and Enterprise at Keele University (1996–2005).

At The Open University, she was instrumental in broadening the institution's culture from a purely academic focus to a strategic engagement with discovery and applied research.

At Keele, Prof. Heywood was also responsible for strategic development of the university's research and innovation agenda, and was portfolio manager of the institution's key research and enterprise units.

She joined Keele as the first woman in the UK to hold an established chair (Professor of Inorganic Materials Chemistry), aged 33, and set her foot on the first rung of her executive career as Keele's Head of Department of Chemistry a year later.

Her first degree, from Manchester University (UK), was in Biological Sciences; her PhD — an investigation of the basic cellular processes that control biomineralisation — was completed at Liverpool University (UK).

At UNE, Prof. Heywood aims to bring her years of experience to bear on expanding UNE's role in servicing its communities, and exploring how the University can improve opportunities for students from all walks of life while supporting them as lifelong learners.

Appointed as a Director of UNE Foundation Limited on 21 October 2019.

Mr Ross Beane

A finance executive specialising in option-based derivatives and markets, Ross grew up in Macksville on the Mid North Coast of NSW and attended UNE by distance education while living interstate, attaining the award of Bachelor of Economics in 1996. In 1999, he was awarded a Master in Business (Finance) from the University of Technology, Sydney, and, in 2007, he completed the International Executive Program at INSEAD.

With a focus on financial markets and products, Ross spent the first half of his career grappling with how best to manage portfolios of derivatives in interest rates, foreign exchange, and other asset-classes. He eventually extended his reach into management roles, working in a variety of senior positions in Australian and foreign owned financials and rising to General Manager level. His various teams were focused on bank portfolio risk in fixed-income, currencies and commodities.

In 2012, Ross joined a leading Asian investment management firm based in Singapore as portfolio manager, following the dream of augmenting his domestic experience with a role in an international setting. He returned to Australia in 2016 to reunite with family, joining a domestic major in a portfolio-management role. Outside of business Ross' pursuits include enjoying quality time with his family, working weekends trying to perfect the family's farming enterprise at Vacy in the Hunter Valley - and watching the odd game of rugby.

Ross was appointed as a Director of UNE Foundation Limited on 12 March 2019.

Mr Bob McCarthy AM

Bob McCarthy has spent the past 30 years in senior positions in both the public and private sectors. He has held senior positions with the Australian Government where he was a trade negotiator for several years working on improved access for Australian agricultural and mineral commodities in the world market.

He has been Director General of several Queensland Government Departments including the Department of Natural Resources and Mines and the Department of State Development and Innovation. He has been at the forefront of efforts to diversify the Queensland economy and develop new industries, based on science and innovation.

Bob has a strong interest in organisational management, strategic direction and corporate governance, especially as it relates to financial planning and accountability.

He was awarded the Order of Australia in 2013.

Bob was appointed as a Director of UNE Foundation Limited at the Annual General Meeting on 6 March 2019.

Ms Chanelle McEnallay

Chanelle McEnallay is the Chief Risk Officer of the Australian business of Ramsay Health Care Limited and sits on both the Australian Executive and Australian Risk Management Committee. Chanelle manages a wide portfolio which includes the risk management framework of Australia, work health and safety, workers' compensation, property and infrastructure, environment and the national public liability portfolio. Chanelle is also the Executive lead for the National Vanderbilt Programme, a promoting professional accountability framework.

Ramsay is Australia's largest private hospital operator and currently employs over 33,000 staff in Australia alone, more than 77,000 worldwide.

Chanelle has been a safety and workers' compensation professional for 23 years and began her safety career in the construction industry specialising in rail and coal mining before moving to health in 2004. Chanelle is passionate about robust and innovative risk management systems that actually add value and perform their function to reduce risk.

Chanelle is an experienced Risk Professional, Work Health and Safety Professional, Injury Manager, Advanced Rehabilitation and Return to Work Manager, Workers' Compensation Specialist, Workplace Trainer and Assessor, Auditor, holds advanced qualifications in OHS and Corporate Governance and is an admitted NSW Supreme Court Solicitor. Chanelle also holds a Master of Laws from ANU.

Chanelle was appointed as a Director of UNE Foundation Limited at the Annual General Meeting on 6 March 2019.

Professor Bob Officer AM

Emeritus Professor, University of Melbourne (Professor of Finance at Melbourne Business School from 1986 to 2002). He has a degree in Agricultural Science and after completing a Master Degree in Agricultural Economics he was awarded an overseas scholarship to the University of Chicago where he completed an MBA and PhD. He returned to Australia in 1971, initially to the University of Queensland, and then he held Chairs at Monash and Melbourne University, respectively. He has also been a Visiting Professor at the Universities of Stanford, Wharton and Rochester. He is a Member of the Order of Australia (AM).

Professor Officer has been Chairman of Victorian Funds Management Corporation, Chair of Victorian WorkCover Authority, a director of Transurban Ltd, Bank of Melbourne, Transport Accident Commission, Investment Committee of UniSuper. He Chaired the Commissions of Audit for the Kennett and Howard governments. He assisted both Federal and State (Victorian) Labor Parties in the costings of their policies in the immediate past elections.

Bob is Chair of Acorn Capital and on the Boards of infrastructure group CP2 and the Colonial Foundation.

His other pursuits include farming in North East Victoria where he breeds Wagyu cattle.

Bob was appointed as a Director of UNE Foundation Limited at the Annual General Meeting on 6 March 2019.

Ms Nicole Patterson

Nicole Patterson commenced working with Westpac Banking Corporation in 1998. Since 2012, she has been the Head of Finance for the Westpac Group's three charitable foundations with responsibility for the financial governance of these not for profit organisations. Prior to this current appointment, Nicole has held a number of senior finance and project management roles across Westpac Group, which has included BT, St George Bank and Westpac's retail and business divisions.

Prior to joining Westpac, Nicole worked in the Audit & Assurance Practice of Price Waterhouse. Specialising in the financial services sector Nicole worked in the firm's Sydney and London offices on a range of audit and transaction advisory assignments.

Nicole was born and raised in Tamworth. Her family has deep ancestral roots to the New England region having first settled there in the 1860s.

Nicole holds a Bachelor of Commerce (Accounting & Finance) from UNSW and a Graduate Diploma in Local & Applied History from the UNE. She is also an Associate member of the Institute Chartered Accountants.

Nicole was appointed as a Director of UNE Foundation Limited at the Annual General Meeting on 6 March 2019.

Ms Marea Salisbury

Marea Salisbury is currently the Head of Operations for Australia and New Zealand for World Animal Protection, a global not-for-profit organisation that exists to move the world to protect animals. Founded in 1950 as the World Federation for the Protection of Animals (WFPA) merged in 1981 to become the World Society for the Protection of Animals (WSPA) and in 2014 the global organisation became World Animal Protection.

Marea is a Fellow of the Institute of Chartered Accountants Australia and New Zealand. She is a member of the Australian Institute of Company Directors and a current NSW Justice of the Peace. She gained her Bachelor of Financial Administration degree from The University of New England and graduated in 1985.

Marea has subsequently worked in the Profession with Price Waterhouse Coopers. She had her own Forensic Accounting Practice specialising in small claims for clients such as Coles/Myer. Within commerce she has worked with George Patterson Bates, a multinational advertising group as Group Accountant. Other commercial organisations were Southern Star Group, a film and TV production company where she held the positions of Group Accountant and Financial Controller International. She has also completed a contract with NIB Health Funds as a Finance Manager. Over the past thirteen year she has mostly worked within the not-for-profit sector as Chief Financial Officer for the following organisations Social Ventures Australia Ltd, Bell Shakespeare Ltd, Asthma Foundation of NSW and YourSide Australia Ltd.

Marea has a strong focus and interest in the not-for-profit sector. She has a solid strategic background with extensive operational experience in the application of that strategy. The economically sustainability of the organisation has also been paramount, this has been achieved via the implementation of strategy and the optimisation of the organisations operational systems and efficient processes and procedures.

Marea was appointed as a Director of UNE Foundation Limited at the Annual General Meeting on 6 March 2019.

David van Aanholt

David has close to 30 years' experience in the property and funds management industry. Prior to establishing his own boutique property group in 2007, he was the Chief Executive Officer (Asia Pacific) of the ASX listed Goodman Group. Before being appointed as CEO (Asia Pacific), David was Goodman Group's Chief Operating Officer.

David worked for Goodman for more than a decade and before joining them he was the Fund Manager of ASX listed Paladin Industrial Fund and an Associate Director of CDH Properties (acquired by KPMG).

David has a proven track record at both executive and Board levels in the development and implementation of effective business strategy. He also has extensive and practical experience in change management.

David is the Chairman and an Independent Director of the Kennards Self Storage Group. He is also the Chairman and an Independent Director of the ASX listed 360 Capital Group Limited. David is a Fellow of the Australian Property Institute.

David grew up in regional New South Wales and now lives in Sydney with his wife and three sons. He understands the challenges and rewards for rural based students studying an undergraduate degree at University. He completed his postgraduate studies in Management and Business at the University of New England (UNE) via correspondence. Studying at UNE allowed David to meet both the demands of a senior executive role and the responsibilities of helping to raise a young family.

David holds a Bachelor of Business (Land Economy) from the University of Western Sydney, as well as a Postgraduate Diploma in Management and a Masters in Business Administration from UNE.

David is the UNE Council-appointed member on the UNE Foundation Board and was appointed on 15 March 2019.

Mr Paul Barratt AO

BSc (Hons) (UNE) BA (ANU) FAICD

Paul Barratt joined the Department of Defence in 1966. He spent the next 25 years of his career in the Commonwealth Public Service, mainly in areas relating to resources, energy and international trade, becoming Deputy Secretary of the Department of Trade and Resources (1978-85); Special Trade Representative for North Asia (1985-88); and Deputy Secretary in the Department of Foreign Affairs and Trade (1988-91).

In 1992 he became Executive Director of the Business Council of Australia, a body consisting of the Chief Executive Officers of about 90 of the 100 largest companies in Australia.

In 1996 he returned to the Public Service, becoming Secretary to the Departments of Primary Industries and Energy (1996-98) and Defence (1998-9).

In 1997 he received a Distinguished Alumni Award from the University of New England. In 1999 he was made an Officer in the General Division of the Order of Australia, for service to public administration, public policy development, business and international trade.

He now runs his own consulting business, and is a director of Australia 21, a non-profit company dedicated to stimulating research and development on issues of strategic importance to Australia in the 21st century. He was appointed an Adjunct Professor in the University's School of Humanities in 2015.

Special responsibilities : Chairman of the Board since 17 March 2015.

Appointed a Director of UNE Foundation Ltd on 5 September 2006. Retired on 6 March 2019.

Professor Annabelle Duncan

BSc DipSc MSc (Otago) PhD (La Trobe) HonDsc (Murdoch) PSM FTSE

Professor Annabelle Duncan was the Vice-Chancellor and Chief Executive Officer of the University of New England. She joined the University in September 2010, initially as Deputy Vice-Chancellor Research and then as Deputy Vice-Chancellor.

Prior to joining UNE, Professor Duncan spent 16 years in the CSIRO, including 6 years as Chief of the Division of Molecular Science. She has also served in managerial roles within the Bio21 Institute at University of Melbourne and AgriBio Institute at La Trobe University.

Professor Duncan acted as an advisor to the Department of Foreign Affairs and Trade on biological weapons control, representing Australia at international arms control meetings and acting as a biological weapons inspector with the United Nations in Iraq.

She was awarded a Public Service Medal in 1996 and Honorary Doctor of Science (DSc) from Murdoch University in 2005, for her work in arms control.

Appointed a Director of UNE Foundation Ltd on 14 March 2015. Retired on 5 July 2019.

Mr Geoff Gorrie

BEC BA (ANU) BSc DipEd (UNE) PSM

Geoff Gorrie has a long history in agricultural policy and programs, food policy, regional development and natural resources management at Australian Government level as well as extensive experience in change management and administration. He was involved in the implementation of food regulation reforms, water reform policies, water management in the Murray Darling Basin, the establishment of the Regional Forest Agreements and the Decade of Landcare which led into the establishment of the Natural Heritage Trust.

Geoff is a Director of Australia21. He has held Directorships with Australian Forestry Standard Ltd, Seafoods Services Australia, Safe Food Production Queensland and a number of Commonwealth authorities. Geoff was also a Commissioner on the then Murray Darling Basin Authority, Chair of the National Land and Water Resources Audit Advisory Council and a member of the Serco Advisory Board.

Geoff has a very high affinity with rural Australia - he was born in Gulgong, grew up in Binnaway and then attended high school in Bathurst and went on to university in Armidale and Canberra. From the mid-1970s Geoff's public sector work dealt with aspects of rural and regional Australia.

Geoff was awarded the Public Service Medal on Australia Day 2002. He retired as Deputy Secretary of the Australian Government Department of Agriculture, Fisheries and Forestry in January 2003.

Appointed a Director of UNE Foundation Ltd on 12 May 2009. Retired on 6 March 2019.

Ms Meredith Symons

BFA FCA

Meredith Symons is a UNE Graduate (Bachelor of Financial Administration, Accounting and Finance) and ICA, who has lived on-campus at Earle Page College – and loved all aspects of the UNE college experience.

A corporate financial services professional with extensive domestic and international experience, Meredith has a global mindset with expertise in the treasury, tax, finance and shared services aspects of corporate financial management.

Meredith sits on a number of subsidiary boards at Goodman Fielder, as well as a Joint Venture board based in Indonesia. She has a group perspective, is skilled at considering the business implications from the numbers and has experience with technology including introducing new systems.

Meredith's career has taken her overseas and she has had responsibility for overseeing international portfolios. She has held senior financial positions at some of Australia's top corporates, including Goodman Fielder (FMCG, Food manufacturing); Macquarie Bank, UBS and Price Waterhouse Coopers.

Appointed a Director of UNE Foundation Ltd on 22 September 2015. Retired on 6 March 2019.

Company Secretary

The following person held the position of corporate secretary at the end of the financial year.

Mr Brendan Peet

LL.B, Grad Dip ACG, AGIA, ACIS, MAICD

Chief Legal and Governance Officer, University of New England

Brendan is a lawyer and Chartered Secretary with over seventeen years' experience. Brendan's legal career included roles with leading Australian firms Clayton Utz and Minter Ellison, prior to moving to his current in-house role with the University in 2010.

He is a member of the senior executive at the University with responsibility for the legal, audit and risk, records management, policy and governance and secretariat functions. His role includes acting as the General Counsel and University Secretary.

Brendan is the company secretary of UNE Foundation Limited and UNE Life Pty Ltd. He is the Secretary of the Association of Australian University Secretaries and is Secretary of the Presbyterian Ladies College Armidale Foundation.

Principal Activities

The principal activity of the company during the year was the provision of trustee services.

There have been no significant changes in the nature of these activities during the year.

Short-term objectives

To hold funds raised that are to be applied in the provision of money, property or benefits to the University in accordance with subclause (a); (as the objects of its constitution).

Long-term objectives

To provide money, property or benefits to the University (being a fund, authority or institution covered by an Item in a table in Subdivision 30-B of the Tax Act):

- (i) for any purposes set out in the Item in the table in Subdivision 30-B of the Tax Act applicable to the University; or
- (ii) where the Item in the table in Subdivision 30-B of the Tax Act applicable to the University does not set out specific purposes, for purposes within the objects, functions and powers of the University, including but without limitation the provision of money, property or benefits to the University in or towards:
 - (a) the provision of scholarships;
 - (b) research;
 - (c) teaching and learning

And to act as trustee of a charitable trust to be known as UNE Foundation or such other name as may from time to time be determined by the Company to be established to carry out and give effect to these objects

Strategies for achieving short and long-term objectives:

- to meet as a board of Directors to act as trustees of the UNE Foundation and, by a decision of quorum, administer or dispense of funds held in trust for particular donative purposes.

The board implemented an investment policy by engaging a Funds Manager to manage invested funds in two investment pools namely "Immediate" and "Perpetual". The Funds Manager presents their report on the performances of these funds at Board meetings. Management reports are also presented at Board meetings highlighting the income from investments and donations against expenditures for scholarships and prizes. These ensures funds for specific scholarship, prize or other purposes are expended according to the purpose for which they were donated.

