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Letters of transmittal



OFFICE OF THE CHANCELLOR

15 March 2017

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 2016.

Yours sincerely

Richard G Larkins AO
Chancellor

Mailing address

La Trobe University
Victoria 3086 Australia

T +61 3 9479 5268

F +61 3 9479 1045

E chancellor@latrobe.edu.au

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

Messages

Chancellor's message



The Council's work on overseeing implementation of the Future Ready Strategic Plan 2013-2017 and Campus Masterplan for both Bundoora and Bendigo continued in 2016. Council was also involved in planning for the 50th Anniversary in 2017 and in future strategy beyond 2017.

At the end of 2016, we farewelled two Council members, Mr Bill Kelty AC and Ms Jennifer Williams AM. Mr Kelty had served on the Council since June 2008. His wise counsel on all the issues that came before Council, including appointment of the Vice-Chancellor, development of the Masterplan and the Future Ready Strategy, has been extremely valuable. Ms Jennifer Williams had served on the Council since March 2008. She Chaired the Corporate Governance Audit and Risk Committee during this time and guided the development of a strong governance framework and a rigorous risk assessment framework. Both Mr Kelty and Ms Williams have played critical roles in all the major decisions our Council has taken during the last six years and we are grateful for their hard work and dedication to the University.

Following changes to legislation in 2015 to add elected staff and student members to the Council we welcomed Mr Kevin Kapeke (elected by students for a one year term) and Dr Jillian Murray (elected by staff for a three year term) in September 2016.

2016 was the sixth and final year of my term as Chancellor. We are now seeing results of five years of change and reform under the direction of the Vice-Chancellor, Professor John Dewar. During this time La Trobe has risen dramatically in all the international rankings and is in a strong financial position. Professor Richard Larkins AO, who joined the Council in 2014, has been appointed by Council as the incoming Chancellor. I am delighted to hand over to such a distinguished scholar and experienced leader. I am confident that the University is well positioned with strong leadership at all levels, for future success.



Adrienne E Clarke AC
Chancellor

Vice-Chancellor's message



During 2016 La Trobe University was ranked in the top 400 universities in the world according to the three most prestigious international rankings: the Academic Ranking of World Universities (ARWU), Times Higher Education and QS university rankings. This was the first time in the University's history that we have been ranked simultaneously in the top 400 of all three rankings, and we rose 200 places in the ARWU ranking to be one of the most improved universities in Australia. These outstanding results reflect the hard work of staff across the University over the last several years to implement the University's ambitious Future Ready: Strategic Plan 2013-2017.

We made considerable progress towards our goals during 2016, a year in which we grew our teaching, research, partnership and community engagement activities. In particular, we made significant progress during 2016 to increase our engagement with industry, and we announced some major collaborative projects with industry partners. We were also awarded funding to establish a regional accelerator program with Deakin and Federation Universities; we established a Strategic Investment Fund to support innovation projects; and we increased our focus on providing industry experience for our students.

We have in place a significant capital program and have also made major investments in outstanding new staff appointments over the last 12 months. These activities have given the University a solid foundation to continue its renewal as we look to 2017 and beyond. In 2017 we will celebrate our 50th anniversary and set a new strategic plan for the University so that we can take full advantage of the opportunities of the 21st century.

I thank staff for their hard work during the year, and hope that they will share in the successes that come from our shared commitment. The progress we made this year was only possible because of the dedication of our staff, who worked tirelessly to continue La Trobe's tradition of serving distinctive communities and at the same time helping to address the big issues of our time. On both counts we have many significant achievements of which to be proud, and the following pages contain information about many highlights of a very productive year.

I would like to congratulate all staff and students on their achievements this year and thank them for their hard work and dedication. Together, we have set the platform for the University to pursue our bold vision to be a great university of a different kind.



Professor John Dewar
Vice-Chancellor
La Trobe University

La Trobe at a glance

Purpose/Mission

The purpose of La Trobe 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.”

Vision and aspiration

Since its foundation in 1964, La Trobe University has sought to be different. We were created to broaden participation in higher education among communities in Melbourne’s north and regional Victoria.

We have joined this mission with that of pursuing world class research that makes a difference to some of the world’s most pressing problems. We are one of Australia’s most successful universities in pursuing these multiple missions. In short, La Trobe is a place where social inclusion and globally recognised excellence come together for the benefit of our students and our communities.

While pursuing this distinctive path, we will still measure ourselves against the rest of the sector. Accordingly, La Trobe will be one of the top three universities in Victoria, one of the top 12 nationally and one of the top 500 internationally.

Our culture

We aspire to “Be The Difference”. Be The Difference acknowledges why we exist, where we have come from, and where we are going. It is the thread connecting our roots in serving the northern suburbs of Melbourne and the regions and communities around Victoria, to our future, serving students and communities locally and internationally.

Connected

We connect to the world outside — the students and communities we serve, both locally and globally.

Innovative

We tackle the big issues of our time to transform the lives of our students and society.

Accountable

We strive for excellence in everything we do. We hold each other and ourselves to account, and work to the highest standard.

Care

We care about what we do and why we do it. We believe in the power of education and research to transform lives and global society. We care about being the difference in the lives of our students and communities.

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: 558
- Student Load (EFTSL) in 2016 (provisional) 28,795 (full time equivalent)
- Staff (full time equivalent) in 2016 (provisional) 1,994.0
- More than 188,000 alumni
- Campuses in Melbourne (Bundoora) and (CBD), Bendigo, Albury-Wodonga, Mildura and Shepparton
- Colleges. Science, Health and Engineering (SHE) and Arts, Social Sciences and Commerce (ASSC)

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.

50 years in the making

We believe that higher education has the power to transform people and societies. Our goal is to make a difference – to our students and staff, and in the communities that we serve.

In 2017, La Trobe University turns 50 and we have much to celebrate.

We have recently achieved our best overall research ranking and are now firmly entrenched in the world's top 400 universities as measured by the three major ranking agencies.

In 2016 we were also ranked in the Quacquarelli Symonds (QS) top 50 under 50, making us one of the world's best young universities; we achieved our best ever ranking of 336 in the Academic Ranking of World Universities; and we sit at 377 in the Times Higher Education World University rankings.

Our graduates are successful in many walks of life. They include CEOs of some of our most prominent organisations, parliamentarians, human rights activists, medical researchers and Olympians. They are also nurses, teachers, journalists, engineers, artists and lawyers who have transformed lives, professions and communities.

To prepare our students for contemporary careers and to ensure they play their part in resolving global challenges, we've made entrepreneurship, global citizenship and sustainability central to all our undergraduate courses. We call these three vital areas of learning the La Trobe Essentials.

Ours is a community that creates knowledge and tackles the big issues of our time. Our researchers are leading the way. An app we developed has helped thousands detect early signs of autism in children and was a finalist in the Australian Google Impact Challenge, and the La Trobe Institute for Molecular Science is developing new ways to fight disease. Researchers at the Centre for AgriBioscience are tackling climate change and improving crop productivity, and staff in the La Trobe Rural Health School are improving health and wellbeing in rural and regional communities. To ensure that we stay at the forefront of fields that are changing the world – molecular science,



A statue commemorates Lieutenant Governor Charles Joseph La Trobe at La Trobe University's Melbourne campus. Melbourne sculptor Charles Robb who turned the statue on his head, says it embodies the notion that universities should turn ideas on their heads.

biotechnology, nanotechnology, health science and agricultural bioscience – we've investing in centres of learning and research.

La Trobe has been rated among the top ten universities in Australia, and the top three in Victoria, for the numbers of specific fields of research rated at 'well above world standard' in the latest government Excellence in Research for Australia (ERA) evaluation. We achieved top rating in three broad discipline groups: Agricultural, Biological and Physical Sciences. La Trobe was rated the equal best university in Australia for Biological Sciences, best in Australia for Agricultural and Veterinary Studies, and was the only top-rated university in the country for Physiology.

La Trobe's strengths extend to the Arts and Humanities. La Trobe is among the world's elite institutions in subjects assessed in the 2016 QS World University Rankings. We featured in the top 100 global universities in History, Sociology

and Archaeology. Subjects in the world's top 200 list include Communications and Media, Linguistics, Agriculture, Psychology, Accounting and Finance, Education and Politics.

We also realise that an international perspective is needed to solve global problems, so we've formed partnerships with more than 150 institutions in 45 countries, and we encourage our students to take part in overseas programs as part of their studies.

La Trobe is one of the largest provider of university education in regional Victoria, with more than 6,500 student enrolments at our campuses in Bendigo, Albury-Wodonga, Mildura and Shepparton. Importantly, most of our students stay and work in their communities following graduation.

2016 Year in review



Research that matters

During 2016 La Trobe researchers were published in some of the world's most prestigious journals, and continued to make important discoveries that will have a major impact on society.

For example, Emeritus Professor Nick Hoogenraad and his team in the La Trobe Institute of Molecular Science (LIMS) were awarded \$2.5m from the Victorian Cancer Agency to translate the University's breakthrough research on cachexia (wasting of the body) in cancer patients into an effective treatment for the condition; The Olga Tennison Autism Research Centre launched an extraordinarily successful mobile application that helps with the early detection of autism and was a finalist in the Australian Google Impact Challenge; Professor Paul Fisher from the School of Life Sciences received funding from the Michael J Fox Foundation to develop a blood test that will enable doctors to detect Parkinson's disease and facilitate earlier treatment.

