



Australian  
National  
University

# ANNUAL REPORT 2019

We acknowledge the Traditional Owners and Elders past and present of all the lands on which The Australian National University operates.





## **Naturam primum cognoscere rerum** *First, to learn the nature of things*

The Australian National University (ANU) was established by an Act of the Federal Parliament in 1946. Its founding mission was to be of enduring significance in the postwar life of the nation, to support the development of national unity and identity, to improve Australia's understanding of itself and its neighbours, and to contribute to economic development and social cohesion.

Today, ANU is a celebrated place of intensive research, education and policy engagement, focused on issues of national and international importance.

ANU is a:

- > centre of outstanding academic talent and research excellence
- > home to students drawn from across the nation and around the world
- > leading contributor to public policy formation and debate
- > partner to the Australian Government and Parliament
- > global university that consistently ranks among the world's finest education and research institutions.

**Further information about ANU**

[anu.edu.au](http://anu.edu.au)

**Annual Report available online at**

[anu.edu.au/about/strategic-planning](http://anu.edu.au/about/strategic-planning)

**Course and other academic information**

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Australian  
National  
University

**The Hon Julie Bishop**  
Chancellor

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30 June 2020

The Hon Dan Tehan MP  
Minister for Education  
Parliament House  
CANBERRA ACT 2600

Dear Minister

**Report of the Council for the period 1 January 2019 to 31 December 2019**

On behalf of the Council of The Australian National University (ANU), as the accountable authority of the University, we have the honour to transmit the report for the period 1 January 2019 to 31 December 2019.

The report is furnished in compliance with section 46 of the *Public Governance, Performance and Accountability Act 2013*.

The Council approved this report at a meeting held on 29 May 2020.

Yours sincerely

The Hon Julie Bishop  
Chancellor

Professor Brian P Schmidt AC  
Vice-Chancellor and President

# VICE-CHANCELLOR'S INTRODUCTION

2019 was a year of significant successes and new beginnings at ANU. It is my pleasure to introduce our report on a year when the heart of the ANU campus was reborn, our researchers' work continued to have global impact, and we made important progress in improving the culture of our University.

We began 2019 with several celebrations to mark the completion of major capital works projects. The Governor-General Sir Peter Cosgrove officially opened the new Bruce and Wright Halls, which provide on-campus accommodation for up to 800 ANU students. His Excellency was joined by Graham and Louise Tuckwell, whose generosity allowed us to create these outstanding residences that blend the contemporary and the traditional.

Bruce and Wright Halls were joined by Fenner Hall when we opened the Kambri precinct in February. The Kambri precinct is the most transformational single development in the University's history. I am extremely proud of how Kambri so rapidly became the heart of our campus, providing space for our students to engage, study and socialise, and for our whole community to enjoy cutting-edge new cultural and arts venues.

The opening of these major developments has transformed the University Avenue section of our campus, creating a modern, welcoming and cohesive hub as a focal point for our evolving campus. Our Campus Master Plan outlines more such hubs, linked by promenades across the campus, and commits us to achieving our goals of sustainability while allowing us to better recognise our Indigenous heritage.

As we continue to renew our partnership with Australia's First Nations Peoples, a solemn and significant ceremony took place in November when ANU returned more than 200 blood samples that had been stored on our Acton campus since the 1960s to their Galinwin'ku Country on Elcho Island in the Northern Territory. These samples were used for vital medical and health research for many decades, but with the guidance of First Nations Elders in the ANU and Canberra communities working closely with ANU researchers and Galinwin'ku Elders, this year I am proud to record that they made their journey home. The University's work in genomic analysis has led to significant breakthroughs, but the models of conduct for human genomic research have been reshaped at ANU.

Earlier in 2019, ANU showed that it continues to fulfil its mandate by producing research of national and international significance. Professor Emily Banks led a study that demonstrated the effects of smoking, showing at least 17 Australians a day lose their lives from preventable heart attacks, strokes and other cardiovascular diseases. As part of the University's commitment to translational research, this work was done in conjunction with the Heart Foundation and Sax Institute. Further afield, Professor Philip Piper from ANU was part of an international team that discovered the remains of a new species of human in the Philippines, a major breakthrough in our understanding of human evolution across Southeast Asia. Discovery of the remains of *Homo luzonensis*, thought to be more than 50,000 years old, suggests further work in the Philippines could help to unlock the secrets of human evolution. The ANU School of Archaeology and Anthropology will be deeply involved in this work.

Another international research project led by ANU found about 90 species of amphibians have become extinct in the last 50 years from the global fungal disease, chytridiomycosis. The team, led by Dr Ben Scheele from ANU, found the disease is responsible for the greatest loss of biodiversity due to disease in research that was supported by the Australian Government's Threatened Species Recovery Hub. The work also showed Australia's conservation programs had prevented the extinction of frog species here.



On 4 June, I informed our community that ANU had been the victim of a major data breach. The forensic investigation that followed discovery of the intrusion, conducted by our Chief Information Security Officer and Australian Government cyber security agencies, found that the breach had only affected a limited portion of the potentially affected data. In October, the University released the incident report, detailing the breach and recommending that ANU upgrade its IT security, triggering immediate work to address those issues. We are confident our actions reassured our community and helped other universities and organisations to better understand the cyber security risks we must all confront. Following the breach, we reaffirmed as a key University priority our work to strengthen and optimise our own systems.

Another high priority for ANU is our tireless work to ensure the culture of our University is respectful and safe. Last year, ANU opened its Respectful Relationships Unit to deliver on the University's commitment to provide a safe and respectful campus for the entire ANU community. This year, the Unit released the Sexual Violence Prevention Strategy, after widespread consultation with student groups and survivor advocates. The strategy aims to create an ANU free from violence where all in our community can experience equality and respect in their personal or professional relationships; are empowered and respected where they live, learn, work and socialise; and are supported in their relationships to reach their full potential. The Strategy will be implemented from 2019 to 2026 by the staff in the Respectful Relationships Unit with the full support of the ANU Council and Senior Management Group.

I am determined that our culture is also equitable, so I was absolutely delighted to be able to announce to our community that ANU had been awarded the Science in Australia Gender Equity (SAGE) Athena Scientific Women's Academy Network (SWAN) Bronze Award. This was a major milestone, and it keeps us on track to meet our commitment to receiving a Gold Award in due course. As the national university, we must set the benchmark for gender equity in academia.

Finally, this year closed with the departure of our Chancellor, Professor the Hon Gareth Evans QC AC, after 10 years in the University's highest office. Throughout his service to ANU, Gareth showed unrelenting energy and passion for the University's mission, and for the principles that underpin higher education in Australia. He hands on to his successor, the Hon Julie Bishop, an outstanding governing body and a University in very good health, marking another new beginning for ANU.



Professor Brian P. Schmidt AC FAA FRS  
Vice-Chancellor and President

# ANU EXECUTIVE



## Professor Brian P. Schmidt AC FAA FRS SFHEA

### **Vice-Chancellor and President**

BSc *Arizona*, MSc PhD *Harvard*

Professor Brian P. Schmidt took up the position of Vice-Chancellor and President of ANU in January 2016. Professor Schmidt is the 12<sup>th</sup> ANU Vice-Chancellor.

Winner of the 2011 Nobel Prize in Physics, Professor Schmidt was an astrophysicist at the ANU Mount Stromlo Observatory and Research School of Astronomy and Astrophysics before becoming Vice-Chancellor.

Professor Schmidt received undergraduate degrees in Astronomy and Physics from the University of Arizona in 1989, and completed his Astronomy Masters degree (1992) and PhD (1993) at Harvard University. Under his leadership, in 1998, the High-Z Supernova Search Team made the startling discovery that the expansion rate of the Universe is accelerating.

He is a Fellow of the Australian Academy of Science, the United States National Academy of Science, and the Royal Society, and was made a Companion of the Order of Australia in 2013.



## Professor Mike Calford

### **Provost**

BSc (Hons) PhD *Monash*

Professor Mike Calford joined ANU as Provost, having held the equivalent position at the University of Tasmania. He has served in senior leadership in Australian higher education for more than 15 years. His leadership roles have included Deputy Vice-Chancellor (Research) at the University of Newcastle and Pro Vice-Chancellor (Health and Medical Research) at the University of Wollongong.

As ANU Provost, Professor Calford is senior deputy to the Vice-Chancellor and the University's chief academic officer, responsible for leading delivery of the ANU Strategic Plan.

In addition to his university leadership career, Professor Calford is a leading researcher in the field of neuroscience. After receiving a doctorate at Monash University, he held research and teaching roles at the Universities of Queensland and Melbourne, and at ANU. He also worked overseas at the University of Oxford, University of California Irvine and City University of New York.

During his academic career, Professor Calford has received many prestigious research fellowships and awards, including a Queen Elizabeth II Fellowship.



## Professor Keith Nugent

### **Deputy Vice-Chancellor (Research and Innovation) (from 21 January 2019)**

B.Sc (Hons I) *Adelaide*, PhD *ANU*, D.Sc *Melbourne*

As Deputy Vice-Chancellor (Research and Innovation) Professor Keith Nugent leads the University's research priorities to deliver high quality research outcomes, coupled with demonstrable, excellent and impactful engagement with end-users of its research.

After completing his PhD in physics at ANU, Professor Nugent continued on to become a world-renowned researcher, best known for his pioneering work on x-ray physics. He is a two-time Australian Research Council (ARC) Federation Fellow, he led an ARC Centre of Excellence and is a Fellow of the Australian Academy of Science. He was previously Deputy Vice-Chancellor (Research) at La Trobe University, where he was responsible for improving research performance.



## Professor Michael Cardew-Hall

### **Pro Vice-Chancellor (Innovation)**

BSc (Hons) *Nottingham*, PhD *Imperial College London*, CEng, FIMechE

Professor Michael Cardew-Hall provides leadership in achieving research and education outcomes through strategic partnerships with industry, government and not-for-profit organisations. He was previously CEO of ANU Connect Ventures, a pre-seed venture capital fund associated with ANU. Professor Cardew-Hall has ongoing interest in technology transfer, commercialisation and industrial policy, he has been involved in several spin-off start-up companies and he sits on several boards.

Professor Cardew-Hall is a Chartered Engineer and a Fellow of the Institution of Mechanical Engineers and Institution of Engineers Australia. He was previously Head of the ANU Department of Engineering, and Deputy Dean and Acting Dean of the ANU College of Engineering and Computer Science.



## Mr Chris Grange

### **Chief Operating Officer (until 13 September 2019)**

BA UNSW, MComm *UOW*

Mr Chris Grange is the University's senior professional staff member and provides leadership to ANU service divisions. He is responsible for the University's finances, and the overall quality and delivery of many of the University's professional services.

Mr Grange has had extensive experience in university administration, finance and human resources. Previously, he was Vice-Principal (Administration) at the University of Wollongong. He is highly regarded across the university sector for his strategic approaches to administration and planning.



## Mr Paul Duldig

### **Chief Operating Officer (from 14 September 2019)**

B.Econ (Honors), M.Econ *Adelaide*

Mr Paul Duldig is the University's senior professional staff member and provides leadership to ANU service divisions. He is responsible for the University's finances, and the overall quality and delivery of many of the University's professional services.

Mr Duldig has had extensive experience in university leadership in times of change, building highly effective teams, improving customer service, co-designing infrastructure, crisis management as well as finance and future proofing complex organisations.

Prior to moving to ANU, he was the Head of University Services at Melbourne University from 2014–2018. He was responsible for enterprise-wide customer services, operations and infrastructure (including research and teaching support, student services, IT, property, finance, HR, business intelligence, legal and risk, project management and procurement).



## Professor Richard Baker

### **Pro Vice-Chancellor (University Experience) (until 7 February 2019)**

BA (Hons) *ANU*, PhD *Adelaide*

As Pro Vice-Chancellor (University Experience) Professor Baker leads strategic initiatives that promote student and staff equity and Indigenous Reconciliation and improve the quality of the student experience.

Professor Baker has a long history of educational leadership at ANU. Trained in the fields of geography and archaeology at ANU and the University of Adelaide, he has also worked at the Northern Territory Museum and the National Museum of Australia. His research has focused on issues related to Indigenous Land Management and how to effectively link teaching and research.



## Professor Tony Foley

### **Interim Pro Vice-Chancellor (University Experience)**

BA; LPAB; LLM (Hons); M. Dispute Res; PhD *ANU*

Professor Tony Foley commenced as the interim Pro Vice-Chancellor (University Experience) in July 2019. Professor Foley leads strategic initiatives that promote student and staff inclusion, diversity equity and access, and which improve the quality of the student experience.

Professor Foley has been recognised nationally and internationally for his clinical and professional legal education achievements and his research in the area. He is a practising lawyer and has a long history of pro bono service to legal aid. His research has focused on the role of restorative justice in institutional responses to criminal wrongdoing, and the empirical investigation of the ethical conduct of lawyers.



## Ms Barbara Miles

### **Vice-President (Advancement)**

BA (Mus) *Southampton*, PG Cert Educ *Goldsmiths, London*

Ms Barbara Miles took up the position of Vice-President (Advancement) at ANU in May 2018, coming to Australia from the University of British Columbia (UBC) where she served as the Vice-President, Development and Alumni Engagement for 10 years.

Before joining UBC, Ms Miles was the Associate Vice-President for Development and campaign co-director at the University of Florida Foundation where she shared responsibility for planning and implementing its \$1.5 billion campaign (2005–2012).

She had previously been a senior fundraiser for the Florida Philharmonic and worked for the New World Symphony (Miami) and the Florida Grand Opera.



## Ms Jane O'Dwyer

### **Vice-President (Engagement & Global Relations)**

BA *Curtin*, MJourn *UOW*, MMgt *ANU*, GAICD

Ms Jane O'Dwyer leads innovative, strategic engagement activity that enhances the unique position and nature of ANU. The Strategic Communications and Public Affairs Division, International Strategy and Partnerships, and overseas liaison offices in China, North America and Singapore report through to the Vice-President (Engagement & Global Relations), who is the University's Chief Corporate Affairs Officer.

Ms O'Dwyer has 25 years of Australian and international experience across politics, media, peak bodies and corporate affairs. She was previously the inaugural Counsellor (ANU) at the Australian Embassy in Washington DC where she established the North America Liaison Office, and Director of ANU Strategic Communications and Public Affairs. She is a founding member of the Canberra Writers Festival Board.



## Professor Grady Venville

### **Acting Deputy Vice-Chancellor (Education)**

BSc Grad Dip Ed *UWA*, Grad Dip Science Ed PhD *Curtin*

As Acting Deputy Vice-Chancellor (Education), Professor Grady Venville has executive responsibility for the establishment and satisfaction of academic standards at ANU, including the delivery of an exceptional educational and student experience.

Her career highlights include a post-doctoral appointment at King's College London; being appointed the inaugural Professor of Science Education in 2007, and Dean of Coursework Studies in 2013 at the University of Western Australia; and a three-year appointment to the ARC College of Experts.

Professor Venville's research in science education focuses on conceptual development, curriculum integration and cognitive acceleration. She has made a lifelong commitment to teaching and education. A central belief underpinning everything she does is that high quality education is critical not only for human development but also for a healthy and peaceful society.



## Professor Royston Gustavson

### **Interim Pro Vice-Chancellor (Education)**

BA Hons *Queensland*, MBA, PhD *Melbourne*, FAICD, FIML, SFHEA

Professor Royston Gustavson joined ANU in 2003. A passionate educator, in 2009 he received the ANU Vice-Chancellor's Award for Teaching Excellence, from 2010-2011 was Associate Dean (Education) of the ANU College of Business and Economics, and from 2010-2012 served on the ANU 15-person governing body, the ANU Council.

Since January 2012 he has been Associate Dean (Education) in the ANU College of Arts and Social Sciences, with academic oversight of the College's degree programs and courses, concurrently serving for a year in 2015/16 as Interim Head of the School of Music and from 2017 as Deputy Dean of the College.

He is currently seconded as Pro Vice-Chancellor (Education).



## Professor Sally Wheeler OBE MRIA FAcSS FAAL

### **Pro Vice-Chancellor (International Strategy) (appointed May 2019)**

MA, D Phil *Oxford*

As Pro Vice-Chancellor (International Strategy), Professor Wheeler is responsible for the development and implementation of the academically-led international strategy for ANU.

Professor Wheeler joined the University as the Dean of the ANU College of Law in early 2018, a role she continues to hold. Professor Wheeler divides her time between the ANU College of Law and her role as Pro Vice-Chancellor (International Strategy).

Prior to taking up these positions at the ANU, Professor Wheeler was a Professor at Queen's University Belfast, where she served a five-year term as Head of the School of Law, and was Dean of Internationalisation for the Faculty of Arts, Humanities and Social Sciences from 2013-17. Professor Wheeler also served as interim Pro Vice-Chancellor of her Faculty in 2015, was Director of the Institute of Governance at Queens for five years to 2010, and was Professor of Law there from 2004. Prior to her appointment in Belfast, Professor Wheeler held notable positions in Law at both the University of Leeds, and at Birkbeck, University of London.

Professor Wheeler was elected to the Academy of Social Sciences in 2011 and to the Royal Irish Academy in 2013. In the 2017 New Years' Honours list, she was awarded an Order of the British Empire for services to higher education in Northern Ireland. Professor Wheeler became a Fellow of the Australian Academy of Law in 2018.



## Mr Adam Black

### **Chief Financial Officer**

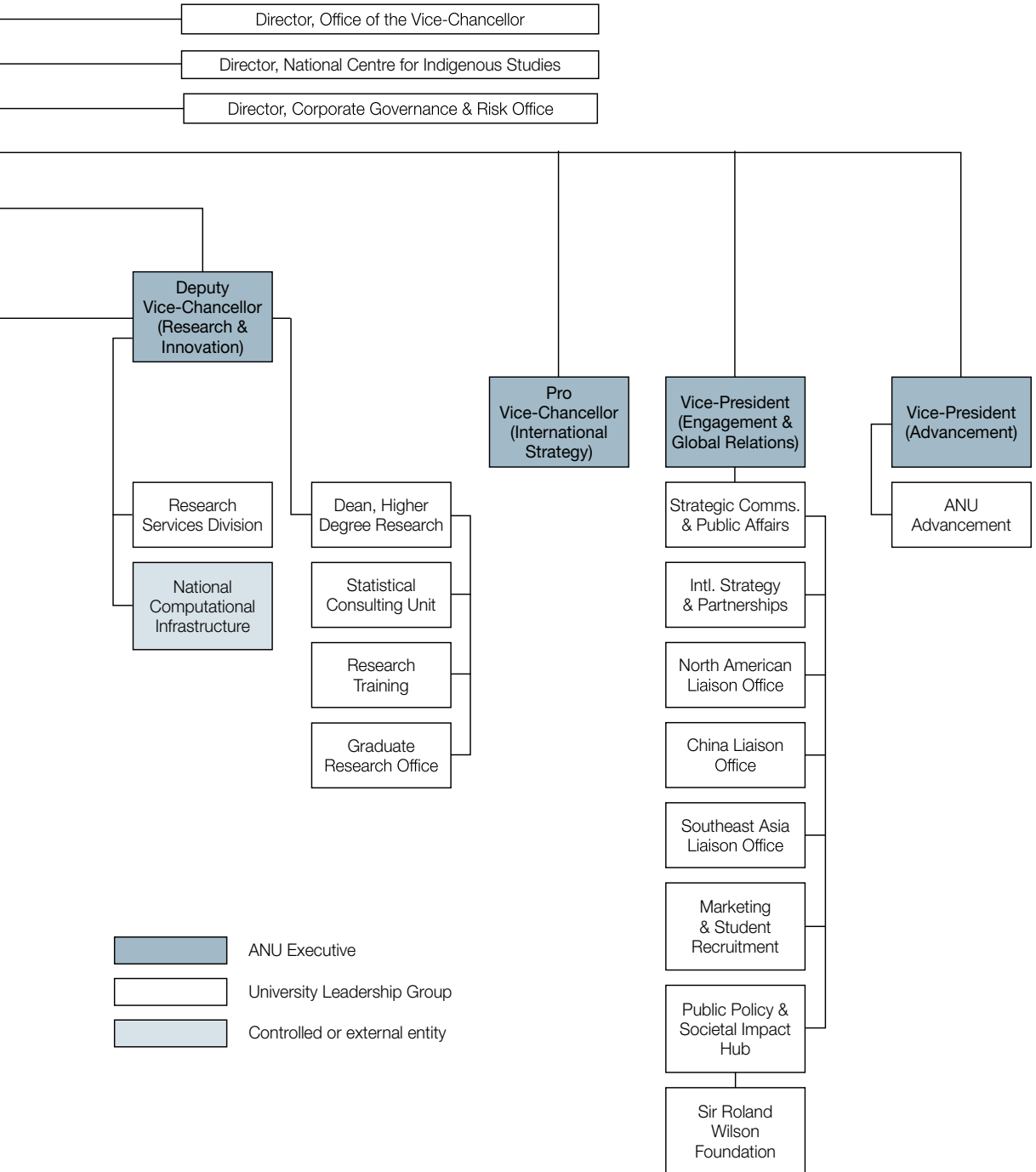
BCom UQ, FCPA CA

Mr Adam Black began at the University in late 2017 bringing nearly 25 years' experience in the Queensland public sector. He had been a Chief Finance Officer since 2007 in the infrastructure and education sectors.

Mr Black has significant experience in managing large projects and transformational leadership. He has a passion for education, having spent nearly 20 years working in the early childhood, school education and vocational educational and training systems.







# ANNUAL RESULTS & SOURCES OF INCOME

The University's Operating Result, on a consolidated basis, as disclosed in the Annual Financial Statements, is a surplus of \$300.3 million in 2019. This compares with the reported surplus of \$225.6 million in 2018.

**TABLE 1: Underlying operating result**

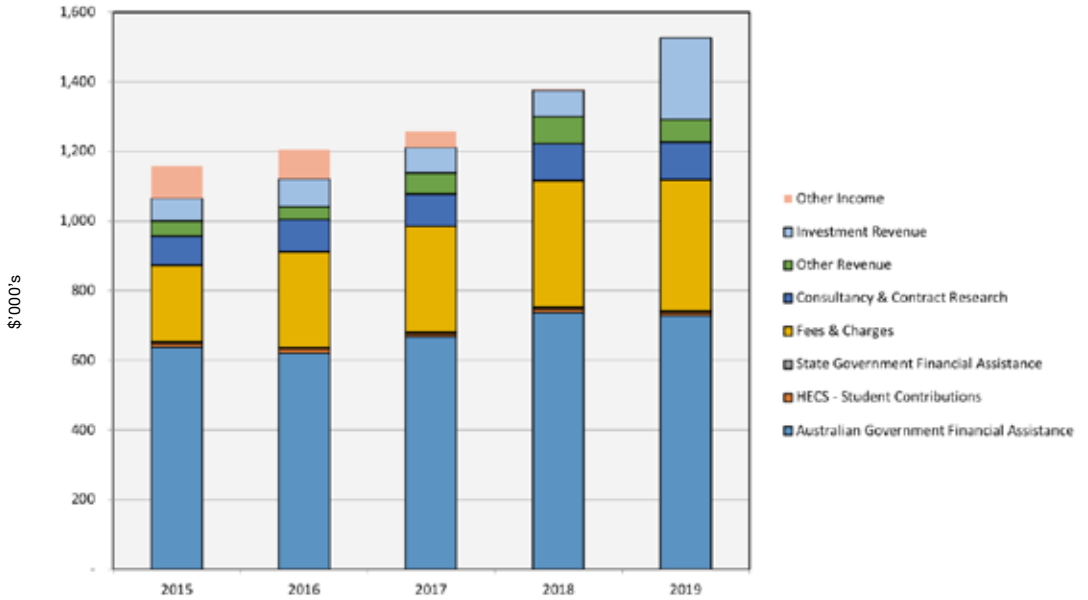
	Consolidated		University	
	2019 \$'000's	2018 \$'000's	2019 \$'000's	2018 \$'000's
Operating revenue	1,526,630	1,375,064	1,496,914	1,339,424
Operating expenses	1,226,318	1,149,421	1,194,575	1,112,463
Operating result – surplus/(deficit)	300,312	225,643	302,339	226,961
<b>Adjusted for –</b>				
Philanthropic Funds (Donations & Bequests)	(13,000)	(25,273)	(13,000)	(25,273)
Investment Funds <sup>1</sup>	(187,537)	(29,878)	(187,537)	(29,878)
Capital grants received <sup>2</sup>	(49,911)	(69,200)	(49,911)	(69,200)
Restricted specific purpose funds movement	(5,532)	6,799	(5,532)	6,799
Other Items <sup>2</sup>	(666)	(3,788)	(666)	(3,788)
Underlying operating result – surplus/(deficit)	43,666	104,303	45,693	105,621
	<b>2.86 per cent</b>	<b>7.59 per cent</b>	<b>3.05 per cent</b>	<b>7.89 per cent</b>

1 A portion of the University's investments, and corresponding investment income, relate to specific purpose funds and as such they are not available to fund day-to-day operations.

2 Recognises impact of one-off items of a non-operating nature.

The University's consolidated Net Assets stand at a substantial \$2.746 billion with Financial Assets totalling \$2.102 billion. The University's Total Income, on a consolidated basis, has increased to \$1.527 billion from \$1.375 billion in 2018. Figure 1 shows the distribution of, and changes to, source of the University's income.

**FIGURE 1: 2019 Sources of income**



2019  
PERFORMANCE  
STATEMENTS

## Statement of preparation

We, the ANU Council, as the accountable authority of ANU, present the 2019 annual performance statements as required under s39(1)(a) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act). These annual performance statements are based on properly maintained records, and accurately present the University's performance in accordance with s39(2) of the PGPA Act. The University's performance is measured against the purposes and the Key Performance Indicators (KPIs) outlined in the ANU Strategic Plan 2019–2022.

The University's Strategic Plan is regarded as its 'corporate plan' for the purposes of the PGPA Act. It outlines how the University delivers on its commitment to the Australian Parliament and people to provide globally significant research and an exemplary education, to contribute to societal transformation and to provide the best possible advice to policymakers.

The purposes in the University's Strategic Plan 2019–2022 are:

- > Excellence in academic culture.
- > Excellence in research and innovation.
- > Excellence in education and student experience.
- > Responsibility to national policy makers and national institutions.
- > Responsibility to Indigenous Australia.
- > Responsibility regarding Asia and the Pacific.
- > Achieving equity – within ANU and in society.
- > Building a culture of collegiality and engagement – across and beyond ANU.

### University purpose: Excellence in academic culture

#### Analysis of performance against purpose

Excellence in academic culture is central to the University's identity. A number of initiatives are ensuring ANU continues to drive excellence as a marker for all that the University does. For example, in 2019 ANU:

- > changed the way it admits students to consider co-curricular and service achievements and provide clarity on equity and merit adjustments
- > launched the *Zero-Carbon Energy for the Asia-Pacific* and *Humanising Machine Intelligence* Grand Challenge projects, encouraging large-scale interdisciplinary research approaches to some of the world's most significant problems
- > continued to prioritise gender equity, and received the SAGE Athena SWAN Bronze Award for gender equity in science, technology, engineering and mathematics disciplines
- > launched a 15-year collaborative research program with the Australian Signals Directorate
- > won major Government tenders for the Australia-Pacific Security College and National Security College, confirming the University's leadership in this space
- > through the *ANU Futures Scheme*, supported the best and brightest early- and mid-career researchers to join ANU as continuing members of academic staff
- > achieved a high success rate for ARC grants.

**Performance criterion**

Improvement in the proportion of academic staff contributing to Excellence in Research for Australia (ERA) level-4 and level-5 results

**Criterion source**

ANU Strategic Plan 2019–2022, Key Performance Indicator 1, p.25

**Result against performance criterion**

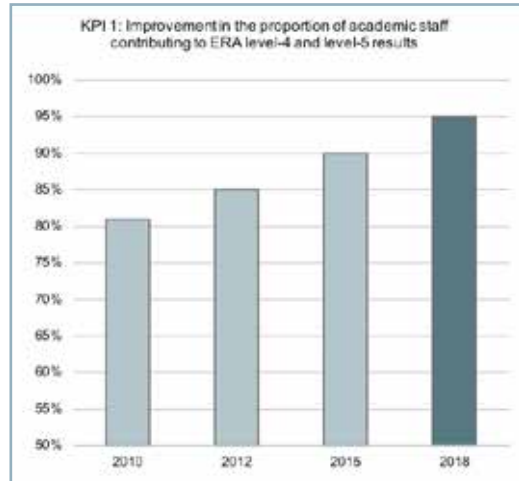
Achieved

**Analysis of performance**

ANU has excelled against this performance criterion, showing progressive improvement in each ERA exercise undertaken by the Australian Government.

The results reflect growth in the proportion of disciplines at ANU receiving ratings of 4 and 5, with the ANU proportion of assessed fields 'above or well above world standard', leading the nation at 96 per cent. Achieving outstanding results in ERA demonstrates the strength and calibre of the academic environment at ANU.

Further information on ANU ERA performance is available at [dataportal.arc.gov.au/ERA/Web/Outcomes](http://dataportal.arc.gov.au/ERA/Web/Outcomes) and [dataportal.arc.gov.au/ERA/NationalReport/2018/](http://dataportal.arc.gov.au/ERA/NationalReport/2018/).



## University purpose: Excellence in research & innovation

### Analysis of performance against purpose

In the ERA exercise published in 2019, ANU rated above or well above world standard in 68 of the 71 areas assessed, and in 96 per cent of ANU research outputs. ANU is committed to providing a research environment that nurtures and encourages excellence, and a new Office of Research Infrastructure was established in 2019.

ANU is responding to a sectoral shift away from traditional research funders ARC, National Health and Medical Research Council (NHMRC) to a more dynamic model of cooperation with government, industry and philanthropy. The University is adapting the support it provides researchers and implementing agile research structures including the Innovation Institutes and Grand Challenges scheme to accelerate transformation. The University is also investing in systems and processes to better capture and describe the real-world impact of its research.

In 2019, ANU was awarded a flagship Centre of Excellence for Transformative Meta-Optical Systems, and two Australian Laureate Fellowships (Professor Barry Pogson and Professor Quentin Grafton).

#### Performance criterion

Annual increase in the quantity of research income, and diversity of sources of this income, relative to the quantity and sources available

#### Criterion source

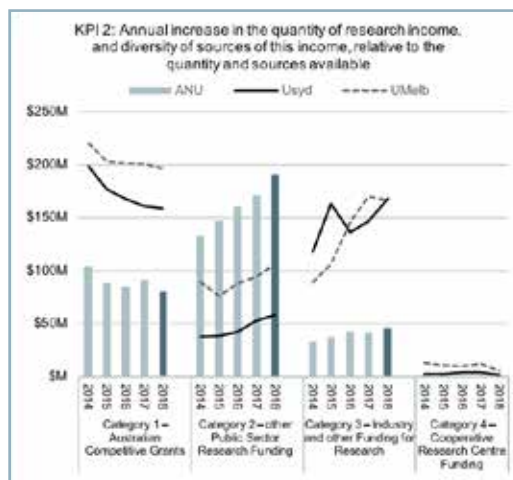
ANU Strategic Plan 2019–2022, Key Performance Indicator 2, p.25

#### Result against performance criterion

Achieved

#### Analysis of performance

Total research income reported in the Australian Government’s Higher Education Research Data Collection (HERDC) has increased year-on-year (2014–18: \$272.4 million; \$274.6 million; \$288.7 million; \$305.2 million; \$318.3 million), despite Category 1 income (Australian Competitive Grants; ARC and NHMRC), remaining relatively static over the time period. More than 50 per cent of the University’s research income is now from sources other than Australian Competitive Grants. ANU international research income is trending up, in line with most other Australian universities. In 2018, ANU grew Category 2 income, other public sector research funding, (excluding the National Institutes Grant) by 20 per cent over 2017 figures.



**Performance criterion**

Increase in citations normalised to subject areas

**Criterion source**

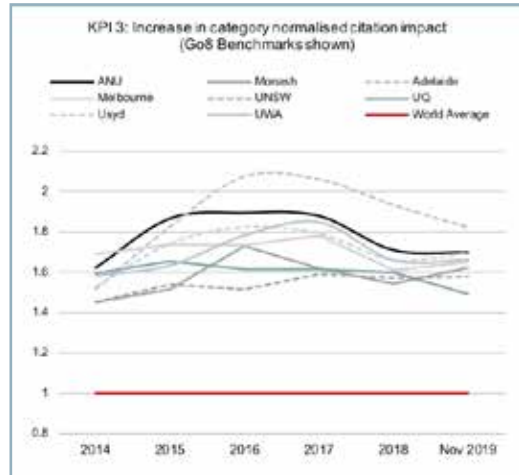
ANU Strategic Plan 2019–2022, Key Performance Indicator 3, p.25

**Result against performance criterion**

Not yet achieved

**Analysis of performance**

ANU is consistently in the top two Group of Eight universities against this measure; however, the University has not seen an increase in category normalised citation impact of outputs sustained in 2018 and 2019. This suggests that as the quality of ANU research improves, the global research sector is matching or exceeding this development. Increasing emphasis on national and regional issues, as per the University’s mission, can also lead to reduced global citation impact.





## University purpose: Excellence in education & student experience

### Analysis of performance against purpose

In the period measured, international student satisfaction was relatively stable in the mid-high 80 per cent range, whereas the previously upward trend for domestic students to 2016 has reverted to 2013 levels. For the latest data measured (2018), while satisfaction remains high overall, ANU lags national and global benchmarks. It is notable that in 2016 the University received the outcomes of the Australian Human Rights Commission review into sexual violence on campus and, in response, developed a Respectful Relationships Unit and conducted comprehensive reviews of its residential halls and response planning. Following significant investment in physical infrastructure on campus, a review has been initiated into fit-for-purpose digital architecture, and a strategy to better digitally support the entire University, including education and the student experience, is being developed. All of these measures are likely to provide significant benefits to the student experience in coming years.

The Vice-Chancellor has committed to a renewed whole-of-University focus on the student experience in 2020 with expected improved outcomes through to 2025. Previous investment as noted above should begin to pay dividends. For example, the relocation of student support services from their previous off campus location to a central home in the heart of the new Kambri precinct of campus yielded a one-third increase in enquiries in the first few months of operation. In 2020, the program of continuous improvement across service areas and academic planning to support enhanced student engagement will help further improvement against this measure. Key areas of focus for improvement are timetabling and assessment management, where project work is now underway. The current enterprise system upgrade provides an additional opportunity for improvement over the next 12 to 18 months.

#### Performance criterion

Increase in the ratio of student applications to acceptances

#### Criterion source

ANU Strategic Plan 2019–2022, Key Performance Indicator 4, p.25

#### Result against performance criterion

Achieved

#### Analysis of performance

ANU domestic undergraduate application volumes have been stable since 2016. This level and quality of applications provides for ANU to:

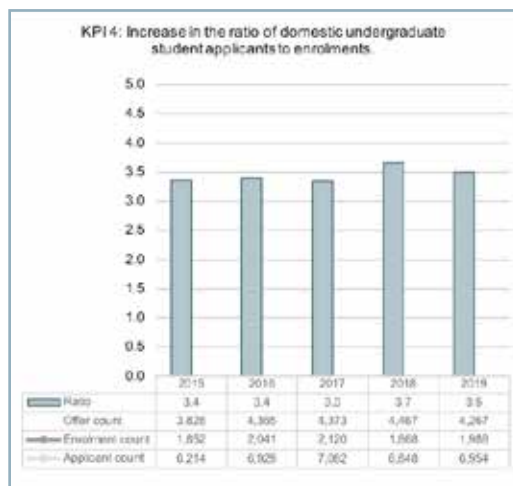
- > meet or exceed enrolment targets
- > achieve sector leading quality in respect of intake standards.

The establishment of the Future Students Enquiry team provides opportunities for further improvement in this metric.

ANU is admitting just over half the students who aspire to join the University; and of those students, nearly half accept their offer and enrol at the University. As defined, this KPI is achieved.

The University proposes to review this KPI for future years in order to:

- > identify the specific quantitative gap to ANU competitors in respect of volume of applications desired
- > quantify performance standards in the context of diversity and equity.



**Performance criterion**

Improvement in the overall satisfaction of ANU students

**Criterion source**

ANU Strategic Plan 2019–2022, Key Performance Indicator 5, p.25

**Result against performance criterion**

Not yet achieved

**Analysis of performance**

ANU is making limited progress against this criterion.

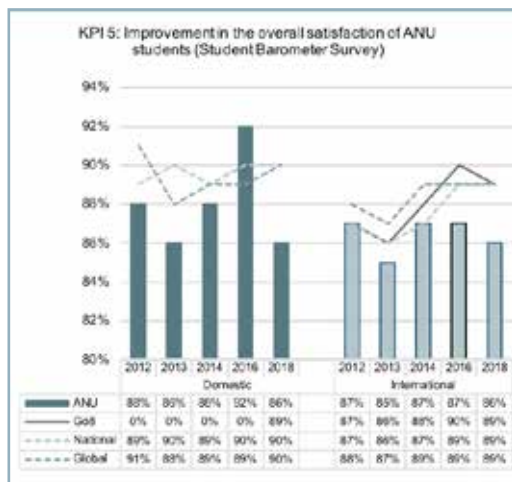
As the Barometer is not due to run again until 2020, progress on this criterion is based on the following:

- > The University’s Student Experience of Learning and Teaching Survey found 80 per cent of 2019 students reported their overall learning experience was valuable, compared with 77–78 per cent reporting they were satisfied with their learning experiences for 2015–2018.
- > The National Graduate Outcomes Survey shows a 1 per cent increase in coursework student satisfaction between 2016–2019, and ANU is currently 2 per cent above the Group of Eight average.
- > The National Student Experience Survey shows total student satisfaction with their overall experience declining by 3 per cent between 2016–2019, but the Group of Eight average has also seen a decline albeit of a smaller magnitude (2016–2018: ANU -4 per cent; Group of Eight -2 per cent).

Some of the common influences for, and the University’s response measures for improvement of, these results are:

- > teaching and learning experience – the University has invested in a significant restructure of its central academic support services in 2019
- > campus environment – the ongoing redevelopment of the campus, while disruptive at the time, should bring longer-term benefits to the student experience
- > employment outcomes – the University has conducted extensive reviews of the career services available to students and is in the process of investing in enhancements to better support students.

The University has declared 2020 as the ‘year of the student experience’ as it further explores how best to improve the overall satisfaction of students.



## **University purpose: Responsibilities to national policy makers & national institutions**

### **Analysis of performance against purpose**

In 2019, among other highlights, ANU has been working in three streams to fulfil its role as the national university. They are:

1. Contributing to conversations of national significance with policy makers on issues challenging our nation, through various events.
2. Building a stronger bridge to directly collaborate and connect with policy makers through regular ANU-Australian Public Service network meetings, the Policy Greenhouse Fund projects, and developing the planned reinvigoration of Public Policy Fellows program.
3. Building ANU academics' capability to achieve policy impact, through training sessions, advisory services and an online repository with curated information and advice on influencing public policy.

### **Highlights in 2019**

#### **Trends in Trust**

The 2019 Crawford Leadership Forum theme 'Trends in Trust' placed a particular focus on evidence of declining trust in institutions across the world's mature democracies. The discussions also centred on major changes in global dynamics, as well as a range of domestic and international issues. The forum was attended by more than 200 participants, including senior colleagues from the business, academic, government and community sectors.

#### **First Nations Treaty Forum**

The First Nations Treaty Forum explored the significance of treaty for Indigenous people and communities. The forum brought together Indigenous leaders from across the nation, academics, lawyers and members of the policy making community. Across the two days, more than 100 participants attended the forum, exploring a range of options from a single treaty to multi-lateral treaties between Indigenous nations. The forum examined a range of legal frameworks that will help to conclude treaties and resolve issues of interpretation and disputes that may arise in the future.

#### **Policy Greenhouse Fund projects**

The Policy Greenhouse Fund was launched in May 2019. Funding 14 collaboration projects between ANU academics and Australian Public Service (APS) policy makers, it provides the policy community with a pathway to engage ANU academics, and to co-design research questions of significant policy interest. Public service departments involved in the fund include the Department of the Prime Minister and Cabinet, the Department of Foreign Affairs and Trade, the Department of Infrastructure, Regional Development and Cities, and the Department of Social Services. The project teams are expected to produce policy briefs relevant to their research topics by the end of 2020.

**Performance criterion**

Annual independent evaluations of ANU impact in public policy, demonstrating improvement year-on-year

**Criterion source**

ANU Strategic Plan 2019–2022, Key Performance Indicator 6, p.25

**Result against performance criterion**

Partially achieved

**Analysis of performance**

The Nous Group, an independent consultancy firm, delivered a Baseline Assessment Report on the University’s public policy impact on 28 February 2019. Overall, the University was assessed as starting from a position of strength, based on the assessment of impact case studies, interviews with key internal and external stakeholders, and information in public documents.

The report assessed the reach of the University’s research impact in public policy as broad and spanning a wide range of impact areas. The report assessed that ANU demonstrated an emerging baseline capability against four lead indicators above and beyond the University’s regular teaching and academic research activities. These were:

- > contribution to public policy discourse
- > influence with policy makers
- > knowledge and capability sharing
- > policy coproduction.

It was noted that the University’s performance against these indicators would be strengthened by increased architecture and systems that support and enable the development of public policy capability, and the curation of impact measurement and reporting. The report assessed that ANU demonstrated developing levels of public policy research impact on a whole-of-institution basis across national policy, and Asia and the Pacific. It was noted that impact in both domains was driven largely by individuals rather than a more systemic approach and broader capabilities.

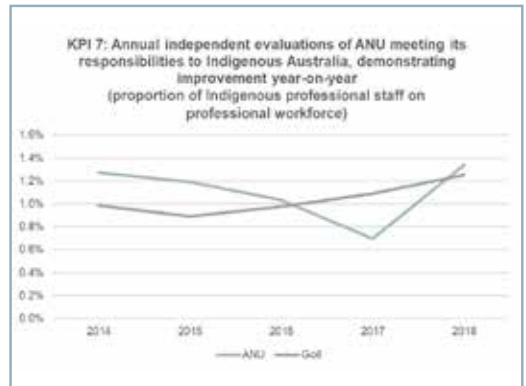
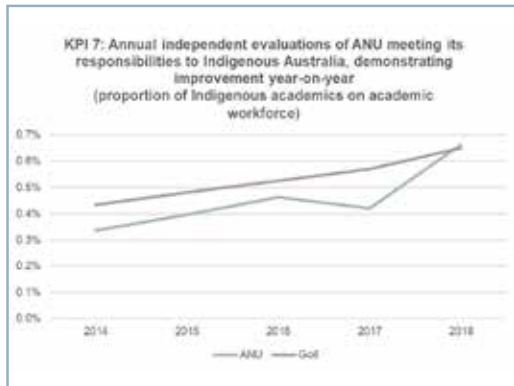
The report recommended the University take a more strategic and deliberate approach moving forward, investing in architecture and capability to enable a more complete and compelling narrative about its policy impact across all relevant parts of the University.



# University purpose: Responsibility to Indigenous Australia

## Analysis of performance against purpose

In order to meet its responsibilities to Indigenous Australia, it is important the University's workforce and student cohort are representative of the diversity within the national population. The improvements in Indigenous staff numbers are attributed to a renewed focus by the Senior Management Group on attracting Indigenous academics as well as new career pathway schemes, specifically targeting early career researchers. Although the total number of Indigenous undergraduate completions declined compared with previous years, the University's Indigenous student completion rates are still higher than overall domestic undergraduate completion rates, and are the best in the sector. To redress the decline in undergraduate Indigenous student completions, the new Admissions, Scholarship and Accommodation scheme launched in 2019 will make access to ANU easier, combined with a new flexible financial and support scholarship (the Kambri scholarship) launched in 2020.



**Performance criterion**

Annual independent evaluations of ANU meeting its responsibilities to Indigenous Australia, demonstrating improvement year-on-year

**Criterion source**

ANU Strategic Plan 2019–2022, Key Performance Indicator 7, p.25

**Result against performance criterion**

Partially achieved

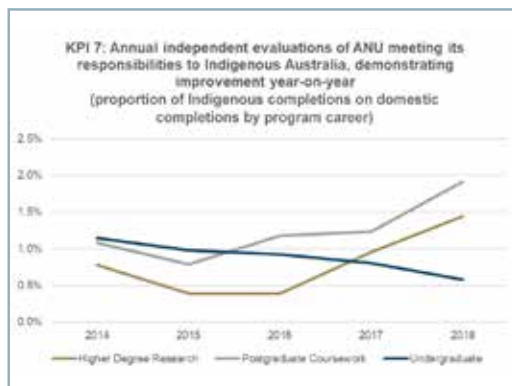
**Analysis of performance**

The independent report provided by the Nous Group assessed ANU as improving in its efforts to increase the recruitment and success of Indigenous staff and students. The KPI results demonstrate ANU has increased both the proportion of Indigenous academics and Indigenous professional staff across the workforce in 2018, and is slightly ahead of the Group of Eight average.

Indigenous student completion rates are generally positive, with improvements in both postgraduate coursework and Higher Degree Research numbers, although ANU experienced a decline in undergraduate completions. Despite this decline, 2018 data provided by the National Indigenous Australians Agency ranks ANU first, with the highest Indigenous undergraduate completion rates in the sector for 2018.

The University’s efforts to prioritise community-engaged research relevant to Indigenous Australia received an assessment which notes ANU is making progress but has not shown ‘improvement.’ To do so, ANU must expand its focus across the University, beyond a few initial research areas that were targeted.

The Nous Group independent report also assessed ANU as improving in the work it is doing to play an active role in the national debate about recognition.



## University purpose: Responsibility regarding Asia & the Pacific

### Analysis of performance against purpose

The ANU International Strategy, endorsed in late 2019, builds on the University's founding mission by setting out the University's commitment to deepening engagement in the Asia-Pacific region as one of its four key ambitions. In order to achieve this, the strategy has proposed an enabling ecosystem of fellowships, scholarships and targeted institution-level regional plans to provide organisational capability and opportunities for staff and students both from, and with expertise and interest in, Asia and the Pacific.

In 2019, ANU was successful in its bid to host the Australia Pacific Security College (APSC). APSC is an educational institution funded by Department of Foreign Affairs and Trade, and designed in consultation with Pacific Island nations, which aims to strengthen regional security through collaborative learning and enhanced people-to-people relationships. Activities will support critical thinking about national security priorities, including climate change, and the increasing complexity of regional security.

The Vice-Chancellor visited Fiji in 2019, further strengthening the relationship between ANU and the University of the South Pacific.

ANU continues to strengthen relations in Asia and the Pacific through such organisations as the Asia Foundation (which places distinguished visitors at ANU for a period of up to 12 months), the University of Yangon and Ritsumeikan University.