The Board, as a matter of policy, seeks high quality advice in making its investment decisions, and from time-to-time will change its adviser in line with its contractual arrangements.

Directors' meetings

The number of meetings of Directors held during the year and number of meetings attended by each Director were as follows:

Board of Directors	Meetings Attended	Eligible to Attend
Mr Paul Barratt	1	1
Professor Annabelle Duncan*	2	2
Mr Geoff Gorrie	1	1
Ms Meredith Symons	0	1
Mr Martin Dolan	5	5
Professor Brigid Heywood	1	1
Mr Ross Beaney	4	4
Mr Bob McCarthy AM	3	4
Ms Chanelle McEnallay	3	4
Professor Bob Officer AM	3	4
Ms Nicole Patterson	4	4
Ms Marea Salisbury	2	4
David van Aanholt	4	4

* When an apology, Prof Duncan was represented by Mr Kris Kauffmann, Chief Financial Officer.

Contribution in winding up

The company is incorporated under the *Corporations Act 2001* and is an entity limited by guarantee. There is only one class of member who has \$100 liability should the company be wound up. At 31 December 2019, the collective liability of members was \$900 (\$100 per member, maximum number of members is 9).

Review of Operations

During 2019, the company continued to operate as trustee of UNE Foundation and had no financial results.

Likely Developments and Expected Results of Operations

There are no significant developments or changes in the Company's operations which have been proposed for the immediate future.

Environmental Regulation

The Company is not subject to any significant Commonwealth, State or Local Government statutes and requirements related to environmental matters.

Indemnification of Officers

Insurance coverage is provided for directors and officers of the Company under the University of New England global policies and no premium is apportioned to or paid by the Company.

Events after reporting date

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

Legal proceedings on behalf of the Company

There were no legal proceedings brought against the company during the financial year. At the date of this report, the directors are not aware of any legal proceedings which have arisen since the end of the financial year and up to the date of this report.

Auditor's Independence Declaration

The Auditor's Independence Declaration as required under section 307C of the *Corporations Act 2001* is set out on the next page and forms part of the directors' report for the financial year ended 31 December 2019.

The report is signed on behalf of the directors in accordance with a resolution of the directors made pursuant to the *Corporations Act 2001*.



Mr Martin Dolan
Chair - Director

27 March 2020



Professor Brigid Heywood
Director

27 March 2020



To the Directors

UNE Foundation Limited

Auditor's Independence Declaration

As auditor for the audit of the financial report of UNE Foundation Limited for the year ended 31 December 2019, I declare, to the best of my knowledge and belief, there have been no contraventions of:

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

S Bond.

Sally Bond
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

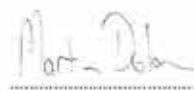
27 March 2020
SYDNEY

Directors' Declaration

The Directors declare that:

- (1) the financial statements and notes comply with Australian Accounting Standards (including Australian Accounting Interpretations);
- (2) the financial statements and notes give a true and fair view of the financial position and performance of the company for the financial year ended 31 December 2019;
- (3) the financial statements and notes are in accordance with the *Corporations Act 2001*; and
- (4) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors made pursuant to s295(5) of the *Corporations Act, 2001*.



Mr Martin Dolan
Chair - Director

27 March 2020



Professor Brigid Heywood
Director

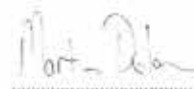
27 March 2020

Directors' Statement Pursuant to Section 41C(1B) and (1C) of the Public Finance and Audit Act 1983

In accordance with a resolution of the Directors of UNE Foundation Limited and pursuant to Section 41C (1B) and (1C) of the *Public Finance and Audit Act 1983* and the *Corporations Act 2001*, we state that:

1. The attached general purpose financial statements and notes present a true and fair view of the financial position and performance of the Company at 31 December 2019 and the results of its operations and transactions of the Company for the year then ended;
2. The financial statements and notes have been prepared in accordance with the provisions of the *Public Finance and Audit Act 1983*, *Public Finance and Audit Regulation 2015* and the *Corporations Act 2001*;
3. The financial statements and notes have been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and authoritative pronouncements of the Australian Accounting Standards Board;
4. We are not aware of any circumstances which would render any particulars included in the financial reports to be misleading or inaccurate; and
5. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed on behalf of the Board in accordance with a resolution of the Directors.



Mr Martin Dolan
Chair - Director

27 March 2020



Professor Brigid Heywood
Director

27 March 2020

Income Statement
For the year ended 31 December 2019

	2019	2018
	\$	\$
Income from continuing operations	-	-
Expenses from continuing operations	-	-
Net result from continuing operations	-	-

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

Statement of Comprehensive Income
For the year ended 31 December 2019

	2019	2018
	\$	\$
Operating result from continuing operations	-	-
Other comprehensive income	-	-
Other comprehensive income for the period	-	-
Total comprehensive income for the period	-	-

The above statement of other comprehensive income should be read in conjunction with the accompanying notes.

Statement of Financial Position
As at 31 December 2019

	2019	2018
	\$	\$
ASSETS		
Current assets	-	-
Non-current assets	-	-
Total assets	-	-
LIABILITIES		
Current liabilities	-	-
Non-current liabilities	-	-
Total liabilities	-	-
Net assets	-	-
EQUITY		
Total equity	-	-

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

Statement of Changes in Equity
For the year ended 31 December 2019

	Reserves	Retained Earnings	Total
Balance as 1 January 2018	-	-	-
Total comprehensive income			
Net result	-	-	-
Gain/(loss) on revaluation of Buildings, net of tax	-	-	-
Gain on Avail-for-sale Fin Assets	-	-	-
Total comprehensive income	-	-	-
Distribution to owners	-	-	-
Contribution from owners	-	-	-
Balance at 31 December 2018	-	-	-
Balance at 1 January 2019	-	-	-
Net result	-	-	-
Gain/(loss) on revaluation of Buildings, net of tax	-	-	-
Gain on Avail-for-sale Fin Assets	-	-	-
Total comprehensive income	-	-	-
Distribution to owners	-	-	-
Contribution from owners	-	-	-
Balance at 31 December 2019	-	-	-

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

Statement of Cash Flows
For the year ended 31 December 2019

	2019	2018
	\$	\$
Cash flows from operating activities	-	-
Cash flows from investing activities	-	-
Cash flows from financing activities	-	-
Net increase / (decrease) in cash and cash equivalents	-	-
Cash and cash equivalents at the beginning of the financial year	-	-
Cash and cash equivalents at the end of the financial year	-	-

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

Contents of the notes to the Financial Statements

Note		Page
1	Summary of significant accounting policies	161
2	Auditors remuneration	161
3	Right to indemnify out of the Trust assets	161
4	Directors remuneration	161
5	Employee benefits	161
6	Related parties	162
7	Commitments	162
8	Contingent assets and liabilities	162
9	Events subsequent to reporting period	162
10	New standards and interpretations not yet adopted	162
11	Economic Dependency	162

Notes to and forming part of the Financial Statements

1. Summary of significant accounting policies

1(a) Reporting Entity

UNE Foundation Limited, a not for profit entity, was incorporated in Australia as a company limited by guarantee on 23 October 2000 and is domiciled in Australia.

The company is deemed to be a controlled entity of the University of New England for the purposes of meeting the requirements of the Australian Accounting Standards, AASB 127 "*Consolidated and Separate Financial Statements*" and UIG 112 "*Special Purpose Entities*".

The principal address of UNE Foundation Limited is: University of New England, Armidale NSW 2351, Australia.

The financial statements for the year ended 31 December 2019 were authorised for issue in accordance with a resolution of the Board on 27 March 2020.

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

1(b) Basis of preparation

The annual financial statements represent the audited general purpose financial statements of UNE Foundation Limited. They have been prepared on an accrual basis and comply with Australian Accounting Standard, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and Australian Accounting Interpretations.

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

- *Public Finance and Audit Act 1983*,
- *Public Finance and Audit Regulations 2015*.
- *Corporations Act 2001*

The Financial Statements have been prepared under the historical cost convention except for financial assets which are at fair value through the income statement. All amounts are expressed in Australian dollars.

2. Auditors remuneration

The audit fee for the Company is paid by the University of New England and is included with the fees for UNE Foundation.

3. Right to indemnify out of the Trust assets

The assets of the Trusts as at 31 December 2019 are sufficient to meet the Trustee's rights of indemnity out of trust assets for liabilities incurred on behalf of the trust, as and when they fall due.

4. Directors remuneration

The Directors act in an honorary capacity and do not receive remuneration in connection with the management of the affairs of the Company.

5. Employee benefits

The company did not employ any staff during the year. The University of New England provided and paid for all administrative support.

Notes to the financial statements
31 December 2019
(continued)

6. Related parties

University of New England provided the company with a range of administrative support services. Under a service level agreement, these services have been provided at no charge to the Company and comprised the provision of:

- office accommodation facilities
- accounting and administrative services
- electricity and other utility services, and
- personnel services.

The value of these services has not been quantified or reported in the financial statements.

7. Commitments

The entity has not identified any material commitments at 31 December 2019 (2018: Nil).

8. Contingent assets and liabilities

The Company is not aware of any contingent assets or liabilities existing at 31 December 2019 (2018: Nil).

9. Events subsequent to reporting period

There are no reportable events occurring after balance date.

10. New standards and interpretations not yet adopted

Certain new Accounting Standards and Interpretations have been published that are not mandatory for 31 December 2019 reporting period.

The company has assessed the impact of these new Standards and Interpretations and considers the impact to be insignificant.

11. Economic Dependency

The Company's operations are dependent upon the ongoing financial and other support of the University of New England.

END OF AUDITED FINANCIAL STATEMENTS

UNE Foundation



ABN: 42 536 278 085
Annual Financial Report
for the year ended
31 December 2019



INDEPENDENT AUDITOR'S REPORT

UNE Foundation

To Members of the New South Wales Parliament

Opinion

I have audited the accompanying financial statements of UNE Foundation (the Foundation), which comprise the Income Statement and Statement of Comprehensive Income for the year ended 31 December 2019, the Statement of Financial Position as at 31 December 2019, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, notes comprising a Statement of Significant Accounting Policies and other explanatory information.

In my opinion, the financial statements:

- give a true and fair view of the financial position of the Foundation as at 31 December 2019, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (PF&A Act) and the Public Finance and Audit Regulation 2015.

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

Basis for Opinion

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

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

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

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

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

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

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

The Trustees' Responsibilities for the Financial Statements

The Trustees are responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards and the PF&A Act and for such internal control as the Trustees determine is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Foundation'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 Responsibilities for the Audit of the Financial Statements

My objectives are to:

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

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

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

My opinion does *not* provide assurance:

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



Sally Bond
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

1 April 2020
SYDNEY

UNE FOUNDATION

TRUSTEE'S REPORT

The Trust was established by deed dated 6 December 2000. Under that deed the UNE Foundation Limited was appointed to act as Trustee of a charitable trust to be known as UNE Foundation.

Principal Activities

The principal activities of the Trust during the course of the financial year were to provide money, property or benefits to the University of New England (UNE) towards the provision of scholarships, research, and teaching and learning.

Review of Operations

UNE Foundation adopted AASB15 and AASB1058 using the modified retrospective method of transition, with the date of initial application of 1 January 2019. In accordance with the provisions of this transition approach, the entity recognised the cumulative effect of applying these new standards as an adjustment to opening retained earnings at the date of initial application, i.e., 1 January 2019.

Consequently, the comparative information presented has not been restated and continues to be reported under the previous standards on revenue and income.

The operating result for the Trust for the year ended 31 December 2019 was a surplus of \$2,566,270 (2018: \$36,558).

The net investment return in 2019 was a net gain of \$2,737,796 (2018: loss of \$280,162). While investment returns from dividend and interest in 2019 and 2018 were \$836,470 and \$1,037,926 respectively, the gain in 2019 was attributed to the net unrealised gain in the market value of investments for \$1,901,326 compared to an unrealised loss of \$1,318,088 in 2018.

Significant Changes in the State of Affairs

There were no significant changes in the state of affairs of the company.

Matters Subsequent to the End of the Financial Year

The Trustee is not aware of any matter or circumstances that have arisen since the end of the financial year and that have significantly affected, or may significantly affect, the operations of the Trust, the results of those operations, or the state of affairs in future financial years.

Likely Developments and Expected Results of Operations

There are no significant developments or changes in the Trust's operations which have been proposed for the immediate future.

Environmental Regulation

The Trust is not subject to any significant Commonwealth, State or Local Government statutes and requirements related to environmental matters.

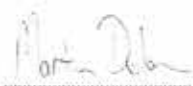
Insurance of Officers

Insurance coverage is provided for directors and officers of the Trustee under the University of New England global policies and no premium is apportioned to or paid by the Trust.

Legal proceedings on behalf of the Trust

There were no legal proceedings brought against the Trust during the financial year. At the date of this report, the Trustees are not aware of any legal proceedings which have arisen since the end of the financial year and up to the date of this report.

By resolution of the Board of the UNE Foundation Limited, as Trustee of UNE Foundation,



Mr Martin Dolan
Chair - Director

27 March 2020



Professor Brigid Heywood
Director

27 March 2020

STATEMENT BY TRUSTEE

In the opinion of the Trustees of UNE Foundation:

1. The attached general purpose financial statements and notes present a true and fair view of the financial position and performance of the Trust at 31 December 2019 and the results of its operations and transactions of the Trust for the year then ended;
2. The financial statements and notes have been prepared in accordance with the provisions of the *Public Finance and Audit Act 1983* and the *Public Finance and Audit Regulation 2015*;
3. The financial statements and notes have been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and authoritative pronouncements of the Australian Accounting Standards Board;
4. We are not aware of any circumstances which would render any particulars included in the financial report to be misleading or inaccurate; and
5. There are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable.

This statement is in accordance with a resolution of the Trustee made on 27 March 2020.

Signed in accordance with a resolution of the Board of UNE Foundation Limited, as Trustee for UNE Foundation.