In a fitting result for an institution that has so many students who are the first in their family to attend university, the

Access and Achievement Research Unit won more than 10 per cent of the national funding pool available for research that increases awareness and understanding of student equity issues.

La Trobe researchers also won an impressive share of Australian Research Council and National Medical Health and Research Council funding for projects commencing in 2017.

Making a difference for our students

2016 has seen many other highlights including significant growth in the Aspire early admissions program, with 2200 applications received for admission in 2017 (an increase of 16.5 per cent since 2015).

Dr Sue Gillett, Dr Suzane Vassallo, Dr Sarah Midford and Dr Rhiannon Evans won prestigious National Office for Learning and Teaching (OLT) citations for outstanding contributions to student learning; and Professor Betty Leask won the Tony Adams Award for excellence in research from the European Association for International Education.

La Trobe students also shone on the international stage this year doctoral student Mr Giles Hamm discovered an ancient Aboriginal site in the northern Flinders Ranges that has transformed our understanding of Indigenous history and the settlement of inland Australia; a documentary web series made by second and third year Media and Communications students won the Outstanding Student Series award at LA Webfest; Ms Lara Bereza-Malcolm, a PhD student in the School of Life Sciences, was part of the winning team in the Australian-French Entrepreneurship Challenge; and Mr James Kirby, a PhD candidate in the Department of Archeology and History, won the Best History Article (Peer Reviewed) at the 2016 Victorian Community History Awards.

2016 saw the pilot of the La Trobe Graduate Development program, employing graduates across the University, an initiative that was a great success and will continue in 2017 and beyond.



Embracing innovation and industry engagement

During 2016, the University appointed Dr Dan Grant as the inaugural Pro-Vice Chancellor (Industry Engagement) and was successful in being awarded \$1m in funding from LaunchVic to establish a Regional Accelerator Program with Deakin and Federation Universities, and established a \$5m Strategic Investment Fund.

Increased focus was placed on providing industry experience for our students, including becoming the foundation Australian university partner of US-based mentoring program LifeJourney, which will give 10000 students mentoring in science, technology, engineering and mathematics careers.



Forging stronger partnerships

Many new partnerships were forged and existing partnerships strengthened during 2016.

The Albury-Wodonga Campus won the Wurreker Award for University Pathways in recognition of the campus' holistic approach to improving Indigenous academic inclusion and achievement; The China Studies Research Centre was established as a key element in the University's China Strategy; The university signed memorandum of understanding for a new research partnership with the Australian Institute for Family Studies and renewed its arrangements with the City of Greater Bendigo and Mildura Rural City Council.

During the year the University entered into new partnerships with a diverse range of organisations including the Carlton Football Club, Ivanhoe Grammar School and the Asylum Seeker Resource Centre.

Bendigo Art Gallery's Director, Karen Quinlan, was appointed as the new Director of the La Trobe Art Institute and its inaugural Professor of Practice, and we strengthened our partnerships with the Bendigo Art Festival, National Gallery of Victoria and Shepparton Festival.

Finally, we continued our work to consolidate the University as an anchor for economic development in Melbourne's north through our work with local industry partners including NORTH Link, our new partnership with Optus, and our plans for the \$150m La Trobe Sports Park.

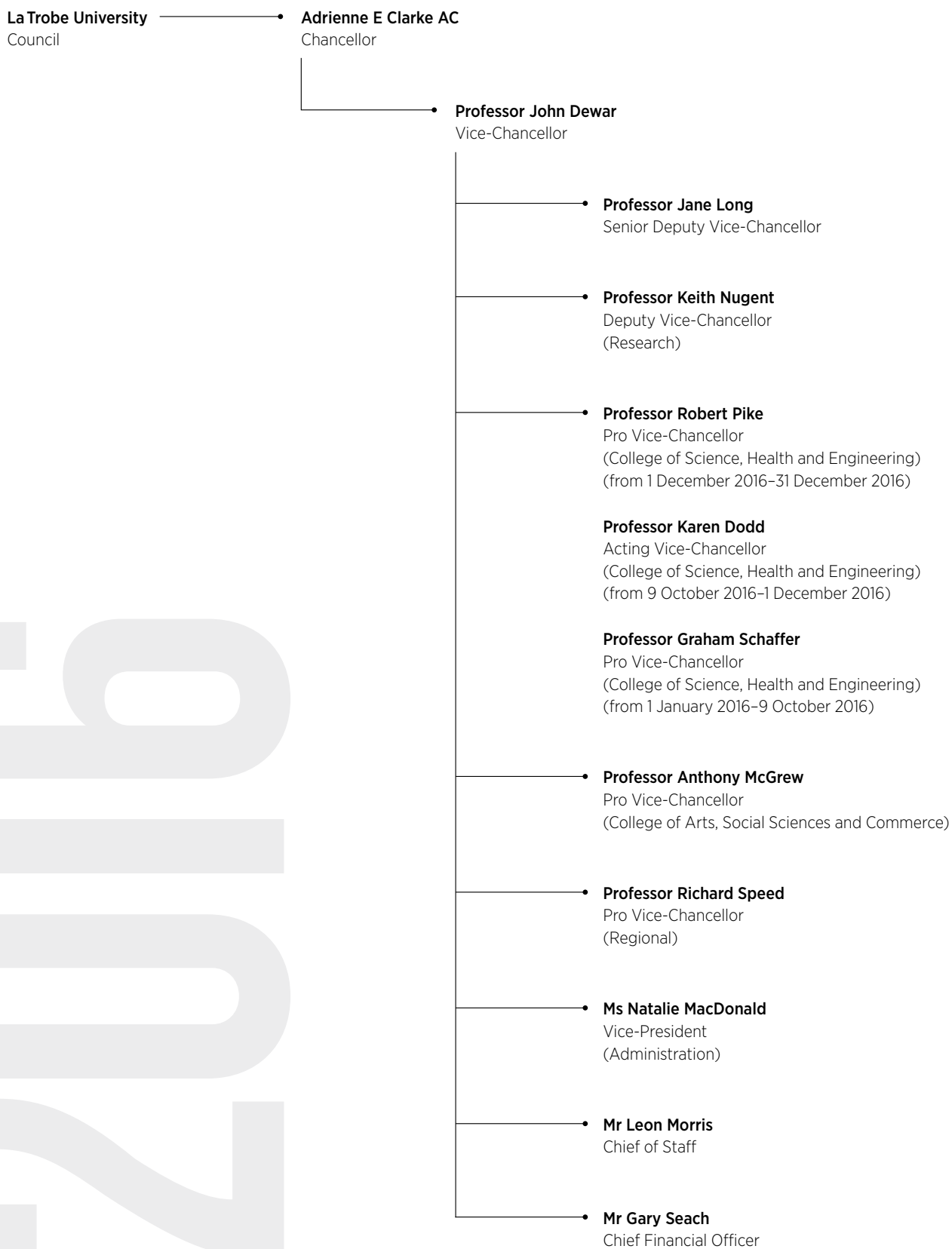


Engaging with our communities

The University expanded its public engagement activities with the launch of the Bold Thinking lecture series coordinated by Professor Chris Mackie; hosted the highly successful Olivia Newton-John Cancer Research Institute Wellness Walk and Research Run; began a new partnership with publishing company Black Inc. to establish the La Trobe University Press and increased activities under a partnership with the State Library of Victoria.

Organisational chart

Senior Officers 2016



University council membership details

Adrienne E Clarke AC

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 2016: ten (10)

Professor John Dewar

Ex officio (Vice Chancellor)

BCL, MA Oxon, PhD Griffith

Commenced as Vice-Chancellor in January 2012.

Meetings attended in 2016: eight (8)

Professor Simon Crowe

Ex officio (Chair, Academic Board)

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

Appointed to Council: Jan–Feb 2016

Meetings attended in 2016: one (1/1) (part year)

Professor Christine Bigby

Ex officio (Chair, Academic Board)

BA (Hons) MSW, PhD, GAICD

Appointed to Council: Mar–Dec 2016

Meetings attended in 2016: ten (10)

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: 01/01/2016

Appointed Deputy Chancellor: August 2013

Meetings attended in 2016: ten (10)

Ms Jennifer Williams

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: 16/02/2015

Meetings attended in 2016: ten (10)

Mr William Kelty AC

Council appointment

BEc La Trobe

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

Appointed to Council: 02/06/2008

Reappointed: 01/01/2016

Meetings attended in 2016: eight (8)

Mr Peter McDonald

Council appointment

BA, MPA – Master 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 2016: eight (8)

Professor Marilyn Anderson AO

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 2016: nine (9)

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

Reappointed: 01/01/2016

Appointed Deputy Chancellor: February 2015

Meetings attended in 2016: nine (9)

Ms Deborah Radford

Governor-in-Council appointment

BEc La Trobe

Currently a Director of Bendigo and Adelaide Bank

Appointed to Council: 14/10/2014

Meetings attended in 2016: ten (10)

Ms Yvonne von Hartel AM

Governor-in-Council appointment

B.Arch Melbourne

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

Appointed to Council: 14/10/2014

Meetings attended in 2016: eight (8)

Emeritus Professor Richard Larkins AO

Governor-in-Council appointment

LLD Melb (Hon), LLD Monash (Hon), PhD (London), MD Melbourne, MB BS Melbourne, FRACP, FRCP, FRCPI, FAMMal, 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 2016: ten (10)

Mr Kevin Kapeke

Elected Member (Student)

Currently studying a Bachelor degree in Politics, Philosophy and Economics

Appointed to Council: 12/09/2016

Meetings attended in 2016: three (3/3) (part year)

Dr Jillian Murray

Elected Member (Staff)

PhD Law Oxford, MSci Oxford, MA Melb

Appointed to Council: 12/09/2016

Meetings attended in 2016: two (2/3) (part year)

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 ministers in the Victorian Government during 2016 were as follows:

Minister for Training and Skills, the Hon. Gayle Tierney

Minister for Training and Skills, the Hon. Steve Herbert

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 the 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, 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

Diversity and Inclusion

The Diversity and Inclusion Unit has partnered with key areas across the University to harness the benefits of diversity and enhance inclusivity. Successful collaboration has resulted in La Trobe University being recognised as a Workplace Gender Equality Agency Employer of Choice for 2016, a member of the SAGE Athena SWAN Program to improve the number of women in STEMM disciplines (La Trobe has chosen to apply the program across all disciplines), and only one of four Victorian Workplaces chosen to pilot the Workplace Equality and Respect Project being run by Our Watch.

