

# Annual Report 2014



# Contents

---

<b>1</b>	<b>Letter of transmittal</b>	<b>18</b>	<b>Risk management statement</b>
<b>2</b>	<b>Message from the Chancellor</b>	<b>19</b>	<b>External reporting obligations</b>
<b>2</b>	<b>Message from the Vice-Chancellor</b>	19	Freedom of information
<b>3</b>	<b>La Trobe at a glance</b>	19	Information privacy
<b>4</b>	<b>La Trobe – Young, modern and bold</b>	19	Whistleblowers, grievance and complaints
<b>6</b>	<b>2014 The year in review – Highlights</b>	19	Investigation of complaints
<b>8</b>	<b>Organisation</b>	19	<i>Whistleblowers Protection Act 2001</i>
<b>10</b>	<b>Operating framework</b>	19	National Competition Policy
10	Governance and accountability	19	<i>Conformity with the Building Act 1993</i>
10	Relevant Minister	20	La Trobe infrastructure and operations (I&O) group list of projects
10	Objectives, functions, powers and duties	22	La Trobe University consultants 2014
11	La Trobe's code of conduct	23	Statement on compulsory non-academic fees, subscriptions and charges
11	Trust and respect	<b>24</b>	<b>Financial overview</b>
11	Honesty and fairness	24	Commercial activities table
11	About the code	<b>27</b>	<b>University disclosure index table</b>
<b>12</b>	<b>Human resources</b>	<b>30</b>	<b>Financial statements</b>
<b>13</b>	<b>Key statistics</b>		
<b>14</b>	<b>Risk management</b>		
14	Details of indemnity for Members of Council and Senior Officers		
14	University's risk management strategy		
15	Risk management approach		
16	Health and safety performance indicators 2014		
16	Associates and commercial ventures		
16	Sustainability reporting		

# Letter of transmittal



**LA TROBE  
UNIVERSITY**

OFFICE OF THE CHANCELLOR

**Mailing address**

La Trobe University  
Victoria 3086 Australia

**T** +61 3 9479 5268

**F** +61 3 9479 1045

**E** [chancellor@latrobe.edu.au](mailto:chancellor@latrobe.edu.au)  
[latrobe.edu.au](http://latrobe.edu.au)

**MELBOURNE CAMPUSES**

Bundoora  
Collins Street CBD  
Franklin Street CBD

**REGIONAL CAMPUSES**

Bendigo  
Albury-Wodonga  
Mildura  
Shepparton

12 March 2015  
Minister for Training and Skills  
2 Treasury Place  
EAST MELBOURNE VIC 3002

Dear Minister

In accordance with the requirements of regulations under the *Financial Management Act 1994*, I am pleased to submit for your information and presentation to Parliament the La Trobe University Annual Report for the year ending 31 December 2014.

Yours sincerely

**Adrienne E Clarke AC**  
Chancellor

ABN 64 804 735 113  
CRICOS Provider 00115M

# Messages

## CHANCELLOR'S MESSAGE



Council's work during 2014 was directed to supporting the Vice-Chancellor and his leadership team, and monitoring progress during the major change program undertaken as part of Future Ready: Strategic Plan 2013-17.

The changes have affected all aspects of the University's operations—teaching, research, student services, infrastructure, administration and community engagement. The University is now well-positioned to respond to the many challenges it faces, including continuing uncertainty regarding funding, increasing competition locally and internationally and the impact of rapid technological change.

One piece of work which will have a profound and lasting impact this year was development of a Master Plan for the Melbourne Campus. Council had involvement and oversight of this, which focussed on creating a University Town in the north of Melbourne, while preserving the natural beauty, waterways and biodiversity of the campus. A similar exercise for the Bendigo campus has commenced.

Council continued its work to engage directly with students through the Student Consultative Committee, which is chaired by the President of the Student Union and meets four times each year. I attend along with the Vice Chancellor's Chief of Staff and senior management. This gives the Council a direct way to hear about issues affecting students. This is in addition to the regular meetings of staff and students. The Minister appointed a staff member, Professor Marilyn Anderson FAA, FTSE, as the Ministerial Member of Council. Professor Anderson's international standing as a scientist, her wide experience in business and her experience on campus are highly valued by the Council.

At the end of the year, we farewelled three long-serving members of Council: Mr Richard Guy OAM (Council member since 2009, member of the Finance and

Resources Committee and the Corporate Governance Audit & Risk committee and Deputy Chancellor Regional, during 2014), Mr Tony de Domenico (Council member since 2009, Chair of the Infrastructure and Estates Committee and Deputy Chancellor during 2014) and Ms Jennifer Williams (council member since 2009 and Chair of the Corporate Governance Audit and Risk Committee). We also welcomed three new members: Professor Richard Larkins AO, former Vice Chancellor and President of Monash University, Ms Deborah Radford, Director of Bendigo and Adelaide Bank Limited and Ms Yvonne Von Hartel AM, Founding Principal of peckvonhartel, an award-winning architectural and urban design practitioner.

It has been an exciting and challenging year for the University. As we enter 2015, the University is well-positioned as a result of the change program, to thrive in the uncertain environment that we now face.

**Adrienne E Clarke AC**  
Chancellor

## VICE-CHANCELLOR'S MESSAGE



La Trobe University's Future Ready: Strategic Plan 2013-2017 sets clear targets for our university: to be one of the top three universities in Victoria, one of the top dozen nationally and one of the top 300 internationally by 2017.

We made considerable progress towards these goals in 2014 – a year in which we not only advanced our research and teaching performance but also undertook the most significant transformation of the University in its nearly 50-year history. Implementing this ambitious change program has not been easy but the changes we have made were essential in ensuring the University can realise its full potential. I thank all staff for their dedicated efforts to La Trobe during the year.

La Trobe's vision is to be a university known for excellence and innovation in everything we do. There are many highlights from the past year to celebrate, for example:

- In research, we had a very successful year in research income obtained and success rates in the national competitive grant schemes. Our strategic partnership with the Olivia Newton John Cancer Research Institute is illustrative of the exciting 'game-changing' partnerships Future Ready emphasises.
- In teaching, La Trobe staff won a record number of national teaching awards, and we introduced many innovative courses including the Hallmark Program and the regional MBA. The strength of many of our disciplines was recognised in international rankings.
- The University continued to live up to its mission by providing access to students who may not otherwise attend University. We introduced the Aspire Program that recognises the community service and academic results of commencing students, and the Inspired Futures Program as a pathway for mature age entrants in regional Victoria.
- Many students and staff were recognised for their outstanding work through national and international prizes and awards, amongst them a winner of Australia's leading literary prize and student winners of the prestigious New Colombo Plan Scholarships.

- Our partnerships with a range of organisations, including the National Gallery of Victoria, the Bendigo Art Gallery and regional TAFEs have strengthened the University's ability to contribute in meaningful ways to the communities we serve.

The Australian higher education sector has faced considerable challenges and uncertainties this year. In such uncertain times, a clear vision and plan are more important than ever.

I would like to congratulate all staff and students on their achievements in the past year and thank them for their hard work and dedication. One of the special features of La Trobe is the passion that people have for our wonderful university, and the contributions we make to the lives of people and communities around us.

**Professor John Dewar**  
Vice-Chancellor  
La Trobe University

# LaTrobe at a glance



## PURPOSE/MISSION

The purpose of LaTrobe University is set out in the *La Trobe University Act 2009*.

“La Trobe’s founding mission was, and remains, to serve the community of Victoria for the purposes of higher education, for the education, economic, social and cultural benefit of Victorians and for wider Australian and international communities.

From inception, La Trobe has been particularly focused on providing access to quality higher education to those from disadvantaged backgrounds and has become an internationally recognised leader in this field.

Innovation in teaching and research was, and remains, central to its mission.

Through this re-enactment of its foundation legislation, La Trobe University reaffirms its commitment to the pursuit of excellence and innovation, providing for the needs of the Victorian, Australian and international communities.”

## OUR VISION

La Trobe will be a university known for its excellence and innovation in relation to the big issues of our time, and for its enthusiasm to make a difference. La Trobe will be one of the top three Universities in Victoria, one of the top dozen nationally and one of the top 300 internationally.

## OUR VALUES

La Trobe University’s values are outlined in *Future Ready: Strategic Plan 2013-2017*. Five values guide everything we do.

At La Trobe University we:

- take a world view
- pursue ideas and excellence with energy
- treat people with respect and work together
- are open, friendly and honest
- hold ourselves accountable for making great things happen.

## QUICK FACTS

- Established in 1964
- First enrolments in 1967 – 552
- Provisional student load (EFTSL) in 2014 – 27,437
- Staff (full-time equivalent – provisional) in 2014 – 2,076
- More than 170,000 alumni
- Campuses in Melbourne (Bundoora and CBD), Bendigo, Albury-Wodonga, Mildura and Shepparton
- Faculties: Business, Economics and Law; Education; Health Sciences; Humanities and Social Sciences; and Science, Technology and Engineering.

## ACKNOWLEDGEMENT

La Trobe University proudly acknowledges the traditional custodians of the lands on which its campuses are located in Victoria.

We recognise that Indigenous Australians have an ongoing connection to the land and the University values their unique contribution both to the University and the wider Australian society.

# La Trobe University – Young, modern and bold

Soon after opening its doors in 1967 La Trobe University quickly established a reputation for exploring the boundaries of the economy, society and the environment in a search for ways to make the world a better place. Almost 50 years on, La Trobe continues to meet some of the most significant challenges of the 21st century.

With a commitment to excellence in bold thinking and innovative teaching and research La Trobe is evolving to be future ready.

We are committed to taking full advantage of La Trobe's strengths and making a virtue of our relative youth and agility to develop a distinctive university befitting the vision of our founders and the needs of future generations.

## CHARLES LA TROBE

Our University is named after the pioneering government administrator Sir Charles Joseph La Trobe, who played a significant role in establishing the cultural, government, educational and artistic foundations of the state of Victoria more than 200 years ago.

Sir Charles arrived in Australia in the 1830's, just four years after white settlement. He was the state's first Lieutenant-Governor and oversaw the creation of vital infrastructure, services and parklands.

He was also motivated by progressive social values. That sentiment is echoed in the University's founding mission and inspired a tradition that continues to this day – a commitment to excellence and to increasing higher education attainment for students from all walks of life.

## EMBRACING EXCELLENCE AND ACCESS

We are further enhancing the quality of La Trobe's research and education, and aspire to rank among the top 12 universities nationally and the top three in Victoria.

We will continue to provide a quality education to talented people who may not otherwise have access to a university education.

Approximately half of all La Trobe's first-year undergraduate students are the first in their family to begin a university education.

## STRATEGIC RESEARCH FOCUS

Our work recognises the challenges of the modern world and focuses the University's efforts and expertise in five key areas:

- Building healthy communities.
- Securing food, water and the environment.
- Sport, exercise and rehabilitation.
- Transforming human societies.
- Understanding disease.

These focus areas are based on multi-disciplinary research collaborations. La Trobe is building on our strengths, forging alliances with industry and community partners to develop our expertise and capability.

We have recently invested A\$450 million in new research facilities in microbiology, agricultural bioscience and rural health to develop strong bases for our on-campus research.

We will further develop in these five areas of research strength through investment in research leadership and infrastructure.

## A STRONG REGIONAL PRESENCE

We are Victoria's largest provider of university education in regional Victoria, with campuses in Bendigo, Albury-Wodonga, Mildura and Shepparton.

We are committed to providing quality tertiary education to these communities. The majority of our regional graduates develop careers in their local areas, building stronger communities in regional Victoria and reducing the flow of young people to capital cities.

## A CLASS ABOVE

La Trobe University offers subjects and courses ranging from science, health and engineering to arts, social sciences and commerce.

Our graduates are renowned for their employability, for their deep understanding of the most pressing challenges facing the global community and their ability to address those challenges intelligently and decisively.

Our students are thriving at our lively, friendly, connected campuses. Our curriculum is relevant and respected, and delivered by exceptional teaching staff.

We constantly renew our curriculum and redevelop teaching facilities to embrace advances in technology and teaching practice.



## ESSENTIAL LEARNING

We have redefined our approach to learning and teaching to equip future graduates with the skills and attributes they will need in 21st century workplaces.

Our undergraduate degrees embed three La Trobe Essentials themes in every course:

- Global Citizenship.
- Innovation and Entrepreneurship.
- Sustainability Thinking.

These are either built into the curriculum or are required subjects, ensuring La Trobe graduates are equipped with the skills and knowledge they need.

Our students explore major current social, economic, technological and political issues. They adapt and apply their learning at La Trobe to address challenges throughout their career.

Technology is rapidly changing most aspects of our lives – and how students learn and how we teach. Students can easily access our knowledge and information systems online and develop deeper understanding through face-to-face interactions with our experienced teachers and researchers.

## HALLMARK QUALITY

Our Hallmark program challenges high-achieving students to extend their learning by developing knowledge and experience through cross-disciplinary study and projects focusing on our research themes. The program combines honours study, international learning, mentoring and scholarship support to challenge and inspire students.

## SCHOLARSHIP OPPORTUNITIES FOR ALL

La Trobe also offers a range of other scholarships that attract the brightest and best, and provides equitable access to tertiary education for Australians from all walks of life.

This supports the University's mission to embrace excellence and also be a place of opportunity for those who traditionally have not considered, or had access to, tertiary education.

## MAKING THE WORLD OUR CAMPUS

Ever since La Trobe University's inception, we have embraced an international perspective. The University attracts more than 7,000 international students from 110 countries. We are proud of the thousands of outstanding graduates who are building their careers internationally. As well as bringing thousands of students to Australia, we encourage Australian students to explore the world. Every year hundreds of La Trobe students travel overseas to take part in:

- semester exchanges
- short course programs
- clinical placements
- internships and volunteering.

## PART OF OUR COMMUNITY

La Trobe's Melbourne Campus is reaching outward. We want to engage more effectively with our neighbours and reinvigorate campus life. We are playing a leading role in developing a new regional strategy for Melbourne's north and aim to form deep relationships with the communities adjoining our campuses. These relationships are supported by our Research and Development Parks in Melbourne, Bendigo and Albury-Wodonga. This is the largest university-owned technology park network in Australia. Our parks are already home to a branch of the Walter and Eliza Hall Institute of Medical Research, Victoria Police Forensic Services Department, Hexima Limited and the Co-operative Research Centre for Vaccine Technology.

## MAKING BENDIGO A UNIVERSITY CITY

The central Victorian city of Bendigo hosts our second-largest campus. Home to about 5,000 students this campus plays a key role in Bendigo's economy, serving as an education hub, prominent employer and a valued cultural resource. We've recently established the La Trobe Art Institute in conjunction with Bendigo Art Gallery, Bendigo Institute of TAFE and Bendigo Senior Secondary College. We are forging stronger links with cultural, economic and government leaders in the Bendigo region to build local capacity and self-reliance.

# 2014 The year in review – Highlights



Olivia Newton-John  
Cancer Research Institute



Mervyn Fernando and Joanna Greysen,  
Global Manager – Leadership and  
Management Development, Orica



Professor Marilyn Anderson and  
Dr Suresh Mathivanan



SheppARTon Festival,  
City of Greater Shepparton

## EXCELLENCE IN KEY WORLD ISSUES

- The official launch of La Trobe Asia by the Hon Andrew Robb MP, Federal Minister for Trade and La Trobe University alumnus.
- Partnership with the new La Trobe-affiliated Olivia Newton-John Cancer Research Institute which is Australia's newest cancer research institute, established to help find the cure for cancer by translating scientific discoveries to clinical application.
- The Federal Government has awarded \$8 million to three La Trobe University scientists for leading-edge research into next-generation immunological and plant-based therapies for cancer and other diseases.

## OUTSTANDING STUDENTS

- Business student Mr Mervyn Fernando is the first student from the University's Shepparton Campus to win the Orica Indigenous Undergraduate Scholarship.
- PhD Chemistry student Ms Jacqui Delaney won the prestigious Royal Society of Victoria Young Scientist Research Prize in the Physical Sciences medical category.
- AgriBio PhD student Ms Jane Kelley won the AEV Richardson Memorial National Student Award for her Honours research project 'Determination of anthelmintic resistance in internal parasites of dairy cattle in Maffra, Victoria'.
- First-year Accounting student Mr William Rivera Ramirez was selected as a member of the Global Voices Delegation to attend the annual meetings in Washington DC of the International Monetary Fund and the World Bank.

## EXCEPTIONAL STAFF

- Dr Clare Wright was awarded the 2014 Stella Prize for Literature, a major new award for Australian women's writing, for her work *The Forgotten Rebels of Eureka*. The work was also awarded the *Nib Waverly Library Award for Literature* and nominated for the *2014 Prime Minister's Literary Awards*.
- Two academics from the University's Judith Lumley Centre, Professor Angela Taft and Dr Lisa Amir, had their work published on the same day on the front page of the prestigious *British Medical Journal*.
- Professor John Devlin and Mr Jim Whittington from the Department of Electronic Engineering and Emeritus Professor Peter Dyson from the Department of Physics won this year's Australian Engineering Excellence Award for Innovation for the development of the TIGER-3 digital radar system.
- Professor Marilyn Anderson and Dr Suresh Mathivanan were awarded by the Australian Society for Biochemistry and Molecular Biology (ASBMB) at the ComBio2014 annual conference in Canberra.
- The University had its most successful year to date in terms of research income and success rates in grants awarded by the ARC and the NHMRC.

## LIVELY CONNECTED CAMPUSES

- The University and the Bendigo Art Gallery announced a new partnership through which integrated learning programs will be devised specifically for arts students within the gallery environment.
- The University was the principal partner, with major support from the City of Greater Shepparton, of the SheppARTon Festival which is now in its 18th year and which is the biggest cultural event on the Shepparton calendar.
- The launch of the first face-to-face postgraduate MBA offered in regional areas on-site at our regional campuses. Students will now be able to access La Trobe's highly-ranked MBA and advanced management training without the need to relocate or commute excessive distances.
- The University hosted the inaugural Sport in Regional Australia conference in Bendigo. The event examined areas of sports performance, management and development issues specific to regional and rural sporting communities in Australia.
- The University marked World Autism Awareness Day with an exhibition entitled "Frame of Mind", engaging the community with a positive dimension of autism.





The Fashion World of Jean Paul Gaultier: From the Sidewalk to the Catwalk



International Students, La Trobe, Bundoora Campus



Dr Colin Hocking, Senior Lecturer Academic Development



Distinguished Alumni Awards recipients

## GAME CHANGING PARTNERS

- The University has formed a new partnership with Academic Partnerships International (API), one of the world's largest representatives of online learning, to deliver a suite of University postgraduate online degree programs.
- The University was the official Learning Partner for the National Gallery of Victoria's (NGV) exhibition The Fashion World of Jean Paul Gaultier: From the Sidewalk to the Catwalk.
- A new partnership was developed with Rural Northwest Health to improve the health and well-being of people in rural communities through using evidence and by uniting community members with their health care provider.
- The University has signed a Memorandum of Understanding signed with the Kings XI Punjab team in the Indian Premier League, which will see La Trobe students working as interns for the cricket team and will facilitate work on joint programs, activities, projects and research on training and education in the domain of sport management and science.
- A \$3 million partnership between La Trobe University and the Summer Foundation will focus on research that measures the outcomes of interventions related to lifetime support of people with acquired brain injury.

## NATIONAL AND INTERNATIONAL RANKING

- La Trobe is ranked in the top 100 universities under 50-years-old by the Times Higher Education Ranking and in the top 100 in the world for Arts and Humanities.
- History at La Trobe is ranked 38th in the world and third in Australia by the QS World University Rankings by Subject. Communication and Media Studies, Sociology, and Linguistics were all ranked in the top 100.
- We are in the top 250 for Social Science in the National Taiwan University's Performance Ranking of Scientific Papers for World Universities.
- La Trobe University has achieved top place for improvement in student retention across the country.
- The La Trobe Master of Business Administration program now ranks among Australia's top five MBA programs, according to the QS MBA rankings, and has increased in the Asian rankings to be ranked 14th in the Asia Pacific.

## SUSTAINABLE AND ETHICAL

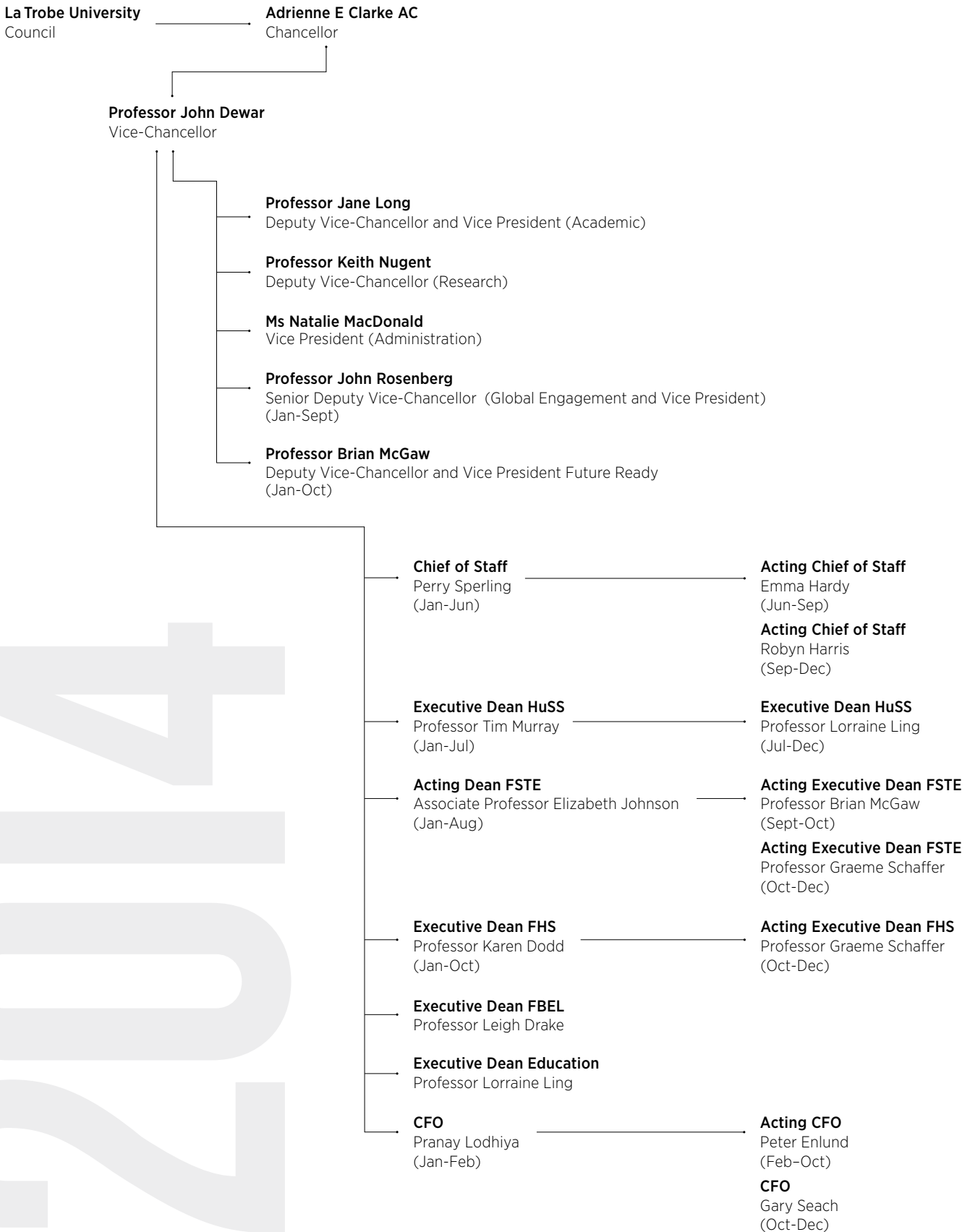
- Dr Colin Hocking, Senior Lecturer Academic Development, and Associate Professor Matthew Riddle, La Trobe Learning and Teaching (LTLT), were awarded first place at the World Symposium on Sustainable Development in Universities for their paper 'Aiming for Full Coverage'.
- La Trobe University attracted a grant from the Office for Learning and Teaching to develop a national network of Education for Sustainability Practitioners across the tertiary sector.
- The Mallee Fire Biodiversity Project, jointly headed by Professor Michael Clarke and Professor Andrew Bennett from Deakin University, was shortlisted as one of three finalists for the 2014 NSW Office of Environment and Heritage Eureka Prize for Environmental Research.
- La Trobe University was a finalist in the Australasian Campuses Towards Sustainability (ACTS) International Green Gown Awards for 'Driving Ethical Consumption Collaboratively: Student-Led Initiatives to Raise Fair Trade Awareness', under the category of Student Engagement.

## ALUMNI

- Former Council member and Chair of the Albury-Wodonga Regional Advisory Board, Dr Terry Hillman who was made a member (AM) in the General Division of the Order of Australia for significant service to environmental science in the field of limnology.
- Six of our most notable alumni were awarded our highest honour at the 2014 Distinguished Alumni Awards including Ms Connie Lenneberg, who has led significant international development and aid projects in world trouble spots, The Hon Andrew Robb AO MP, the Australian Minister for Trade and Investment and Federal Member for Goldstein, whose early career was largely dedicated to advocacy for rural Australia, along with Emeritus Professor John McKenzie AM FAA, an eminent scientist and former La Trobe University Council member, who is regarded as a world leader in ecological and evolutionary genetics, and is highly regarded for his mentoring of the next generation of scientists, Cr. Oscar Yildiz JP, CEO and founder of the Bully Zero Australia Foundation, an advocate for suicide prevention, and Mr Andrew Abercrombie, who is a leading Australian entrepreneur and an advocate of corporate philanthropy were also honoured. Finally Ms Yanti Turang, the youngest of the recipients and a paediatric nurse working in New Orleans, who founded LearnToLive, a humanitarian organisation that provides health care and education to communities in Indonesia, received the Young Achiever Award.

# Organisation

## SENIOR OFFICERS AND EXECUTIVE DEANS 2014



## MEMBERSHIP OF LA TROBE UNIVERSITY COUNCIL 2014

### **Adrienne E Clarke AC**

#### **Ex officio (Chancellor)**

*BSc(Hons), PhD Melbourne*

Distinguished career in education, research and innovation and public service; Laureate Professor, School of Botany (University of Melbourne); Board Member – The Nature Conservancy; Board Member – Victorian Curriculum and Assessment Authority.

Appointment to Council: 24/08/2010

Reappointed: 26/02/2014

Meetings attended in 2014: twelve (12)

### **Professor John Dewar**

#### **Ex officio (Vice Chancellor)**

*BCL, MA Oxon, PhD Griffith*

Commenced as Vice-Chancellor in January 2012.

Meetings attended in 2014: twelve (12)

### **Professor Simon Crowe**

#### **Ex officio (Chair, Academic Board)**

*BBSc (Hons), BSc, PhD La Trobe; MSc Melbourne; Grad Dip Bus Deakin*

Meetings attended in 2014: nine (9)

### **Mr Tony De Domenico**

#### **Governor-in-Council appointment**

*Fellow of Australian Institute of Management*

Member of Australian Institute of Company Directors; Deputy Chief Minister, ACT 1995-1997; Currently Executive Director, Urban Development Institute (Vic).

Appointed to Council: 8/09/2009

Reappointed: 13/06/2012

Appointed Deputy Chancellor: August 2013

Meetings attended in 2014: eight (8)

### **Mr Andrew Eddy**

#### **Governor-in-Council appointment**

*BComm Melbourne*

Fellow of the Institute of Chartered Accountants in Australia – (FCA)1983, Australian Society of Certified Practising Accountants – (FCPA) 1986 and Australian Institute of Company Directors – (FAICD).

Appointed to Council: 19/10/2010

Reappointed: 01/01/2013

Appointed deputy Chancellor: August 2013

Meetings attended in 2014: twelve (12)

### **Mr Richard Guy OAM**

#### **Governor-in-Council appointment**

*BAppSc Melb, MSc London*

Former Chairman Bendigo Bank (1986-2006); former Director Elders Rural Bank (1998-2005); MD Crystal Industries; Director Girton Grammar School.

Appointed to Council: 10/02/2009

Reappointed: 01/01/2012

Appointed Deputy Chancellor (Regional): August 2013

Meetings attended in 2014: eleven (11)

### **Ms Jennifer Williams**

#### **Governor-in-Council appointment**

*BEC La Trobe, MSc WashingtonDC, FAICD*

Chief Executive of Australian Red Cross Blood Service (2009 – current); Chief Executive of Alfred Health (2004-2009); Chief Executive of Austin Health (1997-2004); Commissioner Australian Commission on Safety and Quality in Health Care (2006 – 2008); Director Mental Health Research Institute (2002-09); 1995 Victorian Business Woman of the Year – Public Sector Category.

Appointed to Council: 01/01/2009

Reappointed: 01/01/2012

Meetings attended in 2014: ten (10)

### **Professor Marilyn Anderson**

#### **Ministerial appointment**

*BSc Hons Melb,*

*PhD in Biochemistry La Trobe*

Founding Scientist and Chief Science Office Hexima Ltd, Fellow of the Australian Academy of Science (FAA).

Fellow of the Australian Academy of Technological Sciences and Engineering (FTSE).

Fellow of the Australian Institute of Company Directors.

Appointed to Council: 01/08/2013

Meetings attended in 2014: nine (9)

### **Ms Deborah Radford**

#### **Governor-in-Council appointment (part year)**

*BEC La Trobe*

Currently a Director of Bendigo and Adelaide Bank and SMS Management and Technology.

Appointed to Council: 14/10/2014

Meetings attended in 2014: three (3)

### **Ms Yvonne von Hartel AM**

#### **Governor-in-Council appointment (part year)**

*B.Arch (Hons) Melbourne*

Substantial experience in architecture, planning and government. Senior Principal at architectural firm peckvonhartel.

Appointed to Council: 14/10/2014

Meetings attended in 2014: one (1)

### **Emeritus Professor Richard Larkins AO**

#### **Governor-in-Council appointment (part year)**

*LLD Melb (Hon), LLD Monash (Hon), PhD (London), MD Melbourne, MB BS Melbourne, FRACP, FRCP, FRCPI, FAMM, FAMSing*

Formerly Vice-Chancellor of Monash University and Dean of the Faculty of Medicine, Dentistry and Health Sciences, University of Melbourne.