Mr Martin Dolan
Chair - Director

27 March 2020



Professor Brigid Heywood
Director

27 March 2020

**Income Statement
for the year ended 31 December 2019**

	Notes	2019 \$	2018 \$
Income from continuing operations			
Donations and fundraising	2	1,050,853	1,583,721
Investment income	3	836,470	1,037,926
Other revenue	4	116,449	90,132
Investment gain	3	1,901,326	-
Total income from continuing operations		3,905,098	2,711,779
Expenses from continuing operations			
Administrative expenses	5	196,097	159,933
Investment loss	3	-	1,318,088
Loss on disposal of assets		-	571
Total expenses from continuing operations		196,097	1,478,592
Net result from continuing operations before distributions to UNE		3,709,001	1,233,187
Distribution to UNE - reimbursement of expenses	6	1,142,731	1,196,629
Net result for the year after distribution to UNE		2,566,270	36,558

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

**Statement of Comprehensive Income
for the year ended 31 December 2019**

	Notes	2019 \$	2018 \$
Net result for the year after distribution to UNE		2,566,270	36,558
Items that will be reclassified to profit or loss			
Reclassification adjustments (i.e. recycling from OCI to P&L)		-	-
Items that will not be reclassified to profit or loss			
Transfer from reserves		-	-
Total comprehensive income for the period		2,566,270	36,558

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

**Statement of Financial Position
as at 31 December 2019**

	Notes	2019 \$	2018 \$
ASSETS			
Current assets			
Cash and cash equivalents	7	43,986	344,922
Trade and other receivables	8	245,329	316,238
Total current assets		<u>289,315</u>	<u>661,160</u>
Non-current assets			
Other financial assets	9	25,213,545	20,487,083
Total non-current assets		<u>25,213,545</u>	<u>20,487,083</u>
Total assets		<u>25,502,860</u>	<u>21,148,243</u>
LIABILITIES			
Current liabilities			
Trade and other payables	10	1,323,589	290,160
Total current liabilities		<u>1,323,589</u>	<u>290,160</u>
Non current liabilities			
Trade and other payables	10	20,255,978	-
Total non current liabilities		<u>20,255,978</u>	<u>-</u>
Total liabilities		<u>21,579,567</u>	<u>290,160</u>
Net assets		<u>3,923,293</u>	<u>20,858,083</u>
EQUITY			
Retained earnings	11	3,923,293	20,858,083
Total equity		<u>3,923,293</u>	<u>20,858,083</u>

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

Statement of Changes in Equity
For the year ended 31 December 2019

	Reserves	Retained earnings	Total
Balance at 1 January 2018	-	20,821,525	20,821,525
Effect of adopting of new accounting standard	-	-	-
Balance as restated	-	20,821,525	20,821,525
Net result	-	36,558	36,558
Total comprehensive income	-	36,558	36,558
Balance at 31 December 2018	-	20,858,083	20,858,083
Balance at 1 January 2019	-	20,858,083	20,858,083
Transfer to financial liability as per AASB 15	-	(19,501,060)	(19,501,060)
Balance as restated	-	1,357,023	1,357,023
Net result	-	2,566,270	2,566,270
Total comprehensive income	-	2,566,270	2,566,270
Balance at 31 December 2019	-	3,923,293	3,923,293

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

Statement of Cash Flows
For the year ended 31 December 2019

	Notes	2019 \$	2018 \$
Cash flows from operating activities			
Donations received		3,020,197	1,363,836
Transferred from UNE		48,867	2,131,959
Dividends received		182,216	142,655
Interest received		1,907	1,914
Other inflows		76,165	99,810
Payments to suppliers		(179,965)	(150,461)
Distribution to beneficiary		(1,327,875)	(994,894)
Net cash provided by operating activities	16	1,821,512	2,594,820
Cash flows from investing activities			
Purchase of financial assets		(3,450,322)	(7,321,579)
Proceeds from sale of financial assets		1,327,874	5,022,248
Net cash used in investing activities		(2,122,448)	(2,299,331)
Net decrease in cash and cash equivalents		(300,936)	295,489
Cash and cash equivalents at the beginning of the financial year		344,922	49,433
Cash and cash equivalents at the end of the financial year	7	43,986	344,922

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

Contents of the notes to the Financial Statements

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Notes to and forming part of the Financial Statements

1 Summary of significant accounting policies

UNE Foundation, a not for profit entity, was established by deed of settlement on 6 December 2000 and is domiciled in Australia.

UNE Foundation Limited acts as Trustee to the Trust. The Trust is for the benefit of the University of New England.

The principal address of UNE Foundation Trust is: University of New England, Armidale NSW 2351.

The financial statements for the year ended 31 December 2019 were authorised for issue by the Trustee on 27 March 2020.

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

(a) Basis of preparation

The annual financial statements represent the audited general purpose financial statements of UNE Foundation. They have been prepared on an accrual basis and comply with Australian Accounting Standard, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and Australian Accounting Interpretations.

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

- *Public Finance and Audit Act 1983*,
- *Public Finance and Audit Regulations 2015*.

The Financial Statements have been prepared under the historical cost convention except for debt and equity financial assets that have been measured at fair value through profit or loss. All amounts are in Australian currency.

(b) Comparative amounts

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

(c) Income Tax

UNE Foundation does not provide for Australian Income Tax as it is exempt under the provisions of Section 50-B of the *Income Tax Assessment Act 1997 (ITAA)*.

(d) Initial application of Australian Accounting Standards

As the Entity is applying the modified retrospective approach, it did apply the practical expedient described in AASB16.C5 (c), for contracts that were modified before the beginning of the earliest period presented.

The entity did not retrospectively restate the contract for those modifications in accordance with AASB15.20-21. Instead, it reflected the aggregate effect of all of the modifications that occur before the beginning of the earliest period presented when:

- Identifying the satisfied and unsatisfied performance obligations.
- Determining the transaction price.
- Allocating the transaction price to the satisfied and unsatisfied performance obligation.

Under the new income recognition model applicable to not-for-profit entities, the entity shall first determine whether an enforceable agreement exists and whether the promises to transfer goods or services to the customer are 'sufficiently specific'.

If an enforceable agreement exists and the promises are 'sufficiently specific' (to a transaction or part of a transaction), the entity applies the general AASB15 principles to determine the appropriate revenue recognition. If these criteria are not met, the entity shall consider whether AASB1058 applies.

(e) New accounting standards and interpretations not yet adopted

The following standards have been issued but are not mandatory for the 31 December 2019 reporting period. The Entity has elected not to early adopt any of these standards. The Entity's assessment of the impact of these new standards and interpretations is set out below:

Standard	Application date	Implications
AASB1059	01.01.2020	No material impact

In addition, at the date of authorisation of the financial statements, the following IASB Standards and IFRIC Interpretations were on issue but not yet effective, but for which Australian equivalent Standards and Interpretations have not yet been issued: Amendments to the References to the Conceptual Framework in IFRS Standards – 1 January 2020.

Notes to the financial statements
31 December 2019
(continued)

	Notes	2019 \$	2018 \$
Note 2. Donation and fundraising			
Donations and fundraising		1,050,853	1,583,721
Total donations and fundraising		1,050,853	1,583,721

The Trust receives all donations by way of cheques, direct deposits and electronic funds transfer. Donations that meet the criteria in AASB 15 were transferred to liability on initial recognition and will be recognised as income when the entity performs the obligations tied to these funds. It is at this point that the Entity will transfer out of liability to income and amount equal to the expenditure paid out of these funds for scholarships or prizes. Those that satisfy AASB 1058 were recognised as income when received.

Note 3. Investment income

Bank interest		1,895	1,919
Interest - financial assets at fair value through income statement		30,567	47,879
Dividend - financial assets at fair value through income statement		804,008	988,128
Total investment income		836,470	1,037,926
Net gain/(loss) on financial assets at fair value through income statement		1,901,326	(1,318,088)
Net investment income		2,737,796	(280,162)

Interest income is recognised on an accrual basis except for franking credits which are recognised as revenue when the application for refund is lodged with the Australian Taxation Office. Dividends and distributions are recognised as revenue when the Trust's right to receive payment is established.

All the financial assets are measured at fair value through the income statement. Any unrealised gains and losses to the market value of these investments are presented in the income statement.

Note 4. Other revenue

Transferred from UNE		34,092	61,830
Franking credits		73,066	27,256
Other		9,291	1,046
Total other revenue		116,449	90,132

Note 5. Administrative expenses

Consultancy fees		183,067	159,900
Doubtful debts		3,000	-
Bank fees		30	33
Bad Debts		10,000	-
Total administrative expenses		196,097	159,933

Note 6. Distribution to beneficiary

University of New England - scholarships and prizes		1,142,731	1,196,629
Total distribution to beneficiary		1,142,731	1,196,629

In accordance with the Trust Deed, the Trust fully distributes by cash or reinvests its distributable income. Any funds remaining on hand are held available for distribution to the University of New England.

Notes to the financial statements
31 December 2019
(continued)

2019 2018
\$ \$

Note 7. Cash and cash equivalents

Cash at bank	43,986	344,922
At call investments	-	-
Total cash and cash equivalents	43,986	344,922

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	43,986	344,922
Less: Bank Overdrafts	-	-
Balance per statement of cash flows	43,986	344,922

There were no at call investments in 2019 hence interest rate of Nil% (2018 - Nil%).

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

Note 8. Trade and other receivables

Trade receivables	248,255	271,850
Less: Provision for impaired receivables	(3,000)	-
Total trade receivables	245,255	271,850

Impaired trade receivables

As at 31 December 2019 current receivables of the entity with a nominal value of \$245,255 (2018: \$271,850) were not impaired.

Other receivables

Other accrued income	74	44,376
Accrued Interest	-	12
Total other receivables	74	44,388
Total trade and other receivables	245,329	316,238

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

Notes to the financial statements
31 December 2019
(continued)

2019 2018
\$ \$

Note 9. Other financial assets

Non-current

Financial assets at fair value through income statement	25,213,545	20,487,083
Total non-current other financial assets	25,213,545	20,487,083

Financial assets are classified, at initial recognition and subsequent measurement at fair value through income statement.

Financial assets at fair value through income statement include financial assets held for trading, financial assets designated upon initial recognition at fair value through income statement, or financial assets mandatorily required to be measured at fair value.

Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Debt instruments may be designated at fair value through income statement on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch. Financial assets at fair value through income statement are carried in the statement of financial position at fair value with net changes in fair value recognised in the income statement.

A financial asset is primarily derecognised when:

- The rights to receive cash flows from the asset have expired or
- The Entity has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Entity has transferred substantially all the risks and rewards of the asset, or (b) the Entity has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Note 10. Trade and other payables

Current

Accrued expense for scholarships, prizes and consultancy fees	108,148	290,160
Financial liabilities	1,215,441	-
Current trade and other payables	1,323,589	290,160

Non-current

Financial liabilities	20,255,978	-
Non-current trade and other payables	20,255,978	-

Total trade and other payables	21,579,567	290,160
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Foreign currency risk

The carrying amounts of the Trust trade and other payables are denominated in the following currencies:

Australian Dollars	21,579,567	290,160
	21,579,567	290,160

For an analysis of the sensitivity of trade and other payables to foreign currency risk refer to note 18.

With the application of AASB 15, the opening retained earnings was adjusted and \$19,501,060 was transferred to financial liability. These represents income received from past years that are tied to the performance of a future obligation.

Notes to the financial statements
31 December 2019
(continued)

2019	2018
\$	\$

Note 11. Retained earnings

Movements in retained earnings were as follows:

Retained earnings at 1 January	20,858,083	20,821,525
Reclassification adjustments - Transfer to financial liability under AASB 15	(19,501,060)	-
Net result for the year	2,566,270	36,558
Retained earnings at 31 December	3,923,293	20,858,083

Note 12. Remuneration of auditors

The audit fee payable by the University of New England, in respect of the audit of the financial reports for the Trust and Trustee to the Audit Office of NSW for the financial year ended 31 December 2019 was \$17,500 (2018: \$12,150).

Note 13. Contingencies

At balance date, no legal proceedings had been identified as being progressed on behalf of or against the Trust.

At balance date, no contingent liabilities or contingent assets of a material nature to the Trust had been identified.

Note 14. Commitments

The entity has not identified any material commitments at 31 December 2019 (2018: Nil).

Capital Commitments

There was no capital expenditure contracted for at the reporting date. (2018 Nil).

Notes to the financial statements
31 December 2019
(continued)

Note 15. Related parties

(a) Corporate Trustee

Directors of the Corporate Trustee

Directors who held office at any time during the financial year were:

Mr Martin Dolan (Chairman)	Ms Marea Salisbury
Professor Brigid Heywood	David van Aanholt
Mr Ross Beaney	Mr Paul Barratt - retired 6 March 2019
Mr Bob McCarthy AM	Professor Annabelle Duncan - retired 5 July 2019
Ms Chanelle McEnallay	Mr Geoff Gorrie - retired 6 March 2019
Professor Bob Officer AM	Ms Meredith Symons - retired 6 March 2019
Ms Nicole Patterson	

(b) Controlling entity

For the purposes of meeting the requirements of the Australian Accounting Standards, the University of New England is deemed to be the controlling entity of the Trust and its Corporate Trustee, UNE Foundation Limited.

(c) Related Party Transactions

University of New England provided the Trust with a range of administrative support services. Under a service level agreement, these services have been provided at no charge to the Trust and comprised the provision of:

- office accommodation facilities
- accounting and administrative services
- electricity and other utility services, and
- personnel services.

The value of these services has not been quantified or reported in the financial statements.

The following transactions occurred with related parties:

	2019 \$	2018 \$
<i>Transactions during the period</i>		
University of New England		
Income received - transferred prizes and scholarship funds	49,230	48,017
Expenditures incurred for scholarships and prizes	(1,142,731)	(1,196,628)
Net	(1,093,501)	(1,148,611)
With other related parties		
Income received - UNE Life Pty Ltd	1,145	5,150
Income received - Agricultural Business Research Institute	12,100	-
Net	13,245	5,150

Outstanding balances

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

University of New England		
Receivables	11,300	334
Payables	60,974	245,618
With other related parties		
Receivables	12,100	-
Payables	-	-

Notes to the financial statements
31 December 2019
(continued)

Note 16. Reconciliation of operating result after income tax to net cash flows from operating activities

Net result for the period	2,566,270	36,558
Less non cash revenue		
Capitalisation and reinvestment of dividend	(702,687)	(871,146)
Net (Gain)/Loss on sale of Units	-	571
Provision for impaired receivables	3,000	-
Fair value (gain)/loss - financial assets at fair value through profit and loss	(1,901,326)	1,318,088
Add non cash expenditures		
Impairment of assets	-	-
Decrease/(increase) in trade and other debtors	70,909	1,899,561
Increase/(decrease) in payables	1,785,346	211,188
Net cash provided by operating activities	1,821,512	2,594,820

Note 17. Events subsequent to reporting period

There are no reportable events occurring after balance date.

Note 18. Financial risk management

The economic entity's accounting policies, including the terms and conditions of each class of financial asset and financial liability, both recognised and unrecognised at balance date, are as follows:

(a) Market Risk

(i) Terms and conditions

Recognised Financial Instruments	Note	Accounting Policies	Terms and Conditions
Financial Assets			
Receivables	8	Receivables are carried at nominal amounts due less any provision for impairment	Accounts Receivable credit terms are 30 days
Financial assets at fair value through profit and loss	9	Domestic and International equity carried at market value	Investment of perpetual pool funds managed by the Fund Managers.
	9	Australian cash enhanced fund - stated at market value	Investment of immediate pool funds managed by the Fund Managers.
	9	Listed Shares are carried at bid price	Funds for a particular project invested only on listed shares.
Financial Liabilities			
Creditors and accruals	10	Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not invoiced to the economic entity. It also includes amounts received where the performance of an obligation is deferred to future periods.	Creditors are normally settled on 30 day terms except for reimbursements to the University of New England which are settled twice per year. Funds received where the performance of an obligation under these funds will occur in the future will be in liability until the future obligation is satisfied.

(ii) Foreign exchange risk

UNE Foundation Trust recognises all transactions, assets and liabilities in Australian currency only and is not exposed to foreign exchange risk.

(iii) Price risk

The Trust is exposed to Price Risk through its investments classified as financial assets at fair value through profit and loss. The risk is managed through diversification of the portfolio.

(iv) Cash flow and fair value interest rate risk

The entity interest rate risk arises primarily from investments in long term interest bearing financial instruments, due to the potential fluctuation in interest rates.

(v) Summarised sensitivity analysis

The table at the end of the note summarises the sensitivity of the economic entity's financial assets and liabilities to interest rate risk.

(b) Credit Risk

Credit risk is the risk of financial loss, arising from another party, to a contract or financial position failing to discharge a financial obligation there under. The entity's maximum exposure to credit rate risk is represented by the carrying amounts of the financial assets included in the statement of financial position.

(c) Liquidity Risk

Liquidity risk refers to the risk that, as a result of operational liquidity requirements, the entity :

- will not have sufficient funds to settle a transaction on the due date.
- will be forced to sell financial assets at a value which is less than their worth.
- may be unable to settle or recover a financial asset at all.

The Trustee monitors the actual and forecast cash flow of the entity on a regular basis, ensuring that sufficient cash reserves are held to meet the ongoing operations and obligations of the entity as they fall due.