While ANU has the single biggest concentration of Asia-Pacific expertise in the Australian university sector, plans are being developed to mitigate identified risks and ensure the University can continue to fulfil its Asia-Pacific mandate.

#### Performance criterion

Annual independent evaluations of ANU impact in Asia and the Pacific, demonstrating improvement year-on-year

#### Criterion source

ANU Strategic Plan 2019–2022, Key Performance Indicator 6, p.25

#### Result against performance criterion

Partially achieved

#### Analysis of performance

In October 2019, the University's International Strategy was endorsed by its Council Committee. As part of the Strategy, ANU has begun to develop underpinning operational plans for key geographic areas, four of which are dedicated to Asia and the Pacific.

These regional plans will ensure that the University builds on long-standing and deep expertise at the College/School/Institute level to develop an institution-wide and forward-looking approach to engaging in, and with, the Asia-Pacific region, and will be reviewed annually.

ERA engagement and impact assessment results did not reflect the deep engagement that ANU has with the Asia-Pacific region. A post-outcomes review has identified that these rankings reflect the uncertainty related to a new metric and the quality of the individual case studies selected for submission but do not reflect a weakening of the University's impact and engagement in the Asia-Pacific region. Significant effort has been diverted by ANU to the improvement of future submissions.

KPI 6: Annual independent evaluations of ANU impact in public policy and Asia and the Pacific, demonstrating improvement year-on-year



Samoan science communicators involved in Science Circus Pacific, a Department of Foreign Affairs and Trade supported capacity building project

## University purpose: Achieving equity – within ANU & in society

### Analysis of performance against purpose

In respect of student diversity, ANU is providing sector leadership as a first mover in operating contextualised admissions, and removing practical barriers to access with a new combined (and early) operation of admissions, scholarships and accommodation offers. This first year has shown progress and areas for improvement and refinement of the University’s processes. 2020 will be a watershed year for the University to deliver the student experience to its new joiners, which will then build forward momentum in outreach efforts alongside process reform.

The University has achieved significant success in 2019 in regard to staffing equity, gaining its Bronze Award in the SAGE Athena SWAN program and delivering sector-leading changes to paid parental leave and superannuation access during parental leave. During 2020 the University will seek to maintain this momentum through a new governance structure aimed at accelerating equity-related initiatives as it seeks to achieve its Silver-level Award in the SAGE Athena SWAN program.

#### Performance criterion

Increase in the proportion of commencing domestic undergraduate students from low socio-economic status, Indigenous, regional and remote backgrounds so that it equals the national population share

#### Criterion source

ANU Strategic Plan 2019–2022, Key Performance Indicator 9, p.25

#### Result against performance criterion

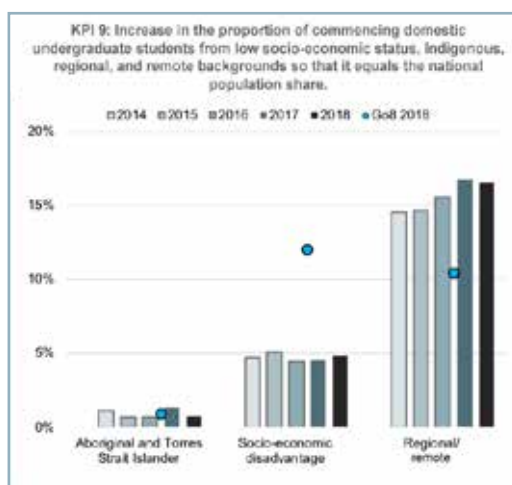
Not yet achieved

#### Analysis of performance

ANU underperforms compared with the Group of Eight in the proportion of commencing domestic students across low socio-economic, Indigenous and regional and remote backgrounds.

The introduction of Admissions Reforms during 2019 intends to improve the University’s position. Preliminary data on 2020 student recruitment activities shows an increase in offers for students outside major cities, an increase in the number of offers for Aboriginal and Torres Strait Islander students, and a static performance for students who have a low socio-economic background.

The University’s local drawing area in the Australian Capital Territory (ACT) has no low socio-economic areas. ANU has developed specific plans to support low socio-economic students to relocate through a comprehensive philanthropic program, so their aspiration can be encouraged and rewarded with a place at Australia’s national university.





### **Performance criterion**

Achievement of Bronze, then Silver, and subsequently Gold recognition within the Australian SAGE Athena SWAN program

### **Criterion source**

ANU Strategic Plan 2019–2022, Key Performance Indicator 8, p.25

### **Result against performance criterion**

Achieved

### **Analysis of performance**

The University received the SAGE Athena SWAN Institutional Bronze Award in September. Work begins immediately to achieve the Silver Award, and then Gold.

Since committing to the pilot in 2016 the University has launched a range of initiatives to support and advance the careers of women and men. A four-year action plan will provide a solid foundation for the University to improve gender equity.

ANU launched the ANU Futures program to provide significant start-up funding to early- and mid-career researchers. So far, 26 of the 42 recipients are women, receiving \$9.9 million of the \$17.1 million.

The University has implemented a sector-leading paid parental leave scheme, which encourages both parents to take 26 weeks of parental leave. In 2019, on International Women's Day, the University launched a scheme to provide superannuation contributions to staff during periods of unpaid parental leave for periods up to the equivalent of a maximum of 26 weeks.

In addition, the University's Senior Management Team undertook a full day of training in mid-October, which focused on the promotion of academic women.



## University purpose: Building a culture of collegiality & engagement – across & beyond ANU

### Analysis of performance against purpose

The VOICE survey is the primary tool for determining the level of staff engagement at the University. In 2018 the University sought to include a broader range of staff in this exercise, expanding the survey to allow casual and sessional staff views to also be captured. A response rate of 30 per cent was achieved, which is higher than expected and better than industry standards (range 12–20 per cent). The engagement scores were also better than expected and are positive compared to the sector.

Overall, for permanent and fixed-term staff the engagement results are positive, especially in the areas of organisational mission and direction, employee engagement, job satisfaction, research, teamwork and organisational commitment. Many of these are above higher education sector standards.

Areas identified as requiring improvement concerned University processes (policies and procedures), cross-unit cooperation and technology, which are issues that impact engagement across all of the higher education sector.

ANU is working towards a more inclusive approach to engagement between staff and students. The decision to limit the student growth of the University to enhance the university experience is a critical part of this strategy.

### Performance criterion

Improved collegiality as indicated by the ‘participation cluster’ results in the VOICE survey

### Criterion source

ANU Strategic Plan 2019–2022, Key Performance Indicator 10, p.25

### Result against performance criterion

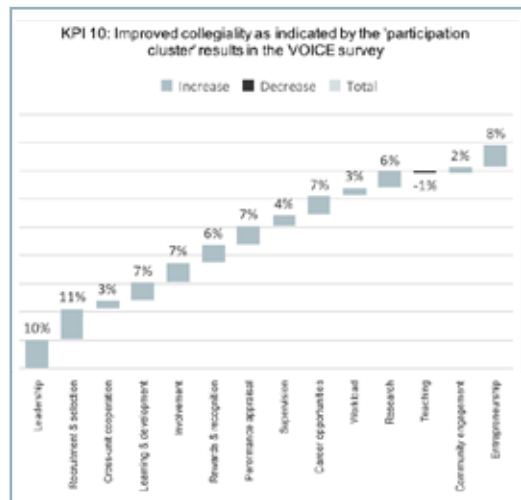
Achieved

### Analysis of performance

The most recent VOICE survey was run in 2018, and a new survey will be undertaken in 2020. The results, when compared with 2011, represent a wide-spread improvement.

Since 2014, ANU has improved in all areas across the participation cluster, except teaching (which went backward, but not at a statistically significant level), and since 2016 there has been an improvement or maintenance in all indicators, except for workload.

Overall these results are a positive and strong endorsement on culture from the staff of the University.



### Performance criterion

Increased number of engaged alumni year-on-year

### Criterion source

ANU Strategic Plan 2019–2022, Key Performance Indicator 11, p.25

### Result against performance criterion

Partially achieved

### Analysis of performance

With the rise of social media and a global workforce, the way the University engages with its alumni continues to adapt to meet that challenge. While the performance figures presented above are accurate, the current methodology for measuring performance is flawed in design and fails to capture a wider range of engagement levels. The current rolling 12-month alumni metrics are skewed by the annual mass upload of new graduate data every December. This causes an 'artificial' peak at the beginning of the yearly cycle, inevitably resulting in a steady decline for the year ahead that does not accurately reflect that year's performance.



In order to provide a more strategic and meaningful reflection of engagement performance, from 2020 the University will shift to a revised methodology, starting each year's measures from zero. This minor change will mean that future measures for alumni engagement are both cumulative and comparable year on year. In line with this, the University is seeking to review the alumni engagement program and metrics during 2020 to determine a better definition of engagement that reflects modern communication methods and engagement strategies.

The University's alumni program provides former students with a rewarding and influential experience to positively impact their level of engagement and involvement with the University. Despite the negative trend in the KPI calculation itself the University has had a positive year of ongoing connection to its Australian and global communities through:

- > 51 events held across 14 countries and engaging more than 2,500 ANU alumni
- > the Inaugural Alumni Weekend, with 618 attendees
- > more than 15,300 engaged alumni across dedicated alumni social media channels
- > the launch of ANU Women's Alumni Network (256 members)
- > more than 250 targeted e-communications sent to over 60,000 recipients
- > Alumni Awards announcements via social media channels, which attracted more than 90,000 views.

## University purpose: Creating an unrivalled campus environment

### Analysis of performance against purpose

The Kambri precinct was officially opened on 11 February 2019 as the University’s new central meeting space, and offers the campus community new educational and event spaces, staff and student services, and recreation facilities. For the traditional custodians of this land, ‘Kambri’ has been a meeting place for thousands of years. The name was gifted to ANU by representatives of the Little Gudgenby River Tribal Council, Buru Ngunawal Aboriginal Corporation, King Brown Tribal Group, and the Ngarigu Currawong Clan, and is used with pride and respect.

The University launched the new Acton Campus Master Plan on 1 August 2019 to guide the comprehensive physical renewal of the campus over the next 20–30 years. The Master Plan incorporates elements such as heritage, energy management and technology with more classic aspects such as landscape and building design standards. The campus Indigenous heritage is a key aspect that is acknowledged and integrated in the plan and active steps will be taken to preserve that heritage. The Master Plan’s implementation will transform the look and feel of the campus to become a network of new hubs linked by landscaped promenades and provide better pedestrian and bicycle networks with strong city connections. The Master Plan will further enhance the magnificent natural bushland setting of the campus, integrate architecture and landscape to create an unrivalled student experience with supporting research and teaching facilities.

#### Performance criterion

Demand for on-campus student accommodation met by 2021

#### Criterion source

ANU Strategic Plan 2019–2022, Key Performance Indicator 12, p.25

#### Result against performance criterion

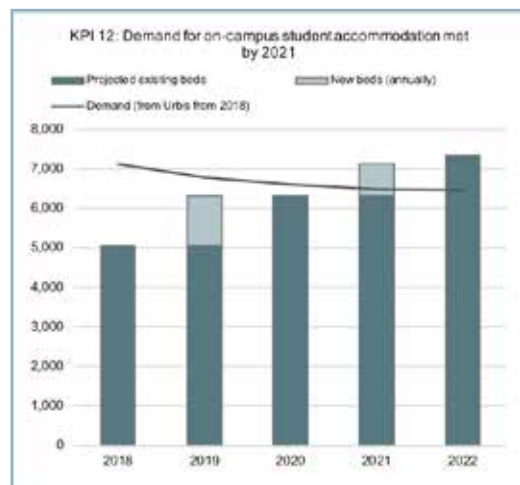
Achieved

#### Analysis of performance

In 2019, with the opening of the new Bruce Hall, Wright Hall and Fenner Hall, the overall availability of beds on-campus grew. Application data shows demand for accommodation remains stable, and therefore more students seeking accommodation were able to be accommodated on-campus.

Work is progressing on the construction of new undergraduate and postgraduate accommodation that will provide additional places for people to live on-campus.

While current demand projections have been met, the University is continuing to assess supply needs and new work will meet emerging demand. This includes considering diversified residential settings, family accommodation, shared accommodation, and more affordable accommodation. Demand is expected to increase as the University continues to diversify its student population and increase participation from interstate, rural, regional and Indigenous students.



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# 2019 NATIONAL INSTITUTES GRANT REPORT



## Introduction

ANU has a special charter to advance the cause of learning and research in general, and take its rightful place among the great universities of the world.

The Australian Government established ANU in 1946 and endowed it with the National Institutes Grant. This secure and reliable funding has made possible the long-term pure and applied research – and the consequent transformational outcomes – that mark ANU as a nationally and internationally significant research institution and a valuable resource for Australia.

ANU, through the National Institutes Grant, maintains and evolves distinctive concentrations of excellence in research in areas of national importance and at the level of excellence Australians expect. The stories in this 2019 National Institutes Grant Report demonstrate some of the ways the National Institutes Grant allows ANU to make unique contributions in the areas of Indigenous Australia, the Asia-Pacific region, public policy, excellence in research and innovation, and protecting the future of research.

The National Institutes Grant helps develop Australia's national unity and identity, and engage with its Indigenous and non-Indigenous history and culture, and with modern Australia's place in the world. It allows ANU to serve Australia in public policy, developing evidence-based solutions to address major issues confronting governments, business and communities. And, the National Institutes Grant enables access to world-class facilities and infrastructure, and a high-quality training ground for future research and academic leaders.

The ANU National Institutes Grant Framework governs the expenditure and accountability of the National Institutes Grant to ensure its purpose continues to be its guide. The framework strengthens the strategic focus that: underpins expenditure of the National Institutes Grant within ANU; enhances accountability for, and transparency of, that expenditure; enables ANU to remain flexible and agile to meet new and emerging strategic and national priorities; promotes the uniqueness of ANU as Australia's national university and its ability to expertly deliver on key activities of national significance; and demonstrates an outstanding benefit to the nation because of the University's distinctive excellence.

ANU was founded as a university unique in Australia and the world. After more than seven decades it remains so, delivering a legacy of excellence in research, education and public policy.

Further information on the National Institutes Grant at ANU is available at [anu.edu.au/about/national-institutes-grant](http://anu.edu.au/about/national-institutes-grant).

Opposite: The Hon Dan Tehan MP, Australian Government Minister for Education, Senator the Hon Zed Seselja, Assistant Minister for Finance, Charities and Electoral Matters, meet with ANU researchers at ANU Acton Campus.



## Engagement with Indigenous Australia

*The National Institutes Grant enables ANU to support the development of Australia's national unity and identity, including by improving Australia's understanding of itself and the history and culture of its Indigenous peoples.*

### First Nations Treaty Forum

The 2019 First Nations Treaty Forum, convened on Ngunnawal/Ngambri Country in November, was a central and significant event in a fortnight at ANU celebrating Indigenous Australia, starting with Indigenous diplomacy and concluding with Archie Roach at Llewellyn Hall. Building on the First Nations Governance Forum hosted by ANU in 2018, the 2019 Treaty Forum explored the significance of treaty for Indigenous peoples and communities. Facilitated yarning circles for Indigenous Elders and for Indigenous youth complemented talks, lectures and panel discussions over the Treaty Forum. The yarning circles gave all participants a chance to share opinions and ask questions in a harmonious and collaborative space. More than 100 participants, with links to more than 30 individual First Nations, included people who had travelled from remote communities all over Australia, joining Indigenous students, academics, lawyers and policymakers.

The conversations were Indigenous-led, rich, varied and respectful. Delegates discussed and debated different views and conceptions of what treaty means and what it could bring. No single view emerged from discussion on the role treaty could play, but the need for patience, time, space and resources to properly consider the issues, was acknowledged. A highly valuable dialogue did take place on the range of issues any consideration of treaty would need to address. Four areas of discussion – sovereignty, land, self-determination and truth telling – stood out as signposts for the future. The fact that sovereignty has never been ceded by Australia's First Nations was emphasised. Treaty could clarify the shared sovereignty that common law already recognises. Either way, questions arose around how to balance the sovereignty held by individual First Nations versus that held by Australia's First Peoples as a whole. Land remains a critical issue. Dispossession and its consequences were highlighted by many, as was the uneven legacy left by Native Title laws. Broader issues of what self-determination and sovereignty entail were also raised. Truth telling emerged as a critical issue and many emphasised the importance of investing in an understanding of history at all levels including the local.

The National Centre for Indigenous Studies and Public Policy and Societal Impact Hub collaborated to host the 2019 First Nations Treaty Forum.

### Returning Indigenous cultural heritage

The vast task of identifying and returning Indigenous artefacts and material culture held in national and international collections is beyond physically achievable. But the joint efforts of National Institutes Grant-funded researchers across the Research School of Humanities and the Arts in a digital imaging and linked data project is bringing it well into the realms of possibility. The project is a collaborative partnership with Aboriginal and Torres Strait Islander communities to trace items to the communities from which they originate. Significant theoretical work on intangible heritage, cultural production, linked data methodologies and digital tools, and relevance and significance, underscore the process. Collaboration with international cultural collecting institutions, such as the British Museum, has begun the process of populating the database and developing a reliable, transferable digital tool (or tools) to facilitate the recognition of Indigenous objects by scanning and collecting them into a global repository, effectively a virtual museum of distributed Indigenous collections.



## **Indigenous Australian Dictionary of Biography**

The Indigenous Australian Dictionary of Biography project was boosted in 2019 with extra National Institutes Grant investment to fund a part-time Indigenous research editor. The researcher, the only Australian Dictionary of Biography Indigenous scholar employed at ANU, allowed the project to reach more deeply into the biographical and Indigenous communities. The project drew on national networks of Indigenous knowledge and expertise to contribute to global conversations on the historical research and public presentation of the lives of Indigenous people. The representation and recognition of Australia's Indigenous peoples in the project is being built on an understanding informed by historical perspectives at several time scales, from the 'deep history' of human occupation of the continent to the more recent history of colonisation since the 18th Century, and the continuing negotiation of interests and identities.

## **Engaging with south coast custodians**

Kioloa, an ANU off-campus resource and accommodation hub on the south coast of New South Wales, is well used and loved by ANU staff, students, researchers and visitors. The land is on the traditional Country of the south coast custodians, sometimes collectively called the Yuin, and that ownership has not been fully considered until now. An engagement program with south coast Elders is building expertise for engaging with local Indigenous Elders and organisations. ANU can thus give the custodians long overdue thanks for using their lands for research and teaching, and consult and negotiate future permission for research on this Country. In workshops, Elders have expressed a desire for acknowledgement of their existence, history, heritage and custodianship of Kioloa and this region. They aspire to become partners in the educational and economic opportunities that the Kioloa Campus presents. This important, and welcomed, case study will help develop the ANU Indigenous Engagement Strategy and can inform the national approach to Indigenous engagement. All parties want to be involved in developing a world-class educational facility and research hub that partners ANU with the Yuin, not only in teaching and educational programs but also in a meaningful partnership that enables local economic aspirations.

## **Indigenous diplomacy**

Indigenous diplomacy systems maintained broadly peaceful governance between Aboriginal and Torres Strait Islander clans and nations, and with overseas traders, for millennia in Australia before colonisation. They can teach us much that could enable progress in national reconciliation, treaty and truth-telling processes. A new intensive postgraduate course on Indigenous Diplomacy, the first of its kind in Australia and designed with the help of Yolju, Torres Strait and Ngunnawal Elders, was launched in November 2019, by the Asia-Pacific College of Diplomacy in the Coral Bell School of Asia Pacific Affairs. The research-led teaching approach by a group of Indigenous Elders and university-based scholars, focuses on the principles and practices governing dialogue and peace-building between groups. The six-day course was developed in partnership with the College of Indigenous Futures, Charles Darwin University, and has generated a partnership with the Department of Foreign Affairs and Trade, and interest from other organisations.

## Blood samples returned home to Arnhem Land

After 50 years away, more than 200 *manggu* (Yolŋu word for blood) samples from people who have passed away are now on Country at a memorial site in the Galiwin'ku community of Elcho Island in East Arnhem Land. The samples were collected from everyone on Elcho Island after a typhoid outbreak in 1968 and 1969, and formed part of the 7,000-strong collection in the John Curtin School of Medical Research. They are the largest sample-set from a single community and have the most detailed information about the original study participants. The samples have been pivotal in advancing health and medical discoveries and their sequencing will deliver important health and medical benefits for all Indigenous Australians. The Galiwin'ku gave permission for the deceased's samples to be sequenced from a small amount of the sample. The remaining material was dried and combined in family groups and stored in timber boxes specially created by artists at the ANU School of Art. Blood samples from those who are still alive (around 400) will be disposed of in Canberra after sequencing. Mrs Azure Hermes, National Centre for Indigenous Genomics' Indigenous Engagement Coordinator, who led the consultation and repatriation process, said: "Our shared ability to bring to realisation a research model that respects Indigenous cultural practices and genomic discovery is a remarkable achievement, and a gift from each of us to the other."

## Launch of Deep History Research Centre

The new Research Centre for Deep History explores the deep human past, which on the Australian continent extends back about 65,000 years. Deep history adopts transdisciplinary and community collaborative approaches to examine humanity's past. This ANU-based research centre is partnering with international groups such as those at Harvard University and Linnaeus University in Sweden to help drive a new global understanding of history and expand the scope of the history discipline. The centre is associated with Professor Ann McGrath's ARC Laureate Project (Rediscovering the deep human past: global networks, future opportunities), and was formed with the support of the National Institutes Grant and the School of History. The centre promises national benefits from a greater understanding of the full span of global human history.



Professor Ann McGrath, ANU School of History, sits within the Acton Grassy Woodlands at the ANU.

## Decolonising the academy

The university system was not made for Indigenous peoples; yet, it can challenge and critique ways of marginalising Indigenous voices and experiences. Thus, the Indigenous Remix flagship workshop, in October 2019 hosted by the CHL. The gathering of visiting Aboriginal, Pacific Islander and Taiwanese scholars and artists workshoped Indigenous remix approaches and discussed ways of creating an educational and research environment that is a genuine mix of learning with and from Indigenous peoples, and promotes creative education and research. The aims of the workshop were to foster trans-Indigenous Australian and Oceanic conversations across ANU and more broadly to share de-colonial ways of thinking and doing Indigenous teaching, research and outreach; to strengthen the potential of trans-disciplinary Indigenous studies; and to emphasise the central importance of Indigenous wellbeing within the academy and devise strategies of collective care. A session on the last day was dedicated to participants sharing their plans for how to incorporate observations and solutions discussed into collective practice.

## Promoting early screening for cardiovascular disease

One in six Aboriginal and Torres Strait Islander adults is at high risk of a major cardiovascular disease (CVD) event, such as a heart attack, in the next five years. Researchers from the ANU Research School of Population Health – in close partnership with Aboriginal and Torres Strait Islander health researchers, community groups, Australian Department of Health and CVD guideline developers – are improving prevention of CVD for Aboriginal and Torres Strait Islander peoples. The researchers' contributions to this body of knowledge includes identifying the early onset of CVD risk in these adults. Building on these findings, the researchers worked with guideline developers to lower the age for starting heart health screening in Aboriginal and Torres Strait Islander people to 18 years, more than 15 years lower than previously recommended. This evidence-based care improvement will have significant and long-lasting impacts on health, saving lives and reducing suffering in the short- and long-term.

# Contributing to Australia's understanding of & role in Asia & the Pacific

*The National Institutes Grant enables ANU to support the development of Australia's national unity and identity, including by improving Australia's understanding of its Asia-Pacific neighbours, and its place in the international community.*

## Launch of the Australia Pacific Security College

Through the National Institutes Grant, ANU has built unparalleled Pacific expertise by focusing on increasing and strengthening Australia's understanding of and connections with the region. This expertise was further consolidated with the creation of the Australia Pacific Security College (APSC) in August 2019. The college will support the implementation of the Pacific Island Forum *Boe Declaration for Regional Security*, and its agenda for climate, environmental, human and traditional security. Climate change is one of the foremost security issues for Pacific island countries, but they also want to respond to other security issues with both regional and national dimensions, such as transnational crime, cybersecurity and human security issues. Funded by the Department of Foreign Affairs and Trade, the APSC is an educational institution servicing all Pacific island countries and helping to strengthen regional security through collaborative learning and better personal relationships. Experts, policymakers and security practitioners from around the region are working through security challenges to inform courses and their contents. The APSC was designed in close consultation with Pacific island countries, and ongoing consultation and cooperative efforts will be its hallmark. The college respects the sovereignty of Pacific governments and works closely with them to identify training requirements.



Director of the APSC, Professor Meg Keen, said that the college leadership would work with Pacific governments to navigate the increasing complexity of regional security and tailor its program to their needs. “Our end objective is to be an asset that Pacific countries can call on to develop their strengths and pursue their security interests,” she said. The APSC has already “hit-the-ground listening”, travelling to meet with leaders in Pacific island countries including Papua New Guinea, Fiji, Samoa and Solomon Islands. The visits are helping with understanding the security priorities and identifying gaps for professional education and training.

## **Asia-Pacific satellite of Global Institute for Women’s Leadership**

The Global Institute for Women’s Leadership (GIWL) based at King’s College London has partnered with ANU to establish a ‘sister institute’ at ANU, with an Asia-Pacific focus. The memorandum of understanding was signed in September 2019. The Institute works towards a world in which being a woman is not a barrier to becoming a leader in any field. Chaired and founded by Australia’s first and (so far) only female Prime Minister, the Hon Julia Gillard AC, the Institute encapsulates the pursuit of research excellence and transformative public policy and societal impact. King’s College London launched the Global Institute for Women’s Leadership in April 2018 to bring together rigorous research, practice and advocacy to better understand the causes of women’s under-representation in leadership positions across sectors and countries, the impact gender has on perceptions of leaders and the most effective ways to bring about change. The new sister Institute is the first international ‘branch’ of GIWL, and takes full advantage of the Gender and Asia-Pacific scholarly expertise on offer at ANU. It will add depth and an Asia-Pacific perspective to the Institute’s research streams, advocacy and engagement activities, expanding the reach and scope of the Institute to help achieve truly global impact.

## **The Vice-Chancellor in Fiji**

On a June trip to Suva, Vice-Chancellor Brian Schmidt met with ANU alumni, members of the Pacific Islands Forum secretariat, diplomats in the Australian High Commission, and many leaders of the University of the South Pacific. It was thought to be the first such visit to a Pacific island country by a sitting ANU Vice-Chancellor, and will lead to closer relationships to share ideas, co-create research, and support student and faculty exchange between the two universities. More than 60 alumni – including staff of non-government organisations (NGOs) working in remote locations, senior business leaders, highly regarded academics and a government minister – joined the Vice-Chancellor at an event hosted by the High Commission. The Vice-Chancellor is planning to return to the Pacific in the near future.

## **Science engagement in the Pacific**

The Australian National Centre for the Public Awareness of Science (CPAS) encourages democratic ownership of science by increasing community science awareness, fostering public dialogue and improving the communication skills of all scientists, especially in the Asia-Pacific. Science Circus Pacific, a travelling science, technology, engineering and mathematics (STEM) engagement and capacity building program of ANU, is working in partnership with Pacific universities and NGOs to build capacity in science communication in Pacific countries. ANU-Pacific teams are co-developing and co-delivering science engagement programs focused on youth, schools and the community. In 2019 they reached 4,535 people through 44 hands-on exhibitions, workshops and shows in five visits to Fiji and Samoa. Fifty-eight Pacific science communicators, trained through the project, were key contributors and most continue to run independent programs. The project is fostering ongoing Australia-Pacific partnerships, people-to-people links, and empowering Pacific science communicators to tackle regional issues including climate, innovation, gender and STEM skills and careers, particularly in Pacific youth. The project will expand in 2020, with pilots in Kiribati and the Federated States of Micronesia, and emerging partnerships in the Solomon Islands. CPAS is creating a network for science engagement in the Pacific, which will expand regional expertise, grow research and engagement capacity, be a conduit to Australian policymakers working in the Pacific, and contribute to wider Australian Government priorities such as the Pacific Step-up.

## Pacific regional diplomacy

The third and final stage in the pioneering Pacific Regional Diplomacy project of the Coral Bell School's Asia-Pacific College of Diplomacy and University of the South Pacific is underway. The project is completing a comprehensive scholarly analysis of the dynamics of regional diplomacy in the Pacific Islands region. The first stage brought together Pacific Islander and Australian academics, diplomats and journalists to understand the innovative and dramatic developments in regional diplomacy in the past decade. The second stage focused on regional diplomacy in relation to regional security, development and climate change over the past 50 years and examined the diplomatic agency of the small island states. The third stage of the project is exploring an under-researched aspect of the dynamics of regional diplomacy, Indigenous diplomacy – diplomatic protocols and practices that emanate from the long history of engagement between cultural groups in this region and the ways in which they are adapted in current diplomatic engagements. Examples are the use of *talanoa* in Fiji's global diplomacy or the use of Indigenous diplomacy in the reconciliation of Fiji and Vanuatu in the Melanesian Spearhead Group. The first research workshop was held at the University of the South Pacific in April 2019, with more planned over the next two years.

## Pacific Gender Research Portal

An increase in National Institutes Grant funding to the Coral Bell School of Asia Pacific Affairs from 2020, will see ANU Department of Pacific Affairs work with regional stakeholders to establish the Pacific Gender Research Portal. The portal, to be established as a regional public good, is intended to make gender research more readily accessible to scholars, practitioners and policymakers. It will build on the school's long-term research and engagement in women's political participation and economic empowerment. The portal will allow the school to lead understanding and support for positive social and political change in our region, while extending the reach of the University's world-class Pacific gender research. It is envisaged as a moderated resource for the wide range of users conducting and using gender research in the Pacific – hosting a library of relevant academic research, papers and other resources; offering knowledge translation services; building and facilitating linkages within a Pacific gender research community of practice; providing commentary as a form of peer review; and helping new and emerging scholars and gender practitioners to learn the art of critical research. The portal furthers the University's partnership with the Department of Foreign Affairs and Trade, and its national responsibilities to conduct and share world-class research, and advise government and national policymakers.

## Physics outreach in Southeast Asia

Lecturers from the Research Schools of Physics and Biology made a capacity-building visit to Timor Leste in 2019, partly funded by the Physics National Institute Grant. The team works in collaboration with ACT high school teachers to train Timorese science educators through practical teaching methods involving experiments. The project builds on previous experience of international development work, in collaboration with the ANU College of Arts and Social Sciences, that has been facilitated by the National Institutes Grant. Dr AJ Mitchell of the Research School of Physics established a program to train academics at the University of Yangon in southern Myanmar, from across the STEM and humanities and social sciences (HASS) disciplines, in aspects of research development and student supervision. He hopes to establish these trips as a regular part of the outreach calendar.

## **Innovative study of languages in Asia & the Pacific**

Understanding our neighbours, one of the ANU founding objectives, is built on language. The School of Culture, History and Language (CHL) takes academic leadership to foster new directions in language education and hosted the Innovative Language Education Symposium in September 2019 to discuss and share innovative language education matters. Over the three days of the symposium, a diverse and interdisciplinary set of language education minds shared the latest research in Asian language teaching and talked about developments in language teaching pedagogy. Discussion centred around topical themes like language and policy, the definition of innovation in the context of language education, the growing global relevance of Southeast Asian and Pacific languages, and intercultural education. The symposium was an ideal, and practical, platform for collectively brainstorming and learning about the future of language education in the Asian century. The school's ePub website was also launched at the symposium.

## **Synapse seminar – culture, history & language**

The ANU CHL has a long tradition of pioneering field research into the deep history of Asia and the Pacific, drawing on its strengths from across the school, and across the University. The school has launched a series of initiatives aimed at integrating these different disciplinary approaches and skills in the design of a new Evolution of Cultural Diversity Initiative. The inauguration of the CHL Synapse seminar series in 2019 is part of CHL's Flagship program on trans-disciplinary approaches to the past. Synapse – the gap that transfers impulses throughout the body's nervous system and allows us to move from thought to action, or theory to practice – is an appropriate metaphor for a project that tries to identify the gaps and build the connective tissue between different disciplines, move from theory to practice, and generate concrete projects. In its first year, the CHL Synapse seminar featured presentations from geneticists, linguists, historians, archaeologists and trans-disciplinary theorists to an even more diverse audience. The series will continue into 2020 and beyond.

## **Better hygiene & health outcomes in the region**

Bacteria, viruses and parasites are spread through poor sanitation, causing gastrointestinal infections and mortality. In Indonesia, tens of thousands of deaths are caused by gastrointestinal infections each year, including 31 per cent of infant deaths due to diarrhoea. The ANU Research School of Population Health is tackling this issue of poverty and development in Asia and the Pacific through its innovative 'BALatrine' project. Professor Darren Gray and Honorary Professor Donald Stewart AO led a team from around Australia and Indonesia in a research program evaluating the impact of sanitation, hygiene education and deworming on health in Central Java. Their collaboration with local NGO, Yayasan Wahana Bakti Sejahtera Foundation, has directly installed 2,400 culturally acceptable latrines to date, giving about 8,600 people a personal toilet and its sanitation benefits for the first time in their lives. This research and associated advocacy has led to the installation of another 1,000,000 latrines across Indonesia, facilitated by the foundation and the Indonesian Government.

## Contributing to public policy

*The National Institutes Grant enables ANU to provide a national, regional and global public policy resource that addresses major issues confronting governments, business and communities.*

### The Institute for Water Futures

Water management poses wicked public policy challenges involving communities, government, industries and the environment. How do we balance the needs of today's increasingly thirsty and demanding world with the needs of future generations? Decisions taken to maximise the social, cultural, economic and ecological benefits we get from water today need to reflect a shared, long-term vision for water and its role in society. This will be effective when backed by science that outlines plausible water futures, technologies that enable innovative social and economic change, and policies that demonstrate equity and a holistic understanding of the complex, multi-faceted role water plays in our communities.

The Institute for Water Futures was set up in 2019 to identify transformative, innovative and robust strategies to build Australia's collective national capacity to tackle the water challenges of today and tomorrow. The National Institutes Grant will invest \$2 million in 2020 with ongoing funding to support this ongoing challenge. The interdisciplinary Institute brings together expertise and decades of experience in the sciences, technology, social sciences and public policy from across ANU. Academic leaders in the Institute include an ARC Laureate Fellow, and several fellows of the Australian Academy of Science and Australian Academy of Social Sciences. New staff have been attracted from overseas, and include two Discovery Early Career Researcher Award recipients. The Institute has active partnerships with leading researchers in the Commonwealth Scientific and Industrial Research Organisation (CSIRO) and in important decision-making organisations such as the Murray-Darling Basin Authority and Bureau of Meteorology.

The Institute's goals are to: unite science, policy and community through developing a shared vision for water futures; develop and assess model outcomes, and the tools and systems for investigating the range and scope of plausible water futures; assimilate measurements into quantitative scientific information relevant to key policy challenges; and identify transformative and innovative strategies that bring about robust socio-economic, cultural and ecological benefits. Transforming policy, management and governance systems demands deliberative and iterative engagement with decision-makers and local communities, trust between parties, and a comprehensive understanding of local, regional and national current situations and governance regimes. The Institute will work closely with policymakers at all levels, using new and emerging methods and new media technologies, to build our capacity to integrate long-term thinking into managing our country's water and secure our water futures. The Institute's first priority water catchments are the Murray-Darling Basin and Great Barrier Reef.

### Policy Greenhouse Initiative

The Policy Greenhouse Initiative utilises contributions from the National Institutes Grant to promote public policy contributions, to encourage collaboration within the University, and to build direct engagement opportunities and connections between ANU and policymakers. It attracted a challenging array of projects and collaboration initiatives to its inaugural funding call this year. The policy areas of the nine funded projects include Australia's policy choices in a new geoeconomic world order, which will facilitate deep and broad conversations between academics and policy-makers on the changing global landscape. Projects that were also funded focused on new policy approaches to addressing childhood poverty, policy and legal revision around armed conflict at sea, a framework for best practice around community consultation for major infrastructure projects, the National Disability Insurance Scheme (NDIS), disinformation campaigns, and economic and social transformation in Australia's coal-producing areas. The five funded collaboration initiatives, focused on direct collaboration with policymakers and seeding of future projects, take in areas such as mental health, Indigenous language and improving the impact of research on public policy.

## **Taking the HECS system to South America**

Professor Bruce Chapman from the ANU College of Business and Economics was an architect of Australia's Higher Education Contribution Scheme (HECS), an income-contingent loan scheme allowing students to attend university without paying upfront fees. Professor Chapman's research has since informed multiple changes to HECS, which is now known as the Higher Education Loan Program (HELP). Professor Chapman has also been instrumental in establishing income-contingent loan systems around the world and, in doing so, removing financial disadvantage as a hurdle to accessing tertiary education. In July 2019, Professor Chapman led a team of researchers attending the Income Contingent Financing Conference in Brazil. There they met with representatives from South and Central American countries looking to implement similar systems in their respective nations. At least 20 million people from countries including New Zealand, England, Hungary, Japan, South Korea and the United States have benefited from this 'global rollout', with another four countries set to follow suit. By improving access to tertiary education, the systems have seen significant growth in higher education and skills development in adopting countries. The National Institutes Grant's long-term support of Professor Chapman's research continues to pay dividends to students and institutions globally.

## **Making a difference to the nation's mental health**

Suicide is the leading cause of death in Australia in people aged 15–44 and affects friends, families and communities. It is a key public policy challenge, which the Centre for Mental Health Research at the ANU Research School of Population Health is focused on tackling. The Centre takes a research and education approach that embraces the complexity of suicide, working with mental health consumers, policymakers and service providers to conduct research and translate it into service improvements for our community. In 2019, ANU research delivered evidence-based suicide prevention programs in Australian schools and workplaces.

## **Awards for mental health research impact**

Several prestigious awards in 2019 recognised the impact of ANU research on public policy to improve the mental health of Australians. Professor Luis Salvador-Carulla accepted the Research, Evaluation and Quality Improvement Award during ACT Mental Health Month, acknowledging the significant contribution the Centre for Mental Health Research makes to understanding, promoting and supporting people living with a mental health illness. Dr Amelia Gulliver received the 2019 ACT Young Tall Poppy Science Award, celebrating her work on the use of online programs to improve community mental health and reduce barriers to seeking help. Dr Michelle Banfield was awarded the prestigious John James Foundation Tony Ayers Prize for Excellence in Research in Translational Medicine, recognising her contribution in transforming science breakthroughs into clinical application; and the inaugural Consumer Engagement Award by the NHMRC for her work as a consumer researcher.

## **Pioneering research connects climate change & monetary policy**

Connections between climate change mitigation efforts and monetary policy have long been unappreciated. These connections are now being clarified thanks to new research from the Centre for Applied Macroeconomic Analysis. The centre's research has prompted a rapid rethink of how to manage monetary policy in a world impacted by climate change. It has sparked new thinking about how climate policy should be designed given a particular monetary framework, and a rethink of how monetary policy should be made in a world of climate change shocks and climate change policies. In 2019, this new work was presented at a series of conferences around the world, and its value publicly recognised by Reserve Bank of Australia Deputy Governor Guy Debelle and United States Federal Reserve Governor Lael Brainard.



## Tax policy for the twenty-first century

The Tax and Transfer Policy Institute has launched an energetic effort to promote tax reform in Australia. In 2019, the Institute ran 16 seminars on research on the tax and transfer system at four government departments, on topics ranging from gender equality, new models for policy evaluation, and new methods for statistical evaluation, among others. The seminars were attended by about 420 public servants. The Institute also oversaw an unparalleled secondment program in 2019, supporting five public servants from three departments to conduct research at the Institute. The Institute has also launched new research projects on taxpayer behaviour, savings taxation and corporate taxation.

## ACT Climate Change Strategy targets

The ambitious ACT Climate Change Strategy, unveiled in September 2019, offers a plan for reducing the ACT's overall emissions by 50–60 per cent below 1990 levels by 2025, and achieving net zero emissions by 2045. The targets were proposed based on advice from the ACT Climate Change Council, an advisory body to the ACT Environment Minister. The advice was prepared by Crawford School's Professor Frank Jotzo, and the ANU Climate Change Institute's Honorary Professor Penny Sackett and Emeritus Professor Will Steffen, all members of the ACT Climate Change Council.

## Toward a brighter future for Australia & Japan

The Australia-Japan Research Centre broke new ground with a series of collaborative research projects and high-profile public events in both countries in 2019. The centre generated new ideas and engaged with policymakers on trade policy in Asia for Japan's G20 presidency, on immigration policy as Japan looks abroad to arrest its population decline, on how to navigate global trade and financial risks as these become more acute, and on how to manage the growing entanglement of economic and national security policy. The centre has also continued to invest in 'Japan-literacy' in Australia and to work with the governments of both countries to strengthen the bilateral relationship.

# Excellence in research & innovation

*The National Institutes Grant enables ANU to maintain and enhance distinctive concentrations of excellence in research and education, particularly in areas of national importance to Australia.*

## ANU Grand Challenges Scheme

The ANU Grand Challenges Scheme is a \$50 million program investment in partnerships that conduct transformative research on global intractable problems, which should also attract external investment. The intent of the Scheme is to focus on addressing global challenges through collaboration between disciplines and with stakeholders, breaking through disciplinary boundaries to address major challenges confronting society.

After a competitive process, the selected 2019 Grand Challenge is Indigenous Health and Wellbeing. Ongoing programs in the ANU Grand Challenges Scheme are Our Health in Our Hands, announced November 2017, and Zero-Carbon Energy for the Asia-Pacific, announced in September 2018.

Our Health in Our Hands is furthering more precise diagnosis and personalised intervention for people affected by chronic disease, particularly diabetes and multiple sclerosis. The Our Health in Our Hands Research Committee harnesses the expertise of academics and clinicians from diverse backgrounds, and people living with Multiple Sclerosis and Type 1 Diabetes through health experience teams to ensure their experiences and preferences are embedded in the research.



Zero-Carbon Energy for the Asia-Pacific, launched in September 2019, recognises that Australia is a renewable energy powerhouse and resource-rich nation, whose immediate neighbours in the Indo-Pacific will account for two-thirds of the world's energy demand growth in the coming decades. The initiative is using research and engagement to help transform the way Australia trades with the world by developing zero-carbon export industries, creating new paradigms in benefit sharing, and developing technologies, policies and approaches that can be applied in the Asia-Pacific and beyond.

### **Excellence in research & innovation – health & medicine**

#### **Progress in personalised medicine**

A revolutionary approach to immune disorders has cut through the long and painful process of diagnosis and treatment for many patients. Patients with conditions such as rheumatoid arthritis, multiple sclerosis and Type 1 Diabetes can present with vastly different and vague symptoms. Once a diagnosis is made, the right treatment can be equally hard to find, if at all. Professor Carola Vinuesa and her team at the Centre for Personalised Immunology have taken a huge conceptual step in identifying the right treatment rather than following the trial and error therapies used until now. The team starts with a specific patient, rather than surrogate mice. They sequence the patient's genome using Australia's largest supercomputer, and look at the patient's many mutations to see which one is causing the disease. They use Clustered Regularly Interspaced Short Palindromic Repeats (CRISPR) array technology to edit the DNA to generate a precise mouse model that replicates the patient's specific mutations. Treatments can then be trialled on the real disease in the mouse. When an effective treatment is identified it can be applied to the specific matching patient, and to all patients with the same molecular markers. The centre is attracting cases from the 5–10 per cent of the world's population with auto-immune diseases. Professor Vinuesa, co-Director of the Centre for Personalised Immunology, is the first female ANU academic to be recognised on the list of highly cited researchers awarded by the Web of Science.

#### **Transforming communication in healthcare**

Communication is the cornerstone of quality healthcare practice and patient safety. In its short life, the Institute for Communication in Healthcare has already found research and training success in tackling ineffective communication at and between all levels of the healthcare system. The institute translates cutting-edge communication research by healthcare professionals, linguists, communication experts, computer scientists, engineers and health policy experts, into best practice for safe and compassionate healthcare for health providers, clinicians, nurses, patients and their families. For example, the training course in communication at nursing handovers is already showing substantial impact. St Vincent's Hospital reports a sharp decline in the rate of falls, which it attributes directly to the institute's training. The institute is collaborating with research centres and hospitals across the globe to improve healthcare communication. It co-convened the 2<sup>nd</sup> International Symposium on Communication in Health Care with Nanyang Technological University in Singapore in February 2019 and has been the driving force behind the creation of an international consortium with Nanyang, Hong Kong, Lancaster and Harvard universities, and University College London.

#### **Collaborating in end-of-life care**

A nationally coordinated approach to end-of-life care in Australia is closer thanks to the collaborative approach of ANU Medical School. The school was a key partner in the ACT End of Life and Palliative Care Research Collaborative follow-up workshop in October 2019 along with ACT Health, and other universities and associations. The workshop identified synergies and a range of potential research projects. The school's collaborative approach also includes consumers and providers of end-of-life care. One focus is on the doctors who have had end-of-life care conversations with patients and their families. Research is finding that by embracing the experience, doctors can reduce their own anxiety, and give more compassionate support to the family. Linguists from the ANU Institute for Communication in Healthcare are studying the structure of these conversations to give them a framework and inform authentic teaching modules. The modules can be shared locally and nationally, allowing many to benefit from end-of-life communications.

## **Excellence in research & innovation – environment & resources**

### **Integrated research on disaster risk science**

Recent Australian natural disasters confirm that the new Disaster Risk Science Institute, launched in November 2019, is needed more than ever. Its focus will be on reducing the physical, economic and human impacts of large-scale natural disasters in Australia and its neighbouring Asia-Pacific region. It is charged with building societal resilience and effective responses to natural disasters. The institute brings together science and social science in earthquake, tsunami, volcanic eruptions, cyclones and storms, fires, floods and droughts. The results of empirical research will be placed in the hands of policymakers, practitioners and disaster affected communities. Specialist in disaster risk, resilience, response and recovery, Professor Helen James, is the Interim Director of the institute.

### **Adaptation & mitigation of future climate impacts**

The collaborative community of climate change researchers and teachers being built across ANU by the Climate Change Institute is creating new and innovative approaches to tackling critical climate change. The institute also generates strategies to improve the uptake of research across government and industry, advises on policy, and works to increase climate change understanding and awareness across a wider audience. The institute engages with audiences locally, nationally and internationally through briefings, representation on boards and committees, short courses, seminars and public events. Climate change is already affecting all parts of Australia and all nations in the region. It has been identified as the biggest global health threat for the twenty-first century. The need is increasingly pressing to move beyond incremental change to existing systems and develop transformational approaches. The institute draws together more than 300 researchers from fields including climate science, policy, economics, law and psychology to develop long-term, interdisciplinary approaches. A strong focus is interactions between climate change and health. Researchers from across the University are also leading research that will: investigate feasible, scalable technologies that will remove CO<sub>2</sub> from the atmosphere over the coming decades; generate profitable new industries in the process such as developing new, recyclable materials that can lock up carbon as part of the circular economy; draw down carbon at a landscape level; and help build society's capacity to adapt to the climate changes that have already been locked in.