Appointed to Council: 14/10/2014

Meetings attended in 2014: two (2)

### **Ms Jamila Gordon**

#### **Council appointment**

*BBus&IT La Trobe, AssocDipAcc Bendigo TAFE, Graduate of the Australian Institute Company Directors (GAICD)*

Substantial experience in multinational IT environments; former Director of Societe Internationale de Telecommunication Aeronautiques (SITA); former Qantas Group Chief Information Officer; Currently Leighton Holdings Group Chief Information Officer.

Appointed to Council: 01/10/2009

Reappointed: 30/06/2012

Meetings attended in 2014: two (2)

### **Mr William Kelty AC**

#### **Council appointment**

*BEC La Trobe*

Industrial relations (former ACTU Secretary); economic policy, wage and superannuation reforms.

Appointed to Council: 02/06/08

Reappointed: 01/01/2013

Meetings attended in 2014: nine (9)

### **Mr Peter McDonald**

#### **Council appointment**

*BA, MA of Professional Accounting,*

Fellow CPA Australia, CPA Australia, Fellow Australian Health Services Financial Management Association, Member Australian Institute of Company Directors.

Appointed to Council: 13/09/2012

Reappointed: 01/01/2015

Meetings attended in 2014: ten (10)

### **Dr Philip Moors AO**

#### **Council appointment**

*BSc (Hons) Australian National University, PhD University of Aberdeen, Scotland*

Previous roles include Director and Chief Executive of Royal Botanic Gardens Melbourne.

Appointed to Council: 01/03/2013

Meetings attended in 2014: eleven (11)

# Operating framework



## GOVERNANCE AND ACCOUNTABILITY

La Trobe University was established under the *Victorian La Trobe University Act 1964* and was Victoria's third University when it was officially opened by the Premier of Victoria on the 8 March 1967.

The University continues to operate under the *La Trobe University Act 2009* (the Act) which was assented to on 1 December 2009 and came into operation on 1 July 2010.

Section 6 of the Act provides that the University is a body politic and corporate with perpetual succession and that it is capable of doing all acts and suffering all things that a body corporate can do and suffer at law. This includes suing and being sued and acquiring, holding and dealing with real and personal property for the purposes of the Act.

The University is committed to quality and accountability in its operations, ensuring that there are appropriate processes in place to maintain and improve the quality of its research, teaching and learning, and how it engages with the communities it serves.

## RELEVANT MINISTER

The responsible minister in the current Victorian government:

- The Hon. Peter Hall, MLC was the Minister for Higher Education and Skills from 1 January until 17 March 2014.
- The Hon. Nick Wakeling, MP was the Minister for Higher Education and Skills from 17 March until 3 December 2014.
- The Hon. Steve Herbert, MP was the Minister for Training and Skills, from 3 December 2014 until 31 December 2014 following the state election on 29 November 2014.

## OBJECTIVES FUNCTIONS POWERS AND DUTIES

### Objectives

The objectives of the University set out in section 5 of the Act are:

- (a) to provide and maintain a teaching and learning environment of excellent quality offering higher education at an international standard
- (b) to provide vocational education and training, further education and other forms of education determined by the University to support and complement the provision of higher education by the University

- (c) to undertake scholarship, pure and applied research, invention, innovation, education and consultancy of international standing and to apply those matters to the advancement of knowledge and to the benefit of the well-being of the Victorian, Australian and international communities
- (d) to equip graduates of the University to excel in their chosen careers and to contribute to the life of the community
- (e) to serve the Victorian, Australian and international communities and the public interest by:
  - i) enriching cultural and community life
  - ii) elevating public awareness of educational, scientific and artistic developments
  - iii) promoting critical and free enquiry, informed intellectual discourse and public debate within the University and in the wider society
- (f) to use its expertise and resources to involve Aboriginal and Torres Strait Islander people of Australia in its teaching and learning, research and advancement of knowledge activities and thereby contribute to:
  - i) realising Aboriginal and Torres Strait Islander aspirations
  - ii) the safe guarding of the ancient and rich Aboriginal and Torres Strait Islander cultural heritage
- (g) to provide programs and services in a way that reflects principles of equity and social justice
- (h) to confer degrees and grant other awards
- (i) to utilise or exploit its expertise and resources, whether commercially or otherwise

## Powers and duties

The Act provides the broad framework for the governance and organisation of the University:

- (a) Section 8 prescribes the Council as the principal governing body of the University
- (b) Sections 9 and 10 set out the key powers and functions of the Council, including the power to confer any degree or grant any diploma or other award to a student of the University
- (c) Section 15 sets out the responsibilities of Council members
- (d) Section 18 provides that the Council may, by instrument, delegate its powers or functions under the Act to any member or committee of the Council, a member of the staff of the University, the Academic Board or any other entity prescribed in a University Statute
- (e) Section 20 provides for the establishment of the Academic Board
- (f) Section 26 provides for the appointment of the Vice-Chancellor by the Council
- (g) Section 28 gives the Council power to make Statutes and Regulations for or with respect to all matters governing the University
- (h) Sections 35 and 38 regulate the acquisition and disposal of property, including land, by the University
- (i) Sections 44 to 47 deal with the application and auditing of funds of the University
- (j) Sections 48 to 51 regulate the formation and auditing of joint ventures and companies
- (k) Sections 52 to 60 deal with the development and application of Ministerial Guidelines for University commercial activities.

## LA TROBE'S CODE OF CONDUCT

The University, in its policies and actions, must adhere to the highest standards of professional integrity.

We promote critical enquiry and the rational evaluation of evidence, even if turning that critical focus on some of our own actions and practices may cause some discomfort.

We support, and where appropriate lead action to mitigate social harm from environmental degradation, social exclusion, and political and cultural discord.

The purpose of this Code of Conduct is to provide members of La Trobe University with an understanding of the standards required of them in their dealings with both national and international communities.

The Code is applicable to all staff, conjoints, volunteers, University Council members and external members of University committees, who are to uphold the values and comply with the code in the performance of their duties and in their endeavours. Partners, contractors and visitors are to acknowledge and observe the code in their dealings with the University.

### Trust and respect

Trust is reliance on another person's integrity, confidentiality and fairness; and demonstrating those principles personally.

#### We will:

- know when it is appropriate to share information with others inside and outside the University
- be reliable and maintain the integrity, confidentiality and privacy of official University information
- maintain appropriate confidentiality in our dealings with our colleagues
- acknowledge the responsibility of our positions and that we are regarded as having expertise, knowledge and skills in our field and area of work.

Respect is recognising the importance of diversity and difference and promoting a culture that does not tolerate bullying, discrimination or harassment.

#### We will:

- acknowledge Aboriginal culture and heritage and the traditional custodianship of the lands on which the University is situated
- treat everyone with respect and courtesy and without discrimination or harassment and encourage intellectual freedom
- seek approval and guidance from our colleagues where appropriate
- ensure that our conduct does not harm others
- value difference and diversity and others' opinions, choices and approaches.

## Honesty and fairness

Honesty is being sincere and fair and acting with integrity in day-to-day dealings in the University community and ensuring that actions are clear, transparent and accountable.

#### We will:

- behave honestly and with integrity in our dealings with our colleagues and community
- comply with any relevant legislative, industrial or administrative requirements
- act with care and diligence in the course of our employment and use University resources in a proper manner
- politely decline personal gifts or benefits unless permissible under University policies or procedures
- show transparency when conflicts of interest arise
- refrain from improper use of privileged information or position.

Fairness is treating others equally regardless of personal differences and making judgements that do not discriminate against individuals.

#### We will:

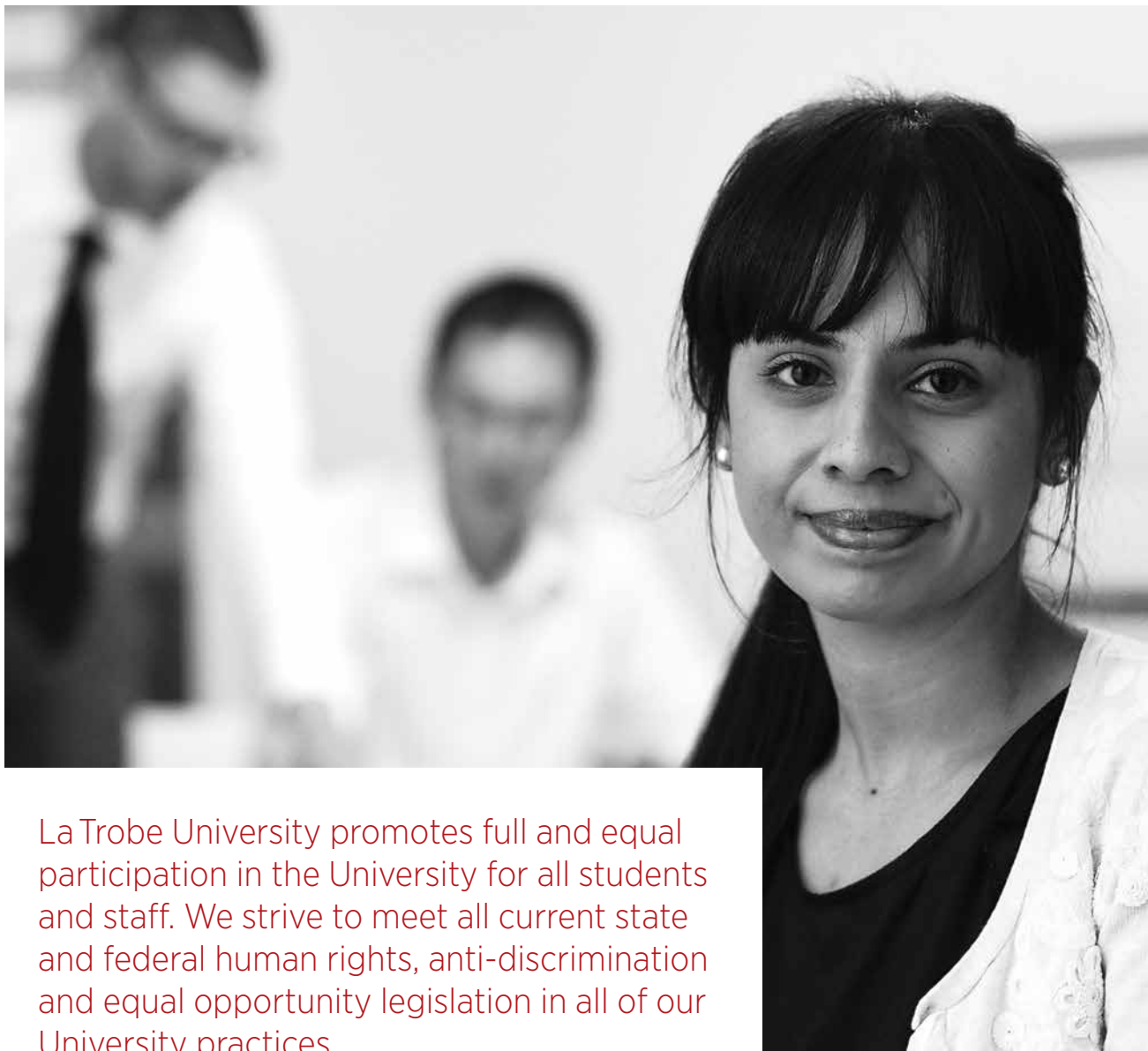
- comply with principles of natural justice and procedural fairness when making decisions or when resolving grievances
- be committed to the principle of academic freedom as essential to the proper conduct of teaching, research and scholarship
- recognise not only our rights, but the rights of our colleagues and those in our community.

## About the Code

### La Trobe University

- provides a workplace that is free from discrimination and recognises and utilises the diversity of its employees
- has the highest ethical standards
- is accountable for its actions
- establishes workplace relations that value communication, consultation, cooperation and input from employees on matters that affect their workplace
- provides a fair, flexible, safe and rewarding workplace
- focuses on achieving results and managing performance
- provides a fair system of review of decisions taken in respect of employees
- encourages staff to exercise their rights to intellectual freedom on matters relevant to areas of specialist knowledge and expertise.

# Human resources



La Trobe University promotes full and equal participation in the University for all students and staff. We strive to meet all current state and federal human rights, anti-discrimination and equal opportunity legislation in all of our University practices.

We have policies, procedures and measures in place to continuously monitor and initiate efforts towards a work and study environment that values equality of opportunity, cultural diversity and one which is free from sexual harassment, harassment and discrimination.

Our Equality and Diversity Awareness Program is delivered to staff to give them an understanding of harassment and discrimination legislation at both State and Commonwealth levels, and the skills to implement good practices in their workplaces including equitable recruitment, promotion and reclassification for staff and selection and assessment of students based on merit.

The program promotes the use of established procedures and raises awareness of the dangers of personal bias and discrimination based on characteristics such as sex, race, disability, age and religious belief. Current case law is utilised to provide a deep understanding of acceptable practices.

We also provide specific services and support for Aboriginal and Torres Strait Islander students and develop additional diversity initiatives for students and staff such as a program to support the gay, lesbian, bisexual, transgender and intersex communities.

The University has in place a Workplace Gender Equality Strategic Plan to develop and promote equal opportunity for women and men across the organisation and to address gender pay equity issues.

# Key statistics

Students	2011	2012	2013	Provisional 2014
Total students (persons)	33,448	33,726	34,066	35,343
Commencing enrolments	14,198	13,885	13,900	15,221
Rural/remote	8,150	8,140	8,384	8,523
Non-English speaking background	690	722	799	810
Low socio-economic status	4,290	4,499	4,814	5,081
Students with a disability	1,381	1,486	1,707	1,772
Indigenous	141	164	157	183
<b>STUDENT LOAD (EFTSL)</b>				
Total student load (includes International)	25,988.7	26,158.0	26,542.1	27,437.4
Undergraduate	21,045.0	21,380.7	21,631.9	22,051.3
Postgraduate coursework	3,828.8	3,649.2	3,826.0	4,299.5
Research higher degree	1,114.8	1,128.1	1,084.2	1,086.5
International	6,625.7	6,081.5	5,690.9	5,793.1
<b>WORK CONTRACT (FTE)</b>				
Full-time continuing staff	2,107.0	2,066.0	2,040.0	2,076.0
Part-time continuing staff	524.4	534.6	574.0	531.6
Casual staff	589.5	537.9	578.9	602.5
<b>CLASSIFICATION (FTE)</b>				
Academic	1,600.1	1,495.4	1,463.5	1,117.2
Professional	1,620.8	1,643.1	1,729.3	1,490.4
<b>GENDER (PERSONS)</b>				
Female	4,157	4,030	4,134	1,830
Male	2,673	2,562	2,547	1,117
<b>FUNCTION (FTE)</b>				
Teaching only	300.6	275.0	300.6	Available Q3 2015
Research only	326.1	317.2	255.5	272.6
Teaching and Research	925.5	901.3	888.6	841.6
Other	1,668.7	1,645.0	1,748.1	1,493.4
<b>TEACHING AND LEARNING PERFORMANCE</b>				
Market share of Victorian Tertiary Admission Centre first preferences	12.4%	12.6%	12.6%	11.8%
Retention rate	0.79	0.78	Provisional 0.79	Available Q4 2015
Overall graduate satisfaction mean score (Course Experience Questionnaire)	LaTrobe: 49.7 National: 48.9	LaTrobe: 50.3 National: 49.8	LaTrobe: N/A National: 50.0	Available Q2 2015
Percent of graduates in full-time employment (Graduate Destination Survey)	LaTrobe: 76.3% National: 76.3%	LaTrobe: 76.9% National: 76.1%	LaTrobe: 69.5% National: 71.3%	Available Q2 2015
Percent of graduates in full-time study (Graduate Destination Survey)	LaTrobe: 21.8% National: 19.4%	LaTrobe: 22.5% National: 20.8%	LaTrobe: 27.1% National: 20.7%	Available Q2 2015
<b>RESEARCH PERFORMANCE</b>				
Research income (Higher Education Research Data Collection)	\$42,835,168	\$49,919,561	\$53,254,000	Available Q3 2015
Research publications (Higher Education Research Data Collection)	1,101	1,068	1,140	Available Q3 2015
Research higher degree load (EFTSL)	1,114.8	1,128.1	1,084.2	1,086.5
Research degree completions	174	185	238	215

## NOTES

**EFTSL** Equivalent full-time student load

**FTE** Full-time equivalent

# Risk management

Key Protections are maintained for 'Professional Liability' and for 'Directors and Officers Liability'.



## Directors and Officers Liability Protection

The protection period is 1 November 2013 to 31 October 2014 (Policy number: 93306133) and 1 November 2014 to October 2015 (Policy number: 93306133). Previously this protection has been maintained with Unimutual from 2 January 2003 to 31 October 2010. Since 1 November 2011 Directors and Officers Liability Insurance has been obtained from Chubb Insurance Company of Australia (AFS Licence Number: 239778).

The University retains the first \$10,000 for each and every claim.

Cover is limited to \$20,000,000 for any one claim and \$20,000,000 in the aggregate for the period of cover.

## DETAILS OF INDEMNITY FOR MEMBERS OF COUNCIL AND SENIOR OFFICERS

### Professional Liability Protection

The University maintains professional liability cover for its Council Members and senior officers through Unimutual Limited: AFS Licence Number 241142.

The protection period is 1 November 2013 to 31 October 2014 (Protection number: UL LTU14, and 1 November 2014 to 31 October 2015 (LTU 15 PL). In 2013/2014 the University retained the first \$100,000 for each and every claim, with cover limited to \$20,000,000 for each and every claim but limited to \$80,000,000 in the aggregate for the protection period (the \$80,000,000 aggregate is a combined single limit across professional liability, malpractice and general clinical trials).

For 2014-2015 the cover was increased to \$30,000,000 with an aggregate of \$120,000,000.

Extension to the standard cover is endorsed for infringement of rights of intellectual property or breach of confidentiality.

## UNIVERSITY'S RISK MANAGEMENT STRATEGY

The University Council promotes a major emphasis on risk management as a key platform of corporate governance and a vital component of effective decision making. The Council's Corporate Governance, Audit and Risk Committee (CGARC) provides a strong oversight of risk management and compliance activities throughout the University. Activities in 2014 included examinations of adequacy of, and compliance with legislative requirements and University's controls with respect to:

- continuing examination of strategic and operational risk
- ongoing analysis of budget risk
- ongoing analysis of fraud and corruption risk
- conduct of management assurance of all Budget Centres
- financial audits of Budget Centres
- legislative and regulatory compliance audits
- compliance audits of University financial policies, procedures and practices
- departmental spot audits
- reviews of tender and contract probity
- specific audit reviews of:
  - purchasing card use
  - payment of casual hours
  - fraud detection testing



- contract probity
- reimbursements to staff
- payments for core services
- payroll
- Privacy Act
- Public Records Act
- IT general controls
- software licensing
- corporate governance
- clinical supervision in health sciences
- research grant acquittals
- continuous control monitoring for accounts payable
- control and fraud self-assessment
- probity advice and audits for major tenders
- special investigations
- legislative compliance framework.

### **Risk Management Office**

The University's Risk Management Office has responsibility for the delivery of key strategic and operational risk management programs. This includes:

- Conduct of strategic, operational, and major projects risk management.
- Ongoing development of the University Risk Profile and individual functional and project risk management, focusing on safety, financial, regulatory, reputational, business performance, people, stakeholder and technology risks.
- Development and implementation of complex and multidisciplinary risk treatment solutions.
- Development of improved governance frameworks for the University.
- Management of the University's legislative and regulatory compliance framework.
- Provision of probity advice.
- Conduct of investigations into alleged corruption.
- Development of new risk management tools.
- High-risk behaviour threat assessment and behavioural intervention.
- Research into emerging risk methodologies, causal relationships in critical infrastructure failures and characteristics of organisational and community resilience.

### **Critical Incident and Emergency Management**

- Critical incident and emergency management planning, training and exercising, including pandemic preparedness.
- Critical incident and emergency response, on campuses, for staff and students working at remote locations within Australia or at overseas locations.
- Development and coordination of business continuity management arrangements for over 100 critical business functions.

### **Internal Audit Office**

- Management of the annual Internal Audit Plan undertaken using co-sourced arrangements with private accounting and audit firms.
- Conduct of special investigations and forensic audits.
- Conduct of the fraud risk management program.
- Conduct of probity audits.

### **Insurance Office**

- Annual review of insurable assets and liabilities.
- Purchasing of general insurance covers.
- Management of self-insurance provisions.
- Claims management.
- Liability reduction advisory service.
- Management of the TravelSafe@Latrobe service for assistance in safe and secure overseas travel for staff and students.

### **RISK MANAGEMENT APPROACH**

Risk management is undertaken using a University-customised approach consistent with the Australian and New Zealand Standard (AS/NZS ISO 31000:2009). Critical incident management and business continuity management is undertaken according to Australian Standard's HB292:2006 and the Australian & New Zealand Standard for Business Continuity: management of disruption related risk AS/NZS 5050:2010.

Identification, assessment and progress on treatment of risk is reported to relevant management and to the Corporate Governance, and Audit and Risk Committee at its quarterly meetings.

Risk management principles are also applied to controlled entities and to the appointment of directors to University companies in which the University holds an investment.

The University Council promotes a major emphasis on risk management as a key platform of corporate governance and a vital component of effective decision making.

# Risk management

## HEALTH AND SAFETY STATEMENT

### Health and Safety Performance Indicators 2014

Performance Indicator	Performance Result
Number of lost time workers' compensation claims	26 claims in 2014 compared with 16 claims for 2013 and 10 claims for 2012.
Number of days lost due to compensable injury	959 days lost in 2014 compared with 516 days lost in 2013 and 203 days lost in 2012.
Number of notifiable injuries or occurrences	<p>There were four Notifiable Incidents in 2014:</p> <p><b>16 April 2014</b>  <b>Bendigo Campus</b>            During a demonstration with Liquid Nitrogen a student was splashed on the left leg.</p> <p><b>27 August 2014</b>  <b>Melbourne Campus</b>            A pressure explosion in a fume cupboard when heating Toluene on a hot plate.</p> <p><b>26 November 2014</b>  <b>Melbourne Campus</b>            A contractor received flash burns to face and hands while working on a distribution board.</p> <p><b>12 Dec 2014</b>  <b>Melbourne Campus</b>            A contractor whilst performing demolition work inadvertently breached a gas main.</p>
WorkCover Premium	<p>The WorkCover Premium for 2014/2015 is \$1,729,329.28.</p> <p>The Premium for 2013/14 was \$1,421,224.</p>
OHS Consultative Committee meetings	Seven of the 13 Safety committees met quarterly (STE, FBEL, Library, HS, I&O, Humanities, Education and Administration & Services). The other six committees met twice. (Residential Services, Albury, Mildura, Shepparton, Bendigo). This is likely due to the organisational changes across the University in the second half of last year.

The increase in days lost is due to a small number of claims with an adversarial component that proved difficult to effect an early return to work.

## ASSOCIATES AND COMMERCIAL VENTURES

Associate/Commercial Venture	Principal Objectives	Level of Financial Risk	Level of Reputational Risk
Residential Services	Provision of student accommodation	Low	Medium/Significant
Medical Centre Developments Pty Ltd	Owner and landlord of Medical Centre Building	Medium	Low
La Trobe University Children's Centre	Provision of child minding services	Low	Medium
Campus Graphics	Printing services	Low	Low
LTU Cogeneration Plant	Production of electricity	Low	Low

Risk management strategy in relation to associates and commercial ventures - summary table

## SUSTAINABILITY REPORTING

### Environmental Sustainability Data – 2014 Calendar Year

		Unit	Total Data	FTE 3,210.0	EFTPL 29,752.1
E1	Total Energy Usage segmented by primary source (including GreenPower)	Megajoules		NA	NA
E2	Greenhouse Gas Emissions associated with energy use, segmented by primary source and offsets	tCO2-e	51,229.67	NA	NA
E3	Percentage of electricity purchased as Green Power	% of total electricity consumption	25%	NA	NA
E4	Units of Office Energy Used per FTE/EFTPL	Megajoules/ FTE/EFTPL	51,007,086.23	15,890.06	1,714.40

		Unit	Total Data	FTE 3,210.0	EFTPL 29,752.1
E5	Units of Office Energy Used per unit of Office Space	Megajoules/m <sup>2</sup>	1,049.67	NA	NA
Ws1	Total units of waste disposed of by destination	Kilograms	848,310.00	NA	NA
Ws2	Units of office waste disposed of per FTE/EFTPL by destination	Kilograms/FTE/EFTPL	124,244.84	38.71	4.18
Ws3	Recycling rate	% of total waste	15%	NA	NA
Ws4	Greenhouse Gas Emissions associated with waste disposal	tCO <sub>2</sub> -e	933.141	NA	NA
<b>PAPER</b>					
P1	Total units of A4 equivalent copy paper used	Reams	48,793.00	NA	NA
P2	Units of A4 equivalent copy paper used per FTE/EFTPL	Reams/FTE/EFTPL	48,793.00	15.20	1.64
P3	Percentage of recycled content of copy paper purchased	%	93%	NA	NA
<b>WATER</b>					
W1	Total units of metered water consumption by water source	Kilolitres	334,194.73	NA	NA
W2	Units of metered water consumed in offices per FTE/EFTPL by usage type	Litres/FTE/EFTPL	48,946.70	15.25	1.65
<b>TRANSPORTATION</b>					
T1	Total energy consumption segmented by vehicle type	Megajoules	7,345,852.21	NA	NA
T2	Total vehicle travel associated with entity operations segmented by vehicle type	Kilometres	3,157,005.61	NA	NA
T3	Total greenhouse Gas Emissions from vehicle fleet segmented by vehicle type	tCO <sub>2</sub> -e	497.56	NA	NA
T4	Greenhouse Gas Emissions from vehicle fleet per 1,000km segmented by vehicle type	tCO <sub>2</sub> -e/1,000km	0.16	NA	NA
T5	Total distance travelled by air	Kilometres	20,139,892.21	NA	NA
T6	Employees regularly (>75% of work attendance days) using public transport, cycling, walking or car pooling to using public transport, cycling, walking or car pooling to and from work or working from home by locality type.	% of total employees	30%	NA	NA
<b>GREENHOUSE GAS EMISSIONS</b>					
G1	Total Greenhouse Gas emissions associated with energy use	tCO <sub>2</sub> -e	62,611.10	NA	NA
G2	Total Greenhouse Gas emissions from vehicle fleet	tCO <sub>2</sub> -e	863.31	NA	NA
G3	Total Greenhouse Gas emissions from air travel	tCO <sub>2</sub> -e	4,544.88	NA	NA
G4	Total Greenhouse Gas emissions associated with waste disposal	tCO <sub>2</sub> -e	933.14	NA	NA
G5	Greenhouse Gas emissions offsets purchased	tCO <sub>2</sub> -e	11,381.44	NA	NA

La Trobe procures a number of sustainable products and services which are driven by internal policies and preferred supplier agreements. Green ICT provides environmentally friendly disposal of outdated equipment, new VOIP phones and network switches with power management enabled, and the installation of more efficient data storage. The wireless network across campuses has improved energy-efficiency through an increased number of wireless access points. Standard copier paper is 100% post-consumer recycled content and is the default option for all purchases. In line with the organisations' Fair Trade status, staff kitchens use Fairtrade Certified tea and coffee and on-site retailers are also encouraged to supply Fairtrade coffee and other products to students and staff.

## NOTES

### EFTPL

EFTPL is defined as the sum of all full-time equivalent hours for staff and the equivalent full-time student load hours at all of the University's Victorian campuses (excludes international offshore, off-campus and external).

### E1 Data

Total gas data available for 2014 at time of reporting (29/1/2015). Estimates made for missing natural gas accounts: extrapolating monthly 2014 data for small accounts; monthly 2013 data used for large accounts.

### E2 Data

GreenPower offset is included.

### P3 Data

Average percentage of all copy paper purchased.

### W1 Data

Total water data available for 2014 at time of reporting (29/1/2015).

### T4 Data

Estimated kilometres travelled based on average fuel efficiency of 6.6ltr/100km (based on 2014 Toyota Corolla 1.8ltr, 4 cyl. automatic transmission) across the fleet.

### T5 Data

Total data available for 2014 at time of reporting (29/1/2015). Estimates made for missing data by extrapolating monthly 2014 data.

### T6 Data

Total of public transport, pedestrian and cycling percentages from April 2014 Melbourne Mode Share Survey.

### G3 Data

Total data available for 2014 at time of reporting (29/1/2015). Estimates made for missing data by extrapolating monthly 2014 data.

# Risk management statement

for year ending 31 December 2014



OFFICE OF THE CHANCELLOR

#### Mailing address

La Trobe University  
Victoria 3086 Australia

T +61 3 9479 5268

F +61 3 9479 1045

E [chancellor@latrobe.edu.au](mailto:chancellor@latrobe.edu.au)  
[latrobe.edu.au](http://latrobe.edu.au)

#### MELBOURNE CAMPUSES

Bundoora  
Collins Street CBD  
Franklin Street CBD

#### REGIONAL CAMPUSES

Bendigo  
Albury-Wodonga  
Mildura  
Shepparton

2 February 2015

#### Attestation on compliance with the Australian/New Zealand Risk Management Standard

I, Dr Carl A. Gibson certify that the La Trobe University has risk management processes in place consistent with the Australian / New Zealand Risk Management Standard and an internal control system is in place that enables the executive to understand, manage and satisfactorily control risk exposures.

The Corporate Governance, Audit and Risk Committee verifies this assurance and that the risk profile of La Trobe University has been critically reviewed within the last 12 months.

Yours sincerely

**Dr Carl A. Gibson**  
Director Risk Management Unit  
La Trobe University

**Professor John Dewar**  
Vice-Chancellor  
La Trobe University

ABN 64 804 735 113  
CRICOS Provider 00115M

# External reporting obligations

## FREEDOM OF INFORMATION

During 2014, the University received six (6) applications under the Victorian FOI legislation. Of these applications, three (3) were provided with the full documents requested, two (2) were provided in part with edited documents which withheld personal information that did not pertain to the applicant, one (1) had all documents withheld.

### *Freedom of Information Act 1982*

The following information is provided in accordance with the requirements of the *Freedom of Information Act 1982*.

## INFORMATION PRIVACY

### *Information Privacy Act 2000 and Privacy and Data Protection Act 2014*

During 2014, the University received one privacy complaint under the *Information Privacy Act 2000* (Victoria) and *Privacy and Data Protection Act 2014* (Victoria).

## WHISTLEBLOWERS GRIEVANCE AND COMPLAINTS

### *Investigation of Complaints*

The Ombudsman Statute 2009 empowers the University Ombudsman to conduct mediations and investigate grievance and complaints by staff and students. The Ombudsman is not subject to the direction of the University Council or the Vice-Chancellor.

Any member of the University may approach the Ombudsman for a matter to be investigated.