Notes to the financial statements
31 December 2019
(continued)

Financial risk management - continued

31 December 2019	Average Interest Rate	Variable Interest Rate	Less than 1 Year	1 to 5 Years	5+ Years	Non Interest	Total
	%	\$	\$	\$	\$	\$	\$
Financial Assets							
Cash & cash equivalents	0.75%	-	43,986				43,986
Receivables						245,329	245,329
Financial assets at fair value through profit and loss					25,213,545	-	25,213,545
Total Financial Assets		-	43,986	-	25,213,545	245,329	25,502,860
Financial Liabilities							
Payables						1,323,589	1,323,589
Financial liabilities						20,255,978	20,255,978
Total Financial Liabilities			-	-		21,579,567	21,579,567
Net Financial Assets(Liabilities)		-	43,986	-	25,213,545	(21,334,238)	3,923,293

Comparative figures for the previous year are as follows:

31 December 2018	Average Interest Rate	Variable Interest Rate	Less than 1 Year	1 to 5 Years	5+ Years	Non Interest	Total
	%	\$	\$	\$	\$	\$	\$
Financial Assets							
Cash and cash equivalents	1.50%	-	344,922				344,922
Receivables						316,238	316,238
Financial assets at fair value through profit and loss					20,487,083	-	20,487,083
Total Financial Assets		-	344,922	-	20,487,083	316,238	21,148,243
Financial Liabilities							
Payables	-					-	-
Financial liabilities	-					-	-
Total Financial Liabilities			-	-		-	-
Net Financial Assets(Liabilities)		-	344,922	-	20,487,083	316,238	21,148,243

Financial risk management - continued
Summarised sensitivity analysis

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

31 December 2019	Carrying amount	Interest rate risk			Foreign exchange risk			Other price risk		
		-1%		+1%	-10%		+10%	-1%		+1%
		Result	Equity	Result	Result	Equity	Result	Result	Equity	Equity
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Financial Assets	43,986	(440)	(440)	440	N/A	N/A	N/A	N/A	N/A	N/A
Cash and cash equivalents	245,329									
Receivables	25,213,545									
Financial assets at fair value through profit and loss										
Total Financial Assets	25,502,860							(252,135)	(252,135)	252,135
Financial Liabilities										
Payables	1,323,589	N/A	N/A	N/A						
Financial liabilities	20,255,978	N/A	N/A	N/A						
Total Financial Liabilities	21,579,567									
Total increase / (decrease)	3,923,293									

Comparative figures for the previous year are as follows:

31 December 2018	Carrying amount	Interest rate risk			Foreign exchange risk			Other price risk		
		-1%		+1%	-10%		+10%	-1%		+1%
		Result	Equity	Result	Result	Equity	Result	Result	Equity	Equity
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Financial Assets	344,922	(3,449)	(3,449)	3,449	N/A	N/A	N/A	N/A	N/A	N/A
Cash and cash equivalents	316,238									
Receivables	20,487,083									
Financial assets at fair value through profit and loss										
Total Financial Assets	21,148,243							(204,871)	(204,871)	204,871
Financial Liabilities										
Creditors	290,160	N/A	N/A	N/A						
Total Financial Liabilities	290,160									
Total increase / (decrease)	20,858,083									

Note 19. Fair Value Measurements

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes. The fair value of financial instruments traded in active markets (such as publicly traded derivatives) is based on quoted market prices at the balance date. The quoted market price used for financial assets held by the Trust is the current bid price.

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

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 Trust uses various methods in estimating the fair value of a financial instrument. The methods comprise;

Level 1 - the fair value is calculated using quoted prices in active markets for identical assets or liabilities.

Level 2 - the fair value is estimated using inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Level 3 - the fair value is estimated using inputs for the asset or liability that are not based on observable market data.

	Carrying Amount		Fair Value	
	2019	2018	2019	2018
	\$	\$	\$	\$
Financial assets				
Cash and cash equivalents	43,986	344,922	43,986	344,922
Financial assets at fair value through profit and loss	25,213,545	20,487,083	25,213,545	20,487,083
Total financial assets	25,257,531	20,832,005	25,257,531	20,832,005

Fair value measurements recognised in the statement of financial position are categorised into the following levels:

	31 Dec 2019	Level 1	Level 2	Level 3
Financial assets				
Financial assets at fair value through profit and loss	25,213,545	199,424	25,014,121	-
Receivables	245,329	-	245,329	-
Total	25,458,874	199,424	25,259,450	-

	31 Dec 2018	Level 1	Level 2	Level 3
Financial assets				
Financial assets at fair value through profit and loss	20,487,083	173,813	20,313,269	-
Receivables	316,238	-	316,238	-
Total	20,803,321	173,813	20,629,507	-

END OF AUDITED FINANCIAL STATEMENTS

**UNE Partnerships
Pty Ltd**



**ABN: 74 003 099 125
Annual Financial Report
for the year ended
31 December 2019**



INDEPENDENT AUDITOR'S REPORT

UNE Partnerships Pty Limited

To Members of the New South Wales Parliament

Opinion

I have audited the accompanying financial statements of UNE Partnerships Pty Limited (the Company), which comprise the Income Statement and Statement of Comprehensive Income for the year ended 31 December 2019, the Statement of Financial Position as at 31 December 2019, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, notes comprising a Statement of Significant Accounting Policies and other explanatory information.

In my opinion, the financial statements:

- give a true and fair view of the financial position of the Company as at 31 December 2019, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (PF&A Act) and the Public Finance and Audit Regulation 2015.

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

Basis for Opinion

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

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

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

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

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

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

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

The Directors' Responsibilities for the Financial Statements

The Directors are responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards and the PF&A Act and for such internal control as the Directors determine is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

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

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

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

My opinion does not provide assurance:

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

S Bond .

Sally Bond
Director, Financial Audit

Delegate of the -Auditor-General for New South Wales

1 April 2020
SYDNEY

UNE Partnerships Pty Limited

Directors' Statement Pursuant to Section 41C(1B) and (1C) of the Public Finance and Audit Act 1983

In accordance with a resolution of the directors and pursuant to Section 41C (1B) and (1C) of the *Public Finance and Audit Act 1983*, we state that:

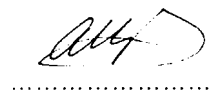
1. The attached general purpose financial statements and notes present a true and fair view of the financial position and performance of the Company at 31 December 2019 and the results of its operations and transactions of the Company for the year then ended;
2. The financial statements and notes have been prepared in accordance with the provisions of the *Public Finance and Audit Act 1983*, *Public Finance and Audit Regulation 2015*;
3. The financial statements and notes have been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and authoritative pronouncements of the Australian
4. We are not aware of any circumstances which would render any particulars included in the financial statements to be misleading or inaccurate; and
5. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors.



Director / Chairman

31 March 2020



Director

Prof. Aron Murphy

Income Statement for the year ended 31 December 2019

	Note	2019 \$	2018 \$
Revenue and income from continuing operations			
Fees and charges	2	5,491,164	4,536,975
Investment income	3	6,697	7,391
Total revenue and income from continuing operations		<u>5,497,861</u>	<u>4,544,366</u>
Expenses from continuing operations			
Employee related expenses	4	2,770,746	2,420,437
Depreciation and amortisation	5	360,993	261,186
Impairment of assets	6	73,220	(16,890)
Marketing and promotion		105,523	68,582
Travel and accommodation		55,040	52,275
Course delivery expenses		1,096,979	851,630
Other expenses	7	873,433	1,003,546
Total expenses from continuing operations		<u>5,335,934</u>	<u>4,640,766</u>
Net result attributable to UNE Partnerships Pty Limited		<u>161,927</u>	<u>(96,400)</u>

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

Statement of Comprehensive Income for the year ended 31 December 2019

	Note	2019 \$	2018 \$
Net result for the year		161,927	(96,400)
Gain on loan forgiven	21	950,000	-
Reversal of interest expense in prior periods	21	186,869	-
Other comprehensive income		<u>1,136,869</u>	<u>-</u>
Total comprehensive income for the year	16(b)	<u>1,298,796</u>	<u>(96,400)</u>

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

Statement of Financial Position as at 31 December 2019

	Note	2019 \$	2018 \$
ASSETS			
Current assets			
Cash and cash equivalents	8	1,818,621	566,992
Receivables	9	221,661	461,718
Other non-financial assets	10	28,865	232,509
Total current assets		<u>2,069,147</u>	<u>1,261,219</u>
Non-current assets			
Plant and equipment	11	45,934	29,467
Intangible assets	12	755,988	865,924
Total non-current assets		<u>801,922</u>	<u>895,391</u>
Total assets		<u>2,871,069</u>	<u>2,156,610</u>
LIABILITIES			
Current liabilities			
Trade and other payables	13	271,633	362,019
Provisions	14	331,487	325,264
Other liabilities	15	77,772	51,244
Contract liabilities	2	1,466,927	1,325,621
Borrowings	21	155,824	700,000
Total current liabilities		<u>2,303,643</u>	<u>2,764,148</u>
Non-current liabilities			
Provisions	14	41,624	26,676
Contract liabilities	2	247,034	-
Borrowings	21	794,176	1,386,869
Total non-current liabilities		<u>1,082,834</u>	<u>1,413,545</u>
Total liabilities		<u>3,386,477</u>	<u>4,177,693</u>
Net liabilities		<u>(515,408)</u>	<u>(2,021,083)</u>
EQUITY			
Issued capital	16(a)	1,198,937	1,198,937
Retained earnings	16(b)	(1,714,345)	(3,220,020)
Total equity attributable to equity holders of the company		<u>(515,408)</u>	<u>(2,021,083)</u>
Total equity		<u>(515,408)</u>	<u>(2,021,083)</u>

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

Statement of Changes in Equity for the year ended 31 December 2019

	Issued Capital	Retained Earnings	Total
Balance at 1 January 2018	1,198,937	(\$3,123,620)	(\$1,924,683)
Net result attributable to UNE Partnerships Pty Ltd	-	(\$96,400)	(\$96,400)
Total comprehensive income	-	(\$96,400)	(\$96,400)
Balance at 31 December 2018	1,198,937	(\$3,220,020)	(\$2,021,083)
Balance at 1 January 2019	1,198,937	(\$3,220,020)	(\$2,021,083)
Retrospective changes in revenue recognition AASB 15	-	\$206,879	\$206,879
Balance as restated	1,198,937	(\$3,013,141)	(\$1,814,204)
Net result attributable to UNE Partnerships Pty Ltd	-	\$161,927	\$161,927
Other comprehensive income	-	\$1,136,869	\$1,136,869
Total comprehensive income	-	\$1,298,796	\$1,298,796
Balance at 31 December 2019	1,198,937	(\$1,714,345)	(\$515,408)

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

Statement of Cash Flows for the year ended 31 December 2019

	Note	2019 \$	2018 \$
Cash flows from operating activities			
Receipts from student fees and other customers		5,846,592	4,236,762
Receipts from government funded students		801,751	607,706
Interest received		6,697	7,391
Payments to suppliers and employees		(5,137,230)	(4,586,220)
GST recovered/paid		11,829	(52,780)
Net cash provided by / (used in) operating activities	22	1,529,639	212,859
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		-	-
Payments for property, plant and equipment		(43,495)	(4,578)
Net cash outflow for intangibles purchased/created		(234,515)	(313,151)
Net cash provided by / (used in) investing activities		(278,010)	(317,729)
Cash flows from financing activities			
Repayment of borrowings		-	(6,955)
Net cash provided by / (used in) financing activities		-	(6,955)
Net increase / (decrease) in cash and cash equivalents		1,251,629	(111,825)
Cash and cash equivalents at the beginning of the financial year		566,992	678,817
Cash and cash equivalents at the end of the financial year	8	1,818,621	566,992

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

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Notes to and forming part of the Financial Statements

Note 1. Summary of significant accounting policies

UNE Partnerships Pty Limited, a not for profit entity, was incorporated in Australia as a company limited by shares on 15 May 1986 and is domiciled in Australia.

The company is a controlled entity of the University of New England and as such is considered to be a reporting entity as defined in Australian Accounting Standard AASB 127 "Consolidated and Separate Financial Statements".

The principal address of UNE Partnerships Pty Limited is: Building C012, University of New England, NSW.

The financial statement for the year ended 31 December 2019 was authorised for issue in accordance with a resolution of the Board on 5 March 2020.

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied unless otherwise stated.

(a) Basis of preparation

The annual financial statements represent the audited general purpose financial statements of UNE Partnerships Pty Limited. They have been prepared on an accrual basis and comply with Australian Accounting Standard, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and Australian Accounting Interpretations.

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

- *Public Finance and Audit Act 1983*,
- *Public Finance and Audit Regulations 2015*.

The Financial Statements have been prepared under the historical cost convention, except for debt and equity financial assets that have been measured at fair value through profit or loss and certain classes of property, plant and equipment.

(b) Foreign currency translation

(i) Functional and presentation currency

The financial statements are presented in Australian dollars which is the Entity's functional and presentation currency.

(ii) Transactions and balances

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

(c) Income tax

UNE Partnerships Pty Limited does not provide for Australian Income Tax as it is exempt under the provisions of Section 50-B of the *Income Tax Assessment Act 1997 (ITAA)*.

(d) Leases

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

(e) Goods and Services Tax

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

(f) Comparative amounts

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

(g) Going concern

The Financial Statements have been prepared on a going concern basis. On this basis, the Entity is expected to be able to pay its debts as and when they become due and payable. The Board believe the going concern basis of accounting is appropriate as the University of New England has undertaken to support the Entity to ensure it can operate as a going concern.

(h) Initial application of AAS

UNE Partnerships has adopted AASB15, AASB1058 and AASB16 in accordance with the transitional provisions applicable to each standard. The nature and effect of the changes as a result of adoption of these new accounting standards are described below.

AASB15 and AASB1058

The entity adopted AASB15 and AASB1058 using the modified retrospective method of transition, with the date of initial application of 1 January 2019. In accordance with the provisions of this transition approach, the entity recognised the cumulative effect of applying these new standards as an adjustment to opening retained earnings at the date of initial application, i.e., 1 January 2019. Consequently, the comparative information presented has not been restated and continues to be reported under the previous standards on revenue and income. In addition, the entity has applied the practical expedient and elected to apply these standards retrospectively only to contracts and transactions that were not completed contracts at the date of initial application, i.e., as at 1 January 2019.

As the entity is applying the modified retrospective approach, the entity did apply the practical expedient described in AASB16.C5 (c), for contracts that were modified before the beginning of the earliest period presented.

The entity did not retrospectively restate the contract for those modifications in accordance with AASB15.20-21. Instead, entity reflected the aggregate effect of all of the modifications that occur before the beginning of the earliest period presented when:

- Identifying the satisfied and unsatisfied performance obligations
- Determining the transaction price
- Allocating the transaction price to the satisfied and unsatisfied performance obligation.

The new accounting policies for revenue and other income for not-for-profit in accordance with AASB15 and AASB1058 respectively are provided in the Note 2 below.

Overview of AASB15 and AASB1058

Under the new income recognition model applicable to not-for-profit entities, an entity shall first determine whether an enforceable agreement exists and whether the promises to transfer goods or services to the customer are 'sufficiently specific'.

If an enforceable agreement exists and the promises are 'sufficiently specific' (to a transaction or part of a transaction), the entity applies the general AASB15 principles to determine the appropriate revenue recognition. If these criteria are not met, the entity shall consider whether AASB1058 applies.

Set out below are the amounts by which each financial statement line item is affected as at and for the year ended 31 December 2019 as a result of the adoption of AASB15 and AASB1058. The adoption of AASB15 did have a material impact on other comprehensive income and the statement of financial position, but did not have a material impact on operating, investing and financing cash flows. The first column shows amounts prepared under AASB15 and AASB1058 and the second column shows what the amounts would have been had AASB15 and AASB1058 not been adopted:

Income Statement

	Ref Adjustment	Amounts prepared under AASB15 / AASB1058 \$	Previous AAS \$	Increase / Decrease \$
Revenue and income from continuing operations				
Education services - fee paying	2	3,114,152	2,610,712	503,440
Total revenue and income from continuing operations		<u>3,114,152</u>	<u>2,610,712</u>	<u>503,440</u>
Net result attributable to UNE Partnerships Pty Limited		<u>161,927</u>	<u>(341,513)</u>	<u>503,440</u>

Statement of financial position

	Ref Adjustment	Amounts prepared under AASB15 / AASB1058 \$	Previous AAS \$	Increase / Decrease \$
Assets				
Contract Assets		-	-	-
Total assets		<u>-</u>	<u>-</u>	<u>-</u>
Liabilities				
Contract Liabilities	2	1,713,961	2,217,401	(503,440)
Total liabilities		<u>1,713,961</u>	<u>2,217,401</u>	<u>(503,440)</u>
Equity				
Retained earnings		(1,714,345)	(2,217,785)	503,440
Total equity		<u>(1,714,345)</u>	<u>(2,217,785)</u>	<u>503,440</u>

AASB16

The entity had no leases during the reporting period and therefore was not affected by the changes in this accounting standard.