We also introduced two new training modules, Promoting Positive Workplace Behaviours and Code of Conduct, to give staff 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. We aim to build and sustain a workforce that demonstrates our commitment to equality.

HR Initiatives

During 2016 La Trobe University has continued to drive improved people processes and engagement through delivery of University wide actions. Highlights include:

Academic Support Program

One of the 2016 future ready projects, the aim of this Program was to engage with staff to identify and improve administrative systems and processes. The program resulted in additional knowledge base resources for staff to access, improvements in some key processes and communication channels.

Leadership Framework and Programs

This framework contains a suite of development programs for all levels of leadership. The implementation of this framework will continue over the next few years and is strengthening leadership capability to deliver University strategy.

Improved HR Systems

The implementation of La Trobe's Human Resources Information system (My HR) has resulted in process efficiencies and laid the foundation for enhanced reporting and analytics.



Key statistics

Students	2013	2014	2015	Provisional 2016
Total students (persons)	34,066	35,326	35,718	35,930
Commencing enrolments	13,900	14,918	14,607	14,432
Rural/remote*	8,383	8,687	8,702	8,774
Non-English speaking background*	807	840	817	789
Low socio-economic status*	4,814	5,118	5,439	5,688
Students with a disability*	1,709	1,814	1,979	2,086
Indigenous*	158	224	242	230
STUDENT LOAD (EFTSL)				
Total student load (includes International)	26,542.1	27,436.2	27,971.9	28,795.0
Undergraduate	21,631.9	22,063.7	22,547.9	23,356.8
Postgraduate coursework	3,826.0	4,299.0	4,353.5	4,395.0
Research higher degree	1,084.2	1,073.6	1,070.5	1,043.2
International	5,690.9	5,812.1	5,940.2	6,340.9
WORK CONTRACT (FTE)				
Full-time continuing staff	2,040.0	2,076.0	1,888.0	1,994.0
Part-time continuing staff	574.0	531.6	450.7	477.5
Casual staff	578.9	610.1	748.9	810.7
CLASSIFICATION (FTE)				
Academic	1,463.5	1,481.6	1,488.3	1,520.1
Professional	1,729.3	1,736.2	1,599.4	1,762.2
GENDER (PERSONS)				
Female	4,134	4,129	4,117	4,621
Male	2,547	2,448	2,427	2,564
FUNCTION (FTE)				
Teaching only	300.6	325.1	449.4	492.5
Research only	255.5	233.0	233.7	243.2
Teaching and Research	888.6	886.4	744.6	750.3
Other	1,748.1	1,773.2	1,659.9	1,796.2
TEACHING AND LEARNING PERFORMANCE				
Market share of Victorian Tertiary Admission Centre first preferences	12.9%	12.1%	12.1%	12.3%
Retention rate	0.79	0.78	Provisional 0.78	Available Q4 2017
Overall graduate satisfaction mean score (Course Experience Questionnaire)	La Trobe: NP National: 83.1%	La Trobe: NP National: 82.8%	La Trobe: 78.4 National: 83.4%	La Trobe: 74.0% National: 80.6%
Percent of graduates in full-time employment (Graduate Destination Survey)	La Trobe: 69.5% National: 71.3%	La Trobe: 65.2% National: 68.1%	La Trobe: 65.9% National: 68.8%	La Trobe: 67.9% National: 70.9%
Percent of graduates in full-time study (Graduate Destination Survey)	La Trobe: 27.1% National: 20.7%	La Trobe: 22.3% National: 20.8%	La Trobe: 21.0% National: 19.7%	La Trobe: 23.3% National: 21.8%

Key statistics (cont...)

Students	2013	2014	2015	Provisional 2016
RESEARCH PERFORMANCE				
Research income (Higher Education Research Data Collection)	\$53,254,000	\$55,381,431	\$70,003,868	Available Q3 2017
Research publications (Higher Education Research Data Collection)	1,869	1,843	2,426	Available Q3 2017
Research higher degree load (EFTSL)	1,084.2	1,073.6	1,070.5	1,043.2
Research degree completions	238	240	205	180

Notes

EFTSL Equivalent full-time student load

FTE Full-time equivalent

NP Not published (Australian Graduate Survey guidelines indicate that results based on response rates less than 50% should not be published outside the institution)

* Includes domestic students only

† Reported as '% agreement' to align with the methodology used by Quality Indicators for Learning and Teaching. This results in different figures to those published as 'mean score' in previous years.

^ Figures for 2016 are final and from the 2016 Graduate Outcomes Survey.

‡ Figures are reported as 'count' instead of 'apportioned score' which is no longer used as a result of the cessation of its use by the Federal Government, and the removal of research publication data collection from the 2016 Higher Education Research Data Collection Specifications. This results in different figures to those published in previous years.

Risk management



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

University's risk management strategy

The University Council places 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 2016 included strengthening the Risk and Compliance Management Frameworks including the effectiveness of the University's regulatory compliance control environment. This included updates to the University's Risk Appetite Statement and Risk Management Policy, Procedures.

The Corporate Governance Audit and Risk Committee of Council oversaw a range of reviews during the period, including internal audits, risk assessments and compliance reviews, as provided below:

- continuing examination of strategic and operational risks across the operations
- ongoing analysis of fraud and corruption risk
- UNSC and Autonomous Sanctions Compliance Framework review
- probity reviews

• financial and compliance audits, including:

- control monitoring – payroll
- accounts receivable
- cyber intrusion mitigation
- marking and assessment
- control monitoring – purchase orders
- control monitoring – purchasing cards
- business unit financial audits
- finance general controls
- SAP security controls
- IT security and general controls
- capital Works Contracts Management
- casual employment
- La Trobe Asia
- child safe standards implementation
- special investigations

Risk management (cont...)

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 Enterprise Risk Profile, operational risk registers, 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 and decision making frameworks for the University
- conduct of the fraud risk management program
- management of the University's legislative and regulatory compliance framework
- development of new risk management tools and systems
- provision of probity and internal controls advice
- special reviews and investigations
- high-risk behaviour threat assessment and behavioural intervention

Critical incident and emergency management

- critical incident and emergency management planning, training and exercising
- critical incident and emergency response, on campuses, for staff and students working at remote locations within Australia or at overseas locations, including coordinating evacuation and repatriation for overseas medical emergencies
- coordination of the University's Business Continuity Management (BCP) and Disaster Recovery (DR) arrangements

Internal Audit Office

- management of the annual Internal Audit Plan undertaken using co-sourced arrangements with audit firms
- conduct of special investigations and forensic audits
- control self-assessment programs
- conduct of probity audits

Insurance Office

The insurance office has responsibility for:

- annual review of insurable assets and liabilities
- purchasing of general insurance and other protection covers
- management of self-insurance provisions
- claims management

Risk management approach

Risk management is undertaken using a University adapted 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, the Australian and New Zealand Standard for Business Continuity: management of disruption related risk AS/NZS 5050:2010, and the Australasian Inter-Service Incident Management System.

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

Health and Safety Statement

General Statement

An extensive internal review was undertaken during 2016 and a hazard profile established across the University. System requirements (both electronic data management and procedural) are established.

Entity statement

- Number of reported hazards for the year per 100 full time equivalent staff members is 4.8
- Number of reported incidents (all categories) for the year per 100 full time equivalent staff members is 13.9
- The number of lost time standard claims for the year per 100 full time equivalent staff members is 0.29
- The average cost per claim for the year (including payments to date) is \$53,525 and an average estimate per claim is \$80,755
- There are no outstanding claims costs
- There are no reported fatalities

Equivalent data for 2015

- Number of reported hazards for the year per 100 full time equivalent staff members is 2.5
- Number of reported incidents (all categories) for the year per 100 full time equivalent staff members is 13.7
- The number of lost time standard claims for the year per 100 full time equivalent staff members is 0.61
- The average cost per claim for the year (including payments to date and an estimate of outstanding claim costs) is 7,639
- There were no reported fatalities

Equivalent data for 2014

- Number of reported hazards for the year per 100 full time equivalent staff members is 2.3
- Number of reported incidents (all categories) for the year per 100 full time equivalent staff members is 19.56
- The number of lost time standard claims for the year per 100 full time equivalent staff members is unavailable
- The average cost per claim for the year (including payments to date and an estimate of outstanding claim costs) is unavailable
- There were no reported fatalities

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 2015 to 31 October 2016 (Protection number: LTU17 PL), and 1 November 2016 to 31 October 2017 (LTU17 PL). In 2016/2017 the University retained the first \$100,000 for each and every claim, with cover limited to \$30,000,000 for each and every claim but limited to \$120,000,000 in the aggregate for the protection period (the \$120,000,000 aggregate is a combined single limit across professional liability, malpractice and general clinical trials). Extension to the standard cover is endorsed for infringement of rights of intellectual property or breach of confidentiality.