The Ombudsman usually receives complaints only after a party or parties have already sought to have the matter dealt with by other parts of the grievance procedures system, at the Faculty level or by the Students Complaints Office.

The Statute requires parties with a complaint to cooperate with the Ombudsman.

After a complaint has been dealt with by the Ombudsman the parties are notified in writing of the outcome.

Non-identifying information on the nature, type, origin and number of complaints dealt with is contained in the Ombudsman's Annual Report to the University Council. During the calendar year 2014, the Ombudsman dealt with 260 complaints from members of the University.

Further information regarding the student grievance and complaints processes can be found at: [latrobe.edu.au/students/complaints/resolution-avenues](http://latrobe.edu.au/students/complaints/resolution-avenues)

### *Whistleblowers Protection Act 2001*

This Act was repealed and replaced by 'Protected Disclosure Act 2012' on 10/2/2013. In 2014, no matters were reported.

## NATIONAL COMPETITION POLICY

The University's Research Contracts, Grants, Consultancies, Collaborations and Joint Ventures Policy and Procedure, and Outside Work Policy and Procedure provide for central University review of all tenders and proposals so that they are adequately costed and that appropriate pricing decisions are made in compliance with competitive neutrality principles. The University does this via a costing template designed to ensure competitive neutrality. The University recovers the central costs on an aggregate basis at the faculty level through a special provision in the budgetary mechanism. The University's Competition and Consumer Act (Trade Practices) Compliance Guide, Policies and Procedure and procedural guidelines are available at: [latrobe.edu.au/legalservices/competition-consumer-law](http://latrobe.edu.au/legalservices/competition-consumer-law)

## CONFORMITY WITH THE BUILDING ACT 1993

The La Trobe Infrastructure and Operations (I&O) Group is responsible for providing a safe, fit-for-purpose, amenable built and natural environment within which the University community lives and works in pursuit of its teaching, learning and research objectives. In 2014, the I&O Group delivered 29 projects that were valued over \$50,000 each and included:

- two (2) major projects including refurbishment and services upgrades
- sixteen (16) capital projects comprising of refurbishments and engineering upgrades
- fourteen (14) capital maintenance projects comprising of engineering upgrades, building services upgrades
- nineteen (19) minor works projects comprising of refurbishments
- two (2) security service upgrades.

The I&O Group ensures that all works requiring building approval have permits issued and plans certified. On completion, I&O engages independent registered building surveyors to conduct Final Inspections and issue Certificates of Occupancy.

Works such as engineering infrastructure upgrades, capital building maintenance, equipment replacements, site civil works and landscaping are examples of projects exempt from the 10-year liability cap.

The I&O Group are independently audited by internal and external customers to ensure compliance with legislation obligations. Mechanisms are in place for continual inspecting, reporting, scheduling, rectifying and maintaining existing buildings.

The I&O Group checks the accreditation and licenses of surveyors, consultants and contractors before engagement and ensures that registration is maintained during the engagement.

## LA TROBE INFRASTRUCTURE AND OPERATIONS (I&O) GROUP LIST OF PROJECTS

Project Name	Total Project Budget	2014 Actual Spend
<b>MAJOR PROJECTS</b>		
Eastern Campus Redevelopment - Stage 1A &1B	\$4.9M	\$4.86M
La Trobe Melbourne Pathways Building	\$39.8M	\$2.35M
<b>CAPITAL PROJECTS</b>		
Kingsbury Drive Footpath	\$122K	\$122K
Bendigo Multi Sports Complex	\$235K	\$97K
Bendigo Dental Chairs	\$850K	\$589K
Residential Services Melbourne Campus Repairs & Maintenance	\$818K	\$480K
Children's Centre Car Parking	\$147K	\$135K
Union 3 Student Theatre Upgrade	\$215K	\$196K
Lower Playing Fields Upgrades	\$869K	\$648K
Bendigo Campus Vision	\$67K	\$67K
Designated Smoking Area	\$120K	\$106K
David Myers East Research Service Relocation	\$65K	\$62K
Replacement of carpet and vinyl to 21 Terraces	\$107K	\$86K
Terraces 12 Level 1 ICT Project Space Refurbishment	\$125K	\$87K
La Trobe Apartments - Institute for Advanced Study Soft Refurbishment	\$325K	\$303K
Peribolos College Hubs	\$1.27M	\$1.22M
David Myers Centre Building Learning Focus Area	\$410K	\$359K
Melbourne Campus Master Plan	\$600K	\$260K
<b>MINOR WORKS</b>		
Physical Sciences Building 1 Level 1 & 4 Research Facility Upgrade	\$830K	\$758K
Bendigo Business & Technology Building Level 1 Boardroom Refurbishment	\$330K	\$302K
Bendigo Applied Sciences Building Level 2 Physics & Geo Labs Refurbishment	\$310K	\$284K
Education 2 Building Level 1 CISCO Lab 2	\$225K	\$223K
Humanities 2 Building Level 3 Strategic Communication Agency	\$141K	\$130K
Humanities 2 Building Level 4 VISI Lab	\$132K	\$118K
Beth Gleeson Building Level 4 Robotics Lab	\$80K	\$70K
David Myers West Building Level 2 Refit for HR	\$72K	\$30K
Humanities 2 and 3 Building Level 2 Student Admin Hubs	\$69K	\$63K
Maths & Stats Teach & Learn Lab Space	\$292K	\$263K
School of Life Science Admin Hub	\$406K	\$387K
Humanities 2 Building Level 3 & Level 5 MAC Labs	\$308K	\$270K
Lower Playing Fields Lights	\$265K	\$265K
Physical Sciences 1 Building Lab Upgrade Rooms 102 & 106	\$147K	\$141K

Project Name	Total Project Budget	2014 Actual Spend
Bendigo Health and Humans Sciences Building Service Upgrade Nurse Lab	\$107K	\$86K
Stormwater Harvesting & Reuse	\$1.55M	\$1.46M
Sports Centre Rock Climbing Wall	\$140K	\$115K
Education 2 Building Level 2 Room 213 A - Science Lab	\$187K	\$143K
Physical Sciences 1 Building Level 4 Research Facility Upgrade Stage 2	\$286K	\$127K
<b>CAPITAL MAINTENANCE</b>		
Stage 1 Mechanical Plant Audit & Rep	\$496K	\$416K
Hazardous Material Audit/Removal	\$482K	\$394K
Menzies College Window Replacement	\$567K	\$150K
Environmental Waste Improvements	\$394K	\$336K
Wildlife Sanctuary Civil & Construction Works	\$493K	\$270K
Replace Carpet & Vinyl Terraces	\$159K	\$25K
Science Drive & Ring Road Works	\$56K	\$54K
ESU Bike Works	\$50K	\$38K
Chisholm Painting	\$135K	\$135K
Sports Fields Irrigation Works	\$63K	\$63K
Bendigo Terraces Heater Replacements	\$108K	\$108K
CoGen Plant Invest, Upgrade & Maintenance Works	\$1.15M	\$1,15M
Siemens George Singer Building & CWTs	\$85K	\$81K
Peribolos West and East Building Façade Works	\$732K	\$711K
<b>SECURITY</b>		
Residential Services Bendigo Access Control	\$477K	\$184K
Security System Infrastructure	\$456K	\$257K

---

## LA TROBE UNIVERSITY CONSULTANTS 2014

### Financial Reporting Direction FRD22E

The University engaged a wide range of consultants to assist in the implementation of new systems, and to provide advisory services and information for business developments and a variety of research projects.

The University advises that during the year ending 31 December 2014:

There were 73 separate consultancy arrangements in 2014 over \$10,000.00 totalling \$9,290,636.35

The website location to view details of 2014 consultancies over \$10,000.00 is: [latrobe.edu.au/council/resources](http://latrobe.edu.au/council/resources)

There were no consultancies with an individual value less than \$10,000.00 in 2014



## STATEMENT ON COMPULSORY NON-ACADEMIC FEES, SUBSCRIPTIONS AND CHARGES

### *Tertiary Education (Amendment) Act 1994*

#### COMPULSORY FEES STUDENT SERVICES AND ADMINISTRATION FEE - 2014

Study Load	2013	2014
<b>Albury/Wodonga Campus</b>		
Full-time	\$273.00	\$281.00
Part-time	\$204.00	\$210.00
<b>Bendigo Campus</b>		
Full-time	\$273.00	\$281.00
Part-time	\$204.00	\$210.00
<b>Bundoora Campus</b>		
Full-time	\$273.00	\$281.00
Part-time	\$204.00	\$210.00
<b>City campus</b>		
Full-time	\$273.00	\$281.00
Part-time	\$204.00	\$210.00
<b>Mildura Campus</b>		
Full-time	\$273.00	\$281.00
Part-time	\$204.00	\$210.00
<b>Shepparton Campus</b>		
Full-time	\$273.00	\$281.00
Part-time	\$204.00	\$210.00

## Compulsory non-academic fees

The total amounts of student services and administration fees collected by La Trobe University from students are detailed below by campus.

#### COMPULSORY NON-ACADEMIC FEES - 2014

Campus	Total
Albury-Wodonga	\$181,888.50
Bendigo	\$1,143,590.00
Bundoora	\$4,497,501.50
City	\$64,344.00
Mildura	\$107,171.00
Shepparton	\$127,293.50

## Purposes for fees

The University made available the total compulsory non-academic fee collected for the purposes of providing facilities, service or activities of direct benefit to the institution or students at the institution.

## Names of organisations of students to which fees are available

The names of organisations of students to which the general service fee was made available are detailed below by campus.

Campus	Organisation
Albury/Wodonga	Wodonga Student Association Inc.
Bendigo	Bendigo Student Association Inc.
Bundoora	La Trobe University Student Union Inc.

## Purposes for which the organisations spend the money available

All organisations listed above are required to spend the money made available in accordance with the provisions of the Tertiary Education Act. No money was made available to other bodies.

# Financial overview

## COMMERCIAL ACTIVITIES TABLE

SIGNIFICANT COMMERCIAL ACTIVITY	BEECHWORTH CAMPUS DIVESTMENT	BENDIGO SURPLUS PROPERTY DIVESTMENT	MELBOURNE CAMPUS AND OTHER SURPLUS PROPERTIES DIVESTMENT (MOSPD)	INDEPENDENT (STAND ALONE) COMMERCIAL LEASES	INDEPENDENT (STAND ALONE) COMMERCIAL LEASES
<p>Council approval under section 8(3)(h) of the Act and significant commercial activities of controlled entities</p>	<p>Council endorsed the Finance and Resources Committee recommendation (December 2010) to close the Beechworth Hotel and divest the Beechworth Campus. Reference: Council Minute 405.9, 12 February 2011</p> <p><b>Status</b></p> <p>Council approved the EOI process to proceed subject to separate approval to sell. Reference: Council Minute 420.7.3, 13 August 2012.</p> <p>The Council authorised the Vice Chancellor to sign a contract of sale (Council Minute # 425 – C13/1 18 March 2013, 9); contracts were exchanged 7 March 2013. The contract is conditional upon rezoning being concluded by the Purchaser within 18 months.</p> <p>The rezoning of the former Beechworth campus has been completed by the Purchaser and the contract of sale was settled on 30 May 2014.</p>	<p>Council approved that the Bendigo Surplus Property Divestment PCG commence divestment of 11 properties in Friswell Ave Flora Hill, 32 Garsed Street Bendigo and 131 Edwards Road Flora Hill. Reference: Council Minute 407.8.1, 21 May 2011.</p> <p><b>Status</b></p> <p>131 Edwards Road has sold. 28, 30, 32, 34, 36, 38, 46, 48, 50, 52 &amp; 54 Friswell Ave have sold. 32 Garsed St has sold.</p>	<p>Council endorsed the Finance and Resources Committee recommendation to divest properties at 531 Howqua River Road, Howqua; 3 Altmans Road, Tolmie, 255 Camerons Lane, Beveridge; and 1019-1021 Plenty Road Bundoora, Council Minute 409.9.1, 11 July 2011.</p> <p><b>Status</b></p> <p>531 Howqua River Rd and 3 Altmans Rd have sold. 1019-1021 Plenty Rd, Kingsbury has sold. 255 Camerons Lane Beveridge has been withdrawn from sale until structure plans are developed by the Urban Growth Authority.</p> <p>The MOSP Divestment Project PCG has been wound up due to the requirement to review land holdings and uses according to the new Campus Vision (2013) and the development of an Estates/Property Strategy.</p>	<p>Victoria Police [R&amp;D Park – former VABC]: Council approved the lease to Assistant Treasurer on behalf of Victoria Police (Meeting 441, 15 September 2014) as a Commercial Activity.</p> <p><b>Status</b></p> <p>This lease replaces previous leases to DPI (Victorian AgriBiosciences Centre) and Victoria Police which were surrendered. Latest expiry date 2025.</p>	<p><b>Note</b></p> <p>The Guidelines were Gazetted in early 2011 in accordance with Part 6 of the <i>La Trobe University Act 2009</i>.</p> <p>A number of Commercial Activities (Leases) were transacted prior to that date.</p> <p>These include:</p> <ul style="list-style-type: none"> <li>▪ Optus Tower, Melbourne Campus, Expiry 2024</li> <li>▪ Telstra Tower, Melbourne Campus, Expiry 2025</li> <li>▪ Optus Tower, Melbourne Campus, Expiry 2019</li> <li>▪ Telstra Tower, Bendigo Campus, Expiry 2017</li> <li>▪ Optus Tower, Wodonga, Expiry 2025</li> <li>▪ La Trobe University Medical Centre, Expiry 2015</li> </ul> <p><b>Other</b></p> <ul style="list-style-type: none"> <li>▪ Telstra Tower, Mildura Campus, Expiry 2023</li> </ul>

SIGNIFICANT COMMERCIAL ACTIVITY	BEECHWORTH CAMPUS DIVESTMENT	BENDIGO SURPLUS PROPERTY DIVESTMENT	MELBOURNE CAMPUS AND OTHER SURPLUS PROPERTIES DIVESTMENT (MOSPD)	INDEPENDENT (STAND ALONE) COMMERCIAL LEASES	INDEPENDENT (STAND ALONE) COMMERCIAL LEASES
Other commercial activities considered sufficiently important or of interest		In addition to the above mentioned Council approved properties to be divested, the BSPD PCG is also endorsed to investigate and undertake works on several other properties being land known as the Hesse Estate Friswell Ave Flora Hill, CVIP and the Osborne Street campus which may ultimately be recommended to Council for divestment.	In addition to the above mentioned properties, Council approved properties to be divested, the MOSPD PCG is also endorsed to investigate and undertake works on several other parcels of land which surround the Melbourne campus. This work is on-hold as noted above.		

## PARTICIPATION

University involvement in this activity:	The University is the vendor to the property transaction.	The University is the vendor to the property transaction(s).	The University is the vendor to the property transaction(s).	LaTrobe is Lessor. The University and Forensics have scientific collaboration including a number of supervised post graduates.	
University staff or council member that occupy a board seat in connection with this activity and Directors' and Officers' liability insurance or other insurance arrangements that apply to the activity:	Not applicable.	Not applicable.	Not applicable.	Nil.	
Results of any assessment undertaken (if any) to determine whether the activity is meeting its purposes and objectives.	Approval of a Business Case. A Project Control Group constituted by the Vice-Chancellor. No assessment to determine the activity is meeting its objectives is warranted.	Approval of a Business Case. A Project Control Group constituted by the Vice-Chancellor was the responsible body for overseeing the sales. The PCG has been superceded by a Project Steering Committee chaired by the VP (Admin) who will oversee any further divestment activities of Bendigo land including the parcels identified above. No assessment to determine the activity is meeting its objectives is warranted.	A Project Control Group constituted by the Vice-Chancellor. No assessment to determine the activity is meeting its objectives is warranted.	A consolidation of the whole building under a single lease to the Assistant Treasurer as part of Victoria Police Forensics Macleod redevelopment. Periodic market rental reviews apply.	

---

SIGNIFICANT COMMERCIAL ACTIVITY	BEECHWORTH CAMPUS DIVESTMENT	BENDIGO SURPLUS PROPERTY DIVESTMENT	MELBOURNE CAMPUS AND OTHER SURPLUS PROPERTIES DIVESTMENT (MOSPD)	INDEPENDENT (STAND ALONE) COMMERCIAL LEASES	INDEPENDENT (STAND ALONE) COMMERCIAL LEASES
Whether the activity is ongoing or its anticipated termination date.	This activity has ceased as settlement has occurred.	The PCG will cease once all properties within the divestment project are sold. The target completion date for the sale and settlement of the sites being investigated is not determined due to rezoning and other technical considerations, and the Steering Committee considering all options prior to any recommendations being made for Council consideration.	No dates have been established pending the outcome of the strategic review / visioning exercise due to multiplicity of options and outcomes.	The activity will terminate on the expiry of the lease; latest date 2025, unless options are not exercised by the Assistant Treasurer.	

---

# University disclosure index table

Item No	Source reference	Summary of reporting required	Page(s)
<b>STANDING DIRECTIONS OF THE MINISTER FOR FINANCE</b>			
1	SD 4.2(g)	Report of Operations contains general information about the entity and its activities, highlights for reporting period and future initiatives and is prepared on a basis consistent with financial statements pursuant to the <i>Financial Management Act 1994</i> .	1-23
2	SD 4.2(h)	Report of Operations is prepared in accordance with Financial Reporting Directions.	39
3	SD 4.2(j)	Report of Operations is signed and dated by Chancellor or equivalent and includes date of Council Meeting at which Annual Report was approved.	40
4	SD 4.2(a)	Financial Statements are prepared in accordance with: <ul style="list-style-type: none"> <li>▪ Australian Accounting Standards (AAS and AASB standards) and other mandatory professional reporting requirements</li> <li>▪ financial reporting directions</li> <li>▪ business rules.</li> </ul>	39, 40, 47-54
5	SD 4.2(b)	Financial Statements available, including: <ul style="list-style-type: none"> <li>▪ balance sheet and income statement</li> <li>▪ statement of recognised income and expense</li> <li>▪ cash flows statement</li> <li>▪ notes to the financial statements.</li> </ul>	30-100
6	SD 4.2(c)	Signed and dated statement by Accountable Officer stating that financial statements: <ul style="list-style-type: none"> <li>▪ present fairly the financial transactions during reporting period and the financial position at end of the period</li> <li>▪ were prepared in accordance with Standing Direction 4.2(c) and applicable financial reporting directions</li> <li>▪ comply with applicable Australian Accounting Standards (AAS and AASB standards) and other mandatory professional reporting requirements.</li> </ul>	39, 40 47-54
7	SD 4.2(d)	Financial Statements are expressed in the nearest dollar except where the total assets, or revenue, or expenses of the institution are greater than: <ul style="list-style-type: none"> <li>▪ \$10,000,000, the amounts shown in the financial statements may be expressed by reference to the nearest \$1,000</li> <li>▪ \$1,000,000,000, the amounts shown in the financial statements may be expressed by reference to the nearest \$100,000.</li> </ul>	53
8	SD 4.2(e)	The financial statements were reviewed and recommended by the Audit Committee or Responsible Body prior to finalisation and submission.	40
9	SD 4.5.5	Attestation on compliance with the Australian/New Zealand Risk Management Standard.	40
11	FRD 07A	Early Adoption of Authoritative Accounting Pronouncements.	n/a
13	FRD 10	Disclosure Index.	27
14	FRD 11	Disclosure of Ex-gratia Payments.	100
15	FRD 17B	Long Service Leave Wage Inflation and Discount Rates.	69
16	FRD 19	Private Provision of Public Infrastructure.	n/a
17	FRD 21B	Responsible Person and Executive Officer Disclosure in the Financial Report.	87-90
18	FRD 22E	Consultants: <ul style="list-style-type: none"> <li>▪ Report of Operations must include a statement disclosing each of the following</li> <li>▪ Total number of consultancies over \$10,000</li> <li>▪ Location (eg website) of where details of these consultancies over \$10,000 have been made publicly available</li> <li>▪ Total number of consultancies individually valued at less than \$10,000 and the total expenditure for the reporting period</li> </ul>	22

Item No	Source reference	Summary of reporting required	Page(s)
18 (Cont..)	FRD 22E	AND publication on university website required, for each consultancy more than \$10,000, of a schedule listing: <ul style="list-style-type: none"> <li>▪ consultant engaged</li> <li>▪ brief summary of project</li> <li>▪ total project fees approved</li> <li>▪ expenditure for reporting period</li> <li>▪ any future expenditure committed to the consultant for the project.</li> </ul>	22
19	FRD 22E	Manner of establishment and the relevant Minister.	70
20	FRD 22E	Objectives, functions, powers and duties.	10-11
21	FRD 22E	Nature and range of services provided including communities served.	10-11
22	FRD 22E	Organisational structure and chart, including accountabilities.	8
23	FRD 22E	Names of Council members.	9
24	FRD22E	Operational and budgetary objectives, performance against objectives and achievements.	2-18
25	FRD 22E	Occupational health and safety statement including performance indicators, performance against those indicators, and how they affected outputs.	16
26	FRD 22E	Workforce data for current and previous reporting period including a statement on employment and conduct principles.	12-13
27	FRD 22E	Summary of the financial results for the year including previous four year comparisons.	33-36
28	FRD 22E	Significant changes in financial position during the year.	33
29	FRD 22E	Major changes or factors affecting performance.	33
30	FRD 22E	Post-balance sheet date events likely to significantly affect subsequent reporting periods.	87
31	FRD 22E	Summary of application and operation of the <i>Freedom of Information Act 1982</i> .	19
32	FRD 22E	Statement of compliance with building and maintenance provisions of the <i>Building Act 1993</i> .	19
33	FRD 22E	Statement on National Competition Policy.	19
34	FRD 22E	Summary of application and operation of the <i>Protected Disclosure Act 2012</i> .	19
35	FRD 22E	Statement, to the extent applicable, on the application and operation of the <i>Carers Recognition Act 2012</i> (Carers Act), and the actions that were taken during the year to comply with the Carers Act.	n/a
36	FRD 22E	Summary of environmental performance.	16-17
37	FRD 22E	List of other information available on request from the Accountable Officer, and which must be retained by the Accountable Officer (refer to list at (a) – (l) in the FRD)).	n/a
38	FRD 24C	Reporting of office based environmental impacts.	16-17
39	FRD 25B	Victorian Industry Participation Policy in the Report of Operations (the University broadly follows the above through its own procurement and tendering policy).	n/a
40	FRD 26A	Accounting for VicFleet Motor Vehicle Lease Arrangements on or after 1 February 2004.	n/a
41	FRD 101	First time adoption.	n/a
42	FRD 102	Inventories.	62
43	FRD 103E	Non-current physical assets.	49-51, 63-66
44	FRD 104	Foreign currency.	75
45	FRD 105A	Borrowing costs.	60
46	FRD 106	Impairment of assets.	49
47	FRD 107	Investment properties.	n/a
48	FRD 109	Intangible assets.	51, 67
49	FRD 110	Cash flow statements.	44

Item No	Source reference	Summary of reporting required	Page(s)
50	FRD 112D	Defined benefit superannuation obligations.	83-84
51	FRD 113	Investments in subsidiaries, jointly controlled associates and entities.	99-100
52	FRD 119A	Transfers through contributed capital.	n/a
53	FRD 120H	Accounting and reporting pronouncements applicable to the reporting period.	39-40
<b>FINANCIAL MANAGEMENT ACT 1994 (FMA)</b>			
54	FMA 1994	Financial Statements:	30-100
	49 (a)	contain such information as required by the Minister	30-100
	49 (b)	are prepared in a manner and form approved by the Minister	30-100
	49 (c)	present fairly the financial transactions of the university during the relevant financial year to which they relate	30-100
	49 (d)	present fairly the financial position of the university as at the end of that year	30-100
	49 (e)	are certified by the accountable officer in the manner approved by the Minister.	30-100
55	ETRA, s. 3.2.8	Statement on compulsory non-academic fees, subscriptions and charges payable in 2014.	23
56	PAEC	Financial and other information relating to the university's international operations.	3, 5-7, 10, 13, 55, 87, 94, 97, 99
57	UNIVERSITY COMMERCIAL ACTIVITY GUIDELINES	<ul style="list-style-type: none"> <li>▪ Summary of the university commercial activities.</li> <li>▪ If the university has a controlled entity, include the accounts of that entity in the university's Annual Report.</li> </ul>	99-100

#### Key to abbreviations

**FRD** Financial Reporting Directions available at:

[dtf.vic.gov.au/Publications/Government-Financial-Management-publications/Financial-Reporting-Policy/Financial-reporting-directions-and-guidance](http://dtf.vic.gov.au/Publications/Government-Financial-Management-publications/Financial-Reporting-Policy/Financial-reporting-directions-and-guidance)

**SD** Standing Directions (updated as at July 2014) available at:

[dtf.vic.gov.au/Publications/Government-Financial-Management-publications/Financial-Management-Compliance-Framework/Standing-Directions-of-the-Minister-for-Finance](http://dtf.vic.gov.au/Publications/Government-Financial-Management-publications/Financial-Management-Compliance-Framework/Standing-Directions-of-the-Minister-for-Finance)

**Financial Statements** for  
La Trobe University Consolidated  
for the **2014 Reporting Period.**





**LA TROBE  
UNIVERSITY**

OFFICE OF THE CHANCELLOR

**Mailing address**

Victoria 3086  
Australia

T +61 3 9479 5268

F +61 3 9479 1045

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

**MELBOURNE CAMPUSES**

Bundoora  
Collins Street CBD  
Franklin Street CBD

**REGIONAL CAMPUSES**

Bendigo  
Albury-Wodonga  
Mildura  
Shepparton

**FINANCIAL STATEMENTS FOR YEAR ENDING 31 December 2014**

**Certification**

In our opinion:

- (a) The attached financial statements of La Trobe University and the consolidated entity present fairly the financial transactions during the reporting period and the financial position of the year ended 31 December 2014;
- (b) The attached financial statements and notes comply with the *Australian Charities and Not-for-profit Commission Act 2012*, Australian Accounting Standards (including Australian Accounting Interpretations) and other mandatory professional reporting requirements in Australia, the *Financial Management Act 1994* and Guidelines for the Preparation of Annual Financial Reports for the 2014 Reporting Year by Australian Higher Education Institutions as issued by the Commonwealth Department of Education and Training (now known as the Department of Education and Training);
- (c) At the date of this certification, there are reasonable grounds to believe that La Trobe University and the consolidated entity will be able to pay its debts as and when they fall due; and
- (d) The amount of Australian Government financial assistance expended during the reporting period was for the purposes for which it was intended and La Trobe University has complied fully with the requirements of applicable legislation, contracts, agreements and various Programme guidelines that apply to the Australian Government financial assistance identified in these financial statements. In addition, we are not aware at the date of signing these statements of any circumstances which would render any particulars included in the statements to be misleading or inaccurate.

Yours sincerely

**Adrienne E Clark AC**  
Chancellor  
12 March 2015

**Professor John Dewar**  
Vic-Chancellor  
12 March 2015

**Gary Seach**  
Chief Financial Officer  
12 March 2015

ABN 64 804 735 113  
CRICOS Provider 00115M

# Contents

---

<b>1</b>	<b>Corporate governance statement</b>	<b>33</b>
	Report of Operations	33
	Key performance indicators	34
<b>2</b>	<b>Income and expenditure graphs</b>	<b>35</b>
<b>3</b>	<b>Consolidated five-year financial summary</b>	<b>36</b>
<b>4</b>	<b>Auditor General's report</b>	<b>37</b>
<b>5</b>	<b>Statement by Principal Accounting Officer and Chief Financial Officer</b>	<b>39</b>
<b>6</b>	<b>Statement by the Chancellor and Accountable Officer</b>	<b>40</b>
<b>7</b>	<b>Income statement</b>	<b>41</b>
<b>8</b>	<b>Statement of comprehensive income</b>	<b>42</b>
<b>9</b>	<b>Balance sheet</b>	<b>43</b>
<b>10</b>	<b>Statement of cash flows</b>	<b>44</b>
<b>11</b>	<b>Statement of changes in equity</b>	<b>45</b>
<b>12</b>	<b>Notes to and forming an integral part of the financial statement</b>	<b>46</b>
<b>13</b>	<b>Summary of significant accounting policies</b>	<b>47</b>

# Corporate governance statement

for year ending 31 December 2014

## REPORT OF OPERATIONS

La Trobe University and its controlled entities recorded an Operating surplus after income tax of \$18.2 million for the year ended 31 December 2014 (2013 surplus \$45.3 million) representing an operating margin of 2.7% (2013 7.2%).

The underlying result after removing the effect of abnormal one-off items was a surplus of \$53.9 million (2013 \$41.8 million) representing an underlying operating margin of 8.0% (2013 6.6%). This includes the operations of the controlled entities and associated joint ventures.

(a) Reconciliation of Operating result after income tax to underlying result from normal operations:

	CONSOLIDATED		LATROBE UNIVERSITY	
	2014 \$000's	2013 \$000's	2014 \$000's	2013 \$000's
<b>OPERATING RESULT AFTER INCOME TAX</b>	<b>18,177</b>	45,338	<b>13,329</b>	43,147
Less				
Capital development grants				
Unspent research grants/state government grants	<b>(2,386)</b>	(50)	<b>(2,386)</b>	(50)
CARRIED FORWARD	(-)	(7,174)	(-)	(7,174)
Add				
University Medical Centre debt redemption	<b>2,462</b>	3,693	<b>2,462</b>	3,693
<b>FFR TERMINATION BENEFITS</b>	<b>35,739</b>	-	<b>35,739</b>	-
Underlying result from normal operations	<b>53,992</b>	41,807	<b>49,144</b>	39,616

The underlying result excludes a number of transactions which are either 'non-recurring' or not considered 'core' operational in nature. These items include non-recurring grant revenue for funding capital projects that is not available to meet other operating activities of the University and employee termination payments. Last year's comparative has been restated to recognise the ongoing AgriBio joint operation.

(b) Significant matters of note during 2014:

- Total Revenue (not including Deferred Government superannuation contributions) of \$672.8 million increased by \$41.9 million (7%). The majority of the increase was due to increases in HECS-HELP of \$12.8 million, Australian Government Financial Assistance \$10.9 million, Fees and Charges \$10.0 million and Consultancy and Contract Research \$4.7 million.
- Cash and cash equivalents were \$84.3 million at 31 December 2014, an increase of \$21.6 million on 2013 (35% improvement) due primarily to increased cash inflows from Australian Government grants, receipts from students' fees and other customers combined with reduced payments relating to property, plant and equipment.
- Employee related expenses include \$35.7 million termination benefits both paid and payable resulting from change programs implemented to aligning staff numbers with the FFR initiative.
- Land, buildings and infrastructure were independently valued by the Valuer-General as at 31 December 2012. The University undertakes market valuations of its land, buildings and infrastructure every three years. During the intermitting years the University complies with the process as outlined in FRD103E Non-Financial Physical Assets and undertakes a managerial review of the movement of land and buildings' values using indices as published by the Valuer-General. A review of these indices as at December 2014 revealed an increase of 12% (\$31.6 million) to land, which has been reflected as a movement via the asset revaluation reserve.