	Note	2019 \$	2018 \$
Note 2. Fees and charges			
Education services - fee paying		3,114,152	2,376,915
Education services - government funded		801,751	607,706
Consultancy		1,176,399	1,180,993
Other revenue		130,635	68,988
Product sales		2,760	7,855
Workshops		265,467	294,518
Total fees and charges		<u>5,491,164</u>	<u>4,536,975</u>

Revenue from contracts with customers

a) Accounting policies and significant accounting judgements and estimates

Education services

The education services revenue relates to vocational education programs, continuing education and executive programs.

The revenue is recognised for:

- Fee paying students - over time as and when the course is delivered to students over their course duration.
- Government funded students - at a point in time when the funding is received, usually in arrears as units in a course are completed.

When the courses have been paid in advanced by students or the entity has received the government funding in advance (e.g. before starting the teaching period) the entity recognises a contract liability until the services are delivered.

The entity does have obligations to return or refund obligations or other similar obligations. This is mainly applicable under the following circumstances:

- When a student withdraws within 21 days of enrolment;
- When a student satisfies withdrawal on exceptional circumstances.

Consultancy, workshops and other income

Other revenue, including consultancy contracts and workshops, that are within the scope of AASB15 mainly relate to contracted design and development services, group workshop facilitation, and other revenue such as travel recoveries.

Revenue is recognised:

- At a point in time when the service or milestone is delivered according to the specific contract.

b) Unsatisfied performance obligations

Remaining performance obligations represent services the entity has promised to provide to customers under education services, including courses, which are satisfied as the goods or services are provided over the contract term. For customer contracts with terms of one year or less, or where revenue is recognised using the 'right to invoice' method of recognising revenue, as permitted under AASB15, disclosures are not required in relation to the transaction price allocated to these unsatisfied performance obligations. Further, the amounts disclosed below do not include variable consideration which has been constrained.

These unsatisfied performance obligations are expected to be satisfied within the following periods:

Within 1 year	From 1 to 5 years	After 5 years	Total
\$	\$	\$	\$
1,466,927	247,034	-	1,713,961

As permitted under the transitional provisions in AASB15, the transaction price allocated to partially unsatisfied performance obligations as of 31 December 2018 is not disclosed.

c) Assets and liabilities related to contracts with customers

The entity has recognised the following assets and liabilities related to contracts with customers:

	Closing balance \$	Opening balance \$
Contract liabilities	1,713,961	1,118,741
	<u>1,713,961</u>	<u>1,118,741</u>

Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period was \$1,175,508.

Contract liabilities

The contract liabilities are associated to education services revenue in advance and future performance obligations.

Contract liabilities with services expected to be provided greater than 12 months from the end of the reporting period will be classified as non-current.

Accounting policy

A contract liability is the obligation to transfer goods or services to a customer for which the entity has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the entity transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the entity performs under the contract.

	Note	2019 \$	2018 \$
Note 3. Investment income			
Interest		6,697	7,391
Total investment income		<u>6,697</u>	<u>7,391</u>

Accounting Policy

Interest

For all financial instruments measured at amortised cost and debt instruments measured at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). The EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in net investment income in the income statement.

Note 4. Employee related expenses

Salaries		2,143,474	1,840,447
Contribution to funded superannuation and pension schemes		226,195	204,127
Payroll tax		158,613	129,652
Worker's compensation		30,781	38,530
Long service leave expense		36,015	32,393
Annual leave		171,928	175,288
Other (allowances, penalties and fringe benefits tax)		3,740	-
Total employee related expenses		<u>2,770,746</u>	<u>2,420,437</u>

Note 5. Depreciation and amortisation

Depreciation

Furniture and Fittings		-	314
Computer equipment		15,846	11,812
Total depreciation		<u>15,846</u>	<u>12,126</u>

Amortisation

Intellectual property and courseware		337,284	242,955
Software developments		7,863	6,105
Total amortisation		<u>345,147</u>	<u>249,060</u>

Total depreciation and amortisation

<u>360,993</u>	<u>261,186</u>
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Note 6. Impairment of assets

Impairment of receivables and contract assets	9	73,220	(25,220)
Impairment loss on derecognition of assets		-	8,330
Total impairment of assets		<u>73,220</u>	<u>(16,890)</u>

Accounting Policy - Impairment of assets

Intangible assets that have an indefinite useful life (e.g. goodwill) are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired.

Intangible assets with a definite useful life (e.g. contracts transferred during an acquisition) are subject to individual amortisation on a straight line basis over the known life of the contract.

Note 7. Other expenses

Non-capitalised equipment		520	1,740
Utilities		-	38,482
Consumables and materials		11,899	9,823
Telecommunications		12,234	14,937
Consultants and authors' fees		461,093	541,260
Room hire and catering		184,424	89,250
Interest expense		-	92,264
Property and facilities		43,121	73,240
Other expenditure		160,142	142,550
Total other expenses		<u>873,433</u>	<u>1,003,546</u>

	Note	2019 \$	2018 \$
Note 8. Cash and cash equivalents	1(g)		
Cash on hand		163	304
Cash at bank		1,818,458	566,688
Total cash and cash equivalents		1,818,621	566,992

(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 cash flow statement as follows:

Balances as above	1,818,621	566,992
Balance per cash flow statement	1,818,621	566,992

(b) Cash at bank and on hand

Cash at bank (credit funds) is interest-generating; cash on hand is non interest-bearing.

(c) Deposits at call

The deposits are bearing floating interest rates between 1% and 2% (2018 - 1% and 2%).

Accounting Policy - Cash and cash equivalents

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

Note 9. Receivables and contract assets

Current

Trade and other debtors	284,424	463,045
Less: allowance for expected credit losses	(62,763)	(1,327)
Total receivables	221,661	461,718

Movements in the allowance for expected credit losses are as follows:

As at 1 January	1,327	40,271
Allowance for expected credit loss recognised during the year	73,220	(25,220)
Receivables written off during the year as uncollectible	(11,784)	(13,724)
As at 31 December	62,763	1,327

Accounting Policy - Receivables and contract assets

Classification and measurement

Trade receivables are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. At initial recognition trade receivables are measured at their transaction price and subsequently these are classified and measured as debt instruments at amortised cost. Trade receivables are due for settlement no more than 120 days from the date of recognition for land development and resale debtors, and no more than 30 days for other debtors.

Impairment

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. An allowance for expected credit losses is established when there is objective evidence that the entity will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (debt remains unpaid 90 days after invoice date) are considered indicators that the trade receivable is impaired. The amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows. The amount of the allowance is recognised in the income statement.

	Note	2019 \$	2018 \$
Note 10. Other non-financial assets			
Current			
Accrued Income		28,865	232,509
Total current other non-financial assets		<u>28,865</u>	<u>232,509</u>

Accounting Policy - Other assets

Accrued income is recognised for services being provided to students or clients that have contracted invoice milestones in future financial years.

Note 11. Plant and equipment:			
Plant and equipment:			
At cost		14,342	14,342
Accumulated depreciation		<u>(11,065)</u>	<u>(9,235)</u>
		<u>3,277</u>	<u>5,107</u>
Computer cost:			
At cost		117,943	85,630
Accumulated depreciation		<u>(75,286)</u>	<u>(61,270)</u>
		<u>42,657</u>	<u>24,360</u>
Total Plant and Equipment		<u>45,934</u>	<u>29,467</u>

Movements in Carrying Amounts

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

	Plant & Equipment	Computer Equipment	Leasehold Improvements	Total
Balance at 1 January 2018	4,740	25,050	4,373	34,163
Additions	1,999	13,761	-	15,760
Depreciation expense	(1,632)	(10,180)	(314)	(12,126)
Derecognition	(35,702)	(137,961)	(122,701)	(296,364)
Depreciation written back on disposal	35,702	133,690	118,642	288,034
Balance at 31 December 2018	<u>5,107</u>	<u>24,360</u>	<u>-</u>	<u>29,467</u>
Balance 1 January 2019	5,107	24,360	-	29,467
Additions	-	32,313	-	32,313
Depreciation expense	(1,830)	(14,016)	-	(15,846)
Carrying amount at 31 December 2019	<u>3,277</u>	<u>42,657</u>	<u>-</u>	<u>45,934</u>

Accounting Policy - Plant and equipment

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

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

Depreciation on assets is calculated using the straight line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives, as follows:

Furniture and Fittings: 3 - 11 yrs

Computing Equipment / Software: 2 - 5 yrs

Intangibles: 3 - 5 years

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 1(f)).

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

	Note	2019 \$	2018 \$
Note 12. Intangible assets			
(a) Course Development			
Cost		1,318,089	977,921
Accumulated amortisation		(786,946)	(449,663)
Course materials - work in progress		201,305	313,532
Net carrying value		<u>732,448</u>	<u>841,790</u>
Reconciliation of course development			
Balance at the beginning of year		841,790	777,029
Additions		340,169	118,029
Amortisation charge		(337,284)	(242,955)
Work in progress movement		(112,227)	189,687
Closing carrying value at 31 December		<u>732,448</u>	<u>841,790</u>
(b) Software			
Cost		39,855	32,586
Accumulated amortisation		(16,315)	(8,452)
Net carrying value		<u>23,540</u>	<u>24,134</u>
Reconciliation of software			
Balance as at the beginning of year		24,134	25,203
Additions		7,269	5,036
Amortisation		(7,863)	(6,105)
Closing carrying value at 31 December		<u>23,540</u>	<u>24,134</u>
Total net carrying value		<u>755,988</u>	<u>865,924</u>

Accounting Policy - Intangible assets

(i) Research and development

Expenditure on research activities is recognised in the income statement as an expense, when it is incurred.

Development expenditures on an individual project are recognised as an intangible asset when the entity can demonstrate:

- (a) The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- (b) Its intention to complete and its ability and intention to use or sell the asset
- (c) How the asset will generate future economic benefits
- (d) The availability of resources to complete the asset
- (e) The ability to measure reliably the expenditure during development.

The expenditure capitalised comprises only directly attributable costs including costs of materials, services and direct labour. Other development expenditure is recognised in the income statement as an expense when incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. Capitalised development expenditure is recorded as intangible assets and amortised from the point at which the asset is ready for use. Amortisation is calculated using the straight-line method to allocate the cost over the period of the expected benefit, which varies from 3 to 5 years.

(ii) Licences

Licences have an infinite useful life and are not amortised. They are assessed for impairment annually and whenever there is an indication that the licences may be impaired, in accordance with note 1(f).

(iii) Goodwill

Goodwill represents the excess of the aggregate of the fair value measurement of the consideration transferred in an acquisition, over the fair value of the Entity's share of the net identifiable assets of the acquiree at the date of acquisition.

Goodwill is not amortised, instead it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

(iv) Work in progress

Work in progress is stated at the lower of cost and net realisable value. Costs comprise of direct materials and/or labour only.

Note 13. Trade and other payables

Current

Trade payables	280,938	363,350
GST payable	(9,305)	(1,331)
Total current trade and other payables	<u>271,633</u>	<u>362,019</u>

For an analysis of the sensitivity of trade and other payables to foreign exchange risk, refer to note 24.

Accounting Policy - Trade and other payables

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

	Note	2019 \$	2018 \$
Note 14. Provisions			
Current provisions expected to be settled within 12 months			
Employee benefits			
Annual leave		102,694	119,742
Subtotal		<u>102,694</u>	<u>119,742</u>
Current provisions expected to be settled after more than 12 months			
Employee benefits			
Annual leave		63,959	47,490
Long service leave		164,834	158,032
Subtotal		<u>228,793</u>	<u>205,522</u>
Total Current Provision		<u>331,487</u>	<u>325,264</u>
Non-current provisions			
Employee benefits			
Long service leave		41,624	26,676
Total non-current provision		<u>41,624</u>	<u>26,676</u>
Total provisions		<u>373,111</u>	<u>351,940</u>

Accounting Policy - Provisions

Provisions for legal claims and service warranties are recognised when: the Entity has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

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

Accounting Policy - Employee benefits

(i) Short-term obligations

Liabilities for short-term employee benefits including wages and salaries, non-monetary benefits and profit-sharing bonuses 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 and recognised in other payables. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

(ii) Long-term obligations

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

Annual leave is not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. As such, it is measured at nominal value which is not materially different to present value.

Long service leave recognised in respect of employee benefits which are not expected to be settled within twelve months are measured at present value in accordance with AASB119 Employee Benefits. This is based on the application of certain factors to employees with five or more years of service. 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.

	Note	2019 \$	2018 \$
Note 15. Other Liabilities			
(a) Current			
Accrued Liabilities			
Salary Related		77,772	51,244
Total current other liabilities		<u>77,772</u>	<u>51,244</u>
 Note 16. Retained earnings			
(a) Issued Capital			
1,198,937 ordinary shares @ \$1.00 each fully paid		<u>1,198,937</u>	<u>1,198,937</u>
(b) Retained earnings			
Movements in retained earnings were as follows:			
Retained earnings at 1 January		(3,220,020)	(3,123,620)
Retrospective changes in revenue recognition AASB 15		206,879	-
Total comprehensive income for the year		<u>1,298,796</u>	<u>(96,400)</u>
Retained earnings at 31 December		<u>(1,714,345)</u>	<u>(3,220,020)</u>

Note 17. Key management personnel disclosures

(a) Names of responsible persons

The following persons were responsible persons and executive officers of UNE Partnerships Pty Limited from the beginning of the year to the reporting date:

Directors

Professor Todd WALKER - Chairman
Dr Exmond DECRUZ
Professor Aron MURPHY
Jessie HARMAN (Appointed 23 January 2019)

Executive Officer

Suzanne E. Crew (resigned 31 December 2019)

(b) Remuneration of Board Members and Executives

Remuneration of Board Members

The non-executive directors of the company are entitled to earn Directors' Fees.
All 2019 payments to non-executive directors have been included as paid/accrued.

	2019	2018
	No.	No.
Nil to \$19,999	4	3
	4	3
Aggregate Remuneration of Board Members	\$	\$
Total Aggregate Remuneration	24,000	18,000

Remuneration of executive officers

Nil to \$150,000
\$175,001 to \$200,000

	No.	No.
Nil to \$150,000	-	2
\$175,001 to \$200,000	1	-
	1	2
Aggregate Remuneration of executive officers	\$	\$
Total Aggregate Remuneration	189,646	213,478

Note 18. Remuneration of auditors

During the year, the following fees were paid for services provided by the auditor of UNE Partnerships Pty Ltd, its related practices and non-related audit firms:

	2019	2018
	\$	\$
Audit of the financial statements		
Fees paid to The Audit Office of NSW:	39,500	38,100
Total remuneration for audit services	39,500	38,100

Note 19. Contingencies

At balance date, no proceeding had been identified as being progressed on behalf of the Entity.
At balance date, no contingent liabilities or contingent assets of a material nature to the Entity had been identified.

Note 20. Commitments

(a) Capital Commitments

There were no commitments for capital expenditure at 31 December 2019 (2018: Nil).

No lease arrangements, existing as at 31 December 2019, contain contingent rental payments, purchase options, escalation clauses or restrictions imposed by lease arrangements including dividends, additional debt or further leasing.

Note 21. Related parties

(a) Parent entities

The ultimate parent entity within the group is the University of New England.

(b) Subsidiaries

The entity does not have any interest in a subsidiary.

(c) Key management personnel

Disclosures relating to directors and specified executives are set out in Note 17.

(d) Transactions with related parties

Transactions with related parties are on normal terms no more favourable than those available to other parties unless otherwise stated.

The following transactions occurred with related parties:

	2019 \$	2018 \$
<i>Transactions during the period</i>		
University of New England		
Sales to University of New England	21,307	-
Purchases from the University of New England	150,589	106,880
Net	(129,282)	(106,880)
Loans from University of New England		
Beginning of the year	2,086,869	1,995,210
Loan forgiven	(950,000)	-
Interest charged	-	91,659
Interest written-back on forgiveness	(186,869)	-
End of year	950,000	2,086,869

Outstanding balances

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

Receivables

Current receivables (sale of goods and services)

University of New England	3,850	-
Total current receivables	3,850	-

(d) Transactions with related parties (continued)

Current payables (purchases of goods and services)

University of New England	14,800	21,863
Total current payables	14,800	21,863

Current payables (loans)

University of New England	155,824	700,000
Total non-current payables	155,824	700,000

Non-current payables (loans)

University of New England	794,176	1,386,869
Total non-current payables	794,176	1,386,869

(e) Guarantees

There have been no guarantees given.