### **A new way to develop drought resistant crops**

A simple test could be a game changer for growing productive wheat crops during drought. Lead researchers, Dr Arun Yadav, Dr Adam Carroll and Professor Barry Pogson, say their work could be instrumental in maximising and ensuring the reliability of food production in the face of increasingly severe drought, and pressures on farming from climate change, population growth and land-use. The test measures the relative abundance of four amino acids in wheat plants to predict their ability to maintain yield under drought much more accurately than current methods. It can be done precisely in greenhouses all year round, at a fraction of the cost of traditional field-based methods. The next challenge is to scale up the technique beyond the varieties tested to date. The breakthrough is built on the long-term capability in applying new technologies to plant sciences enabled by National Institutes Grant, and is the work of ANU scientists from the ARC Centre of Excellence in Plant Energy Biology (including Deputy Director Barry Pogson, 2019 Eureka Prize winner) and CSIRO Agriculture and Food.

### **Climate change impacts on breeding habits**

The Superb Fairy-wren is one of Australia's most recognised and well-loved birds. In 1991, Professor Andrew Cockburn established a long-term study, now co-led by Professor Loeske Kruuk, in the National Botanic Gardens in Canberra. Each year they monitor the breeding and survival of every fairy-wren in the gardens, and a massive dataset documents the complete life history of many generations. This information is now used to study everything from the genetic basis of reproductive success and plumage colouration, to the environmental factors that affect survival. The project has been especially powerful because of the insights gained on how climate change affects bird populations. For example, the data shows that warmer days and milder nights in early spring are contributing to birds breeding earlier each year. Similarly, a link is becoming apparent between extreme high temperature events and the stopping of breeding activity, leading to a decline in population size. This wealth of data is allowing Australian researchers to determine whether the effects of climate change on wild animal populations reported in milder temperate zones in Europe and North America can be applied to Australia where the climate is naturally hotter and drier.

## Biodiversity

The conservation and management of Australia's distinctive biodiversity succeeds only with deep knowledge gained through long-term environmental research and monitoring. National Institutes Grant investment supports that ongoing work, and allows the Fenner School of Environment and Society to work consistently for the public good that biodiversity provides. The school currently has 20 PhD scholars and seven postdoctoral researchers in biodiversity, and its eight professional officers are particularly important in community engagement. The school maintains, often with external partnerships, more than 100 long-term field sites and engages the broader community through volunteer participation, crowd-funding programs, social media communications and press coverage. Five of the most significant programs continue to demonstrate ground-breaking science and impact: Victorian Central Highland Forests, a globally significant study with 35 years of data, which is helping the Victorian Government to reshape forest management policy; Jervis Bay Fire Study, which is re-establishing populations of locally extinct species; Nanangroe Long Term Forest Fragmentation Study, which is examining how past land clearing for grazing and cropping interacts with new plantation landscapes, and the consequences for biodiversity conservation; Mulligans Flat–Goorooyaroo Woodlands, which is facilitating broad-scale reintroduction of locally extinct mammals; and Eastern Tasmania bird survey (monitoring more than 1,300 sites), which is informing policy development for critically endangered bird species.



PhD Candidate Belinda Wilson places cameras in front of Quoll dens in Mulligans Flat Nature Reserve, Canberra.

## Antarctica-driven sea-level rise

The critical role of Antarctica in driving rapid sea-level rise has been revealed by a global study led from ANU. An examination of historical and new data from the last interglacial (the period of warmer global temperatures 125,000–118,000 years ago) revealed the sequence of events leading to sea levels 10 metres above current levels. Early Antarctic ice loss was caused by Southern Ocean warming at the onset of the interglacial. Meltwater emanating from Antarctica caused changes in global ocean circulation that resulted in northern polar warming and associated Greenland ice loss. Sea levels rose up to three metres per century due to natural climate instabilities that are far smaller and slower than current human-caused rates of warming. These rapid and large sea-level changes happened on timescales that would have profound effects on today's coastal and urban infrastructure. Current greenhouse gas-driven climate change is producing rapid atmospheric and oceanic warming in both polar regions that is greater and faster developing than the last interglacial; and with simultaneous ice-loss in Antarctica and Greenland.

## Launch of Mercury Australia network

Research in Australasia on the historical and contemporary uses and impacts of mercury has been consolidated into a new network, Mercury Australia. Mercury Australia's co-convenors are Dr Larissa Schneider of ANU (recent winner of the ANU Vice-Chancellor's award for Impact and Engagement) and Dr Darren Sinclair, University of Canberra. In total, 20 researchers from eight universities in complementary disciplines, in particular chemists, environmental scientists and social scientists, are contributing research to Mercury Australia across a range of disciplines. These include regulation and governance of mercury emissions; tracking historical mercury contamination in lake sediments; sources, chemical evolution, and transport pathways of atmospheric mercury; and mercury bio-accumulation in freshwater ecosystems. The network also brings critical mass to present research findings as practical policy advice for governments, and to engage with industry and the public. It is translating its research results into publicly accessible information on its website. Mercury Australia also has the goal of helping Australia ratify the United Nations Minamata Convention on Mercury. The 128 countries that have ratified the convention, which came into force in 2017, include China, the United States and the countries in the European Union. Australia has signed the convention but is yet to ratify it. The network will be able to provide data and information needed to meet Australia's obligations under the convention.

## Resolving a long-time challenge to global carbon markets

The rules for international carbon markets are still being developed around the 2015 Paris Agreement on efforts to combat climate change. For Paris to succeed, each country was allowed to determine its own ambitions and approach, but that makes accounting for carbon credits more complex. One point of contention is avoiding counting the same emission reduction more than once to achieve climate mitigation targets. The double counting can come from carbon credit trading, by countries and airlines. In 2019, ANU Professor Frank Jotzo and colleagues from a range of other countries published new work in *Science* that highlights why resolving double counting is critical. They suggested key ingredients for a robust outcome, irrespective of countries' mechanisms and targets, are a single set of international accounting rules, robust emissions accounting, and economy-wide targets in each country. Rules that guarantee environmental integrity and avoid double counting can ensure that carbon markets will work, and global ambition can be more readily raised. The issue remains central in the international climate change negotiations after the United Nations Climate Change Conference COP 25 in Madrid, in December 2019.

## Excellence in research & innovation – society & culture

### Australia & the world

#### Australian Studies Institute

The Australian Studies Institute was established to be a primary driver of the 'Australia and the World' program for global engagement at ANU. Part of the University's foundational mission was to study the great challenges facing the globe from an Australian perspective, with the Institute supporting this by connecting a global network of Australian study centres, institutes, associations and researchers. It continues to develop ways to facilitate global engagement, through social media, podcasts and e-bulletins promoting Australian research, conferences and workshops. The Institute has identified and contacted more than 500 centres, institutes, networks and programs around Australia and across the globe, and almost 1,500 other individual researchers. In 2019, the Institute hosted two distinguished visiting fellows from the United States as part of the Vice-Chancellor's Australia and the World Visiting Fellow program, and hosted 10 dinners, bringing together almost 450 visiting fellows and ANU community members. The flagship First Eight Prime Minister's lecture focusing on Andrew Fisher was delivered to a capacity crowd at Australia House, London, and initiated a new partnership between the Institute and the Britain-Australia Society for the remaining lectures in the project. Other notable events were the Australia and the World Annual Lecture featuring the Treasurer of Australia, the Hon Josh Frydenberg MP, and the Inspiring Women Reflect series hosted by the Hon Ros Kelly AO.



### **Launch of smartvote tool**

Before the federal election in May 2019, a team from the ANU School of Politics and International Relations developed 'smartvote Australia'. This innovative online tool let Australian voters compare their views with candidates and political parties in the lead up to the election. Candidates answered 35 questions posed by ANU researchers across a wide range of current policy issues. By answering the same questions, voters were matched to candidates and parties in a more sophisticated way. The tool, launched in partnership with Nine Entertainment, helped voters cut through the campaign rhetoric and make highly informed voting choices, based on the issues that mattered to them. It proved to be popular, with 540,000 'matchings' or 'recommendations' given during the campaign.

### **John Mitchell Economics of Poverty Lab**

The ANU Research School of Economics has officially launched the new John Mitchell Economics of Poverty Lab. Established using financial support from the National Institutes Grant and a generous donation from ANU Alumnus John Mitchell, the lab will use economic field experiments to understand human capital formation and inform evidence-based policy development around the globe. Applied economist Professor John List and Professor Mike Price lead the lab's research teams, housed across ANU and at the University of Chicago. The professors are in discussions with key federal government bodies to understand pressing issues, design field experiments to explore the issues empirically and, ultimately, inform evidence-based policy responses to them. The lab is also nurturing and advancing the careers of some of the world's most promising junior experimental economists. Dr Eva Vivalt is studying the welfare effects of minimum wage requirements, Dr Sutanuka Roy the effect of early-childhood intervention on human capital formation, and Dr Evan Calford decision-making under extreme uncertainty. The lab will also equip policymakers with the tools to analyse and interpret data themselves. The first of its short courses and conferences – where attendees receive guidance from international subject matter experts – are planned. The lab promises to revolutionise how policymakers think about evidence-based policy, both in Australia and abroad.

### **Socio-environmental dynamics in our region**

The Asia-Pacific region is on the cusp of major cultural, environmental and political change exacerbated by frontier disputes, migrations, diverging standards of living, rapidly changing communication networks, cultural conflicts and climate change. None of these developments can be understood without a deep knowledge of the historical and cultural factors that underpin them. The Research Hub for Socio-Environmental Dynamics has the goal of transforming Australia's understanding of the lifeways of people and populations in the region through the study of the dynamics of borders and connections. It brings together the scholarly excellence of the CHL, and other parts of the College of Asia and the Pacific, and College of Arts and Social Sciences. The focus is on Indigenous communities in Australia, and our nearest neighbours in the Pacific and Papua New Guinea, commensurate with the school's long-held research focus in the region and working closely with Indigenous communities. Two projects were successfully run in 2019: KARRADJAKDURRMIRRI – we are all working together: building partnerships for shared research and teaching with Australian Indigenous communities; and the Innovation Flagship project – Indigenous People and the Regional Remix: a transdisciplinary humanities workshop.

### **World's oldest human bone tattooing kit**

The world's oldest known tattooist's kit – dated to 2,700 years old and with intricate, multi-toothed tattooing tools – is shedding further light on the long-running debate about where Polynesian style tattooing first developed. The kit was found complete in 1963 on Tongatapu, Tonga's main island, but was feared destroyed during the 2003 Canberra bushfires. It has been rediscovered but without the ink pot. The tools themselves have changed very little since the time of the kit, with traditional tattooing equipment still used in the Pacific virtually identical to it. ANU researchers, who have minutely studied the kit, said the four tattooing tools are made from bone – two from a large seabird and two from large mammals, most likely humans. Tattooing is culturally very important in the Pacific. Were these tools introduced to the Pacific through migration, or were they developed in Polynesia and spread from there? This discovery pushes the date of Polynesian tattooing right back to the beginnings of Polynesian cultures. The oldest evidence for tattooed skin goes back more than 5,000 years, to the age of mummies in Egypt and the Italian iceman Otzi, but the tattooing tools used in these places are largely unknown.

## The future of research

*The National Institutes Grant enables ANU to maintain and further develop the University's strong focus on research and the educational philosophy that its students are part of a community of scholars.*

### Co-Lab for national security

A collaboration between the ANU Research School of Computer Science, ANU Mathematical Sciences Institute and the Australian Signals Directorate (ASD), ASD-ANU Co-Lab, is bringing together leading ANU academics with ASD analysts and technologists to collaborate on Australia's national security. This centre of excellence for ground-breaking research is building capacity and nurturing talent for securing national interests. As an incubator for joint research and knowledge transfer, it will identify and nurture talented students for careers with ASD and in other STEM related fields. One aim is to increase the number of domestic students and higher degree graduates in STEM with a particular focus on areas such as cryptography, secure communications, computing, cybersecurity and vulnerability research. Short courses and masterclasses for domestic Australian students, academics and ASD experts will help transfer knowledge and accelerate learning opportunities in related fields. Co-location of the partners in one building is allowing joint research projects to incubate, with lead investigators from both ANU and ASD in the areas of data science, cryptosystems and cybersecurity, and with joint supervision of PhD students. Joint projects are also open to other ANU staff and schools.

### ANU & Australian intelligence agencies

A new close partnership of the ANU Research School of Computer Science with two Australian Government intelligence agencies was launched in 2019. It is taking leading-edge ideas from computer science and developing them into practical tools and techniques. The ASD (which collects and communicates signals intelligence and prevents and disrupts offshore cyber-enabled crime) and the Australian Transaction Reports and Analysis Centre (AUSTRAC) (which uses financial intelligence and regulation to disrupt money laundering, terrorism financing and other serious crime) can use the tools and techniques to protect the people of Australia and their assets while building the skills of researchers and operators in their use. Engagement with agencies has begun in research, education, workforce recruitment and generic STEM outreach activities, with National Institutes Grant funds targeting joint research. Five proposals were funded in the first year of the partnership.

### Self-repairing hydrogel skin replacement

ANU scientists have invented a new hydrogel that mimics biological matter such as skin, ligaments and bone, and which is very strong, self-healing and able to change shape. The hydrogel (a gel with high water content used in products such as contact lenses) has dynamic chemical bonds that give it features unlike other materials previously reported. It can repair itself after it has been broken, like human skin. Hydrogels are usually weak, but this material is so strong it could easily lift very heavy objects. It can also change its shape, like human muscles. This makes the hydrogel an ideal material for wearable technology and various other biomedical devices. It would also be suitable for artificial muscles in soft robotics, and could enable a new class of medical implants or artificial muscles for next-generation robots that could one day swim. The team can make the hydrogel with simple and scalable chemistry. They will develop a 3D printable ink based on the hydrogel.

## A cleaner, greener fertiliser

A novel (sustainable/environmentally benign/green) bioprocess, developed by ANU researchers in collaboration with CSIRO, converts waste and CO<sub>2</sub> into a new (green/natural) fertiliser. In commercial quantities, it could replace widely used chemical fertilisers, such as urea, produced through unsustainable, fossil-fuel reliant industrial processes. The method uses two pervasive pollutants, ammonia and CO<sub>2</sub>, as renewable feedstock to generate citrulline, a natural substance that is rich in the essential plant nutrient, nitrogen. The sustainable production method employs enzymes – nature’s own catalysts – in water with little energy input and without toxic by-products. Ammonia is found in many wastewater streams, therefore waste from common household sewerage to heavily polluted industrial waste could be used as a source of raw materials, rather than being pollutants. It also means the process could be carried out almost anywhere, removing the carbon footprint and cost of fertiliser importation and transport.

## Nature’s endless renewable fuel supplies

Scientists from ANU and the Max Planck Institute for Chemical Energy Conversion in Germany have cracked a key step in nature’s water-splitting recipe, which powers all plant life on Earth. It could be harnessed to make a limitless supply of cheap renewable fuel. During photosynthesis, plants split water and make complex carbohydrates with carbon dioxide – the food for plants to grow and thrive. This process also produces oxygen for animals, including humans, to breathe. Copying this process from nature would lead to an endless supply of cheap hydrogen fuel for transportation, without the carbon emissions that contribute to human-caused climate change.

## Collaborating on the Giant Magellan Telescope

The Giant Magellan Telescope (GMT), being constructed in the mountains of Chile, sits at the forefront of the next generation of giant ground-based telescopes. The telescope’s resolving power will be 10 times greater than the Hubble Space Telescope and four times greater than its planned successor, the new James Webb Space Telescope to be launched next year. It will see fainter objects in greater detail than any telescope ever built, pushing our knowledge of the Universe further out in space and back in time. ANU is leading Australia’s involvement in the GMT and, with Astronomy Australia Limited, makes up 10 per cent of the international consortium of research and technology organisations designing and building the telescope, which will be completed in 2027. The Research School of Astronomy and Astrophysics is designing and building one of the telescope’s first instruments, the GMT Integral-Field Spectrograph. This near-infrared imager and integral-field spectrograph will be able to take the highest resolution images of distant galaxies and obtain spectra from across a continuous region of sky. The first phase of the instrument’s preliminary design study has been completed and passed review in March 2019. Completion of the second phase will increase Australia’s share of the GMT. Australian instrument scientists at ANU are also developing and building key elements of the crucial, and technically challenging, adaptive optics system. The research school is directly collaborating with other consortium members on various aspects of the telescope systems and instruments for the GMT, and its astronomers are serving on the GMT Science Advisory Committee.

## Capabilities in transformative meta-optical systems

The long-term commitment of National Institutes Grant funding to fundamental physics research has culminated in the ARC Centre of Excellence for Transformative Meta-Optical Systems, launched in October 2019. Decades of research uncovered the deep physics that underpins this new centre – research that could have been sustained only with the support of the National Institutes Grant. The centre of excellence will drive research to develop smart and miniaturised optical devices that link the digital and physical worlds through light. It will lead to smaller, smarter, faster and cheaper wearable optical sensors to better monitor our health. The ARC Centre of Excellence for Transformative Meta-Optical Systems will be led by ANU, and partner with the University of Melbourne, University of Technology Sydney, RMIT University and University of Western Australia, as well as industry and universities across six other countries.





Professor Dragomir Neshev and Professor Chennupati Jagadish AC from the ARC Centre of Excellence for Transformative Meta-Optical Systems, ANU Research School of Physics.

## Fostering the next generation

ANU has a proud history as a high-quality training ground for future research and academic leaders, supporting the next generation to realise nationally significant outcomes in their academic careers. Here are just three of them.

### Lithin Louis

At the John Curtin School of Medical Research, Lithin Louis is focusing his PhD research on the interactions between a protein found in heart cells, SERCA (sarco/endoplasmic reticulum calcium ATPase) and RNA (ribonucleic acid), the genetic biomolecule that manifests the information present in DNA. SERCA moves the calcium ions within heart muscle cells, allowing them to contract to cause the heartbeat. When SERCA fails to move the calcium, the heart stops beating. ANU researchers discovered that SERCA interacts with RNA, which could regulate the function of SERCA. Mr Louis's research is about trying to understand which RNA interacts with SERCA, and its functional relevance. The research has widespread importance for humans across the globe: understanding these biomolecular interactions could unlock secrets for treating heart disease. Mr Louise's presentation won silver at the 2019 Asia-Pacific Three Minute Thesis competition.

### Veronica Koman

Veronica Koman, who graduated with a Master of Laws from ANU in July 2019, is an Indonesian human rights lawyer. She has exposed human rights abuses in West Papua, an Indonesian territory for which she is advocating self-determination. Verified information from West Papua is scarce, and press restrictions and internet blackouts are common. Ms Koman has been charged under Indonesia's electronic and transactions law for sharing eyewitness accounts, photos and videos of protests from West Papua on social media. For her advocacy, Ms Koman was awarded the 2019 Sir Ronald Wilson Human Rights Award for an individual or organisation who has made an outstanding contribution to advancing human rights. The Australian Council for International Development makes the award. She credits her studies at ANU College of Law for giving her the knowledge and skills to work with international institutions and their legal frameworks.

### Karlie Alinta Noon

Karlie Alinta Noon, who is studying her Master of Astronomy and Astrophysics at ANU, has an interest in the connections between astronomy and her Indigenous heritage. Her research explores the sophisticated astronomic knowledge deeply embedded within Indigenous culture. Ms Noon's Masters is focused on gas clouds outside the Milky Way and how to determine their distance from Earth. She is also examining moon haloes – rings around the moon formed by ice crystals, which are part of Indigenous traditional weather prediction – and exploring how they correlate to physical systems in the lower atmosphere. In 2019, Ms Noon was a finalist in the 3M Eureka Prize for Emerging Leader in Science and made the honour roll for Australian of the Year. She works to open the doors to STEM for people from minorities and inspire children, particularly girls, to engage in STEM.

# MANAGEMENT & ACCOUNTABILITY

## Overview

The Council serves as the governing authority of ANU and its controlled entities. Good corporate and academic governance is a fundamental part of the culture and academic and operating practices of the University. The following section outlines key aspects of the University's corporate and academic governance framework and practices for 2019.

In December 2019, Council assessed and reaffirmed its view that the University complies with the corporate and academic governance requirements of:

- > *Australian National University Act 1991* (ANU Act)
- > *Public Governance, Performance and Accountability Act 2013* (PGPA Act)
- > *Higher Education Standards Framework (Threshold Standards) 2015*
- > *Voluntary Code of Best Practice for the Governance of Australian Public Universities* (as revised May 2018).

Further information on the governance of the University is available at [anu.edu.au/about/governance](http://anu.edu.au/about/governance).

## Strategic focus

The third year of the ANU Strategic Plan 2017–2021 has been completed. The strategic plan gives effect to the University's Vision Statement (adopted in May 2016) and is built on five pillars:

- > building on a culture of academic excellence
- > delivering on our unique national responsibilities
- > achieving equity – within ANU and in society
- > building a culture of collegiality and engagement – across and beyond ANU
- > creating an unrivalled campus environment.

Further information is available at [anu.edu.au/about/strategic-planning](http://anu.edu.au/about/strategic-planning).

The Strategic Plan serves as the University's Corporate Plan, as presented to the Minister for Education and the Finance Minister annually, for the purposes of the PGPA Act. Council remains focused on working with the Vice-Chancellor to deliver the strategic goals it has set for the University, and monitors outcomes against key performance indicators throughout the year.

Council considered a range of significant issues and initiatives for the University in 2019. The most significant was its search for and appointment of a Chancellor to succeed Professor the Hon Gareth Evans AC QC on 1 January 2020, after a decade of service in the role.

Other significant Council activities in 2019 included approving the new Master Plan for the Acton Campus – the result of well over a year of concentrated effort and extensive consultation with the Chancellor, external consultants, University executives, the Facilities and Services Division, and the Campus Planning Committee.

Council also held a successful 454<sup>th</sup> meeting at Charles Darwin University (CDU) in Darwin, on 3 October 2019. This was the first Council meeting ever held in the Northern Territory, and one of the very few held outside Canberra in the University's history.

In 2019, Council considered issues such as the International Strategy, a significant review of Academic Governance at the ANU, freedom of speech and academic freedom matters. It also created the *Kambri Scholarships*; a new scheme to help ANU reach a target of 3 per cent of its domestic students identifying as Indigenous. The scheme includes an allocation of financial resources and a support model to reach this target.

At all its meetings, each running for approximately four hours, Council remained up-to-date with the status of the University budget and financial projections, prioritised the welfare of students and staff, and received key portfolio updates from the Executive and reports from Council Committees and the Academic Board. The centrepiece of strategic discussion was the annual Council Planning Days, held across two days in February 2019 at ANU House, Melbourne.

## Functions of the University

The University is an educational institute, established by an Act of the Australian Parliament in 1946. Section 5 of the ANU Act specifies its functions as:

- > advancing and transmitting knowledge, by undertaking research and teaching of the highest quality
- > encouraging, and providing facilities for, research and postgraduate study, both generally and in relation to subjects of national importance to Australia
- > providing facilities and courses for higher education generally, including education appropriate to professional and other occupations, for students from within Australia and overseas
- > providing facilities and courses at higher education level and other levels in the visual and performing arts, and, in so doing, promoting the highest standards of practice in those fields
- > awarding and conferring degrees, diplomas and certificates in its own right or jointly with other institutions, as determined by the Council
- > providing opportunities for persons, including those who already have post-secondary qualifications, to obtain higher education qualifications
- > engaging in extension activities.

In performing its functions, the University ensures a focus on its national and international roles and on the needs of the ACT and the surrounding regions.

Following several years of negotiation, the University and the Australian Government, via the Department of Education, Skills and Employment, have finalised most significant discussions concerning the drafting of the ANU Bill, designed to replace the ANU Act.

## Council

### Establishment

The Council is established under section 8 of the ANU Act as the governing authority of the University.

### Responsibilities

Powers are conferred upon Council to control and manage the entire University under section 9 of the ANU Act. However, save for matters that the Act prescribes cannot be delegated, management control of the University is delegated to the Vice-Chancellor.

Council responsibilities, articulated in the ANU Council Charter, are:

- > Strategic oversight of the University, including:
  - setting the mission, values and strategic direction of the University
  - ongoing review of the success of those strategies.
- > Ensuring effective overall governance and management of the University, including:
  - appointing the Chancellor and Pro-Chancellor
  - appointing the Vice-Chancellor as principal academic and Chief Executive Officer of the University, and monitoring his or her performance
  - overseeing and reviewing the management of the University and its performance
  - ensuring that the strategic goals set by the Council are delivered by effective management systems
  - overseeing and monitoring the academic activities of the University
  - establishing policy and procedural principles, consistent with legal requirements and community expectations.

- > Ensuring responsible financial and risk management of the University, including:
  - approving the annual budget, business plan and annual report
  - overseeing and monitoring the assessment and management of risk across the University, including in its commercial undertakings
  - approving and monitoring systems of control and accountability for the University and any entities controlled by the University (within the meaning of section 50AA of the *Corporations Act 2001*)
  - approving significant commercial activities of the University.

## Experience of the members of Council

### Professor the Hon Gareth Evans AC QC (Chancellor)

*BA LLB(Hons) Melb, MA Oxf, HonLLD Melb, Syd, Carleton, Queen's Ont, FASSA, FAIA*

Gareth Evans is a former Cabinet Minister in the Hawke and Keating Governments from 1983–96 (Attorney-General, Minister for Resources and Energy, Minister for Transport and Communications, and Foreign Minister); former Leader of the Government in the Senate, and Deputy Opposition Leader; President Emeritus of the Brussels-based International Crisis Group, of which he was President from 2000–09; Co-Chair of the International Commissions on Intervention and State Sovereignty (2001) and Nuclear Non-Proliferation and Disarmament (2010); and a Distinguished Honorary Professor at ANU. He has been a member of many other international panels, commissions and advisory boards, has written or edited 13 books – most recently, *Incorrigible Optimist: A Political Memoir* (Melbourne University Publishing, 2017) – and won a number of international awards, including the 2010 Roosevelt Institute award for Freedom from Fear. He was Chancellor of ANU for a decade, until 31 December 2019.

### Professor Brian P. Schmidt AC (Vice-Chancellor)

*BS(Phys), BS(Astro) UA, AM(Astro), PhD Harvard, FAA FRS*

Brian Schmidt, winner of the 2011 Nobel Prize in Physics, was an astrophysicist at the ANU Mount Stromlo Observatory and Research School of Astronomy and Astrophysics before becoming Vice-Chancellor. He received undergraduate degrees in Astronomy and Physics from the University of Arizona in 1989, and completed his Astronomy Master's degree (1992) and PhD (1993) from Harvard University. Under his leadership, in 1998, the High-Z Supernova Search team made the startling discovery that the expansion rate of the Universe is accelerating. He is a Fellow of the Australian Academy of Science, The United States Academy of Science, and the Royal Society, and was made a Companion of the Order of Australia in 2013. He has been Vice-Chancellor of the University since January 2016.

### Ms Naomi Flutter (Pro-Chancellor)

*MPP Harvard, LLB(Hons) ANU, BEc(Hons) ANU, GDLP ANU*

Naomi Flutter is the Executive General Manager, Corporate Affairs at Wesfarmers Limited. Prior to this, she was the head of Deutsche Bank's Trust and Agency Services business for the Asia Pacific region, and the head of the Bank's Global Transaction Banking division for Australia and New Zealand. In this capacity, she was responsible for the delivery of certain wholesale and commercial banking products and services to clients across Asia and in Australia and New Zealand. She worked for Deutsche Bank for 19 years, and previously worked for the United Nations High Commissioner for Refugees including in refugee camps in Kenya and Nepal. In 1994, she was awarded the ANU Tillyard Prize for outstanding contributions to University life. She has been the Pro-Chancellor of the University since July 2017.

## Mr Graeme Samuel AC

*LLB Melb, LLM Monash, FAICD*

Graeme Samuel is a Professorial Fellow in Monash University's Business School and School of Public Health and Preventative Medicine. He is also President of Dementia Australia, Council Member of the NHMRC and Chair of its Health Innovation Advisory Committee and the National Institute for Dementia Research, Chair of Data Governance Australia, Chair of the South East Melbourne Primary Health Network, Chair of Lorica Health Pty Ltd (a Capital Markets Cooperative Research Centre company), Member of the Committee for Economic Development of Australia's Council of Economic Policy and Chair of Airlines for Australia and New Zealand. He is a member of the Australian Prudential Regulation Authority (APRA) Panel to conduct a Prudential Inquiry into Commonwealth Bank of Australia. He was Chair of the Australian Government's Panel of Review of Australia's Independent Medical Research Institutes. He has held a number of roles in public life including former Chairman of the Australian Competition and Consumer Commission, Associate Member of the Australian Communications and Media Authority and President of the National Competition Council. In 2010, he was made a Companion of the Order of Australia for eminent service to public administration through contributions in economic reform and competition law, and to the community through leadership roles with sporting and cultural organisations. He served on the ANU Council and several of its committees for eight years, until 31 July 2019.

## Mr Michael Baird

*BA(Econ) Syd, DipCS UBC*

Michael Baird is the Chief Customer Officer, Consumer Banking at the National Australia Bank (NAB). Prior to joining NAB, he was the 44<sup>th</sup> Premier of New South Wales, representing the electoral district of Manly in the New South Wales Legislative Assembly. In 1989, he started his career as a NAB graduate in Sydney. Mr Baird went on to hold senior roles in NAB's Corporate and Institutional Banking team in Australia and London, including Global Relationship Manager and Head of Debt Capital Markets Originations based in London. He was a Senior Corporate Finance Manager at Deutsche Bank and Head of Corporate and Institutional Banking at HSBC in Australia and New Zealand. He entered New South Wales state politics in 2007. He held a number of shadow ministries before serving as Treasurer from 2011 to 2014 and then Premier from 2014 to January 2017, when he retired from politics. He holds a Bachelor of Arts (Economics) from the University of Sydney and has completed executive management courses at Harvard and Duke University.

## Dr Doug McTaggart

*BEc(Hons) ANU, MA PhD Chicago, HonDUniv QUT, FAICD, FAIM*

Doug McTaggart is an independent non-executive director. He also sits on the Board of the Suncorp Group and is the Chair of its New Zealand businesses, and was previously Chair of its Audit Committee, is the Chairman of Suncentral Maroochydore, and Spark Infrastructure. He was recently a member of the Prime Minister's Expert Advisory Panel on the Reform of the Federation. He advises governments on economic development, recently the Northern Territory and currently New South Wales, and is currently advising the Indigenous Land Council on investment strategy. He was Chairman of the Queensland Public Service Commission (2012–15) and was a Commissioner on the Queensland Independent Commission of Audit. In June 2012, he retired as CEO of QIC. Prior to this appointment, Dr McTaggart held roles including Professor of Economics and Associate Dean at Bond University (1989–96), and then Under Treasurer, Queensland Department of Treasury (1996–98). He was a member of the Council of Australian Governments (COAG) Reform Council (2007–13) and Councillor on the National Competition Council (NCC) (2000–13). He has also been the Chair of the University's Finance Committee since 1 July 2019.

## **Professor Suzanne Cory AC**

*BSc, MSc Melb, PhD Camb, HonDSc Syd, HonDSc Oxfd, HonDLaws Melb, FAA, FRS*

Suzanne Cory is one of Australia's most distinguished molecular biologists. She was Director of the Walter and Eliza Hall Institute of Medical Research (1996–2009), where she remains an active cancer researcher. She was the first-elected female President of the Australian Academy of Science (2010–14). She is an elected member of the Australian Academy of Science, the Royal Society, the United States National Academy of Science, the French Academy of Sciences and the Japan Academy. In 2009, she was awarded the French decoration of Chevalier de l'Ordre de la Legion d'Honneur.

## **Mr Peter Yu**

Peter Yu is a Yawuru Man from Broome in the Kimberley region in North West Australia. He has more than 35 years' experience in Indigenous development and advocacy in the Kimberley and at the state, national and international level. He was Executive Director of the Kimberley Land Council during the 1990s and had a national leadership role negotiating the Australian nation's response to the High Court's 1992 Mabo decision. He was a key negotiator in the landmark Yawuru Native Title global negotiations between the Western Australian Government and the Shire of Broome, and is the current Chief Executive Officer of the Yawuru Corporate Group. He is a Chair of the North Australian Indigenous Land and Sea Management Alliance Ltd (NAILSMA Ltd), Deputy Chair of the AFL Aboriginal Advisory Committee, Deputy Chair of Broome Future Ltd, and a Trustee of the Princes Trust Australia (PTA).

## **Ms Natasha Stott Despoja AO**

*BA Adelaide*

Natasha Stott Despoja is the founding Chair of Our Watch, the national foundation to prevent violence against women and their children. She is the author of *On Violence*, published by Melbourne University Press (MUP). Ms Stott Despoja is the former Ambassador for Women and Girls (2013–16). She was a World Bank Gender Advisory Council member (2015–17) and served on the 2017 United Nations High Level Working Group on the Health and Human Rights of Women, Children and Adolescents. In 2001, she was made a Global Leader for Tomorrow by the World Economic Forum. Ms Stott Despoja is a former Senator for South Australia (1995–2008) and former Leader of the Australian Democrats, and is both the youngest woman ever to enter the Australian Federal Parliament and the longest-serving Democrat Senator in the party's history. In 2019, she was appointed as an Officer of the Order of Australia for her distinguished service to the global community as an advocate for gender equality, and through roles in a range of organisations.

## **Ms Anne-Marie Schwirtlich AM**

*BA(Hons) Macquarie, DipIM NSW, FAHA, FIPAA*

Anne-Marie Schwirtlich served as the Director-General of the National Library of Australia between 2011 and 2017. Previous positions she has held include: Chief Executive Officer and State Librarian at the State Library of Victoria (2003–11); Acting Director-General at the National Archives of Australia (2000–03); and Assistant Director-General, Public and Reader Services at the National Archives of Australia (1998–2000). She served as a Member (2003–17) and Chair (2004–06) of the National and State Libraries Australasia, and as President of the Australian Society of Archivists (1989–90). She is a member of the Selection Panel for the ANU Tuckwell Scholarship. In 2008, she was made a Fellow of the Institute of Public Administration Australia, Victoria. She was made a Member of the Order of Australia in 2015, for significant service to the library and archives sector through leadership roles at state and national levels, and to professional information management organisations. In 2016, she was also elected as an Honorary Fellow of the Australian Academy of the Humanities.

## Professor Matthew Colless

*BSc Syd, PhD Camb, FAA, FRAS*

Matthew Colless was previously the Director of the Australian Astronomical Observatory (AAO), Australia's national optical observatory, for nine years. He has also held positions at Durham and Cambridge Universities in the United Kingdom and Kitt Peak National Observatory in the United States.

His research uses large redshift surveys of galaxies to understand their evolution, the large-scale structure of the universe, and the cosmological model. Professor Colless is a Fellow of the Australian Academy of Science, an Honorary Fellow of the Royal Astronomical Society, an ISI Citation Laureate, a Vice-President of the International Astronomical Union, and Vice-Chair of the Board of the Giant Magellan Telescope (GMT), a next-generation 25-metre optical telescope.

He is also a member of the Visiting Committee on Science Advisory Board for the Leibniz Institute for Astrophysics, the Max Planck Institute for Extra-terrestrial Physics, and the European Southern Observatory in Germany.

## Associate Professor Ben Corry

*BA, BSc(Hons), PhD ANU*

Ben Corry is a biophysicist with a love of teaching and research, working at the ANU Research School of Biology. His research into the nervous system spans physics, chemistry and biology. He contributes to public discourse in biomedical science and water security through national and international media appearances. He has 15 years' teaching experience extending from undergraduate to postdoctoral level. He is an ANU graduate (B.A, B.Sc. (Hons) and University Medal (1998) and PhD in Physics (2003)). He was an ARC Postdoctoral then Research Fellow at the University of Western Australia, returning to ANU in 2012 as a Future Fellow. He was Western Australian Young Scientist of the Year (2008), a Young Tall Poppy Award recipient (2011) and Eureka Awards finalist (2012).

## Professor Kate Reynolds

Kate Reynolds is Professor of Psychology at the University. Her areas of expertise are social and organisational psychology and she has experience in key areas of academic life (e.g., leading collaborative research projects, publications, competitive grants, co-ordinating/lecturing courses from 1st year to Master, supervising/mentoring HDR students & ECRs). The broad research questions that frame her work concern the impact of groups and group norms on individuals' attitudes, wellbeing and behaviour. She is Past President of the Society of Australasian Social Psychologists (2019–20) and has served as President of the International Society of Political Psychology (2017–19). At ANU she has been Associate Director of the Research School of Psychology (2014–17) and a member of other School, College and University committees concerning Human Ethics, Research, and Equity & Diversity, and a member of Academic Board).

## Dr Ceridwen Fraser

*PhD UO NZ, BMSc(Hons) Macquarie, BASc(Conservation of Cultural Materials) UC*

Ceridwen Fraser has worked or studied at six universities across three countries. This experience has given her a strong appreciation of the sorts of innovations that can be successful and can set a university apart. She has won several awards including: ACT Scientist of the Year; the Australian Academy of Science's Fenner Medal; and the International Biogeography Society's MacArthur and Wilson Award. She was part of the ANU delegation to the World Economic Forum (Davos) in 2018. She served on the ANU Council for four months, until January 2019, before accepting an appointment at another university.



## **Mrs Claire Shrewsbury**

*BA(Hons) HDipEd Maynooth Maîtrise-ès-lettres Paris, GCTEM MTEM Melb*

Claire Shrewsbury is originally from Ireland and became an ANU Bachelor of Arts student in 1993. In 1996, she received a bursary to complete her honours year in Paris. Having spent five years as a high school teacher in Dublin, Sydney and London, she made a career change to higher education administration joining the Admissions team at ANU in 2007. Since then, she has managed teams across the University, including the Student Centre and briefly Research Services in the ANU College of Asia and the Pacific. After a period as Associate Director, Transnational Education at the University of Newcastle in 2015–16, she returned to Canberra. She is currently the Assistant Director, Culture and Development in the University's Human Resources Division.

## **Mr Utsav Gupta**

Utsav Gupta is currently studying for a Master of Anthropology at ANU and fulfilling two key roles at the University: President of the Postgraduate and Research Students' Association (PARSA); and Careers Officer. As PARSA President, he is responsible for steering strategy for the peak student representative body and leading a diverse team of capable individuals to support all postgraduate and research students while advocating for their wellbeing and building a vibrant community. After completing his undergraduate degree (Bachelor of Engineering) in 2012, he gained professional experience while working for ITC InfoTech (a multinational Information Technology service provider) in information technology consulting and later in human resource management domains.

## **Mr Zyl Hovenga-Wauchope**

Zyl Hovenga-Wauchope was the President of PARSA from 2018 to 2019 and served as the Vice President of PARSA between 2017 and 2018, during which time he worked on governance and advocacy matters including constitutional review and accommodation issues for postgraduate students. He served on the Board of ANU Sport from 2017 and in executive roles in Clubs and Societies at the University during 2016 and 2017, where he organised many community events and activities. In all his roles, he has advocated for the rights and wellbeing of postgraduate students and worked to promote an inclusive and vibrant community at ANU.

## **Mr Lachlan Day**

Lachlan Day is the 2019–2020 President of the ANU Students' Association (ANUSA), and the Undergraduate Council Member. He is currently completing a Bachelor of International Relations and a Bachelor of Economics. Before beginning his term as President, he was the ANUSA General Secretary and Senior Resident at Burton and Garran Hall at the ANU. He has a keen passion for music and art, shown through his involvement in his Residents' Committee and the Inter-hall Arts Committee. He has also served the ANU Debating Society as the Vice President (Diversity).

## **Ms Eden Lim**

Eden Lim was the 2018–19 President of the ANU Students' Association (ANUSA), and the Undergraduate Council Member. She is completing a Bachelor of Laws (Honours) and a Bachelor of International Relations. Prior to her commencement as President, Ms Lim was the ANUSA General Secretary and Secretary of the Burgmann College Residents' Committee.

## Time served on Council and meeting attendance

Council member	Position
Professor the Hon Gareth Evans AC QC	Chancellor (appointed by Council)
Professor Brian P. Schmidt AC	Vice-Chancellor (appointed by Council)
Ms Naomi Flutter	Pro-Chancellor (Ministerial appointee)
Professor Suzanne Cory AC	One of the seven members appointed by the Minister
Mr Graeme Samuel AC	One of the seven members appointed by the Minister
Mr Michael Baird	One of the seven members appointed by the Minister
Dr Doug McTaggart	One of the seven members appointed by the Minister
Mr Peter Yu	One of the seven members appointed by the Minister
Ms Natasha Stott Despoja AO	One of the seven members appointed by the Minister
Ms Anne-Marie Schwirtlich AM	One of the seven members appointed by the Minister
Professor Matthew Colless	Elected position (Dean or the Head of a Research School)
Associate Professor Ben Corry	Elected Academic Staff Member (The Faculties)
Dr Ceridwen Fraser	Elected Academic Staff Member (Institute of Advanced Studies)
Professor Kate Reynolds	Elected Academic Staff Member (Institute of Advanced Studies)
Mrs Claire Shrewsbury	Elected General Staff Member
Mr Zyl Hovenga-Wauchope	Elected Postgraduate Student Member
Mr Utsav Gupta	Elected Postgraduate Student Member
Ms Eden Lim	Elected Undergraduate Student Member
Mr Lachlan Day	Elected Undergraduate Student Member

\*A change in date from 4 to 3 October 2019 for the Darwin meeting made Dr McTaggart's attendance impossible. Otherwise, he was committed to attending this meeting as initially scheduled together with his other governance commitments, including with the ANU Finance Committee

<b>Date of commencement</b>	<b>Date of cessation</b>	<b>No. of possible meetings in 2019</b>	<b>No. of meetings attended in 2019</b>
1 January 2010	31 December 2019	6	6
1 January 2016	31 December 2020	6	6
1 July 2014	30 June 2022	6	6
1 July 2014	30 June 2022	6	6
1 August 2011	31 July 2019	4	3
1 August 2019	31 July 2023	2	0
21 June 2012	30 June 2020	6	3*
1 September 2016	30 June 2020	6	5
1 September 2016	30 June 2020	6	4
1 July 2017	30 June 2021	6	6
30 September 2018	29 September 2020	6	6
30 September 2018	29 September 2020	6	6
30 September 2019	29 January 2020	0	0
30 January 2019	29 September 2020	6	5
26 May 2018	25 May 2020	6	5
4 September 2018	3 September 2019	4	4
4 September 2019	3 September 2020	2	2
1 December 2018	30 November 2019	5	5
1 December 2019	30 November 2020	1	1

## Ministerial appointments to Council

The Minister for Education, the Hon Dan Tehan MP, appointed one new member to Council in 2019 – Mr Michael Baird was appointed for a four-year term, from 1 August 2019.

## Elections to Council

One new Academic Staff representative joined the Council during 2019 – Professor Kate Reynolds was elected on 30 January 2019 as an Academic Staff representative, succeeding Dr Ceridwen (Crid) Fraser, who ceased her tenure as a member of Council on 28 January 2019 to accept an academic appointment overseas.

Undergraduate and postgraduate students of the University elect undergraduate and postgraduate members of Council in a ballot distinct from the presidency of the respective student associations. Notwithstanding the separate ballots, the student bodies also elected their student association Presidents as members of the Council. Mr Utsav Gupta was elected for a one-year term as the postgraduate student member. He succeeded Mr Zyl Hovenga-Wauchope on 4 September 2019. Ms Eden Lim concluded her term on 30 November 2019 and was succeeded by Mr Lachlan Day as the undergraduate student member on 1 December 2019.

## Council member induction and continuing education

An induction program is conducted for new Council and Council committee members. This may include one-on-one meetings with the Chancellor, Vice-Chancellor and other members of the University Executive and the Secretary to Council (who is also the Director, Corporate Governance and Risk Office). The comprehensive induction incorporates key institutional and strategic information and context, and also documentation such as relevant legislation, current Strategic Plan, prior year annual report, ANU Council Charter, Code of Conduct, and access to all necessary secure documents.

As part of the induction process, new and re-appointed/elected Council members complete a disclosure and declaration form that details all potential conflicts of interest. In addition, the University executes a deed of indemnity and access for each member of the Council.

Council members are encouraged and supported to attend training where the need arises. In 2019, a number of Council members participated in or expressed interest in professional development programs offered by the Australian Institute of Company Directors.

## Council performance evaluation

Council evaluates its performance annually in line with the *Voluntary Code for Best Practice for the Governance of Australian Public Universities*. The code recommends that 'at least once each two years, the governing body should assess its performance, the performance of its members and performance of its committees. The Chancellor should have responsibility for organising the assessment process, drawing on external sources if required'.

Council regularly evaluates its own performance, most recently in October 2019 through one-on-one consultations between the Chancellor and individual Council members.

These consultations covered, variously, such matters as:

- > General role of Council
  - distinction between Council and Management
  - value of the planning days
  - balancing strategic and operational issues
  - value of communicating Council outcomes.
- > Structure and membership
  - size and composition
  - induction and development
  - remuneration of Council members
  - Chancellor's role
  - collegiality.
- > Council meetings
  - length of meetings
  - papers
  - conduct of meetings
  - staff presentations
  - Council Committees.

For 2019, Council determined that, overall, it worked efficiently and effectively, and properly discharged its governance duties.

## Membership and succession planning

The Nominations Committee Charter outlines the qualities that Council requires across its membership and, in particular, in the members appointed by the Minister. The charter also formalises the mechanisms through which Council manages succession planning of its membership.

The charter places an expectation on the Nominations Committee, when recommending nominees to the Minister for membership to Council, to ensure:

- > at least two members who have a high level of relevant financial expertise
- > at least one member who has a high level of relevant commercial expertise
- > a desirable balance of skills, expertise and gender among the members of Council
- > nominees have an appreciation of the values of the University and its core activities of teaching and research, its independence and academic freedom, and the capacity to appreciate what the University's external community needs from it
- > a level of continuity within its membership such that, where possible, members' terms of office overlap
- > a balance of representation from states and territories in addition to New South Wales and Victoria in the Council's composition
- > an Indigenous member of Council
- > renewal, with Council members *normally* serving for a maximum of eight years.

In addition, the Charter explicitly excludes from consideration any person who is a:

- > member of any parliament in Australia
- > member of staff of the University
- > student of the University
- > member of the Nominations Committee.