## KEY PERFORMANCE INDICATORS

Key performance indicators for the University for the past five years:

Year	Current Asset Ratio	Debt Service Coverage Ratio	Debt to Equity Ratio %	Underlying Operating Margin %
2014	1.0	4.7	9.8	8.0
2013	1.0	3.1	11.4	6.6
2012	1.2	4.7	12.8	4.7
2011	1.5	10.7	4.5	3.7
2010	1.5	11.3	5.6	4.9

### Current Asset Ratio

This ratio is a measure of short-term liquidity and is derived by dividing current assets by current liabilities. The University's current asset ratio is unchanged at 1.0 in 2014. With a ratio of 1.0 or more the University is satisfactorily placed to meet its current obligations.

### Debt Service Coverage Ratio

The debt service coverage ratio (based on EBITDA) has increased in 2014 due to the improved underlying result. The University remains satisfactorily placed to service its current debts. The ratio is calculated as (Operating Result before tax + Depreciation + Interest expense) divided by (Interest Payments + Principle Repayment on loans + Finance lease payments). The ratio is based on the nominal result not the underlying result.

### Debt to Equity Ratio

The debt to equity ratio is the total of interest bearing liabilities as a proportion of total equity and measures the proportion of repayable debt funding to retained equity balances. The higher this ratio, the greater the proportion of debt funding. The Debt to Equity Ratio decreased in 2014 to 9.8 (from 11.4 in 2013) due to comparatively lower borrowings and higher reserves caused primarily by increases in land buildings valuations in 2014.

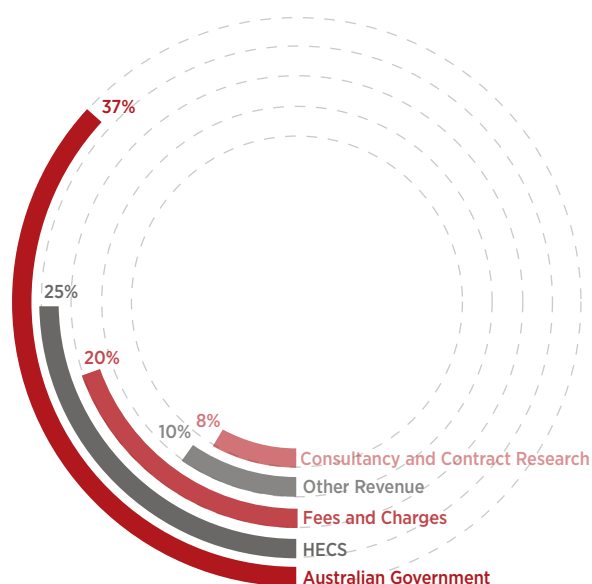
### Underlying Operating Margin

The underlying operating margin has increased in 2014 to 8.0% (2013 6.6%). The operating margin measures the ability of the University to contain its expenditure within the constraints of its available funding. This measure is derived by dividing the net underlying operating surplus/(deficit) into the total underlying revenue.

# Income and expenditure graphs

for year ending 31 December 2014

## INCOME



### Total Operating Revenues

Consolidated operating revenues were \$672.3m, excluding deferred superannuation (2013 \$630.2m). An increase of 7% on 2013 (5% increase prior year). The majority of the increase was due to increases in HECS-HELP of \$12.8m and includes EFTSL increase of 3%.

### Australian Government Financial Assistance

Australian government financial assistance (excluding Fee-Help) increased by \$10.9m (4.6%) (2013 \$14.9m, 16%). This is mainly due to increases in CSP, Commonwealth funding for HEPPP programs and capital grants.

### Fees and Charges

Fees and charges increased by \$10.0m (8%) (2013 \$7.1m, 6%), mainly due to increases in student amenities and facility services.

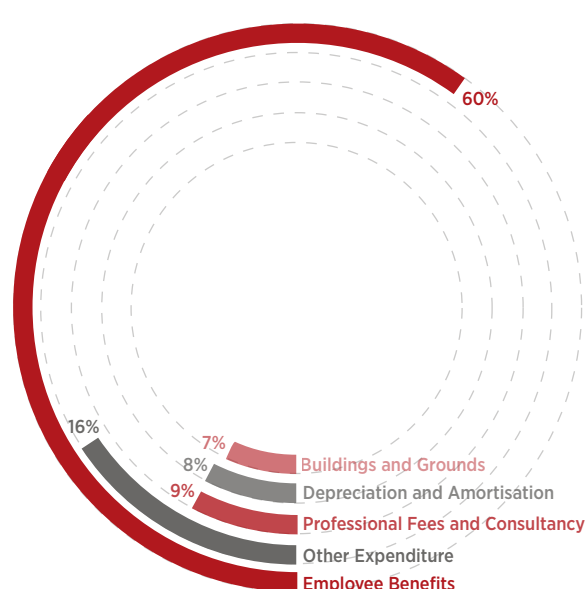
### Consultancy and Contract Research

Consultancy and contract research increased by \$4.7m (9.4%) (2013 \$4.7m, 11%) due to research industry contracts and partnership contracts.

### Other Revenue

Other revenue increased by \$5.3m (11%) (2013 \$4.1m, 9%). This growth is derived from increased commissions from partners and additional AusAID receipts.

## EXPENDITURE



### Total Expenditure

Total expenditure from continuing operations, excluding deferred superannuation, is \$654.2m, which represents an increase of \$69.3m (12%) (2013 \$21.2m, 4%) with Employee Benefits being the predominate driver.

### Employee Benefits and On costs

Expenditure on salaries increased by \$45.7m (13%) (2013 \$7.9m, 2%), which is mainly due to \$35.7m redundancy costs and \$8.2m in long service leave provision adjustments.

### Buildings and Grounds and Repairs, Maintenance

Includes expenditure on repairs, maintenance, equipment hire and refurbishment categories which increased by \$3.3m (8%) (2013 \$1.9m, 4%), and is mainly due to increased repairs and maintenance costs of \$1.8m as we address maintenance backlog issues.

### Professional Fees and Consultancy Expenses

Includes expenditure on professional fees, consulting and contractor costs, which increased by \$7.4m (15%) (2013 \$1.5m, 3%) mainly due to Funding Future Ready (\$2.9m), and professional fees in relation to research grant revenue received of \$0.9m.

### Depreciation

Depreciation has increased by \$8.4m (18%) (2013 \$5.5m, 13%) mainly due to new infrastructure (\$5.8m), LIMS equipment purchases (\$1.2m) and the amortisation of the leased asset (AgriBio building).

### Other Expenses

Other expenses have increased by \$5.4m (8%) due to research participation payments in relation to AgriBio.

# Consolidated five-year financial summary

31 December 2014

	2014 \$000's	2013 \$000's	2012 \$000's	2011 \$000's	2010 \$000's
<b>INCOME STATEMENT</b>					
Total revenue and income from continuing operations	672,385	630,198	625,167	614,098	627,107
Total expenses including tax and joint venture	(654,208)	(584,860)	(590,513)	(529,523)	(516,934)
Operating result after income tax and joint venture expenses	18,177	45,338	34,654	84,575	110,173
Abnormal items*	35,815	(3,531)	(6,420)	(61,729)	(66,220)
<b>UNDERLYING SURPLUS AFTER TAX AND ABNORMAL ITEMS</b>	<b>53,992</b>	<b>41,807</b>	<b>28,234</b>	<b>22,846</b>	<b>43,953</b>
<b>BALANCE SHEET</b>					
Current assets	167,658	134,388	146,257	186,831	176,000
Non-current assets	1,343,861	1,306,711	1,278,034	1,102,986	1,049,455
<b>TOTAL ASSETS</b>	<b>1,511,519</b>	<b>1,441,099</b>	<b>1,424,291</b>	<b>1,289,817</b>	<b>1,225,455</b>
Current liabilities	165,132	135,673	126,293	122,060	107,672
Non-current liabilities	193,328	202,219	243,780	126,499	135,244
<b>TOTAL LIABILITIES</b>	<b>358,460</b>	<b>337,892</b>	<b>(370,073)</b>	<b>(248,559)</b>	<b>(242,916)</b>
<b>Net Assets</b>	<b>1,153,059</b>	<b>1,103,207</b>	<b>1,054,218</b>	<b>1,041,258</b>	<b>982,539</b>
Reserves	700,511	665,291	661,623	683,354	715,216
Accumulated funds	452,548	437,916	392,595	357,904	267,323
<b>TOTAL EQUITY</b>	<b>1,153,059</b>	<b>1,103,207</b>	<b>1,054,218</b>	<b>1,041,258</b>	<b>982,539</b>
Net cash provided by operating activities	103,276	95,314	86,158	123,035	133,301
Net cash (used in) investing activities	(73,341)	(82,952)	(118,923)	(189,728)	(89,176)
Cash flows provided by (used in) financing activities	(8,304)	(8,703)	16,485	(8,068)	(7,628)
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS HELD</b>	<b>21,688</b>	<b>3,659</b>	<b>(16,280)</b>	<b>(74,761)</b>	<b>36,497</b>

\*The Abnormal Items for 2010 to 2014 are primarily composed of capital grants, donations of previously unallocated assets, unspent research grant monies and expenditure relating to the payment of termination benefits as a result of implementing the FFR strategy. The effect of these items has been removed from the Operating Result to provide an underlying result.

# Auditor General's Report to the Council members of La Trobe University

**VAGO**

Victorian Auditor-General's Office

Level 24, 35 Collins Street  
Melbourne VIC 3000  
Telephone 61 3 8601 7000  
Facsimile 61 3 8601 7010  
Email [comments@audit.vic.gov.au](mailto:comments@audit.vic.gov.au)  
Website [www.audit.vic.gov.au](http://www.audit.vic.gov.au)

## INDEPENDENT AUDITOR'S REPORT

To the Council members, La Trobe University

### *The Financial Report*

The accompanying financial report for the year ended 31 December 2014 of La Trobe University which comprises an income statement, statement of comprehensive income, balance sheet, statement of cash flows, statement of changes in equity and notes comprising a summary of significant accounting policies and other explanatory information, and the statement by the Chancellor and Accountable officer has been audited. The financial report is the consolidated financial statements of the consolidated entity, comprising La Trobe University and the entities it controlled at the year's end or from time to time during the financial year as disclosed in note 43 to the consolidated financial statements.

### *The Council members' Responsibility for the Financial Report*

The Council members of La Trobe University are responsible for the preparation and the fair presentation of the financial report in accordance with Australian Accounting Standards, and the financial reporting requirements of the *Financial Management Act 1994* and the *Australian Charities and Not-for-profits Commission Act 2012* and for such internal control as the Council members determine is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit, which has been conducted in accordance with Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The audit procedures selected depend on judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, consideration is given to the internal control relevant to the entity's preparation and fair presentation of the financial report 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 entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used, and the reasonableness of accounting estimates made by the Council members, as well as evaluating the overall presentation of the financial report.

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

*Auditing in the Public Interest*

# Auditor General's Report to the Council members of La Trobe University

## Independent Auditor's Report (continued)

### *Independence*

The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised. In conducting the audit, the Auditor-General, his staff and delegates complied with all applicable independence requirements of the Australian accounting profession.

### *Opinion*

In my opinion, the financial report presents fairly, in all material respects, the financial position of La Trobe University and the consolidated entity as at 31 December 2014 and of their financial performance and cash flows for the year then ended in accordance with applicable Australian Accounting Standards, and the financial reporting requirements of the *Financial Management Act 1994* and the *Australian Charities and Not-for-profits Commission Act 2012*.

MELBOURNE

18 March 2015



John Doyle

*Auditor-General*



# Statement by Principal Accounting Officer and Chief Financial Officer



OFFICE OF THE CHANCELLOR

**Mailing address**

Victoria 3086  
Australia

T +61 3 9479 5268

F +61 3 9479 1045

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

**MELBOURNE CAMPUSES**

Bundoora  
Collins Street CBD  
Franklin Street CBD

**REGIONAL CAMPUSES**

Bendigo  
Albury-Wodonga  
Mildura  
Shepparton

11 March 2015

Statement by Principal Accounting Officer and Chief Financial Officer

In my opinion:

(a) The financial report of La Trobe University and its controlled subsidiaries present a true and fair view of the financial transactions of the University and its controlled subsidiaries during the financial year ended 31 December 2014 and its financial position as at that date;

(b) Australian Government financial assistance received during the financial year ended 31 December 2014 was expended for the purposes for which it was provided;

(c) The University has complied in full with the requirements of various program guidelines that apply to the Commonwealth financial assistance identified in this financial report.

The financial report has been prepared in accordance with the provision of the *Australian Charities and Not-for-Profit Commission Act 2012*, Australian Accounting Standards (AAS and AASB Standards) and other mandatory professional reporting requirements in Australia, *The Financial Management Act 1994*, Standing Direction 4.2(c) and applicable Financial Reporting Directions and Guidelines for the Preparation of Annual Financial Reports for the 2014 Reporting Year by Australian Higher Education Institutions as issued by the Commonwealth Department of Industry, Innovation, Science, Research and Tertiary Education. In addition, I am not aware at the date of signing these statements of any circumstances which would render any particulars included in the statements to be misleading or inaccurate and there are reasonable grounds to believe that La Trobe University will be able to pay its debts as and when they fall due.

**Gary Seach**

Chief Financial Officer and Principal Accounting Officer  
Melbourne

ABN 64 804 735 113  
CRICOS Provider 00115M

# Statement by the Chancellor and Accountable Officer



OFFICE OF THE CHANCELLOR

11 March 2015

Statement by the Chancellor and Accountable Officer

In my opinion:

- (a) The financial report of La Trobe University and its controlled subsidiaries present a true and fair view of the financial transactions of the University and its controlled subsidiaries during the financial year ended 31 December 2014 and its financial position as at that date;
- (b) Australian Government financial assistance received during the financial year ended 31 December 2014 was expended for the purposes for which it was provided;
- (c) The University has complied in full with the requirements of various program guidelines that apply to the Commonwealth financial assistance identified in this financial report.

The financial report has been prepared in accordance with the provision of the *Australian Charities and Not-for-Profit Commission Act 2012*, Australian Accounting Standards (AAS and AASB Directors) and other mandatory professional reporting requirements in Australia, *Financial Management Act 1994*, Standing Direction 4.2(c) and applicable Financial Reporting Directions and Guidelines for the Preparation of Annual Financial Reports for the 2014 Reporting Year by Australian Higher Education Institutions as issued by the Commonwealth Department of Industry, Innovation, Science, Research and Tertiary Education. In addition, we are not aware at the date of signing this report of any circumstances which would render any particulars included in the report to be misleading or inaccurate, and there are reasonable grounds to believe that La Trobe University will be able to pay its debts as and when they fall due.

The Chancellor and Vice-Chancellor sign this declaration as delegates of, and in accordance with a resolution of, the Council of La Trobe University.

**Adrienne E Clarke AC**  
Chancellor

**Professor John Dewar**  
Vice Chancellor and Accountable Officer

**Mailing address**

Victoria 3086  
Australia

T +61 3 9479 5268

F +61 3 9479 1045

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

**MELBOURNE CAMPUSES**

Bundoora  
Collins Street CBD  
Franklin Street CBD

**REGIONAL CAMPUSES**

Bendigo  
Albury-Wodonga  
Mildura  
Shepparton

ABN 64 804 735 113  
CRICOS Provider 00115M

# Income statement

for the year ended 31 December 2014

	Note	CONSOLIDATED		LA TROBE UNIVERSITY	
		2014 \$000's	2013 \$000's	2014 \$000's	2013 \$000's
<b>REVENUE FROM CONTINUING OPERATIONS</b>					
Australian Government financial assistance					
Australian Government grants	2.7	249,331	238,403	249,331	238,403
HELP payments	2.7	158,389	145,591	158,389	145,591
State and local government financial assistance	3	5,403	5,045	5,403	5,045
HECS-HELP student payments		11,298	12,606	11,298	12,606
Fees and charges	4	131,081	121,084	131,081	121,084
Investment income	5	8,763	9,482	8,644	11,906
Consultancy and contracts	6	54,230	49,569	54,230	49,569
Other revenue	7	54,366	49,030	52,801	49,438
<b>Total revenue from continuing operations</b>		<b>672,861</b>	<b>630,810</b>	<b>671,177</b>	<b>633,642</b>
Loss on sale of assets	16	(476)	(612)	(476)	(612)
<b>Total revenue and income from continuing operations</b>		<b>672,385</b>	<b>630,198</b>	<b>670,701</b>	<b>633,030</b>
Cost of goods sold					
Employee related expenses*	8	392,950	347,262	392,950	347,262
Depreciation and amortisation	11	54,793	46,351	54,509	46,066
Repairs and maintenance	10	10,527	10,778	10,527	10,778
Finance costs	14	8,702	7,170	8,655	6,723
Buildings and grounds	9	44,993	41,764	47,379	46,743
Bank and investment management charges		1,046	647	1,046	647
Professional fees and consultancy expenses		55,218	47,844	55,218	47,844
Publications		3,983	4,944	3,983	4,944
Staff training and development		2,792	3,151	2,792	3,151
Travel, accommodation and entertainment		7,679	8,727	7,679	8,727
Impairment of assets	12	806	183	806	183
Other expenses*	13	69,072	63,718	69,014	63,591
<b>Total expenses from continuing operations</b>		<b>655,517</b>	<b>585,763</b>	<b>657,514</b>	<b>589,883</b>
<b>Operating result before income tax</b>		<b>16,868</b>	<b>44,435</b>	<b>13,187</b>	<b>43,147</b>
Income tax benefit	15	1,309	903	142	-
<b>Operating result after income tax</b>		<b>18,177</b>	<b>45,338</b>	<b>13,329</b>	<b>43,147</b>

\*Scholarship expenses reclassified from Employee related expenses to Other expenses.

# Statement of comprehensive income

for the year ended 31 December 2014

	Note	CONSOLIDATED		LATROBE UNIVERSITY	
		2014 \$000's	2013 \$000's	2014 \$000's	2013 \$000's
<b>Profit for the year</b>		<b>18,177</b>	45,338	<b>13,329</b>	43,147
<b>Other comprehensive income, net of income tax</b>					
<b>Items that will not be reclassified to profit or loss</b>					
Gain on revaluation of assets	29.2	31,631	-	31,631	-
Deferred Government superannuation (contributions)		737	30,673	737	30,673
Deferred superannuation expense		(737)	(30,673)	(737)	(30,673)
<b>Items that maybe reclassified to profit or loss</b>					
Gain on value of available-for-sale financial assets	29.2	44	3,649	44	3,649
<b>Total other comprehensive income for the year, net of tax</b>		<b>31,675</b>	3,649	<b>31,675</b>	3,649
<b>Total comprehensive income for the year</b>		<b>49,852</b>	48,987	<b>45,004</b>	46,796

# Balance sheet

as at 31 December 2014

	Note	CONSOLIDATED		LATROBE UNIVERSITY	
		2014 \$000's	2013 \$000's	2014 \$000's	2013 \$000's
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and cash equivalents	30	84,401	62,713	79,220	57,879
Inventories	20	833	735	833	735
Trade and other receivables	18	18,633	14,205	28,754	26,712
Other financial assets at fair value	19.1	52,531	44,002	52,531	44,002
Other non-financial assets	24	11,260	9,403	11,260	9,403
Non-current assets held for sale	21	-	3,330	-	3,330
<b>Total Current Assets</b>		<b>167,658</b>	<b>134,388</b>	<b>172,598</b>	<b>142,061</b>
<b>NON-CURRENT ASSETS</b>					
Trade and other receivables	18	70,029	72,856	70,029	72,856
Other financial assets at fair value	19.2	43,704	40,607	43,704	40,607
Property, plant and equipment	22	1,199,367	1,159,384	1,185,725	1,145,458
Intangible assets	23	30,481	33,351	30,481	33,351
Other non-financial assets	24	280	513	280	513
<b>Total non-current assets</b>		<b>1,343,861</b>	<b>1,306,711</b>	<b>1,330,219</b>	<b>1,292,785</b>
<b>Total assets</b>		<b>1,511,519</b>	<b>1,441,099</b>	<b>1,502,817</b>	<b>1,434,846</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Trade and other payables	25	49,295	49,902	49,292	49,890
Borrowings	26	4,983	8,806	4,983	6,416
Employee benefits and provisions	27	91,561	65,116	91,561	65,116
Other liabilities	28	19,293	11,849	19,293	11,849
<b>Total Current Liabilities</b>		<b>165,132</b>	<b>135,673</b>	<b>165,129</b>	<b>133,271</b>
<b>NON-CURRENT LIABILITIES</b>					
Borrowings	26	107,807	116,926	107,807	116,926
Employee benefits and provisions	27	78,504	78,593	78,504	78,593
Other liabilities	28	7,017	6,700	7,017	6,700
<b>Total non-current liabilities</b>		<b>193,328</b>	<b>202,219</b>	<b>193,328</b>	<b>202,219</b>
<b>Total liabilities</b>		<b>358,460</b>	<b>337,892</b>	<b>358,457</b>	<b>335,490</b>
<b>Net assets</b>		<b>1,153,059</b>	<b>1,103,207</b>	<b>1,144,360</b>	<b>1,099,356</b>
<b>EQUITY</b>					
Reserves	29.1	700,511	665,291	695,695	664,142
Retained surplus	29.3	452,548	437,916	448,665	435,214
<b>Total equity</b>		<b>1,153,059</b>	<b>1,103,207</b>	<b>1,144,360</b>	<b>1,099,356</b>

# Statement of cash flows

for the year ended 31 December 2014

	Note	CONSOLIDATED		LATROBE UNIVERSITY	
		2014 \$000's	2013 \$000's	2014 \$000's	2013 \$000's
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Australian Government grants		388,594	369,495	388,594	369,495
State Government grants		5,403	5,045	5,403	5,045
HECS-HELP student payments		11,298	12,606	11,298	12,606
OS-HELP (net)		13,100	11,239	13,100	11,239
Receipts from student fees and other customers		250,459	225,032	251,279	221,694
Investment Income received		5,255	7,540	5,136	9,963
Payments to suppliers and employees		(565,575)	(527,477)	(569,060)	(532,109)
Interest paid		(5,258)	(8,166)	(5,211)	(4,984)
Net cash provided by operating activities	31	103,276	95,314	100,539	92,949
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Proceeds from sale of financial assets		40,069	57,854	40,069	57,854
Proceeds from sale of property, plant and equipment		2,121	1,095	2,121	1,095
Payments for property, plant and equipment		(66,884)	(100,996)	(66,884)	(100,996)
Payments for financial assets		(48,647)	(40,905)	(48,647)	(40,905)
Net cash used in investing activities		(73,341)	(82,952)	(73,341)	(82,952)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Proceeds from borrowings		-	16,038	-	16,038
Repayment of borrowings		(8,304)	(24,741)	(5,914)	(22,973)
Net cash used in financing activities		(8,304)	(8,703)	(5,914)	(6,935)
Net increase in cash and cash equivalents held		21,631	3,659	21,284	3,062
Cash and cash equivalents at beginning of financial year		62,713	59,054	57,879	54,817
Cash and cash equivalents at end of financial year	30	84,344	62,713	79,163	57,879

# Statement of changes in equity

for the year ended 31 December 2014

## 2014

### CONSOLIDATED

	Note	Retained Surplus \$000's	Reserves \$000's	Total \$000's
Balance at 1 January 2014	29	437,916	665,291	1,103,207
Total comprehensive income		18,177	31,675	49,852
Transfers to reserves		251	(251)	-
Transfers from reserves		(3,796)	3,796	-
<b>Sub-total</b>		<b>452,548</b>	<b>700,511</b>	<b>1,153,059</b>
Balance at 31 December 2014		452,548	700,511	1,153,059

## 2013

### CONSOLIDATED

	Note	Retained Surplus \$000's	Reserves \$000's	Total \$000's
Balance at 1 January 2013	29	392,595	661,623	1,054,218
Total comprehensive income		45,338	3,649	48,987
Transfers to reserves		(60)	60	-
Transfers from reserves		43	(41)	2
<b>Sub-total</b>		<b>437,916</b>	<b>665,291</b>	<b>1,103,207</b>
Balance at 31 December 2013		437,916	665,291	1,103,207

## 2014

### LA TROBE UNIVERSITY

	Note	Retained Surplus \$000's	Reserves \$000's	Total \$000's
Balance at 1 January 2014	29	435,214	664,142	1,099,356
Total comprehensive income		13,329	31,675	45,004
Transfers to reserves		251	(251)	-
Transfers from reserves		(129)	129	-
<b>Sub-total</b>		<b>448,665</b>	<b>695,695</b>	<b>1,144,360</b>
Balance at 31 December 2014		448,665	695,695	1,144,360

## 2013

### LA TROBE UNIVERSITY

	Note	Retained Surplus \$000's	Reserves \$000's	Total \$000's
Balance at 1 January 2013	29	392,088	660,473	1,052,561
Total comprehensive income		43,147	3,649	46,796
Transfers to reserves		(60)	60	-
Transfers from reserves		39	(40)	(1)
<b>Sub-total</b>		<b>435,214</b>	<b>664,142</b>	<b>1,099,356</b>
Balance at 31 December 2013		435,214	664,142	1,099,356

# Notes to and forming an integral part of the financial statements

for the year ended 31 December 2014

NOTE	CONTENTS	PAGE(S)
1	Summary of significant accounting policies	47
2	Australian government financial assistance including HECS-HELP and other Australian government loans	55
3	State and local government financial assistance	57
4	Fees and charges	57
5	Investment income	57
6	Consultancy and contract research	57
7	Other revenue	57
8	Employee benefits and on-costs	58
9	Buildings and grounds	58
10	Repairs and Maintenance	58
11	Depreciation and amortisation	59
12	Bad and impaired debts	59
13	Other expenses	59
14	Borrowing costs	60
15	Income tax expense/(benefit)	60
16	Sale of assets	60
17	Remuneration of auditors	60
18	Trade and other receivables	61
19	Other financial assets at fair value	62
20	Inventories	62
21	Non-current assets classified as held for sale	63
22	Property, plant and equipment	63
23	Intangible assets	67
24	Other non-financial assets	67
25	Trade and other payables	67
26	Borrowings	68
27	Employee benefits and provisions	69
28	Other liabilities	69
29	Reserves and retained surplus	70
30	Cash and cash equivalents	72
31	Reconciliation of operating result after income tax to net cash flows from operating activities	72
32	Financial risk management	73
33	Fair value measurement	76
34	Commitments	82
35	Superannuation plans	83
36	Joint operations	85
37	Contingencies	87
38	Economic dependency	87
39	Events occurring after the reporting date	87
40	Key management personnel disclosures	87
41	Correction of error and revision of estimates relating to prior year	90
42	Acquittal of Australian Government Financial Assistance	91
43	Particulars relating to entities in the economic entity's financial statements	99
44	Ex-Gratia Payment	100



# Notes to and forming an integral part of the financial statements

for the year ended 31 December 2014

## I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 1.1 Basis of preparation

The principal accounting policies adopted in the preparation of this financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial report includes a separate financial report for La Trobe University as an individual entity and the consolidated entity consisting of La Trobe University and its subsidiaries.

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

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

- *Higher Education Support Act 2003* (Financial Statement Guidelines)
- *Financial Management Act 1994* and other State/ Commonwealth Government legislative requirements
- Standing direction 4.2(c) and applicable Financial Reporting Directions.

La Trobe University is a not-for-profit entity and these statements have been prepared on that basis. Some of the requirements for not-for-profit entities are inconsistent with the IFRS requirements.

#### Date of authorisation for issue

The financial statements were authorised for issue by the University Council of La Trobe University on 11 March 2015.

#### Historical cost convention

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

#### Critical accounting estimates and judgments

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 La Trobe University's accounting policies. The estimates and underlying assumptions are reviewed on an ongoing basis.

##### (a) Fair value of land and buildings

The University carries its land and buildings at fair value with changes in the fair value recognised in revaluation reserve. Independent valuations are obtained at least triennially and at the end of each reporting period.

Management update their assessment of the fair value of each property, taking into account the most recent valuations and movements in the market.

##### (b) Provision for impairment of receivables

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

##### (c) Provisions

As described in the accounting policies, provisions are management's best estimate of the expenditure required to settle the obligation at the end of the reporting period. These estimates are made taking into account a range of possible outcomes.

### 1.2 Principles of consolidation

#### (a) Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of La Trobe University ("parent entity") as at 31 December 2014 and the results of all subsidiaries for the year then ended.

La Trobe University and its subsidiaries together are referred to in this financial report as the University or the Consolidated Entity.

Subsidiaries are all those entities (including special purpose entities) over which the University has the ability to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the University controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the University. They are de-consolidated from the date control ceases. The acquisition method of accounting is used for the acquisition of subsidiaries by the University.

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

The subsidiary companies are as follows:

- La Trobe International Pty Ltd established in 1991. It has \$8 of share capital and is wholly owned by the University. The operations of the company were transferred to the University as at 1 January 2007 and the company is now dormant.
- Medical Centre Developments Pty. Ltd. was bought by the University on 2 December 2002, and has a contributed equity of \$3,500,001.
- La Trobe Accommodation Services Pty. Ltd. established in 2013. It has \$10 of share capital and is wholly owned by the University. The company is dormant.

# Notes to and forming an integral part of the financial statements

for the year ended 31 December 2014

These companies will separately produce audited accounts in accordance with the *Corporations Act 2001*.

(b) Joint operations

The proportionate interests in the assets, liabilities and expenses of a joint operation have been incorporated into the financial statements under the appropriate headings. Details of the joint operations are set out in note 36.

## 1.3 Revenue recognition

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

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

Revenue is recognised for the major business activities as follows:

(a) Government grants

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

(b) Fees and charges

Fees and charges revenue is recognised when received or when the University becomes entitled to receive it. Where revenue is received in advance for courses or programs to be delivered in the following year, the non-refundable portion of fees is treated as revenue in the year of receipt and the balance is treated as revenue in advance.