(f) Terms and conditions

Related party outstanding balances are unsecured. Sales and purchases of goods and services are provided on interest-free terms.

(g) loan facilities

A loan agreement between UNE Partnerships and the University of New England was signed on 12th December 2016, providing an unsecured loan facility of up to \$1,900,000 until 31 March 2020. Interest is currently charged at 4.5% per annum. This was amended in July 2019, with \$950,000 of the principal and all interest to date forgiven. The amended loan principal under the new loan agreement is now \$950,000 repayable over a nominal term of 7 years with 4%p.a interest.

Note 22. Reconciliation of net result to net cash flows from operating activities

	2019	2018
	\$	\$
Net result for the year	161,927	(96,400)
Depreciation and amortisation	360,993	261,186
Write-off of assets	-	8,330
Allowance for expected credit losses	61,436	(38,944)
Increase/(Decrease) in trade and other payables and contract liabilities	515,319	237,338
Increase/(Decrease) in provision for employee entitlements	47,699	68,401
Increase/(Decrease) in interest payable	-	91,659
(Increase)/Decrease in receivables and contract assets	382,265	(318,711)
Net cash provided by / (used in) operating activities	1,529,639	212,859

Note 23. Events occurring after the end of the reporting period

There are no reportable events occurring after the end of the reporting period.

Note 24. Financial risk management

The entity's accounting policies, including the terms and conditions of each class of financial asset and financial liability, both recognised and unrecognised at balance date, are as follows:

(a) Market Risk

(i) Terms and conditions

Recognised Financial Instruments	Note	Accounting Policies	Terms and Conditions
Financial Assets			
Receivables	9	Receivables are carried at nominal amounts due less any allowance for expected credit losses	Accounts Receivable credit terms are 30 days; some clients can establish instalment plans spanning 10 months.
Deposits At Call	8	Term Deposits are stated at cost	Bank Call Deposits interest rate is determined by the official Money Market
Term Deposits	8	Term Deposits are stated at cost	
Financial Liabilities			
Borrowings		Borrowings are stated at the amount drawn down plus capitalised interest.	
Creditors and Accruals	13 & 15	Liabilities are recognised at amounts to be paid for goods and services received, or payable under contract, at year-end.	Creditors are normally settled on 30 day terms

(ii) Cash flow and fair value interest rate risk

The entity invests in near-dated term deposits with various financial institutions and is exposed to interest rate risk arising from normal interest rate variations at date of rollover.

(iii) Summarised sensitivity analysis

The table on the last page of the financial statement summarises the sensitivity of the entity's financial assets and liabilities to interest rate risk.

(b) Credit Risk

Credit risk is the risk of financial loss, arising from another party to a contract or financial position, failing to discharge a financial obligation thereunder. The Entity's maximum exposure to credit risk is represented by the carrying amounts of the financial assets included in the Statement of Financial Position.

Note 24. Financial risk management (continued)

(c) Liquidity Risk

Liquidity risk refers to the risk that, as a result of operational liquidity requirements, UNE Partnerships Pty Limited:

- will not have sufficient funds to settle a transaction on the due date;
- will be forced to sell financial assets at a value which is less than their worth;
- may be unable to settle or recover a financial asset at all.

Finance personnel monitor the actual and forecast cash flow of the entity on a frequent basis, ensuring that sufficient cash reserves are held to meet the ongoing operations and obligations of the economic entity as they fall due.

Financial risk management

31 December 2019	Average Interest Rate	Variable Interest Rate	Less than 1 Year	1 to 5 Years	5+ Years	Non Interest	Total
	%	\$	\$	\$	\$	\$	\$
Financial Assets							
Cash & cash equivalents	0.75	1,818,621	-	-	-	-	1,818,621
Receivables	-	-	-	-	-	221,661	221,661
Total Financial Assets		1,818,621	-	-	-	221,661	2,040,282
Financial Liabilities							
Borrowings	4.00	950,000	-	-	-	-	950,000
Payables	-	-	-	-	-	280,938	280,938
Other amounts owing	-	-	-	-	-	77,772	77,772
Total Financial Liabilities		950,000	-	-	-	358,710	1,308,710
Net Financial Assets(Liabilities)		868,621	-	-	-	(137,049)	731,572

Comparative figures for the previous year are as follows:

31 December 2018	Average Interest Rate	Variable Interest Rate	Less than 1 Year	1 to 5 Years	5+ Years	Non Interest	Total
	%	\$	\$	\$	\$	\$	\$
Financial Assets							
Cash and cash equivalents	1.50	566,992	-	-	-	-	566,992
Receivables	-	-	-	-	-	461,718	461,718
Total Financial Assets		566,992	-	-	-	461,718	1,028,710
Financial Liabilities							
Borrowings	4.50	2,086,869	-	-	-	-	2,086,869
Payables	-	-	-	-	-	363,350	363,350
Other Amounts Owing	-	-	-	-	-	51,244	51,244
Total Financial Liabilities		2,086,869	-	-	-	414,594	2,501,463
Net Financial Assets(Liabilities)		(1,519,877)	0	0	0	47,124	(1,472,753)

Note 24. Financial risk management (continued)

Summarised sensitivity analysis

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

31 December 2019	Carrying amount	Interest rate risk				Foreign exchange risk				Other price risk			
		-1%		+1%		-10%		+10%		-1%		+1%	
		Result	Equity	Result	Equity	Result	Equity	Result	Equity	Result	Equity	Result	Equity
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Financial Assets													
Cash and cash equivalents	1,818,621	(18,186)	(18,186)	18,186	18,186	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Investments - term deposits	-	-	-	-	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Receivables	221,661	-	-	-	-	-	-	-	-	-	-	-	-
Total Financial Assets	2,040,282	(18,186)	(18,186)	18,186	18,186	-	-	-	-	-	-	-	-
Financial Liabilities													
Borrowings	950,000	9,500	9,500	(9,500)	(9,500)								
Payables	280,938	-	-	-	-	-	-	-	-	-	-	-	-
Other amounts owing	77,772	-	-	-	-	-	-	-	-	-	-	-	-
Total Financial Liabilities	1,308,710	9,500	9,500	(9,500)	(9,500)	-	-	-	-	-	-	-	-
Total increase/(decrease)	731,572	(27,686)	(27,686)	27,686	27,686	-	-	-	-	-	-	-	-

Comparative figures for the previous year are as follows:

31 December 2018	Carrying amount	Interest rate risk				Foreign exchange risk				Other price risk			
		-1%		+1%		-10%		+10%		-1%		+1%	
		Result	Equity	Result	Equity	Result	Equity	Result	Equity	Result	Equity	Result	Equity
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Financial Assets													
Cash and cash equivalents	566,992	(5,670)	(5,670)	5,670	5,670	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Investments - term deposits	-	-	-	-	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Receivables	461,718	-	-	-	-	-	-	-	-	-	-	-	-
Total Financial Assets	1,028,710	(5,670)	(5,670)	5,670	5,670	-	-	-	-	-	-	-	-
Financial Liabilities													
Borrowings	2,086,869	20,869	20,869	(20,869)	(20,869)								
Payables	363,350	-	-	-	-	-	-	-	-	-	-	-	-
Other amounts owing	51,244	-	-	-	-	-	-	-	-	-	-	-	-
Total Financial Liabilities	2,501,463	20,869	20,869	(20,869)	(20,869)	-	-	-	-	-	-	-	-
Total increase / (decrease)	(1,472,753)	15,199	15,199	(15,199)	(15,199)	-	-	-	-	-	-	-	-

END OF AUDITED FINANCIAL STATEMENTS

UNE Life Pty Ltd



ABN: 29 065 648 419
Annual Financial Report
for the year ended
31 December 2019



INDEPENDENT AUDITOR'S REPORT

UNE Life Pty Limited

To Members of the New South Wales Parliament

Opinion

I have audited the accompanying financial statements of UNE Life Pty Limited (the Company), which comprise the Income Statement and Statement of Comprehensive Income for the year ended 31 December 2019, the Statement of Financial Position as at 31 December 2019, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, notes comprising a Statement of Significant Accounting Policies and other explanatory information.

In my opinion, the financial statements:

- give a true and fair view of the financial position of the Company as at 31 December 2019, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (PF&A Act) and the Public Finance and Audit Regulation 2015.

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

Basis for Opinion

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

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

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

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

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

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

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

The Directors' Responsibilities for the Financial Statements

The Directors are responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards and the PF&A Act and for such internal control as the Directors determine is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

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

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

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

My opinion does not provide assurance:

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

S Bond .

Sally Bond
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

31 March 2020
SYDNEY

Directors' Statement Pursuant to Section 41C(1B) and (1C) of the *Public Finance and Audit Act 1983*

In accordance with a resolution of the directors and pursuant to Section 41C (1B) and 1(C) of the *Public Finance and Audit Act 1983*, we state that:

1. The attached general purpose financial statements and notes present a true and fair view of the financial position and performance of the Company at 31 December 2019 and the results of its operations and transactions of the Company for the year then ended;
2. The financial statements and notes have been prepared in accordance with the provisions of the *Public Finance and Audit Act 1983, Public Finance and Audit Regulations 2015*;
3. The financial statements and notes have been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and authoritative pronouncements of the Australian Accounting Standards Board;
4. We are not aware of any circumstances which would render any particulars included in the financial statements to be misleading or inaccurate; and
5. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable noting the factors outlined in Note 1(f) of the financial statements.

Signed in accordance with a resolution of the Directors.

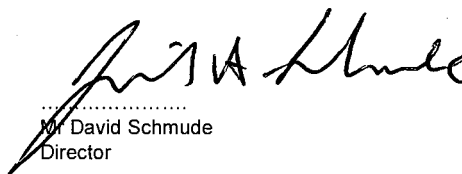
.....
Prof Peter Creamer
Director



27/03/2020

Professor Peter Creamer
Chief Operating Officer
University of New England

.....
Mr David Schmude
Director



Income Statement for the year ended 31 December 2019

	Note	2019 \$	2018 \$
Revenue and income from continuing operations			
Trading income	2	10,193,209	8,687,997
Investment income	3	13,487	14,641
Other revenue	4	2,816,063	2,547,801
Total revenue and income from continuing operations		<u>13,022,759</u>	<u>11,250,439</u>
Expenses from continuing operations			
Employee related expenses	5	5,634,347	5,082,346
Depreciation and amortisation	6	301,736	227,687
Repairs and maintenance	7	300,628	160,206
Other expenses	8	7,292,375	5,706,114
Total expenses from continuing operations		<u>13,529,086</u>	<u>11,176,353</u>
Net result attributable to the Entity	18	<u>(506,327)</u>	<u>74,086</u>

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

Statement of Comprehensive Income for the year ended 31 December 2019

	2019 \$	2018 \$
Net result for the year	(506,327)	74,086
Other comprehensive income	-	-
Total comprehensive income for the year	<u>(506,327)</u>	<u>74,086</u>

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

Statement of Financial Position as at 31 December 2019

	Note	2019 \$	2018 \$
ASSETS			
Current assets			
Cash and cash equivalents	9	1,717,521	1,269,075
Receivables	10	229,704	632,008
Inventories	11	1,081,134	1,123,179
Non financial assets	12	58,218	7,880
Total current assets		3,086,577	3,032,142
Non-current assets			
Property, plant and equipment	13	1,022,368	536,230
Intangible assets	14	82,962	67,354
Total non-current assets		1,105,330	603,584
Total assets		4,191,907	3,635,726
LIABILITIES			
Current liabilities			
Trade and other payables	15	1,818,706	1,327,076
Contract liabilities	16	125,338	146,041
Provisions	17	197,116	157,730
Borrowings	18	105,304	-
Total current liabilities		2,246,464	1,630,847
Non-current liabilities			
Provisions	17	97,000	71,000
Borrowings	18	420,891	-
Total non-current liabilities		517,891	71,000
Total liabilities		2,764,355	1,701,847
Net assets		1,427,552	1,933,879
EQUITY			
Retained earnings	19	1,427,432	1,933,759
Share Capital	19	120	120
Total equity		1,427,552	1,933,879

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

Statement of Changes in Equity for the year ended 31 December 2019

	Shares	Retained earnings	Total
Balance at 1 January 2018	120	1,859,673	1,859,793
Net result	-	74,086	74,086
Total comprehensive income	-	74,086	74,086
Balance at 31 December 2018	120	1,933,759	1,933,879
Balance at 1 January 2019	120	1,933,759	1,933,879
Net result	-	(506,327)	(506,327)
Total comprehensive income	-	(506,327)	(506,327)
Balance at 31 December 2019	120	1,427,432	1,427,552

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

Statement of Cash Flows for the year ended 31 December 2019

	Note	2019 \$	2018 \$
Cash flows from operating activities			
Receipts from customers		14,654,432	12,975,979
Interest received		13,487	14,640
Payments to suppliers and employees (inclusive of GST)		(13,903,278)	(12,671,215)
Interest and other costs of finance		(20,087)	-
Net cash provided by / (used in) operating activities	25	744,554	319,404
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		19,530	-
Payments for property, plant and equipment		(203,681)	(40,705)
Net cash provided by / (used in) investing activities		(184,151)	(40,705)
Cash flows from financing activities			
Repayment of lease liabilities		(111,957)	-
Net cash provided by / (used in) financing activities		(111,957)	-
Net increase / (decrease) in cash and cash equivalents		448,446	278,699
Cash and cash equivalents at the beginning of the financial year		1,269,075	990,376
Cash and cash equivalents at the end of the financial year		1,717,521	1,269,075

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

Notes to the Financial Statements

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Notes to and forming part of the Financial Statements

Note 1. Summary of significant accounting policies

Services UNE Limited, a not-for-profit entity, was incorporated in Australia as a company limited by guarantee on 14 July 1994 and is domiciled in Australia. On the 19th of December 2013, the University of New England, being the sole Member and owning 100% of the issued shares through a special resolution resolved that Services UNE Limited:

- changed from a public company limited by guarantee to a proprietary company limited by shares;
- changed its name to "Services UNE Pty Ltd"

On 19 August 2014, the company changed its name to UNE Life Pty Ltd.

The principal address of UNE Life Pty Ltd is:
Madgwick Hall, Union Road
University of New England, NSW 2351

The company is a controlled entity of the University of New England and as such is considered to be a reporting entity as defined in Australian Accounting Standard AASB 127 "Consolidated and Separate Financial Statements".

The financial statements for the year ended 31 December 2019 were authorised for issue in accordance with a resolution on 27 March 2020.

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

(a) Basis of preparation

The annual financial statements represent the audited general purpose financial statements of UNE Life Pty Ltd. They have been prepared on an accrual basis and comply with Australian Accounting Standard, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and Australian Accounting Interpretations.

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

- *Public Finance and Audit Act 1983*,
- *Public Finance and Audit Regulations 2015*.

UNE Life Pty Ltd is a not-for-profit entity and these statements have been prepared on that basis.

The Financial Statements have been prepared under the historical cost convention except for debt and equity financial assets that have been measured at fair value through profit or loss.

(b) Functional and presentation currency

The financial statements are presented in Australian dollars which is the Entity's functional and presentation currency.

(c) Income tax

UNE Life Pty Ltd does not provide for Australian Income Tax as it is exempt under the provisions of Section 50-B of the *Income Tax Assessment Act 1997 (ITAA)*.

(d) Goods and Services Tax (GST)

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

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

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

(e) Comparative amounts

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

Note 1. Summary of significant accounting policies (continued)

(f) Going Concern

The financial statements have been prepared on a going concern basis. On this basis, the Entity is expected to be able to pay its debts as and when they become due and payable and continue in operation without any intention or necessity to liquidate or otherwise wind up its operations.

The Board believe the going concern basis of accounting is appropriate as:

- The Entity presently has no external borrowings;
- University of New England has undertaken to support the Entity to ensure it can operate as a "going concern".