## Meetings of Council

Council met on six occasions in 2019, approximately every two months. As Chair, the Chancellor presided at all meetings of Council.

The Chair is committed to ensuring free and open debate, adequate debate of significant issues, canvassing of all views, fair treatment of all issues during debate, courtesy at all times, and efficient and expeditious conduct of business.

Council conducts itself in a consultative and collegial manner, seeking consensus as a result of debate on an issue. In exceptional circumstances, where clarity is sought, the Chair may invite Council members to vote on a matter.

Meetings of Council are open to observers (for non-confidential items). The meetings are attended by the entire University Executive, all of whom are invited to be present for confidential items, unless determined otherwise by Council. Also in attendance are officers of the Corporate Governance and Risk Office who form part of the Council secretariat, including the Secretary to the Council.

In 2019, Council continued its active program of site visits at the conclusion of most Council meeting. This program assists members to engage with the academic and research community, and to become more informed about the depth and variety of activity being pursued across the University.

During the year, Council visited or attended: the newly opened Kambri precinct, following two years of intensive effort and one of the University's largest ever capital investments; the 2019 ANU Reconciliation Week Lecture, where the keynote address was delivered by Professor Tony Dreise (who had been recently appointed Director of the ANU Centre for Aboriginal Economic Policy Research); and, while in Darwin in October, attended the HC Coombs Memorial Lecture, delivered by the Hon Linda Burney MP, and visited the North Australian Research Unit.

## The Chancellor

The Chancellor is appointed by Council under section 32 of the Australian National University Act. The Chancellor's principal responsibilities are to provide appropriate leadership to the Council and to ensure the Council fulfils its obligations under the Council Charter. The Chancellor also has specific responsibilities to:

- > chair Council meetings, and other governance-level meetings, and to facilitate discussion in each meeting
- > represent the views of Council to the University community, government, business, civil society and the public
- > maintain a frequent dialogue with the Vice-Chancellor and executive management, serving as a primary link between the Council and management, and affording continuity between Council meetings
- > work with the Vice-Chancellor on Council's requirements for information to contribute effectively to the Council decision-making process and monitor effective implementation of Council decisions
- > preside at ceremonial occasions of the University, including Conferring of Awards ceremonies.

## Retirement of the Chancellor, Professor the Hon Gareth Evans AC QC

The ANU Council, on 6 December 2019, unanimously and by acclamation resolved to acknowledge and thank, and formally record, that Professor Gareth Evans, after a decade of extraordinary service to ANU, left the role of Chancellor on 31 December 2019 as one of the great, most influential and committed ambassadors to have served the University.

## Appointment of the new Chancellor, the Hon Julie Bishop

On 26 July 2019, Council appointed the Hon Julie Bishop as the 13<sup>th</sup>, and first female, Chancellor for a three-year term, beginning on 1 January 2020. Minister for Education, the Hon Dan Tehan MP was advised of Ms Bishop's appointment on 30 July 2019.

## The Pro-Chancellor

The Pro-Chancellor's principal responsibilities are to assist the Chancellor in providing appropriate leadership to the Council and ensuring Council fulfils its obligations under the Council Charter. The Pro-Chancellor also has specific responsibilities to:

- > chair Council meetings, in the absence of the Chancellor
- > assist the Chancellor with his or her other specific responsibilities as listed above
- > lead the Council in its deliberations on the appointment or re-appointment of a Chancellor.

The Pro-Chancellor is appointed by Council and is an experienced and well-respected member of the Council, drawn from its external members. The current Pro-Chancellor, Ms Naomi Flutter, was appointed by the Council in 2017 as Pro-Chancellor for a term of three years (in a process separate from the Minister re-appointing Ms Flutter to the Council itself for a second four-year term until 30 June 2022).

During 2018 and much of 2019, Ms Flutter, in her capacity as Pro-Chancellor, and with the assistance of a Council-appointed Chancellor Nomination Committee, led the search for and appointment of the new Chancellor.

## The Vice-Chancellor

The Vice-Chancellor is the Chief Executive Officer of the University and is appointed by Council for such period as Council determines.

Under the *Vice-Chancellorship Statute 2013*, the Vice-Chancellor is charged with responsibility to control and manage the affairs of the University; and the real and personal property at any time vested in or acquired by the University, including the disposal of that property. The Vice-Chancellor has the 'power to do all things that are necessary or convenient to be done for, or in connection with, the performance of the Vice-Chancellor's duties', which includes:

- > developing with Council, the vision and strategic direction of the University
- > implementing the vision and strategic direction set by Council
- > providing strong leadership to, and effective management of, the University
- > ensuring the ongoing development, implementation and monitoring of the University's risk management and internal controls framework
- > ensuring Council is provided with accurate and clear information in a timely manner to promote effective decision-making by Council
- > keeping Council informed, at an appropriate level, of the activities of the University, including advice of:
  - any potential legal action against the University
  - major risks
  - the University's financial position and projected expenditure, and documents executed under power of attorney.

The Vice-Chancellor throughout 2019 was Professor Brian P. Schmidt AC, who has held the role since January 2016. His current appointment ceases on 31 December 2020.

## Council committees

The Council is assisted in discharging its responsibilities by the:

- > Finance Committee
- > Audit and Risk Management Committee
- > Campus Planning Committee
- > Remuneration Committee
- > Honorary Degrees Committee
- > Nominations Committee.

These Council committees comprise members of Council, supplemented as appropriate with other appointees, who are internal and external to the University, who bring leadership in their field of expertise. All committees of Council operate under charters approved by Council.

### Finance Committee

The Finance Committee makes recommendations to Council on financial, investment and commercial management matters of the University. A summary report from the Finance Committee is a standard item on the agenda for each meeting of Council. The Chair and other members of the Finance Committee are also members of the ANU Council, and advise Council about the committee's deliberations or recommendations.

During the year, the committee oversaw the University and subsidiary entities' budgets, monitored the University's financial projections and performance, and actively discussed the University's strategic financial forecasting and scenario modelling, the ANU College of Engineering and Computer Science (CECS) Reimagine project progress, the University's Budget and Reporting Framework (BRF) project, and the University's insurance matters.

The committee also oversaw changes in the University's investment management activities and considered a range of matters relating to the University's commercial activities relating to ongoing campus redevelopment opportunities.

### Audit and Risk Management Committee

The Audit and Risk Management Committee provides independent advice and assistance to Council on the University's risk, control and compliance framework and its external accountability responsibilities, including its active consideration of the annual financial statements.

The committee also serves to meet the University's obligations under section 45 of the PGPA Act. A report from the committee to Council after every meeting is a standing item on the Council.

During 2019, the committee's work included oversight for Council of the preparation of University and Subsidiary Entities Annual Financial Statements. The committee also received several internal audits completed as part of the 2019 Internal Audit Work Plan and two management (University) initiated reviews concerning the use of purchase cards and student managed funds.

The committee also advised Council on the ongoing and growing management of the University's risk framework, which will remain an area of focus in 2020.

### Campus Planning Committee

The Campus Planning Committee monitors and advises Council on matters relating to the planning and development of the University's major property and physical infrastructure.

During the year the committee's work included the completion of the Kambri project, oversight of all major capital projects, managing the impact of the 2018 flood on campus, student accommodation strategy, heritage matters, campus safety, the future of University library facilities and public art.



Following a lengthy process, the committee endorsed, for Council approval on 26 July 2019, the new Master Plan for the Acton Campus. The Master Plan is comprehensive in range, incorporating elements as diverse as heritage, energy management and technology with more classic aspects such as landscape and building design standards. The Master Plan is also the first to significantly acknowledge the Indigenous heritage of the ANU site and to take active steps to preserve that heritage.

## Remuneration Committee

The Remuneration Committee determines the remuneration and conditions of employment of the Vice-Chancellor and monitors and reviews the Vice-Chancellor’s performance and remuneration of senior management of the University.

In February 2019, the committee discussed key performance indicators with the Vice-Chancellor for that calendar year, and considered the Vice-Chancellor’s performance, and noted remuneration of the senior management of the University. The committee’s deliberations were reported to Council at its February 2019 meeting.

## Honorary Degrees Committee

The Honorary Degrees Committee considers nominations within the terms of the Honorary Degree Rules 2015 of persons for conferral of honorary degrees and recommends the names of suitable persons to the Council for admission to an award.

During the year, on the recommendation of the Committee, Council approved the awarding of honorary degrees, as follows.

Conferee	Honorary degree	On the grounds of:
Professor Dame Valerie Beral	Doctor of Science <i>honoris causa</i>	Her exceptional contribution to health research and her life achievements.
Ms Geraldine Doogue	Doctor of Letters <i>honoris causa</i>	Her exceptional contribution to journalism in Australia and abroad.
Professor Arthur Stockwin	Doctor of Letters <i>honoris causa</i>	His exceptional contribution to the understanding of Japanese politics and society, and the promotion of Japanese Studies in Australia, the United Kingdom and Europe.
The Rt Hon Helen Clark	Doctor of Laws <i>honoris causa</i>	Her exceptional contribution to politics, international affairs, women’s empowerment, development issues and environmental sustainability.
Mrs Skaidrite Darius	Doctor of the University <i>honoris causa</i>	Her exceptional contribution to computer science and gender equality.
Professor Marcia Langton	Doctor of Letters <i>honoris causa</i>	Her exceptional contribution to Indigenous Australia.
Mr Arun Abey	Doctor of the University <i>honoris causa</i>	His exceptional service to the University and his outstanding business and philanthropic endeavours which bring credit to the institution.
Dr Robin Hughes AO	Doctor of the University <i>honoris causa</i>	Her exceptional contribution to the University as a Council member, including as Pro-Chancellor, and to the Australian film industry.

## Nominations Committee

The Nominations Committee of Council makes recommendations to the Minister about people to be appointed to Council. The committee is established under section 10 of the ANU Act.

The Nominations Committee convened on two occasions in 2019. In February 2019, the committee considered, inter alia, potential candidates to succeed Mr Graeme Samuel AC, who was due to retire from Council at the conclusion of his second four-year term on 31 July 2019. In November 2019, the committee also considered potential candidates to plan for the potential re-appointment or replacement of three of the seven ministerially appointed members, from 1 July 2020.

Council continued to maintain its Council and Committees Skills Register to assist the Nominations Committee with making recommendations to the Minister for appointments and re-appointments.

## Council committees meeting attendances

Attendances at meetings by committee members in the period 1 January to 31 December 2019, are listed in the following tables.

### Finance Committee

Committee member	No. of possible meetings	No. of meetings attended
Mr Graeme Samuel AC	3	3
*Professor Brian P. Schmidt AC (Vice-Chancellor)	3	3
*Professor Mike Calford (Acting Vice-Chancellor)	2	2
Ms Naomi Flutter	5	4
Dr Doug McTaggart	5	3
Professor Tim Senden	5	3
Mr Geoff Knuckey	5	5
Mr Darren Keogh	5	4
Mr Tony McGrath	5	5
Ms Merran Kelsall	5	4
Mr Andrew Dyer	1	1

The Provost, Professor Mike Calford, attended two Committee meetings as the Acting Vice-Chancellor.

## Audit and Risk Management Committee

Committee member	No. of possible meetings	No. of meetings attended
Mr Geoff Knuckey	6	6
Ms Anne-Marie Schwirtlich AM	6	6
Mr Mark Ridley	6	5
Ms Janine McMinn	6	5
Mr Jeremy Chandler	6	6

## Campus Planning Committee

Committee member	No. of possible meetings	No. of meetings attended
Professor the Hon Gareth Evans AC QC	6	6
Professor Brian P. Schmidt AC	6	6
Ms Naomi Flutter	6	6
Ms Anne-Marie Schwirtlich AM	6	6
Mr Rob McGauran (from 2 May 2019)	5	3
Mr Terry Weber	6	6
Mr Malcolm Snow (to 30 June 2019)	3	2
Mrs Claire Shrewsbury	6	6

## Remuneration Committee

Committee member	No. of possible meetings	No. of meetings attended
Professor the Hon Gareth Evans AC QC	1	1
Ms Naomi Flutter	1	1
Mr Graeme Samuel AC	1	1

## Honorary Degrees Committee

Committee member	No. of possible meetings	No. of meetings attended
Professor the Hon Gareth Evans AC QC	3	3
Professor Brian P. Schmidt AC	3	3
Ms Naomi Flutter	3	2
Professor Suzanne Cory AC	3	3
Mr Peter Yu	3	2
Ms Natasha Stott Despoja AO	3	3
Professor Keith Nugent	3	2
Professor Grady Venville	3	2
Ms Eden Lim (1 December 2018 to 30 November 2019)	2	2
Professor Peta Spender	3	2
Professor Robyn Lucas	3	2
Mr Utsav Gupta (from 1 December 2019)	1	1

## Nominations Committee

Committee member	No. of possible meetings	No. of meetings attended
Professor the Hon Gareth Evans AC QC	2	2
Professor Brian P. Schmidt AC	2	2
Ms Naomi Flutter	2	2
Ms Robin Hughes AO	2	1
Ms Julie Steiner	2	2
Mr David Miles AM	2	2
Professor Tim Senden	2	2

## Remuneration

The remuneration and performance evaluation of the Vice-Chancellor is managed by the Remuneration Committee, under Council oversight. The Chancellor, as Chair of the committee, gives an annual written assurance to Council that the committee has ensured contractual arrangements are in order, remuneration has been properly developed, and performance objectives have been formulated and measured.

The package of remuneration received by the Vice-Chancellor is, at his insistence, benchmarked against the practices of other comparable international higher education institutions, rather than the major Australian universities, and is significantly more modest than the current Group of Eight norm. The Remuneration Committee is supported by the University's Director, Human Resources and receives external advice on remuneration benchmarking for the position from a major remuneration advisory firm.

Key performance indicators for the Vice-Chancellor are determined annually, with Council assessing achievement early in the subsequent year.

In 2019, the Chancellor received an annual honorarium of \$75,000 in recognition of the significant responsibilities and time involved in the discharge of the office. While the University meets external members costs, they are not remunerated and Council recognises that a strictly voluntary commitment to serve on Council may prove a barrier to potential members whose time away from their primary occupation may result in forfeited income. Time spent in the service of the Council may also be a barrier to accepting other paid work, and so the matter was discussed in 2019.

## Communicating with the community

Council maintains several mechanisms for communication with the University and wider community. Governance documents, such as details on Council and Council committees (including member profiles and meeting dates and minutes of non-confidential items), Academic Board and its committees, various governance frameworks, ANU legislation and public interest disclosure are available at [anu.edu.au/about/governance](http://anu.edu.au/about/governance).

Council publishes updates on the University's website for staff and students following Council meetings. This overview of current matters under discussion by Council creates a greater awareness of these matters across the University community.

Council regards the annual report as its primary mechanism for communicating the activities of the University to the Australian Parliament, the government and the wider Australian community. Further information on its activities and processes is available at [anu.edu.au](http://anu.edu.au).

## Corporate governance & risk

The Corporate Governance and Risk Office manages the corporate and academic governance functions of the University. It provides procedural and governance advice, and secretariat support to Council, all Council committees, and the Academic Board and its committees.

The Director – and Secretary to Council – is the principal procedural and governance advisor to the Chancellor, the Vice-Chancellor and members of Council, and oversees management of the governance frameworks of the University, covering subordinate legislation, policy and delegations of authority.

The Director is also the Chief Audit Executive of the University and oversees management of the enterprise risk management framework, fraud control framework and internal audit program on behalf of Council and its Audit and Risk Management Committee.

The Director reports directly to the Chancellor and the Vice-Chancellor.

## Conduct, ethics & disclosure of interests

The University's Code of Conduct applies to all staff and to members of the Council. Codes of practice applying to staff and students are also in place for Teaching and Learning, Supervision in Higher Degrees by Research, and Student Academic Integrity.

The Code of Conduct is available at [policies.anu.edu.au/ppp/document/ANUP\\_000388](http://policies.anu.edu.au/ppp/document/ANUP_000388) and responsibilities of members of Council are outlined in the ANU Council Charter, which is available at [www.anu.edu.au/about/governance/council](http://www.anu.edu.au/about/governance/council).

Council and Council committee members are required to take all reasonable steps to avoid actual, potential or perceived conflicts of interests. They must comply with the requirements of the PGPA Act for disclosure of material personal interests.

Any Council or Council committee member who has a material personal interest in a matter relating to the affairs of the University must disclose that interest orally, or in writing, at the relevant Council or Council committee meeting as soon as practicable after becoming aware of the interest. The disclosure must include details of the nature and extent of the interest and how the interest relates to the affairs of the University. If the nature or extent of a material personal interest subsequently changes, that must also be declared if it continues to be of relevance to a matter relating to the affairs of the University. Any such disclosure is recorded in the minutes of the meeting. Unless Council or Council committee members determine otherwise, the member must not take part while the matter is being considered at the meeting nor participate in decision-making on the matter.

The Director, Corporate Governance and Risk Office, maintains a register of all material personal interests declared by members. Members are invited annually to make a declaration of any further material personal interests or to amend existing declarations. These are recorded in the register.

## Academic governance

The academic governance arrangements of the University are subject to the oversight of the Academic Board, a formal body that reports directly to Council. The Board is tasked with ensuring that the University maintains the highest standards in teaching, scholarship and research.

The Board is responsible for approving new academic programs, reviews of, and amendments to, existing programs, and the disestablishment of programs. Moreover, it provides a forum to facilitate information flow and debate within the University and between the senior executive officers of the University and the wider academic community, especially about academic policy matters. It operates under the *Australian National University (Academic Board) Statute 2017*, with the assistance of the following specialist committees including:

- > Academic Quality Assurance Committee
- > Teaching and Learning Development Committee
- > University Research Committee.

In addition to key business items, the Board agendas during 2019 also incorporated regular *Hot Topics and Poll Question* discussions to facilitate engagement in strategic planning, academic due-diligence and policy development. Topics considered during the year included:

- > alignment of digitalisation projects with academic needs and priorities
- > innovations in lecture delivery and mandating attendance
- > quality of international student education at ANU
- > the meaning of freedom of expression at the ANU
- > research performance of ANU.

Key matters discussed at each Board meeting are summarised in regular Academic Board e-newsletters following each meeting, which are published on the University website and communicated to Council.

In February 2019, a report was presented by Professor Hilary Winchester, a consultant engaged to review the ANU Academic Governance as measured against the requirements of the Higher Education Standards Framework (HESF). The review provided an important opportunity for the University to reflect on its academic governance structures and processes. At its 3 October meeting, Council accepted the University's consolidated response as shaped by the Academic Board and the Senior Management Group (which, overall, agreed with several recommendations, and did not agree with, or simply noted, others). Following this, the University began implementing agreed recommendations – one significant outcome being that the Chair, Academic Board would now be seated at the meeting table as a non-voting member of the Council.

During 2019, the creation of a University-wide Statement on Freedom of Expression was a key achievement for the Board, and served in part to respond to the French Report on Freedom of Speech on University Campuses.

Professor Jacqueline Lo continued as Chair during 2019.

## Risk management

### Risk oversight & management

ANU is committed to embedding a robust risk management culture that will enable the University to be agile and responsive to changes in the higher education landscape, while generating maximum benefit from opportunities and facilitating innovation.

### The risk environment

ANU operates in an inherently complex and dynamic risk environment, where staff are encouraged to embrace informed risk-taking in pursuit of the University's strategic and organisational imperatives, supported by evidence-based decisions and in compliance with legislation, policy and operational guidelines.

University governance provides the appropriate frameworks and systems for risk oversight, management and reporting, and provides staff with the capability, knowledge and tools to effectively identify and manage risks. The University's Enterprise Risk Management Framework (ERMF) and Risk Management Policy draw on section 16 of the PGPA Act as well as the Australian/New Zealand Standard Risk Management standard (called ISO31000:2018).

### Creating a positive risk culture

During 2019 and for much of 2020, the University has sought to enhance its risk management maturity and capability through a staged roadmap. To do this, the Enterprise Risk Management Framework:

- > develops a positive risk culture where University management has a common understanding of key risks and feeds risk information into decision-making at all levels
- > ensures that significant risks have been identified, understood, documented and actively managed
- > assesses risk in a balanced way, with upside risks (opportunities) considered alongside downside risks (threats)
- > sustains the usefulness of risk registers and practical risk analysis tools.



## Managing risk

In 2020, the University will continue to implement Strategy Dot Zero (SDZ), an online platform designed to support the University's strategic planning, monitoring and reporting functions. SDZ provides the University leadership and key stakeholders with a coherent view of its strategic and operational risks, and the controls in place to address them. The University's Audit and Risk Management Committee and Internal Audit program of performance and compliance audits assist to validate and improve the effectiveness of the University's systems of internal control and risk management.

The Finance Committee supports and advises the Council and Executive throughout the year on the University's financial risk management.

The University's Fraud Control Framework and Fraud Control Plan, policy and procedures are maturing (now also including future resourcing) and underpin the University's zero tolerance for fraud. These are supported by fraud risk assessments and ongoing activities related to fraud prevention, detection and reporting.

The University also engages with government and industry to monitor and respond to emerging strategic risks involving, for example, foreign interference, money laundering and information security, in conjunction with the work of the University's Chief Information Security Officer (CISO).

## Audit

### External audit

The 2019 Financial Statements audit of the University as a corporate Commonwealth entity, and the consolidated entities of the University and its subsidiary ANU Enterprise Pty Ltd, was conducted by the Australian National Audit Office (ANAO) on behalf of the Auditor-General in accordance with the requirements of the PGPA Act and Australian Auditing Standards.

The 2019 Financial Statements audit made two moderate-rated and three low-rated findings. The moderate-rated findings related to the completeness of bank accounts in the ledger, and data integrity checks on financial information post the University's data breach. The low-rated findings related to asset tagging, excess balances of staff leave, and asset stocktake processes. The University took immediate action to address these findings.

### Internal audit

The ANU Internal Audit Plan 2019 gives Council, the Audit and Risk Management Committee and the University Executive a strategic overview of planned internal audit activity, linked to the University's risk profile, the business environment and the direction the University is working towards, as outlined in the Strategic Plan.

The Internal Audit Work Plan incorporates a broad range of reviews ranging from compliance-based, performance improvement audits to (increasingly) Management Initiated Reviews.

Internal audits performed in 2019 included:

- > Risk Management of Higher Degree Research (HDR) admissions and examinations
- > Software procurement and licensing
- > Recording and reporting of student grades
- > Paid outside work for academic employees (the 52-day rule)
- > Management of payroll allowance payments
- > Follow-up of the review of 116 and 117 payments – recommendations implementation
- > Annual performance statements reporting
- > Management of research integrity
- > Management of scholarships and prizes.



Management-initiated reviews in 2019 included:

- > Credit Card Internal Audit Follow Up Review
- > Review of the College of Business and Economics – Student Managed Fund
- > Governance Review of the Postgraduate Student Association
- > Compliance with the *Education Services for Overseas Students (ESOS) Act 2000* – National Code of Standards.

## Grant audits

The University is required to conduct audits of the financial activities of grants to comply with the requirements set by the grant-funding entity. These audits verify that the statement of income and expenditure accurately summarises the financial records of the grant and provides an assurance that funds have been expended in accordance with the relevant grant agreement. The statement of income and expenditure of grants is audited by an internal auditor or by an independent external auditor with the results and corrective action plans forwarded to the funding body as required by the operating legislation and/or grant agreement.

During 2019, 15 internal and four external audits were conducted in respect of \$27.2 million of grant funds.

## Controlled entities

In 2019 the University had two controlled entities overseen by the Finance Committee and Council: ANU Enterprise Pty Ltd; and ANU (UK) Foundation.

### ANU Enterprise Pty Ltd

ANU Enterprise is a wholly owned company of the University, established in 1979. It is staffed by 240 employees and currently operates three businesses: Business Development & Project Management Services for ANU; Australian Scientific Instruments Pty Ltd; and The Social Research Centre Pty Ltd. ANU Enterprise also has an overseas incorporated entity in Papua New Guinea (PNG), ANU Enterprise Limited, which enables its Project Management Services to be conducted in PNG, ensuring taxation and regulatory compliance. ANU Enterprise Pty Ltd is governed by a board with a mix of senior ANU staff and independent external directors with appropriate skills and experience in business, governance, contract research, accounting and higher education.

ANU Enterprise Pty Ltd provides Council and the Finance Committee with an annual business plan and proposed budget, and quarterly reports on financial performance and other operational matters. ANU Enterprise Pty Ltd is audited by the Australian National Audit Office as required by the PGPA Act.

### ANU (UK) Foundation

The ANU (UK) Foundation, constituted in England and Wales, operates for the purpose of facilitating, on behalf of ANU, grants, donations and bequests, in alignment with the strategies of the University, which may arise in the United Kingdom. The foundation is governed by a board comprising a mix of senior ANU staff and independent external directors with appropriate skills and experience in business, development, accounting and higher education.

The foundation is incorporated in England and Wales and is entitled to an exemption from the requirement to have an audit in England and Wales under the provisions of section 477 of the *Companies Act 2006* (UK). The foundation's financial report is prepared in accordance with the special provisions for companies subject to the small companies regime within Part 15 of the *Companies Act 2006* (UK). The ANAO does not audit the foundation's accounts because the foundation is not an Australian-based entity.

The foundation provides Council with annual Directors and trustees reports and financial statements. Accounts are prepared by an independent accountant.

## Legislation

Under section 50 of the ANU Act, Council may make statutes, not inconsistent with the ANU Act or the PGPA Act, to regulate matters concerning the operations of the University, Council itself, or under delegation of the Vice-Chancellor, also makes rules and orders to specify statute matters in further detail.

The following new legislative instruments were enacted in 2019.

> Statutes

- *Australian National University (Sir Roland Wilson Foundation) Statute 2019*
- *Australian National University (Parking and Traffic) Statute 2019.*

> Rules

- Coursework Award Rule 2019
- Academic Progress Rule 2019.

## Policy governance

The University's Policy Governance Framework forms the structure within which University policies, procedures, standards and guidelines are developed, approved and reviewed. The framework is intended to enhance the quality, understanding, accessibility and compliance with policies, procedures and related documents by officers, staff and students of the University. The framework is supported by an online policy library and comprehensive training program for staff.

## Delegations of authority

The Delegations Framework provides a key mechanism for accountability and responsibility in decision-making within the University. It is designed to reflect the University's organisational structure and provide a mechanism to assign authorities originating from legislation, policy and/or procedures of the University.

The University maintains a continuous review process for the Delegations Framework. In 2019, the University undertook a major review to identify and update authorities in the framework to reflect the ANU Council Charter, which lists matters Council has reserved for its own decision-making. Work was also undertaken to review and respond to organisational restructuring, and policy and legislative amendments.

## Disclosure of material activities & events

Section 19 of the PGPA Act provides that Council has a duty to keep the Minister for Education and the Minister for Finance informed of any significant decisions or issues concerning the University and any of its subsidiaries. This duty is limited by section 4A of the ANU Act, which provides that Council need not comply with section 19 where it would or might affect the academic independence or integrity of the University.

The principal mechanism through which the University informs these Ministers is the annual report, which is tabled in Parliament and includes a report on outcomes delivered under the National Institutes Grant.

More generally, and in accordance with section 19 of the ANU Act, Council delegates day-to-day responsibility for notification of significant decisions and issues to the Vice-Chancellor (noting that Council still remains the Accountable Authority).

During the year, the Vice-Chancellor formally communicated with the Minister for Education and (at times) the Minister for Finance about the ANU 2019 Corporate Plan and 2018 Annual Report, the appointment of the new Chancellor, a nomination for an external member of Council (concerning Mr Baird) and reported the outcomes of a 2019 ANU-commissioned audit concerning systemic control failures in the use of University-issued purchase cards, and a commitment to comprehensively remedy the situation.

## External scrutiny

In 2019, no judicial decisions involved the University, nor did any decisions of administrative tribunals or the Australian Information Commissioner have a significant effect on the operations of the University. Further, during 2019, the University's operations were not the subject of any reports of the Auditor-General, a committee of either house, or of both houses, of the Parliament, or the Commonwealth Ombudsman.

The University was not the subject of any capability reviews released during 2019.

## Indemnities & insurance for University officers

ANU indemnifies its staff against liabilities incurred by them while carrying out their duties in good faith. Indemnification of staff includes meeting the costs of actions that might be taken against them personally as though the action had been taken against ANU, provided the staff member concerned acted in good faith.

Similar indemnities have been granted to members of Council, ANU appointments to external company boards, and non-ANU employees who serve on ANU committees.

Professional indemnity insurance and other appropriate insurances, including directors and officers liability insurance, have been acquired on terms and conditions consistent with provisions in the PGPA Act.

Council members are entitled to any information they need or require from the University to exercise their functions and fulfil their duties as directors and, subject to the prior approval of the Chancellor (which is not to be unreasonably withheld), may seek independent legal advice at the University's expense on any issue submitted to Council.

## Internal grievance procedures

The University has codified its internal grievance procedure. Staff may seek resolution of their grievances in accordance with the Staff Grievance Resolution Policy and its associated procedures. Equally, students may seek resolution of their grievances in accordance with the Student Complaint Resolution Policy and its associated procedures.

The University has established a policy and supporting procedures in compliance with the *Public Interest Disclosure Act 2013*. It encourages staff and other eligible public officials to report suspected wrongdoing within the University. In accordance with that Act, the University maintained two authorised officers to receive reports of disclosable conduct. Further information on the operation of this scheme is available at [anu.edu.au/about/governance/frameworks-disclosures/public-interest-disclosure](http://anu.edu.au/about/governance/frameworks-disclosures/public-interest-disclosure).

## Information Publication Scheme

As an agency subject to the *Freedom of Information Act 1982*, ANU is required in Part II of that Act to publish information to the public as part of the Information Publication Scheme (IPS).

In accordance with IPS requirements, the University displays a high volume of operational information on its website, available at [anu.edu.au/freedom-of-information](http://anu.edu.au/freedom-of-information). The IPS section of this site contains links to information that is available and commonly requested.

PEOPLE & WORK  
HEALTH & SAFETY

# People

## Executive appointments

A number of appointments were made to the University Executive in 2019 to replace departing Executive staff and to reflect the evolving strategic priorities of the University.

In May 2019, Professor Sally Wheeler OBE was appointed Pro Vice-Chancellor (International Strategy) with responsibility for the development and implementation of the academically-led international strategy for the University. Professor Wheeler's Pro Vice-Chancellor appointment is 0.4 FTE, and she retains the role of Dean of the ANU College of Law 0.6 FTE.

Associate Professor Royston Gustavson was appointed Acting Pro Vice-Chancellor (Education) to replace Professor Grady Venville who was appointed Acting Deputy Vice-Chancellor (Academic). Associate Professor Gustavson reports to the Deputy Vice-Chancellor (Academic) and leads the enhancement of quality and standards in education, including innovation in program delivery and development.

In June, the Vice-Chancellor appointed the Chief of Staff and Director of the Office of the Vice-Chancellor, Mr Christopher Price, to the role of advisory member of the ANU Executive, while in July Professor Tony Foley was appointed Interim Pro Vice-Chancellor (University Experience) until the recruitment process for a permanent head of the University Experience portfolio is finalised. The Pro Vice-Chancellor (University Experience) leads the strategies to promote student and staff equity, Indigenous Reconciliation and improve the quality of the student experience.

In September 2019, we farewelled long serving Chief Operating Officer Mr Chris Grange, and appointed Mr Paul Duldig as his successor. Mr Duldig joined ANU from the University of Melbourne and brings a wealth of experience in the university sector.

More information about the Key Management Personnel, as distinct from the University Executive, is provided in Financial Statements.

Throughout the University, ANU is able to attract and retain world-leading academic and professional staff. In 2019, the University's headcount (ongoing and fixed-term) was 4,392, an increase from 4,094 the previous year. The following tables provide information about executive remuneration and work locations, in accordance with legislative and PGPA Rule requirements.

## Location of continuing operations

All ongoing employees, current report period (2019)

State	Male			Female			Indeterminate			Total
	Male full-time	Male part-time	Total Male	Female full-time	Female part-time	Total Female	Indeterminate full-time	Indeterminate part-time	Total Indeterminate	
NSW	8	3	11	2	11	13				24
QLD										
SA										
TAS										
VIC	1		1							1
WA					1	1				1
ACT	1,418	104	1,522	1,356	315	1,671	2		2	3,195
NT	4		4							4
Overseas										
Total	1,431	107	1,538	1,358	327	1,685	2	0	2	3,225

## All non-ongoing employees, current report period (2019)

State	Male			Female			Indeterminate			Total
	Male full-time	Male part-time	Total Male	Female full-time	Female part-time	Total Female	Indeterminate full-time	Indeterminate part-time	Total Indeterminate	
NSW	11	3	14	2	4	6				20
QLD		2	2	1	1	2				4
SA										
TAS										
VIC	1	1	2		3	3				5
WA	1		1		1	1				2
ACT	464	85	549	437	149	586		1	1	1,136
NT										
Overseas										
Total	477	91	568	440	158	598	0	1	1	1,167

### All ongoing employees, previous report period (2018)

State	Male			Female			Indeterminate			Total
	Male full-time	Male part-time	Total Male	Female full-time	Female part-time	Total Female	Indeterminate full-time	Indeterminate part-time	Total Indeterminate	
NSW	6	9	15	2	9	11				26
QLD										
SA										
TAS										
VIC		1	1							1
WA										
ACT	1,383	105	1,488	1,234	325	1,559	2		2	3,049
NT	4		4							4
Overseas										
Total	1,393	115	1,508	1,236	334	1,570	2	0	2	3,080



## All non-ongoing employees, previous report period (2018)

State	Male			Female			Indeterminate			Total
	Male full-time	Male part-time	Total Male	Female full-time	Female part-time	Total Female	Indeterminate full-time	Indeterminate part-time	Total Indeterminate	
NSW	2		2	1		1				3
QLD		1	1		1	1				2
SA										
TAS										
VIC	1		1		1	1				2
WA										
ACT	404	83	487	371	148	519				1,006
NT				1		1				1
Overseas										
Total	407	84	491	373	150	523	0	0	0	1,014



## External locations of major activities and facilities

### **ANU School of Clinical Medicine**

ANU College of Health and Medicine  
The Australian National University  
The Canberra Hospital  
Yamba Drive  
Garran ACT 2605

### **Mount Stromlo Observatory**

Research School of Astronomy and Astrophysics  
ANU College of Science  
The Australian National University  
Cotter Road  
Weston Creek ACT 2611

### **Kioloa Coastal Campus**

Facilities and Services Division  
The Australian National University  
496 Murramarang Road  
Kioloa NSW 2539

### **North Australia Research Unit (NARU)**

Facilities and Services Division  
The Australian National University  
23 Ellengowan Drive  
Brinkin (Darwin) NT 0810

### **Siding Spring Observatory**

Facilities and Services Division  
The Australian National University  
418 Observatory Road  
Coonabarabran NSW 2357

# Work health and safety

## Health & safety outcomes

There were 550 safety incidents reported in 2019, which is slightly lower than the 575 incidents reported for 2018. There were 257 hazards reported for 2019, compared with 182 the previous year, which is a positive trend in preventative safety. There were 83 medically treated injuries and seven lost time injuries during the reporting year. As at 31 December 2019, the University had 56 active workers compensation claims compared with 84 active claims as at 31 December 2018. There were 54 staff members who received early intervention assistance during the year, to a total budget spent of \$42,969.

## Notifiable incidents

There were six incidents notified to Comcare during 2019: four serious injuries or illness; and two dangerous incidents. No notifiable incidents were reported to Australian Radiation Protection and Nuclear Safety Agency (ARPANSA) during 2019. ANU provided compliance data to ARPANSA, the Australian Safeguards and Non-Proliferation Office, and the National Industrial Chemicals Notification and Assessment Scheme. No notifiable incidents were reported to the Office of the Gene Technology Regulator during 2019.

## Investigations and notices

In 2019, Comcare issued the University with a S155 Notice under the *Work Health and Safety Act 2011* (Cth) to seek information on Schedule 14 chemicals used in the University and their associated risk assessments. ANU provided system and implementation evidence in November 2019, and Comcare was satisfied with the systems the University put in place. The S155 Notice is now closed but Comcare will conduct a verification of implementation in mid-2020.

# FINANCES

Financial Statements for the year ended 31 December 2019



## INDEPENDENT AUDITOR'S REPORT

### To the Minister for Education

#### Opinion

In my opinion, the financial statements of the Australian National University and the consolidated entity for the year ended 31 December 2019:

- (a) comply with Australian Accounting Standards and the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*; and
- (b) present fairly the financial positions of the Australian National University and the consolidated entity as at 31 December 2019 and their financial performance and cash flows for the year then ended.

The financial statements of the Australian National University and the consolidated entity, which I have audited, comprise the following statements as at 31 December 2019 and for the year then ended:

- Statement by the Council, Chief Executive and Chief Financial Officer;
- Income Statements;
- Statements of Comprehensive Income;
- Statements of Financial Position;
- Statements of Changes in Equity;
- Statements of Cash Flow; and
- Notes to the financial statements comprising a Summary of Significant Accounting Policies and other explanatory information.

The consolidated entity comprises the Australian National University and its subsidiaries.

#### Basis for Opinion

I conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Australian National University and the consolidated entity in accordance with the relevant ethical requirements for financial statement audits conducted by the Auditor-General and his delegates. These include the relevant independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) to the extent that they are not in conflict with the *Auditor-General Act 1997*. I have also fulfilled my other responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### Emphasis of Matter —Events after the Reporting Period

I draw attention to the Events after the Reporting Period disclosure in the Summary of Significant Accounting policies, which describes the effects on the operations and financial position and performance of the Australian National University and the consolidated entity of the hail storm and the COVID-19 virus and the actions taken to contain its spread. My opinion is not modified in respect of this matter.

#### Accountable Authority's Responsibility for the Financial Statements

As the Accountable Authority of the Australian National University, the Council is responsible under the *Public Governance, Performance and Accountability Act 2013* for the preparation and fair presentation of annual financial statements that comply with Australian Accounting Standards and the rules made under that Act. The Council is also responsible for such internal control as the Council determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Council is responsible for assessing the ability of the Australian National University and the consolidated entity to continue as a going concern, taking into account whether the entities' operations will cease as a result of an administrative restructure or for any other reason. The Council is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the assessment indicates that it is not appropriate.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Australian National University and the consolidated entity's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Accountable Authority;
- conclude on the appropriateness of the Accountable Authority's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Australian National University or the consolidated entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Australian National University or the consolidated entity's to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the consolidated entity to express an opinion on the financial report. I am responsible for the direction, supervision and performance of the consolidated entity audit. I remain solely responsible for my audit opinion.

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

### **Australian National Audit Office**



**Clea Lewis**  
Executive Director

Delegate of the Auditor-General

Canberra  
14 April 2020

3 April 2020

**The Hon Julie Bishop**  
Chancellor

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CRICOS Provider No. 00120C

**CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED  
31 December 2019**

**STATEMENT BY THE COUNCIL**

The University Council, at its meeting held on 3 April 2020 agreed to adopt the financial statements contained in this report.

In our opinion:

- i. the financial statements for the year ended 31 December 2019 are based on properly maintained financial records in accordance with subsection 41(2) of the *Public Governance Performance and Accountability Act 2013* and comply with the requirements of subsection 42(2) of the *Public Governance Performance and Accountability Act 2013* subject to the exemptions set out in the overview of the financial statements.
- ii. the financial statements have been prepared in accordance with the provisions of the Department of Education Financial Statement Guidelines for Australian Higher Education Providers for 2019 Reporting Period and Australian Accounting Standards and other mandatory professional reporting requirements.
- iii. at the date of this statement, there are reasonable grounds to believe that the University will be able to pay its debts as and when they become due and payable.
- iv. to the best of our knowledge and belief all the Australian Government Financial Assistance was expended for the purposes for which it was intended and the University has complied with applicable legislation, contracts, agreements and program guidelines in making that expenditure.



J BISHOP  
Chancellor



B P SCHMIDT AC  
Vice-Chancellor



A BLACK  
Chief Financial Officer

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# INCOME STATEMENT

for the year ended 31 December 2019

	Notes	Consolidated		University	
		2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
<b>REVENUE AND INCOME FROM CONTINUING OPERATIONS</b>					
<b>Australian Government Financial Assistance</b>					
Australian Government grants	1.1A	587,709	577,406	587,709	577,406
Super computer capital grant (construction in 2019)	1.1A	49,911	69,200	49,911	69,200
HELP - Australian Government grants	1.1A	90,027	91,433	90,027	91,433
HECS-HELP - student payments		8,573	9,399	8,573	9,399
Territory Government financial assistance	1.1B	6,291	3,863	6,291	3,863
Fees and charges	1.1C	376,305	365,872	376,305	365,872
Net investment revenue	1.1G	234,443	75,233	234,390	75,129
Consultancy and contracts	1.1D	108,535	105,704	80,802	79,940
Other revenue	1.1E	76,441	76,369	74,527	67,357
Gains/(losses) on disposal of assets	1.2G	(11,584)	(177)	(11,621)	(175)
Share of profit or loss on investments accounted for using the equity method	2.1E	(21)	762	-	-
<b>TOTAL REVENUE AND INCOME FROM CONTINUING OPERATIONS</b>		<b>1,526,630</b>	<b>1,375,064</b>	<b>1,496,914</b>	<b>1,339,424</b>
<b>EXPENSES FROM CONTINUING OPERATIONS</b>					
Employee related expenses	1.2A	674,508	628,352	654,356	608,948
Depreciation and amortisation	1.2B	81,049	78,340	78,961	76,911
Repairs and maintenance	1.2C	23,248	23,406	23,079	23,262
Borrowing costs	1.2D	11,794	12,447	11,794	12,447
Write-down and impairment of assets	1.2E	6,342	7,218	6,353	7,474
Deferred superannuation expense	1.2A	16,246	18,578	16,246	18,578
Other expenses	1.2F	413,273	380,616	403,786	364,843
<b>TOTAL EXPENSES FROM CONTINUING OPERATIONS</b>		<b>1,226,460</b>	<b>1,148,957</b>	<b>1,194,575</b>	<b>1,112,463</b>
<b>NET SURPLUS BEFORE INCOME TAX</b>		<b>300,170</b>	<b>226,107</b>	<b>302,339</b>	<b>226,961</b>
Income tax (expense)/benefit	1.2H	142	(464)	-	-
<b>NET SURPLUS AFTER INCOME TAX</b>		<b>300,312</b>	<b>225,643</b>	<b>302,339</b>	<b>226,961</b>
<b>NET RESULT FROM CONTINUING OPERATIONS</b>		<b>300,312</b>	<b>225,643</b>	<b>302,339</b>	<b>226,961</b>

# STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2019

	Notes	Consolidated		University	
		2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
<b>Net surplus after income tax for the period</b>		<b>300,312</b>	<b>225,643</b>	<b>302,339</b>	<b>226,961</b>
<b>Items that will be reclassified to profit or loss</b>					
Net change in fair value of available-for-sale (AFS) financial assets	2.3A	47,734	(1,056)	47,734	(1,056)
Reclassifications to income - derecognition of AFS financial assets	2.3A	-	(528)	-	(528)
<b>Items that will not be reclassified to profit or loss</b>					
Gain/(loss) on revaluation of non-financial assets net of tax	2.3A	37,303	(5,461)	36,763	(5,892)
Net actuarial (losses)/gains recognised in respect of defined benefit plans	6.2	(70,522)	(36,559)	(70,522)	(36,559)
Other movements		17	211	45	(31)
<b>Total other comprehensive income</b>		<b>14,532</b>	<b>(43,393)</b>	<b>14,020</b>	<b>(44,066)</b>
<b>Comprehensive result</b>		<b>314,844</b>	<b>182,250</b>	<b>316,359</b>	<b>182,895</b>

# STATEMENT OF FINANCIAL POSITION

as at 31 December 2019

	Notes	Consolidated		University	
		2019 \$'000	2018 <sup>1</sup> \$'000	2019 \$'000	2018 <sup>1</sup> \$'000
<b>ASSETS</b>					
<b>Current Assets</b>					
Cash and cash equivalents	2.1A	492,912	190,366	488,123	181,196
Loans and receivables	2.1B	91,513	97,363	87,283	90,839
Contract assets	1.1F, 2.1B	6,227	1,972	3,950	-
Inventories	2.1C	1,128	1,158	1,128	999
Investments	2.1D	1,301,284	1,453,309	1,301,284	1,453,309
Other financial assets	2.1F	2,836	2,405	2,836	2,405
Non-current assets classified as held for sale	2.1G	2,625	-	-	-
Other non-financial assets	2.1H	32,112	17,225	31,487	16,807
<b>Total Current Assets</b>		<b>1,930,637</b>	<b>1,763,798</b>	<b>1,916,091</b>	<b>1,745,555</b>
<b>Non-Current Assets</b>					
Loans and receivables	2.1B	15,986	9,035	19,023	11,465
Contract assets	1.1F, 2.1B	174	-	174	-
Investments	2.1D	194,835	145,517	202,035	152,717
Investments accounted for using the equity method	2.1E	2,703	2,800	5,109	5,099
Other non-financial assets	2.1H	398	144	398	144
Land, buildings and infrastructure	2.1I	1,808,261	1,803,243	1,796,359	1,789,543
Plant and equipment	2.1I	206,482	153,346	205,886	152,244
Intangibles	2.1I	14,999	17,484	8,071	10,080
<b>Total Non-Current Assets</b>		<b>2,243,838</b>	<b>2,131,569</b>	<b>2,237,055</b>	<b>2,121,292</b>
<b>TOTAL ASSETS</b>		<b>4,174,475</b>	<b>3,895,367</b>	<b>4,153,146</b>	<b>3,866,847</b>
<b>LIABILITIES</b>					
<b>Current Liabilities</b>					
Suppliers	2.2A	47,197	48,831	44,690	45,035
Contract liabilities	1.1F	54,193	4,380	51,782	-
Other payables	2.2B	118,786	159,211	114,330	152,535
Interest bearing liabilities	2.2C	5,221	4,818	5,221	4,818
Lease liabilities	2.2D	7,154	2,032	7,090	2,032
Other financial liabilities	2.1F	3,380	2,175	3,380	2,175
Employee benefits	4.1A	141,875	136,895	140,218	135,052
Workers compensation provision	2.2E	3,188	3,001	3,188	3,001
<b>Total Current Liabilities</b>		<b>380,994</b>	<b>361,343</b>	<b>369,899</b>	<b>344,648</b>
<b>Non-Current Liabilities</b>					
Contract liabilities	1.1F	3,566	-	3,566	-
Other payables	2.2B	27,886	27,534	27,886	27,534
Interest bearing liabilities	2.2C	272,442	277,925	272,442	277,925
Lease liabilities	2.2D	10,409	3,841	10,409	3,841
Other financial liabilities	2.1F	332	293	332	293
Employee benefits	4.1A	709,551	658,267	709,481	658,121
Workers compensation provision	2.2E	22,706	23,739	22,706	23,739
<b>Total Non-Current Liabilities</b>		<b>1,046,892</b>	<b>991,599</b>	<b>1,046,822</b>	<b>991,453</b>
<b>TOTAL LIABILITIES</b>		<b>1,427,886</b>	<b>1,352,942</b>	<b>1,416,721</b>	<b>1,336,101</b>
<b>NET ASSETS</b>		<b>2,746,589</b>	<b>2,542,425</b>	<b>2,736,425</b>	<b>2,530,746</b>
<b>EQUITY</b>					
<b>Parent Entity Interest</b>					
Reserves	2.3A	871,855	792,370	858,454	779,509
Retained surplus		1,874,734	1,750,055	1,877,971	1,751,237
<b>TOTAL EQUITY</b>		<b>2,746,589</b>	<b>2,542,425</b>	<b>2,736,425</b>	<b>2,530,746</b>

<sup>1</sup> Adjusted 2018 figures. Refer to Note 4.1B.