(c) Other revenue

Other revenue is recognised when received or when the University becomes entitled to receive it. Where revenue of a reciprocal nature is received in respect of services to be provided in the following year, such amounts have been deferred and disclosed as Revenue Received in Advance.

(d) Trading revenue

Trading revenue is generated from the sale of goods by the commercial and trading bodies.

(e) Investment income

Investment income from financial assets is brought to account when earned.

(f) Consultancy and contracts

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

## 1.4 Trade receivables

(Refer Note 18)

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Trade receivables are due no later than 30 days, unless otherwise agreed.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for impairment of receivables is established when there is objective evidence that the University will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the income statement.

## 1.5 Inventories

(Refer Note 20)

Inventories on hand at balance date are shown at the lower of cost or net realisable value. This includes materials purchased for resale by the commercial and trading bodies and academic services. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. The basis adopted for inventory measurement is the first-in-first-out basis. A specific provision is made for obsolete stock.

## 1.6 Cash and cash equivalents

(Refer Note 30)

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

Term deposits with a term of over 90 days are disclosed as Other Financial Assets.

# Notes to and forming an integral part of the financial statements

for the year ended 31 December 2014

## 1.7 Property, plant and equipment

(Refer Note 22)

- (a) Freehold land, Buildings, Infrastructure and Works of Art are shown at fair value assessed annually, based on periodic valuations at least triennial by external independent valuers, less subsequent depreciation of Buildings and Infrastructure. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. All other Property, Plant and Equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. The minimum value of assets brought to account and depreciated is \$5,000.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, but 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.

- (b) Increases in the carrying amounts arising on revaluation of land and buildings are recognised, net of tax, in other comprehensive income and accumulated in equity under heading of property, plant and equipment revaluation reserve. 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.

Works of Art owned and/or controlled by the University were independently valued by the following Valuers as at 31 December 2011: Warwick Reeder Fine Art, Anna Mass, Malcolm Davidson and Joseph Leibovic.

Land and buildings owned and/or controlled by the University were independently valued by the Valuer-General as at 31 December 2012.

Land and buildings were valued at fair value and in accordance with: The *Financial Management Act 1994*, Australian Accounting Standards and Victorian Government Policy. The resultant changes have been recorded through the Property, Plant and Equipment Revaluation Reserve.

- (c) The Library collections of the University are recorded at cost and depreciated. Donations of library materials are shown at fair value, being the written down replacement value based on an average cost index.

- (d) Gains and losses on disposals are determined by comparing proceeds with carrying amounts. These are included in the income statement. When revalued assets are sold, it is University policy to transfer the amounts included in other reserves in respect of those assets to retained earnings.
- (e) Freehold land and Works of Art are not depreciated. Depreciation on other assets is calculated using the straight line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives, as follows:

### Depreciation rates

The depreciation rates used for each class of depreciable asset are shown below:

	2014 (%)	2013 (%)
<b>FIXED ASSET CLASS</b>		
Buildings	2.5 average	2.5 average
Infrastructure	5	5
Plant and equipment	5-10	5-10
Library collections	10	10
Motor vehicles	10-15	10-15
Furniture, fixtures and fittings	15	15
Computer equipment	20	20
Leasehold improvements	4	4

## 1.8 Impairment of assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use, being written down replacement cost.

# Notes to and forming an integral part of the financial statements

for the year ended 31 December 2014

## 1.9 Non-current assets (or disposal groups) classified as held for sale

(Refer Note 21)

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

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

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

Non-current assets classified as held for sale and any associated liabilities are presented separately in the balance sheet.

## 1.10 Investments and other financial assets

(Refer Note 19)

The University classifies its investments in the following categories: financial assets at fair value through profit or loss, loans and receivables and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at each reporting date.

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

This category has two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss on initial recognition. A financial asset is classified as asset held for trading if acquired principally for the purpose of selling in the short term or if so designated by management. The policy of management is to designate a financial asset if there exists the possibility it will be sold in the short term and the asset is subject to frequent changes in fair value. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of balance date.

### (b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the University provides money, goods or services directly to a debtor with no intention of selling the receivable. They are included in current assets, except for those with maturities greater than 12 months after the balance sheet date which are classified as non-current assets. Loans and receivables are included in receivables in the balance sheet.

### (c) Available-for-sale financial assets

Available-for-sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date.

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

When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in other comprehensive income are included in the income statement as gains and losses from investment securities.

### Fair value

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the University establishes fair value by using valuation techniques. These include reference to the fair values of recent arm's length transactions, involving the same instruments or other instruments that are substantially the same, discounted cash flow analysis and option pricing models refined to reflect the issuer's specific circumstances.

### Subsequent measurement

Available-for-sale financial assets and financial assets at fair value through profit and loss are subsequently carried at fair value. Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method. Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are included in the income statement within Investment income or other expenses in the period in which they arise.

# Notes to and forming an integral part of the financial statements

for the year ended 31 December 2014

Changes in the fair value of monetary security denominated in a foreign currency and classified as available-for-sale are analysed between translation differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security. The translation differences related to changes in the amortised cost are recognised in profit or loss, and other changes in carrying amount are recognised in equity. Changes in the fair value of other monetary and non-monetary securities classified as available-for-sale are recognised in equity.

## Impairment

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

## 1.11 Fair value measurement

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 trading and available-for-sale securities) is based on quoted market prices for identical assets or liabilities at the reporting date (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 reporting date. The level in the fair value hierarchy shall be determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety.

Fair value measurement of non-financial assets is based on the *highest and best use* of the asset. The 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.

## 1.12 Intangible assets

(Refer Note 23)

### (a) Research and development

Expenditure on research activities, undertaken with the prospect of obtaining new scientific or technical knowledge and understanding, is recognised in the income statement as an expense when it is incurred.

Expenditure on development activities, being the application of research findings or other knowledge to a plan or design for the production of new or substantially improved products or services before the start of commercial production or use, is capitalised if the product or service is technically and commercially feasible and adequate resources are available to complete development.

The expenditure capitalised comprises all directly attributable costs, including costs of materials, services, direct labour and an appropriate proportion of overheads. Other development expenditure is recognised in the Statement of Comprehensive Income as an expense as incurred. Capitalised development expenditure is stated at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost over the period of the expected benefit.

### (b) Computer software

Expenditure on software development activities used to enhance business processes that is greater than \$5,000 individually or has a 'total unit' or 'network' cost greater than \$10,000 is capitalised and depreciated over their useful life of five or 10 years. Software is treated as an intangible asset in accordance with AASB 138 Intangible Assets. The expenditure that is capitalised comprises all directly attributable costs, including the base cost of the software, consulting services and internal labour costs. Costs associated with the research phase of a software implementation, such as feasibility studies and proof of concept, cannot be treated as an asset/capitalised and are expensed in the year in which they are incurred.

Licences have a finite useful life and are carried at cost less accumulated amortisation and impairment losses. Amortisation is calculated using the straight-line method to allocate the cost of trademarks and licences over their estimated useful lives, which vary from three to five years.

# Notes to and forming an integral part of the financial statements

for the year ended 31 December 2014

## 1.13 Trade and other payables

These amounts represent liabilities for goods and services provided to the University prior to the end of the financial year, which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

## 1.14 Borrowings

(Refer Note 26)

Bank loans, debenture loans and commercial bills are carried at their principal amount, and are secured by a charge on the University's revenue. Interest expense is accrued at the contracted rate and included in Trade and other payables.

Medical Centre Developments Pty Ltd bonds are carried at their principal amount. Current Liabilities due within 12 months are carried at their nominal value. Bond commitments are disclosed at their gross (nominal) value in Note 26.

Borrowings are classified as current liabilities unless the University has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date and does not expect to settle the liability for at least 12 months after the balance sheet date.

## 1.15 Borrowing costs

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

## 1.16 Employee benefits and provisions

### (a) 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 12 months after the end of the reporting period, and is recognised in other payables. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates payable.

### (b) Other long-term obligations

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.

### (c) 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 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.

## 1.17 Unfunded superannuation

(Refer Note 35)

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

Accordingly, the unfunded liabilities have been recognised in the Balance Sheet under Employee Benefits and provisions with a corresponding asset recognised under Trade and Other Receivables. The recognition of both the asset and the liability consequently does not affect the year end net asset position of the University and its controlled entities.

AASB 119 (Employee Benefits) requires that the estimated present value of superannuation obligations recognised in the financial statements should be determined as at balance date. These financial statements recognise the estimated superannuation obligations in respect of the State Superannuation Fund using an actuarial estimate as at 30 June 2014. As there is no net impact on the balance sheet or income statement from these superannuation obligations (due to recognition of a corresponding receivable), the costs of providing an actuarial assessment at balance date (31 December 2014) outweigh the benefits. The University has therefore elected not to obtain an estimate of its superannuation obligations as at balance date. Consequently superannuation obligations (and corresponding receivable) are stated in the financial report based on estimates prepared six months in arrears.

# Notes to and forming an integral part of the financial statements

for the year ended 31 December 2014

## 1.18 Leases

(Refer Note 34.1)

Leases of property, plant and equipment where the University, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the lower of the fair value of the leased property and the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other short-term and long-term payables. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases are depreciated over the shorter of the asset's useful life and the lease term.

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases (note 34). Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

## 1.19 Income tax

The University and its controlled entities are exempt from income tax in accordance with the provisions of Section 50-55 of the *Income Tax Assessment Act*. In 2013 Medical Centre Developments Pty. Ltd. (MCD) obtained an exemption from the imposition of Income Tax on its profits under section 50-55 of the *Income Tax Assessment Act 1997*, as amended. Therefore the University within the 2013 and 2014 accounts, tax accounting has not been applied in accordance with AASB 112 "Income Taxes".

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of 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 or substantively enacted at the time. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses, only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Current and deferred tax balances attributable to amounts recognised outside profit and loss are also recognised directly in equity.

## 1.20 Goods and Services Tax (GST)

The University is registered for, and accounts for, GST on an accrual monthly basis. Revenues, expenses, assets and liabilities are recognised net of GST amounts, with the exception of receivables and payables, which are inclusive of GST. The net amount of GST receivable from or payable to the Australian Tax Office at balance date is recognised in the balance sheet as a current asset within Trade and Other Receivables, or current liabilities within Trade and Other Payables.

## 1.21 Foreign currency translation

### (a) Functional and presentation currency

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

### (b) Transactions and balances

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

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

## 1.22 Comparative amounts

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

## 1.23 Rounding of amounts

The University satisfies the requirements of Part 4.2(d) of the Directions of the Minister for Finance that accompany the *Financial Management Act 1994* and accordingly amounts in the financial statements have been rounded to the nearest thousand dollars (000's).

# Notes to and forming an integral part of the financial statements

for the year ended 31 December 2014

## 1.24 New accounting standards and interpretations

Certain new Accounting Standards and Interpretations have been published that are not mandatory for 31 December 2014 reporting periods. La Trobe University's assessment of the impact of these new Standards and Interpretations is set out below:

Standard Name	Effective date for entity	Requirements	Impact
AASB 9 Financial Instruments and amending standards AASB 2010-7	1 Jan 2018	This amends relevant standards due to the amendment to AASB 9.	There is no impact to adopting the amendments of AASB 9 as these have been editorial and reference changes.
2014-1 Amendments to Australian Accounting Standards.	Various	<p>Part A of 2014-1 amends various standards as a result of the annual improvements process:</p> <p>Part B of AASB 2014-1 makes amendments to AASB 119 Employee Benefits in relation to the requirements for contributions from employees or third parties that are linked to service.</p> <p>Part C of AASB 2014-1 makes amendments to particular Australian Accounting Standards to delete their references to AASB 1031.</p> <p>Part D of AASB 2014-1 makes amendments to AASB 1 First-time Adoption of Australian Accounting Standards, which arise from the issuance of AASB 14 Regulatory Deferral Accounts in June 2014.</p> <p>Part E of AASB 2014-1 makes amendments to defer the mandatory application date of AASB 9 to annual reporting periods beginning on or after 1 January 2018.</p>	There is no impact to adopting the amendments of the various standards outlined in the 2014-1 revisions.
2014-3 Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations.	1 Jan 2016 (early adoption permitted)	This Standard amends AASB 11 to provide guidance on the accounting for acquisitions of interests in joint operations in which the activity constitutes a business.	There is no impact to adopting the amendments of AASB 11 as these have been editorial and reference changes.
2014-4 Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation.	1 Jan 2016 (early adoption permitted)	This Standard amends AASB 116 and AASB 138 to establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset, and to clarify that revenue is generally presumed to be an inappropriate basis for that purpose.	There is no impact to adopting the amendments of AASB 116 and AASB 138.



# Notes to and forming an integral part of the financial statements

for the year ended 31 December 2014

## 2 AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE INCLUDING HECS-HELP AND OTHER AUSTRALIAN GOVERNMENT LOANS

### 2.1 Commonwealth Grants Scheme and other grants

	Note	CONSOLIDATED		LATROBE UNIVERSITY	
		2014 \$000's	2013 \$000's	2014 \$000's	2013 \$000's
Commonwealth Grants Scheme		197,264	188,899	197,264	188,899
Indigenous Support Program		583	659	583	659
Partnership and Participation Program		6,621	4,463	6,621	4,463
Disability Support Program		418	379	418	379
Promotion of Excellence in Learning and Teaching		195	193	195	193
Australian Maths and Science Partnership Program		381	649	381	649
Other		4,823	5,254	4,823	5,254
<b>Total Commonwealth Grants Scheme and other grants</b>	42.1	<b>210,285</b>	<b>200,496</b>	<b>210,285</b>	<b>200,496</b>

### 2.2 Higher education loan programs

HELP payments		141,780	131,092	141,780	131,092
FEE - HELP payments		13,100	11,239	13,100	11,239
SA - HELP payments		3,509	3,260	3,509	3,260
<b>Total higher education loan programs</b>	42.2	<b>158,389</b>	<b>145,591</b>	<b>158,389</b>	<b>145,591</b>

### 2.3 Scholarships

Australian postgraduate awards		5,050	4,680	5,050	4,680
International postgraduate research scholarships		389	383	389	383
Commonwealth education costs scholarship		65	2	65	2
Commonwealth accommodation scholarships		50	89	50	89
Indigenous access scholarships		61	56	61	56
<b>Total scholarships</b>	42.3	<b>5,615</b>	<b>5,210</b>	<b>5,615</b>	<b>5,210</b>

### 2.4 Education research

Joint research engagement program		6,697	6,051	6,697	6,051
Research training scheme		11,166	11,154	11,166	11,154
JRE engineering cadetships		56	26	56	26
Research infrastructure block grants		2,058	2,114	2,058	2,114
Sustainable research excellence in universities		1,607	1,685	1,607	1,685
<b>Total education research</b>	42.4	<b>21,584</b>	<b>21,030</b>	<b>21,584</b>	<b>21,030</b>

### 2.5 Other capital funding

Other capital funding		2,388	50	2,388	50
<b>Total other capital funding</b>	42.5	<b>2,388</b>	<b>50</b>	<b>2,388</b>	<b>50</b>

# Notes to and forming an integral part of the financial statements

for the year ended 31 December 2014

## 2.6 Australian Research Council

	Note	CONSOLIDATED		LA TROBE UNIVERSITY	
		2014 \$000's	2013 \$000's	2014 \$000's	2013 \$000's
<b>(i) DISCOVERY</b>					
Discovery - Projects	42.6	4,443	3,908	4,443	3,908
Discovery - Fellowships	42.6	3,175	2,077	3,175	2,077
<b>Total discovery</b>		<b>7,618</b>	<b>5,985</b>	<b>7,618</b>	<b>5,985</b>
<b>(ii) LINKAGES</b>					
Linkages - Infrastructure	42.6	-	150	-	150
Linkages - Projects	42.6	870	1,154	870	1,154
<b>Total linkages</b>		<b>870</b>	<b>1,304</b>	<b>870</b>	<b>1,304</b>
<b>Total ARC</b>		<b>8,488</b>	<b>7,289</b>	<b>8,488</b>	<b>7,289</b>

## 2.7 Other Australian Government financial assistance

<b>Non-capital</b>					
Other Australian Government financial assistance		971	4,328	971	4,328
<b>Total other Australian Government financial assistance</b>		<b>971</b>	<b>4,328</b>	<b>971</b>	<b>4,328</b>
<b>Total Australian Government financial assistance</b>		<b>407,720</b>	<b>383,994</b>	<b>407,720</b>	<b>383,994</b>
<b>RECONCILIATION</b>					
Australian Government grants		249,331	238,403	249,331	238,403
HELP payments		141,780	131,092	141,780	131,092
FEE - HELP payments		13,100	11,239	13,100	11,239
SA - HELP payments		3,509	3,260	3,509	3,260
<b>Total Australian Government financial assistance</b>		<b>407,720</b>	<b>383,994</b>	<b>407,720</b>	<b>383,994</b>
<b>AUSTRALIAN GOVERNMENT GRANTS RECEIVED - CASH BASIS</b>					
CGS and other educational grants	42.1	209,902	203,987	209,902	203,987
Higher education loan programmes (exc. OS-HELP)*	42.2	158,953	146,118	158,953	146,118
Scholarships	42.3	5,575	5,020	5,575	5,020
Education research	42.4	21,584	21,030	21,584	21,030
Other capital funding		2,388	50	2,388	50
ARC grants - Discovery	42.6	7,618	5,981	7,618	5,981
ARC grants - Linkages	42.6	963	1,304	963	1,304
<b>Total Australian Government grants received - Cash basis</b>		<b>406,983</b>	<b>383,490</b>	<b>406,983</b>	<b>383,490</b>
OS - Help (Net)	42.7	4,845	2,299	4,845	2,299
<b>Total Australian Government funding received - Cash basis</b>		<b>411,828</b>	<b>385,789</b>	<b>411,828</b>	<b>385,789</b>

\*OS-Help is held in trust for students and is not revenue for the University.

# Notes to and forming an integral part of the financial statements

for the year ended 31 December 2014

## 3 STATE AND LOCAL GOVERNMENT FINANCIAL ASSISTANCE

	CONSOLIDATED		LATROBE UNIVERSITY	
	2014 \$000's	2013 \$000's	2014 \$000's	2013 \$000's
State and local government financial assistance	5,403	5,045	5,403	5,045
<b>Total State and local government financial assistance</b>	<b>5,403</b>	<b>5,045</b>	<b>5,403</b>	<b>5,045</b>

## 4 FEES AND CHARGES

<b>COURSE FEES AND CHARGES</b>				
Fee-paying offshore overseas students	112,087	102,318	112,087	102,318
Continuing education	1,413	1,795	1,413	1,795
Fee-paying domestic postgraduate students	5,653	4,045	5,653	4,045
Fee-paying domestic undergraduate students	52	108	52	108
Course and conference fees	1,064	387	1,064	387
<b>Total course fees and charges</b>	<b>120,269</b>	<b>108,653</b>	<b>120,269</b>	<b>108,653</b>
<b>OTHER FEES AND CHARGES</b>				
Other services	6,730	8,545	6,730	8,545
General service fees	4,082	3,886	4,082	3,886
<b>Total other fees and charges</b>	<b>10,812</b>	<b>12,431</b>	<b>10,812</b>	<b>12,431</b>
<b>Total fees and charges</b>	<b>131,081</b>	<b>121,084</b>	<b>131,081</b>	<b>121,084</b>

## 5 INVESTMENT INCOME

<b>FINANCIAL ASSETS AT FAIR VALUE</b>				
Investment income	3,585	1,603	3,585	1,603
Realised loss on investment	(544)	(341)	(544)	(341)
Unrealised gain on investment	377	409	377	409
Interest received – Other	5,159	6,626	5,040	6,521
Dividends	186	1,185	186	3,714
<b>Total investment income</b>	<b>8,763</b>	<b>9,482</b>	<b>8,644</b>	<b>11,906</b>

## 6 CONSULTANCY AND CONTRACT RESEARCH

Consultancy	22,285	19,512	22,285	19,512
Contract research	31,945	30,057	31,945	30,057
<b>Total consultancy and contract research</b>	<b>54,230</b>	<b>49,569</b>	<b>54,230</b>	<b>49,569</b>

## 7 OTHER REVENUE

Sale of goods	4,519	4,380	4,519	4,380
Other trading revenue	7,926	9,124	7,926	9,124
<b>Total trading revenue</b>	<b>12,445</b>	<b>13,504</b>	<b>12,445</b>	<b>13,504</b>
Accommodation revenue	22,006	21,846	20,517	22,259
Donations and bequests	1,757	1,747	1,757	1,747
Scholarships and prizes	1,067	639	1,067	639
Other revenue	17,091	11,294	17,015	11,289
<b>Total other revenue</b>	<b>54,366</b>	<b>49,030</b>	<b>52,801</b>	<b>49,438</b>

# Notes to and forming an integral part of the financial statements

for the year ended 31 December 2014

## 8 EMPLOYEE RELATED EXPENSES

	CONSOLIDATED		LATROBE UNIVERSITY	
	2014 \$000's	2013 \$000's	2014 \$000's	2013 \$000's
<b>ACADEMIC</b>				
Salaries	136,598	137,868	136,598	137,868
Contributions to superannuation and pension schemes:				
Contributions to unfunded schemes	2,491	2,840	2,491	2,840
Contributions to funded schemes	22,163	21,906	22,163	21,906
Payroll tax	8,732	8,608	8,732	8,608
Worker's compensation	573	956	573	956
Long service leave expense	14,999	4,927	14,999	4,927
Annual leave	(2,171)	(3,125)	(2,171)	(3,125)
Allowances	4,291	4,494	4,291	4,494
Other	1,301	1,304	1,301	1,304
Termination benefits	20,704	2,630	20,704	2,630
<b>Total academic</b>	<b>209,681</b>	<b>182,408</b>	<b>209,681</b>	<b>182,408</b>
<b>NON-ACADEMIC</b>				
Salaries	130,951	121,953	130,951	121,953
Contributions to superannuation and pension schemes:				
Contributions to unfunded schemes	2,530	2,617	2,530	2,617
Contributions to funded schemes	20,066	19,687	20,066	19,687
Payroll tax	7,681	7,343	7,681	7,343
Worker's compensation	432	804	432	804
Long service leave expense	5,768	4,725	5,768	4,725
Annual leave	(4,800)	(3,752)	(4,800)	(3,752)
Allowances	2,650	3,554	2,650	3,554
Other	1,556	1,909	1,556	1,909
Termination benefits	16,435	6,014	16,435	6,014
<b>Total non-academic</b>	<b>183,269</b>	<b>164,854</b>	<b>183,269</b>	<b>164,854</b>
<b>Total employee related expenses</b>	<b>392,950</b>	<b>347,262</b>	<b>392,950</b>	<b>347,262</b>
Deferred superannuation expense	(737)	(30,673)	(737)	(30,673)
<b>Total employee related expenses, including deferred government employee benefits for superannuation</b>	<b>392,213</b>	<b>316,589</b>	<b>392,213</b>	<b>316,589</b>

## 9 BUILDINGS AND GROUNDS

Occupancy expenses	33,956	29,267	36,342	34,246
Materials and equipment	7,753	8,026	7,753	8,026
Operating rental lease expense	3,284	4,471	3,284	4,471
<b>Total buildings and grounds</b>	<b>44,993</b>	<b>41,764</b>	<b>47,379</b>	<b>46,743</b>

## 10 REPAIRS AND MAINTENANCE

Repairs and maintenance	10,527	10,778	10,527	10,778
<b>Total repairs and maintenance</b>	<b>10,527</b>	<b>10,778</b>	<b>10,527</b>	<b>10,778</b>

# Notes to and forming an integral part of the financial statements

for the year ended 31 December 2014

## II DEPRECIATION AND AMORTISATION

	CONSOLIDATED		LATROBE UNIVERSITY	
	2014 \$000's	2013 \$000's	2014 \$000's	2013 \$000's
<b>DEPRECIATION</b>				
Buildings	12,648	11,856	12,364	11,571
Leasehold improvements	975	988	975	988
Infrastructure	2,087	1,012	2,087	1,012
Plant and equipment	9,218	7,873	9,218	7,873
Furniture, fixtures and office equipment	2,031	1,577	2,031	1,577
Motor vehicles	623	682	623	682
Computer hardware	11,204	9,085	11,204	9,085
Library collection	5,216	4,781	5,216	4,781
<b>Total depreciation</b>	<b>44,002</b>	<b>37,854</b>	<b>43,718</b>	<b>37,569</b>
<b>AMORTISATION</b>				
Amortisation of intangible assets	7,556	6,736	7,556	6,736
Amortisation of deferred expenses	239	211	239	211
Amortisation expense-finance lease asset	2,996	1,550	2,996	1,550
<b>Total amortisation</b>	<b>10,791</b>	<b>8,497</b>	<b>10,791</b>	<b>8,497</b>
<b>Total depreciation and amortisation</b>	<b>54,793</b>	<b>46,351</b>	<b>54,509</b>	<b>46,066</b>

## I2 BAD AND IMPAIRED DEBTS

Doubtful debts	776	30	776	30
Bad debts	30	153	30	153
<b>Total bad and impaired debts</b>	<b>806</b>	<b>183</b>	<b>806</b>	<b>183</b>

## I3 OTHER EXPENSES

Advertising	6,870	7,890	6,870	7,890
Catering expenses	1,497	1,674	1,497	1,674
Computer expenses	13,133	10,886	13,133	10,886
Telecommunications	3,401	3,708	3,401	3,708
Non-capitalised equipment	2,318	2,446	2,318	2,446
Scholarships, grants and prizes	30,461	26,539	30,461	26,539
Impairment loss	-	16	-	16
Research participant payments	5,491	271	5,491	271
Examiner fees	252	276	252	276
Student amenities	620	456	620	456
Miscellaneous expenses	2,299	6,325	2,241	6,198
Motor vehicle expenses	832	819	832	819
Postage	951	1,274	951	1,274
Printing and stationery	947	1,138	947	1,138
<b>Total other expenses</b>	<b>69,072</b>	<b>63,718</b>	<b>69,014</b>	<b>63,591</b>

# Notes to and forming an integral part of the financial statements

for the year ended 31 December 2014

## 14 BORROWING COSTS

	CONSOLIDATED		LATROBE UNIVERSITY	
	2014 \$000's	2013 \$000's	2014 \$000's	2013 \$000's
Interest expense	4,575	2,525	4,528	2,078
Interest expense-finance lease	4,127	4,645	4,127	4,645
<b>Total borrowing costs expensed</b>	<b>8,702</b>	<b>7,170</b>	<b>8,655</b>	<b>6,723</b>

## 15 INCOME TAX EXPENSE/(BENEFIT)

	CONSOLIDATED		LATROBE UNIVERSITY	
	2014 \$000's	2013 \$000's	2014 \$000's	2013 \$000's
Under-provision in respect of prior years	-	74	-	-
Income tax received	(1,167)	-	-	-
Foreign income tax or withholding tax - recognised in current tax for prior periods	(142)	-	(142)	-
Deferred tax write off	-	(977)	-	-
<b>Total income tax benefit</b>	<b>(1,309)</b>	<b>(903)</b>	<b>(142)</b>	<b>-</b>

The University has no income tax expense or prima facie tax payable to disclose.

## 16 SALE OF ASSETS

	CONSOLIDATED		LATROBE UNIVERSITY	
	2014 \$000's	2013 \$000's	2014 \$000's	2013 \$000's
Proceeds from sale	2,122	1,095	2,122	1,095
Less carrying amount of assets sold	(2,598)	(1,707)	(2,598)	(1,707)
<b>Total loss on sale of assets</b>	<b>(476)</b>	<b>(612)</b>	<b>(476)</b>	<b>(612)</b>

## 17 REMUNERATION OF AUDITORS

During the year, the following fees were paid for services provided by the auditor of the University, its related practices and non-related audit firms:

	CONSOLIDATED		LATROBE UNIVERSITY	
	2014 \$000's	2013 \$000's	2014 \$000's	2013 \$000's
<b>AUDIT AND REVIEW OF THE FINANCIAL STATEMENTS</b>				
Fee paid to Victorian Auditor General's Office	147	161	143	150
<b>Total paid for audit and review</b>	<b>147</b>	<b>161</b>	<b>143</b>	<b>150</b>
<b>OTHER AUDIT AND ASSURANCE SERVICES</b>				
Fees paid to other auditors	10	17	10	17
<b>Total paid for audit and assurance</b>	<b>10</b>	<b>17</b>	<b>10</b>	<b>17</b>

# Notes to and forming an integral part of the financial statements

for the year ended 31 December 2014

## 18 TRADE AND OTHER RECEIVABLES

	Note	CONSOLIDATED		LA TROBE UNIVERSITY	
		2014 \$000's	2013 \$000's	2014 \$000's	2013 \$000's
<b>CURRENT</b>					
Trade receivables		12,117	8,629	22,238	21,136
Deferred Government contribution for superannuation	35.3	5,121	3,000	5,121	3,000
GST receivable		2,194	2,756	2,194	2,756
Less provision for doubtful debts		(799)	(180)	(799)	(180)
<b>Total current receivables</b>		<b>18,633</b>	<b>14,205</b>	<b>28,754</b>	<b>26,712</b>
<b>NON-CURRENT</b>					
Trade receivables		1,517	1,486	1,517	1,486
Deferred government contributions for superannuation	35.3	68,512	71,370	68,512	71,370
<b>Total non-current receivables</b>		<b>70,029</b>	<b>72,856</b>	<b>70,029</b>	<b>72,856</b>
<b>Total trade and other receivables</b>		<b>88,662</b>	<b>87,061</b>	<b>98,783</b>	<b>99,568</b>

### IMPAIRED RECEIVABLES

As at 31 December 2014 current receivables of the University with a nominal value of \$799,000 (2013: \$180,000) were deemed to be impaired and provided for as doubtful debts. The individually impaired receivables relate to debts from students who are no longer enrolled, are in unexpected difficult economic situations and have been outstanding for greater than 12 months. The ageing of the receivables is as follows:

	2014 \$000's	2013 \$000's	2014 \$000's	2013 \$000's
<b>CURRENT RECEIVABLES</b>				
Provision for doubtful debts	799	180	799	180
	<b>799</b>	<b>180</b>	<b>799</b>	<b>180</b>

As at 31 December 2014 trade receivables of \$1,969,818 (2013: \$2,759,082) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these receivables is as follows:

	2014 \$000's	2013 \$000's	2014 \$000's	2013 \$000's
<b>TRADE RECEIVABLES</b>				
Between 15 to 90 days	2,262	2,654	2,262	2,654
Between 91 to 180	581	80	581	80
Over 181 days	901	25	901	25
	<b>3,744</b>	<b>2,759</b>	<b>3,744</b>	<b>2,759</b>

Movements in the provision for impaired receivables are as follows:

	2014 \$000's	2013 \$000's	2014 \$000's	2013 \$000's
At 1 January	180	154	180	154
Provision for impairment recognised during the year	671	263	671	263
Receivables written off during the year as uncollectible	(30)	(215)	(30)	(215)
Debt paid	(22)	(22)	(22)	(22)
	<b>799</b>	<b>180</b>	<b>799</b>	<b>180</b>

The movement in the provision for impaired receivables has been included in 'bad and impaired debts' in the income statement. Amounts charged to the provision account are generally written off when there is no expectation of recovering additional cash. The other amounts within receivables do not contain impaired assets and are not past due. Based on credit history, it is expected that these amounts will be received when due.