Directors and officers liability protection

The protection period is 31 October 2015 to 31 October 2016 (Policy number: 93306133) and 1 November 2016 to 31 October 2017 (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.

Sustainability reporting

Indicator		Unit	Total Data 2016	Total Data 2015
ENERGY				
E1	Total Energy Usage Segmented by Primary Source (including GreenPower)	Megajoules	518,926,922.97	561,194,242.17
	Natural Gas	Megajoules	402,413,999.51	455,064,668.78
	Purchased Grid Electricity	Megajoules	116,312,200.00	105,315,570.00
	Renewables (Onsite Solar PV)	Megajoules	97,963.46	104,283.40
	Stationary Diesel	Megajoules	57,930.00	97,750.00
	Stationary LPG	Megajoules	44,830.00	611,970.00
E2	Greenhouse Gas Emissions Associated with Energy Use, Segmented by Primary Source and Offsets	tCO ² -e	62,200.64	63,122.64
	Natural Gas	tCO ² -e	22,305.80	25,181.82
	Purchased Grid Electricity	tCO ² -e	39,887.68	37,893.50
	Stationary Diesel	tCO ² -e	4.28	7.34
	Stationary LPG	tCO ² -e	2.88	39.98
E3	Percentage of Electricity Purchased as Green Power	% of total electricity consumption	0%	0%
E4	Units of Office Energy Used (Megajoules per FTE/EFTPL)	FTE	22,518.64	24,074.99
		EFTPL	2,304.21	2,357.30
E5	Units of Office Energy Used per Unit of Office Space	Megajoules/m ²	1,585.08	1,661.47
WASTE				
Ws1	Total Units of Waste Disposed of by Destination	Kilograms	1,334,613.90	1,301,752.40
	Landfill (Inc. C&D waste)	Kilograms	1,031,822.30	1,038,040.00
	Commingled Recyclables	Kilograms	143,661.90	85,011.00
	Paper/Cardboard Recyclables	Kilograms	76,709.00	120,887.00
	Metal Recyclables	Kilograms	24,139.80	7,750.00
	E-Waste Recyclables	Kilograms	8,156.20	7,022.70
	Printer Toner Cartridge Recyclables	Kilograms	26.80	67.10
	Fluorescent Tube Recyclables	Kilograms	1,862.00	1,826.00
	Furniture Recyclables	Kilograms	3,492.00	3,211.20
	Chemical Waste Recyclables	Kilograms	6,279.90	6,360.40
	Green Waste Recyclables	Kilograms	20,600.00	14,670.00
	Grease Trap/Triple Interceptor Recyclables	Kilograms	16,368.00	14,608.00
	Battery Recyclables	Kilograms	696.00	240.00
	White Goods (Fridge/Freezer) Recyclables	Kilograms	800.00	2,000.00
Ws2	Units of Office Waste Disposed of (kg per FTE/EFTPL by destination)	FTE	57.92	56.63
		EFTPL	5.93	5.55
Ws3	Recycling rate	% of total waste	23%	20%
Ws4	Greenhouse Gas Emissions associated with waste disposal	tCO ² -e	1,238.19	1,349.45
PAPER				
P1	Total units of A4 Equivalent Copy Paper Used	Reams	37,587.9	41,885.1
P2	Units of A4 Equivalent Copy Paper Used (Reams per FTE/EFTPL)	FTE	1.63	1.82
		EFTPL	0.17	0.18
P3	Percentage of Recycled Content of Copy Paper Purchased	%	96%	92%

Indicator		Unit	Total Data 2016	Total Data 2015
WATER				
W1	Total Units of Metered Water Consumption by Water Source	Kilolitres	360,093.70	357,514.00
	Potable Water	Kilolitres	345,366.77	348,210.00
	Recycled Water	Kilolitres	14,726.94	9,304.00
W2	Units of Metered Water Consumed in Offices (Kilolitres per FTE/EFTPL)	FTE	15.63	15.55
		EFTPL	1.60	1.52
TRANSPORTATION				
T1	Total Energy Consumption Segmented by Vehicle Type	Megajoules	6,688,060.00	8,196,570.00
	Diesel	Megajoules	2,988,000.00	2,864,410.00
	ULP	Megajoules	3,503,770.00	5,053,320.00
	LPG	Megajoules	196,290.00	278,840.00
T2	Total Vehicle Travel Associated with Entity Operations Segmented by Vehicle Type	Kilometres	2,341,899.04	2,913,263.77
	Diesel	Kilometres	967,619.91	933,251.27
	ULP	Kilometres	1,280,622.00	1,846,977.88
	LPG	Kilometres	93,657.13	133,034.63
T3	Total Greenhouse Gas Emissions from Vehicle Fleet Segmented by Vehicle Type	tCO ² -e	483.64	601.25
	Diesel	tCO ² -e	221.44	216.17
	ULP	tCO ² -e	249.54	366.75
	LPG	tCO ² -e	12.66	18.32
T4	Greenhouse Gas Emissions from Vehicle Fleet per 1,000km Segmented by Vehicle Type	tCO ² -e/1,000km	0.21	0.21
	Diesel	tCO ² -e/1,000km	0.23	0.23
	ULP	tCO ² -e/1,000km	0.19	0.20
	LPG	tCO ² -e/1,000km	0.14	0.14
T5	Total Distance Travelled by Air	Kilometres	26,555,251.23	13,684,640.83
T6	Employees regularly (>75% of work attendance days) using public transport, cycling, walking or car pooling to and from work or working from home by locality type.	% of total employees	37%	34%
GREENHOUSE GAS EMISSIONS				
G1	Total Greenhouse Gas Emissions Associated with Energy Use	tCO ² -e	62,200.64	62,974.16
G2	Total Greenhouse Gas Emissions from Vehicle Fleet	tCO ² -e	483.64	601.25
G3	Total Greenhouse Gas Emissions from Air Travel	tCO ² -e	5,923.51	3,083.57
G4	Total Greenhouse Gas Emissions Associated with Waste Disposal	tCO ² -e	1,238.19	1,349.45
G5	Greenhouse Gas Emissions Offsets Purchased	tCO ² -e	3,126.87	-

Energy

La Trobe consumed 8% less energy in 2016 compared to 2015.

The main contribution to this was a reduction in gas imported because of the cogeneration plant being operational for less time throughout the year due to maintenance issues. Less on-site generation of electricity through the cogen plant resulted in a corresponding increase of electricity imports from the grid.

Increased roll out of LED lighting through building upgrades and specific retrofitting projects has contributed to overall energy efficiency.

There were reductions in Stationary Diesel and LPG use in 2016. These are attributable to reduced consumption by the emergency generator and generator-powered mobile lighting rigs compared to 2015, and resumption of normal operations at the Animal House following abnormal consumption in 2015.

Sustainability reporting (cont...)

Solar PV generation remained relatively consistent but was down slightly as a result of varying weather conditions (cloud cover) compared to 2015. La Trobe scoped and commenced the installation of a number PV systems across regional campuses in 2016 and these will continue to be installed throughout 2017, so it is expected that future data will show an equivalent increase in on-site generation from next year.

Overall the University achieved a net reduction in energy usage, and overall greenhouse gas emissions were down by 1.5%. The general 5.5% improvement in emissions factor for the Victorian electricity network is a significant and welcome contributor to this result.

Waste

There was a 2% increase in overall waste in 2016, which is reflected in slightly higher kg/FTE and kg/EFTPL results.

Data shows a 69% increase in commingled recycling in 2016. This is likely to be the result of a data issue whereby the Melbourne Campus recycling contractor consolidated various recycling streams into the commingled recycling stream making it difficult to compare with the previous year's amounts.

Data concerns with waste management are being targeted through a new contract in 2017 and the University is aiming to achieve better waste minimisation and recycling outcomes as a result of campaigns to support the roll out of new infrastructure and processes through the new contract.

Paper

The University continues to do well on paper reduction 1.63 kg/FTE in 2016 vs. 1.82 in 2015, and the amount of 100% post-consumer recycled content paper purchased and used, achieving 96% this year.

The roll out of new, more energy efficient printers that rely on print release technology, are expected to yield further reductions in 2017 by eliminating 'orphan' print jobs and encouraging staff and students to print less.

Water

Total water consumption has remained relatively steady, but the profile of potable vs. recycled water is shifting in the right direction with the recycled water component increasing by 58% in 2016.

Further improvements to irrigation systems that use stormwater from the moat should continue to contribute to improvements here in future years.

Transport

Overall 2016 result is favourable, showing reduction in fuel and km travelled, but the University needs to investigate these results.

Efficiencies were gained in transitioning many of our leased vehicles to hybrid models and minimising the central fleet in favour of car share options on the Melbourne Campus through a sector first partnership for La Trobe and GoGet. There are, however, some data gaps at present that will be reflecting overly favourably in the results achieved.