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

# STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2019

Consolidated	Asset Revaluation							
	Retained Surplus		Surplus		Special Reserves		Total Equity	
	2019	2018 <sup>1</sup>	2019	2018	2019	2018	2019	2018 <sup>1</sup>
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Balance as at 1 January 2019</b>								
Balance carried forward from previous period	1,750,055	1,447,069	730,696	899,165	61,674	59,910	2,542,425	2,406,144
Effect of adoption of AASB 9	-	162,525	-	(161,494)	-	-	-	1,031
Adjustment for prior year restatement	-	(47,000)	-	-	-	-	-	(47,000)
Effect of adoption of AASB 15/AASB 1058	(110,680)	-	-	-	-	-	(110,680)	-
<b>Balance as restated</b>	<b>1,639,375</b>	<b>1,562,594</b>	<b>730,696</b>	<b>737,671</b>	<b>61,674</b>	<b>59,910</b>	<b>2,431,745</b>	<b>2,360,175</b>
<b>Comprehensive income</b>								
Surplus for the period	300,312	225,643	-	-	-	-	300,312	225,643
Gain/(loss) on revaluation of Non-Financial Assets net of tax	-	-	37,303	(5,461)	-	-	37,303	(5,461)
Gain/(loss) on revaluation of investments	-	-	47,734	(1,056)	-	-	47,734	(1,056)
Transfer to income	-	-	-	(528)	-	-	-	(528)
Remeasurements of Defined Benefit Plans	(70,522)	(36,559)	-	-	-	-	(70,522)	(36,559)
Adjustment for disposal of buildings	8,196	(82)	(8,196)	82	-	-	-	-
Other movements	17	211	-	-	-	-	17	211
Transfers (from)/to reserves	(2,644)	(1,752)	-	(12)	2,644	1,764	-	-
<b>Total comprehensive income</b>	<b>235,359</b>	<b>187,461</b>	<b>76,841</b>	<b>(6,975)</b>	<b>2,644</b>	<b>1,764</b>	<b>314,844</b>	<b>182,250</b>
<b>Balance at 31 December 2019</b>	<b>1,874,734</b>	<b>1,750,055</b>	<b>807,537</b>	<b>730,696</b>	<b>64,318</b>	<b>61,674</b>	<b>2,746,589</b>	<b>2,542,425</b>

University	Asset Revaluation							
	Retained Surplus		Surplus		Special Reserves		Total Equity	
	2019	2018 <sup>1</sup>	2019	2018	2019	2018	2019	2018 <sup>1</sup>
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Balance as at 1 January 2019</b>								
Balance carried forward from previous period	1,751,237	1,447,175	717,835	886,735	61,674	59,910	2,530,746	2,393,820
Effect of adoption of AASB 9	-	162,525	-	(161,494)	-	-	-	1,031
Adjustment for prior year restatement	-	(47,000)	-	-	-	-	-	(47,000)
Effect of adoption of AASB 15/AASB 1058	(110,680)	-	-	-	-	-	(110,680)	-
<b>Balance as restated</b>	<b>1,640,557</b>	<b>1,562,700</b>	<b>717,835</b>	<b>725,241</b>	<b>61,674</b>	<b>59,910</b>	<b>2,420,066</b>	<b>2,347,851</b>
<b>Comprehensive income</b>								
Surplus for the period	302,339	226,961	-	-	-	-	302,339	226,961
Gain/(loss) on revaluation of Non-Financial Assets net of tax	-	-	36,763	(5,892)	-	-	36,763	(5,892)
Gain/(loss) on revaluation of investments	-	-	47,734	(1,056)	-	-	47,734	(1,056)
Transfer to income	-	-	-	(528)	-	-	-	(528)
Remeasurements of Defined Benefit Plans	(70,522)	(36,559)	-	-	-	-	(70,522)	(36,559)
Adjustment for disposal of buildings	8,196	(82)	(8,196)	82	-	-	-	-
Other movements	45	(31)	-	-	-	-	45	(31)
Transfers (from)/to reserves	(2,644)	(1,752)	-	(12)	2,644	1,764	-	-
<b>Total comprehensive income</b>	<b>237,414</b>	<b>188,537</b>	<b>76,301</b>	<b>(7,406)</b>	<b>2,644</b>	<b>1,764</b>	<b>316,359</b>	<b>182,895</b>
<b>Balance at 31 December 2019</b>	<b>1,877,971</b>	<b>1,751,237</b>	<b>794,136</b>	<b>717,835</b>	<b>64,318</b>	<b>61,674</b>	<b>2,736,425</b>	<b>2,530,746</b>

<sup>1</sup> Adjusted 2018 figures. Refer to Note 4.1B.

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

# STATEMENT OF CASH FLOWS

for the year ended 31 December 2019

	Notes	Consolidated		University	
		2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Australian Government financial assistance	1.1A	680,345	738,039	680,345	738,039
Territory Government financial assistance		5,399	3,863	5,399	3,863
HECS-HELP - student payments		8,573	9,399	8,573	9,399
Receipts from student fees and other customers		362,998	364,986	362,998	364,986
Consultancy and contracts		110,153	105,704	86,358	79,940
Interest and other investment earnings		29,758	26,676	29,513	26,570
Dividends received		45,782	55,495	45,782	55,495
Other receipts		80,874	90,922	74,887	80,390
Net GST received		49,293	48,099	48,627	47,838
<b>Total cash received</b>		<b>1,373,175</b>	<b>1,443,183</b>	<b>1,342,482</b>	<b>1,406,520</b>
<b>Cash used</b>					
Payments to employees and pensioners		662,561	641,040	642,147	623,172
Interest and other costs of finance		11,794	12,447	11,794	12,447
Payments for services		527,742	451,304	514,228	436,641
Income taxes paid		(142)	464	-	-
<b>Total cash used</b>		<b>1,201,955</b>	<b>1,105,255</b>	<b>1,168,169</b>	<b>1,072,260</b>
<b>NET CASH FROM OPERATING ACTIVITIES</b>	3.1A	<b>171,220</b>	<b>337,928</b>	<b>174,313</b>	<b>334,260</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
Proceeds from sale of property, plant and equipment		108,148	786	108,165	499
Receipts of loans receivable		-	15,524	-	16,349
Proceeds from sale and maturity of investments		1,590,738	1,894,167	1,590,738	1,894,167
<b>Total cash received</b>		<b>1,698,886</b>	<b>1,910,477</b>	<b>1,698,903</b>	<b>1,911,015</b>
<b>Cash used</b>					
Purchase of property, plant and equipment		277,984	368,814	277,808	368,360
Purchase of investments		1,281,108	1,876,686	1,281,215	1,875,712
<b>Total cash used</b>		<b>1,559,092</b>	<b>2,245,500</b>	<b>1,559,023</b>	<b>2,244,072</b>
<b>NET CASH FROM INVESTING ACTIVITIES</b>		<b>139,794</b>	<b>(335,023)</b>	<b>139,880</b>	<b>(333,057)</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash used</b>					
Repayments of borrowings		5,080	4,488	5,080	4,488
Repayment of lease liabilities		5,695	-	4,493	-
<b>Total cash used</b>		<b>10,775</b>	<b>4,488</b>	<b>9,573</b>	<b>4,488</b>
<b>NET CASH FROM FINANCING ACTIVITIES</b>		<b>(10,775)</b>	<b>(4,488)</b>	<b>(9,573)</b>	<b>(4,488)</b>
<b>NET DECREASE IN CASH HELD</b>					
Cash and cash equivalents at the beginning of the financial year	2.1A	190,366	187,088	181,196	179,620
Effect of exchange rate movements on cash and cash equivalents at the beginning of the reporting period		2,307	4,861	2,307	4,861
<b>Cash and cash equivalents at the end of the financial year</b>	2.1A	<b>492,912</b>	<b>190,366</b>	<b>488,123</b>	<b>181,196</b>

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

### Summary of significant accounting policies

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all years presented, unless otherwise stated. The financial report includes separate financial statements for The Australian National University (the University) as an individual entity and the consolidated entity consisting of the University and its subsidiaries (the Group). The term "the University" in this context covers all aspects of total operations of the University excluding subsidiaries (see Note 6.4 Subsidiaries), and includes funds from a number of sources that can only be applied to restricted purposes. These funds are separately identified at Note 2.1D Investments.

### Basis of preparation of the Financial Statements

The University is a non-profit Corporate Commonwealth entity and is required under Section 46 of the *Public Governance, Performance and Accountability Act 2013* to provide the responsible Minister with an annual report including annual financial statements. The financial statements are general purpose financial statements.

The statements have been prepared in accordance with the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015* (the Rule) (for reporting periods on or after 1 July 2017), Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period and Financial Statements Guidelines for Higher Education Providers for 2019 issued in accordance with Section 19-10(2)(a) of the *Higher Education Support Act* by the Department of Education.

The University has applied the following exemptions that are permissible under the Rule and granted by the Finance Minister:

(a) The Finance Minister has granted an exemption from the requirements of Section 12 of the Rule to enable the University to align the presentation of the Income Statement and Statement of Comprehensive Income with that prescribed within the "Financial Statement Guidelines for Higher Education Providers" issued by the Department of Education; and

(b) Section 24(2) of the Rule provides the University with an exemption from presenting oncosts as employee benefits in the financial statements, and can instead report its oncosts in accordance with the "Financial Statement Guidelines for Higher Education Providers".

The University applies Tier 1 reporting requirements.

The Financial Statements have been authorised for issue on 3 April 2020.

The Income Statement, Statement of Comprehensive Income and Statement of Financial Position have been prepared on an accrual basis and are in accordance with historical cost convention, except for certain assets and liabilities, which as

noted, are at fair value. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position.

#### a. Critical accounting estimates and judgements

The preparation of financial statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the University's accounting policies. The estimates and underlying assumptions are reviewed on an ongoing basis.

#### b. Compliance with Australian Accounting Standards

The Financial Statements and Accompanying Notes of the Group comply with Australian Accounting Standards, including the Interpretations, some of which contain requirements specific to not-for-profit (NFP) entities that are inconsistent with International Financial Reporting Standards (IFRS) requirements. The main NFP entity provisions, adopted by the Group, are in respect of the following:

- Accounting for Government grants. AASB 1058 *Income of Not-for-Profit Entities* requires contributions received or receivable to be recognised immediately as income when there is an enforceable right to obtain the cash, unless the funds received are for the construction or acquisition of a recognisable, non-financial asset. In this case, income is recognised as the asset is constructed or acquired.

- Impairment of assets. Under AASB 136 *Impairment of Assets*, a NFP entity is entitled to recognise any impairment loss on a revalued asset directly against the available revaluation reserve in respect of the same class of asset; and

- Assets received at nil or nominal value. Under AASB 102 *Inventories*, AASB 138 *Intangible Assets*, AASB 140 *Investment Properties*, and AASB 116 *Property, Plant and Equipment*, a NFP entity is entitled to recognise an asset, acquired at no cost or nominal cost, at its fair value as at the date of acquisition.

### Accounting policies and changes in accounting estimates

Apart from the adoption of AASB 15 *Revenue from Contracts with Customers* (AASB 15), AASB 1058 *Income of Not-for-Profit Entities* (AASB 1058) and AASB 16 *Leases* (AASB 16) (refer 'Initial application of AAS' section of this Overview for details), there have been no material adjustments or changes in accounting policies and accounting estimates in 2019.

## Basis of consolidation

### a. Subsidiaries

The consolidated financial report is prepared in accordance with AASB 10 *Consolidated Financial Statements*. The financial report includes the accounts of the University, and the accounts of the wholly and beneficially owned subsidiary companies ANU Enterprise Pty Ltd incorporated in Australia (including its wholly owned subsidiaries Australian Scientific Instruments Pty Ltd, Social Research Centre Pty Ltd, ANU Limited (PNG)) and ANU (UK) Foundation incorporated in the United Kingdom.

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

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

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

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

Separate financial reports are also prepared by the University's controlled entities as at 31 December 2019 and are audited by the Australian National Audit Office (except for the ANU (UK) Foundation).

The ANU (UK) Foundation is incorporated in the United Kingdom and is entitled to an exemption from the requirement to have an audit in the United Kingdom under the provisions of Section 477 of the *Companies Act (UK) 2006*. The financial report of the Foundation has been prepared in accordance with the Special Provisions relating to companies subject to the small companies regime within Part 15 of the *Companies Act (UK) 2006*. The accounts of the Foundation are not audited by the Auditor-General as the Foundation is not an Australian based entity.

### b. Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for in the University financial statements using the cost method and in the consolidated financial statements using the equity method of accounting, after initially being recognised at cost. The Group's

investment in associates includes goodwill (net of any accumulated impairment loss) identified on acquisition (refer to Note 2.1E Investments Accounted for Using the Equity Method).

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

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

### c. Joint arrangements

#### Joint operations

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

#### Joint ventures

The interest in a joint venture entity is accounted for in the consolidated financial statements using the equity method and is carried at cost by the University. Under the equity method, the share of the profits or losses of the entity is recognised in the income statement, and the share of movements in reserves is recognised in reserves in the statement of comprehensive income and the statement of changes in equity. Details relating to the entities are set out in Note 2.1E Investments Accounted for Using the Equity Method.

## Foreign currency translation

### a. Functional and presentation currency

The financial report is presented in Australian dollars.

### b. Foreign currency transactions

Transactions denominated in a foreign currency are converted at the rate of exchange prevailing at the date of the transaction. At balance date, amounts receivable and payable in a foreign currency are translated at the exchange rate prevailing at that date and any exchange differences are brought to account in the Income Statement.

## Rounding of amounts

Amounts in the financial report have been rounded off to the nearest thousand dollars, or in certain cases, the nearest dollar.

## Comparative figures

When required by Accounting Standards comparative figures have been adjusted to conform to changes in presentation for the current financial year. Comparatives are adjusted for reclassified items in the financial statements.

## Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the item of expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the Statement of Financial Position. Cash flows are included in the Statement of Cash Flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

## Future Australian Accounting Standard requirements

The following new standards, amendments to standards or interpretations, considered to be applicable to the Group, have been issued by the Australian Accounting Standards Board but are effective for future reporting periods.

The adoption of the following pronouncements may have a financial impact on future reporting periods. The quantum is still being assessed by the Group.

### AASB 1059 Service Concession Arrangements (effective date 2020)

This standard requires grantors to recognise a service concession asset and in most cases a corresponding liability on the balance sheet where it 'controls' the asset. On transition the grantor must apply the Standard retrospectively.

## Initial application of AAS

Adoption of AASB 15, AASB 1058 and AASB 16 is made 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 is described below.

The following interpretations and amending standards have also been adopted with no material impact to the financial statements:

AASB 2016-8	Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities
AASB 2017-1	Amendments to Australian Accounting Standards – Transfers of Investment Property
AASB 2017-7	Amendments to Australian Accounting Standards – Long-term Interests in Associates and Joint Ventures
AASB 2018-4	Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Public Sector Licensors
AASB 2018-8	Amendments to Australian Accounting Standards – Right-of-Use Assets of Not-for-Profit Entities

## AASB 15 Revenue from Contracts with Customers and AASB 1058 Income of Not-for-Profit Entities

The University adopted AASB 15 and AASB 1058 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 University recognised the cumulative effect of applying these new standards as an adjustment to opening retained surplus at the date of initial application. 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 University 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.

The new accounting policies for revenue and other income for NFP in accordance with AASB 15 and AASB 1058 respectively are provided in Note 1.1F.

Under the new income recognition model applicable to NFP entities, the University first determines 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 University applies the general AASB 15 principles to determine the appropriate revenue recognition. If these criteria are not met, the University considers whether AASB 1058 applies.

The nature and effect of the changes as a result of adoption of AASB 15 and AASB 1058 are in the tables below. Consolidated figures are not shown, as ANUE adopted AASB 15 in 2018 and the impact on the Group's financial statements is immaterial.

### Changes as a result of adoption of AASB 15/AASB 1058

	University	
	Ref adjustments	1 January 2019
		<b>\$'000</b>
Contract assets	(a)	2,229
Other non-financial assets	(a)	2,511
<b>Total assets</b>		<b>4,740</b>
Contract liabilities	(a)	46,147
Other payables	(b) (c)	69,273
<b>Total liabilities</b>		<b>115,420</b>
Retained surplus	(a) (b) (c)	(110,680)
<b>Total equity</b>		<b>(110,680)</b>

Set out on the next page are the amounts by which each financial statement line item is affected for the year ended 31 December 2019 as a result of the adoption of AASB 15 and AASB 1058. The adoption of AASB 15 did not have a material impact on Other Comprehensive Income or operating, investing and financing cash flows. The first column shows amounts prepared under AASB 15 and AASB 1058 and the second column shows what the amounts would have been had AASB 15 and AASB 1058 not been adopted.



	Ref.	Amounts prepared under University		Increase/ (decrease)
		AASB 15/ AASB 1058	2019 Previous AAS	
		\$'000	\$'000	\$'000
<b>Income Statement</b>				
<b>Revenue and Income from Continuing Operations</b>				
Australian Government financial assistance	(a) (b) (c)	727,647	680,200	47,447
Territory Government financial assistance	(a) (b)	6,291	5,400	891
Fees and charges	(a)	376,305	377,212	(907)
Consultancy and contracts	(a) (b)	80,802	85,809	(5,007)
Other revenue	(a)	74,527	73,880	647
<b>Increase/(decrease) in Total Revenue and Income from Continuing Operations</b>				<u>43,071</u>
<b>Expenses from Continuing Operations</b>				
Employee related expenses	(a)	653,754	655,296	(1,542)
Other expenses	(a)	397,205	398,338	(1,133)
<b>Increase/(decrease) in Total Expenses from Continuing Operations</b>				<u>(2,675)</u>
<b>Net result before income tax from continuing operations</b>		<u>302,339</u>	<u>256,593</u>	<u>45,746</u>
<b>Net Result from Continuing Operations After Tax</b>		<u>302,339</u>	<u>256,593</u>	<u>45,746</u>
<b>Statement of Financial Position</b>				
<b>Assets</b>				
<b>Financial Assets</b>				
Loans and receivables	(a)	106,306	104,639	1,667
Contract assets	(a)	4,124	-	4,124
Other non-financial assets	(a)	31,885	26,699	5,186
<b>Increase/(decrease) in Total Assets</b>				<u>10,977</u>
<b>Liabilities</b>				
Contract liabilities	(a)	55,348	-	55,348
Other payables	(b) (c)	131,356	110,793	20,563
<b>Increase/(decrease) in Total Liabilities</b>				<u>75,911</u>
<b>Equity</b>				
Retained surplus		1,877,971	1,942,905	(64,934)
<b>Increase/(decrease) in Total Equity</b>				<u>(64,934)</u>

The nature of the adjustments as at 1 January 2019 and the reasons for the significant changes in the income statement for the year ended 31 December 2019 and the statement of financial position as at 31 December 2019 are described below:

**(a) Research and other contract revenue**

Before adoption of AASB 15, research and other contract revenue from customers was generally recognised upon cash receipt. When applicable, revenue under AASB 15 is now recognised when or as the University satisfies a performance obligation. Consequently, for unmet performance obligations as at 1 January 2019, this has resulted in recognition of Contract liabilities of \$46,147,000, deferral of associated expenditure within Other non-financial assets of \$2,511,000, and a decrease in Retained surplus of \$43,636,000.

As at 31 December 2019, the University has recognised a reduction in revenue under AASB 15 of \$9,201,000 and a reduction in expenditure of \$2,675,000, as a result of recognising deferred expenditure within Other non-financial

assets of \$5,186,000, and deferred revenue within Contract liabilities of \$55,348,000.

For any contracts where the University is entitled to recover funds for expenditure already incurred, a contract asset has been recognised. As at 1 January 2019, this has resulted in the recognition of Contract assets of \$2,229,000 and an increase in Retained surplus of \$2,229,000.

For the year ended 31 December 2019, the University has recognised net additional revenue of \$1,895,000 as a result of increasing the Contract assets balance to \$4,124,000.

Under AASB 1058, for contracts where the University is entitled to recover funds for expenditure already incurred, a grant receivable has been recognised. For the year ended 31 December 2019, the University has recognised additional revenue and grant receivable of \$1,667,000.

## **(b) Research and other contract revenue with variable consideration**

Some research and other contracts provide for a return of unspent funds. Prior to the adoption of AASB 15, the University recognised revenue when received, and reduced revenue upon the return of any unspent funds at the time the funds were returned. Under AASB 15, the consideration received from the customer is variable as the University is required to return to the funding provider any amounts received under a grant that were not spent on eligible expenditure.

As at 1 January 2019, the University estimated the amount of funds expected to be returned as a refund liability within Other payables of \$73,000, and a decrease in Retained surplus of \$73,000.

As at 31 December 2019, this provision has increased to \$129,000, reducing revenue by \$56,000.

## **(c) Construction of non-financial asset**

In 2018, the University received funds for the construction of a non-financial asset, specifically the super computer grant. Following the adoption of AASB 1058, the University is required to recognise income as the non-financial asset is constructed; therefore the revenue received in 2018 has been derecognised. As at 1 January 2019, the University recognised deferred income within Other payables of \$69,200,000 and decreased Retained surplus of \$69,200,000.

For the year ended 31 December 2019, the University recognised \$49,911,000 as Australian Government financial assistance, reducing the Other payables balance by the same amount. During 2019, the University received an additional \$2,245,000 for the construction of other non-financial assets. \$1,100,000 of this has been recognised as revenue and \$1,145,000 has been recognised as deferred income within Other payables.

## **AASB 16 Leases**

The University 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 University 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. Consequently, the comparative information presented has not been restated and continues to be reported under the previous standards on leases – AASB 117 *Leases* 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 Note 2.2B and Note 2.4B.

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

### **Definition of lease**

Previously, the University determined at contract inception whether an arrangement is or contains a lease under Interpretation 4. Under AASB 16, the University 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 University 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 University 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. In addition, contracts previously not identified as a lease have been reassessed to determine whether they would meet the new definition of a lease in accordance with AASB 16. Therefore, the University 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.

### **Assets in relation to make good provisions**

Upon adoption of AASB 16, any make good provisions to existing leases have been included in the respective right-of-use assets.

### **The University as a lessee**

The University 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 University. Under AASB 16, this classification no longer exists for the University as a lessee. Instead, the majority of 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 2.1J and 2.2D for the new lease policy).

### **Leases previously classified as operating leases under AASB 117**

On transition to AASB 16, the University 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. The right-of-use assets were recognised 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 University 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.

As a lessee, the weighted average incremental borrowing rate applied to lease liabilities recognised in the statement of financial position on the date of initial application was 0.17%.

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:

#### Changes as a result of adoption of AASB 16

	Consolidated 1 January 2019 \$'000	University 1 January 2019 \$'000
Operating lease commitments disclosed as at 31 December 2018	13,804	12,694
(Less): GST	(1,255)	(1,154)
Add: Finance lease liabilities as at 31 December 2018	5,873	5,873
Add/(less): Adjustments as a result of a different treatment of extension and termination options	4,836	4,579
<b>Lease liability recognised as at 1 January 2019</b>	<b>23,258</b>	<b>21,992</b>

#### The University as a lessor

The University is not required to make any adjustments on transition to AASB 16 where it is a lessor, except for subleases.

#### Prior Period Restatement

The prior period error relates to a number of employees that had not been included in actuarial calculations for the provision for defined benefit obligations. This error has been corrected by restating the affected financial statement line items for prior periods. Refer note 4.1B for further details of the financial statements impact.

## Events after the Reporting Period

### Hail storm

On 20 January 2020 the Acton Campus was impacted by a hail event. Widespread damage was occasioned to over 220 buildings, associated infrastructure, ANU Fleet and Research projects. Whilst the amount of the claim cannot be reliably estimated at this time as detailed damage assessments are still being undertaken, ANU anticipates that all losses incurred during this event will be recoverable through insurance. The excess payable on the policy is \$500,000.

### Novel Coronavirus (COVID-19)

The COVID-19 outbreak is expected to have a significant impact on the financial performance and liquidity of the University in 2020. As at the time of completion of the 2019 Financial Statements, the University cannot reliably estimate the severity of the impact. There are a number of elements that contribute to this across the Income Statement and the Statement of Financial Position as follows:

#### Income Statement

- a) Students currently have until the 8 May 2020 to withdraw from their currently enrolled 2020 subjects. There remains uncertainty as to how many students will choose to do so, given the move to online delivery and the broader environmental context;
- b) The University's ability to recruit international students for commencement in the second half of 2020 is dependent on the capacity of students to complete their current studies and other admissions requirements in their home countries. In many countries, the COVID-19 outbreak is affecting students' abilities to meet these obligations. The duration of these restrictions remains unknown, creating uncertainty in the University's ability to predict a second half-year intake;
- c) The Government's current travel restrictions, both internationally and domestically, create uncertainty in students' ability to plan to either commence or continue their studies in Canberra. As there is no existing precedent for such extensive travel disruptions the University has significant uncertainty in predicting the impact on enrolments;
- d) The University has always been focused on face to face on campus educational delivery. The majority of the University's educational offerings have never been delivered online. There remains uncertainty regarding the extent to which all offerings can be transitioned which may affect student enrolments;

#### Statement of Financial Position

- e) The significant widespread financial impacts of COVID-19 are creating uncertainty in determining the duration and magnitude of market volatility, particularly as it relates to the performance of the University's investment portfolio, demand for higher education, capacity to fund studies and the capacity of employers and governments to sponsor students. Other assets, including property plant and equipment, may also be subject to impairment.

The University continues to monitor the financial and non-financial impacts and has measures in place to manage the position as the situation evolves and impacts become clearer.

No other matters or circumstances have arisen since 31 December 2019 that have significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

# 1. Financial Performance

This section analyses the financial performance of The Australian National University for the year ended 31 December 2019.

## 1.1 Income

	Notes	University	
		2019 \$'000	2018 \$'000
<b>Note 1.1A: Australian Government Financial Assistance</b>			
The information provided in this note is only relevant to the University - consolidated figures are not provided.			
<b>(a) Commonwealth Grants Scheme and Other Grants</b>	6.5A		
Commonwealth Grants Scheme		83,676	82,789
Access and Participation Programme		351	288
Disability Support Programme		44	54
National Institutes Funding		203,620	199,824
<b>Total Commonwealth Grants Scheme and Other Grants</b>		<b>287,691</b>	<b>282,955</b>
<b>(b) Higher Education Loan Programmes</b>	6.5B		
HECS - HELP		64,499	61,118
FEE - HELP		23,523	28,405
SA - HELP		2,005	1,910
<b>Total Higher Education Loan Programmes</b>		<b>90,027</b>	<b>91,433</b>
<b>(c) Department of Education Research</b>	6.5D		
Research Training Programme		57,772	57,189
Research Support Programme		65,422	63,214
<b>Total Department of Education Research</b>		<b>123,194</b>	<b>120,403</b>
<b>(d) Australian Research Council</b>			
<b>(d)(i) Discovery</b>	6.5F(a)		
Projects		19,995	19,339
Fellowships		10,659	12,412
Indigenous Researchers Initiatives		(4)	-
Early Career Research Award		7,030	5,452
<b>Total Discovery</b>		<b>37,680</b>	<b>37,203</b>
<b>(d)(ii) Linkages</b>	6.5F(b)		
Infrastructure		6,035	5,162
Projects		2,160	2,225
<b>Total Linkages</b>		<b>8,195</b>	<b>7,387</b>
<b>(d)(iii) Networks and Centres</b>	6.5F(c)		
Centres		13,110	12,227
<b>Total Networks and Centres</b>		<b>13,110</b>	<b>12,227</b>
<b>(d)(iv) Industrial Transformation</b>	6.5F(d)		
Training Centres		889	873
<b>Total Industrial Transformation</b>		<b>889</b>	<b>873</b>

	Notes	University	
		2019 \$'000	2018 \$'000
<b>Note 1.1A: Australian Government Financial Assistance (continued)</b>			
<b>(e) Other Australian Government Financial Assistance</b>			
<b>(e)(i) Other assistance (non-capital)</b>			
Agriculture and Water Resources		2,227	3,223
Communication and the Arts		1,096	1,884
Defence		3,268	4,790
Education and Training		8,663	17,769
Environment and Energy		4,390	4,386
Social Services		7,779	9,680
Foreign Affairs and Trade		27,210	23,216
Health		35,261	24,361
Infrastructure and Regional Development and Cities		-	20
Industry, Innovation and Science		124	23,250
Prime Minister and Cabinet		3,931	1,383
OS - HELP (Net) *	6.5G	(106)	(202)
Other		23,107	2,598
<b>Total Other Australian Government Financial Assistance</b>		<b>116,950</b>	<b>116,358</b>
<b>(e)(ii) Ad-Hoc assistance (capital)</b>			
Education and Training - Super computer capital grant (construction in 2019) <sup>1</sup>		49,911	69,200
<b>Total Australian Government Financial Assistance [a+b+c+d+e]</b>		<b>727,647</b>	<b>738,039</b>
<b>Reconciliation</b>			
Australian Government grants [a+c+d+e(i)]		587,709	577,406
Education and Training - Super computer capital grant (construction in 2019) <sup>1</sup>	(e)(ii)	49,911	69,200
HELP - HECS, FEE and SA	(b)	90,027	91,433
<b>Total Australian Government Financial Assistance</b>		<b>727,647</b>	<b>738,039</b>

\* OS-HELP receipts from the Australian Government are not included in the Income Statement.

<sup>1</sup> In 2018 under AASB 1004 *Contributions*, the University recognised \$69,200,000 as a capital grant for the construction of the super computer. On transition to AASB 1058, the capital grant did not meet the recognition criteria and has been reversed against equity and treated as Deferred income within Other payables. During 2019, only the portion that meets the new recognition criteria has been rerecognised as revenue, with the balance remaining in Other payables (refer overview section showing the impact of initial application of AAS).

#### Accounting Policy

The University's operating revenue consists of Australian Government Financial Assistance including Higher Education Funding Act (HEFA), Higher Education Support Act (HESA), Higher Education Contribution Scheme (HECS), Higher Education Loan Programmes (HELP), Australian Research Council grants, ACT Government Financial Assistance, fees and charges, consultancy and contract research, investment income, and sales of goods and services.

Under AASB 15 and AASB 1058, the University first determines 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 University applies the general AASB 15 principles to determine the appropriate revenue recognition. If these criteria are not met, the University considers whether AASB 1058 applies.

	Consolidated		University	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000

**Note 1.1B: Territory Government Financial Assistance**

ACT Government grants were received by the University during the reporting period:

Non-Capital Contributions	6,291	3,863	6,291	3,863
<b>Total Territory Government Financial Assistance</b>	<b>6,291</b>	<b>3,863</b>	<b>6,291</b>	<b>3,863</b>

**Note 1.1C: Fees and Charges**

**Course Fees and Charges**

Continuing education and conferences	5,312	7,903	5,312	7,903
Fee-paying onshore overseas students	325,489	317,838	325,489	317,838
Fee-paying offshore overseas students	3,453	3,033	3,453	3,033
Fee-paying domestic postgraduate students	7,061	4,208	7,061	4,208
Fee-paying domestic undergraduate students	15	-	15	-
<b>Total Course Fees and Charges</b>	<b>341,330</b>	<b>332,982</b>	<b>341,330</b>	<b>332,982</b>

**Other Non-Course Fees and Charges**

Parking fees	7,320	7,116	7,320	7,116
Rentals and hire facilities	7,856	5,471	7,856	5,471
Student accommodation	12,117	13,000	12,117	13,000
Student services fees from students	3,966	4,711	3,966	4,711
Other non-course fees and charges	3,716	2,592	3,716	2,592
<b>Total Other Non-Course Fees and Charges</b>	<b>34,975</b>	<b>32,890</b>	<b>34,975</b>	<b>32,890</b>

**Total Fees and Charges**

	<b>376,305</b>	<b>365,872</b>	<b>376,305</b>	<b>365,872</b>
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**Rental income commitments**

The University in its capacity as lessor has a number of leasing arrangements in relation to property leases.

Commitments for sublease rental income receivables are as follows:

Within 1 year	6,878	3,937	6,878	3,937
Between 1 to 5 years	23,175	13,417	23,175	13,417
More than five years	9,134	8,307	9,134	8,307
<b>Total sublease rental income commitments receivable</b>	<b>39,187</b>	<b>25,661</b>	<b>39,187</b>	<b>25,661</b>

**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 income is treated as income in advance. Fees and charges relating to debtors are recognised as revenue in the year to which the prescribed course relates.

**Note 1.1D: Consultancy and Contracts Fees**

Consultancy research	797	845	797	845
Contract research	49,279	66,715	49,279	66,715
Consultancy non-research	29,261	27,735	1,528	1,971
Contract non-research	29,198	10,409	29,198	10,409
<b>Total Consultancy and Contracts Fees</b>	<b>108,535</b>	<b>105,704</b>	<b>80,802</b>	<b>79,940</b>

**Note 1.1E: Other Revenue**

Sundry income	33,590	26,753	31,676	17,741
Sales of goods and services	15,591	13,819	15,591	13,819
Workers compensation reimbursements <sup>1</sup>	-	279	-	279
Scholarships and prizes	324	237	324	237
Donations and bequests	13,000	25,273	13,000	25,273
Student accommodation management fee	13,936	10,008	13,936	10,008
<b>Total Other Revenue</b>	<b>76,441</b>	<b>76,369</b>	<b>74,527</b>	<b>67,357</b>

<sup>1</sup> From 1 July 2018, the University took on the responsibility to self-manage workers compensation (refer Note 2.2E).

## Accounting Policy

Revenue from sales of goods and services is recognised when the services or goods are delivered.

### Note 1.1F: Revenue and Income from Continuing Operations Recognised Under AASB 15 and AASB 1058

#### Basis for disaggregation

**Sources of funding:** the University receives funds from the Australian Government as well as State and Local Governments to assist with performing research activities, and education programs across a wide range of disciplines and at different education qualification levels. Apart from the sources received from Government, the University 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 research activities and education services provided by the University.

**Revenue and income streams:** the streams distinguish the different activities performed by the University 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 such as interest rates or unemployment, the number of overseas students is predominantly impacted by changes in immigration policies.
- **Research:** The University performs research activities in different fields such as health, engineering, education and 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 research agreement is 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 agreements 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, student accommodation, and commercial tenancies.



a) Disaggregation

The University derives revenue and income from:

	Consolidated Sources of Funding										2019	
	Australian Government Financial Assistance \$'000	Higher Education Loan Program ("HELP") \$'000	Territory Government Financial Assistance \$'000	Student Fees and Charges \$'000	Non-Student Fees and Charges \$'000	Consultancy and Contracts Fees \$'000	Donations and Bequests \$'000	Other Revenue \$'000	Total Revenue from Contracts with Customers [AASB 15] \$'000	Total Income of Not-for-Profit Entities [AASB 1058] \$'000		
<b>Revenue Streams</b>												
<b>Course Fees and Charges</b>												
Domestic students undergraduate	-	75,077	-	15	-	-	-	-	75,092	-	-	-
Domestic students postgraduate	-	23,523	-	7,061	-	-	-	-	30,584	-	-	-
Onshore overseas students undergraduate	-	-	-	131,397	-	-	-	-	131,397	-	-	-
Onshore overseas students postgraduate	-	-	-	194,092	-	-	-	-	194,092	-	-	-
Offshore overseas students postgraduate	-	-	-	3,453	-	-	-	-	3,453	-	-	-
Continuing education and executive programs	-	-	-	5,312	-	-	-	-	5,312	-	-	-
<b>Total Course Fees and Charges</b>	-	<b>98,600</b>	-	<b>341,330</b>	-	-	-	-	<b>439,930</b>	-	-	-
<b>Research</b>												
Contract research [AASB 15]	6,388	-	2,706	-	-	-	-	-	9,094	-	-	-
Research grant [AASB 1058]	170,480	-	3,585	-	-	48,976	-	-	-	223,041	-	-
<b>Total Research</b>	<b>176,868</b>	-	<b>6,291</b>	-	-	<b>48,976</b>	-	-	<b>9,094</b>	<b>223,041</b>	-	-
<b>Recurrent Government Grants</b>												
Recurrent government grants [AASB 15]	84,027	-	-	-	-	-	-	-	84,027	-	-	-
Recurrent government grants [AASB 1058]	326,814	-	-	-	-	-	-	-	-	326,814	-	-
<b>Total Recurrent Government Grants</b>	<b>410,841</b>	-	-	-	-	-	-	-	<b>84,027</b>	<b>326,814</b>	-	-
<b>Non-Course Fees and Charges</b>												
Parking fees	-	-	-	-	7,320	-	-	-	7,320	-	-	-
Rentals and hire facilities	-	-	-	-	7,856	-	-	-	7,856	-	-	-
Student accommodation	-	-	-	-	12,117	-	-	-	12,117	-	-	-
Student services fees from students	-	-	-	-	3,966	-	-	-	3,966	-	-	-
Other student charges and fines	-	-	-	-	3,716	-	-	-	3,716	-	-	-
<b>Total Non-Course Fees and Charges</b>	-	-	-	-	<b>34,975</b>	-	-	-	<b>34,975</b>	-	-	-
<b>Total Capital Grants</b>	<b>49,911</b>	-	-	-	-	<b>1,100</b>	-	-	-	<b>51,011</b>	-	-
<b>Other</b>												
Other [AASB 15]	-	-	-	-	-	42,389	-	63,441	105,830	-	-	-
Other [AASB 1058]	-	-	-	-	-	16,070	13,000	-	-	29,070	-	-
<b>Total Other</b>	-	-	-	-	-	<b>58,459</b>	<b>13,000</b>	<b>63,441</b>	<b>105,830</b>	<b>29,070</b>	-	-
<b>Total Revenue from Contracts with Customers</b>	<b>90,415</b>	<b>98,600</b>	<b>2,706</b>	<b>341,330</b>	<b>34,975</b>	<b>42,389</b>	-	<b>63,441</b>	<b>673,856</b>	-	-	-
<b>Total Income of Not-for-Profit [AASB 1058]</b>	<b>547,205</b>	-	<b>3,585</b>	-	-	<b>66,146</b>	<b>13,000</b>	-	-	<b>629,936</b>	-	-

University  
Sources of Funding

	Australian Government Financial Assistance \$'000	Higher Education Loan Program ("HELP") \$'000	Territory Government Financial Assistance \$'000	Student Fees and Charges \$'000	Non-Student Fees and Charges \$'000	Consultancy and Contracts Fees \$'000	Donations and Bequests \$'000	Other Revenue \$'000	Customers [AASB 15] \$'000	Total Revenue from Contracts with Customers [AASB 15] \$'000	Total Income of Not-for-Profit Entities [AASB 1058] \$'000
<b>Revenue Streams</b>											
<b>Course Fees and Charges</b>											
Domestic students undergraduate	-	75,077	-	15	-	-	-	-	-	75,092	-
Domestic students postgraduate	-	23,523	-	7,061	-	-	-	-	-	30,584	-
Onshore overseas students undergraduate	-	-	-	131,397	-	-	-	-	-	131,397	-
Onshore overseas students postgraduate	-	-	-	194,092	-	-	-	-	-	194,092	-
Offshore overseas students postgraduate	-	-	-	3,453	-	-	-	-	-	3,453	-
Continuing education and executive programs	-	-	-	5,312	-	-	-	-	-	5,312	-
<b>Total Course Fees and Charges</b>	-	<b>98,600</b>	-	<b>341,330</b>	-	-	-	-	-	<b>439,930</b>	-
<b>Research</b>											
Contract research [AASB 15]	6,388	-	2,706	-	-	-	-	-	-	9,094	-
Research grant [AASB 1058]	170,480	-	3,585	-	-	48,976	-	-	-	-	223,041
<b>Total Research</b>	<b>176,868</b>	-	<b>6,291</b>	-	-	<b>48,976</b>	-	-	-	<b>9,094</b>	<b>223,041</b>
<b>Recurrent Government Grants</b>											
Recurrent government grants [AASB 15]	84,027	-	-	-	-	-	-	-	-	84,027	-
Recurrent government grants [AASB 1058]	326,814	-	-	-	-	-	-	-	-	-	326,814
<b>Total Recurrent Government Grants</b>	<b>410,841</b>	-	-	-	-	-	-	-	-	<b>84,027</b>	<b>326,814</b>
<b>Non-Course Fees and Charges</b>											
Parking fees	-	-	-	-	7,320	-	-	-	-	7,320	-
Rentals and hire facilities	-	-	-	-	7,856	-	-	-	-	7,856	-
Student accommodation	-	-	-	-	12,117	-	-	-	-	12,117	-
Student services fees from students	-	-	-	-	3,966	-	-	-	-	3,966	-
Other student charges and fines	-	-	-	-	3,716	-	-	-	-	3,716	-
<b>Total Non-Course Fees and Charges</b>	-	-	-	-	<b>34,975</b>	-	-	-	-	<b>34,975</b>	-
<b>Total Capital Grants</b>	<b>49,911</b>	-	-	-	-	<b>1,100</b>	-	-	-	-	<b>51,011</b>
<b>Other</b>											
Other [AASB 15]	-	-	-	-	-	14,656	-	61,527	-	76,183	-
Other [AASB 1058]	-	-	-	-	-	16,070	13,000	-	-	-	29,070
<b>Total Other</b>	-	-	-	-	-	<b>30,726</b>	<b>13,000</b>	<b>61,527</b>	-	<b>76,183</b>	<b>29,070</b>
<b>Total Revenue from Contracts with Customers</b>	<b>90,415</b>	<b>98,600</b>	<b>2,706</b>	<b>341,330</b>	<b>34,975</b>	<b>14,656</b>	-	<b>61,527</b>	-	<b>644,209</b>	-
<b>Total Income of Not-for-Profit [AASB 1058]</b>	<b>547,205</b>	-	<b>3,585</b>	-	-	<b>66,146</b>	<b>13,000</b>	-	-	-	<b>629,936</b>

## b) Revenue from contracts with customers

### Accounting Policy

A contract is in scope of AASB 15 when an enforceable agreement is entered into that promises to transfer goods or services that are considered sufficiently specific to enable the determination of when the performance obligation has been satisfied.

The transaction price is the total amount of consideration to which the University expects to be entitled in exchange for transferring promised goods or services to a customer. The consideration promised in a contract with a customer may include fixed amounts, variable amounts, or both.

The University's income generating contracts typically do not have variable components. Where variability does exist, it is where the University is required to return to the funding provider any amounts received under a grant that were not spent on eligible expenditure. As such, this variability is required to be estimated by the University in order to determine, at contract inception, what is considered the transaction price of the contract. The University applies this at a portfolio level.

For some transactions, the receipt of the consideration does not match the timing of the transfer of goods or services to the customer. The University does not consider there to be significant financing components in any of its contracts. Where there is a timing difference between the receipt of funds and the satisfaction of a performance obligation, this is typically less than 12 months and therefore the University is able to apply the practical expedient within AASB 15 that removes the requirement for the University to adjust the promised amount of consideration for the effects of a significant financing component. Where contracts do result in the receipt of cash more than 12 months before or after performance by the University, the University has determined the effect of the significant financing component to be immaterial.

The revenue is recognised:

- Over time when the good or service provided meets one of the following criteria:
  - a) The customer simultaneously receives and consumes the benefits provided by the University's performance as the University performs;
  - b) The University's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
  - c) The University's performance does not create an asset with an alternative use to the University and the University has an enforceable right to payment for performance completed to date.
- At a point in time when the good or service is delivered.

Where revenue is recognised over time, the University can apply either an input or output method for measuring progress. The University selects the method that most faithfully depicts the University's performance in transferring control of the good or service. The University determines the most appropriate method on a contract-by-contract basis.

### • Course fees and charges

Revenue from course fees and charges relates to undergraduate, graduate and professional degree programs and continuing education.

The revenue is recognised over time as and when the course is delivered to students over the semester, as the student receives and consumes the benefit simultaneously. An output method is used based on the months of education delivered, as this best reflects the transfer of services to students.

When the course or training program has been paid in advanced by students or the University has received the government funding in advance (e.g. before starting the relevant academic period), the University will recognise a contract liability until the services are delivered.

The University has refund obligations where a student has paid tuition fees and then withdraws from a course or program prior to the relevant census date.

### • Research

Revenue recognition for research funding is dependent upon the source of the funding and the nature of the transaction.

The University assesses each contract to determine whether both the 'enforceable agreement' and 'sufficiently specific' criteria are met. Where they are met, the University identifies the performance obligation(s) where research findings are required to be transferred to a customer.

Research revenue can have a requirement to be returned to the funding provider any amounts received that were not spent on eligible expenditure. The University will estimate at a portfolio level an amount to be deferred based on historical data.

The research agreements that are considered within the scope of AASB 15 are sufficiently specific, as the University has the obligation to provide the goods or services. The performance obligations may include:

- Comprehensive academic paper/s with the results of the research after completion;
- Publishing research data and results on an ongoing basis in an openly accessible repository as requested by the grantor; or
- Transfer of or access to intellectual property.

Depending of the nature of the promise, the University either recognises revenue at the point in time when the promise is delivered (e.g. when the comprehensive academic paper is published) or recognises revenue over time as the service is performed (e.g. when the customer obtains control of the intellectual property as it is created).

- **Non-course fees and other charges**

Non-course fees and other charges revenue relates to student services and amenities fees, parking fees, student accommodation, and commercial tenancies.

Revenue is recognised as and when the goods or services are delivered.

- **Unsatisfied performance obligations**

Remaining performance obligations represent services the University has promised to provide to customers under contracts that are satisfied as the services are provided over the contract term. Where there is only one performance obligation, the entire transaction price is allocated to the performance obligation. Where multiple performance obligations are identified, the University will allocate the transaction price between them based on the stand-alone selling price of each of the performance obligations.