# Notes to and forming an integral part of the financial statements

for the year ended 31 December 2014

## 19 OTHER FINANCIAL ASSETS AT FAIR VALUE

### 19.1 Other financial assets – current

	CONSOLIDATED		LATROBE UNIVERSITY	
	2014 \$000's	2013 \$000's	2014 \$000's	2013 \$000's
<b>CURRENT</b>				
Deposits*	48,643	40,047	48,643	40,047
Debentures	1,399	1,416	1,399	1,416
Units in trusts	1,024	983	1,024	983
Listed shares	1,465	1,556	1,465	1,556
<b>Total current other financial assets</b>	<b>52,531</b>	<b>44,002</b>	<b>52,531</b>	<b>44,002</b>
<b>MOVEMENT OF CURRENT OTHER FINANCIAL ASSETS</b>				
Opening net book value	44,002	60,464	44,002	60,464
Additions*	48,643	40,905	48,643	40,905
Disposals and redemptions*	(40,069)	(57,580)	(40,069)	(57,580)
Capital losses	(8)	(196)	(8)	(196)
Unrealised gains/(losses)	(37)	409	(37)	409
<b>Closing net book value</b>	<b>52,531</b>	<b>44,002</b>	<b>52,531</b>	<b>44,002</b>

\*Consists of term deposits with a term of greater than 90 days.

### 19.2 Other financial assets – Non-current

	CONSOLIDATED		LATROBE UNIVERSITY	
	2014 \$000's	2013 \$000's	2014 \$000's	2013 \$000's
<b>NON-CURRENT</b>				
Shares at cost	4,774	4,866	4,774	4,866
Shares at fair value	316	-	316	-
Available-for-sale financial assets at fair value^	38,614	35,741	38,614	35,741
<b>Total non-current other financial assets</b>	<b>43,704</b>	<b>40,607</b>	<b>43,704</b>	<b>40,607</b>
<b>MOVEMENT OF NON-CURRENT OTHER FINANCIAL ASSETS</b>				
Opening net book value	40,607	35,504	40,607	35,504
Additions	4	-	4	-
Disposals	-	(275)	-	(275)
Income	3,585	1,602	3,585	1,602
Realised gains/(losses)	(536)	127	(536)	127
Unrealised gains/(losses)	44	3,649	44	3,649
<b>Closing net book value</b>	<b>43,704</b>	<b>40,607</b>	<b>43,704</b>	<b>40,607</b>

^ Available-for-sale financial assets comprise long-term managed funds.

## 20 INVENTORIES

	CONSOLIDATED		LATROBE UNIVERSITY	
	2014 \$000's	2013 \$000's	2014 \$000's	2013 \$000's
<b>CURRENT</b>				
Commercial and trading activities	833	735	833	735
<b>Total inventories</b>	<b>833</b>	<b>735</b>	<b>833</b>	<b>735</b>



# Notes to and forming an integral part of the financial statements

for the year ended 31 December 2014

## 21 NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

	CONSOLIDATED		LA TROBE UNIVERSITY	
	2014 \$000's	2013 \$000's	2014 \$000's	2013 \$000's
Land	-	3,330	-	3,330
<b>Total non-current assets classified held for sale</b>	<b>-</b>	<b>3,330</b>	<b>-</b>	<b>3,330</b>
<b>RECONCILIATION OF NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE</b>				
Opening value	3,330	3,830	3,330	3,830
Carrying value of assets sold	(1,500)	(500)	(1,500)	(500)
Transferred to property, plant and equipment	(1,830)	-	(1,830)	-
<b>Closing value</b>	<b>-</b>	<b>3,330</b>	<b>-</b>	<b>3,330</b>

## 22 PROPERTY, PLANT AND EQUIPMENT

	CONSOLIDATED		LA TROBE UNIVERSITY	
	2014 \$000's	2013 \$000's	2014 \$000's	2013 \$000's
<b>FREEHOLD LAND</b>				
At valuation	298,707	264,855	298,707	264,855
	298,707	264,855	298,707	264,855
<b>BUILDINGS</b>				
At valuation	480,060	480,060	465,850	465,850
At cost	98,368	61,786	98,368	61,786
Accumulated depreciation	(24,926)	(12,278)	(24,358)	(11,994)
	553,502	529,568	539,860	515,642
<b>WORK IN PROGRESS</b>				
At cost	50,268	78,879	50,268	78,879
	50,268	78,879	50,268	78,879
<b>BUILDINGS-LEASEHOLD IMPROVEMENTS</b>				
At cost	27,118	27,118	27,118	27,118
Accumulated amortisation	(3,911)	(2,936)	(3,911)	(2,936)
	23,207	24,182	23,207	24,182
<b>INFRASTRUCTURE</b>				
At fair value	29,023	29,023	29,023	29,023
At cost	44,405	24,043	44,405	24,043
Accumulated depreciation	(3,099)	(1,012)	(3,099)	(1,012)
	70,329	52,054	70,329	52,054
<b>PLANT AND EQUIPMENT</b>				
At cost	117,384	112,622	117,384	112,622
Accumulated depreciation	(53,556)	(48,635)	(53,556)	(48,635)
	63,828	63,987	63,828	63,987
<b>FURNITURE, FIXTURES AND OFFICE EQUIPMENT</b>				
At cost	21,880	17,985	21,880	17,985
Accumulated depreciation	(5,380)	(3,545)	(5,380)	(3,545)
	16,500	14,440	16,500	14,440

# Notes to and forming an integral part of the financial statements

for the year ended 31 December 2014

	CONSOLIDATED		LATROBE UNIVERSITY	
	2014 \$000's	2013 \$000's	2014 \$000's	2013 \$000's
<b>MOTOR VEHICLES</b>				
At cost	5,157	5,361	5,157	5,361
Accumulated depreciation	(2,011)	(1,932)	(2,011)	(1,932)
	3,146	3,429	3,146	3,429
<b>COMPUTER HARDWARE</b>				
At cost	42,969	40,431	42,969	40,431
Accumulated depreciation	(29,785)	(24,978)	(29,785)	(24,978)
	13,184	15,453	13,184	15,453
<b>LIBRARY COLLECTION</b>				
At cost	175,590	165,723	175,590	165,723
Accumulated depreciation	(141,517)	(136,301)	(141,517)	(136,301)
	34,073	29,422	34,073	29,422
<b>LEASED BUILDINGS</b>				
At cost	64,404	71,990	64,404	71,990
Accumulated depreciation	(5,830)	(2,835)	(5,830)	(2,835)
	58,574	69,155	58,574	69,155
<b>WORKS OF ART</b>				
At cost	14,049	13,960	14,049	13,960
	14,049	13,960	14,049	13,960
<b>Total property, plant and equipment at cost and valuation</b>	<b>1,199,367</b>	<b>1,159,384</b>	<b>1,185,725</b>	<b>1,145,458</b>

Land, Buildings and infrastructure were independently valued by the Valuer-General as at 31 December 2012 and the University have scheduled to undertake these market valuations every three years. During the intermitting years the University complies with the process as outlined in FRD103E Non-Financial Physical Assets and undertakes a managerial review of the movement of land and buildings based on indices as published by the Valuer-General. The application of the indices as at December 2014 have reported an increase of 11.8% (\$31.63million) to land, which has been reflected as a movement via the asset revaluation reserve. Works of art were independently valued as at 31 December 2011 by specialised valuers for each type of work.

# Notes to and forming an integral part of the financial statements

for the year ended 31 December 2014

## 22.1 Property, plant and equipment – movements table

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

	Land \$000's	Buildings \$000's	Plant and equipment \$000's	Motor vehicles \$000's	Furniture, fixtures and office equipment \$000's	Computer hardware \$000's	Buildings – leasehold improvements \$000's	Leased buildings \$000's	Works of art \$000's	Library collection \$000's	Works in progress \$000's	Infrastructure \$000's	Total \$000's
<b>CONSOLIDATED</b>													
<b>Year ended 31 December 2014</b>													
Balance at the beginning of year	264,855	529,568	63,987	3,429	14,440	15,453	24,182	69,155	13,960	29,422	78,879	52,054	1,159,384
Additions	-	6,509	6,227	617	1,352	1,888	-	-	89	9,867	33,703	5,685	65,937
Disposals – written down value	-	-	(210)	(277)	(28)	(582)	-	-	-	-	-	-	(1,097)
Transfers within PPE	386	30,073	3,042	-	2,767	7,629	-	-	-	-	(58,574)	14,677	-
Transfers to intangibles	-	-	-	-	-	-	-	-	-	-	(3,740)	-	(3,740)
Transfers from assets held for sale	1,835	-	-	-	-	-	-	-	-	-	-	-	1,835
Agribio Restatement	-	-	-	-	-	-	-	(7,585)	-	-	-	-	(7,585)
Revaluation increase/(decrease)	31,631	-	-	-	-	-	-	-	-	-	-	-	31,631
Depreciation expense	-	(12,648)	(9,218)	(623)	(2,031)	(11,204)	(975)	(2,996)	-	(5,216)	-	(2,087)	(46,998)
<b>Closing net book amount</b>	<b>\$298,707</b>	<b>553,502</b>	<b>63,828</b>	<b>3,146</b>	<b>16,500</b>	<b>13,184</b>	<b>23,207</b>	<b>58,574</b>	<b>14,049</b>	<b>34,073</b>	<b>50,268</b>	<b>70,329</b>	<b>1,199,367</b>
<b>CONSOLIDATED</b>													
<b>Year ended 31 December 2013</b>													
Balance at the beginning of year	264,855	479,719	49,147	3,462	8,746	15,951	23,214	70,705	13,462	24,783	120,944	29,023	1,104,011
Additions	-	3,521	14,790	1,031	1,088	1,331	1,100	-	434	9,421	63,619	3,544	99,879
Disposals – written down value	-	-	(466)	(382)	(9)	(122)	-	-	-	-	-	-	(979)
Transfers	-	58,183	8,389	-	6,192	7,378	856	-	64	-	(105,684)	20,499	(4,123)
Revaluation increase/(decrease)	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation expense	-	(11,855)	(7,873)	(682)	(1,577)	(9,085)	(988)	(1,550)	-	(4,782)	-	(1,012)	(39,404)
<b>Closing net book amount</b>	<b>\$264,855</b>	<b>529,568</b>	<b>63,987</b>	<b>3,429</b>	<b>14,440</b>	<b>15,453</b>	<b>24,182</b>	<b>69,155</b>	<b>13,960</b>	<b>29,422</b>	<b>78,879</b>	<b>52,054</b>	<b>1,159,384</b>

# Notes to and forming an integral part of the financial statements

for the year ended 31 December 2014

	Land \$000's	Buildings \$000's	Plant and equipment \$000's	Motor vehicles \$000's	Furniture, fixtures and office equipment \$000's	Computer hardware \$000's	Buildings – leasehold improvements \$000's	Leased buildings \$000's	Works of art \$000's	Library collection \$000's	Works in progress \$000's	Infrastructure \$000's	Total \$000's
<b>LA TROBE UNIVERSITY</b>													
<b>Year ended 31 December 2014</b>													
Balance at the beginning of year	264,855	515,642	63,987	3,429	14,440	15,453	24,182	69,155	13,960	29,422	78,879	52,054	1,145,458
Additions	-	6,509	6,227	617	1,352	1,888	-	-	89	9,867	33,703	5,685	65,937
Disposals - written down value	-	-	(210)	(277)	(28)	(582)	-	-	-	-	-	-	(1,097)
Transfers within PPE	386	30,073	3,042	-	2,767	7,629	-	-	-	-	(58,574)	14,677	-
Transfers to intangibles	-	-	-	-	-	-	-	-	-	-	(3,740)	-	(3,740)
Transfers from assets held for sale	1,835	-	-	-	-	-	-	-	-	-	-	-	1,835
Agribio Restatement	-	-	-	-	-	-	-	(7,585)	-	-	-	-	(7,585)
Revaluation increase / (decrease)	31,631	-	-	-	-	-	-	-	-	-	-	-	31,631
Depreciation expense	-	(12,364)	(9,218)	(623)	(2,031)	(11,204)	(975)	(2,996)	-	(5,216)	-	(2,087)	(46,714)
<b>Closing net book amount</b>	<b>\$298,707</b>	<b>539,860</b>	<b>63,828</b>	<b>3,146</b>	<b>16,500</b>	<b>13,184</b>	<b>23,207</b>	<b>58,574</b>	<b>14,049</b>	<b>34,073</b>	<b>50,268</b>	<b>70,329</b>	<b>1,185,725</b>

	Land \$000's	Buildings \$000's	Plant and equipment \$000's	Motor vehicles \$000's	Furniture, fixtures and office equipment \$000's	Computer hardware \$000's	Buildings – leasehold improvements \$000's	Leased buildings \$000's	Works of art \$000's	Library collection \$000's	Works in progress \$000's	Infrastructure \$000's	Total \$000's
<b>LA TROBE UNIVERSITY</b>													
<b>Year ended 31 December 2013</b>													
Balance at the beginning of year	264,855	465,509	49,147	3,462	8,746	15,951	23,214	70,705	13,462	24,783	120,944	29,023	1,089,801
Additions	-	3,521	14,790	1,031	1,088	1,331	1,100	-	434	9,421	63,619	3,544	99,879
Disposals - written down value	-	-	(466)	(382)	(9)	(122)	-	-	-	-	-	-	(979)
Transfers	-	58,183	8,389	-	6,192	7,378	856	-	64	-	(105,684)	20,499	(4,123)
Revaluation increase/ (decrease)	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation expense	-	(11,571)	(7,873)	(682)	(1,577)	(9,085)	(988)	(1,550)	-	(4,782)	-	(1,012)	(39,120)
<b>Closing net book amount</b>	<b>\$264,855</b>	<b>515,642</b>	<b>63,987</b>	<b>3,429</b>	<b>14,440</b>	<b>15,453</b>	<b>24,182</b>	<b>69,155</b>	<b>13,960</b>	<b>29,422</b>	<b>78,879</b>	<b>52,054</b>	<b>1,145,458</b>

# Notes to and forming an integral part of the financial statements

for the year ended 31 December 2014

## 23 INTANGIBLE ASSETS

	Note	CONSOLIDATED		LA TROBE UNIVERSITY	
		2014 \$000's	2013 \$000's	2014 \$000's	2013 \$000's
<b>COMPUTER SOFTWARE DEVELOPMENT</b>					
Cost	1.12	65,579	60,893	65,579	60,893
Accumulated amortisation and impairment		(35,098)	(27,542)	(35,098)	(27,542)
<b>Net carrying value</b>		<b>30,481</b>	<b>33,351</b>	<b>30,481</b>	<b>33,351</b>
<b>Total intangible assets</b>		<b>30,481</b>	<b>33,351</b>	<b>30,481</b>	<b>33,351</b>
<b>MOVEMENT OF INTANGIBLE ASSETS</b>					
Opening net book amount		33,351	35,077	33,351	35,077
Additions - Computer software development costs		946	5,242	946	5,242
Transfers		3,740	-	3,740	-
Disposals		-	(232)	-	(232)
Amortisation charge		(7,556)	(6,736)	(7,556)	(6,736)
<b>Closing net book amount</b>		<b>30,481</b>	<b>33,351</b>	<b>30,481</b>	<b>33,351</b>

## 24 OTHER NON-FINANCIAL ASSETS

<b>CURRENT</b>					
Prepayments		11,043	9,403	11,043	9,403
Property, plant and equipment in joint operations		217	-	217	-
<b>Total current other non-financial assets</b>		<b>11,260</b>	<b>9,403</b>	<b>11,260</b>	<b>9,403</b>
<b>NON-CURRENT</b>					
Prepaid licence fee - Sports facilities		-	244	-	244
Prepaid licence fee - Co-gen plant		399	399	399	399
Austin Health		2,000	2,000	2,000	2,000
<b>Total</b>		<b>2,399</b>	<b>2,643</b>	<b>2,399</b>	<b>2,643</b>
Less accumulated amortisation		(2,119)	(2,130)	(2,119)	(2,130)
<b>Total non-current other non-financial assets</b>		<b>280</b>	<b>513</b>	<b>280</b>	<b>513</b>
<b>Total other non-financial assets</b>		<b>11,540</b>	<b>9,916</b>	<b>11,540</b>	<b>9,916</b>

## 25 TRADE AND OTHER PAYABLES

<b>CURRENT</b>					
Trade creditors		15,174	20,171	15,169	20,160
Accrued expense		22,182	18,312	22,182	18,312
Salary related creditors		4,166	2,564	4,166	2,564
OS-HELP liability to Government		2,461	146	2,461	146
Government grants		1,565	773	1,565	773
Other payables		3,747	7,936	3,749	7,935
<b>Total current trade and other payables</b>		<b>49,295</b>	<b>49,902</b>	<b>49,292</b>	<b>49,890</b>
<b>Total trade and other payables</b>		<b>49,295</b>	<b>49,902</b>	<b>49,292</b>	<b>49,890</b>

# Notes to and forming an integral part of the financial statements

for the year ended 31 December 2014

## 26 BORROWINGS

	CONSOLIDATED		LATROBE UNIVERSITY	
	2014 \$000's	2013 \$000's	2014 \$000's	2013 \$000's
<b>CURRENT</b>				
Bank overdraft	57	-	57	-
Debenture loans	891	839	891	839
Commercial bills	2,955	3,297	2,955	3,297
Business market loan	1,080	2,280	1,080	2,280
Bonds	-	2,390	-	-
<b>Total current secured borrowings</b>	<b>4,983</b>	<b>8,806</b>	<b>4,983</b>	<b>6,416</b>
<b>NON-CURRENT</b>				
Lease liabilities	46,954	51,147	46,954	51,147
Debenture loans	4,450	5,341	4,450	5,341
Commercial bills	15,015	17,970	15,015	17,970
Business market loan	41,388	42,468	41,388	42,468
<b>Total non-current secured borrowings</b>	<b>107,807</b>	<b>116,926</b>	<b>107,807</b>	<b>116,926</b>
<b>Total borrowings</b>	<b>112,790</b>	<b>125,732</b>	<b>112,790</b>	<b>123,342</b>

- i) The lease liabilities are in relation to AgriBio joint venture. They are secured by the AgriBio building. Over the next five years, the loan will be interest only.
- ii) The debenture loans, business market loan and commercial bills have fixed interest rates and terms. They are secured by a charge over the University's revenue via a security trust deed.
- iii) The bonds were fixed-term, matured on 30 June 2014, they had a fixed interest rate and were secured by the assets of Medical Centre Developments Pty Ltd, including the Medical Centre building.

### 26.1 Assets pledged as security

The carrying amounts of assets pledged as security for current and non-current debenture loans and commercial bills are:

	CONSOLIDATED		LATROBE UNIVERSITY	
	2014 \$000's	2013 \$000's	2014 \$000's	2013 \$000's
Security trust deed	150,000	150,000	150,000	150,000
<b>CURRENT</b>				
<b>Floating charge</b>				
Cash and cash equivalents	5,182	4,833	-	-
<b>NON-CURRENT</b>				
<b>First mortgage</b>				
Buildings	13,642	13,926	-	-
<b>Total assets pledged as security</b>	<b>168,824</b>	<b>168,759</b>	<b>150,000</b>	<b>150,000</b>

# Notes to and forming an integral part of the financial statements

for the year ended 31 December 2014

## 27 EMPLOYEE BENEFITS AND PROVISIONS

	Note	CONSOLIDATED		LA TROBE UNIVERSITY	
		2014 \$000's	2013 \$000's	2014 \$000's	2013 \$000's
<b>CURRENT PROVISIONS EXPECTED TO BE SETTLED WITHIN 12 MONTHS</b>					
<b>Employee benefits</b>					
Deferred benefits for superannuation	35.3	5,121	3,000	5,121	3,000
Provision for termination benefits <sup>^</sup>		20,986	2,796	20,986	2,796
Annual leave		16,980	17,417	16,980	17,417
Long service leave <sup>*</sup>		7,723	3,587	7,723	3,587
<b>CURRENT PROVISIONS EXPECTED TO BE SETTLED AFTER MORE THAN 12 MONTHS</b>					
Annual leave		13,587	13,254	13,587	13,254
Long service leave		27,164	25,062	27,164	25,062
<b>Total current provisions</b>		<b>91,561</b>	<b>65,116</b>	<b>91,561</b>	<b>65,116</b>
<b>NON-CURRENT PROVISIONS</b>					
<b>Employee benefits</b>					
Long service leave		9,992	7,223	9,992	7,223
Deferred benefits for superannuation	35.3	68,512	71,370	68,512	71,370
<b>Total non-current provisions</b>		<b>78,504</b>	<b>78,593</b>	<b>78,504</b>	<b>78,593</b>
<b>Total provisions</b>		<b>170,065</b>	<b>143,709</b>	<b>170,065</b>	<b>143,709</b>

\* Long service leave discount rate applied is as advised by the Minister for Finance.

<sup>^</sup> The University has developed a *Future Ready: Strategic Plan 2013-2017* to enable revitalisation of research output, alignment of our staffing skills and expertise to our strategic requirements amongst many other initiatives. As part of building the staffing profile the University has established a non-recurring provision for termination benefits to be incurred in early 2015.

## 28 OTHER LIABILITIES

	Note	CONSOLIDATED		LA TROBE UNIVERSITY	
		2014 \$000's	2013 \$000's	2014 \$000's	2013 \$000's
<b>CURRENT</b>					
Fees and charges received in advance	1.3	16,241	4,827	16,241	4,827
Grants received in advance	1.3	1,870	4,387	1,870	4,387
Property lease revenue		63	63	63	63
Medical centre ground lease		297	297	297	297
Australian campus network (ACN)		-	900	-	900
Other		491	308	491	308
Bonds and deposits		331	1,067	331	1,067
<b>Total current other liabilities</b>		<b>19,293</b>	<b>11,849</b>	<b>19,293</b>	<b>11,849</b>
<b>NON-CURRENT</b>					
Property lease revenue		5,256	5,382	5,256	5,382
Medical centre ground lease		1,761	1,318	1,761	1,318
<b>Total non-current other liabilities</b>		<b>7,017</b>	<b>6,700</b>	<b>7,017</b>	<b>6,700</b>
<b>Total other liabilities</b>		<b>26,310</b>	<b>18,549</b>	<b>26,310</b>	<b>18,549</b>

# Notes to and forming an integral part of the financial statements

for the year ended 31 December 2014

## 29 RESERVES AND RETAINED SURPLUS

### 29.1 Reserves

	CONSOLIDATED		LA TROBE UNIVERSITY	
	2014 \$000's	2013 \$000's	2014 \$000's	2013 \$000's
Property, plant and equipment revaluation reserve	688,312	653,148	683,495	651,999
General reserve	7,017	7,118	7,017	7,118
Perpetual funds	2,006	1,893	2,007	1,893
Available-for-sale reserve	3,176	3,132	3,176	3,132
<b>Total reserves</b>	<b>700,511</b>	<b>665,291</b>	<b>695,695</b>	<b>664,142</b>

- (a) The Property, plant and equipment revaluation reserve was created to record the revaluation of assets controlled by the University prior to 1 January 1989. Subsequent revaluations have been recorded against this reserve.
- (b) The General reserve was established to provide a source of funds for future development. The purposes for which these funds are reserved for includes, but is not limited to: capital development, maintenance and asset acquisition and replacement programs.
- (c) Perpetual funds include trusts, endowments and bequests that must be held in perpetuity with only the income earned being available for expenditure consistent with the donor's intentions.
- (d) The Available-for-sale reserve was created to record the unrealised market movements of financial assets classified as available for sale.



# Notes to and forming an integral part of the financial statements

for the year ended 31 December 2014

## 29.2 Movements

	CONSOLIDATED		LATROBE UNIVERSITY	
	2014 \$000's	2013 \$000's	2014 \$000's	2013 \$000's
<b>FREEHOLD LAND</b>				
Freehold land as at 1 January	236,735	236,735	236,735	236,735
Revaluation increment	31,631	-	31,631	-
<b>Freehold land as at 31 December</b>	<b>268,366</b>	236,735	<b>268,366</b>	236,735
<b>BUILDINGS</b>				
Buildings as at 1 January	321,071	321,071	319,922	319,922
Transfers from retained surplus*	3,667	-	-	-
<b>Buildings as at 31 December</b>	<b>324,738</b>	321,071	<b>319,922</b>	319,922
<b>WORKS OF ART</b>				
Works of art as at 1 January	2,781	2,781	2,781	2,781
<b>Works of art as at 31 December</b>	<b>2,781</b>	2,781	<b>2,781</b>	2,781
<b>NON-CURRENT ASSETS HELD FOR SALE</b>				
Non-current assets held for sale as at 1 January	135	135	135	135
Transfers to retained surplus*	(135)	-	(135)	-
<b>Non-current assets held for sale as at 31 December</b>	<b>-</b>	135	<b>-</b>	135
<b>Other classes of assets as at 1 January</b>	<b>92,426</b>	92,426	<b>92,426</b>	92,426
<b>Other classes of assets as at 31 December</b>	<b>92,426</b>	92,426	<b>92,426</b>	92,426
<b>Balance as at 31 December</b>	<b>688,311</b>	653,148	<b>683,495</b>	651,999
<b>GENERAL RESERVES</b>				
Balance as at 1 January	7,118	7,098	7,118	7,098
Transfers from retained surplus*	15	60	15	60
Transfers to retained surplus*	(116)	(40)	(116)	(40)
<b>Balance as at 31 December</b>	<b>7,017</b>	7,118	<b>7,017</b>	7,118
<b>PERPETUAL FUNDS</b>				
Balance as at 1 January	1,893	1,893	1,893	1,893
Transfers from retained surplus*	114	-	114	-
<b>Balance as at 31 December</b>	<b>2,007</b>	1,893	<b>2,007</b>	1,893
<b>AVAILABLE-FOR-SALE RESERVES</b>				
Balance as at 1 January	3,132	(517)	3,132	(517)
Net movements in financial assets classified as available-for-sale	44	3,649	44	3,649
<b>Balance as at 31 December</b>	<b>3,176</b>	3,132	<b>3,176</b>	3,132
<b>Total reserves</b>	<b>700,511</b>	665,291	<b>695,695</b>	664,142

\* The transfers to/from retained surplus are in relation to reserves set aside for specific purposes that have been finalised.

## 29.3 Movements in retain surplus

Opening balance	437,916	392,595	435,214	392,087
Profit for the year	18,177	45,338	13,329	43,147
Transfers in	251	43	251	40
Transfers out	(3,796)	(60)	(129)	(60)
<b>Retained surplus at end of the financial year</b>	<b>452,548</b>	437,916	<b>448,665</b>	435,214

# Notes to and forming an integral part of the financial statements

for the year ended 31 December 2014

## 30 CASH AND CASH EQUIVALENTS

	CONSOLIDATED		LATROBE UNIVERSITY	
	2014 \$000's	2013 \$000's	2014 \$000's	2013 \$000's
Cash at bank and on hand	42,284	29,916	37,103	25,082
Short-term deposits	42,117	32,797	42,117	32,797
<b>Total cash and cash equivalent</b>	<b>84,401</b>	<b>62,713</b>	<b>79,220</b>	<b>57,879</b>

### 30.1 Reconciliation to cash at the end of the year

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

Balances as above	84,401	62,713	79,220	57,879
Less bank overdrafts	(57)	-	(57)	-
<b>Balance as per cash flow statement</b>	<b>84,344</b>	<b>62,713</b>	<b>79,163</b>	<b>57,879</b>

### 30.2 Cash at bank and on hand

These are interest-bearing with a weighted average interest rate of 2.98% (2013: 3.39%).

### 30.3 Deposits at call

The deposits are at floating interest rates between 3.20% and 3.50% (2013: between 3.31% and 4.50%). Term deposits with a term of greater than 90 days are disclosed in other current financial assets at fair value through profit or loss.