37% of staff are travelling by more sustainable modes including walking, cycling and public transport. This is an improved result, but given the location of our main and regional campuses, reliance on cars will remain on ongoing preference or requirement for many staff and students.

Greenhouse Gas Emissions

Emissions have remained relatively stable in 2016 despite the flux in energy mix described earlier. The most notable changes are in relation to air travel and carbon offsets.

Air travel is showing a 92% increase, but this result is likely to be due to a change in provider that has led to better data quality. Results in this area are expected to stabilise for the University in 2017.

Carbon offsets were purchased in 2016 to offset emissions related to 2015 vehicle fleet fuel consumption and university air travel. This has been factored into results this year and will now be an ongoing arrangement.

Procurement

La Trobe procures a number of sustainable products and services, which are driven by internal policies and preferred supplier agreements.

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 Certified products to students and staff.

Risk management statement



OFFICE OF THE CHANCELLOR

24 February 2017

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

I, Vanessa Cover 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

A handwritten signature in red ink, appearing to read "Vanessa Cover".

Vanessa Cover
Director Risk Management Office
La Trobe University

A handwritten signature in red ink, appearing to read "John Dewar".

Professor John Dewar
Vice-Chancellor
La Trobe University

Mailing address

La Trobe University
Victoria 3086 Australia

T +61 3 9479 5268

F +61 3 9479 1045

E chancellor@latrobe.edu.au

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

External reporting obligations

Freedom of information

Freedom of Information Act 1982

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

During 2016, the University received ten (10) applications under the Victorian FOI legislation. Of these applications, four (4) were provided with the full documents requested, six (6) were provided in part with edited documents which withheld personal information that did not pertain to the applicant.

latrobe.edu.au/statements/foi

Information privacy

Privacy and Data Protection Act 2014

During 2016, the University did not receive any privacy complaints under the Privacy and Data Protection Act 2014 (Victoria).

Whistleblowers, grievances and complaints

Investigation of Complaints

The Ombudsman Statute 2009 empowers the University Ombudsman to conduct mediations and investigate grievances 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 of parties have already sought to have the matter dealt with by other parts of the grievance procedures system, at the College level or by the Student 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 the complaints dealt with is contained in the Ombudsman's Annual Report to the University Council.

During the calendar year 2016, the Ombudsman dealt with 243 complaints from members of the University.

Further information regarding the student grievance and complaints processes can be found at:

latrobe.edu.au/students/complaints

Protected Disclosures Act 2012

No matters were reported under this Act during 2016.

National competition policy

The University's Research Contracts and Grants Policy and Procedure and La Trobe Consulting 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 accordance with competitive neutrality principles.

The University's Research Contracts and Grants Policy is compliant with the National Competition Policy and the Competitive Neutrality Policy Victoria.

The University's Competition and Consumer Act (Trade Practices) Compliance Guide, Policies and Procedural guidelines are available at: latrobe.edu.au/legalservices/competition-consumer-law

Conformity with the *Building Act 1993*

The La Trobe Infrastructure and Operations (I&O) Division 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 2016, the I&O Division delivered 58 projects that were valued over \$50,000 each and included:

- two (2) major projects including refurbishment and services upgrades
- fifteen (15) capital projects comprising of refurbishments and engineering upgrades
- ten (10) capital maintenance projects comprising of engineering upgrades, building services upgrades
- thirty one (31) minor works projects comprising of refurbishments

I&O 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.

I&O is 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.

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

Key capital investments (I&O)

Project Name	Total Project Budget \$000s	2016 Actual Spend \$000s
Eastern Campus Redevelopment (ECR) Stage 3B This project involves upgrades to a number of existing buildings to create new teaching spaces and offices for staff.	54,261	30,330
La Trobe Sports Park This project involves additional 8 basketball courts, 8 academic/research buildings and associated sports park for all sports codes.	67,160	2,000
Reid Building Adaptive Reuse Project This is a four storey refurbishment to house new research labs, teaching spaces and offices for staff for the School of Life Sciences.	24,247	23,975
Agora Retail Development Program This project involves the revitalisation of the western gateway corridor.	12,620	489
Bendigo Building This projects transforms the central campus infrastructure and includes the construction of a new building to support engineering studies.	50,000	1,834
City Campus Extension This project expands the La Trobe City campus to support the increased teaching capacity in the CBD.	10,441	6,388
Relocation of Theatre and Drama This project is a refurbishment of level 2 Menzies college to accommodate students from Crissane Road facility.	7,386	2,200
Town Centre This project includes the design and construction of infrastructure support for the expansion of the town centre facility.	17,431	405

External reporting obligations (cont...)

La Trobe University consultants 2016

Financial Reporting Direction FRD22G

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

The University advises that during the year ending 31 December 2016:

- There were 96 separate consultancy arrangements in 2016 over \$10,000 totalling **\$7,044,575**
- The website location to view details of 2016 consultancies over \$10,000 is : latrobe.edu.au/council/resources
- There were 24 separate consultancy arrangements in 2016 under \$10,000 totalling **\$72,153**

Statement on compulsory non-academic fees, subscriptions and charges

Tertiary Education (Amendment) Act 1994

COMPULSORY FEES STUDENT SERVICES AND ADMINISTRATION FEE - 2016

Study Load	2016	2015
ALBURY-WODONGA CAMPUS		
Full-time	\$290	\$286
Part-time	\$218	\$214
BENDIGO CAMPUS		
Full-time	\$290	\$286
Part-time	\$218	\$214
BUNDOORA CAMPUS		
Full-time	\$290	\$286
Part-time	\$218	\$214
CITY CAMPUS		
Full-time	\$290	\$286
Part-time	\$218	\$214
MILDURA CAMPUS		
Full-time	\$290	\$286
Part-time	\$218	\$214
SHEPPARTON CAMPUS		
Full-time	\$290	\$286
Part-time	\$218	\$214

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 - 2016

Campus	Total
Albury-Wodonga	179,736.36
Bendigo	1,177,673.04
Bundoora	6,371,432.26
City	167,663.90
Mildura	120,153.10
Shepparton	137,078.64
Total	8,153,737.31

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 Higher Education Act. No money was made available to other bodies.

Further Information

The University has the following information on request, subject to the provisions of the Freedom of Information Act 1982:

- (a) Declarations of pecuniary interests;
- (b) Details of shares held by a senior officer as nominee or held beneficially in a statutory authority or subsidiary;
- (c) Details of publications produced;
- (d) Details of changes in prices, fees, charges, rates and levies charged;
- (e) Details of any major external reviews;
- (f) Details of major research and development activities;
- (g) Details of overseas visits undertaken including a summary of the objectives and outcomes of each visit;
- (h) Details of major promotional, public relations and marketing activities undertaken by the entity;
- (i) Details of assessments and measures undertaken to improve the occupational health and safety of employees;
- (j) A general statement on industrial relations within the entity and details of time lost through industrial accidents and disputes;
- (k) A list of major committees sponsored by the entity, the purposes of each committee and the extent to which the purposes have been achieved; and
- (l) Details of all consultancies and contractors including:
 - i) consultants/contractors engaged;
 - ii) services provided; and
 - iii) expenditure committed to for each engagement.

Enquiries should be addressed to: governance@latrobe.edu.au

Financial review

Register of significant commercial activities – as at 15 november 2016

Significant Commercial Activity	Bendigo Surplus Property Divestment	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 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.</p> <p>Reference: Council Minute 407.8.1, 21 May 2011.</p> <p>Status</p> <p>131 Edwards Road has sold.</p> <p>28, 30, 32, 34, 36, 38, 46, 48, 50, 52 and 54 Friswell Ave have sold</p> <p>32 Garsed St has sold</p> <p>Central Innovation Park (CVIP)</p> <p>121-129 Edwards Rd</p> <p>Meeting No.462 – 5 Sept 16</p> <p>Council authorized the sale of property not less than valuations of Lot 1 (land) \$1,260,000; Lot 3 (land) \$1,630,000; and Lot 2 (building and land) \$2,030,000.</p> <p>Hesse Estate</p> <p>5 Friswell Avenue</p> <p>Meeting No.464 – 14 Nov 16</p> <p>Council authorized proceeding with a sale process that accommodates both Option 2 (“Selling with Permit”) and Option 3A (“University Develops Land in JV”) subject to IEPC considering final sale.</p>	<p>Reltek Systems</p> <p>Building RD2, Suite 14</p> <p>12 months</p> <p>\$6,000 p.a.</p> <p>Software development</p> <p>Department of Economic Development, Jobs, Transport and Resources (DEDJTR)</p> <p>Glasshouse RD4A</p> <p>3 years with two further options of 1 year</p> <p>\$119,400 p.a.</p> <p>R&D in agricultural science</p>	<p>Victoria Police [R&D Park – former VABC]</p> <p>Council approved the proposed lease to Victoria Police (Meeting 441, 15 September 2014) as a Commercial Activity.</p> <p>Status</p> <p>This lease replaces previous leases to DPI (Victorian AgriBiosciences Centre) and Victoria Police which were surrendered in favour of a new Head Lease expiring 2025 including options. The commencing rental is \$1.1M per annum(approx.)</p>
<p>Other commercial activities considered sufficiently important or of interest</p>			<p>Not applicable</p>