Remaining performance obligations are associated with research and other contract obligations, including submission of required activity report, publication of research data and results, and transfer of intellectual property.

These unsatisfied performance obligations are expected to be satisfied within the following periods:

	Consolidated		University	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Within 1 year	54,193	4,380	51,782	-
Between 1 to 5 years	3,566	-	3,566	-
More than 5 years	-	-	-	-
<b>Total Unsatisfied performance obligations</b>	<b>57,759</b>	<b>4,380</b>	<b>55,348</b>	<b>-</b>

As permitted under the transitional provisions in AASB 15, the transaction price allocated to partially unsatisfied performance obligations as of 31 December 2018 is not disclosed.

- **Assets and liabilities related to contracts with customers**

The University has recognised the following assets and liabilities related to contracts with customers:

Contract assets - current	6,227	1,972	3,950	-
Contract assets - non-current	174	-	174	-
<b>Total Contract assets</b>	<b>6,401</b>	<b>1,972</b>	<b>4,124</b>	<b>-</b>
Other non-financial assets - current	4,788	-	4,788	-
Other non-financial assets - non-current	398	-	398	-
<b>Total Other non-financial assets</b>	<b>5,186</b>	<b>-</b>	<b>5,186</b>	<b>-</b>
Contract liabilities - current	54,193	4,380	51,782	-
Contract liabilities - non-current	3,566	-	3,566	-
<b>Total Contract liabilities</b>	<b>57,759</b>	<b>4,380</b>	<b>55,348</b>	<b>-</b>

#### Contract assets

The contract assets are amounts receivable from customers for goods or services that have been transferred but not yet invoiced.

The classification of contract assets as non-current was based on the expected receipt of funds beyond a twelve-month period.

The impairment associated with the contract assets is disclosed in Note 2.1B: Loans, Receivables and Contract Assets.

#### Accounting Policy

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the University delivers goods or services to a customer before receiving consideration, a contract asset is recognised for the earned consideration that is conditional.

## Other non-financial assets

Other non-financial assets relate to deferred expenditure for performance obligations that are yet to be completed, that have been assessed under the point in time method.

## Contract liabilities

The contract liabilities are amounts received from customers where the performance obligations are yet to be completed.

The classification of contract liabilities as non-current was based on the expected completion date of the performance obligations beyond a twelve-month period.

### Accounting Policy

A contract liability is the obligation to transfer goods or services to a customer for which the University has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the University 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 University performs under the contract.

Contract liabilities differ from the amounts disclosed in Note 2.2B Other Payables. The contract liabilities include deferred income.

#### • Refund liabilities

The University has recognised the following refund liabilities related to contracts with customers:

	Consolidated 2019		University 2019	
	Closing balance \$'000	Opening balance \$'000	Closing balance \$'000	Opening balance \$'000
Refund liabilities - current	121	-	121	-
Refund liabilities - non-current	8	-	8	-
<b>Total Refund liabilities</b>	<b>129</b>	<b>-</b>	<b>129</b>	<b>-</b>

The refund liabilities are associated with the estimated return of unspent funds arising from contracts with customers.

The classification of refund liabilities as non-current was based on the expected completion date of the performance obligations beyond a twelve-month period.

### Accounting Policy

A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the University ultimately expects it will have to return to the customer. The University updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period. The University applies this at a portfolio level.

## c) Not-for-Profit Income

### Accounting Policy

Transactions are in the scope of AASB 1058 where the consideration to acquire an asset is significantly less than fair value, principally to enable the entity to further its objectives. The University has determined that where it is entitled to consideration under an enforceable contract to perform research or other services, but there is no transfer of a good or service to a customer that arrangement is in the scope of AASB 1058.

Income will be determined as the difference between the consideration for an asset and the asset's fair value, after recognising any other related amounts. The University will apply judgment in determining the extent to which the acquisition of an asset gives rise to income as specified by AASB 1058 or to other amounts recognised in accordance with any other applicable accounting standard.

#### • Research and other funding

Revenue recognition for research and other funding is dependent upon the source of the funding and the nature of the transaction.

The following specific revenue recognition criteria have been applied:

- Funding received from Australian Research Council (ARC): The University has determined there are no sufficiently specific performance obligations associated with ARC funding. The University will recognise revenue when it obtains an enforceable right to the cash.
- Funding received from National Health and Medical Research Council (NHMRC): The University has determined there are no sufficiently specific performance obligations associated with NHMRC funding. The University will recognise revenue when it obtains an enforceable right to the cash.
- Funding received from the Department of Education – Research Block Grant (RBG): The University received funding in relation to the Research Training Program (RTP) and Research Support Program (RSP). These funds have been recognised in accordance with AASB 1058 as it has been determined there are no sufficiently specific associated performance obligations. The University will recognise revenue when it obtains an enforceable right to the cash.

- Other funding: These are assessed on a contract-by-contract basis. Where performance obligations are found to not be sufficiently specific, revenue will be recognised in accordance with AASB 1058. The University will recognise revenue when it obtains an enforceable right to the cash.

#### • Donations and bequests

Donations are categorised as receipts of cash where funds are provided in return for a Deductible Gift Receipt (DGR). Once the fund provider has received a DGR, there is no recourse to the funds donated as they have accepted them as a tax deduction. As such, there is no enforceable contract arising from the provision of these donated funds.

Bequests do not have the same DGR requirements as donations, however the University typically has the ability to redirect funds to priorities as they see fit. Where contracts may specify the intended use of the funds, the University does not consider them to be enforceable.

The University will recognise revenue when they obtain an enforceable right to the cash.

#### • Transfers of financial assets to acquire or construct a non-financial asset

	Consolidated 2019		University 2019	
	Closing balance \$'000	Opening balance \$'000	Closing balance \$'000	Opening balance \$'000
Australian Government unspent financial assistance	20,134	-	20,134	-
Other liabilities	300	-	300	-

During the reporting period, movements in the liability arose from cash received of \$2,245,000, Australian Government funds being reclassified upon adoption of AASB15 of \$69,200,000, and income recognised of \$49,911,000.

#### • Unsatisfied obligations

The University expects to recognise as income any liability for unsatisfied obligations within the following periods:

	Consolidated		University	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Within 1 year	20,434	-	20,434	-
Between 1 to 5 years	-	-	-	-
More than 5 years	-	-	-	-
<b>Total unsatisfied obligations</b>	<b>20,434</b>	<b>-</b>	<b>20,434</b>	<b>-</b>

#### Accounting Policy

In cases where the transaction includes a transfer to enable the University to acquire or construct a recognisable non-financial asset to be controlled by the University, the University recognises a liability for the excess of the fair value of the transfer over any related amounts recognised, and recognises income in the income statement as it satisfies its obligations under the transfer.

A transfer of a financial asset to enable the University to acquire or construct a recognisable non-financial asset for its own use is one that:

- Requires the University to use that financial asset to acquire or construct a non-financial asset to identified specifications;
- Does not require the University to transfer the non-financial asset to the transferor or other parties; or
- Occurs under an enforceable agreement.

The University applies the requirements of AASB 9 *Financial Instruments* when accounting for the financial asset (e.g. cash) received. The acquisition or construction of the non-financial asset is accounted for separately to the transfer of the financial asset, in accordance with other Standards.

The above only applies for transfers that meet the criteria to be considered as 'transfers to enable the University to acquire or construct a recognisable non-financial asset to be controlled by the University'.

A key criterion is that the non-financial asset to be constructed or acquired by the University needs to be permitted to be recognised by another standard (e.g. the construction of a building under AASB 116 or intangible asset under AASB 138).

If the non-financial asset is not permitted to be recognised by another standard (e.g. research activities which cannot be recognised as an asset in accordance with AASB 138), the University is not permitted to apply the capital grant accounting. Instead, the University would revert back to the general income recognition requirements (under AASB 1058.9) which is to recognise the difference between the initial carrying amount of the asset and any 'related amounts' immediately as income in the income statement.

	Consolidated		University	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
<b>Note 1.1G: Net Investment Revenue</b>				
Interest	25,867	27,532	25,814	27,428
Dividends	45,782	55,495	45,782	55,495
	<u>71,649</u>	<u>83,027</u>	<u>71,596</u>	<u>82,923</u>
<b>Financial assets gain/(loss)</b>				
Cumulative gain on disposal of financial assets at fair value through statement of other comprehensive income	1,026	868	1,026	868
Net gain on financial assets at amortised cost	2,307	4,861	2,307	4,861
Net gain/(loss) on financial assets at fair value through profit or loss	159,461	(13,523)	159,461	(13,523)
	<u>162,794</u>	<u>(7,794)</u>	<u>162,794</u>	<u>(7,794)</u>
<b>Net Investment Revenue</b>	<u>234,443</u>	<u>75,233</u>	<u>234,390</u>	<u>75,129</u>

#### Accounting Policy

Interest income is recognised on a time proportionate basis that takes into account the effective yield on the relevant asset. Dividend income is recognised when a dividend is declared. Other investment revenue is recognised as it is received, with the exception of unrealised gains and losses which arise from the year end valuation process.

## 1.2 Expenses

	Consolidated		University	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
<b>Note 1.2A: Employee Related Expenses</b>				
<b>Academic</b>				
Salaries	243,971	231,193	243,971	231,193
Contributions to funded superannuation and pension schemes	40,462	37,620	40,462	37,620
Payroll tax	20,624	19,515	20,624	19,515
Workers compensation	42	2,152	42	2,152
Long service leave	4,365	2,712	4,365	2,712
Annual leave	16,810	14,121	16,810	14,121
<b>Total Academic</b>	<b>326,274</b>	<b>307,313</b>	<b>326,274</b>	<b>307,313</b>
<b>Non-Academic</b>				
Salaries	260,370	242,180	244,041	226,484
Contributions to funded superannuation and pension schemes	41,780	37,745	40,180	36,198
Payroll tax	20,476	18,934	20,476	18,934
Workers compensation	2,434	4,399	1,226	3,145
Long service leave	4,599	2,014	4,371	1,843
Annual leave	18,575	15,767	17,788	15,031
<b>Total Non-Academic</b>	<b>348,234</b>	<b>321,039</b>	<b>328,082</b>	<b>301,635</b>
<b>Total Employee Related Expenses</b>	<b>674,508</b>	<b>628,352</b>	<b>654,356</b>	<b>608,948</b>
<b>Deferred Superannuation Expense</b>				
Current service and interest costs on account	16,246	18,578	16,246	18,578
<b>Total Deferred Superannuation Expense</b>	<b>16,246</b>	<b>18,578</b>	<b>16,246</b>	<b>18,578</b>
<b>Total Employee Related Expenses (including Deferred Superannuation Expense)</b>	<b>690,754</b>	<b>646,930</b>	<b>670,602</b>	<b>627,526</b>

### Accounting Policy

Accounting policies for employee related expenses are contained in the People and Relationships section.

### Note 1.2B: Depreciation and Amortisation

<b>Depreciation</b>				
Property at cost	8,315	5,901	7,751	5,901
Property at valuation	38,450	41,624	38,588	41,200
Plant, equipment and motor vehicles at cost	25,963	28,232	25,341	27,703
Plant, equipment and motor vehicles at deemed cost	299	320	299	320
Leasehold improvements	281	429	281	429
Right-of-use assets - Buildings	3,183	-	2,619	-
Right-of-use assets - Plant & equipment	1,751	-	1,751	-
<b>Amortisation</b>				
Licence agreement	-	-	-	-
Software licence	2,331	1,358	2,331	1,358
Other intangible assets	476	476	-	-
<b>Total Depreciation and Amortisation</b>	<b>81,049</b>	<b>78,340</b>	<b>78,961</b>	<b>76,911</b>



	Consolidated		University	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
<b>Note 1.2C: Repairs and Maintenance</b>				
Building repairs and maintenance	14,187	16,336	14,071	16,250
Grounds maintenance	1,634	1,883	1,634	1,883
Other site maintenance and servicing expenses	7,427	5,187	7,374	5,129
<b>Total Repairs and Maintenance</b>	<b>23,248</b>	<b>23,406</b>	<b>23,079</b>	<b>23,262</b>

**Note 1.2D: Borrowing Costs**

Borrowing cost expense - interest on loans	3,834	4,487	3,834	4,487
Borrowing cost expense - interest on medium term notes	7,960	7,960	7,960	7,960
<b>Total Borrowing Costs</b>	<b>11,794</b>	<b>12,447</b>	<b>11,794</b>	<b>12,447</b>

**Accounting Policy**

All borrowing costs are expensed as incurred.

**Note 1.2E: Write-down and Impairment of Assets**

Impairment of investments	2,209	(11)	2,209	(11)
Impairment of receivables	3,922	(104)	3,922	(104)
Bad debts expense	222	507	222	507
Impairment losses - inventory	(11)	(256)	-	-
Revaluation decrements	-	7,082	-	7,082
<b>Total Write-down and Impairment of Assets</b>	<b>6,342</b>	<b>7,218</b>	<b>6,353</b>	<b>7,474</b>

**Note 1.2F: Other Expenses**

Consumables, research and training materials	152,255	137,320	154,228	140,300
Site servicing <sup>1</sup>	40,247	47,144	39,717	46,013
Travel, conferences and fieldwork	42,694	36,887	42,525	36,437
Project contributions	31,983	27,182	32,391	27,388
Scholarships	61,118	57,851	61,119	57,851
Non-capitalised equipment	23,963	33,046	13,970	17,374
Fees, charges and insurance	9,847	5,825	9,847	5,825
Miscellaneous operating expenses <sup>2</sup>	51,166	35,361	49,989	33,655
<b>Total Other Expenses</b>	<b>413,273</b>	<b>380,616</b>	<b>403,786</b>	<b>364,843</b>

On 31 December 2018, Australian Scientific Instruments Pty Limited, a wholly owned subsidiary of the University, sold its RESolution line to Applied Spectrum (incorporated in the USA) for a consideration of US\$100,000. The loss on sale includes the losses in relation to inventory and work in progress sold, along with the transfer of the liability for various unfulfilled service contracts and providing for closure costs of the business. The net loss from discontinued operations was \$984,000.

**Accounting Policy**

Other expenses are recognised on an accrual basis.

	Consolidated		University	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
<b>Note 1.2F: Other Expenses (continued)</b>				
<b>1. Site servicing expenses include:</b>				
Electricity and gas	22,448	19,661	22,171	19,394
Cleaning expenses	10,253	11,472	9,996	11,222
Rental expenses	1,869	10,648	1,944	10,106
Municipality charges	5,677	5,363	5,606	5,291
<b>Total Site servicing expenses</b>	<b>40,247</b>	<b>47,144</b>	<b>39,717</b>	<b>46,013</b>
<b>2. Miscellaneous operating expenses include:</b>				
Advertising	6,766	4,855	6,766	4,849
Management fees	16,393	10,047	16,192	9,803
Membership - professional bodies	4,857	5,982	4,773	5,918
Staff development	2,791	2,514	2,742	2,317
Audit expenses, internal and external	1,206	556	1,106	484
Patent, copyright and royalties	1,627	1,154	1,627	1,154
Legal expenses, settlements	7,268	1,626	7,174	1,488
Other miscellaneous operating expenses	10,258	8,627	9,609	7,642
<b>Total Miscellaneous operating expenses</b>	<b>51,166</b>	<b>35,361</b>	<b>49,989</b>	<b>33,655</b>

#### Leasing commitments

In accordance with AASB 16, commitments are now reported as Right-of-use liabilities (refer Note 2.2D for details). The table below outlines the 2018 lease commitments prior to adoption of AASB 16.

Commitments for minimum lease payments in relation to non-cancellable operating leases in 2018 were payable as follows:

	Consolidated		University	
	2018 \$'000	2018 \$'000	2018 \$'000	2018 \$'000
Within 1 year	5,663	5,663	5,108	5,108
Between 1 to 5 years	8,141	8,141	7,586	7,586
More than 5 years	-	-	-	-
<b>Total operating lease commitments</b>	<b>13,804</b>	<b>13,804</b>	<b>12,694</b>	<b>12,694</b>

In 2018, the University in its capacity as lessee had property leasing arrangements for office accommodation.

#### Note 1.2G: Losses/(Gains) on Disposal of Assets

Loss on disposal of property, plant, equipment and motor vehicles	11,769	263	11,769	261
Gain on disposal of property, plant, equipment and motor vehicles	(185)	(86)	(148)	(86)
<b>Net Losses/(Gains) on Disposal of Assets</b>	<b>11,584</b>	<b>177</b>	<b>11,621</b>	<b>175</b>

#### Accounting Policy

Losses or gains from disposal of non-current assets are recognised when control of the asset has passed to the buyer.

	Consolidated		University	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000

**Note 1.2H: Income Tax (Expense)/Benefit**

Recognised in the Income Statement

Current tax income/(expense)				
Current year	335	(421)	-	-
Adjustment from prior year	-	(1)	-	-
Origination and reversal of temporary differences	(193)	(42)	-	-
<b>Total Income Tax (Expense)/Benefit</b>	<b>142</b>	<b>(464)</b>	<b>-</b>	<b>-</b>

**Accounting Policy**

The University is exempt from income tax under Commonwealth legislation whilst the controlled entity, ANU Enterprise Pty Ltd, addresses taxation in the following way:

ANU Enterprise Pty Ltd is endorsed by the Australian Charities and Not-for profits Commission as complying with the requirements to be regarded as a Charitable Institution for taxation purposes and as such has made no provision for income tax.

Australian Scientific Instruments Pty Ltd and the Social Research Centre Pty Ltd (subsidiaries of ANU Enterprise Pty Ltd), are not exempt from income tax.

The income tax expense for the period is the tax payable on the current period's taxable income based on the notional income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of the assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses. Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability.

## 2. Financial Position

This section analyses The Australian National University's assets used to conduct its operations and the operating liabilities incurred as a result. Employee related information is disclosed in the People and Relationships section.

### 2.1 Assets

	Consolidated		University	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
<b>Note 2.1A: Cash and Cash Equivalents</b>				
Cash at bank and on hand <sup>(a)</sup>	122,766	143,767	119,839	137,959
Deposits at call <sup>(b)</sup>	370,146	46,599	368,284	43,237
<b>Total Cash and Cash Equivalents</b>	<b>492,912</b>	<b>190,366</b>	<b>488,123</b>	<b>181,196</b>

#### (a) Cash at bank and on hand

Cash on hand is non-interest bearing. Cash at bank earns floating interest rates between 0.00% and 1.15% (2018: between 0.00% and 1.50%).

#### (b) Deposits at call

The deposits at call earned an average interest rate of 1.2% (2018: between 1.20% and 2.85%).

#### Accounting Policy

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.

#### Note 2.1B: Loans, Receivables and Contract Assets

##### Current Receivables:

Goods and services	78,204	79,611	73,759	73,126
Less: Allowance for expected credit losses	(4,819)	(891)	(4,819)	(891)
	<u>73,385</u>	<u>78,720</u>	<u>68,940</u>	<u>72,235</u>

Income due	2,900	2,670	2,900	2,667
Interest receivable	3,422	7,313	3,394	7,296
GST receivable	8,979	8,043	8,751	7,149
Lease receivable	1,160	617	1,160	617
Loans to related party	-	-	471	875
Grant receivable	1,667	-	1,667	-
<b>Total Current Receivables</b>	<b>91,513</b>	<b>97,363</b>	<b>87,283</b>	<b>90,839</b>

##### Non-Current Receivables:

Lease receivable	15,986	9,035	15,986	9,035
Loans to related party	-	-	3,037	2,430
<b>Total Non-Current Receivables</b>	<b>15,986</b>	<b>9,035</b>	<b>19,023</b>	<b>11,465</b>

<b>Total Loans and Receivables</b>	<b>107,499</b>	<b>106,398</b>	<b>106,306</b>	<b>102,304</b>
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At 1 January	891	990	891	990
Provision for expected credit losses	1,719	(99)	1,719	(99)
Write-off	2,209	-	2,209	-
At 31 December	<u>4,819</u>	<u>891</u>	<u>4,819</u>	<u>891</u>

#### Contract Assets

As at 31 December 2019, the University has contract assets of \$4,124,000, and an allowance for expected credit losses of \$37,000 has been recognised. Refer to Note 1.1F for further information regarding contract assets.

The significant changes in the balances of contract assets are disclosed in Note 1.1F while the information about the credit exposures are disclosed in Note 5.2 Financial risk management.

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

### Credit risk exposure - Consolidated

31 December 2019	Current	Days past due					Total
		<30 days	30-60 days	61-90 days	91-365 days	> 365 days	
<b>Trading receivables</b>							
Expected credit loss rate	2.43%	5.37%	9.80%	18.54%	38.18%	100.00%	
Estimated total gross carrying amount at default (\$'000)	21,342	5,412	5,041	2,424	2,340	2,146	38,705
<b>Expected credit loss (\$'000)</b>	518	291	494	449	893	2,146	4,791

31 December 2019	Current	Days past due					Total
		<30 days	30-60 days	61-90 days	91-365 days	> 365 days	
<b>Government receivables</b>							
Expected credit loss rate	0.18%	0.52%	1.00%	1.00%	1.00%	100.00%	
Estimated total gross carrying amount at default (\$'000)	6,981	729	478	114	356	2	8,660
<b>Expected credit loss (\$'000)</b>	12	4	5	1	4	2	28

### Credit risk exposure - University

31 December 2019	Current	Days past due					Total
		<30 days	30-60 days	61-90 days	91-365 days	> 365 days	
<b>Trading receivables</b>							
Expected credit loss rate	2.43%	5.37%	9.80%	18.54%	38.18%	100.00%	
Estimated total gross carrying amount at default (\$'000)	21,342	5,412	5,041	2,424	2,340	2,146	38,705
<b>Expected credit loss (\$'000)</b>	518	291	494	449	893	2,146	4,791

31 December 2019	Current	Days past due					Total
		<30 days	30-60 days	61-90 days	91-365 days	> 365 days	
<b>Government receivables</b>							
Expected credit loss rate	0.18%	0.52%	1.00%	1.00%	1.00%	100.00%	
Estimated total gross carrying amount at default (\$'000)	6,981	729	478	114	356	2	8,660
<b>Expected credit loss (\$'000)</b>	12	4	5	1	4	2	28

### Accounting Policy

The University entered into the Purpose Built Student Accommodation (PBSA) agreements with independent third parties. The transaction provides the third parties with full exposure to the key risks and rewards associated with the PBSA assets and the related PBSA net revenue. The University, as lessor, accounts for the transaction as a finance lease. On expiry of the lease the assets will revert back to the University based on the expected value of the assets at the end of the lease term. The present value of the unguaranteed residual value of the assets has been recognised as a Lease receivable within Loans and Receivables.

Consolidated		University	
2019	2018	2019	2018
\$'000	\$'000	\$'000	\$'000

### Note 2.1C: Inventories

Inventory held for sale	487	389	487	389
Consumables in store	501	629	501	470
Work in progress equipment for sale	140	140	140	140
<b>Total Inventories</b>	<b>1,128</b>	<b>1,158</b>	<b>1,128</b>	<b>999</b>

### Accounting Policy

Inventories held for resale are valued at the lower of cost or net realisable value. Inventories held for distribution are valued at cost, adjusted for any loss of service potential. Costs are assigned to inventories using last purchase cost including costs incurred in bringing each product to its present location and condition.

Work in Progress, relating to the manufacturing of scientific instruments, is valued at cost plus profit recognised to date less any provision for anticipated future losses. Costs include both variable and fixed costs relating to specific contracts and those that are attributable to the contract activity in general and which can be allocated on a reasonable basis. Where progress billing for contracts exceeds the aggregate costs incurred plus profits less losses, the net amounts are presented under other liabilities.

	Consolidated		University	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
<b>Note 2.1D: Investments</b>				
<b>Current Investments:</b>				
At amortised cost	60,000	515,000	60,000	515,000
Fair value through profit or loss	1,241,542	938,560	1,241,542	938,560
<b>Total Current Investments</b>	<b>1,301,542</b>	<b>1,453,560</b>	<b>1,301,542</b>	<b>1,453,560</b>
<b>Non-Current Investments:</b>				
At fair value through statement of other comprehensive income	194,835	145,517	194,835	145,517
Interest in related parties	-	-	7,200	7,200
<b>Total Non-Current Investments</b>	<b>194,835</b>	<b>145,517</b>	<b>202,035</b>	<b>152,717</b>
<b>Total Investments</b>	<b>1,496,377</b>	<b>1,599,077</b>	<b>1,503,577</b>	<b>1,606,277</b>
<b>2.1D(a) Allowance for debt instruments other than receivables</b>				
At 1 January	(251)	(258)	(251)	(258)
Provision for expected credit losses	(7)	7	(7)	7
<b>At 31 December 2019</b>	<b>(258)</b>	<b>(251)</b>	<b>(258)</b>	<b>(251)</b>
<b>Total Investments</b>	<b>1,496,119</b>	<b>1,598,826</b>	<b>1,503,319</b>	<b>1,606,026</b>

#### (a) Restricted Funds

The University holds investments arising from donations and bequests from donors for the purpose of funding scholarships, prizes, foundations and endowments in general. As at 31 December 2019, the University held \$369,493,362 (2018 \$321,045,021) in restricted funds and an additional \$607,849,048 (2018 \$547,377,873) to meet the cost of the employer's liability under the Commonwealth Superannuation Scheme (see Note 6.2).

#### (b) Investment in Giant Magellan Telescope Project

The University contributed \$37,300,000 to the Giant Magellan Telescope project (no further contribution since project ceased in 2015). Funding for the project was provided by the Commonwealth Government under the Education Investment Fund program. The funds invested by the University purchases the right to viewing time on the telescope once the facility is finally constructed and available for use. This is currently expected to be in 2027.

The investment made to date by the University has been valued at \$1 as the recoverability of future economic benefits is not considered certain at this point in time. Under AASB 9 this investment has been reclassified at fair value through profit or loss and future economic benefits to be recognised in Note 1.1D.

#### Accounting Policy

University funds are invested in accordance with Section 6(2) of the *Australian National University Act 1991* (as amended) using guidelines approved by the Council of the University.

The categorisation of financial assets depends on the nature and purpose of the financial asset and is determined at the time of initial recognition in accordance with AASB 9.

Financial assets are recognised and derecognised upon 'trade date'.

#### a. The Group classifies its financial assets in the following categories:

##### Financial assets at amortised cost

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted on an active market are classified as 'loans and receivables' and are included in current assets. Loans and receivables with maturities greater than 12 months after the balance sheet date are classified as non-current assets.

Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are due for settlement in no more than 30 days.

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 the financial asset 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.

Changes in carrying amounts are recognised in the income statement.

##### Financial assets at fair value through other comprehensive income (FVOCI)

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 listed debt instruments included under other non-current financial assets.

#### Financial assets at fair value through profit or loss (FVTPL)

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. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, 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 University 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.

#### b. Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments other than receivables 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 University 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.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For debt instruments at fair value through OCI, the University applies the low credit risk simplification. At every reporting date, the University 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 University reassesses the internal credit rating of the debt instrument. In addition, the University considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The University considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the University may also consider a financial asset to be in default when internal or external information indicates that the University is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the University. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

For trade receivables, the University applies the simplified approach in calculating expected credit losses (ECLs). Therefore, the University does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The University has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

	Consolidated		University	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
<b>Note 2.1E: Investments Accounted for Using the Equity Method</b>				
Investments in Associates	2,566	2,663	4,972	4,962
Investments in Joint Ventures	137	137	137	137
<b>Total Investments Accounted for Using the Equity Method</b>	<b>2,703</b>	<b>2,800</b>	<b>5,109</b>	<b>5,099</b>
<b>Reconciliation:</b>				
Balance at 1 January	2,800	1,260		
Share of profit for the year	(21)	762		
Investment in Associates	2,289	562		
Impairment	(2,279)	-		
Prior year adjustment	(86)	216		
<b>Balance at 31 December 2019</b>	<b>2,703</b>	<b>2,800</b>		

## Note 2.1E: Investments Accounted for Using the Equity Method (continued)

### Associates

Details of the University's investments in associates at the end of the reporting period are as follows:

Name of Associate	Principal Activity	Place of Incorporation and Operation	Ownership Interest Held by the University	
			2019	2018
Cicada Innovations Pty Ltd	To facilitate the commercialisation of start-up companies.	Australia	25.00%	25.00%
Pestat Pty Ltd	To commercialise safe, humane and effective solutions for pest control and innovative products for animal management purposes.	Australia	22.02%	22.02%
Beta Therapeutics Pty Limited	To establish proprietary therapeutic compounds for use in Type 1 Diabetes, Type 2 Diabetes therapy and islet transplant applications.	Australia	19.05%	22.34%
Significant Capital Ventures Fund, LP	To target a diverse portfolio of early stage venture capital opportunities, introduced through the opportunity development pipeline of the Canberra region.	Australia	23.08%	24.00%
WearOptimo Pty Limited	Provide investment in personalised medicine and diagnostics via microscopic wearable technology.	Australia	8.06%	0.00%

The financial year end date for all associate entities is 30 June which was the reporting date when the companies were incorporated. For the purpose of applying the equity method of accounting, the financial statements of the associate entities for the year ended 30 June 2019 have been used. No adjustments have been made as there were no significant transactions between that date and 31 December 2019.

#### University

<b>2019</b>	2018
<b>\$'000</b>	<b>\$'000</b>

#### Summarised financial information for associates is set out below:

##### Financial Position

Cash and cash equivalents	1,596	1,825
Other current assets	9,881	10,658
Non-current assets	2,757	719
<b>Total Assets</b>	<b>14,234</b>	<b>13,202</b>

Current financial liabilities (excl. trade and other payables and provisions)

Current financial liabilities (excl. trade and other payables and provisions)	797	290
Other current liabilities	2,983	4,373
Other non-current liabilities	26	43

##### Total Liabilities

<b>Total Liabilities</b>	<b>3,806</b>	<b>4,706</b>
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##### Net Assets

<b>Net Assets</b>	<b>10,428</b>	<b>8,496</b>
Share of associates' net assets	5,051	2,124

##### Financial Performance

Total revenue	6,770	9,498
Profit/(loss) from continuing operations before tax	(1,436)	4,346
Profit/(loss) from continuing operations after tax	(791)	3,046
<b>Total comprehensive income</b>	<b>(791)</b>	<b>3,046</b>
Share of associates' profit/(loss)	(21)	762

#### Significant Judgements/Assumptions

The University has reviewed the Shareholder Agreements and Constitutions of associated entities and has determined that we do not have control as defined in AASB 10. However, the University's respective ownership interests in these investments does provide it with the opportunity to participate in the financial and operating policy decisions of the associated entities.



## Note 2.1E: Investments Accounted for Using the Equity Method (continued)

### Joint Ventures

Details of the University's investments in joint ventures at the end of the reporting period are as follows:

Name of Joint Ventures	Principal Activity	Place of Incorporation and Operation	Ownership Interest Held by the University	
			2019	2018
ANU MTAA Super Venture Capital Pty Limited	Provide governance and administration services to ANU MTAA Super Venture Capital Partnership, LP.	Australia	50.00%	50.00%
ANU MTAA Super Venture Capital Partnership, LP	Provide investment in commercialisation, pre-seed and early stage private equity investment.	Australia	28.17%	36.00%

The financial statements of the joint venture entities for the year ended 30 June 2019 have been used. No adjustments have been made as there were no significant transactions between that date and 31 December 2019.

	University	
	2019	2018
	\$'000	\$'000

Summarised financial information for joint ventures is set out below:

#### Financial Position

Other current assets	1,340	688
Non-current assets	24,271	13,868
<b>Total Assets</b>	<b>25,611</b>	<b>14,556</b>

Other current liabilities	445	370
Other non-current liabilities	-	22
<b>Total Liabilities</b>	<b>445</b>	<b>392</b>

<b>Net Assets</b>	<b>25,166</b>	<b>14,164</b>
Share of joint ventures' net assets	1,886	694

#### Financial Performance

Total revenue	5,614	5,795
Profit/(loss) from continuing operations before tax	3,979	4,203
Profit/(loss) from continuing operations after tax	3,979	4,203
<b>Total comprehensive income</b>	<b>3,979</b>	<b>4,203</b>
Share of joint ventures profit/(loss)	-	-

#### Significant Judgements/Assumptions

ANU MTAA Super Venture Capital Pty Limited (the Entity) – The Entity acts as the General Partner for the ANU MTAA Super Venture Capital Partnership, LP and is established as a separate legal entity with the University and the Motor Trades Association of Australia Superannuation Fund Pty Limited each holding 50.00% of the issued share capital. Decisions of the entity must be agreed by a unanimous vote of the two Shareholder Representative Directors. The University has rights to its proportion of the net assets of the Entity. Considering these factors the University has classified the Entity as a Joint Venture in accordance with AASB 11 *Joint Arrangements*.

ANU MTAA Super Venture Capital Partnership, LP (Limited Partner) - the Limited Partner is established under the Venture Capital Partnership Deed and is registered under the Partnership Act as an Incorporated Limited Partnership. The Partnership Deed evidences that power over the Limited Partner is exercised via joint control of the Limited Partners (University and MTAA Superannuation Fund Pty Limited) where a majority decision on all matters is required. It is the University's determination that the arrangement is structured through a separate vehicle (the Partnership) with investments made by the Limited Partner held in the name of the Limited Partner and not the University or MTAA Superannuation Fund Pty Limited and distributions calculated net of operating costs and overheads that it be defined as a Joint Venture.

#### Joint Venture Distribution Restrictions

The General Partner may only make in-specie distributions of investments (distributions other than cash or other immediately available funds) with approval by Special Majority Resolution. Distributions by the General Partner are subject to requirements regarding order of priority.

	Consolidated		University	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000

**Note 2.1F: Other Financial Assets and Liabilities**

**Other Financial Assets**

Current asset:

Financial derivative asset	2,669	2,405	2,669	2,405
Financial derivative asset	167	-	167	-
<b>Total Other Financial Assets</b>	<b>2,836</b>	<b>2,405</b>	<b>2,836</b>	<b>2,405</b>

**Other Financial Liabilities**

Current liability:

Financial derivative liability	3,380	2,175	3,380	2,175
Non-current liability:				
Financial derivative liability	332	293	332	293
<b>Total Other Financial liabilities</b>	<b>3,712</b>	<b>2,468</b>	<b>3,712</b>	<b>2,468</b>

The University is exposed to certain risks relating to its ongoing operations. The primary risks managed using derivative instruments are foreign currency risk, commodity price risk, and interest rate risk.

The University's risk management strategy and how it is applied to manage risk are explained in Note 5.1 below.

**Derivatives not designated as hedging instruments**

The University uses foreign currency-denominated borrowings and foreign exchange forward contracts to facilitate and coordinate settlements in different currencies across different exchange regimes. The foreign exchange forward contracts are not designated as cash flow hedges and are entered into for periods consistent with foreign currency exposure of the underlying transactions, generally from one to 24 months.

**Accounting Policy**

The University enters into a variety of derivative instruments to manage its exposure to interest rate and foreign currency risk, including interest rate swaps and forward foreign exchange contracts.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised immediately in the profit and loss unless the derivative is designated and is effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship. The University designates derivatives as hedges of the fair value of recognised assets, liabilities or firm commitments ("fair value hedges"), or hedges of highly probable forecast transactions ("cash flow hedges").

**Note 2.1G: Assets held for sale**

Assets held for sale	2,625	-	-	-
<b>Total Assets held for sale</b>	<b>2,625</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Accounting Policy**

Non-current assets are classified as held-for-sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

	Consolidated		University	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
<b>Note 2.1H: Other Non-Financial Assets</b>				
<b>Current Assets:</b>				
Advance payments and prepaid expenditure	27,230	17,104	26,643	16,724
Deferred expenditure	4,788	-	4,788	-
Licence agreement	56	83	56	83
Deferred tax asset	38	38	-	-
<b>Total Current Assets</b>	<b>32,112</b>	<b>17,225</b>	<b>31,487</b>	<b>16,807</b>
<b>Non-Current Assets:</b>				
Deferred expenditure	398	-	398	-
Non-current prepaid expenditure	-	144	-	144
<b>Total Non-Current Assets</b>	<b>398</b>	<b>144</b>	<b>398</b>	<b>144</b>
<b>Total Other Non-Financial Assets</b>	<b>32,510</b>	<b>17,369</b>	<b>31,885</b>	<b>16,951</b>

No indicators of impairment were found for other non-financial assets.

**Note 2.1I: Land, Buildings and Infrastructure, Plant and Equipment and Intangibles**

**Land, Buildings and Infrastructure**

Buildings under construction	211,481	431,414	211,481	431,414
Site infrastructure at cost	69,697	24	69,697	24
Accumulated depreciation	(1,367)	-	(1,367)	-
Campus buildings at cost	172,402	2,957	172,402	2,957
Accumulated depreciation	(6,384)	-	(6,384)	-
<b>Total land, buildings and infrastructure at cost</b>	<b>234,348</b>	<b>2,981</b>	<b>234,348</b>	<b>2,981</b>
Site infrastructure at valuation	80,133	80,133	80,133	80,133
Accumulated depreciation	(5,084)	(953)	(5,084)	(953)
Land at valuation	106,073	91,091	118,773	90,191
Dwellings at valuation	10,805	10,805	10,805	10,805
Accumulated depreciation	(475)	(89)	(475)	(89)
Campus buildings at valuation	1,207,835	1,185,350	1,182,669	1,172,550
Accumulated depreciation	(44,799)	(8,175)	(44,235)	(8,175)
<b>Total land, buildings and infrastructure at valuation</b>	<b>1,354,488</b>	<b>1,358,162</b>	<b>1,342,586</b>	<b>1,344,462</b>
Crown lease at valuation	7,250	10,500	7,250	10,500
Accumulated amortisation	(85)	(875)	(85)	(875)
<b>Amortised crown lease</b>	<b>7,165</b>	<b>9,625</b>	<b>7,165</b>	<b>9,625</b>
Leasehold improvements at valuation	1,125	1,125	1,125	1,125
Accumulated depreciation	(346)	(64)	(346)	(64)
<b>Total leasehold improvements at valuation</b>	<b>779</b>	<b>1,061</b>	<b>779</b>	<b>1,061</b>
<b>Total Land, Buildings and Infrastructure</b>	<b>1,808,261</b>	<b>1,803,243</b>	<b>1,796,359</b>	<b>1,789,543</b>

	Consolidated		University	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
<b>Note 2.11: Land, Buildings and Infrastructure, Plant and Equipment and Intangibles (continued)</b>				
<b>Plant and Equipment</b>				
Plant and equipment under construction	56,521	4,920	56,521	4,920
Plant, equipment and motor vehicles at cost	385,561	381,401	381,114	376,994
Accumulated depreciation	(307,898)	(300,477)	(304,047)	(297,172)
Plant, equipment and motor vehicles at deemed cost	35,848	39,256	35,848	39,256
Accumulated depreciation	(33,818)	(36,923)	(33,818)	(36,923)
Total Plant and Equipment at Cost	79,693	83,257	79,097	82,155
Works of art at cost	387	274	387	274
Works of art at valuation	35,889	34,401	35,889	34,401
Total Works of Art	36,276	34,675	36,276	34,675
Rare library materials at valuation	33,992	30,494	33,992	30,494
<b>Total Plant and Equipment</b>	<b>206,482</b>	<b>153,346</b>	<b>205,886</b>	<b>152,244</b>
<b>Intangibles</b>				
Software licence	6,852	6,776	6,852	6,776
Customer lists and relationships	3,807	3,807	-	-
Goodwill	5,699	5,699	-	-
Acquired Software	8,807	8,807	8,807	8,807
Accumulated amortisation	(10,166)	(7,605)	(7,588)	(5,503)
<b>Total Intangibles</b>	<b>14,999</b>	<b>17,484</b>	<b>8,071</b>	<b>10,080</b>
<b>Total Land, Buildings and Infrastructure, Plant and Equipment and Intangibles</b>	<b>2,029,742</b>	<b>1,974,073</b>	<b>2,010,316</b>	<b>1,951,867</b>

**Note 2.1: Land, Buildings and Infrastructure, Plant and Equipment and Intangibles (continued)**

**Table A: Reconciliation of the Opening and Closing Balances of Land, Building and Infrastructure, Plant and Equipment and Intangibles (Consolidated)**

	Land \$'000	Buildings \$'000	Infrastructure & Crown Lease \$'000	Plant & Equipment \$'000	Intangibles \$'000	Total assets \$'000	Owned assets \$'000	Right-of-use assets \$'000
<b>Gross Value</b>								
As at 1 January 2019	91,091	1,631,651	90,657	490,746	25,089	2,329,234	2,329,234	-
Adoption of AASB 16	-	12,801	-	4,584	-	17,385	-	17,385
Additions	-	131,091	69,673	77,110	110	277,984	275,728	2,256
Transfer to assets held for sale	(800)	(1,700)	-	-	-	(2,500)	(2,500)	-
Reclassification	-	-	-	(206)	206	-	-	-
Revaluations	28,582	6,730	(3,250)	3,480	-	35,542	35,542	-
Disposals	-	(189,725)	-	(27,516)	(240)	(217,481)	(217,481)	-
<b>As at 31 December 2019</b>	<b>118,873</b>	<b>1,590,848</b>	<b>157,080</b>	<b>548,198</b>	<b>25,165</b>	<b>2,440,164</b>	<b>2,420,523</b>	<b>19,641</b>
<b>Accumulated Depreciation and Amortisation</b>								
As at 1 January 2019	-	8,328	1,828	337,400	7,605	355,161	355,161	-
Charge for the reporting period	-	44,318	5,911	28,013	2,807	81,049	76,115	4,934
Reclassification	-	-	-	(101)	101	-	-	-
Revaluations	-	(426)	(1,203)	(18)	-	(1,647)	(1,647)	-
Disposals	-	(216)	-	(23,578)	(347)	(24,141)	(24,141)	-
<b>As at 31 December 2019</b>	<b>-</b>	<b>52,004</b>	<b>6,536</b>	<b>341,716</b>	<b>10,166</b>	<b>410,422</b>	<b>405,488</b>	<b>4,934</b>
Net book value as at 1 January 2019	91,091	1,623,323	88,829	153,346	17,484	1,974,073	1,974,073	-
Net book value as at 31 December 2019	118,873	1,538,844	150,544	206,482	14,999	2,029,742	2,015,035	14,707

**Note 2.11: Land, Buildings and Infrastructure, Plant and Equipment and Intangibles (continued)**  
**Table B: Reconciliation of the Opening and Closing Balances of Land, Building and Infrastructure, Plant and Equipment and Intangibles (University)**

	Land \$'000	Buildings \$'000	Infrastructure & Crown Lease \$'000	Plant & Equipment \$'000	Intangibles \$'000	Total assets \$'000	Owned assets \$'000	Right-of-use assets \$'000
<b>Gross Value</b>								
As at 1 January 2019	90,191	1,618,851	90,657	486,339	15,583	2,301,621	2,301,621	-
Adoption of AASB 16	-	11,535	-	4,584	-	16,119	-	16,119
Additions	-	131,091	69,673	76,934	110	277,808	275,552	2,256
Reclassification	-	-	-	(206)	206	-	-	-
Revaluations	28,582	6,730	(3,250)	3,498	-	35,560	35,560	-
Disposals	-	(189,725)	-	(27,398)	(240)	(217,363)	(217,363)	-
<b>As at 31 December 2019</b>	<b>118,773</b>	<b>1,578,482</b>	<b>157,080</b>	<b>543,751</b>	<b>15,659</b>	<b>2,413,745</b>	<b>2,395,370</b>	<b>18,375</b>
<b>Accumulated Depreciation and Amortisation</b>								
As at 1 January 2019	-	8,329	1,828	334,094	5,503	349,754	349,754	-
Charge for the reporting period	-	43,328	5,911	27,391	2,331	78,961	74,591	4,370
Reclassification	-	-	-	(101)	101	-	-	-
Revaluations	-	-	(1,203)	-	-	(1,203)	(1,203)	-
Disposals	-	(217)	-	(23,519)	(347)	(24,083)	(24,083)	-
<b>As at 31 December 2019</b>	<b>-</b>	<b>51,440</b>	<b>6,536</b>	<b>337,865</b>	<b>7,588</b>	<b>403,429</b>	<b>399,059</b>	<b>4,370</b>
Net book value as at 1 January 2019	90,191	1,610,522	88,829	152,245	10,080	1,951,867	1,951,867	-
Net book value as at 31 December 2019	118,773	1,527,042	150,544	205,886	8,071	2,010,316	1,996,311	14,005

## Contractual Commitments for the Acquisition of Property, Plant, Equipment and Intangible Assets

	Consolidated		University	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Within 1 year	256,331	167,023	256,331	167,023
Between 1 to 5 years	102,675	72,169	102,675	72,169
More than 5 years	-	-	-	-
Total Capital Commitments	<u>359,006</u>	<u>239,192</u>	<u>359,006</u>	<u>239,192</u>

### Land

#### Australian Capital Territory

The major teaching and research facilities of the University are located on the Acton Campus site of 148 hectares and the Mt Stromlo site of 81 hectares. These sites are provided free of charge and held on lease in perpetuity. The use of this land is restricted to Australian National University activities. The University occupies other sites of 224 hectares within the Australian Capital Territory on varying leasehold terms and conditions. The value of land in the Australian Capital Territory has been assessed and brought to account.

#### New South Wales

The University owns 148 hectares of freehold land at Coonabarabran on which is located the Siding Spring Observatory and a further 3 hectares is held by the University at Coonabarabran under permissive occupancy. The University owns 349 hectares of freehold land at Kioloa. The value of land in New South Wales has been assessed and brought to account.

#### Northern Territory

The University occupies 26,500 hectares near Tennant Creek held on lease in perpetuity on which is located the Warramunga Seismic Station. The University owns 4 hectares of freehold land at Darwin on which is located field research headquarters. The value of land in the Northern Territory has been assessed and brought to account.

### Accounting Policy

#### Asset recognition threshold

Purchases of property, plant and equipment are recognised initially at cost in the Statement of Financial Position, except for purchases costing less than \$5,000, which are expensed in the year of acquisition (other than where they form part of similar items which are significant in total).

#### Property, plant and equipment

Land and buildings (excluding investment properties) 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 either deemed or historical cost less depreciation. Plant and Equipment (P&E) are valued at historical cost which includes expenditure that is directly attributable to the acquisition of the items. The University has elected not to apply the requirements relating to the valuation of plant and equipment in accordance with section 17(7) of the Rule.

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 University 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 or decreases 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.

#### Depreciation

Depreciable property, plant and equipment assets are written off to their estimated residual value over their estimated remaining useful lives to the University using, in all cases, the straight line method of depreciation. Depreciation of property, plant and equipment commences when the asset is available for use.