## 31 RECONCILIATION OF OPERATING RESULT AFTER INCOME TAX TO NET CASH FLOWS FROM OPERATING ACTIVITIES

	Note	2014 \$000's	2013 \$000's	2014 \$000's	2013 \$000's
Operating result for the period		18,177	45,338	13,329	43,147
<b>NON CASH FLOW ITEMS IN OPERATING RESULT</b>					
Depreciation and amortisation		54,793	46,351	54,509	46,066
Net loss on sale of plant and equipment	16	476	612	476	612
Bad and doubtful debts		806	183	806	183
Capitalised financing costs		3,444	(994)	3,444	1,742
Capital gain on investments		(3,005)	(1,942)	(3,005)	(1,942)
Income tax expense/(benefit)		(142)	74	(142)	-
Deferred tax write-off		-	(977)	-	-
<b>Net cash inflow from operating activities before change in assets and liabilities</b>		<b>74,549</b>	<b>88,645</b>	<b>69,417</b>	<b>89,808</b>
Change in operating assets and liabilities					
Increase in trade and other receivables		(2,978)	(1,359)	(593)	(5,608)
Increase in inventories		(98)	(19)	(98)	(19)
Increase in other non-financial assets		(1,863)	(862)	(1,863)	(862)
Increase/(decrease) in payables		(2,087)	3,553	(2,077)	3,771
Increase in other current liabilities		8,661	3,446	8,661	3,949
Increase in provision for employee benefits		27,092	1,910	27,092	1,910
<b>Net cash inflow from operating activities</b>		<b>103,276</b>	<b>95,314</b>	<b>100,539</b>	<b>92,949</b>

# Notes to and forming an integral part of the financial statements

for the year ended 31 December 2014

## 32 FINANCIAL RISK MANAGEMENT

### 32.1 The following table details the economic entities exposure to interest rate risk

	Note	WEIGHTED AVERAGE EFFECTIVE INTEREST RATE		INTEREST RATE		MATURING WITHIN ONE YEAR		MATURING ONE TO FIVE YEARS		MATURING OVER FIVE YEARS		NON-INTEREST BEARING		TOTAL	
		2014 %	2013 %	2014 \$'000's	2013 \$'000's	2014 \$'000's	2013 \$'000's	2014 \$'000's	2013 \$'000's	2014 \$'000's	2013 \$'000's	2014 \$'000's	2013 \$'000's	2014 \$'000's	2013 \$'000's
<b>FINANCIAL ASSETS</b>															
Cash and cash equivalents	30.1	2.98	3.39	84,401	62,713	-	-	-	-	-	-	-	-	84,401	62,713
Trade and other receivables	18	-	-	-	-	-	-	-	-	-	-	15,029	12,713	15,029	12,713
Term deposits over 90 days	19.1	3.41	3.92	-	48,643	40,047	-	-	-	-	-	-	-	48,643	40,047
Debentures	19.1	7.40	7.66	1,399	1,416	-	-	-	-	-	-	-	-	1,399	1,416
Units in unit trusts	19.1	-	-	-	-	-	-	-	-	-	-	1,024	983	1,024	983
Listed shares	19.1	-	-	-	-	-	-	-	-	-	-	1,465	1,556	1,465	1,556
Shares at fair value through profit or loss	19.2	-	-	-	-	-	-	-	-	-	-	5,090	4,866	5,090	4,866
Long-term managed funds	19.2	-	-	-	-	-	-	-	-	-	-	38,614	35,741	38,614	35,741
Deferred receivable for superannuation	18	-	-	-	-	-	-	-	-	-	-	73,633	74,370	73,633	74,370
<b>Total Financial Assets</b>				<b>85,800</b>	<b>64,129</b>	<b>48,643</b>	<b>40,047</b>	-	-	-	-	<b>134,855</b>	<b>130,229</b>	<b>269,298</b>	<b>234,405</b>
<b>FINANCIAL LIABILITIES</b>															
Trade and other payables		-	-	-	-	-	-	-	-	-	-	49,295	49,902	49,295	49,902
Fees and charges received in advance	28	-	-	-	-	-	-	-	-	-	-	16,241	4,827	16,241	4,827
Debentures loans	26	6.12	6.12	-	-	891	839	4,155	3,910	295	1,431	-	-	5,341	6,180
Grants and donations received in advance	28	-	-	-	-	-	-	-	-	-	-	1,870	4,387	1,870	4,387
Other revenue received in advance	28	-	-	-	-	-	-	-	-	-	-	7,868	8,268	7,868	8,268
Bonds and deposits	28	-	-	-	-	-	-	-	-	-	-	331	1,067	331	1,067
Commercial bills	26	6.66	6.66	-	-	2,955	3,297	10,659	10,931	4,356	7,039	-	-	17,970	21,267
Business market loan	26	6.70	6.68	-	-	1,080	2,280	12,079	9,510	29,309	32,958	-	-	42,468	44,748
Lease liabilities	26	8.14	8.14	-	-	-	-	-	-	46,954	51,147	-	-	46,954	51,147
Bonds	26	-	7.98	-	-	-	2,390	-	-	-	-	-	-	-	2,390
Deferred benefits for superannuation	27	-	-	-	-	-	-	-	-	-	-	73,633	74,370	73,633	74,370
<b>Total Financial Liabilities</b>				-	-	<b>4,926</b>	<b>8,806</b>	<b>26,893</b>	<b>24,351</b>	<b>80,914</b>	<b>92,575</b>	<b>149,238</b>	<b>142,821</b>	<b>261,971</b>	<b>268,553</b>

# Notes to and forming an integral part of the financial statements

for the year ended 31 December 2014

## 32.2 Risk management

The University's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The University's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the University. Foreign exchange trades are entered into by the University to hedge certain exposures to foreign currency transactions and the University adopts numerous methods to measure each type of risk to which it is exposed. However, the exposure to foreign currencies at any one time is immaterial.

Risk management is carried out by the Finance department under policies approved by the Corporate Governance Audit and Risk Committee of University Council. The University has written policies for overall risk management, as well as specific policies covering financial risk.

## 32.3 Market risk

### Price risk

Market risk represents the loss of future cash flows or fair value of a financial instrument due to fluctuations of market prices. The University's investment portfolio is comprised of short, medium and long-term funds which include Australian and international shares and unit trusts. The University's investments are susceptible to market volatility which affects the fair value of the investments. The diversity of the investment portfolio adopted by the University minimises its susceptibility to market risk. All investments are held at quoted prices.

### Interest rate risk

The objective of managing interest rate risk is to minimise and control the risks of loss due to interest rate changes and to take advantage of potential savings. Interest rate risk is managed by fixing borrowings and deposits interest rates for different periods.

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

	2014 Carrying amount \$	Current rate %	Annual return at current rate \$000's	INTEREST RATE RISK		PRICE RISK	
				+/-1%	+/-2%	+/-3%	+/-10%
				Result \$000's	Result \$000's	Result \$000's	Result \$000's
<b>31 DECEMBER 2014</b>							
Listed shares	1,465						147
Cash and cash equivalents	84,401	2.98	2,515	844	1,688	2,532	-
Debentures	1,399	7.40	104	14	28	42	-
<b>Total increase/(decrease)</b>	<b>87,265</b>		<b>2,619</b>	<b>858</b>	<b>1,716</b>	<b>2,574</b>	<b>147</b>

The sensitivity analysis has been prepared for the next 12 months. La Trobe University management does not believe that it is possible to reasonably estimate likely interest rates out further than 12 months.

	2013 Carrying amount \$	Current rate %	Annual return at current rate \$000's	INTEREST RATE RISK		PRICE RISK	
				+/-1%	+/-2%	+/-3%	+/-10%
				Result \$000's	Result \$000's	Result \$000's	Result \$000's
<b>31 DECEMBER 2013</b>							
Listed shares	1,556						156
Cash and cash equivalents	62,713	3.39	2,126	627	1,254	1,881	-
Debentures	1,416	7.66	108	14	28	42	-
<b>Total increase/(decrease)</b>	<b>65,685</b>		<b>2,234</b>	<b>641</b>	<b>1,282</b>	<b>1,923</b>	<b>156</b>

# Notes to and forming an integral part of the financial statements

for the year ended 31 December 2014

## Foreign exchange risk

The University has minor exposure to foreign exchange movements via foreign purchases of library materials. The University manages material foreign exchange risk by hedging the purchases using participating forward exchange contracts. As at 31 December 2014, the University had no outstanding contracts (2013 \$nil).

## 32.4 Credit risk

Credit risk represents the loss that would be recognised if counterparties failed to perform as contracted. The credit risk on financial assets of the University has been recognised in the Balance Sheet in arriving at their carrying amount. The University adopts an ageing analysis to measure its credit risk and is not materially exposed to any individual debtor.

## 32.5 Liquidity risk

Liquidity risk represents the University's potential to encounter difficulty in meeting obligations associated with financial liabilities. The University minimises its liquidity risk with the existence of a working capital investment portfolio which provides funds for operational needs at call. The balance of the working capital portfolio is maintained at an amount sufficient to meet the University's operational needs for three months.

Liquidity risk is managed by the University through a weekly and a five-year cash flow analysis and monthly analysis of account movements. Analytical procedures such as calculating the current ratio are also used for comparisons to a predetermined satisfactory benchmark ratio range.

## 32.6 Financial facilities

	2014 \$000's	2013 \$000's
<b>THE UNIVERSITY HAS ACCESS TO THE FOLLOWING LINES OF CREDIT</b>		
<b>Total facilities:</b>		
Debenture loans	5,341	6,180
Commercial bills	17,970	21,267
Business market loan	42,468	45,000
Bonds	-	2,390
<b>FACILITIES UTILISED AT BALANCE DATE</b>		
Debenture loans	5,341	6,180
Commercial bills	17,970	21,267
Business market loan*	42,468	44,748
Bonds	-	2,390
<b>FACILITIES NOT UTILISED AT BALANCE DATE</b>		
Business market loan*	-	252

\*As at 31 December 2013, the University has fully drawn down the loan for the construction of the La Trobe Melbourne building.

# Notes to and forming an integral part of the financial statements

for the year ended 31 December 2014

## 33 FAIR VALUE MEASUREMENT

### 33.1 Fair value measurements

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

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

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

	CARRYING AMOUNT		FAIR VALUE	
	2014 \$000's	2013 \$000's	2014 \$000's	2013 \$000's
<b>FINANCIAL ASSETS</b>				
Cash and cash equivalents	84,401	62,713	84,401	62,713
Trade and other receivables	15,029	12,713	15,029	12,713
Term deposits over 90 days	48,643	40,047	48,643	40,047
Debentures	1,399	1,416	1,399	1,416
Units in unit trusts	1,024	983	1,024	983
Listed shares	1,465	1,556	1,465	1,556
Shares at fair value through profit or loss	5,090	4,866	5,090	4,866
Long-term managed funds	38,614	35,741	38,614	35,741
Deferred receivable for superannuation	73,633	74,370	73,633	74,370
<b>Total financial assets</b>	<b>269,298</b>	<b>234,405</b>	<b>269,298</b>	<b>234,405</b>
<b>FINANCIAL LIABILITIES</b>				
Trade and other payables	49,294	49,924	49,294	49,924
Fees and charges received in advance	16,241	4,827	16,241	4,827
Government financial assistance received in advance	1,870	4,387	1,870	4,387
Other revenue received in advance	7,017	8,268	7,017	8,268
Bonds and deposits	331	1,067	331	1,067
Debentures loans	5,341	6,180	5,341	6,180
Commercial bills	17,970	21,267	17,970	21,267
Business market loan	42,468	44,748	42,468	44,748
Bonds	-	2,390	-	2,390
Finance lease liabilities	46,954	51,147	46,954	51,147
Deferred benefits for superannuation	73,633	74,370	73,633	74,370
<b>Total financial liabilities</b>	<b>261,119</b>	<b>268,575</b>	<b>261,119</b>	<b>268,575</b>

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

The University has also measured assets and liabilities as fair value for non-recurring basis as a result of the reclassification of assets as held for sale.

# Notes to and forming an integral part of the financial statements

for the year ended 31 December 2014

## 33.2 Fair value hierarchy

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

**Level 1** Quoted prices (unadjusted) in active markets for identical assets or liabilities.

**Level 2** Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

**Level 3** Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

### (i) Recognised fair value measurements

Fair value measurements recognised in the balance sheet are categorised into the following levels at 31 December 2014. Comparative information for non-financial assets has not been provided as permitted by the transitional provisions of the new standard.

#### FAIR VALUE MEASUREMENTS AT 31 DECEMBER 2014

	Note	2014 \$000s	Level 1 \$000s	Level 2 \$000s	Level 3 \$000s
<b>RECURRING FAIR VALUE MEASUREMENTS</b>					
<b>Financial assets</b>					
Debentures	19.1	1,399	1,399	-	-
Units in unit trusts	19.1	1,024	1,024	-	-
Listed shares	19.1	1,465	1,465	-	-
Shares at fair value	19.2	316	316	-	-
Long-term managed funds	19.2	38,614	38,614	-	-
<b>Total financial assets</b>		<b>42,818</b>	<b>42,818</b>	-	-
<b>Non-financial assets</b>					
Freehold land	22	298,707	-	70,991	227,716
Buildings	22	444,304	-	-	444,304
Infrastructure	22	29,023	-	-	29,023
Works of art	22	14,049	-	14,049	-
<b>Non-financial assets</b>		<b>786,083</b>	-	<b>85,040</b>	<b>701,043</b>

#### FAIR VALUE MEASUREMENTS AT 31 DECEMBER 2013

	Note	2013 \$000s	Level 1 \$000s	Level 2 \$000s	Level 3 \$000s
<b>RECURRING FAIR VALUE MEASUREMENTS</b>					
<b>Financial assets</b>					
Debentures	19.1	1,416	1,416	-	-
Units in unit trusts	19.1	983	983	-	-
Listed shares	19.1	1,566	1,566	-	-
Shares at fair value	19.2	73	73	-	-
Long-term managed funds	19.2	35,741	35,741	-	-
<b>Total financial assets</b>		<b>39,779</b>	<b>39,779</b>	-	-
<b>Non-financial assets</b>					
Freehold land	22	264,855	-	70,991	193,864
Buildings	22	454,864	-	-	454,864
Infrastructure	22	29,023	-	-	29,023
Works of art	22	13,960	-	13,960	-
<b>Non-financial assets</b>		<b>762,702</b>	-	<b>84,951</b>	<b>677,751</b>

# Notes to and forming an integral part of the financial statements

for the year ended 31 December 2014

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

## Non-specialised land and artworks

Non-specialised land and artworks are valued using the market approach. Under this valuation method, the assets are compared to recent comparable sales or sales of comparable assets which are considered to have nominal or no added improvement value.

For non-specialised land, an independent valuation was performed by the Valuer-General Victoria to determine the fair value using the market approach. Valuation of the assets was determined by analysing comparable sales and allowing for share, size, topography, location and other relevant factors specific to the asset being valued. From the sales analysed, an appropriate rate per square metre has been applied to the subject asset. The effective date of the valuation was 31 December 2012.

For artwork, valuation of the assets is determined by a comparison to similar examples of the artists work in existence throughout Australia and research on prices paid for similar examples offered at auction or through art galleries in recent years. The effective date of the valuation was 31 December 2011.

To the extent that non-specialised land and artworks do not contain significant, unobservable adjustments, these assets are classified as Level 2 under the market approach.

## Specialised land and specialised buildings

The market approach is also used for specialised land, although is adjusted for the community service obligation (CSO) to reflect the specialised nature of the land being valued.

The CSO adjustment is a reflection of the valuer's assessment of the impact of restrictions associated with an asset to the extent that is also equally applicable to market participants. This approach is in light of the highest and best use consideration required for fair value measurement, and takes into account the use of the asset that is physically possible, legally permissible, and financially feasible. As adjustments of CSO are considered as significant unobservable inputs, specialised land would be classified as Level 3 assets.

For the University's majority of specialised buildings, the depreciated replacement cost method is used, adjusting for the associated depreciations. As depreciation adjustments are considered as significant, unobservable inputs in nature, specialised buildings are classified as Level 3 fair value measurements.

An independent valuation of the University' specialised land and specialised buildings was performed by the Valuer-General Victoria. The valuation was performed using the market approach adjusted for CSO. The effective date of the valuation is 31 December 2012.

## (ii) Disclosed fair values

The fair value of assets or liabilities traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices for identical assets or liabilities at the reporting date (level 1). This is the most representative of fair value in the circumstances.

The fair values of held-to-maturity investments and interests in associates that are disclosed in note 19, were determined by reference to published price quotations in an active market (Level 1).

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

The fair value of non-current borrowings disclosed in note 26, is estimated by discounting the future contractual cash flows at the current market interest rates that are available to the group for similar financial instruments. For the period ending 31 December 2014, the borrowing rates were determined to be between 6% and 8%, depending on the type of borrowing. The fair value of current borrowings approximates the carrying amount, as the impact of discounting is not significant (level 2).

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



# Notes to and forming an integral part of the financial statements

for the year ended 31 December 2014

## 33.3 Valuation techniques used to derive level 2 and level 3 fair values

### (i) Recurring fair value measurements

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

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

The University uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Specific valuation techniques used to value financial instruments include:

- The use of quoted market prices or dealer quotes for similar instruments;
- The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves;

- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date;
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.
- Land and buildings are valued independently every three years. At the end of each reporting period, the University updates their assessment of the fair value of each property, taking into account the most recent independent valuations. The University determines the property's value within a range of reasonable fair value estimates.

The best evidence of fair values is current prices in an active market for similar properties. Where such information is not available, the University considers information from a variety of sources, including:

- current prices in an active market for properties of different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences.
- discounted cash flow projections based on reliable estimates of future cash flows.
- capitalised income projections based on a property's estimated net market income, and a capitalisation rate derived from an analysis of market evidence.

All resulting fair value estimates for properties are included in level 2. The most significant input into this valuation approach is price per square metre.

# Notes to and forming an integral part of the financial statements

for the year ended 31 December 2014

## 33.4 Fair value measurements using significant unobservable inputs (level 3)

The following table is a reconciliation of level 3 items for the periods ended 31 December 2014 and 2013.

### LEVEL 3 FAIR VALUE MEASUREMENT 2014

	Land \$000's	Buildings \$000's	Infrastructure \$000's	Total \$000's
Opening balance	<b>193,864</b>	454,864	<b>29,023</b>	677,751
Transfers from works in progress	<b>386</b>	-	-	386
Transfers from asset held for sale	<b>1,835</b>	-	-	1,835
Revaluation increment	<b>31,631</b>	-	-	31,631
Depreciation expense	-	(10,560)	-	(10,560)
Closing balance	<b>227,716</b>	444,304	<b>29,023</b>	701,043

### LEVEL 3 FAIR VALUE MEASUREMENT 2013

	Land \$000's	Buildings \$000's	Infrastructure \$000's	Total \$000's
Opening balance	193,864	465,424	29,023	688,311
Depreciation expense	-	(10,560)	-	(10,560)
Closing balance	193,864	454,864	29,023	677,751

# Notes to and forming an integral part of the financial statements

for the year ended 31 December 2014

## 33.5 Description of significant unobservable inputs to Level 3 valuations

	VALUATION TECHNIQUE	SIGNIFICANT UNOBSERVABLE INPUTS	RANGE OF INPUTS (WEIGHTED AVERAGE)	SENSITIVITY OF FAIR VALUE MEASUREMENT TO CHANGES IN SIGNIFICANT UNOBSERVABLE INPUTS
Specialised land	Market approach	Community Service Obligation (CSO) adjustment	30-70% (37%)	A significant increase or decrease in the CSO adjustment would result in a significantly lower (higher) fair value.
Specialised buildings	Depreciated replacement cost	DRC starts with the replacement cost of the building. An assessment of depreciation is undertaken, with consideration for various areas of obsolescence, including physical, technological and functional	40 years	A significant increase or decrease in the estimated useful life of the asset would result in a significantly higher or lower valuation.
Infrastructure	Depreciated replacement cost	DRC starts with the replacement cost of the building. An assessment of depreciation is undertaken, with consideration for various areas of obsolescence, including physical, technological and functional	5 years	A significant increase or decrease in the estimated useful life of the asset would result in a significantly higher or lower valuation.

# Notes to and forming an integral part of the financial statements

for the year ended 31 December 2014

## 34 COMMITMENTS

### 34.1 Lease commitments (note 1.17)

#### (i) Operating leases

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

	2014 \$000's	2013 \$000's	2014 \$000's	2013 \$000's
Within one year	4,743	7,205	4,743	4,743
Between one year and five years	5,988	7,373	5,988	7,373
Later than five years	9,354	9,145	9,354	9,145
<b>Total future minimum lease payments</b>	<b>20,085</b>	<b>23,723</b>	<b>20,085</b>	<b>21,261</b>

#### (ii) Finance leases^

Commitments in relation to finance leases are payable as follows:

	2014 \$000's	2013 \$000's	2014 \$000's	2013 \$000's
Within one year	-	-	-	-
Between one year and five years	-	-	-	-
Later than five years	127,446	135,740	127,446	135,740
<b>Total future minimum lease payments</b>	<b>127,446</b>	<b>135,740</b>	<b>127,446</b>	<b>135,740</b>
Future finance charges	80,492	84,593	80,492	84,593
Finance lease liabilities	46,954	51,147	46,954	51,147
<b>Representing lease liabilities</b>				
Current	-	-	-	-
Non-current	46,954	51,147	46,954	51,147
	46,954	51,147	46,954	51,147

The weighted average interest rate implicit in the finance leases is 8.14% (2013: 8.14%)

### 34.2 Capital commitments

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

	2014 \$000's	2013 \$000's	2014 \$000's	2013 \$000's
<b>PROPERTY, PLANT AND EQUIPMENT</b>				
Within one year	11,450	15,404	11,450	15,404
Later than one year	541	3	541	3
<b>Total</b>	<b>11,991</b>	<b>15,407</b>	<b>11,991</b>	<b>15,407</b>

# Notes to and forming an integral part of the financial statements

for the year ended 31 December 2014

## 35 SUPERANNUATION PLANS

The University contributes to a number of employee funds that are not public sector bodies to which the *Financial Management Act 1994* applies. These funds exist to provide benefits for employees and their dependents on the employees' retirement, disability or death. The University satisfies the Superannuation Guarantee Charge requirements through employer contributions to the schemes listed below.

### 35.1 Summary of superannuation scheme payments

	Note	2014 \$000's	2013 \$000's	2014 \$000's	2013 \$000's
UniSuper defined benefit division accumulation super (2) (DBD)	35.2	30,717	30,716	30,717	30,716
UniSuper accumulation super (1)	35.2	11,346	10,526	11,346	10,526
Victorian Superannuation board (Unfunded-Emerging)	35.3	4,925	5,417	4,925	5,417
		46,988	46,659	46,988	46,659

### 35.2 UniSuper Limited

UniSuper is a multi-employer superannuation fund operated by UniSuper Limited as the Corporate Trustee. It is administered by UniSuper Management Pty Ltd, a wholly owned subsidiary of UniSuper Limited. The operations of UniSuper are regulated by the *Superannuation Industry (Supervision) Act 1993*.

#### UniSuper Defined Benefit Division Accumulation Super (2) (DBD)

UniSuper offers eligible members the choice of two schemes known as the Defined Benefit Plan or Investment Choice Plan where the contribution rate is 21% of member's salary, of which the member contributes 7% and the University 14%. Employees appointed to positions classified between Higher Education Worker (HEW) levels 1-4 have the option of contributing at half rates (i.e. 3.5% from the employee and 7% from the University).

In 2008, the University adopted the multi-employer provisions of AASB 119 Employee Benefits, which allowed for defined benefit obligations to be reported on a defined contribution basis with some additional information. AASB 119 states that this is an appropriate solution where the employer does not have access to the information required or there is no reliable basis for allocating the benefits, liabilities, assets and costs between employers.

Therefore, the University doesn't account for any surpluses or shortfalls in the defined benefit fund in its financial statements. As a consequence of changes to clause 34 of the UniSuper Trust Deed in November 2008, UniSuper have advised that both the Defined Benefit Division and Accumulation 2 are defined as multi-employer defined contribution schemes in accordance with AASB 119 Employee Benefits.

Therefore, the University does not have an obligation (legal or constructive) to pay further contributions if the fund does not have sufficient assets to pay all employee benefits under the Trust Deed, and will continue to report on a defined contribution basis.

The employer contribution rate for 2014 is 14% of employee salaries and represents an employer/employee contribution rate of 2:1. These rates are based on the actuarial review completed on 30 June 2014 and comply with the rules governing the Trust Deed. Employer contributions for the year totalled \$30,717,228 (2013 \$30,716,454). It should be noted that effective 1 July 1995 employees had the option of making the equivalent of their 7% contributions from pre-tax income. Therefore the employer paid \$8,083,116 (2013 \$8,204,709) additional contributions on behalf of the employee. Outstanding employer contributions as at 31 December 2014 totalled \$nil (2013 \$nil). There are no loans to fund members.

#### UniSuper Accumulation Super (1)

UniSuper also offers a cash accumulation productivity scheme known as the Award Plus Plan (APP). University employees have no requirement to contribute to the scheme.

The University contributes the equivalent of 3% of base salary in respect of those employees who were members of the Defined Benefit Plan or the Investment Choice Plan. Casual and non-permanent employees who do not qualify for membership of the DBD will have a minimum contribution 9.5% of their annual salary contributed by the University to the APP prescribed under the *Superannuation Guarantee Charge Act 1992*.

The employer contribution rate is 3% of employee salaries where the staff member is a member of the DBD. Where UniSuper Accumulation Super (1) is the only scheme the current contribution rate is 9.5%. Employer contributions for the year totalled \$11,346,383 (2013 \$10,526,000). There were no outstanding employer contributions as at 31 December 2014 (2013 \$nil). There are no loans to fund members.

# Notes to and forming an integral part of the financial statements

for the year ended 31 December 2014

## 35.3 Victorian Superannuation Board

La Trobe University has a number of employees who are members of the Emergency Services Superannuation Fund (ESSS) (formerly State Government Superannuation Fund). Amounts reported herein relate to unfunded superannuation liabilities as determined by the above mentioned fund.

Employees contribute to this fund on an ongoing basis, but La Trobe University as the employer is only required to contribute to the fund when employees are paid a pension or receive a lump sum payout. Consequently, an unfunded liability has been created. Please note that the Fund is closed to new members.

The *State Grants (General Purposes) Act 1994* Section 14 provides for the Commonwealth and the State Governments to meet the costs of the payments from the scheme as they emerge. Consequently the Commonwealth Government has reimbursed La Trobe University for the payments actually made to the fund for the emerging costs since 1988. La Trobe University has every reason to believe that this arrangement will continue until the liability is fully paid.

The Department of Treasury and Finance has determined the ESSS unfunded superannuation liability is to be included in the financial statements of all Victorian universities. La Trobe University believes that any disclosure of the unfunded superannuation liability should be matched with the corresponding receivable from the Commonwealth Government as detailed above. Accordingly the current policy of the University is to record the liability and the corresponding receivable from the Commonwealth Government.

The decrease in the liability and the receivable of \$737,000 during the 2014 year (2013 decrease by \$30,673,000) is taken up in both the Expenditure and Revenue from Continuing Operations. There is no financial impact on the operating result for the year as a result of these changes. While the Net Assets has not altered with these changes, both the Total Assets and Total Liabilities have decreased by \$737,000 (2013 decrease by \$30,673,000).

During 2014, La Trobe University's contributions to the Fund totalled \$4,824,167 (2013 \$5,417,931). There were no outstanding employer contributions as at 31 December 2014 (2013 \$nil). There are no loans to fund members.

The policy adopted for calculating employer contributions is based on the advice of the Fund's trustees, but generally for 2014 the contribution rate represents 79.2% (2013 79.2%) of pensions payable.

	Note	2014 \$000's	2013 \$000's
<b>THE RELEVANT ACCOUNTING TRANSACTIONS ARE DETAILED BELOW:</b>			
<b>(i) Statement of Comprehensive Income items</b>			
Salary-related expenditure decrease in Superannuation liability		(737)	(30,673)
<b>Miscellaneous income decrease in amount receivable for Superannuation</b>		<b>(737)</b>	<b>(30,673)</b>

Amounts relate to the overall increase/decrease in the outstanding superannuation liability and the corresponding receivable from \$74,370,000 at 30 June 2013 to \$73,633,000 at 30 June 2014 as determined by the Fund.

<b>(ii) Amounts Receivable from the Commonwealth Government</b>			
Current	18	5,121	3,000
Non-current	18	68,512	71,370
		<b>73,633</b>	<b>74,370</b>

The current receivable was determined using the average decrease in employer contributions for the last 10 years.

<b>(iii) Unfunded Superannuation Liability</b>			
Current	27	5,121	3,000
Non-current	27	68,512	71,370
		<b>73,633</b>	<b>74,370</b>

The current liability was determined using the average decrease in employer contributions for the last 10 years.

# Notes to and forming an integral part of the financial statements

for the year ended 31 December 2014

## 36 JOINT OPERATIONS

### 36.1 Joint operations and associates

#### Biosciences Research Centre

La Trobe University has entered into a joint operation with the State, through the Department of Environment and Primary Industries ("DEPI"). The joint operation is to construct, manage and operate a biosciences research centre ("BRC") on the Bundoora campus.

The BRC is:

- (i) jointly owned by La Trobe University and DEPI based on 25% and 75% ownership interest respectively
- (ii) used by both parties to undertake joint collaborative research projects as well as their own projects
- (iii) jointly controlled through equal voting rights and equal consent of key decisions.

La Trobe University leases its land upon which the building is located to BRC Co., an incorporated joint venture company to act on behalf of the joint operations. The lease is for 25 years (2012 – 2037) at a nominal sum of \$1 per annum.

BRC engaged Plenary Research Pty. Ltd., an independent firm to construct, operate and maintain the BRC for 25 years. The University accounts for its 25% ownership interest in the building as a leased asset at amortised cost. Amortisation is charged on a straight-line basis over the expected lease term of 25 years (incorporating the residual value of the building after the expiration of the 25 years). The University's 25% share of the lease obligation is accounted for as a lease liability.

The University makes capital and operating contributions to the state through DEPI. The capital contributions are used to make repayments on the lease. The operating contributions relate to the University's share of the operating costs of the BRC facility.

The University also receives research grant funding for joint research activity undertaken at the BRC and incurs expenditure on these research grant projects. The joint research revenue and expenditure is included below along with the operating expenditure.

Commitments for claims in relation to disputes of a commercial nature in relation to the construction of the facility are ongoing. The University believes that its contribution is capped at the \$50 million in 2007 dollars which was taken up as the Interest Bearing Liability. However there is insufficient information to make a determination as to whether a liability in respect of these disputes will arise in the future.

#### Murray-Darling Freshwater Research Centre

La Trobe University has entered into a joint operation with the Commonwealth Scientific and Industrial Research Organisation (CSIRO) via a Centre agreement. The mission of the Centre is the delivery of freshwater ecological knowledge to underpin sustainable adaptive management of water and associated environmental resources of the Murray-Darling Basin.

The Centre is:

- (i) jointly owned by La Trobe University and CSIRO based on 50% and 50% ownership interest respectively effective 1 October 2014
- (ii) prior to 1 October 2014 the Centre was jointly owned by La Trobe University, CSIRO and the Murray-Darling Basin Authority – each holding an equal 33.3% ownership interest
- (iii) jointly controlled through equal voting rights and equal consent of key decisions.

The Centre objective is that the Participants add value to each other so that the performance of the Centre will be greater than that of each Participant performing independently, by generating ecological knowledge that can be incorporated into predictive models of ecosystem response.

It is also expected that the Centre will identify emerging and future risks to aquatic ecosystems of the Murray-Darling Basin and that the centre's reputation as a source of authoritative and independent advice to Government, industry and communities of the Murray-Darling Basin in the field will be maximised.