(g) New accounting standards and interpretations issued but not yet adopted

The following standards have been issued but are not mandatory for the 31 December 2019 reporting period. The University 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	Application date	Implications
AASB1059	1 January 2020	No material impact

In addition, at the date of authorisation of the financial statements, the following IASB Standards and IFRIC Interpretations were on issue but not yet effective, but for which Australian equivalent Standards and Interpretations have not yet been issued:

Amendments to the References to the Conceptual Framework in IFRS Standards – 1 January 2020.

(h) Initial application of AAS

The entity has adopted AASB 16 in accordance with the transitional provisions applicable to the standard. The entity has adopted AASB 15 and AASB 1058 using the modified retrospective method of transition with the date of initial application of 1 January 2019 for all non-research related income.

The nature and effect of the changes as a result of adoption of these new accounting standards are described below. The following interpretations and amending standards have also been adopted:

AASB 2018-2	Amendments to Australian Accounting Standards – Plan Amendment, Curtailment or Settlement. Adopted from 1 January 2019 with no impact to the financial statements.
AASB 2016-8	Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities. Adopted from 1 January 2019 with no impact to the financial statements.
AASB 2017-1	Amendments to Australian Accounting Standards – Transfers of Investment Property. Adopted from 1 January 2019 with no impact to the financial statements.
Interpretation 23	Uncertainty over Income Tax Treatments. Adopted from 1 January 2019 with no impact to the financial statements.
AASB 2017-7	Amendments to Australian Accounting Standards – Long-term Interests in Associates and Joint Ventures. Adopted from 1 January 2019 with no impact to the financial statements.
AASB 2018-1	Amendments to Australian Accounting Standards – Annual Improvements 2015-2017 Cycle. Adopted from 1 January 2019 with no impact to the financial statements.
AASB 2018-4	Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Public Sector Licensors. Adopted from 1 January 2019 with no impact to the financial statements.
AASB 2018-8	Amendments to Australian Accounting Standards – Right-of-Use Assets of Not-for-Profit Entities. Adopted from 1 January 2019 with the reduced disclosure requirements as applicable to Tier 2 entities.

AASB 15 and AASB 1058

The entity adopted AASB 15 and AASB 1058 using the modified retrospective method of transition, with the date of initial application of 1 January 2019 for non-research income. There is no significant impact on the entity from this approach.

In accordance with the provisions of this transition approach, the entity recognised the cumulative effect of applying these new standards as an adjustment to opening retained earnings at the date of initial application, i.e., 1 January 2019. Consequently, the comparative information presented has not been restated and continues to be reported under the previous standards on revenue and income. In addition, the entity has applied the practical expedient and elected to apply these standards retrospectively only to contracts and transactions that were not completed contracts at the date of initial application, i.e. as at 1 January 2019.

As the entity is applying the modified retrospective approach, the entity did apply the practical expedient described in AASB 16.C5 (c), for contracts that were modified before the beginning of the earliest period presented.

The entity did not retrospectively restate the contract for those modifications in accordance with AASB 15.20-21. Instead, the entity reflected the aggregate effect of all of the modifications that occur before the beginning of the earliest period presented when:

- Identifying the satisfied and unsatisfied performance obligations
- Determining the transaction price
- Allocating the transaction price to the satisfied and unsatisfied performance obligation

The new accounting policies for revenue and other income for not-for-profit in accordance with AASB 15 and AASB 1058 respectively are provided below.

Overview of AASB 15 and AASB 1058

Under the new income recognition model applicable to not-for-profit entities, the entity shall first determine whether an enforceable agreement exists and whether the promises to transfer goods or services to the customer are 'sufficiently specific'.

If an enforceable agreement exists and the promises are 'sufficiently specific' (to a transaction or part of a transaction), the entity applies the general AASB 15 principles to determine the appropriate revenue recognition. If these criteria are not met, the entity shall consider whether AASB 1058 applies.

In accordance with AASB 2019-6 Amendments to Australian Accounting Standards: Research Grants and Not-for-Profit Entities the entity has elected to defer adoption of AASB 15 and AASB 1058 as it relates to research income until 1 January 2020. In relation to the adoption of AASB 15 and AASB 1058 in relation to non-research income the entity has adopted an over-time approach to calculating the timings of recognition and satisfaction of performance obligations.

AASB 16

The entity has adopted AASB 16 using the modified retrospective method of transition, with the date of initial application of 1 January 2019. Under the modified approach, the entity has chosen, on a lease-by-lease basis, to measure the related right-of-use asset at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position immediately before the date of initial application.

In accordance with the provisions of this transition approach, the entity recognised the cumulative effect of applying this new standard as an adjustment to opening retained earnings at the date of initial application i.e. 1 January 2019. Consequently, the comparative information presented has not been restated and continues to be reported under the previous standards on leases – AASB 117 and AASB Interpretation 4 Determining whether an arrangement contains a lease (Interpretation 4). The new accounting policies for leases in accordance with AASB 16 are provided in the note 18.

The nature and effect of the changes as a result of adoption of AASB 16 are as described below:

Definition of lease

Previously, the entity determined at contract inception whether an arrangement is or contains a lease under Interpretation 4. Under AASB 16, the entity will continue to assess at contract inception whether a contract is, or contains, a lease but now uses the new definition of a lease.

On transition to AASB 16, the entity elected to apply the practical expedient to grandfather the assessment of which transactions are or contain leases. This means that for arrangements entered into before 1 January 2019, the entity has not reassessed whether they are, or contain, a lease in accordance with the new AASB 16 lease definition. Consequently, contracts existing prior to 1 January 2019 which were assessed per the previous accounting policy described below in accordance with AASB 117 and Interpretation 4 as a lease will be treated as a lease under AASB 16. Whereas, contracts previously not identified as a lease, will not be reassessed to determine whether they would meet the new definition of a lease in accordance with AASB 16. Therefore, the entity applied the recognition and measurement requirements of AASB 16 only to contracts that were previously identified as leases, and does not apply AASB 16 to contracts that were previously not identified as leases. The new definition of lease under AASB 16 will only be applied to contracts entered into or modified on or after 1 January 2019.

The entity as a lessee

The entity previously classified leases as operating or finance leases based on its assessment of whether the lease transferred substantially all of the risks and rewards incidental to ownership of the underlying asset to the entity. Under AASB 16, this classification no longer exists for the entity as a lessee. Instead, practically all leases are now recognised on the statement of financial position as right-of-use assets with corresponding lease liabilities comprising all amounts which are considered to be lease payments (see note 20.1 for the new leases policy which explains what amounts are included in lease payments).

Leases previously classified as operating leases under AASB 117

On transition to AASB 16, the entity recognised lease liabilities for leases previously classified as operating leases by discounting the remaining lease payments using the incremental borrowing rate as at the date of initial application, i.e. 1 January 2019. The right-of-use assets were recognised on a lease-by-lease basis at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position immediately before the date of initial application.

The entity has applied the following practical expedients in transitioning existing operating leases:

- (a) Applied the exemption not to recognise right-of-use assets and lease liabilities where the remaining leases term is 12 months or less from the date of initial application
- (b) Used hindsight in determining the lease term where the contract contains options to extend or terminate the lease
- (c) Excluded initial direct costs from the measurement of right-of-use asset at the date of initial application.

Leases previously classified as finance leases under AASB 117

On the date of initial application, right-of-use assets and lease liabilities continued to be recognised for leases previously classified as finance leases at the same carrying amounts of the leased assets and finance lease liabilities recognised in accordance with AASB 117 immediately before the date of initial application.

Reconciliation of operating lease commitments under AASB 117 and lease liabilities under AASB 16

As a lessee, the incremental borrowing rate applied to lease liabilities recognised in the statement of financial position on the date of initial application was 3.25%.

The difference between the operating lease commitments disclosed previously by applying AASB 117 and the value of the lease liabilities recognised under AASB 16 on 1 January 2019 is explained as follows:

	1 January 2019
	\$
Operating lease commitments disclosed as at 31 December 2018	148,757
Less: Short term leases recognised on a straight basis as an expense	(148,757)
Add: Finance Lease liabilities recognised based on initial adoption of AASB16	618,373
	<u>618,373</u>

The entity as a lessor

The entity is not required to make any adjustments on transition to AASB 16 where it is a lessor.

	Note	2019 \$	2018 \$
Note 2. Trading income			
Sale of goods		7,947,877	6,520,774
Rendering of services		2,245,332	2,167,223
Total trading income		10,193,209	8,687,997

Revenue recognition

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

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

(i) Sale of Goods

Revenue from the sale of goods is recognised when there is persuasive evidence, usually in the form of an executed sales agreement at the time of delivery of the goods to customer, indicating that there has been a transfer of risks and rewards to the customer, no further work or processing is required, the quantity and quality of the goods has been determined, the price is fixed and generally title has passed.

(ii) Rendering of services

Revenue from rendering of services is recognised when there is unlikely to be any further effort or contribution necessary by the Entity to fulfil the obligations of the sale and the transfer of risk and reward to the customer is complete.

Note 3. Investment income

Interest	13,487	14,641
Total investment income	13,487	14,641

Interest received

Interest income is recognised as it accrues.

Note 4. Other revenue

UNE contribution	1,583,911	1,631,040
UNE Student Services & Amenities contribution	1,206,130	850,501
Rent	9,616	52,648
Other revenue	16,406	13,612
Total other revenue	2,816,063	2,547,801

Other revenue

Represents income from various activities derived from core business and other miscellaneous income which is recognised when it is earned.

Contributions from the University of New England and the Student Amenities Fee are recognised inline with the agreed funding period as negotiated with the University of New England.

Note 5. Employee related expenses

Salaries	4,778,001	4,254,714
Contribution to funded superannuation and pension schemes	454,514	418,400
Payroll tax	283,550	253,601
Worker's compensation	27,151	73,766
Annual & long service leave	65,385	56,136
Other (Allowances, penalties and uniforms)	25,746	25,729
Total employee related expenses	5,634,347	5,082,346

Note 6. Depreciation and amortisation

Depreciation

Plant and Equipment	97,359	108,502
Motor Vehicles	43,988	32,882
Right-of-use assets - leasing assets	100,174	-
Total depreciation	241,521	141,384

Amortisation

Leasehold improvements	21,618	51,429
Intangibles	38,597	34,874
Total amortisation	60,215	86,303

Total depreciation and amortisation	301,736	227,687
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Note 7. Repairs and maintenance

	2019 \$	2018 \$
Plant/furniture/equipment/grounds	300,628	160,206
Total repairs and maintenance	300,628	160,206

Note 8. Other expenses

Cost of Goods Sold	3,815,014	2,790,429
Advertising	40,674	38,110
Cleaning and materials	122,584	120,432
Computer Expenses	95,319	36,848
Insurance	10,379	-
Printing and Stationery	40,937	59,510
Legal	5,368	11,804
Minor Equipment Purchases	126,779	133,416
Security	48,774	114,553
Utilities	250,472	276,603
Rent	-	109,902
Merchant fees	81,311	52,909
Interest expense for long-term lease ROU assets	20,087	-
Personnel services paid*	1,476,150	951,557
Subscriptions and Membership	79,554	73,376
Student Programs and activities	499,541	271,028
Student Experience Expense	172,366	291,154
Impairment	-	25,500
Other Expenditure	407,066	348,983
Total other expenses	7,292,375	5,706,114

*personnel services paid relates to staff supplied by the University of New England to assist in the operations of UNE Life.

Note 9. Cash and cash equivalents

Cash on hand and at bank	1,681,684	1,234,128
Short term deposits	35,837	34,947
Total cash and cash equivalents	1,717,521	1,269,075

(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 cash flow statement as follows:

Balances as above	1,717,521	1,269,075
Less: Bank Overdrafts	-	-
Balance per cash flow statement	1,717,521	1,269,075

(b) Cash on hand

These are non-interest bearing.	22,467	23,967
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(c) Deposits at call

The deposits at call and at investment terms of less than 12 months are bearing floating and fixed interest rates between 0.75% and 1.50% (2018 - 1% and 2.6%). These deposits have an average maturity of 30 days.

Cash and cash equivalents

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

Note 10. Receivables

Current

	2019 \$	2018 \$
Trade and other receivables	231,705	634,338
Less: allowance for expected credit losses	(2,001)	(2,330)
Total receivables	229,704	632,008

As of 31 December 2019, trade receivables of \$27,872 (2018: \$67,263) were past due but not impaired current receivables. These relate to a number of related and independent customers for whom there is no recent history of default. The ageing analysis of these receivables is as follows:

3 to 6 months	8,434	34,209
6 to 12 months	12,327	32,714
Over 12 months	7,111	340
Total Past due but not impaired current receivables	27,872	67,263

Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for expected credit losses. Trade receivables are due for settlement no more than 30 days from the date of recognition.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for expected credit losses is established when there is objective evidence that the Entity will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 60 days overdue) are considered indicators that the trade receivables are impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial. The amount of the provision is recognised in the income statement.

The carrying amount of the asset is reduced through the use of an expense account and the amount of the loss is recognised in the income statement under 'other expenses' in note 8. When a receivable is uncollectible, it is written off against the allowance account for receivables. Subsequent recoveries of amounts previously written off are credited to Bad Debts Recovered in the income statement.

(a) Allowance for expected credit losses

As at 31 December 2019 current receivables of the entity with a nominal value of \$2001 (2018: \$2,329) were impaired. The amount of the provision was \$2001 (2018: \$2,329).

The ageing of these receivables is as follows:

3 to 6 months	2,001	2,330
Over 6 months	-	-
	2,001	2,330

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

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

Note 11. Inventories

Current

Stock on hand	1,081,134	1,123,179
Total current inventories	1,081,134	1,123,179

Raw materials and stores, work in progress and finished goods

Raw materials and stores, work in progress and finished goods are stated 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. Costs are assigned to individual items of inventory on the basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts. 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.

Note 12. Other non-financial assets

Current

Prepaid Expenses

Total current other non-financial assets

2019	2018
\$	\$
58,218	7,880
<u>58,218</u>	<u>7,880</u>

Prepaid expenses

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

Note 13. Property, plant and equipment

Plant and equipment - At cost
Less: Accumulated depreciation

1,066,386	1,049,687
(756,211)	(658,852)
<u>310,175</u>	<u>390,835</u>

Motor Vehicles – At cost
Less: Accumulated depreciation

312,624	198,109
(122,026)	(78,038)
<u>190,598</u>	<u>120,071</u>

Right of use assets - At cost
Less: Accumulated depreciation

618,065	-
(100,175)	-
<u>517,890</u>	<u>-</u>

Leasehold improvements - At cost
Less: Accumulated Amortisation

672,527	672,527
(668,822)	(647,203)
<u>3,705</u>	<u>25,324</u>

Total Property Plant & Equipment

<u>1,022,368</u>	<u>536,230</u>
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Reconciliation

Reconciliations of the carrying amounts for each class of property, plant and equipment are set out below:

Plant and Equipment

Carrying amount at beginning of year
Additions
Depreciation
Carrying amount at end of year

390,835	463,632
16,699	35,705
(97,359)	(108,502)
<u>310,175</u>	<u>390,835</u>

	2019 \$	2018 \$
Note 13. Property, plant and equipment (continued)		
Motor Vehicles		
Carrying amount at beginning of year	120,071	152,953
Additions	132,778	-
Disposals	(18,263)	-
Depreciation	(43,988)	(32,882)
Carrying amount at end of year	<u>190,598</u>	<u>120,071</u>
Right of use assets		
Carrying amount at beginning of year	-	-
AASB 16 Adjustment	618,065	-
Amortisation	(100,175)	-
Carrying amount at end of year	<u>517,890</u>	<u>-</u>
Leasehold improvements		
Carrying amount at beginning of year	25,324	76,753
Amortisation	(21,618)	(51,429)
Carrying amount at end of year	<u>3,706</u>	<u>25,324</u>

Property, plant and equipment

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

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

In 2014, the entity adopted the University of New England policy of capitalising plant and equipment with an initial purchase price of \$5,000 or greater either individually or forming part of a network costing more than \$5,000. All plant and equipment under this threshold is expensed when purchased.