Land, heritage, cultural assets and works of art are assessed as having an indefinite useful life and are not depreciated. The aggregate amount of depreciation allocated for each class of assets during the reporting period is disclosed in Note 1.2B.

Depreciation rates applying to each class of depreciable asset are based on the following useful lives:

	At Acquisition Years	At Revaluation Years
Buildings, Dwellings and Infrastructure		
Buildings and infrastructure	40	1 to 76
Right-of-use assets	2 to 7	-
Plant and Equipment		
Motor vehicles	7	-
Computing equipment	5	-
Research/teaching equipment	7	-
Other	10	1 to 50
Right-of-use assets	5 to 7	-

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.

Right-of-use assets (under AASB 16), plant and equipment held under finance lease (under AASB 117) and leasehold improvements are depreciated or amortised over the shorter of the lease term and the useful life of the asset.

### **Valuation**

Land as identified above, has been brought to account. All of the land in the Australian Capital Territory, New South Wales and the Northern Territory was revalued in 2019. The valuation was completed by independent valuers, Colliers International Valuation and Advisory Services Pty Limited (Colliers). The valuation was on the basis of fair value for financial reporting purposes, in accordance with the requirements of AASB 13 *Fair Value Measurement* and AASB 116. These sites are provided free of charge by lease in perpetuity and the resultant valuation increment has been credited directly to the asset revaluation reserve. These assets are revalued every three years.

Rare library materials, including the Noel Butlin Archives, were revalued in 2019. The basis of the valuation was based on research of recent records of Australian and international sales, purchases and other forms of acquisition. The valuation was completed by an independent qualified valuer, Mr Peter Tinslay. These assets are revalued every three years.

All of the campus buildings and dwellings were revalued in 2018. The valuations were completed by independent valuers, Colliers. The Current Replacement Cost approach was used to establish the Market Value for the Existing Use of the properties. The net revaluation decrement was debited directly to the asset revaluation reserve. Campus buildings completed subsequent to the valuation are disclosed at cost. These assets are revalued every three years.

The initial costs of developing major administrative systems were initially captured and recognised within plant and equipment and are being amortised. Ongoing maintenance and development costs are expensed as incurred.

Works of art were revalued in 2017. The valuation was completed by independent qualified valuers, Aon Risk Services Australia Ltd. Works of art purchased subsequent to the valuation are disclosed at cost. Donated works of art were valued at the time of donation by independent qualified valuers, All Art Services and Brenda Colahan Fine Art.

### **Repairs and maintenance**

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

### **Derecognition and disposal**

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss in the year the asset is derecognised.

### **Impairment of non-financial assets**

The University assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the University makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds the recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in the Income Statement in Impairment Loss expense unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease).

### **Reversals of impairment**

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount.

The increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Income Statement unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over the remaining useful life.

An impairment loss recognised for Goodwill cannot be reversed in a subsequent period.

### **Intangibles**

Intellectual property developed internally has not been brought to account as it cannot be reliably measured.

Goodwill in relation to ANU Enterprise Pty Limited relates to goodwill arising on the acquisition of a subsidiary and represents the excess of the cost of the investment over the fair value of the net assets acquired at the date of the exchange. Goodwill is measured at cost less accumulated impairment losses. Goodwill is tested for impairment on an annual basis.

The University has internally developed intangible assets with the useful life determined by the business unit responsible for the asset upon capitalisation based on its expected usage. The useful life of intangible assets is 3 to 7 years.



## Note 2.1J: Right-of-Use Assets

The University leases land, buildings and computer equipment. Information about these leases where the University is a lessee is presented below:

	<b>Consolidated</b>	<b>University</b>
	<b>2019</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Buildings</b>		
At 1 January 2019	12,801	11,535
Additions of right-of-use assets	823	823
Depreciation charge	(3,183)	(2,619)
<b>At 31 December 2019</b>	<b>10,441</b>	<b>9,739</b>
<b>Plant &amp; Equipment</b>		
At 1 January 2019	4,584	4,584
Additions of right-of-use assets	1,433	1,433
Depreciation charge	(1,751)	(1,751)
<b>At 31 December 2019</b>	<b>4,266</b>	<b>4,266</b>

### Accounting Policy

#### Applicable from 1 January 2019

Assessment of whether a contract is, or contains, a lease

At inception of a contract, the University 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 University 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:
  - The customer has the right to direct how and for what purpose the identified asset is used throughout the period of use; or
  - 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.

In contracts where the University is a lessee, the University 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.

#### Right-of-use asset

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use assets are periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

## 2.2 Liabilities

	Consolidated		University	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
<b>Note 2.2A: Suppliers</b>				
<b>Current Liability:</b>				
Suppliers	47,197	48,831	44,690	45,035
<b>Total Current Liability</b>	<b>47,197</b>	<b>48,831</b>	<b>44,690</b>	<b>45,035</b>
<b>Total Suppliers</b>	<b>47,197</b>	<b>48,831</b>	<b>44,690</b>	<b>45,035</b>

Supplier payables are current. Settlement is usually made within supplier terms of trade which can be between 10-30 days.

### Note 2.2B: Other Payables

<b>Other Current Payables:</b>				
Income in advance	44,494	111,604	39,053	106,550
Other creditors	42,676	39,289	43,863	38,492
Deferred tax liability	202	825	-	-
Deferred capital liability	20,433	-	20,433	-
Refund liability	121	-	121	-
Employee related liabilities	10,860	7,493	10,860	7,493
<b>Total Current Other Payables</b>	<b>118,786</b>	<b>159,211</b>	<b>114,330</b>	<b>152,535</b>
<b>Other Non-Current Payables:</b>				
Other creditors	27,878	27,534	27,878	27,534
Refund liability	8	-	8	-
<b>Total Non-Current Other Payables</b>	<b>27,886</b>	<b>27,534</b>	<b>27,886</b>	<b>27,534</b>
<b>Total Other Payables</b>	<b>146,672</b>	<b>186,745</b>	<b>142,216</b>	<b>180,069</b>

### Accounting Policy

#### Suppliers and other payables

Trade creditors and accruals are recognised at their nominal amounts, being amounts at which the liabilities will be settled. Liabilities are recognised to the extent that the goods or services have been received.

#### Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

#### Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the University expects some or all of the provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the Income Statement net of any reimbursement.

	Consolidated		University	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
<b>Note 2.2C: Interest Bearing Liabilities</b>				
<b>Current Liability:</b>				
Indexed Annuity Bonds	5,221	4,818	5,221	4,818
<b>Total Current Liability</b>	<b>5,221</b>	<b>4,818</b>	<b>5,221</b>	<b>4,818</b>
<b>Non-Current Liability:</b>				
Indexed Annuity Bonds	72,442	77,925	72,442	77,925
Medium Term Notes	200,000	200,000	200,000	200,000
<b>Total Non-Current Liability</b>	<b>272,442</b>	<b>277,925</b>	<b>272,442</b>	<b>277,925</b>
<b>Total Interest Bearing Liabilities</b>	<b>277,663</b>	<b>282,743</b>	<b>277,663</b>	<b>282,743</b>

The University issued unsecured Indexed Annuity Bonds in October 2004 with a maturity of 25 years. The bonds are repayable by quarterly instalments of principal and interest that are indexed in alignment with the Australian Consumer Price Index (CPI). The real yield payable on the Bonds is 3.235% with an effective CPI base of 30 June 2004.

In November 2015 the University issued \$200,000,000 Fixed Rate Medium Term Notes with a maturity of 10 years. Interest is payable semi-annually at a rate of 3.980% per annum.

The carrying amount of the borrowings are denominated in Australian dollars.

#### Note 2.2D: Leases

Finance leases	-	5,873	-	5,873
Lease liabilities	17,563	-	17,499	-
<b>Total Leases</b>	<b>17,563</b>	<b>5,873</b>	<b>17,499</b>	<b>5,873</b>
<b>Minimum lease payments expected to be settled</b>				
Within 1 year	7,154	2,032	7,090	2,032
Between 1 to 5 years	10,216	3,841	10,216	3,841
More than 5 years	193	-	193	-
<b>Total Leases</b>	<b>17,563</b>	<b>5,873</b>	<b>17,499</b>	<b>5,873</b>

#### i) The University as lessee

##### Amounts recognised in the income statement

Interest on lease liabilities	293	-	293	-
Expenses relating to short term leases	1,947	-	1,947	-
	<b>2,240</b>	<b>-</b>	<b>2,240</b>	<b>-</b>

Finance leases existed in relation to IT equipment. The leases were non-cancellable and for fixed terms between five to seven years. The interest rate implicit in the leases averaged 3.370%. The lease assets secured the lease liabilities.

The University leases IT equipment, land and buildings for its office space and storage. The lease term typically runs for a period between two to seven years. Some leases include an option to renew the lease for an additional period of the same duration after the end of the contract term. Some leases require that the lease payments are adjusted every year, either based on a fixed rate or based on the change in the consumer price index in the preceding year.

## Accounting Policy

### Applicable from 1 January 2019

Policy on assessment of whether a contract is, or contains, a lease is detailed in note 2.1J above.

#### 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);
- Amounts expected to be payable by the lessee under residual value guarantees;
- The exercise price of a purchase option if the University is reasonably certain to exercise that option; and
- 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 University 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 adjustment amount is factored into depreciation of the right-of-use asset prospectively.

Right-of-use assets are presented in Note 2.1J and lease liabilities are presented in Note 2.2D.

#### Non-lease borrowings

Interest bearing liabilities are initially recognised at fair value net of transaction costs and 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 borrowings using the effective interest rate method. These liabilities are removed from the Statement of Financial Position when the obligation specified in the contract is discharged, cancelled or expired.

	Consolidated		University	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
<b>Note 2.2E: Workers Compensation</b>				
Balance as at 1 January 2019	26,740	-	26,740	-
Pre self insurance as at 30 June 2018	-	26,019	-	26,019
Additional provisions made	1,349	1,665	1,349	1,665
Amounts used	(2,195)	(944)	(2,195)	(944)
<b>Total Workers Compensation<sup>1</sup></b>	<b>25,894</b>	<b>26,740</b>	<b>25,894</b>	<b>26,740</b>
<b>Workers compensation expected to be settled in</b>				
No more than 12 months	3,188	3,001	3,188	3,001
More than 12 months	22,706	23,739	22,706	23,739
<b>Total Workers Compensation</b>	<b>25,894</b>	<b>26,740</b>	<b>25,894</b>	<b>26,740</b>

<sup>1</sup> From 1 July 2018, the University took on the responsibility to self-insure and manage workers compensation. From that date, the previous manager of workers compensation, Comcare, is no longer responsible for determining claims (both past and present) and the Work Environment Group within the University is tasked with managing claims.

The University has a present legal obligation to provide the service of workers compensation to its employees. It is probable that employees of the University will use the workers compensation service, based on historic evidence, which will lead to the probable outflow of resources. The reliable estimate is made by 'am actuaries' (qualified independent actuary) at 30 June and 31 December each year and estimates what is needed to cover future workers compensation claims.

## Accounting Policy

Provisions are recognised when the University has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the University expects some or all of the provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the Income Statement net of any reimbursement.

## 2.3 Equity

	Consolidated		University	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
<b>Note 2.3A: Reserves</b>				
<b>Asset Revaluation Surplus:</b>				
Asset revaluation - property	681,352	653,696	667,951	640,835
Asset revaluation - plant, equipment and artwork	19,429	19,429	19,429	19,429
Asset revaluation - investments	47,370	(364)	47,370	(364)
Asset revaluation - crown lease	27,954	30,001	27,954	30,001
Asset revaluation - rare library materials	31,432	27,934	31,432	27,934
<b>Total Asset Revaluation Surplus</b>	<b>807,537</b>	<b>730,696</b>	<b>794,136</b>	<b>717,835</b>
<b>Special Reserves</b>				
Building	22,542	24,344	22,542	24,344
Equipment	32,238	28,384	32,238	28,384
Self-insurance	9,538	8,946	9,538	8,946
<b>Total Special Reserves</b>	<b>64,318</b>	<b>61,674</b>	<b>64,318</b>	<b>61,674</b>
<b>Total Reserves</b>	<b>871,855</b>	<b>792,370</b>	<b>858,454</b>	<b>779,509</b>
<b>Summary of movement in reserves during the year ended 31 December 2019</b>				
Balance at beginning of year	792,370	959,075	779,509	946,645
Effect of adoption of AASB 9	-	(161,494)	-	(161,494)
Transfer (to)/from income	-	(528)	-	(528)
Increments/(decrements) to revaluation - NFA	37,303	(5,461)	36,763	(5,892)
Increments/(decrements) to revaluation - investments	47,734	(1,056)	47,734	(1,056)
Transfer (to)/from retained surplus	(5,552)	1,834	(5,552)	1,834
<b>Balance at end of year</b>	<b>871,855</b>	<b>792,370</b>	<b>858,454</b>	<b>779,509</b>
<b>Movements in reserves</b>				
<b>Asset Revaluation - Property</b>				
Balance at beginning of year	653,696	659,075	640,835	646,645
Transfer (to)/from retained surpluses	(8,196)	82	(8,196)	82
Increments/(decrements) on revaluation of				
Land	28,582	-	28,582	-
Buildings	7,270	(5,461)	6,730	(5,892)
<b>Balance at end of year</b>	<b>681,352</b>	<b>653,696</b>	<b>667,951</b>	<b>640,835</b>
<b>Asset Revaluation - Artwork</b>				
Balance at beginning of year	19,429	19,441	19,429	19,441
Transfer (to)/from retained surpluses	-	(12)	-	(12)
<b>Balance at end of year</b>	<b>19,429</b>	<b>19,429</b>	<b>19,429</b>	<b>19,429</b>

	Consolidated		University	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
<b>Note 2.3A: Reserves (continued)</b>				
<b>Asset Revaluation - Investments</b>				
Balance at beginning of year	(364)	162,714	(364)	162,714
Effect of adoption of AASB 9 - Reclassification	-	(161,317)	-	(161,317)
Effect of adoption of AASB 9 - ECL	-	(177)	-	(177)
Transfer (to)/from income	-	(528)	-	(528)
Increments/(decrements) on revaluation	47,812	(1,053)	47,812	(1,053)
Transfer (to)/from ECL provision	(78)	(3)	(78)	(3)
<b>Balance at end of year</b>	<b>47,370</b>	<b>(364)</b>	<b>47,370</b>	<b>(364)</b>
<b>Asset Revaluation - Crown Lease</b>				
Balance at beginning of year	30,001	30,001	30,001	30,001
Increments/(decrements) on revaluation	(2,047)	-	(2,047)	-
<b>Balance at end of year</b>	<b>27,954</b>	<b>30,001</b>	<b>27,954</b>	<b>30,001</b>
<b>Asset Revaluation - Rare Library Materials</b>				
Balance at beginning of year	27,934	27,934	27,934	27,934
Increments/(decrements) on revaluation	3,498	-	3,498	-
<b>Balance at end of year</b>	<b>31,432</b>	<b>27,934</b>	<b>31,432</b>	<b>27,934</b>
<b>Special Reserve - Building</b>				
Balance at beginning of year	24,344	24,935	24,344	24,935
Transfer (to)/from retained surpluses	(1,802)	(591)	(1,802)	(591)
<b>Balance at end of year</b>	<b>22,542</b>	<b>24,344</b>	<b>22,542</b>	<b>24,344</b>
<b>Special Reserve - Equipment</b>				
Balance at beginning of year	28,384	26,589	28,384	26,589
Transfer (to)/from retained surpluses	3,854	1,795	3,854	1,795
<b>Balance at end of year</b>	<b>32,238</b>	<b>28,384</b>	<b>32,238</b>	<b>28,384</b>
<b>Special Reserve - Self Insurance</b>				
Balance at beginning of year	8,946	8,386	8,946	8,386
Transfer (to)/from retained surpluses	592	560	592	560
<b>Balance at end of year</b>	<b>9,538</b>	<b>8,946</b>	<b>9,538</b>	<b>8,946</b>

**Nature and Purpose of reserves:**

The University has the following reserves:

- **Asset revaluation reserves**

These reserves are used to account for the increases or decreases in the value of assets as a result of valuations.

Increases in the value of reserves are in accordance with valuation of assets policies stated in Note 2.11. Decrements in reserves are either on disposal of assets where the disposed asset had previously been revalued and a reserve existed or on impairment of assets in accordance with AASB 136 where a revaluation reserve had existed for that asset class.

- **Special reserves**

These reserves are maintained to cover a range of special purposes:

- Building is maintained by the University, from amounts set aside out of profits primarily from the operation of University Halls of Residences and other trading activities to fund significant and unplanned maintenance requirements.
- Equipment and Equipment replacement is maintained by the University to meet unforeseen purchases of significant specialist research equipment.
- Self-insurance is maintained by the University to meet the deductible component that may arise in regard to possible future claims under the University's insurance policies.

### 3. Funding

This section identifies The Australian National University's funding structure.

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

	Consolidated		University	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
<b>Note 3.1A: Cash Flow Reconciliation</b>				
Net result for the period	300,312	225,643	302,339	226,961
Depreciation and amortisation	81,049	78,340	78,961	76,911
Impairment losses	2,198	(256)	2,209	-
Revaluation decrements	-	7,082	-	7,082
Allowance for expected credit losses	3,922	(115)	3,922	(115)
Bad debts expense	222	507	222	507
Net (gain)/loss on disposal of assets	11,584	177	11,621	175
Fair value (gains)/losses on investments	(162,794)	7,794	(162,794)	7,794
<b>(Increase)/decrease in operating assets</b>				
Receivables	8,130	(31,732)	5,432	(30,984)
Contract assets	(4,429)	-	(4,124)	-
Advanced payments and prepaid expenditure	(10,126)	1,524	(9,919)	1,971
Inventories	30	770	(129)	590
Others	(5,015)	(155)	(5,015)	(891)
<b>Increase/(decrease) in operating liabilities</b>				
Provision for employee entitlements	(14,258)	(39,028)	(13,996)	(39,310)
Contract liabilities	53,379	-	55,348	-
Income in advance	(67,110)	48,177	(67,497)	46,370
Workers compensation	(846)	26,740	(846)	26,740
Trade creditors	12,280	16,095	13,483	12,957
Other payables	(37,308)	(3,635)	(34,904)	(2,498)
<b>Net cash flows from operating activities</b>	<b>171,220</b>	<b>337,928</b>	<b>174,313</b>	<b>334,260</b>

#### Reconciliation of liabilities arising from financing activities

	Opening balance at 1 January 2019	Cash flows	Non-cash changes				Closing balance at 31 December 2019
			Acquisition/ Disposal	Foreign exchange movement	Fair value changes	Other	
<b>Consolidated</b>	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Lease liabilities	5,873	( 5,695)	2,256	-	-	15,129	17,563
Long-term borrowings	82,743	( 5,080)	-	-	-	-	77,663
Total liabilities from financing activities	<b>88,616</b>	<b>( 10,775)</b>	<b>2,256</b>	<b>-</b>	<b>-</b>	<b>15,129</b>	<b>95,226</b>

	Opening balance at 1 January 2019	Cash flows	Non-cash changes				Closing balance at 31 December 2019
			Acquisition/ Disposal	Foreign exchange movement	Fair value changes	Other	
<b>University</b>	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Lease liabilities	5,873	( 4,493)	2,256	-	-	13,863	17,499
Long-term borrowings	82,743	( 5,080)	-	-	-	-	77,663
Total liabilities from financing activities	<b>88,616</b>	<b>( 9,573)</b>	<b>2,256</b>	<b>-</b>	<b>-</b>	<b>13,863</b>	<b>95,162</b>

### 3.2 Special Accounts

The University processes Comcare receipts and payments through a distinct location and account code combination in the ledger. The monies are not available for other purposes of the University.

From 1 July 2018, the University took on the responsibility to self-manage workers compensation (refer Note 2.2E) and no longer receives or pays Comcare monies.

	University	
	2019	2018
	\$'000	\$'000
Balance carried forward	-	-
Receipts during the year		279
Available for payments	-	279
Less payments made		279
<b>Balance carried forward to next year</b>	<b>-</b>	<b>-</b>



## 4. People and Relationships

This section describes a range of employment and post-employment benefits provided to our people and our relationships with other key people.

### 4.1 Employee Provisions

	Consolidated		University	
	2019 \$'000	2018 <sup>1</sup> \$'000	2019 \$'000	2018 <sup>1</sup> \$'000
<b>Note 4.1A: Employee Benefits</b>				
<b>Current Liability:</b>				
Annual leave entitlements	54,953	52,029	54,272	50,933
Long Service Leave entitlements	49,491	48,348	48,515	47,601
Defined benefit obligation	37,431	36,518	37,431	36,518
<b>Total Current Liability</b>	<b>141,875</b>	<b>136,895</b>	<b>140,218</b>	<b>135,052</b>
<b>Non-Current Liability:</b>				
Long Service Leave entitlements	21,042	18,957	20,972	18,811
Defined benefit obligation	688,509	639,310	688,509	639,310
<b>Total Non-Current Liability</b>	<b>709,551</b>	<b>658,267</b>	<b>709,481</b>	<b>658,121</b>
<b>Total Employee Benefits</b>	<b>851,426</b>	<b>795,162</b>	<b>849,699</b>	<b>793,173</b>

<sup>1</sup>Adjusted 2018 figures. Refer to Note 4.1B

#### Accounting Policy

##### Short-term obligations

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

##### Other long-term obligations

Provisions made in respect of employee benefits are classified as a current liability, unless there is an unconditional right to defer the settlement of the liability for at least twelve months after the reporting date, in which case it would be classified as a non-current liability. Other long-term employee benefits include such things as annual leave and long service leave liabilities, which 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. The liability for Long Service Leave as at 31 December 2019 has been determined as permitted under Section 24(i)(b) Public Governance, Performance and Accountability (Financial Reporting) Rule 2015. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. In accordance with AASB 119 Employee Benefits, the University has adopted the market yields on the longest dated 10 year Commonwealth bonds on issue as at valuation date for the purpose of calculating present values of future cash flows.

##### Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts an offer of benefits in exchange for the termination of employment. The University recognises 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 Provisions, Contingent Liabilities & Contingent Assets that involves the payment of termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits not expected to be settled wholly before 12 months after the end of the reporting period are discounted to present value.

##### Provisions

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.

No provision has been made for personal leave as all personal leave is non-vesting and the average personal leave taken by employees is less than the annual entitlement for personal leave.

##### Pensions and other post-employment benefits

The University participates in a defined benefit plan (Commonwealth Superannuation Scheme) which requires contributions to be made to the separately administered fund. The cost of providing benefits under the defined benefit plan is determined separately using the projected unit credit actuarial valuation method. Actuarial gains and losses are recognised in Other Comprehensive Income, in accordance with AASB 119 *Employee Benefits*.

In addition the University contributes to the Superannuation Scheme for Australian Universities which is a defined benefit plan under Superannuation Law but, as a result of amendments to Clause 34 of UniSuper, is a defined contribution plan under Accounting Standard AASB 119.

**Note 4.1B: Prior Year Restatement**

The prior period error relates to a number of employees that had not been included in actuarial calculations for the provision for defined benefit obligations. An estimate of the additional liability has been recognised in the opening balances for 2018 to the extent applicable to earlier years.

	<b>Notes</b>	<b>Reported 2018 \$'000</b>	<b>Correction \$'000</b>	<b>Restated 2018 \$'000</b>
<b><u>Consolidated</u></b>				
Defined benefit obligation (non-current)	4.1A	<u>592,310</u>	<u>47,000</u>	<u>639,310</u>
Retained surpluses		<u>1,797,055</u>	<u>(47,000)</u>	<u>1,750,055</u>
Opening equity		<u>2,407,175</u>	<u>(47,000)</u>	<u>2,360,175</u>
Closing equity		<u>2,589,425</u>	<u>(47,000)</u>	<u>2,542,425</u>
<b><u>University</u></b>				
Defined benefit obligation (non-current)		<u>592,310</u>	<u>47,000</u>	<u>639,310</u>
Retained surpluses		<u>1,798,237</u>	<u>(47,000)</u>	<u>1,751,237</u>
Opening equity		<u>2,394,851</u>	<u>(47,000)</u>	<u>2,347,851</u>
Closing equity		<u>2,577,746</u>	<u>(47,000)</u>	<u>2,530,746</u>

## 4.2 ANU Council Remuneration

	Consolidated		University	
	2019	2018	2019	2018
	Number	Number	Number	Number
<b>Note 4.2A: ANU Council Remuneration</b>				
Nil to \$9,999	14	14	14	14
\$70,000 to \$79,999	1	1	1	1
Total Council members of the Consolidated Entity	15	15	15	15

Employees of the University who are members of Council do not receive remuneration for Council service.

## 4.3 Key Management Personnel Disclosures

### Responsible persons, executive officers and other key management personnel (KMP)

The following persons were responsible persons and executive officers who had authority and responsibility for planning, directing and controlling the activities of the Australian National University during the financial year:

Name	Position	Term as KMP
Brian Schmidt	Vice-Chancellor and President	Full year
Michael Calford	Provost	Full year
Christopher Grange	Chief Operating Officer	Part year - Terminated 13/09/2019
Paul Duldig	Chief Operating Officer	Part year - Commenced 02/09/2019
Grady Venville	Acting Deputy Vice-Chancellor (Academic)	Full year
Keith Nugent	Deputy Vice-Chancellor (Research & Innovation)	Part year - Commenced 21/01/2019
Sally Wheeler	Pro Vice-Chancellor (International Strategy)	Part year - Commenced 20/05/2019
Jane O'Dwyer	Vice-President (Engagement & Global Relations)	Full year
Barbara Miles	Vice-President (Advancement)	Full year

	Consolidated		University	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
<b>Table A: Key Management Personnel Compensation</b>				
Short-term employee benefits	3,721	3,593	3,721	3,593
Post-employment benefits	343	429	343	429
Other long-term benefits	77	426	77	426
Termination Benefits	52	-	52	-
<b>Total Key Management Personnel Compensation</b>	<b>4,193</b>	<b>4,448</b>	<b>4,193</b>	<b>4,448</b>

**Table B. Key Management Personnel Compensation Disaggregation**

Name	Position title	Short-term benefits		Post-employment benefits	Other long-term benefits		Termination benefits (\$)	Total remuneration (\$)
		Base salary (\$)	Other benefits and allowances (\$)		Long service leave (\$)	Other long-term benefits (\$)		
Brian Schmidt	Vice-Chancellor and President	543,619	-	90,094	-	15,683	-	649,396
Michael Caiford	Provost	586,131	21,930	25,000	-	6,577	-	639,638
Christopher Grange	Chief Operating Officer	384,636	15,773	19,231	26,492	-	51,682	497,814
Paul Duldig	Chief Operating Officer	159,093	7,001	24,808	-	1,166	-	192,068
Grady Venville	Acting Deputy Vice Chancellor (Academic)	360,712	78,576	70,905	-	3,917	-	514,110
Keith Nugent	Deputy Vice Chancellor (Research & Innovation)	548,487	20,496	24,039	-	4,329	-	597,351
Sally Wheeler	Pro Vice-Chancellor (International Strategy)	88,093	-	7,800	-	1,230	-	97,123
Jane O'Dwyer	Vice President (Engagement & Corp Affairs)	334,210	17,943	56,210	-	11,943	-	420,306
Barbara Miles	Vice-President (Advancement)	532,022	21,930	25,000	-	5,834	-	584,786
<b>Total</b>		<b>3,537,003</b>	<b>183,649</b>	<b>343,087</b>	<b>26,492</b>	<b>50,679</b>	<b>51,682</b>	<b>4,192,592</b>

#### 4.4 Senior Executives Remuneration

Remuneration Band	Number of Senior Executives	Short-term benefits		Post-employment benefits	Other long-term benefits		Average Termination Benefits (\$)	Average total remuneration (\$)
		Average Base salary (\$)	Average Other benefits and allowances (\$)		Average Long service leave (\$)	Average Other long-term benefits (\$)		
\$0 - \$220,000	1	30,725	1,277	3,846	-	73	-	35,921
\$220,001 - \$245,000	2	176,696	25,340	21,883	-	15,063	-	238,982
\$270,001 - \$295,000	2	203,411	42,329	32,046	3,499	(513)	-	280,772
\$295,001 - \$320,000	3	235,090	26,018	31,356	-	11,407	-	303,871
\$370,001 - \$395,000	1	278,646	-	46,905	-	-	64,546	390,097
\$395,001 - \$420,000	2	336,238	-	56,030	-	7,465	-	399,733
\$420,001 - \$445,000	1	358,817	17,943	58,456	-	4,989	-	440,205
\$445,001 - \$470,000	2	373,989	17,943	59,634	-	10,671	-	462,237
\$495,001 - \$520,000	1	401,981	17,943	63,969	11,861	9,342	-	505,096
\$545,001 - \$570,000	1	481,989	17,114	44,152	-	5,087	-	548,342

#### 4.5 Other Highly Paid Staff Remuneration

Remuneration Band	Number of Other highly paid staff	Short-term benefits			Post-employment benefits	Other long-term benefits		Average Termination Benefits (\$)	Average total remuneration (\$)
		Average Base salary (\$)	Average Bonuses (\$)	Average Other benefits and allowances (\$)		Average Long service leave (\$)	Average Other long-term benefits (\$)		
\$220,001 - \$245,000	41	168,625	-	27,907	31,946	3,364	2,780	-	234,622
\$245,001 - \$270,000	41	189,084	-	27,795	32,568	2,615	5,136	-	257,198
\$270,001 - \$295,000	24	198,929	-	42,577	33,032	3,183	4,034	216	281,971
\$295,001 - \$320,000	18	213,438	2,778	41,741	38,713	1,397	9,999	-	308,066
\$320,001 - \$345,000	13	219,366	1,439	62,647	40,342	-	8,158	-	331,952
\$345,001 - \$370,000	13	243,407	-	64,083	37,368	2,652	7,322	-	354,832
\$370,001 - \$395,000	7	203,336	4,155	120,781	45,554	-	9,491	-	383,317
\$395,001 - \$420,000	3	224,183	18,704	123,854	26,053	-	22,846	-	415,640
\$420,001 - \$445,000	1	231,065	-	127,390	57,430	-	11,506	-	427,391
\$445,001 - \$470,000	3	260,926	15,898	81,151	63,250	33,139	(4,367)	1,706	451,703
\$470,001 - \$495,000	4	293,775	23,199	66,650	55,097	-	8,513	37,691	484,925
\$495,001 - \$520,000	1	250,858	-	192,384	66,035	-	8,271	-	517,548
\$570,001 - \$595,000	1	488,047	-	-	78,839	-	10,919	-	577,605

## 4.6 Related Party Disclosures

The Australian National University (ANU) is a body corporate established by the Australian National University Act 1991 and is a 'corporate Commonwealth entity' under the Public Governance, Performance & Accountability Act 2013. Related parties to the University are the Portfolio Minister, Council Members, Committee Members, Key Management Personnel and other Australian Government entities.

The University enters into a number of transactions for the provision of goods and services under normal commercial terms and conditions with:

- Student organisations based on campus; and
- ANU Enterprise Pty Limited and its subsidiaries Australian Scientific Instruments Pty Limited and the Social Research Centre Pty Limited.

The following transactions with related parties occurred during the financial year:

	University	
	2019	2018
	\$'000	\$'000

### Note 4.6A: Related Party Disclosures

#### Transactions with related parties

##### ANU Enterprise

Sale of goods and services	558	2,099
Purchase of goods and services	1,819	3,247
	<u>(1,261)</u>	<u>(1,148)</u>

##### Loans to related parties

Beginning of the year	3,305	4,230
Loan repayments received	-	(925)
Interest charged	203	-
	<u>3,508</u>	<u>3,305</u>

The University transacts with other Australian Government controlled entities consistent with normal day-to-day business operations provided under contractual terms and conditions, including the payment of workers compensation (up until 30 June 2018) and other types of ordinary operational transactions as required. These are not considered individually significant to warrant separate disclosure as related party transactions.

Refer to Note 4.1A Employee Provisions for details on superannuation arrangements with the Commonwealth Superannuation Scheme (CSS), the Public Sector Superannuation Scheme (PSS), and the PSS accumulation plan (PSSap).

Giving consideration to relationships with related entities, and transactions entered into during the reporting period by ANU, it has been determined that there are no other related party transactions to be separately disclosed.

Interests in subsidiaries are set out in Note 6.4 and disclosures relating to specified executives are set out in Note 4.3.

## 5. Managing Uncertainties

This section analyses how The University manages financial risks within its operating environment.

### 5.1 Contingent Assets and Liabilities

		Consolidated		University	
		2019	2018	2019	2018
		\$'000	\$'000	\$'000	\$'000
<b>Note 5.1A: Contingent Assets</b>					
<b>Guarantee</b>	<b>Purpose</b>				
UniLodge Australia Pty Ltd	Beneficiary of security guarantee for a service agreement	500	500	500	500
Lendlease Building Pty Limited	Beneficiary of security guarantee for a construction contract	5,736	11,472	5,736	11,472
AMA Project Pty Ltd	Beneficiary of security guarantee for a construction contract	93	-	93	-
Spotless Facility Services Pty Ltd	Beneficiary of security guarantee for a construction contract	450	-	450	-
Richard Crookes Constructions Pty Limited	Beneficiary of security guarantee for a construction contract	2,650	5,300	2,650	5,300
Various Commercial Tenants	Beneficiary of a security guarantee for a Commercial Tenancy Lease	1,086	600	1,086	600
Hindmarsh Construction Pty Ltd	Beneficiary of security guarantee for a construction contract	367	783	367	783
Shaw Building Group Pty Ltd	Beneficiary of security guarantee for a construction contract	1,000	500	1,000	500
ISS Facility Services	Beneficiary of security guarantee for a service agreement	490	490	490	490
Rork Projects Pty Ltd	Beneficiary of security guarantee for a construction contract	22	-	22	-
Various Construction Providers	Beneficiary of security guarantee for a construction contract	-	1,025	-	1,025
		<u>12,394</u>	<u>20,670</u>	<u>12,394</u>	<u>20,670</u>



	Consolidated		University	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000

#### Note 5.1B: Contingent Liabilities

The following guarantees have been provided:

Guarantee	Purpose				
Safety, Rehabilitation and Compensation Commission	To cover future workers compensation outstanding claims	36,226	50,433	36,226	50,433
Unlisted Investments	Uncalled Capital relating to investment activities at the University	61,692	69,323	54,002	69,323
Burgmann College	To guarantee a bank loan	12,455	12,455	12,455	12,455
SHRIMP - Shandong	International Letter of Credit	-	2,800	-	-
RESOchron - Zinkerr	International Letter of Credit	-	726	-	-
RESOLUTION - Tubigen	Standard Letter of Credit	-	811	-	-
Various	Standard Letter of Credit	-	1,072	-	-
		<u>110,373</u>	<u>137,620</u>	<u>102,683</u>	<u>132,211</u>

#### Unquantifiable contingencies

The University is currently involved in a number of legal matters in the ordinary course of business. The existence of such obligations will only be confirmed by future events not wholly within the control of the University. At the balance sheet date, the liability of the University in respect of these matters cannot be reliably estimated and therefore not included in the financial statements.

The University suffered a flood on 25 February 2018 and is making claims with our insurance companies. The amount of the claims cannot be reliably estimated at this time.

The University was the victim of a cyber attack in 2019 and is making claim with our insurance company. The amount of the claim cannot be reliably estimated at this time.

#### Accounting Policy

Unrecognised Financial Liabilities/Guarantees, not recognised in the Statement of Financial Position are disclosed in Contingent Liabilities above. At the time of completion of the financial statements, there was no reason to believe that these guarantees would be called upon, and recognition of a liability was therefore not required.

## 5.2 Financial Instruments

	Consolidated		University	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
<b>(a) Categories of Financial Assets and Financial Liabilities</b>				
<b>Financial Assets</b>				
At amortised cost				
Cash and cash equivalents	492,912	190,366	488,123	181,196
Short term deposits	60,000	515,000	60,000	515,000
Unlisted equities	2,496	452	2,496	452
Interest in related parties	-	-	7,200	7,200
Loans and receivables	107,499	106,398	106,306	102,304
At fair value through statement of other comprehensive income				
Listed debt securities	147,833	145,517	147,833	145,517
Unlisted equities	47,001	-	47,001	-
At fair value through profit or loss				
Listed equities	818,490	605,911	818,490	605,911
Unlisted equities	239,106	155,613	239,106	155,613
Listed debt securities	175,957	173,197	175,957	173,197
Discount securities	7,990	1,991	7,990	1,991
Derivative instruments	2,836	4,252	2,836	4,252
<b>Carrying Amount of Financial Assets</b>	<b>2,102,120</b>	<b>1,898,697</b>	<b>2,103,338</b>	<b>1,892,633</b>
<b>Financial Liabilities</b>				
At amortised cost				
Payables	193,869	232,939	186,906	218,087
Loans payable	277,663	282,743	277,663	282,743
Lease liabilities	17,563	5,873	17,499	5,873
At fair value through profit or loss				
Derivative instruments	3,713	2,468	3,713	2,468
<b>Carrying Amount of Financial Liabilities</b>	<b>492,808</b>	<b>524,023</b>	<b>485,781</b>	<b>509,171</b>

### Accounting Policy

#### Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, where appropriate, a shorter period. Income is recognised on an effective interest rate basis.

#### Fair value

The fair values of investments and other financial assets are based on quoted prices in an active market. If the market for a financial asset is not active (and for unlisted securities), the University 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.

	Consolidated		University	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
<b>(b) Net Income and Expense from Financial Assets</b>				
At amortised cost				
Interest	16,065	22,861	16,065	22,757
Exchange gains/(loss)	2,307	4,861	2,307	4,861
At fair value through statement of other comprehensive income				
Interest	3,890	1,784	3,890	1,784
Dividend	214	166	214	166
Gains/(losses) on disposal	1,026	868	1,026	868
Gains/(losses) recognised in equity	47,812	(1,053)	47,812	(1,053)
At fair value through profit or loss				
Interest	5,861	2,887	5,861	2,887
Dividend	45,568	55,329	45,568	55,329
Gains/(losses)	160,734	(48,485)	160,734	(48,485)
Exchange gains/(losses)	(1,273)	34,962	(1,273)	34,962
<b>Net gains from financial assets</b>	<b>282,204</b>	<b>74,180</b>	<b>282,204</b>	<b>74,076</b>
<b>(c) Net Income and Expense from Financial Liabilities</b>				
At amortised cost				
Borrowing expense	(11,794)	(12,447)	(11,794)	(12,447)
<b>Net losses from financial liabilities</b>	<b>(11,794)</b>	<b>(12,447)</b>	<b>(11,794)</b>	<b>(12,447)</b>

#### (d) Fair Value

##### Valuation method used for determining the fair value of financial instruments

The following table identifies for those assets and liabilities carried at fair value (above), as to whether fair value was obtained by reference to market prices (Level 1) or by valuation techniques that employs observable market transactions (Level 2), or by using non-observable market inputs to determine fair value (Level 3).

Consolidated 2019	Valuation technique utilising			Total \$'000
	Market Values (Level 1) \$'000	Market Inputs (Level 2) \$'000	Non- Market Inputs (Level 3) \$'000	
<b>Financial Assets</b>				
At fair value through statement of other comprehensive income				
Listed debt securities	-	147,833	-	147,833
Unlisted equities	-	-	47,001	47,001
At fair value through other comprehensive income				
Listed equities	818,489	-	-	818,489
Unlisted equities	-	238,953	153	239,106
Listed debt securities	-	175,957	-	175,957
Discount securities	-	7,989	-	7,989
Derivative instruments	167	2,670	-	2,837
<b>Total financial assets carried at fair value</b>	<b>818,656</b>	<b>573,402</b>	<b>47,154</b>	<b>1,439,212</b>
<b>Financial Liabilities</b>				
Fair value through profit or loss				
Derivative instruments	816	2,897	-	3,713
<b>Total financial liabilities carried at fair value</b>	<b>816</b>	<b>2,897</b>	<b>-</b>	<b>3,713</b>

**Consolidated**  
**2018**

	Valuation technique utilising			Total \$'000
	Market Values (Level 1) \$'000	Market Inputs (Level 2) \$'000	Non- Market Inputs (Level 3) \$'000	
<b>Financial Assets</b>				
At fair value through statement of other comprehensive income				
Listed debt securities	-	145,517	-	145,517
At fair value through other comprehensive income				
Listed equities	605,911	-	-	605,911
Unlisted equities	1,241	153,752	620	155,613
Listed debt securities	-	173,197	-	173,197
Discount securities	-	1,991	-	1,991
Derivative instruments	2,031	2,221	-	4,252
<b>Total financial assets carried at fair value</b>	<b>609,183</b>	<b>476,678</b>	<b>620</b>	<b>1,086,481</b>
<b>Financial Liabilities</b>				
Fair value through profit or loss				
Derivative instruments	357	2,111	-	2,468
<b>Total financial liabilities carried at fair value</b>	<b>357</b>	<b>2,111</b>	<b>-</b>	<b>2,468</b>

**University**  
**2019**

<b>Financial Assets</b>				
At fair value through statement of other comprehensive income				
Listed debt securities	-	147,833	-	147,833
Unlisted equities	-	-	47,001	47,001
Fair value through profit or loss				
Listed equities	818,489	-	-	818,489
Unlisted equities	-	238,953	153	239,106
Listed debt securities	-	175,957	-	175,957
Discount securities	-	7,989	-	7,989
Derivative instruments	167	2,670	-	2,837
<b>Total Financial Assets</b>	<b>818,656</b>	<b>573,402</b>	<b>47,154</b>	<b>1,439,212</b>
<b>Financial Liabilities</b>				
Fair value through profit or loss				
Derivative instruments	817	2,896	-	3,713
<b>Total Financial Liabilities</b>	<b>817</b>	<b>2,896</b>	<b>-</b>	<b>3,713</b>

**University**  
**2018**

<b>Financial Assets</b>				
At fair value through statement of other comprehensive income				
Listed debt securities	-	145,517	-	145,517
At fair value through other comprehensive income				
Listed equities	605,911	-	-	605,911
Unlisted equities	1,241	153,752	620	155,613
Listed debt securities	-	173,197	-	173,197
Discount securities	-	1,991	-	1,991
Derivative instruments	2,031	2,221	-	4,252
<b>Total Financial Assets</b>	<b>609,183</b>	<b>476,678</b>	<b>620</b>	<b>1,086,481</b>
<b>Financial Liabilities</b>				
Fair value through profit or loss				
Derivative instruments	357	2,111	-	2,468
<b>Total Financial Liabilities</b>	<b>357</b>	<b>2,111</b>	<b>-</b>	<b>2,468</b>

	Consolidated		University	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000

**(e) Reconciliation of Financial Assets Categorised as Level 3**

**Level 3 Financial Assets**

Opening balance	620	429,480	620	429,480
Total gains or losses				
Through profit or loss	-	11,983	-	11,983
Through Statement of Comprehensive Income	46,534	-	46,534	-
Reclassification	-	(114,300)	-	(114,300)
Purchases	-	241	-	241
Sales	-	(326,784)	-	(326,784)
<b>Closing balance</b>	<u>47,154</u>	<u>620</u>	<u>47,154</u>	<u>620</u>
Gains/(losses) for assets held 31 December	46,534	11,983	46,534	11,983

**(f) Credit Risk**

Credit risk is defined as "the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation."

**Receivables**

Loans and Receivables balances are monitored on an ongoing basis. The credit risk exposure on The University's receivables can be found at Note 2.1B.

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 University 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.

**Financial instruments and cash deposits**

Credit risk from balances with banks and financial institutions is managed by the University in accordance with the University's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed on an annual basis, and may be updated throughout the year subject to approval of the Finance 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 debt securities with very low credit risk.

The University recognised a provision for expected credit losses (ECL) on its debt instruments at fair value through OCI and short term cash deposits at amortised cost of \$258,000 as at 31 December 2019 (2018; \$251,000).

There are no significant financial assets that have had renegotiated terms that would otherwise, without that renegotiation, have been past due or impaired.

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 2.1 except for derivative financial instruments. The University's maximum exposure relating to financial derivative instruments is noted in the liquidity table below.

The University is party to guarantees as identified in Note 5.1 'Contingent Assets and Liabilities'. The maximum exposure to credit risk, if the University was called upon to meet the obligations, is the amount disclosed in Note 5.1.

The University does not hold any collateral or other credit enhancement facilities against these assets or contingent liabilities.

### (g) Liquidity Risk

The following tables illustrate the maturities for financial liabilities:

#### Consolidated

	Within 1 year	1 - 5 years	Greater than 5	Total
	\$'000	\$'000	years	\$'000
			\$'000	
<b>2019</b>				
Suppliers	47,197	-	-	47,197
Other payables	118,786	27,886	-	146,672
Interest bearing liabilities	5,221	34,795	237,648	277,663
Lease liabilities	7,154	10,216	193	17,563
Other financial liabilities	3,380	332	-	3,713
<b>Total</b>	<b>181,738</b>	<b>73,229</b>	<b>237,841</b>	<b>492,808</b>

#### **2018**

Suppliers	48,831	-	-	48,831
Other payables	159,211	27,534	-	186,745
Interest bearing liabilities	4,818	31,882	246,044	282,744
Lease liabilities	2,032	3,840	-	5,872
Other financial liabilities	2,175	293	-	2,468
<b>Total</b>	<b>217,067</b>	<b>63,549</b>	<b>246,044</b>	<b>526,660</b>

#### University

#### **2019**

Suppliers	44,690	-	-	44,690
Other payables	114,330	27,886	-	142,216
Interest bearing liabilities	5,221	34,795	237,648	277,664
Lease liabilities	7,090	10,216	193	17,499
Other financial liabilities	3,380	332	-	3,712
<b>Total</b>	<b>174,711</b>	<b>73,229</b>	<b>237,841</b>	<b>485,781</b>

#### **2018**

Suppliers	45,035	-	-	45,035
Other payables	152,535	27,534	-	180,069
Interest bearing liabilities	4,818	31,882	246,044	282,744
Lease liabilities	2,032	3,840	-	5,872
Other financial liabilities	2,175	293	-	2,468
<b>Total</b>	<b>206,595</b>	<b>63,549</b>	<b>246,044</b>	<b>516,188</b>

Liquidity risk is defined as the risk that the University would not be able to settle or meet those obligations that are settled by delivering cash or another financial asset, on time or at a reasonable price. The University adopts an active cash management strategy.

The University's investment portfolio allocation profile is determined by the Finance Committee and is structured to ensure sufficient funds are held in investments that can be converted to cash to meet its obligations as they fall due. Equities, other Listed Securities, Cash and Short-term debt securities constitute the significant component of the University's financial instruments. The liquidity risk of Unlisted Securities is managed through holding a diversified portfolio of assets with known investment horizons, different expected exit dates, and ensuring the total exposure of this class is maintained at a level whereby forced sales will not be required.