# Notes to and forming an integral part of the financial statements

for the year ended 31 December 2014

NAME OF JOINT ARRANGEMENT / ASSOCIATE	NATURE OF RELATIONSHIP	PRINCIPLE PLACE OF BUSINESS	OWNERSHIP INTEREST %	
			2014	2013
Biosciences Research Centre	Joint Operations	La Trobe University, Melbourne	25	25
Murray-Darling Freshwater Research Centre	Joint Operations	La Trobe University, Wodonga and Mildura	50	33

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

	CONSOLIDATED		LA TROBE UNIVERSITY	
	2014 \$000's	2013 \$000's	2014 \$000's	2013 \$000's
Cash	194	262	194	262
Receivables	208	219	208	219
Prepayments	161	-	161	-
Inventory	109	83	109	83
Other non-current assets	217	274	217	274
Leased assets	58,574	69,155	58,574	69,155
<b>Total assets</b>	<b>59,463</b>	<b>69,993</b>	<b>59,463</b>	<b>69,993</b>
Payables	355	242	355	242
Income in advance	407	312	407	312
Leased liabilities	46,954	51,147	46,954	51,147
<b>Total liabilities</b>	<b>47,716</b>	<b>51,701</b>	<b>47,716</b>	<b>51,701</b>

The revenue and expenses raised or incurred in the above jointly controlled operations, including the La Trobe University's share of any output or jointly incurred expenses, are detailed below. The amounts are included in financial statements under their respective categories.

Research revenue	6,973	5,079	6,973	5,079
Other revenue	703	846	703	846
<b>Total revenue</b>	<b>7,676</b>	<b>5,925</b>	<b>7,676</b>	<b>5,925</b>
Staff and related costs	(2,859)	(1,470)	(2,859)	(1,470)
Occupancy costs	(1,988)	(35)	(1,988)	(35)
Administrative costs	(522)	(172)	(522)	(172)
Depreciation	(42)	(79)	(42)	(79)
Interest expense-finance lease	(4,127)	(4,645)	(4,127)	(4,645)
Amortisation expense-finance lease asset	(2,996)	(1,550)	(2,996)	(1,550)
Other categories of expenditure	(4,929)	(6,714)	(4,929)	(6,714)
<b>Total expenditure</b>	<b>(17,463)</b>	<b>(14,665)</b>	<b>(17,463)</b>	<b>(14,665)</b>
<b>Net operating loss from jointly controlled operations and assets</b>	<b>(9,787)</b>	<b>(8,740)</b>	<b>(9,787)</b>	<b>(8,740)</b>

Capital commitments and contingent liabilities arising from the University's interests in joint ventures are disclosed in notes 34 and 37 respectively.



# Notes to and forming an integral part of the financial statements

for the year ended 31 December 2014

## 37 CONTINGENCIES

### 37.1 Contingent assets

There were no contingent assets to report.

### 37.2 Contingent liabilities

A WorkCover claim and an Employment Practices Liability claim has been raised against the University. Both claims are being reviewed by the respective insurers. The impact of these claims on the consolidated operating results of the University for 2014 cannot be reasonably estimated at this time.

## 38 ECONOMIC DEPENDENCY

The financial statements have been prepared on a going concern basis as at 31 December 2014.

La Trobe University has:

- a consolidated operating surplus after income tax and joint venture operations of \$18.12 million for the year ended 31 December 2014 (\$45.34 million for the year ended 31 December 2013).
- a consolidated working capital surplus of \$2.53 million as at 31 December 2014 (working capital deficit of \$1.29 million for the year ended 31 December 2013).

La Trobe University, is the parent entity for the following subsidiary companies:

- Medical Centre Developments Pty Ltd
- La Trobe International Pty Ltd
- La Trobe Accommodation Services Pty Ltd

La Trobe University provides assurance to make available adequate cash flow support to enable the subsidiary companies to meet their current and future financial obligations as and when they fall due, should this be required.

## 39 EVENTS OCCURRING AFTER THE REPORTING DATE

La Trobe University is not aware of any events occurring after the reporting date that would have a material impact on the financial statements.

## 40 KEY MANAGEMENT PERSONNEL DISCLOSURES

### 40.1 Names of responsible persons and executive officers

In accordance with the directions of the Victorian Minister of Finance under the *Financial Management Act 1994*, the following disclosures are made:

#### (a) Responsible Minister of Finance

- The Hon. Peter Hall MLC, Minister for Higher Education and Skills (1 Jan 2014 – 17 Mar 2014)
- The Hon. Nick Wakeling MP, Minister for Higher Education and Skills (17 Mar 2014 – 3 Dec 2014)
- The Hon. Steve Herbert MP, Minister for Training and Skills (3 Dec 2014 – 31 Dec 2014)

#### (b) Accountable Officer

The person who held the position of accountable officer:

- J. Dewar, Vice-Chancellor

Remuneration received by the Accountable Officer in connection with the management of the University during the reporting period was in the range:

- \$830,000 to \$839,000
- (\$820,000 to \$829,000 in 2013)

The figure includes provision for a bonus payment to the Vice Chancellor in respect of the 2014 year. The Vice Chancellor's remuneration in 2013 included a bonus payment relating to 2012. The Vice Chancellor was not paid a bonus relating to the 2013 year.

#### (c) Names of Responsible Persons holding the position of Member of Council during the financial year:

- A. Clarke, AC, Chancellor
- J. Dewar, Vice-Chancellor
- M. Anderson
- S. Crowe
- T. de Domenico (term concluded December 2014)
- A. Eddy
- J. Gordon (term concluded December 2014)
- R. Guy OAM (term concluded December 2014)
- B. Kelty AC
- R. Larkins AO (appointed October 2014)
- P. McDonald
- P. Moors AO
- D. Radford (appointed October 2014)
- Y. Von Hartel AM (appointed October 2014)
- J. Williams (term concluded December 2014)

Unless otherwise stated the responsible persons held their position for the entire year.

#### (c) Other Responsible Persons

There were no other responsible persons.

# Notes to and forming an integral part of the financial statements

for the year ended 31 December 2014

## 40.2 Remuneration of responsible persons

The total remuneration received, or due and receivable, by responsible persons from the University amounted to \$574,436 (2013: \$544,000).

	2014 Number	2013 Number
<b>REMUNERATION OF COUNCIL MEMBERS</b>		
\$1 to \$9,999	4	2
\$10,000 to \$19,999	3	3
\$40,000 to \$49,999	-	1
\$70,000 to \$79,999	1	-
\$200,000 to \$209,999	1	-
\$210,000 to \$219,999	-	2
\$220,000 to \$229,999	1	-
Responsible Persons who received no remuneration (Community representatives)	4	5

Remuneration paid to the Responsible Minister is reported in the Annual Report of the Department of Premier and Cabinet. Other relevant interests are declared in the Register of Member Interests, which each member of Parliament completes. The University salaries of staff member representatives are included above; staff member representatives do not receive remuneration specifically for University Council membership.

## 40.3 Other transactions of responsible persons and related parties:

Information in relation to transactions with the subsidiary entities, Medical Centre Developments Pty. Ltd. and LaTrobe Innovation Pty. Ltd., are as follows:

	2014 Number	2013 Number
<b>MEDICAL CENTRE DEVELOPMENTS PTY. LTD.</b>		
Lease payments, Rental and Bond fees (GST exclusive)	3,951	5,010
Net Receivable from Medical Centre Developments	10,121	12,507

Administration services provided to the subsidiary entities Medical Centre Developments Pty. Ltd. and LaTrobe Innovations Pty. Ltd. are under normal commercial terms and conditions.

# Notes to and forming an integral part of the financial statements

for the year ended 31 December 2014

## 40.4 Remuneration of key management personnel

The number of University Executive Officers (other than Responsible Persons) whose total remuneration exceeded \$100,000 for 2014 and 2013 are shown in columns two and three in the table below in their relevant income bands. The base remuneration of these Executive Officers is shown in the fourth and fifth columns.

Base remuneration is exclusive of bonus payments and allowances. Bonus payments depend on the terms of individual employment contracts. Executive Officers are defined as Senior Executives reporting directly to the Vice-Chancellor with executive decision making powers.

	TOTAL REMUNERATION		BASE REMUNERATION	
	2014 Number	2013 Number	2014 Number	2013 Number
<b>REMUNERATION OF EXECUTIVE OFFICERS</b>				
<b>Income Band</b>				
\$0 to \$9,999	-	-	-	1
\$90,000 to \$99,999	-	-	-	1
\$140,000 to \$149,999	-	-	-	2
\$180,000 to 189,999	-	-	-	1
\$190,000 to \$199,999	1	2	1	-
\$230,000 to \$239,999	-	-	1	-
\$240,000 to \$249,999	-	-	-	1
\$250,000 to \$259,999	1	1	-	1
\$260,000 to \$269,999	-	-	-	3
\$270,000 to \$279,999	-	-	-	3
\$320,000 to \$329,999	-	1	-	1
\$340,000 to \$349,999	-	1	1	1
\$350,000 to \$359,999	-	1	-	-
\$360,000 to \$369,999	1	-	2	-
\$370,000 to \$379,999	-	-	1	1
\$380,000 to \$389,999	3	2	2	-
\$390,000 to \$399,999	1	1	-	-
\$400,000 to \$409,999	-	3	-	-
\$410,000 to \$419,999	1	1	-	-
\$420,000 to \$429,999	-	-	2	-
\$430,000 to \$439,999	1	-	-	-
\$440,000 to \$449,999	-	1	1	-
\$450,000 to \$459,999	1	-	-	-
\$490,000 to \$499,999	1	-	-	-
\$500,000 to \$509,999	-	1	-	-
\$550,000 to \$559,999	-	1	-	-
<b>Total numbers</b>	<b>11</b>	<b>16</b>	<b>11</b>	<b>16</b>
Total annualised employee equivalent (AEE)	<b>10.75</b>	11.80	<b>10.75</b>	11.80
Total Remuneration of Executive Officers for the Year	<b>4,170</b>	5,985	<b>3,926</b>	3,744

# Notes to and forming an integral part of the financial statements

for the year ended 31 December 2014

## 40.5 Payments to other personnel

### Other personnel, ie. Contractors with significant management responsibilities

The number of contractors charged with significant management responsibilities is disclosed within the \$10,000 expense band. These contractors are responsible for planning, directing or controlling, directly or indirectly, the entity's activities.

The change in total expenses from the 2013 to 2014 reporting period was mainly driven by a contractor required to temporally occupy an Executive role until a permanent appointment was made.

	TOTAL EXPENSES (EXCLUSIVE OF GST)	
	2014 Number	2013 Number
<b>EXPENSE BAND</b>		
\$160,000 to \$169,999	1	-
<b>Total expenses (exclusive of GST)</b>	<b>\$161,840</b>	-

## 41 CORRECTION OF ERROR AND REVISION OF ESTIMATES RELATING TO PRIOR YEAR

### 41.1 Murray-Darling Freshwater Resource Centre Joint Operations

La Trobe University is part of a joint operation with the Commonwealth Scientific and Industrial Research Organisation (CSIRO) via a Centre agreement. The mission of the Centre is the delivery of freshwater ecological knowledge to underpin sustainable adaptive management of water and associated environmental resources of the Murray-Darling Basin. The financial performance of this joint venture had previously not been consolidated in the financial accounts of the University. Note 36 Joint Operations, has been corrected to present the comparative to reflect the year-on-year movement.

The joint operation commenced in 2007 and should have been disclosed during that year. The University has not undertaken to adjust prior year balances due to immateriality to the financial statements which would have been impacted as follows:

- Increase revenue \$1.71 million
- Increase expenditure \$1.76 million
- Increase assets \$0.84 million
- Increase liabilities \$0.55 million

### 41.2 Biosciences Research Centre

A review of the leased asset (buildings) was undertaken requiring an adjustment to the carrying value. It was identified that the initial capitalisation of the leased asset (and leased liability) were overstated to the level of the occupancy/maintenance expenditure. The adjustment had no impact to the operating results, albeit there was a reduction to the value of the leased asset per Note 22 which was offset with an equal reduction in the leased liability per Note 26.

The joint operation commenced in 2012 and should have been disclosed during that year. The University has not undertaken to adjust prior year balances due to immateriality to the financial statements which would have been impacted as follows:

- Decrease assets \$7.52 million
- Decrease liabilities \$7.52 million

# Notes to and forming an integral part of the financial statements

for the year ended 31 December 2014

## 42 ACQUITTAL OF AUSTRALIAN GOVERNMENT FINANCIAL ASSISTANCE

### 42.1 Education – CGS and other education grants

	Notes	COMMONWEALTH GRANTS SCHEME NO. 1		INDIGENEOUS SUPPORT PROGRAM	
		2014 \$000's	2013 \$000's	2014 \$000's	2013 \$000's
<b>PARENT ENTITY (UNIVERSITY) ONLY</b>					
Financial assistance received in CASH during the reporting period (total cash received from Australian Government for the program)		197,462	191,990	583	568
Net accrual adjustments		(198)	(3,091)	-	91
Revenue for the period	2.1	197,264	188,899	583	659
Total revenue including accrued revenue		197,264	188,899	583	659
Less expenses including accrued expenses		(197,264)	(188,899)	(583)	(659)
<b>Surplus/(deficit) for the reporting period</b>		-	-	-	-

	Notes	PARTNERSHIP AND PARTICIPATION PROGRAM NUMBER 2		DISABILITY SUPPORT PROGRAM	
		2014 \$000's	2013 \$000's	2014 \$000's	2013 \$000's
<b>PARENT ENTITY (UNIVERSITY) ONLY</b>					
Financial assistance received in CASH during the reporting period (total cash received from Australian Government for the program)		5,538	4,463	418	379
Net accrual adjustments		1,083	-	-	-
Revenue for the period	2.1	6,621	4,463	418	379
Total revenue including accrued revenue		6,621	4,463	418	379
Less expenses including accrued expenses		(6,621)	(4,463)	(418)	(379)
<b>Surplus/(deficit) for the reporting period</b>		-	-	-	-

# Notes to and forming an integral part of the financial statements

for the year ended 31 December 2014

	Notes	PROMOTION OF EXCELLENCE IN LEARNING AND TEACHING		AUSTRALIAN MATHS AND SCIENCE PARTNERSHIP PROGRAM	
		2014 \$000's	2013 \$000's	2014 \$000's	2013 \$000's
<b>PARENT ENTITY (UNIVERSITY) ONLY</b>					
Financial assistance received in CASH during the reporting period (total cash received from Australian Government for the program)		195	193	381	649
Net accrual adjustments		-	-	-	-
Revenue for the period	2.1	195	193	381	649
Total revenue including accrued revenue		195	193	381	649
Less expenses including accrued expenses		(195)	(193)	(381)	(649)
<b>Surplus/(deficit) for the reporting period</b>		-	-	-	-

	Notes	SUPERANNUATION PROGRAM		TOTAL	
		2014 \$000's	2013 \$000's	2014 \$000's	2013 \$000's
<b>PARENT ENTITY (UNIVERSITY) ONLY</b>					
Financial assistance received in CASH during the reporting period (total cash received from Australian Government for the program)		5,325	5,745	209,902	203,987
Net accrual adjustments		(502)	(491)	383	(3,491)
Revenue for the period	2.1	4,823	5,254	210,285	200,496
Total revenue including accrued revenue		4,823	5,254	210,285	200,496
Less expenses including accrued expenses		(4,823)	(5,254)	(210,285)	(200,496)
<b>Surplus/(deficit) for the reporting period</b>		-	-	-	-

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

#2 includes Equity Support Program

# Notes to and forming an integral part of the financial statements

for the year ended 31 December 2014

## 42.2 Higher education loan programmes (excl OS-HELP)

	Notes	HECS-HELP (AUSTRALIAN GOVERNMENT PAYMENTS ONLY)		FEE HELP	
		2014 \$000's	2013 \$000's	2014 \$000's	2013 \$000's
<b>PARENT ENTITY (UNIVERSITY) ONLY</b>					
Cash Payable/(Receivable) at the beginning of the year		-	-	154	-
Financial assistance received in cash during the reporting period		142,344	131,619	13,100	11,239
Cash available for the period		142,344	131,619	13,254	11,239
Revenue earned	2.2	141,780	131,092	13,100	11,239
Net accrual adjustments		564	527	(29)	(154)
<b>Cash Payable/(Receivable) at the end of the year</b>		-	-	183	154
<b>SA-HELP</b>					
	Notes	2014 \$000's	2013 \$000's	2014 \$000's	2013 \$000's
<b>PARENT ENTITY (UNIVERSITY) ONLY</b>					
Cash Payable/(Receivable) at the beginning of the year		(24)	-	130	-
Financial assistance received in cash during the reporting period		3,509	3,260	158,953	146,118
Cash available for the period		3,485	3,260	159,083	146,118
Revenue earned	2.2	3,509	3,260	158,389	145,591
Net accrual adjustments		(46)	24	489	397
<b>Cash Payable/(Receivable) at the end of the year</b>		22	(24)	205	130

# Notes to and forming an integral part of the financial statements

for the year ended 31 December 2014

## 42.3 Scholarships

	Notes	AUSTRALIAN POSTGRADUATE AWARDS		INTERNATIONAL POSTGRADUATE RESEARCH SCHOLARSHIPS	
		2014 \$000's	2013 \$000's	2014 \$000's	2013 \$000's
<b>PARENT ENTITY (UNIVERSITY) ONLY</b>					
Financial assistance received in CASH during the reporting period (total cash received from Australian Government for the program)		5,050	4,680	389	383
Net accrual adjustments		-	-	-	-
Revenue for the period	2.3	5,050	4,680	389	383
Surplus/(deficit) from the previous year		456	2,310	-	-
Total revenue including accrued revenue		5,506	6,990	389	383
Less expenses including accrued expenses		(4,248)	(6,534)	(247)	(383)
<b>Surplus/(deficit) for the reporting period</b>		<b>1,258</b>	<b>456</b>	<b>142</b>	<b>-</b>

	Notes	COMMONWEALTH EDUCATION COST SCHOLARSHIPS		COMMONWEALTH ACCOMMODATION SCHOLARSHIPS	
		2014 \$000's	2013 \$000's	2014 \$000's	2013 \$000's
<b>PARENT ENTITY (UNIVERSITY) ONLY</b>					
Financial assistance received in CASH during the reporting period (total cash received from Australian Government for the program)		50	(29)	25	(5)
Net accrual adjustments		15	31	25	94
Revenue for the period	2.3	65	2	50	89
Surplus/(deficit) from the previous year		-	-	-	-
Total revenue including accrued revenue		65	2	50	89
Less expenses including accrued expenses		(65)	(2)	(50)	(89)
<b>Surplus/(deficit) for the reporting period</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

	Notes	INDIGENEOUS ACCESS SCHOLARSHIP		TOTAL	
		2014 \$000's	2013 \$000's	2014 \$000's	2013 \$000's
<b>PARENT ENTITY (UNIVERSITY) ONLY</b>					
Financial assistance received in CASH during the reporting period (total cash received from Australian Government for the program)		61	(9)	5,575	5,020
Net accrual adjustments		-	65	40	190
Revenue for the period	2.3	61	56	5,615	5,210
Surplus/(deficit) from the previous year		-	-	456	2,310
Total revenue including accrued revenue		61	56	6,071	7,520
Less expenses including accrued expenses		(61)	(56)	(4,671)	(7,064)
<b>Surplus/(deficit) for the reporting period</b>		<b>-</b>	<b>-</b>	<b>1,400</b>	<b>456</b>

## 42.4 Education Research



# Notes to and forming an integral part of the financial statements

for the year ended 31 December 2014

	Notes	JOINT RESEARCH ENGAGEMENT		JRE ENGINEERING CADETSHIPS	
		2014 \$000's	2013 \$000's	2014 \$000's	2013 \$000's
<b>PARENT ENTITY (UNIVERSITY) ONLY</b>					
Financial assistance received in CASH during the reporting period (total cash received from Australian Government for the program)		6,697	6,051	56	26
Revenue for the period	2.4	6,697	6,051	56	26
Total revenue including accrued revenue		6,697	6,051	56	26
Less expenses including accrued expenses		(6,697)	(6,051)	(56)	(26)
<b>Surplus/(deficit) for the reporting period</b>		-	-	-	-

	Notes	RESEARCH TRAINING SCHEME		RESEARCH INFRASTRUCTURE BLOCK GRANTS	
		2014 \$000's	2013 \$000's	2014 \$000's	2013 \$000's
<b>PARENT ENTITY (UNIVERSITY) ONLY</b>					
Financial assistance received in CASH during the reporting period (total cash received from Australian Government for the program)		11,166	11,154	2,058	2,114
Revenue for the period	2.4	11,166	11,154	2,058	2,114
Total revenue including accrued revenue		11,166	11,154	2,058	2,114
Less expenses including accrued expenses		(11,166)	(11,154)	(2,058)	(2,114)
<b>Surplus/(deficit) for the reporting period</b>		-	-	-	-

	Notes	SUSTAINABLE RESEARCH EXCELLENCE IN UNIVERSITIES		TOTAL	
		2014 \$000's	2013 \$000's	2014 \$000's	2013 \$000's
<b>PARENT ENTITY (UNIVERSITY) ONLY</b>					
Financial assistance received in CASH during the reporting period (total cash received from Australian Government for the program)		1,607	1,685	21,584	21,030
Revenue for the period	2.4	1,607	1,685	21,584	21,030
Total revenue including accrued revenue		1,607	1,685	21,584	21,030
Less expenses including accrued expenses		(1,607)	(1,685)	(21,584)	(21,030)
<b>Surplus/(deficit) for the reporting period</b>		-	-	-	-

# Notes to and forming an integral part of the financial statements

for the year ended 31 December 2014

## 42.5 Other capital funding

	Notes	EDUCATION INVESTMENT FUND		OTHER	
		2014 \$000's	2013 \$000's	2014 \$000's	2013 \$000's
<b>PARENT ENTITY (UNIVERSITY) ONLY</b>					
Financial assistance received in CASH during the reporting period (total cash received from Australian Government for the program)		-	-	2,388	50
Revenue for the period	2.5	-	-	2,388	50
Surplus/(deficit) from the previous year		(39,564)	(39,564)	-	-
Total revenue including accrued revenue		(39,564)	(39,564)	2,388	50
Less expenses including accrued expenses		-	-	(2,388)	(50)
<b>Surplus/(deficit) for the reporting period</b>		<b>(39,564)</b>	<b>(39,564)</b>	<b>142</b>	<b>140</b>

	Notes	TOTAL	
		2014 \$000's	2013 \$000's
<b>PARENT ENTITY (UNIVERSITY) ONLY</b>			
Financial assistance received in CASH during the reporting period (total cash received from Australian Government for the program)		2,388	50
Revenue for the period	2.5	2,388	50
Surplus/(deficit) from the previous year		(39,564)	(39,564)
Total revenue including accrued revenue		(37,176)	(39,514)
Less expenses including accrued expenses		(2,388)	(50)
<b>Surplus/(deficit) for the reporting period</b>		<b>(39,564)</b>	<b>(39,564)</b>

## 42.6 Australian Research Council Grants

	Notes	PROJECTS		FELLOWSHIPS	
		2014 \$000's	2013 \$000's	2014 \$000's	2013 \$000's
<b>DISCOVERY</b>					
<b>PARENT ENTITY (UNIVERSITY) ONLY</b>					
Financial assistance received in CASH during the reporting period (total cash received from Australian Government for the program)		4,443	3,904	3,175	2,077
Net accrual adjustments		-	4	-	-
Revenue for the period	2.6(i)	4,443	3,908	3,175	2,077
Surplus/(deficit) from the previous year		2,783	1,861	1,757	2,188
Total revenue including accrued revenue		7,226	5,769	4,932	4,265
Less expenses including accrued expenses		(3,844)	(2,986)	(2,883)	(2,508)
<b>Surplus/(deficit) for the reporting period</b>		<b>3,382</b>	<b>2,783</b>	<b>2,049</b>	<b>1,757</b>

# Notes to and forming an integral part of the financial statements

for the year ended 31 December 2014

	Notes	INDIGENEOUS RESEARCHERS DEVELOPMENT		TOTAL	
		2014 \$000's	2013 \$000's	2014 \$000's	2013 \$000's
<b>DISCOVERY PARENT ENTITY (UNIVERSITY) ONLY</b>					
Financial assistance received in CASH during the reporting period (total cash received from Australian Government for the program)		-	-	7,618	5,981
Net accrual adjustments		-	-	-	4
Revenue for the period	2.6(i)	-	-	7,618	5,985
Surplus/(deficit) from the previous year		25	25	4,565	4,074
Total revenue including accrued revenue		25	25	12,183	10,059
Less expenses including accrued expenses		-	-	(6,727)	(5,494)
<b>Surplus/(deficit) for the reporting period</b>		<b>25</b>	<b>25</b>	<b>5,456</b>	<b>4,565</b>

	Notes	INFRASTRUCTURE		INTERNATIONAL	
		2014 \$000's	2013 \$000's	2014 \$000's	2013 \$000's
<b>LINKAGES PARENT ENTITY (UNIVERSITY) ONLY</b>					
Financial assistance received in CASH during the reporting period (total cash received from Australian Government for the program)		-	150	-	-
Net accrual adjustments		-	-	-	-
Revenue for the period	2.6(ii)	-	150	-	-
Surplus/(deficit) from the previous year		200	322	13	13
Total revenue including accrued revenue		200	472	13	13
Less expenses including accrued expenses		(162)	(272)	-	-
<b>Surplus/(deficit) for the reporting period</b>		<b>38</b>	<b>200</b>	<b>13</b>	<b>13</b>

	Notes	PROJECTS		TOTAL	
		2014 \$000's	2013 \$000's	2014 \$000's	2013 \$000's
<b>LINKAGES PARENT ENTITY (UNIVERSITY) ONLY</b>					
Financial assistance received in CASH during the reporting period (total cash received from Australian Government for the program)		963	1,154	963	1,304
Net accrual adjustments		(93)	-	(93)	-
Revenue for the period	2.6(ii)	870	1,154	870	1,304
Surplus/(deficit) from the previous year		578	383	791	718
Total revenue including accrued revenue		1,448	1,537	1,661	2,022
Less expenses including accrued expenses		(1,008)	(959)	(1,170)	(1,231)
<b>Surplus/(deficit) for the reporting period</b>		<b>440</b>	<b>578</b>	<b>491</b>	<b>791</b>

# Notes to and forming an integral part of the financial statements

for the year ended 31 December 2014

## 42.7 OS-HELP

	2014 \$000's	2013 \$000's
<b>PARENT ENTITY ONLY</b>		
Cash received during the reporting period	4,845	2,299
Cash spent during the reporting period	(2,530)	(2,153)
Net cash received	2,315	146
Cash surplus/(deficit) from the previous year	146	-
<b>Cash surplus/(deficit) for the reporting period</b>	<b>(2,461)</b>	<b>146</b>

## 42.8 Superannuation supplementation

	2014 \$000's	2013 \$000's
<b>PARENT ENTITY ONLY</b>		
Cash received during the reporting period	5,325	5,745
University contribution in respect of current employees	(502)	(491)
Cash available	4,823	5,254
Cash surplus/(deficit) from the previous year	-	-
Cash available for current period	4,823	5,254
Contributions to specified defined benefit funds	(4,823)	(5,254)
<b>Cash surplus/(deficit) for the reporting period</b>	<b>-</b>	<b>-</b>

## 42.8 Student services and amenities fee

	Notes	2014 \$000's	2013 \$000's
<b>PARENT ENTITY (UNIVERSITY) ONLY</b>			
Unspent/(overspent) revenue from previous period		363	17
SA-HELP revenue earned	2.2	3,509	3,260
Student services fees direct from students	4	4,082	3,886
Total revenue expendable in period		7,954	7,163
Student services expenses during period		(7,100)	(6,800)
<b>Unspent/(overspent) student services revenue</b>		<b>854</b>	<b>363</b>

# Notes to and forming an integral part of the financial statements

for the year ended 31 December 2014

## 43 PARTICULARS RELATING TO ENTITIES IN THE ECONOMIC ENTITY'S FINANCIAL STATEMENTS

### 43.1 Financial performance of subsidiary commercial entities

2014

	La Trobe International Pty Ltd* \$000's	Medical Centre Developments Pty Ltd \$000's	La Trobe Accommodation Services Pty Ltd* \$000's	2014 Total \$000's
<b>Income statement</b>				
Total revenue	-	4,146	-	4,146
Total expenditure	-	466	-	466
Tax	-	1,166	-	1,166
Operating result	-	4,846	-	4,846
<b>Balance Sheet</b>				
Working capital	-	(4,944)	-	(4,944)
Physical assets	-	13,642	-	13,642
Total assets	-	18,823	-	18,823
External borrowings	-	-	-	-
Total liabilities	-	10,125	-	10,125
Equity	-	8,698	-	8,698

2013

	La Trobe International Pty Ltd* \$000's	Medical Centre Developments Pty Ltd \$000's	La Trobe Accommodation Services Pty Ltd* \$000's	2014 Total \$000's
<b>Income statement</b>				
Total revenue	-	5,189	-	5,189
Total expenditure	-	1,372	-	1,372
Tax	-	903	-	903
Operating result	-	4,720	-	4,720
<b>Balance Sheet</b>				
Working capital	-	(10,075)	-	(10,075)
Physical assets	-	13,926	-	13,926
Total assets	-	18,759	-	18,759
External borrowings	-	2,390	-	2,390
Total liabilities	-	14,908	-	14,908
Equity	-	3,851	-	3,851

\* Dormant company

# Notes to and forming an integral part of the financial statements

for the year ended 31 December 2014

## 43.2 Contribution of subsidiary commercial entities to operating surplus

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1.2:

NAME OF ENTITY	Country of incorporation	CONTRIBUTION TO CONSOLIDATED OPERATING SURPLUS		EQUITY HOLDING	
		2014 \$000's	2013 \$000's	2014 %	2013 %
La Trobe International P/L	Australia	-	-	100	100
Medical Centre Developments P/L	Australia	4,846	4,720	100	100
La Trobe Accommodation Services P/L	Australia	-	-	100	100
<b>Total</b>		<b>4,846</b>	<b>4,720</b>	<b>-</b>	<b>-</b>

## 44 EX-GRATIA PAYMENT

### 44.1 Payments made to employees during 2014

Ex-gratia payments associated with negotiated staff departures from the university in 2014 totalled \$698,792.

Printed on Envirocare 100% Recycled  
Envirocare 100% Recycled 250gsm Cover  
Envirocare 100% Recycled 135gsm Text Pages



No virgin fibre used.  
Manufactured with 75%  
post consumer and 25%  
pre-consumer waste.



ISO 14001  
Environmental  
Management System in  
use. Accredited with  
'Blue Angel', 'Nordic  
Swan', Austrian and  
EUGROPA  
environmental symbols.



Manufactured using  
process chlorine free  
(PDF) pulps.

The Annual Report 2014 is available online at:

[latrobe.edu.au/about/management/governance](http://latrobe.edu.au/about/management/governance)

#### **CONTACT**

General enquiries  
La Trobe University  
Victoria 3086 Australia

T +61 3 9479 1111

F +61 3 9478 5814