Independent (stand alone) Commercial Leases	Independent (stand alone) Commercial Leases	Independent (stand alone) Commercial Leases	Independent (stand alone) Commercial Leases
<p>Real Estate Tube [R&D Park – 30 sqm office]</p> <p>Council requested to note as minor lease.</p> <p>Status</p> <p>A technology (smartphone applications) start-up with a short term lease until Nov 16 with opt out provisions. Rental \$15,000 p.a. Rental offset applies under collaborative research arrangements.</p>	<p>Note: The Guidelines were Gazetted in early 2011 in accordance with Part 6 of the La Trobe University Act 2009. A number of Commercial Activities (Leases) were transacted prior to that date.</p> <p>These include:</p> <ul style="list-style-type: none"> • Optus Tower, Melbourne, Expiry 2024, passing rent \$24,045. • Telstra Tower, Melbourne, Exp 2025, passing rental \$20,000 • Optus Tower II, Melbourne, Expiry 2019, passing rental \$24,950 • Telstra Tower, Bendigo, Expires 2017, passing rental \$4,919 • Optus Tower, Wodonga, Expires 2025, passing rental \$12,410 <p>Other:</p> <ul style="list-style-type: none"> • Telstra Tower, Mildura, Expires 2023, passing rental \$16,000. 	<p>Healthscope (ACN108807370 Pty Ltd)</p> <p>Council approval to four year lease commencing 7 July 2015 (Meeting 445 – 15 December 2014). Commencing rental \$208,000. Companion agreements executed to operate concurrently include Education Agreement and Facilities Management Agreement.</p> <p>Heads of Agreement to Lease rooftop premises for Optus Base Station and Antenna: \$372,000 over 15 years</p>	<p>Other leases for noting (not significant in terms of LTU expenditure or liability):</p> <p>LUMC</p> <p>Lifecare Physiotherapy – 1 Jul 15, 4 yrs, \$35,000 p.a.</p> <p>La Trobe Pharmacy – 1 Jul 15, 4 yrs, \$60,000 p.a.</p> <p>Blood Bank – 1 Jul 15, 4 yrs, \$130,000 p.a.</p> <p>Greening Aust. – 1 Jul 15, 2 yrs, \$82,000 p.a. with rebate provisions for collaborative research outcomes.</p> <p>Melbourne’s Northern Economic Wedge Inc – 1 Feb 16, 3 yrs, \$16,000 p.a. net of subsidy</p> <p>Cornerstone Computing P/L (sitting tenant): 3+2 years, Comm rent \$39,600 p.a., Exp Feb 2018.</p> <p>Ecowise P/L, \$198,000, 3 yrs, exp 2017</p>
Not applicable			

Financial review (cont...)

Register of significant commercial activities – as at 15 november 2016

Significant Commercial Activity	Bendigo Surplus Property Divestment	Independent (stand alone) Commercial Leases	Independent (stand alone) Commercial Leases
Participation			
University involvement in this activity:	The University is the vendor to the property transaction(s)	Lessor only.	La Trobe 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	Nil	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 was the responsible body for overseeing the sales. The PCG has been superseded by a Project Steering Committee (Bendigo Transformation) 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.	No	This was largely a consolidation exercise of existing leases but rental return was enhanced by increasing net lettable areas and taking up vacancies in building. The rental is subject to annual increments and periodic market reviews.
Whether the activity is ongoing or its anticipated termination date	The project will remain operative until all Commercial Activities cease.	On lease expiry. Note that the above leases have a connection with the University's research/commercialization or industry collaboration activities.	If all options are exercised, the lease expires Nov 2025.

Independent (stand alone) Commercial Leases	Independent (stand alone) Commercial Leases	Independent (stand alone) Commercial Leases	Independent (stand alone) Commercial Leases
As lessor.		Lessor only.	Lessor only.
Nil	Nil	Nil	Nil
Introduced by La Trobe Commercialization Office (Research). Proof of Concept phase will determine nature of ongoing relationship with University.	N/A	No	No
Lease expires Nov 2016 with opt out provisions.	Various expiry dates	Lease expires 2019. Negotiations in progress for new hospital.	On lease expiry.

University disclosure index table

Item No	Source reference	Summary of reporting required	Page(s)
1	FRD 22G	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 Financial Management Act 1994.	2-29
2	SD 5.2.1(a)	Accountable Officer must implement and maintain a process to ensure the Annual Report if is prepared in accordance with Financial Reporting Directions and Australian Accounting Standards.	44
3	SD 5.2.3	Report of Operations is signed and dated by Chancellor or equivalent and includes date of Council Meeting at which Annual Report was approved.	45
4	SD 5.2.2	Financial Statements are prepared in accordance with: <ul style="list-style-type: none"> • Australian Accounting Standards (AAS and AASB standards) and other mandatory professional reporting requirements • financial reporting directions • Financial Management Act. 	45, 52-58
5	SD 4.2(b)	Financial Statements available, including: <ul style="list-style-type: none"> • balance sheet and income statement • statement of recognised income and expense • cash flows statement • notes to the financial statements. 	46-104
6	SD 4.2(c) and FMAs 49	The financial statements must contain such information as required by the Minister and be prepared in a manner and form approved by the Minister. They must be signed and dated by the Accountable Officer, CFAO and a member of the Responsible Body, in a manner approved by the Minister, stating whether, in their opinion the financial statements: <ul style="list-style-type: none"> • Present fairly the financial transactions during reporting period and the financial position at end of the period; • Were prepared in accordance with Standing Direction 4.2(c) and applicable Financial Reporting Directions; and • Comply with applicable Australian Accounting Standards (AAS and AASB standards) and other mandatory professional reporting requirements. 	44-45, 52-58
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"> • \$10,000,000, the amounts shown in the financial statements may be expressed by reference to the nearest \$1,000; and • \$1,000,000,000, the amounts shown in the financial statements may be expressed by reference to the nearest \$100,000. 	58
8	SD 3.2.1.1(c)	The financial statements were reviewed and recommended by the Audit Committee or Responsible Body prior to finalisation and submission.	40-43
9	SD 3.71	Attestation on compliance with the Australian/New Zealand Risk Management Standard.	40-43
10	FRD 03A	Accounting for dividends.	N/A
11	FRD 07A	Early Adoption of Authoritative Accounting Pronouncements.	58-59
12	FRD 10A	Disclosure Index.	30-32
13	FRD 11A	Disclosure of Ex-gratia Payments.	104
14	FRD 17B	Long Service Leave Wage Inflation and Discount Rates.	63-64, 76

Item No	Source reference	Summary of reporting required	Page(s)
15	FRD 21B	Disclosures of Responsible Persons, Executive Officer and Other Personnel (Contractors with significant management responsibilities) in the Financial Report.	94-96
16	FRD 22G	<p>Consultants:</p> <ul style="list-style-type: none"> • Report of Operations must include a statement disclosing each of the following • Total number of consultancies over \$10,000 • Location (eg website) of where details of these consultancies over \$10,000 have been made publicly available • Total number of consultancies individually valued at less than \$10,000 and the total expenditure for the reporting period. <p>AND publication on university website required, for each consultancy more than \$10,000, of a schedule listing:</p> <ul style="list-style-type: none"> • consultant engaged • brief summary of project • total project fees approved • expenditure for reporting period • any future expenditure committed to the consultant for the project. 	24
17	FRD 22G	Manner of establishment and the relevant Minister.	10
18	FRD 22G	Purpose, functions, powers and duties linked to a summary of activities, programs and achievements.	4-7, 10-11
19	FRD 22G	Nature and range of services provided including communities served.	5-7
20	FRD 22G	Organisational structure and chart, including accountabilities.	8
21	FRD 22G	Names of Council members.	9
22	FRD 22G	Operational and budgetary objectives, performance against objectives and achievements.	18, 37
23	FRD 22G	Occupational health and safety statement including performance indicators, and performance against those indicators. Reporting must be on the items listed at (a) to (e) in the FRD.	16
24	FRD 22G	Workforce data for current and previous reporting period including a statement on employment and conduct principles and that employees have been correctly classified in the workforce data collections.	12-13
25	FRD 22G	Summary of the financial results for the year including previous four year comparisons.	36-39
26	FRD 22G	Significant changes in financial position during the year.	37
27	FRD 22G	Key initiatives and projects, including significant changes in key initiatives and projects from previous years and expectations for the future.	23, 36
28	FRD 22G	Major changes or factors affecting performance.	36
29	FRD 22G	Discussion and analysis of operating results and financial results.	36-38
30	FRD 22G	Post-balance sheet date events likely to significantly affect subsequent reporting periods.	93
31	FRD 22G	Where a university has a workforce inclusion policy, a measurable target and report on the progress towards the target should be included.	N/A
32	FRD 22G	Schedule of any government advertising campaign in excess of \$100,000 or greater (exclusive of GST) include list from (a) - (d) in the FRD.	N/A

University disclosure index table (cont...)