### (h) Market Risk

Market risk is defined as "the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices" and includes interest rate risk, foreign currency risk and "other price risks". Other price risks are further defined as "the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market".

### (h)(i) Foreign Exchange Risk

The University derives its revenue streams principally in Australian dollars. Payments to overseas denominated currency sources for the supply of goods and services provided to the University is considered immaterial and as such foreign exchange risk in these transactions is considered insignificant.

The University holds investments in most major overseas markets and as such has exposure to the major currencies. The mix and weighting of currency holdings approximates those utilized in the Trade Weighted Index/AUD calculation and as such the Trade Weighted Index is considered an appropriate measurement for Currency Risk. The University monitors the value of the Australian dollar relative to other major currencies and when the value is considered to be out of alignment with fundamental value common risk management approaches, including forward currency contracts are adopted.

The following table, (iv), demonstrates the sensitivity to a reasonably possible change in the AUD/Trade Weighted Index with all other variables held constant, on the University's income and the University's equity.

**(h)(ii) Interest Rate Risk**

Interest rate risk is the risk that the realisable value of a financial instrument will fluctuate due to the changes in market interest rates. The University's exposure to the risk of changes in market interest relates primarily to long-term investments and bank loans with variable interest rates. The University's outstanding Indexed Annuity Bonds is linked to Consumer Price Index movements.

The University's interest rate risk arises from the investment in cash, fixed and floating interest and short term money market securities. The portfolio consists of a combination of fixed coupon interest payments with repayment of principal on maturity, discounted securities with principal repaid upon maturity and floating rate notes. The portfolio is fully invested in AUD denominated securities. All counterparties are rated as investment grade.

The following table (iv), demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant.

**(h)(iii) Other Price Risk**

The University Loans payable 'Indexed Annuity Bond' is repayable by quarterly instalments that are indexed in alignment with the Australian Consumer Price Index (CPI). The real yield payable on the Bonds is 3.235% with an effective CPI base of 30 September 2004. The calculation of the outstanding liability is based on the historic movement in CPI from the base period to 30 September of the reporting year (3.350% per annum).

The following table, (iv), demonstrates the sensitivity to possible changes in CPI annual rates, with all other variables held constant. The table demonstrates the sensitivity to possible changes in interest rates, foreign exchange rates and market rates.

(h) Market Risk (continued)  
(h)(iv) Summarised Sensitivity Analysis – Consolidated

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

	Carrying Amount \$'000	Interest rate risk				Foreign exchange risk				Market risk				Australian CPI risk			
		-0.6%		+0.6%		-11.5%		+11.5%		-10.0%		+10.0%		-10.0%		+10.0%	
		Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000
<b>31 December 2019</b>																	
<b>Financial Assets</b>																	
At amortised cost																	
Cash and cash deposits																	
Domestic	511,963	(3,072)	3,072	3,072													
Overseas	40,951	(246)	246	246	4,709	4,709	(4,709)	(4,709)									
2,496																	
Unlisted equities																	
At fair value through statement of other comprehensive income																	
Listed debt securities	147,833	(887)	887	887													
Unlisted equities	47,001																
4,700																	
Fair value through profit or loss																	
Listed debt securities	175,957	(1,056)	1,056	1,056													
Domestic																	
Overseas																	
7,989																	
Discount securities																	
Domestic	401,306																
Overseas	417,183																
(40,131)																	
41,718																	
Domestic	186,194																
Overseas	52,912																
(18,619)																	
5,291																	
5,291																	
Derivative instruments	2,836																
(326)																	
326																	
<b>Financial Liabilities</b>																	
At amortised cost																	
Loans payable	277,663																
Fair value through profit or loss																	
Derivative instruments	1,190																
(137)																	
290																	
Domestic																	
Overseas	2,522																
(290)																	
(290)																	
<b>Total increase/(decrease)</b>		(5,309)	5,309	5,309	59,523	59,523	(59,523)	(59,523)	(110,459)	(110,459)	(110,459)	(110,459)	(110,459)	(110,459)	(136)	136	136



(h) Market Risk (continued)  
(h)(iv) Summarised Sensitivity Analysis – Consolidated (continued)

	Carrying Amount \$'000	Interest rate risk				Foreign exchange risk				Market risk				Australian CPI risk			
		-0.6%		+0.6%		-11.5%		+11.5%		-10.0%		+10.0%		-10.0%		+10.0%	
		Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000
<b>31 December 2018</b>																	
<b>Financial Assets</b>																	
At amortised cost																	
Cash and cash deposits																	
Domestic	596,752	(3,581)	3,581	3,581	-	-	-	-	-	-	-	-	-	-	-	-	-
Overseas	108,614	(652)	652	652	12,491	12,491	(12,491)	(12,491)	-	-	-	-	-	-	-	-	-
Unlisted equities	452	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
At fair value through statement of other comprehensive income																	
Listed debt securities	145,517	(873)	873	873	-	-	-	-	-	-	-	-	-	-	-	-	-
Fair value through profit or loss																	
Listed debt securities																	
Domestic	170,814	(1,025)	1,025	1,025	-	-	-	-	-	-	-	-	-	-	-	-	-
Overseas	2,383	(14)	14	14	274	274	(274)	(274)	-	-	-	-	-	-	-	-	-
Discount securities	1,991	(12)	12	12	-	-	-	-	-	-	-	-	-	-	-	-	-
Listed equities																	
Domestic	314,292	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Overseas	291,618	-	-	-	33,536	33,536	(33,536)	(33,536)	-	-	-	-	-	-	-	-	-
Unlisted equities																	
Domestic	119,441	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Overseas	36,172	-	-	-	4,160	4,160	(4,160)	(4,160)	-	-	-	-	-	-	-	-	-
Derivative instruments	4,252	-	-	-	489	489	(489)	(489)	-	-	-	-	-	-	-	-	-
<b>Financial Liabilities</b>																	
At amortised cost																	
Loans payable	282,743	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fair value through profit or loss																	
Derivative instruments	2,468	-	-	-	284	284	(284)	(284)	-	-	-	-	-	-	-	-	-
<b>Total increase/(decrease)</b>		(6,157)	6,157	6,157	51,234	51,234	(51,234)	(51,234)	(51,234)	(76,152)	(76,152)	(76,152)	(76,152)	(76,152)	(163)	(163)	163

(h) Market Risk (continued)  
(h)(v) Summarised Sensitivity Analysis – University

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

	Carrying Amount \$'000	Interest rate risk				Foreign exchange risk				Market risk				Australian CPI risk			
		-0.6%		+0.6%		-11.5%		+11.5%		-10.0%		+10.0%		-10.0%		+10.0%	
		Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000
<b>31 December 2019</b>																	
<b>Financial Assets</b>																	
At amortised cost																	
Cash and cash deposits																	
Domestic	507,174	(3,043)	3,043	3,043	-	-	-	-	-	-	-	-	-	-	-	-	-
Overseas	40,951	(246)	246	246	4,709	(4,709)	(4,709)	(4,709)	-	-	-	-	-	-	-	-	-
Unlisted equities	2,496	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest in related parties	7,200	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
At fair value through statement of other comprehensive income																	
Listed debt securities	147,833	(887)	887	887	-	-	-	-	-	-	-	-	-	-	-	-	-
Unlisted equities	47,001	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fair value through profit or loss																	
Listed debt securities	175,957	(1,056)	1,056	1,056	-	-	-	-	-	-	-	-	-	-	-	-	-
Domestic																	
Overseas	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Discount securities	7,989	(48)	48	48	-	-	-	-	-	-	-	-	-	-	-	-	-
Listed equities																	
Domestic	401,306	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Overseas	417,183	-	-	-	47,976	(47,976)	(47,976)	(47,976)	(40,131)	(41,718)	(41,718)	(41,718)	40,131	41,718	41,718	41,718	-
Unlisted equities																	
Domestic	186,194	-	-	-	-	-	-	-	(18,619)	(18,619)	(18,619)	(18,619)	18,619	18,619	18,619	18,619	-
Overseas	52,912	-	-	-	6,085	(6,085)	(6,085)	(6,085)	(5,291)	(5,291)	(5,291)	(5,291)	5,291	5,291	5,291	5,291	-
Derivative instruments	2,836	-	-	-	326	(326)	(326)	(326)	-	-	-	-	-	-	-	-	-
<b>Financial Liabilities</b>																	
At amortised cost																	
Loans payable	277,663	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fair value through profit or loss																	
Derivative instruments																	
Domestic	1,190	-	-	-	137	(137)	(137)	(137)	-	-	-	-	-	-	-	-	-
Overseas	2,522	-	-	-	290	(290)	(290)	(290)	-	-	-	-	-	-	-	-	-
<b>Total increase/(decrease)</b>		(5,280)	5,280	5,280	59,523	(59,523)	(59,523)	(59,523)	(110,459)	(110,459)	(110,459)	(110,459)	110,459	110,459	110,459	136	136

(h) Market Risk (continued)  
(h)(v) Summarised Sensitivity Analysis – University (continued)

	Carrying Amount \$'000	Interest rate risk				Foreign exchange risk				Market risk				Australian CPI risk			
		-0.6%		+0.6%		-11.5%		+11.5%		-10.0%		+10.0%		-10.0%		+10.0%	
		Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000	Result \$'000	Equity \$'000
<b>31 December 2018</b>																	
<b>Financial Assets</b>																	
At amortised cost																	
Cash and cash deposits																	
Domestic	587,582	(3,525)	3,525	3,525	-	-	-	-	-	-	-	-	-	-	-	-	-
Overseas	108,614	(652)	652	652	12,491	12,491	(12,491)	(12,491)	-	-	-	-	-	-	-	-	-
Unlisted equities	452	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest in related parties	7,200	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
At fair value through statement of other comprehensive income																	
Listed debt securities	145,517	(873)	873	873	-	-	-	-	-	-	-	-	-	-	-	-	-
Fair value through profit or loss																	
Listed debt securities																	
Domestic	170,814	(1,025)	1,025	1,025	-	-	-	-	-	-	-	-	-	-	-	-	-
Overseas	2,383	(14)	14	14	274	274	(274)	(274)	-	-	-	-	-	-	-	-	-
Discount securities	1,991	(12)	12	12	-	-	-	-	-	-	-	-	-	-	-	-	-
Listed equities																	
Domestic	314,292	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Overseas	291,618	-	-	-	33,536	33,536	(33,536)	(33,536)	(31,429)	(31,429)	(29,162)	(29,162)	29,162	29,162	-	-	-
Unlisted equities																	
Domestic	119,441	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Overseas	36,172	-	-	-	4,160	4,160	(4,160)	(4,160)	(11,944)	(11,944)	(3,617)	(3,617)	3,617	3,617	-	-	-
Derivative instruments	4,252	-	-	-	489	489	(489)	(489)	-	-	-	-	-	-	-	-	-
<b>Financial Liabilities</b>																	
At amortised cost																	
Loans payable	282,743	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fair value through profit or loss																	
Derivative instruments	2,468	-	-	-	284	284	(284)	(284)	-	-	-	-	-	-	(163)	163	163
<b>Total increase/(decrease)</b>		(6,101)	6,101	6,101	51,234	51,234	(51,234)	(51,234)	(76,152)	(76,152)	(76,152)	(76,152)	76,152	76,152	(163)	163	163

## 5.3 Fair Value Measurement

### 5.3.1 Fair Value Measurements

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

- Financial assets at fair value through profit or loss;
- Derivative financial instruments;
- Financial assets at fair value through other comprehensive income;
- Investments in equity instruments designated at fair value through other comprehensive income;
- Land, buildings and infrastructure; and
- Plant and equipment (Artworks and Rare Library Materials only).

Fair value disclosures relating to financial assets and liabilities at fair value through profit or loss are provided in Note 5.2 Financial Instruments.

#### Accounting Policy

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

The University 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 listed equity instruments) 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 University 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 University 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 University 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 University for similar financial instruments.

### 5.3.2 Fair Value Hierarchy

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

Level 1 - 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; and

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:

<b>Consolidated</b>	<b>Total</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
<b>2019</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Recurring Fair Value Measurements</b>				
<b>Non-Financial Assets</b>				
Land, Buildings and Infrastructure	1,362,432	-	123,568	1,238,864
Plant and Equipment	69,881	-	69,881	-
<b>Total Non-Financial Assets</b>	<b>1,432,313</b>	<b>-</b>	<b>193,449</b>	<b>1,238,864</b>
<b>2018</b>				
<b>Recurring Fair Value Measurements</b>				
<b>Non-Financial Assets</b>				
Land, Buildings and Infrastructure	1,368,848	-	111,432	1,257,416
Plant and Equipment	64,895	-	64,895	-
<b>Total Non-Financial Assets</b>	<b>1,433,743</b>	<b>-</b>	<b>176,327</b>	<b>1,257,416</b>

### 5.3.2 Fair Value Hierarchy (continued)

#### (i) Recognised fair value measurements (continued)

University	Total	Level 1	Level 2	Level 3
2019	\$'000	\$'000	\$'000	\$'000
<b>Recurring Fair Value Measurements</b>				
<b>Non-Financial Assets</b>				
Land, buildings and infrastructure	1,350,530	-	136,268	1,214,262
Plant and equipment	69,881	-	69,881	-
<b>Total Non-Financial Assets</b>	<b>1,420,411</b>	<b>-</b>	<b>206,149</b>	<b>1,214,262</b>
<b>2018</b>				
<b>Recurring Fair Value Measurements</b>				
<b>Non-Financial Assets</b>				
Land, buildings and infrastructure	1,355,148	-	110,532	1,244,616
Plant and equipment	64,895	-	64,895	-
<b>Total Non-Financial Assets</b>	<b>1,420,043</b>	<b>-</b>	<b>175,427</b>	<b>1,244,616</b>

#### (ii) Reconciliation of Fair Value Items to Balance Sheet

Consolidated	Notes	Total	Recognised at Cost	Recognised at Fair Value
2019		\$'000	\$'000	\$'000
<b>Recurring Fair Value Measurements</b>				
<b>Non-Financial Assets</b>				
Land, buildings and infrastructure	2.11	1,808,261	445,829	1,362,432
Plant and equipment	2.11	206,482	136,601	69,881
<b>Total Non-Financial Assets</b>		<b>2,014,743</b>	<b>582,430</b>	<b>1,432,313</b>
<b>2018</b>				
<b>Recurring Fair Value Measurements</b>				
<b>Non-Financial Assets</b>				
Land, buildings and infrastructure	2.11	1,803,243	434,395	1,368,848
Plant and equipment	2.11	153,346	88,451	64,895
<b>Total Non-Financial Assets</b>		<b>1,956,589</b>	<b>522,846</b>	<b>1,433,743</b>
<b>University</b>				
<b>2019</b>				
<b>Recurring Fair Value Measurements</b>				
<b>Non-Financial Assets</b>				
Land, buildings and infrastructure	2.11	1,796,359	445,829	1,350,530
Plant and equipment	2.11	205,886	136,005	69,881
<b>Total Non-Financial Assets</b>		<b>2,002,245</b>	<b>581,834</b>	<b>1,420,411</b>
<b>2018</b>				
<b>Recurring Fair Value Measurements</b>				
<b>Non-Financial Assets</b>				
Land, buildings and infrastructure	2.11	1,789,543	434,395	1,355,148
Plant and equipment	2.11	152,244	87,349	64,895
<b>Total Non-Financial Assets</b>		<b>1,941,787</b>	<b>521,744</b>	<b>1,420,043</b>

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

For transfers in and out of level 3 measurements see table below.

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

### 5.3.3 Fair Value Measurements Using Significant Unobservable Inputs (Level 3)

The following table is a reconciliation of the consolidated level 3 items for the year ended 31 December 2019:

Level 3 Fair Value Measurements 2019	Land, Buildings and Infrastructure \$'000	Plant and Equipment \$'000	Investment Properties \$'000	Total \$'000
<b>Opening balance</b>	1,257,416	-	-	1,257,416
Acquisitions	15,070	-	-	15,070
Total gains/(losses) on revaluation	5,109	-	-	5,109
Accumulated depreciation movement	(38,731)	-	-	(38,731)
<b>Closing balance</b>	1,238,864	-	-	1,238,864

#### (i) Valuation Inputs, Processes and Relationships to Fair Value for Items Categorised in Level 2 & Level 3

##### Land

###### *Land (Level 2)*

The land of the University has been classified as level 2. The valuation of these parcels of land was based on the condition, location, land area and restrictions on sale or use of the asset (if any).

Key unobservable inputs:

Prices of comparable assets sold within a reasonable timeframe of 31 December 2019.

Interrelationship between key unobservable inputs and fair value measurement:

The estimated fair value increases (decreases) as the value of comparable assets increases (decreases).

##### Buildings and infrastructure

###### *Buildings and infrastructure (Level 3)*

The buildings and infrastructure of the University are considered specialised assets for which there is no active and liquid market and as such have been valued using the cost approach (current replacement cost). This is based on the current construction costs per square metre to replace the asset.

Key unobservable inputs:

Replacement cost per square metre of a modern equivalent asset using published construction data such as Rawlinsons Australia Construction Handbook 2016 encompassing Civil Works and Building costs. Colliers also has a database built up from research of building and site improvement costs. Actual costs of improvements identified during valuation exercises and also through research and contact with suppliers and builders have also been collated.

Interrelationship between key unobservable inputs and fair value measurement:

The estimated fair value increases (decreases) as the estimated replacement cost per square metre increases (decreases).

###### *Commercial property (Level 2)*

The commercial property has been valued using the market approach. The valuation model is based on a price per square metre for buildings derived from observable market data in active and transparent market.

Key observable inputs:

Prices per square metre. Premium (discount) on the quality of the building and lease terms.

##### Plant and equipment

###### *Artworks (Level 2)*

The artwork collection has been valued using the market approach. The valuation model looks at specifically comparable sales or sales information including sales of works by artists with a similar standing.

Key observable inputs:

Prices of identical works sold in the market where multiple prints exist.

Prices of similar works or works by artists of a similar standing sold in the market where the items are one off pieces.

###### *Rare Library Materials (Level 2)*

The rare library collection has been valued using the market approach. The valuation model looks at Australian and international sales information.

## 6. Other Information

### 6.1 Remuneration of Auditors

	Consolidated		University	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
<b>Note 6.1A: Remuneration of Auditors</b>				
Remuneration to the Auditor-General for auditing the financial statements for the reporting period <sup>1</sup>	299	316	248	234
<b>Total Remuneration of Auditors</b>	<b>299</b>	<b>316</b>	<b>248</b>	<b>234</b>

<sup>1</sup>Amounts shown exclude GST paid on these services. No other services were provided by the Auditor-General during the reporting period.

### 6.2 Superannuation Commitments

#### Commonwealth Superannuation Account

Since 1949, the University has maintained an account, on conditions approved by the Treasurer of the Commonwealth, to meet the emerging costs of the employer's liability under the Commonwealth Superannuation Scheme - a Defined Benefit Scheme. The Commonwealth Government has now closed this Scheme.

The Commonwealth Superannuation Account maintained by the University is not a superannuation fund as defined in AASB 119, the assets supporting the liability are maintained as a component of the overall University investment portfolio. As far as practical, the University has adopted the accounting treatment and disclosure requirements of AASB 119. The University is recognising actuarial gains and losses in the period in which they occur outside the profit and loss as permitted under the Standard and the Public Governance, Performance and Accountability (Financial Reporting) Rule 2015, Section 25(4) (FRR), and as such are disclosed in the Statement of Other Comprehensive Income 2019 loss of \$70,522,000 (2018 loss \$36,559,000) resulting in a cumulative amount of actuarial losses recognised in equity of \$386,974,000 since inception. During 2019 a prior period adjustment was made to recognise an additional obligation in the opening balance for 2018. Refer to Note 4.1B for further details of the financial statement impacts.

Transfers are made to the account each fortnight in accordance with advice from ComSuper. The University's contribution rate in 2019 was 16.20% of eligible employee superannuable salaries (equivalent to the contribution rate the University is required to make for all employees who are members of UniSuper). Pensions are met on an emerging cost basis and paid to the Commonwealth Superannuation Administration.

The following have been recognised in the Income Statement in Employee expenses under Deferred Superannuation expense - Current Service Cost \$368,000 (2018 \$237,000) and Interest Cost \$15,878,000 (2018 \$18,341,000).

Section 25(2) of the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015* requires the market yield on Government bonds be used to discount post-employment benefit obligations, in compliance with AASB 119. One consequence of this requirement is that the value of the CSS liability could be expected to fluctuate significantly from year to year as government bond rates change.

The present value of the obligations of the Commonwealth Superannuation Account has increased by \$97,112,000. The increase is due largely to the decrease in Commonwealth bond yields at the relevant duration (being the interest rate required to be used to value liabilities). The future pension indexation of 2.00% and future wage growth of 2.00% remain unchanged from 2018. The reduction in the 13 year Commonwealth Government bond rate from 2.60% to 1.60% resulted in increasing the liability by \$74,000,000.

The Australian Government Actuary (AGA) completed a formal review of the Account at 30 June 2017 and applied the traditional 6.00% interest rate when assessing obligations of the fund. The surplus at that date was \$64,000,000. The next formal review is currently in progress.

The following principal actuarial assumptions have been adopted as at reporting date (values are expressed as weighted averages):

	2019	2018
Discount rate as at 31 December	1.60%	2.60%
Expected return on plan assets at 31 December	2.60%	3.10%
Future salary increases	2.00%	2.00%
Future pension increases	2.00%	2.00%

## 6.2 Superannuation Commitments (continued)

The following principal actuarial assumptions have been adopted as at reporting date (values are expressed as weighted averages):

	Consolidated		University	
	2019 \$'000	2018 <sup>1</sup> \$'000	2019 \$'000	2018 <sup>1</sup> \$'000
<b>Reconciliation of the Present Value of the Obligation</b>				
Previous year closing balance	675,828	656,356	675,828	656,356
Current service cost	368	237	368	237
Interest cost	15,878	18,341	15,878	18,341
Actuarial (gains)/losses	70,522	36,559	70,522	36,559
Benefit payments	(36,656)	(35,665)	(36,656)	(35,665)
<b>Current Year Closing Balance</b>	<b>725,940</b>	<b>675,828</b>	<b>725,940</b>	<b>675,828</b>
<b>Reconciliation of the Fair Value of Plan Assets</b>				
Opening fair value of plan assets	547,490	577,347	547,490	577,347
Expected return on plan assets	13,760	17,348	13,760	17,348
Contributions	122	209	122	209
Benefits paid	(36,656)	(35,665)	(36,656)	(35,665)
Actuarial gain/(loss)	83,610	(11,749)	83,610	(11,749)
<b>Current Year Closing Balance</b>	<b>608,326</b>	<b>547,490</b>	<b>608,326</b>	<b>547,490</b>
<b>Reconciliation of the present value of the obligation and the fair value of the plan assets to the assets and liabilities recognised in the Balance Sheet</b>				
Present value of funded obligation	725,940	675,828	725,940	675,828
Fair value of plan assets	608,326	547,490	608,326	547,490
<b>Net Liability in Balance Sheet</b>	<b>117,614</b>	<b>128,338</b>	<b>117,614</b>	<b>128,338</b>
<b>Amounts in Balance Sheet</b>				
Liabilities	725,940	675,828	725,940	675,828
Assets	608,326	547,490	608,326	547,490
<b>Net Liability in Balance Sheet</b>	<b>117,614</b>	<b>128,338</b>	<b>117,614</b>	<b>128,338</b>

<sup>1</sup>Adjusted 2018 figures. Refer to Note 4.1B.

### Superannuation Scheme for Australian Universities

New continuing staff members employed by the University since 1 April 1983 have been required to join the Superannuation Scheme for Australian Universities (SSAU) until 30 September 2000. From 1 October 2000, SSAU and the Tertiary Education Superannuation Scheme merged to become a single scheme, UniSuper. This merged scheme continues to have a defined benefits component which is managed independently of the University. The University contributes to the scheme at the rate equivalent to 14.00% of members' salaries. The University's contributions in 2019 were \$66,133,000 (2018 \$60,533,000).

Subsequent to changes enacted to the UniSuper Trust Deed by the Trustees during 2007 the previously described UniSuper Defined Benefit Plan (DBP) is now compliant with the requirements of AASB 119 applicable to a Defined Contribution Fund (DCF). Although the DCF is a defined contribution fund under AASB 119, it does remain a defined benefit fund for other purposes and continues to require actuarial oversight.

### Public Sector Superannuation Scheme

The University has a small number of employees who are members of the Public Sector Superannuation Scheme to which the University contributes at the rate of 16.80% of members' salaries. During 2019, the University's contributions amounted to \$87,000 (2018 \$105,000). This scheme is closed to new members of the University's staff.

### Employee Non Contributory Productivity Superannuation Schemes

The University's contributions for employees who are contributors to the Commonwealth Superannuation and Public Sector Superannuation Schemes are paid to the Commonwealth Superannuation Administration. The University contributes to the Schemes between 2.00% to 3.00% of members' salaries. During 2019, the University's contributions were \$20,000 (2018 \$29,000) and \$12,000 (2018 \$14,000) respectively. The University paid contributions for eligible employees, other than employees who are contributors to the Commonwealth Superannuation and Public Sector Superannuation Schemes, to the Tertiary Education Superannuation Scheme until 30 September 2000, and since then to the newly established UniSuper. The new scheme continues to offer a cash accumulation component. The University contributes to the Scheme at a rate of 3.00% of members' salaries for full-time University employees. The University's contributions in 2019 were \$13,565,000 (2018 \$12,450,000).



### 6.3 Cooperative Research Centres

The University received Commonwealth Funding under the Cooperative Research Centres Program for the establishment of the following Cooperative Research Centres:

Bushfire and Natural Hazards CRC - a cooperative research centre with the core participants including multiple State Fire and Emergency Services organisations, Bureau of Meteorology, State Government departments, seventeen Universities and research institutes including The Australian National University and the Red Cross. Total investment for the Centre is \$70,800,000. The University's contribution is in-kind on a project basis, with the total contribution being identified at the Centre end date. The research agenda will focus on the following broad areas of work: (i) Economics, Policy and Decision Making; (ii) Resilient People, Infrastructure, Institutions and Landscapes; and (iii) Bushfire and Natural Hazard risks. On 1 July 2013, the Bushfire and Natural Hazards CRC was established for a period of 8 years.

Space Environment Management CRC - a cooperative research centre with the core participants including the Australian National University, EOS Space Systems Pty Ltd, RMIT University and three international collaborations with a total investment of approximately \$57,000,000 over five years. The University's total contribution will be \$5,795,000 over five years. The research agenda will focus on the following broad areas of work: (i) tracking, characterising and identifying objects in orbit; (ii) orbit determination and predicting behaviours of space objects; (iii) space asset management; and (iv) preservation of the space environment. The Centre was established on 1 July 2014 for a period of five years.

Costs for all Cooperative Research Centres are expensed as incurred except where future benefits are expected beyond reasonable doubt to exceed those costs. In 2019 all costs were expensed.

## 6.4 Subsidiaries

Name of Entity	Principal Activity	Place of Incorporation and Operation	Ownership Interest Held by the University	
			2019	2018
ANU Enterprise Pty Limited (ANUE) was incorporated in 1979 as a company limited by shares <sup>1</sup>	Activities include the undertaking of research and experimental work and the promotion and exploitation of techniques and processes derived or developed from research and experimental work.	Australia	100%	100%
ANU (UK) Foundation was incorporated in 2007 as a private limited company limited by guarantee	Principal activity is to facilitate the advancement of education through the establishment of a registered charity.	England & Wales	100%	100%

<sup>1</sup>ANU Enterprise Pty Limited is the 100% owner of Australian Scientific Instruments Pty Limited and The Social Research Centre which was acquired in 2014 and ANU Limited (PNG) established in 2018.

### Composition of the subsidiaries

Principal Activity	Place of Incorporation and Operation	Number of Wholly-owned Subsidiaries	
		2019	2018
Research & experimental works	Australia	1	1
Charity	England & Wales	1	1
		2	2

### Financial Support

#### ANU Enterprise Pty Limited

The University has provided ANU Enterprise Pty Limited a loan to assist in the acquisition of The Social Research Centre. Details of the loan are: principal \$6,000,000; interest rate 6.00% per annum or at such other rate as may be agreed by the parties from time to time; term 7 years; and principal repayments of \$250,000 per quarter commencing 30 September 2015. Repayment of the loan is not subject to the financial performance of The Social Research Centre.

On 28 November 2019, the original loan agreement has been varied to provide ANUE a loan holiday period of 1.5 years from 1 January 2019 to 30 June 2020 and extend the term of the loan until 31 December 2022.

## 6.5 Acquittal of Australian Government Financial Assistance

The information provided in this note is only relevant to the University.

### Note 6.5A: Education - CGS and Other Education Grants

Notes	Commonwealth Grants Scheme <sup>1</sup>		Access & Participation Programme <sup>2</sup>		Disability Support Programme		National Institutes Funding		Total	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
	83,676	82,789	351	288	44	54	203,620	199,824	287,691	282,955
1.1A (a)	83,676	82,789	351	288	44	54	203,620	199,824	287,691	282,955
Revenue for the Period	-	-	-	-	-	-	-	-	-	-
Surplus/(deficit) from the previous year	-	-	-	-	-	-	-	-	-	-
<b>Total Revenue Including Accrued Revenue</b>	83,676	82,789	351	288	44	54	203,620	199,824	287,691	282,955
Less expenses including accrued expenses	83,676	82,789	351	288	44	54	203,620	199,824	287,691	282,955
<b>Surplus/(Deficit) for Reporting Period</b>	-	-	-	-	-	-	-	-	-	-

<sup>1</sup>Includes the basic CGS grant amount, CGS-Regional Loading and CGS-Enabling Loading.

<sup>2</sup>Includes Higher Education Equity Support Programme.

### Note 6.5B: Higher Education Loan Programs (excl OS-HELP)

Notes	HECS - HELP		FEE - HELP <sup>3</sup>		SA - HELP		Total	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
	64,499	61,118	23,523	28,405	2,005	1,910	90,027	91,433
1.1A(b)	64,499	61,118	23,523	28,405	2,005	1,910	90,027	91,433
Revenue for the Period	-	-	-	-	-	-	-	-
Surplus/(deficit) from the previous year	-	-	-	-	-	-	-	-
<b>Total Revenue Including Accrued Revenue</b>	64,499	61,118	23,523	28,405	2,005	1,910	90,027	91,433
Less expenses including accrued expenses	64,499	61,118	23,523	28,405	2,005	1,910	90,027	91,433
<b>Surplus/(Deficit) for Reporting Period</b>	-	-	-	-	-	-	-	-

<sup>3</sup>Financial assistance received in cash during the reporting period (total cash received from the Commonwealth for the Programmes)

**Note 6.5C: Scholarships**

Notes	Commonwealth Education Costs Scholarships <sup>4</sup>		Commonwealth Accommodation Scholarships		Total	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
	-	-	-	-	-	-
	-	-	-	-	-	-
	192	192	58	58	250	250
	192	192	58	58	250	250
	-	-	-	-	-	-
	192	192	58	58	250	250

Financial assistance received in cash during the reporting period (total cash received from the Commonwealth for the Programmes)

**Revenue for the Period**

Surplus/(deficit) from the previous year

**Total Revenue Including Accrued Revenue**

Less expenses including accrued expenses

**Surplus/(Deficit) for Reporting Period**

<sup>4</sup>Includes Grandfathered Scholarships, National Priority and National Accommodation Priority Scholarships respectively.

**Note 6.5D: Department of Education**

Notes	Research Training Programme		Research Support Programme		Total	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
	57,772	57,189	65,422	63,214	123,194	120,403
	-	-	-	-	-	-
	57,772	57,189	65,422	63,214	123,194	120,403
	(3)	2,895	-	-	(3)	2,895
	57,769	60,084	65,422	63,214	123,191	123,298
	57,153	60,087	65,422	63,214	122,575	123,301
	616	(3)	-	-	616	(3)

Financial assistance received in cash during the reporting period (total cash received from the Commonwealth for the Programmes)

Net accrual adjustments

**Revenue for the Period**

Surplus/(deficit) from the previous year

**Total Revenue Including Accrued Revenue**

Less expenses including accrued expenses

**Surplus/(Deficit) for Reporting Period**

Research Training Programme has replaced Australian Postgraduate Awards, International Postgraduate Awards, International Postgraduate Research Scholarships and Research Training Scheme in 2018. 2017 data for the programs that have been replaced should be reported in the Research Training Program comparatives.

Research Support Programme has replaced Joint Research Engagement, JRE Engineering Cadetships, Research Block Grants and Sustainable Research Excellence in Universities in 2018.

**Note 6.5E: Total Higher Education Provider Research Training Program expenditure**

	Notes	Domestic Students		Overseas Students		Total	
		2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Research training program fees offsets		37,601	38,224	2,895	3,990	40,496	42,214
Research training program stipends		13,534	14,470	2,465	2,665	15,999	17,135
Research training program allowances		92	114	566	624	658	738
<b>Total for all types of support</b>		<b>51,227</b>	<b>52,808</b>	<b>5,926</b>	<b>7,279</b>	<b>57,153</b>	<b>60,087</b>

Please refer to the Commonwealth Scholarship Guidelines for expenditure definitions for the Research Training Program

The total for all types of support for domestic and overseas students is expected to match the Research Training Program expenses, including accrued expenses, at Note 6.5D above in respect to the 2018 year.

**Note 6.5F: Australian Research Council Grants  
(a) Discovery**

	Notes	Projects		Fellowships		Indigenous Research Development		Early Career Research Award		Total	
		2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Financial assistance received in cash during the reporting period (total cash received from the Commonwealth for the Programmes)		19,953	19,339	10,659	12,412	(4)	(4)	6,999	5,452	37,607	37,203
Net accrual adjustments		42	-	-	-	-	-	31	-	73	-
<b>Revenue for the Period</b>	1.1A(e)(i)	<b>19,995</b>	<b>19,339</b>	<b>10,659</b>	<b>12,412</b>	<b>(4)</b>	<b>(4)</b>	<b>7,030</b>	<b>5,452</b>	<b>37,680</b>	<b>37,203</b>
Surplus/(deficit) from the previous year				10,291	13,030	129	390	3,441	4,743	30,550	35,037
<b>Total Revenue Including Accrued Revenue</b>		<b>36,684</b>	<b>36,213</b>	<b>20,950</b>	<b>25,442</b>	<b>125</b>	<b>390</b>	<b>10,471</b>	<b>10,195</b>	<b>68,230</b>	<b>72,240</b>
Less expenses including accrued expenses		19,158	19,524	11,784	15,151	123	261	6,048	6,754	37,113	41,690
<b>Surplus/(Deficit) for Reporting Period</b>		<b>17,526</b>	<b>16,689</b>	<b>9,166</b>	<b>10,291</b>	<b>2</b>	<b>129</b>	<b>4,423</b>	<b>3,441</b>	<b>31,117</b>	<b>30,550</b>

**Note 6.5F: Australian Research Council Grants (continued)**  
**(b) Linkages**

Financial assistance received in cash during the reporting period (total cash received from the Commonwealth for the Programmes)  
 Net accrual adjustments (AASB 15)

**Revenue for the Period**

Surplus/(deficit) from the previous year

**Total Revenue Including Accrued Revenue**

Less expenses including accrued expenses

**Surplus/(Deficit) for Reporting Period**

Notes	Infrastructure		Projects		Total	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
	6,524 (489)	5,162	2,160	2,225	8,684 (489)	7,387
1. 1A(d)(ii)	6,035	5,162	2,160	2,225	8,195	7,387
	1,413	1,567	2,406	3,937	3,819	5,504
	7,448	6,729	4,566	6,162	12,014	12,891
	1,905	5,316	1,834	3,756	3,739	9,072
	5,543	1,413	2,732	2,406	8,275	3,819

**Note 6.5F: Australian Research Council Grants (continued)**  
**(c) Networks and Centres**

	Notes	Centres	
		2019 \$'000	2018 \$'000
Financial assistance received in cash during the reporting period (total cash received from the Commonwealth for the Programmes)		12,459	12,227
Net accrual adjustments		651	
<b>Revenue for the Period</b>	1.1A(d)(iii)	13,110	12,227
Surplus/(deficit) from the previous year		3,226	3,896
<b>Total Revenue Including Accrued Revenue</b>		16,336	16,123
Less expenses including accrued expenses		12,674	12,897
<b>Surplus/(Deficit) for Reporting Period</b>		3,662	3,226

**(d) Industrial Transformation**

Financial assistance received in cash during the reporting period (total cash received from the Commonwealth for the Programmes)		889	873
<b>Revenue for the Period</b>	1.1A(d)(iv)	889	873
Surplus/(deficit) from the previous year		873	-
<b>Total Revenue Including Accrued Revenue</b>		1,762	873
Less expenses including accrued expenses		101	-
<b>Surplus/(Deficit) for Reporting Period</b>		1,661	873

**Note 6.5G: OS-HELP**

	Notes	2019 \$'000	2018 \$'000
Financial assistance received in cash during the reporting period (total cash received from the Commonwealth for the Programmes)		3,987	3,361
Less expenses including accrued expenses		3,891	3,358
Net accrual adjustments		-	-
<b>Revenue for the Period</b>		96	3
Surplus/(deficit) from the previous year		(202)	(205)
<b>Surplus/(Deficit) for Reporting Period</b>	1.1A(e)(i)	(106)	(202)

**Note 6.5H: Student Services and Amenities Fee**

Unspent/(overspent) revenue from previous period		4,574	3,801
SA-HELP revenue earned	1.1A(b)	2,005	1,910
Student services fees direct from Students	1.1C	3,966	4,711
<b>Total Revenue Expendable in the Period</b>		10,545	10,422
Student services expenses during period		4,256	5,848
<b>Surplus/(Deficit) for Reporting Period</b>		6,289	4,574

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# Annual Report requirements

Under the PGPA Act, section 46, corporate Commonwealth entities are required to prepare an annual report in accordance with subdivision B, sections 17BA to 17BF of the *Public Governance, Performance and Accountability Rule 2014 (PGPA Rule) Compilation 19*. This index lists where specific requirements are covered.

Contents	Available
<p>Production of the Annual Report every 12 months. The annual report must be provided to the responsible Minister by the 15th day of the fourth month after the end of the reporting period – i.e. April for ANU – note for 2019 this will mean Monday 15 April.</p> <p>PGPA Act Section 46</p>	This document
<p>Details of how the ANU Annual Report (i.e. this report) was approved and when approval was given (this annual report must be approved by the ANU Council and provided to the responsible Minister in accordance with section 46 of the PGPA Act – PGPA Rule 17BB.</p>	Page 5 Letter of Transmittal.
<p>The ANU Annual Report must comply with the presentation and printing standards required for documents which are to be presented to Parliament.</p> <p>PGPA Rule 17BC</p>	The ANU Annual Report 2019 is produced to meet the standards.
<p>The ANU Annual Report must be presented in plain English and clear design to accommodate the needs and interests of both Parliament and other persons potentially interested in the University's report (which in specific terms means this report must be constructed in an accessible manner, with the information presented in relevant, reliable, concise, understandable and balanced way, using appropriate headings and adequate spacing, a glossary to define acronyms and technical terms, and tables, graphs, charts and diagrams instead of text wherever possible.</p> <p>PGPA Rule 17BD</p>	<p>This requirement is met through the production of this report.</p> <p>It will be made available from the ANU website as a PDF and a Word document. This list of requirements, the index and the list of abbreviations are provided.</p>
Contents of the annual report – 17BE	
Contents	Available
(a) Information on the legislation establishing ANU.	Pages 1, 58
(b) (i) Summary of the objects and functions of ANU as set out in the legislation.	Page 58
(ii) The purposes of ANU as included in the University's corporate plan for 2019.	Pages 1, 19, 57
(c) The names and titles of the persons holding the position of responsible Minister during the period.	The responsible Minister for 2019 was the Hon Dan Tehan MP, Minister for Education

<b>Contents</b>	<b>Available</b>
(d) Any directions given to ANU by a Minister under an Act or instrument during 2019.	Not applicable
(e) Any government policy orders that applied in relation to ANU during the period under section 22 of the Act.	Not applicable
(f) Explanation for any non-compliance with a direction or order listed above.	Not applicable
(g) The Annual performance statements for ANU during 2019, in accordance with paragraph 39(1)(b) of the Act and section 16F of the PGPA Rule 2014.	Pages 18–35
(h) (i) A statement of any significant issue reported to the responsible Minister under paragraph 19(1)(e) of the Act that relates to non-compliance with the finance law in relation to ANU. If this exists an outline of remedial actions to be undertaken must be provided.	Page 80
(j) Information on the accountable authority or member or each member of the accountable authority, of ANU during 2019; including the name of the accountable member, qualifications and experience, the number of meetings attended by the member, and the kind of membership – i.e. executive or non-executive member.	Pages 58–81
(k) Outline of the organisational structure of ANU (including any subsidiaries of ANU).	Page 14
(ka) Statistics on the entity's employees on an ongoing and non-ongoing basis, including the following: (a) statistics on full-time employees; (b) statistics on part-time employees; (c) statistics on gender; (d) statistics on staff location.	Pages 84-87
(l) An outline of the location of major activities (whether or not in Australia) or facilities of the entity.	Page 88
(m) Information in relation to the main corporate governance practices used by ANU during the period.	Pages 56–81
(n) (o) For transactions with a related Commonwealth entity or related company where the value of the transaction, or if there is more than one transaction, the aggregate of those transactions, is more than \$10,000 (inclusive of GST): (a) the decision-making process undertaken by the accountable authority to approve the entity paying for a good or service from, or providing a grant to, the related Commonwealth entity or related company; and (b) the value of the transaction, or if there is more than one transaction, the number of transactions and the aggregate of value of the transactions.	Page 149

Contents	Available
(p) Any significant activities and changes that affected the operation or structure of the entity during the reporting period.	Professor the Hon Gareth Evans AC QC retired on 31 December 2019. On 26 July 2019, Council appointed the Hon Julie Bishop as Chancellor for a three-year term, beginning on 1 January 2020 – see page 68
(q) Particulars of judicial decisions/administrative tribunals made during the period that have had, or may have a significant impact on the operations of ANU.	No judicial or administrative tribunal decisions had a significant effect – see page 81.
(r) Particulars of any report on ANU given in 2019 by the Auditor-General (other than a report under section 43 of the PGPA Act, which deals with the Auditor-General's audit of annual financial statements); or a Committee of either House of Parliament; or the Commonwealth Ombudsman; or the Office of the Australian Information Commissioner.	Page 81
(s) If the accountable authority has been unable to obtain information from a subsidiary of ANU required to be included in the annual report – an explanation of the information that was not obtained and the effect of not having this information on the report.	A report on subsidiaries is provided on page 79. The financial reports for the subsidiaries are also provided to the Minister for Education separately.
(t) Details of any indemnity that applied in 2019 to the accountable authority, any member of the accountable authority or officer of ANU against a liability (including premiums paid, or agreed to be paid, for insurance against the authority, member or officer's liability for legal costs).	Page 81
(ta) Information about executive remuneration.	Page 147
A copy of the annual financial statements and the Auditor-General's report must be included in each department's annual report tabled in the Parliament. The annual report must include audited financial statements prepared in accordance with the PGPA (Financial Reporting) Rule 2015 and Section 43(4) of the PGPA Act.	Pages 90–173
(u) An index identifying where the requirements of this section are to be found.	Pages 174–176
Abbreviations	Pages 180–181

# Abbreviations

3AI	Autonomy, Agency & Assurance Institute
AAT	Anglo-Australian Telescope
ACT	Australian Capital Territory
AHRC	Australian Human Rights Commission
AMD	age-related macular degeneration
ANAO	Australian National Audit Office
ANIP	Australian National Internship Program
ANU	Australian National University
APF	Australian Phenomics Facility
APS	Australian Public Service
ARC	Australian Research Council
ARPANSA	Australian Radiation Protection and Nuclear Safety Agency
ASA	Admissions, Scholarships and Accommodation
ATAR	Australian Tertiary Admission Rank
ATSIHP	Aboriginal and Torres Strait Islander Health Program
AV	audio-visual
CAEPR	Centre for Aboriginal Economic Policy Research
CAM	Centre for Advanced Microscopy
CCI	Climate Change Institute
CEAT	Centre for Entrepreneurial Agri-Technology
CECS	ANU College of Engineering and Computer Science
CEO	chief executive officer
CPI	Centre for Personalised Medicine
CSIRO	Commonwealth Scientific and Industrial Research Organisation
CVD	cardiovascular disease
DFAT	Department of Foreign Affairs and Trade
DNA	deoxyribonucleic acid
DVC	Deputy Vice-Chancellor
ECA	Engagement and Corporate Affairs
EMP	ANU Environmental Management Plan
ENU	(mutagen <i>N</i> -ethyl- <i>N</i> -nitrosourea)
EPBC Act	<i>Environment Protection and Biodiversity Conservation Act 1999 (Cth)</i>
FTE	full time equivalent
Go8	the Group of Eight universities

GPS	global positioning system
HASS	humanities and social services
HDR	higher degree by research
HEA	Higher Education Academy
IARU	International Alliance of Research Universities
ICH	Institute for Communication in Healthcare
IDEA	Inclusion, Diversity, Equity and Access
iLEAP	Interactive Learning Project
IPCC	Intergovernmental Panel on Climate Change
IPS	Information Publication Scheme
ITS	Information Technology Services
JCSMR	John Curtin School of Medical Research
LGBTIQ	lesbian, gay, bisexual, transgender, intersex and queer
LTI and LTIFR	lost time injuries and Lost Time Injury Frequency Rate
MATE	Moving Australia Towards Equality
MODIS	moderate resolution imaging spectroradiometer
NCIS	National Centre for Indigenous Studies
NECTAR	Network of Early Career Academics
NHMRC	National Health and Medical Research Council
NTT DATA Figtree Systems	NTT DATA Figtree Systems is a global leader in claims and risk management software services
OCCAMS	Online Cultural Collections Analysis and Management System
PGPA Act	<i>Public Governance, Performance and Accountability Act 2013 (Cth)</i>
PM&C	Department of the Prime Minister and Cabinet
PNG	Papua New Guinea
PRP	Pacific Research Program
SAGE	Science in Australia Gender Equity
SPSF	Student Planning and Selection Framework
STEMM	science, technology, engineering, mathematics and medicine
SWOT	strengths, weaknesses, opportunities, threats
UAC	Universities Admissions Centre
UBRI	University Blockchain Research Initiative
UN	United Nations
WCSI	Workers Compensation Self-Insurance
WHS	work health and safety

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

**Annual Report available online at**

<http://www.anu.edu.au/about/strategic-planning>

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