Depreciation on plant and equipment is calculated using the straight line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives, as follows:

	2019	2018
Leasehold Improvements -	5 - 12 yrs	5 - 12 yrs
Plant & Equipment -	2 - 10 yrs	2 - 10 yrs
Motor Vehicle -	3 - 7 yrs	3 - 7 yrs
Right of Use Assets-	6 yrs	6 yrs

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

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

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

Right-of -use assets

At inception of a contract, the entity assesses whether a contract is, or contains a lease. A contract is, or contains a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

The entity assesses whether:

- The contract involves the use of an identified asset – The asset may be explicitly or implicitly specified in the contract. A capacity portion of larger assets is considered an identified asset if the portion is physically distinct or if the portion represents substantially all of the capacity of the asset. The asset is not considered an identified asset, if the supplier has the substantive right to substitute the asset throughout the period of use.
- The customer has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use.
- The customer has the right to direct the use of the asset throughout the period of use – The customer is considered to have the right to direct the use of the asset only if either:

Property, plant & equipment (continued)

- i. The customer has the right to direct how and for what purpose the identified asset is used throughout the period of use; or
- ii. The relevant decisions about how and for what purposes the asset is used is predetermined and the customer has the right to operate the asset, or the customer designed the asset in a way that predetermines how and for what purpose the asset will be used throughout the period of use.

A right-of-use asset is initially measured at cost comprising the initial measurement of the lease liability adjusted for any lease payments made before the commencement date (reduced by lease incentives received), plus initial direct costs incurred in obtaining the lease and an estimate of costs to be incurred in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Note 14. Intangible assets

	2019	2018
Computer Software	175,258	170,258
Additions	54,205	5,000
Less Amortisation	(146,500)	(107,904)
Total Intangible assets	82,963	67,354

Intangible assets

Computer software is recognised as having a finite life and is amortised over 5 years.

Note 15. Trade and other payables

Current payables

Trade Payables & Accruals	1,540,213	1,125,630
GST payable	10,368	8,160
Funds held in Trust	143,307	116,992
PAYG Payable	124,818	76,294
Total trade and other payables	1,818,706	1,327,076

Trade and other payables

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

Note 16. Contract liabilities

Income in Advance	125,338	146,041
Total contract liabilities	125,338	146,041

Recognition and measurement

Income in advance is recognised once the performance obligation is satisfied. Measurement of the liability is at the present value in time in accordance with paragraph 35 of AASB 15 given the obligation to deliver the service is reduced but not extinguished until the length of the contract is expired.

Note 17. Provisions

Current provisions expected to be settled within 12 months

Employee benefits		
Annual leave	136,116	108,730
Long service leave	14,000	13,000
Subtotal	150,116	121,730

Current provisions expected to be settled after more than 12 months

Employee benefits		
Long service leave	47,000	36,000
Subtotal	47,000	36,000
Total Current Provision	197,116	157,730

Non-current provisions

Employee benefits		
Long service leave	97,000	71,000
Total non-current provision	97,000	71,000
Total provisions	294,116	228,730

Summary movements employee benefits

Carrying amount at start of year	228,730	172,594
Current year movement in provisions		
- Annual Leave	27,385	41,136
- Long Service Leave - current	12,000	13,000
- Long Service Leave - non current	26,000	2,000
Carrying amount at end of year	294,115	228,730

Provisions

Provisions for legal claims and service warranties are recognised when: the Entity has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

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

Employee benefits

(i) Short-term obligations

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

(ii) Annual leave

Annual leave is not expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service. As such, it is required to be measured at present value in accordance with AASB 119 Employee Benefits (although short-cut methods are permitted). Management has obtained external actuarial advice based on the entity's circumstances and has determined that the effect of discounting is immaterial to annual leave.

(iii) Long service leave

Long service leave recognised in respect of employee benefits which are not expected to be settled within twelve months are measured at present value in accordance with AASB119 Employee Benefits. This is based on external actuarial advice obtained based on the application of certain factors to employees with five or more years of service. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

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

(iv) Consequential on-costs

Consequential costs to employment are recognised as liabilities and expenses where the employee benefits to which they relate have been recognised. This includes outstanding amounts of payroll tax, workers' compensation insurance premiums and fringe benefits tax.

Note 18. Borrowings

	2019	2018
	\$	\$
Current		
Lease liabilities - ROU	105,304	-
	<u>105,304</u>	<u>-</u>
Non-current		
Lease liabilities - ROU	420,891	-
	<u>420,891</u>	<u>-</u>

Lease liabilities - ROU

Right of use liabilities relate to the lease of the Belgrave Cinema. These are recognised on the present value of the future cash flow over the term of the lease in accordance with AASB 16.

Note 19. Reserves and retained earnings

	2019	2018
	\$	\$
Retained Earnings		
Movements in retained earnings were as follows:		
Retained earnings at 1 January	1,933,759	1,859,673
Net result for the year	(506,327)	74,086
Retained earnings at 31 December	1,427,432	1,933,759

Share Capital

Share Capital held - 120 at \$1 owned by the University of New England	120	120
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Note 20. Economic Dependency

Under the present structure the company is dependent upon the continued support of the University of New England.

Note 21. Key management personnel disclosures

(a) Names of responsible persons

The following persons were responsible persons and executive officers for all or part of the year to the reporting dates:

Director

Mr David Schmude

Board Members in 2019

Dr Kerry Hudson
Mrs Megan Donald
Prof Peter Creamer
Ms Meg Rice

The following persons were appointed to the board in 2019:

nil

The following persons resigned from the board in 2019:

nil

The following persons held the role of company secretary of the board for the year:

Mr Brendan Peet

Executive Officers

Mr David Schmude - Managing Director & Chief Executive Officer
Mr Ashley Clee - Deputy Director & Chief Financial Officer

Mr Schmude's and Mr Clee's remuneration is met by the University of New England.

(b) Remuneration of Board Members and Executives

Members of staff serving as Directors receiving remuneration as per their employment conditions are excluded

Remuneration of Board Members

	2019 No.	2018 No.
Nil to \$9,999	3	3

Aggregate Remuneration of Board Members

	\$	\$
Total Aggregate Remuneration	20,000	21,354

	2019	2018
	\$	\$

Note 22. Remuneration of auditors

During the year, the following fees were paid for services provided by the auditor of the company, its related practices and non-related audit firms:

Audit of the Financial Statements

Fees paid to The Audit Office of NSW:

	44,500	43,250
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Total paid for audit services

	44,500	43,250
--	--------	--------

Note 23. Contingencies

At balance date, no contingent liabilities or contingent assets of a material nature to UNE Life Pty Ltd had been identified.

Note 24. Commitments

(a) Capital Commitments

The entity had commitments for Capital Expenditure at 31 December 2019

Within one year	227,611	-
Between one and five years		-
GST Recoverable	(20,692)	-
Later than five years	-	-
Total capital commitments	206,919	-

(b) Lease Commitments

(i) Operating Leases

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

Within one year	-	143,391
Between one and five years	-	20,242
GST Recoverable	-	(14,876)
Later than five years	-	-
Total operating leases	-	148,757

On 3 February 2015 the company exercised an option over the lease of the cinema for a further five years. From 2019 the operating lease exposure is now disclosed under AASB 16 through out the accounts.

(ii) Finance Leases

There were no commitments for Finance Leases at 31 December 2019, (2018: Nil).

Total commitments

	206,919	148,757
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No lease arrangements, existing as at 31 December 2019, contain contingent rental payments, purchase options, escalation clauses or restrictions imposed by lease arrangements including dividends, additional debt or further leasing.

(c) Remuneration commitments

There are no remuneration commitments for senior executives other than the normal employment contract provisions available to general staff under workplace agreements.

Note 25. Related parties

(a) Parent entities

UNE Life Pty Ltd is a 100% owned subsidiary of the University of New England.

(b) Subsidiaries

The entity does not have any interest in a subsidiary.

(c) Key management personnel

Disclosures relating to board members and executive officers are set out in note 20.

(d) Transactions with related parties

Transactions with related parties are on normal terms no more favourable than those available to other parties unless otherwise stated.

The following transactions occurred with related parties:

<i>Transactions during the period</i>	\$	\$
University of New England		
UNE - Commercial transactions	3,563,638	2,781,803
UNE Support	1,583,911	1,631,040
Student Amenities Contribution	1,206,130	850,501
Payments made	(1,855,582)	(1,661,376)
Net	<u>4,498,097</u>	<u>3,601,968</u>
With other related parties		
Income received	763	-
Payments made	1,145	5,150
Net	<u>1,908</u>	<u>5,150</u>

Outstanding balances

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

University of New England

Receivables	68,212	535,720
Payables	(677,479)	(211,046)

(c) Income tax

There have been no guarantees given.

(f) Terms and conditions

Related party outstanding balances are unsecured and have been provided on interest-free terms.

Note 26. Reconciliation of net result to net cash provided by / (used by) operating activities

Net result for the year	(506,327)	74,086
Depreciation and amortisation	301,736	227,687
Net (gain) / loss on impairment	-	25,500
Net (gain) / loss on sale of asset	(1,268)	-
(Increase)/Decrease in Borrowings	20,087	-
Increase/(Decrease) in Trade payables and other liabilities	470,927	232,711
Increase/(Decrease) in Provision for Employee Entitlements	65,386	56,136
(Increase)/Decrease in Receivables and Prepaid Expenses	351,967	506,173
(Increase)/Decrease in Inventories	42,046	(802,889)
Net cash provided by / (used in) operating activities	<u>744,554</u>	<u>319,404</u>

Note 27. Events occurring after the end of the reporting period

There are no reportable events occurring after balance date.

Note 28. Financial risk management

The entity's accounting policies, including the terms and conditions of each class of financial asset and financial liability, both recognised and unrecognised at balance date, are as follows:

(a) Market Risk

(i) Terms and conditions

Recognised Financial Instruments	Balance Sheet Note	Accounting Policies	Terms and Conditions
Financial Assets			
Receivables (Excludes statutory receivables and prepayments)	10	Receivables are carried at nominal amounts due less any provision for expected credit losses	Accounts Receivable credit terms are 30 days
Deposits At Call	9	Deposits at Call are stated at cost	Bank Call Deposits interest rate is determined by the official Money Market
Term Deposits	9	Term Deposits are stated at cost	Term deposits are for a period of up to one year. Interest rates are 1.5%. Average maturity of 330 days.
Financial Liabilities			
Borrowings	18	Measured at discounted value	Non-cancelable lease in place until 17th Feb 2025
Creditors and Accruals (Excludes statutory payables and unearned revenue)	15	Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not invoiced to the economic entity.	Creditors are normally settled within 30 day terms

(ii) Foreign exchange risk

The entity recognises all transactions, assets and liabilities in Australian dollars only, it has no significant exposure to foreign exchange risk.

(iii) Price risk

The entity has no direct exposure to equity securities or commodity price risk.

(iv) Cash flow and fair value interest rate risk

The entity invests in term deposits with various financial institutions and is exposed to interest rate risk arising from normal interest rate variations.

The entity interest rate risk arises primarily from investments in long term interest bearing financial instruments, due to the potential fluctuation in interest rates. In order to minimise exposure to this risk, the entity's invests in a diverse range of financial instruments with varying degrees of potential returns

(c) Income tax

varying degrees of potential returns.

(v) Summarised sensitivity analysis

The table on the last page summarises the sensitivity of the entity's financial assets and liabilities to interest rate risk.

(b) Credit Risk

Credit risk is the risk of financial loss, arising from another party, to a contract or financial position failing to discharge a financial obligation there under. The entity's maximum exposure, to credit rate risk, is represented by the carrying amounts of the financial assets included in the statement of financial position.

Note 28. Financial risk management (continued)

(c) Liquidity Risk

Liquidity risk refers to the risk that, as a result of operational liquidity requirements, the entity:

- will not have sufficient funds to settle a transaction on the due date
- may be unable to settle or recover a financial asset at all

The Board monitors the actual and forecast cash flow of the economic entity on a regular basis, ensuring that sufficient cash reserves are held to meet the ongoing operations and obligations of the economic entity as they fall due.

The following tables summarise the maturity of the Groups financial assets and financial liabilities:

31 December 2019	Average Interest Rate	Variable Interest	Less than 1 Year	1 to 5 Years	5+ Years	Non Interest bearing	Total
	%	\$	\$	\$	\$	\$	\$
Financial Assets							
Cash & cash equivalents	1.15%	1,659,217	35,837			22,467	1,717,521
Receivables & other non-financial assets						229,704	229,704
Total Financial Assets		1,659,217	35,837			252,171	1,947,225
Financial Liabilities							
Borrowings			-	105,304	420,891		526,195
Payables						1,540,213	1,540,213

31 December 2018	Average Interest Rate	Variable Interest	Less than 1 Year	1 to 5 Years	5+ Years	Non Interest bearing	Total
	%	\$	\$	\$	\$	\$	\$
Financial Assets							
Cash and cash equivalents	1.80%	1,210,161	34,947			23,967	1,269,075
Receivables & other non-financial assets						632,008	632,008
Total Financial Assets		1,210,161	34,947			655,975	1,901,083
Financial Liabilities							
Borrowings	-		-	-		-	-
Payables	-					1,125,630	1,125,630
Total Financial Liabilities			-	-		1,125,630	1,125,630

Note 28. Financial risk management (continued)

(c) Liquidity Risk (continued)

Summarised sensitivity analysis

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

31 December 2019	Carrying amount	Interest rate risk			
		-1%		+1%	
		Result	Equity	Result	Equity
	\$	\$	\$	\$	\$
Financial Assets					
Cash and cash equivalents	1,695,054	(16,951)	(16,951)	16,951	16,951
Receivables	229,704	-	-	-	-
Total Financial Assets	1,924,758				
Financial Liabilities					
Borrowings	526,195	-	-	-	-
Payables	1,540,213	-	-	-	-
Total Financial Liabilities	2,066,408				
Total increase / (decrease)	(141,650)				

31 December 2018	Carrying amount	Interest rate risk			
		-1%		+1%	
		Result	Equity	Result	Equity
	\$	\$	\$	\$	\$
Financial Assets					
Cash and cash equivalents	1,245,108	(12,451)	(12,451)	12,451	12,451
Receivables	632,008	-	-	-	-
Total Financial Assets	1,877,116				
Financial Liabilities					
Borrowings	-	-	-	-	-
Payables	1,125,630	-	-	-	-
Total Financial Liabilities	1,125,630				
Total increase / (decrease)	751,486				

Notes to the financial statements
31 December 2019
(continued)

Note 29. Fair value measurements

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

The fair value of financial instruments traded in active markets (such as publicly traded derivatives) is based on quoted market prices at the balance date. The quoted market price used for financial assets held by the Entity is the current bid price.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques. The Entity 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 are used for long-term debt instruments held. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows. The fair value of forward exchange contracts is determined using forward exchange market rates at the balance date.

The carrying value less allowance for expected credit losses of trade receivables and payables is a reasonable approximation of their fair values due to their short-term nature. The fair value of financial liabilities for disclosure purposes is estimated by discounting their future contractual cash flows at the current market interest rate that is available to the Entity for similar financial instruments.

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

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 - inputs other than quoted prices within level 1 that are observable for the asset or liability either directly or indirectly

Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs)

The carrying amounts of financial assets and liabilities at approximate fair value:

	Note	Carrying Amount		Fair Value	
		2019	2018	2019	2018
		\$	\$	\$	\$
Financial assets					
Cash and cash equivalents	9	1,717,521	1,269,075	1,717,521	1,269,075
Receivables	10	229,704	632,008	229,704	632,008
Total financial assets		<u>1,947,225</u>	<u>1,901,083</u>	<u>1,947,225</u>	<u>1,901,083</u>
Financial liabilities					
Payables	15	1,540,213	1,125,630	1,540,213	1,125,630
Borrowings	18	526,195		526,195	0
Total financial liabilities		<u>2,066,408</u>	<u>1,125,630</u>	<u>2,066,408</u>	<u>1,125,630</u>

End of Audited Financial Statements

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This Annual Report was produced by officers of the University of New England and can be accessed directly from the University website at: **www.une.edu.au**

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