Item No	Source reference	Summary of reporting required	Page(s)
33	FRD 22G	Summary of application and operation of the Freedom of Information Act 1982.	22
34	FRD 22G	Statement of compliance with building and maintenance provisions of the Building Act 1993.	22
35	FRD 22G	Statement where applicable on the implementation and compliance with the National Competition Policy.	22
36	FRD 22G	Summary of application and operation of the Protected Disclosure Act 2012.	22
37	FRD 22G	Statement, to the extent applicable, on the application and operation of the Carers Recognition Act 2012 (Carers Act), and the actions that were taken during the year to comply with the Carers Act.	N/A
38	FRD 22G	Summary of environmental performance.	18–20
39	FRD 22G	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).	25
40	FRD 25C	Victorian Industry Participation Policy in the Report of Operations (the University broadly follows the above through its own procurement and tendering policy).	36
41	FRD 26A	Accounting for VicFleet Motor Vehicle Lease Arrangements on or after 1 February 2004.	N/A
42	FRD 102	Inventories.	53, 69
43	FRD 103E	Non-current physical assets.	53, 70
44	FRD 104	Foreign currency.	57
45	FRD 105A	Borrowing costs.	56
46	FRD 106	Impairment of assets.	54
47	FRD 107	Investment properties.	N/A
48	FRD 109	Intangible assets.	56, 74
49	FRD 110	Cash flow statements.	49
50	FRD 112D	Defined benefit superannuation obligations.	56–57, 89
51	FRD 113	Investments in subsidiaries, jointly controlled associates and entities.	52, 91–93, 96
52	FRD 119A	Transfers through contributed capital.	N/A
53	FRD 120I	Accounting and reporting pronouncements applicable to the reporting period.	52–59
54	ETRA, s. 3.2.8	Statement on compulsory non-academic fees, subscriptions and charges payable in 2014.	24
55	PAEC	Financial and other information relating to the university's international operations.	N/A
56	UNIVERSITY COMMERCIAL ACTIVITY GUIDELINES	<ul style="list-style-type: none"> Summary of the university commercial activities. If the university has a controlled entity, include the accounts of that entity in the university's Annual Report. 	26–29, 91–93, 96

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

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

Financial Statements for
La Trobe University consolidated
for the **2016 Reporting Period.**

Financial statements for year ending 31 December 2016



OFFICE OF THE CHANCELLOR

15 March 2017

Financial statements for year ending 31 December 2016

Certification

In our opinion:

- (a) The attached financial statements of La Trobe University and the consolidated entity present a true and fair view of the financial transactions during the financial year ended 31 December 2016;
- (b) The attached financial statements and notes comply with the Australian Charities and Not-for-profits 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 2016 Reporting Year by Australian Higher Education Institutions as issued by 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

Richard G Larkins
Chancellor

Professor John Dewar
Vice-Chancellor Chief

Gary Seach
Financial Officer

Mailing address

La Trobe University
Victoria 3086 Australia

T +61 3 9479 5268

F +61 3 9479 1045

E chancellor@latrobe.edu.au

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

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

Corporate governance statement – Report of operations

La Trobe University and its controlled entities recorded an Operating surplus after income tax of \$37.4m for the year ended 31 December 2016 (2015 surplus \$63.4m) representing and underlying operating margin of 5.1% (2015 8.9%).

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

	CONSOLIDATED		LA TROBE UNIVERSITY	
	2016 \$000s	2015 \$000s	2016 \$000s	2015 \$000s
Total revenue	735,273	715,823	735,273	720,568
Total expenses	(697,794)	(652,455)	(697,794)	(653,406)
Operating result after income tax	37,479	63,368	37,479	67,250
LESS:				
Capital development grants	-	(566)	-	(566)
ADD:				
University Medical Centre debt redemption	-	-	-	-
Termination benefits	-	9,061	-	9,061
Underlying result from normal operations	37,479	71,863	37,479	75,745

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.

(b) Significant matters of note during 2016:

- The operating result is a down on 2015 by \$26m primarily due to increased investment in strategic initiatives (\$12m) and accelerated depreciation expense (\$11m) relating to significant buildings revaluation at the end of 2015.
- Total Revenue (not including Deferred Government superannuation contributions) of \$735.3m increased by \$19.4m (2.7%). The majority of the increase was due to Australian Government Financial Assistance \$22.2m, Fees and Charges \$7.9m which is offset by a decline of \$10.9m in other revenue.
- Cash and cash equivalents were \$45.2m at 31 December 2016, an increase of \$9.1m on 2015 (25.2% increase).
- 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 FRD103F 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.

The University has committed to investing in its core teaching and research infrastructure and will continue developing the capability for reinvestment in these areas. The 2017 capital budget is based in a capital works program that responds to Future Ready and improves asset utilisation and delivers projects that improves the student experience.

Victorian Industry Participation Policy

In compliance with this policy, La Trobe has reviewed the VIPP guidelines for all state-based grants received and has assessed the value of those grants within the threshold. The program is not applicable as the University has not received one lump sum payment over the monetary thresholds of \$3 million in metropolitan Melbourne and \$1 million in regional Victoria.

Corporate governance statement – Performance Indicators

Key performance indicators

31 December 2016

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 %
2016	0.8	14.7	4.6	5.1
2015	1.0	2.2	4.8	8.9
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

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 0.8 in 2016. Although the ratio is below 1.0 at 31 December 2016, the University has \$45.2m of cash on hand and \$24.4m of deposits at that date.

Debt service coverage ratio

The debt service coverage ratio (based on EBITDA) increased to 14.7 in 2016 comparative. 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 2016 to 4.6% (from 4.8% in 2015).

Underlying operating margin

The underlying operating margin has decreased in 2016 to 5.1% (2015 8.9%). 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.

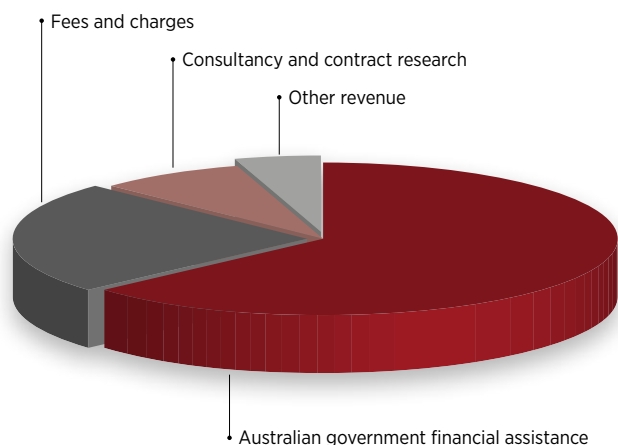
Key performance targets 2016

La Trobe University's Future Ready: Strategic Plan 2013-2017, outlines a number of aspirational targets and in 2016 we continue to progress our teaching, research and other significant reforms toward delivery of our 2017 targets.

	2016 Actual	2016 Budget
International Student Revenue as a % of Underlying Revenue	19%	18%
Research Revenue	72.7m	75.7m
Underlying revenue per staff dollar	1.86	1.93
Underlying Operating Margin	5.1%	8.9%

Income and expenditure graphs for the year ended 31 December 2016

Income



Total operating revenues

Consolidated operating revenues were \$735.2m, excluding deferred superannuation (2015 \$715.8m). An increase of 3% on 2015. The majority of the increase was due to increases in Australian Government Grants of \$22m.

■ Australian government financial assistance

Australian government financial assistance (excluding Fee-Help) increased by \$27.4m (7%) (2015 \$20.9m, 5.3%). This is mainly due to increases in CSP, Commonwealth funding or HEPPP programs and capital grants.

■ Fees and charges

Fees and charges increased by \$7.9m (5%) (2015 \$26.7m, 20.4%), mainly due to an increase in EFTSL in both International and Domestic fee paying students.

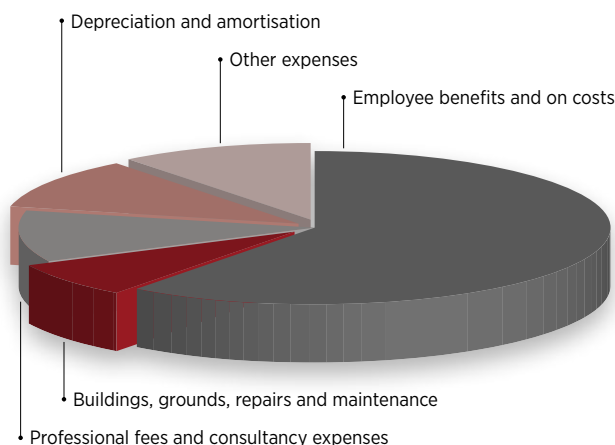
■ Consultancy and contract research

Consultancy and contract research decreased by \$3.9m (-6.7%) as opposed to previous year's increase (2015 \$5.3m, 9.7%) due to research industry contracts and partnership contracts.

■ Other revenue

Other revenue decreased by \$11.8m (-27%) (2015 decrease \$10.3m, -19%).

Expenditure



Total expenditure

Total expenditure from continuing operations, excluding deferred superannuation, is \$697.8m, which represents an increase of \$45.3m (6.9%) (2015 decrease \$1.8m, -0.5%).

■ Employee benefits and on costs

Expenditure on salaries increased by \$31.4m (8.9%) (2015 decrease \$40.7m, -10.4%).

■ Buildings, grounds, repairs and maintenance

Includes expenditure on repairs, maintenance, equipment hire and refurbishment categories which decreased by \$8.5m (15.3%).

■ Professional fees and consultancy expenses

Includes expenditure on professional fees, consulting and contractor costs, which increased by \$11.3m (20%) (2015 \$2.4m, 4.5%).

■ Depreciation and amortisation

Depreciation and amortisation has increased by \$9.8m (16.6%) (2015 \$4.3m, 7.9%).

■ Other expenses

Other expenses have increased by \$17.1m (34.8%) (2015 \$14.5m, 41.8%) mainly due to advertising, telecommunications and miscellaneous expense.

Consolidated five-year financial summary

31 December 2016

	2016 \$000s	2015 \$000s	2014 \$000s	2013 \$000s	2012 \$000s
INCOME STATEMENT					
Total revenue and income from continuing operations	735,273	715,823	672,385	630,198	625,167
Total expenses including tax and joint venture expenses	(697,794)	(652,455)	(654,208)	(584,860)	(590,513)
Operating result after income tax and joint venture expenses	37,479	63,368	18,177	45,338	34,654
Abnormal items*	-	8,495	35,815	(3,531)	(6,420)
Underlying surplus after tax and abnormal items	37,479	71,863	53,992	41,807	28,234
BALANCE SHEET					
Current assets	125,974	142,058	167,658	134,388	146,257
Non-current assets	1,463,905	1,396,844	1,343,861	1,306,711	1,278,034
Total assets	1,589,879	1,538,902	1,511,519	1,441,099	1,424,291
Current liabilities	160,533	142,975	165,132	135,673	126,293
Non-current liabilities	135,149	139,712	193,328	202,219	243,780
Total liabilities	295,682	282,687	358,460	337,892	(370,073)
Total Net Assets	1,294,197	1,256,215	1,153,059	1,103,207	1,054,218
Reserves	746,140	745,637	700,511	665,291	661,623
Accumulated funds	548,057	510,578	452,548	437,916	392,595
Total Equity	1,294,197	1,256,215	1,153,059	1,103,207	1,054,218
Net cash provided by operating activities	119,876	87,149	103,276	95,314	86,158
Net cash (used in) investing activities	(106,924)	(83,515)	(73,341)	(82,952)	(118,923)
Cash flows provided by (used in) financing activities	(3,844)	(51,880)	(8,304)	(8,703)	16,485
Net increase/(decrease) in cash and cash equivalents held	9,108	(48,246)	21,631	3,659	(16,280)

* The Abnormal Items for 2012 to 2015 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 Funding Future Ready Program. 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

Website www.audit.vic.gov.au

INDEPENDENT AUDITOR'S REPORT

To the Council of La Trobe University

Opinion

I have audited the consolidated financial report of La Trobe University (the university) and its controlled entities (together the consolidated entity) which comprises the:

- consolidated entity and university balance sheets as at 31 December 2016
- consolidated entity and university income statements and statements of comprehensive income for the year then ended
- consolidated entity and university statements of changes in equity for the year then ended
- consolidated entity and university statements of cash flows for the year then ended
- notes comprising a summary of significant accounting policies
- statements by the Principal Accounting Officer and Chief Financial Officer, Chancellor and Accountable Officer.

In my opinion the financial report is in accordance with the financial reporting requirements of Part 7 of the *Financial Management Act 1994* and Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* including:

- giving a true and fair view of the financial position of the university and the consolidated entity as at 31 December 2016 and their financial performance and cash flows for the year then ended
- complying with Australian Accounting Standards and Division 60 of the *Australian Charities and Not-for-profits Commission Regulations 2013*.

Basis for opinion

I have conducted my audit in accordance with the *Audit Act 1994* which incorporates the Australian Auditing Standards. My responsibilities under the Act are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report.

The Auditor-General's independence is established by the *Constitution Act 1975*. My staff and I are independent of the university and the consolidated entity in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Auditing in the Public Interest

Independent Auditor's Report (continued)

Council's responsibilities for the financial report

The Council of the university is responsible for the preparation of a financial report that gives a true and fair view in accordance with Australian Accounting Standards, the *Financial Management Act 1994* and the *Australian Charities and Not-for-profits Commission Act 2012*, and for such internal control as the Council determines is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Council is responsible for assessing the university and the consolidated entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.

Auditor's responsibilities for the audit of the financial report

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

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

Auditor General's Report to the Council members of La Trobe University (cont...)

Independent Auditor's Report (continued)

Auditor's responsibilities for the audit of the financial report (continued)

- obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the university and the consolidated entity to express an opinion on the financial report. I am responsible for the direction, supervision and performance of the audit of the university and the consolidated entity. I remain solely responsible for my audit opinion.

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

I also provide the Council with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

MELBOURNE
15 March 2017



Simone Bohan
as delegate for the Auditor-General of Victoria

AUDITOR-GENERAL'S INDEPENDENCE DECLARATION

To the Council, La Trobe University

The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General, an independent officer of parliament, is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised.

Under the *Audit Act 1994*, the Auditor-General is the auditor of each public body and for the purposes of conducting an audit has access to all documents and property, and may report to parliament matters which the Auditor-General considers appropriate.

Independence Declaration

As auditor for La Trobe University for the year ended 31 December 2016, I declare that, to the best of my knowledge and belief, there have been:

- no contraventions of auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit
- no contraventions of any applicable code of professional conduct in relation to the audit.

MELBOURNE
15 March 2017



Simone Bohan
as delegate for the Auditor-General of Victoria

Statement by Principal Accounting Officer and Chief Financial Officer

31 December 2016



OFFICE OF THE CHIEF FINANCIAL OFFICER

15 March 2017

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 2016 and its financial position as at that date;
- (b) Australian Government financial assistance received during the financial year ended 31 December 2016 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 Non-for-profit Commission Act 2012, Australian Accounting Standards (including Australian Accounting Interpretations) and other mandatory professional reporting requirements in Australia, Financial Management Act 1994 and Guidelines for the Preparation of Annual Financial Reports for the 2016 Reporting Year by Australian Higher Education Institutions as issued by the Commonwealth Department of Education and Training. 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

Mailing address

La Trobe University
Victoria 3086 Australia

T +61 3 9479 5268

F +61 3 9479 1045

E chancellor@latrobe.edu.au

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

Statement by the Chancellor and the Accountable Officer

31 December 2016



OFFICE OF THE CHANCELLOR

15 March 2017

Statement by the Chancellor and Accountable Officer

In our 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 2016 and its financial position as at that date;
- (b) Australian Government financial assistance received during the financial year ended 31 December 2016 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 Non-for-profit Commission Act 2012, Australian Accounting Standards (including Australian Accounting Interpretations) and other mandatory professional reporting requirements in Australia, Financial Management Act 1994 and Guidelines for the Preparation of Annual Financial Reports for the 2016 Reporting Year by Australian Higher Education Institutions as issued by the Commonwealth Department of Education and Training. 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.

Richard G Larkins
Chancellor

Professor John Dewar
Vice-Chancellor and Accountable Officer

Mailing address

La Trobe University
Victoria 3086 Australia

T +61 3 9479 5268

F +61 3 9479 1045

E chancellor@latrobe.edu.au

latrobe.edu.au

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Income statement

for the year ended 31 December 2016

	Note	CONSOLIDATED		LA TROBE UNIVERSITY	
		2016 \$000s	2015 \$000s	2016 \$000s	2015 \$000s
REVENUE FROM CONTINUING OPERATIONS					
Australian Government financial assistance					
Australian Government grants	2.7	286,735	264,253	286,735	264,253
HELP payments	2.2	174,495	167,855	174,495	167,855
State and local government financial assistance	3	4,120	4,143	4,120	4,143
HECS-HELP student payments		10,107	11,016	10,107	11,016
Fees and charges	4	165,743	157,830	165,743	157,830
Investment income	5	6,339	7,142	6,339	11,847
Consultancy and contracts	6	55,527	59,497	55,527	59,497
Other revenue	7	32,206	44,087	32,206	44,127
Total revenue from continuing operations		735,273	715,823	735,273	720,568
Employee related expenses	8	383,709	352,259	383,709	352,260
Depreciation and amortisation	11	68,927	59,132	68,927	58,848
Repairs and maintenance	10	13,761	12,727	13,761	12,727
Borrowing costs	14	3,655	8,902	3,655	8,902
Buildings and grounds	9	33,550	43,149	33,550	44,296
Bank and investment management charges		1,495	1,134	1,495	1,134
Professional fees and consultancy expenses		67,343	56,047	67,343	56,047
Loss on disposal of assets	16	588	290	588	290
Publications		5,810	4,632	5,810	4,632
Staff training and development		3,900	3,181	3,900	3,181
Travel, accommodation and entertainment		9,668	8,259	9,668	8,259
Bad and impaired debts	12	156	784	156	784
Scholarships, grants and prizes		28,001	33,078	28,001	33,078
Impairment of fixed assets		-	1,592	-	1,592
Research participant payments		10,859	18,146	10,859	18,146
Other expenses	13	66,372	49,230	66,372	49,230
Total expenses from continuing operations		697,794	652,543	697,794	653,406
Operating result before income tax		37,479	63,280	37,479	67,162
Income tax benefit	15	-	88	-	88
Operating result after income tax		37,479	63,368	37,479	67,250

Statement of comprehensive income for the year ended 31 December 2016

	Note	CONSOLIDATED		LA TROBE UNIVERSITY	
		2016 \$000s	2015 \$000s	2016 \$000s	2015 \$000s
Profit for the year		37,479	63,368	37,479	67,250
OTHER COMPREHENSIVE INCOME, NET OF INCOME TAX					
ITEMS THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS					
Gain on revaluation of assets	21.1	-	31,009	-	14,843
Deferred Government superannuation (contributions)		2,448	95	2,448	95
Deferred superannuation expense		(2,448)	(95)	(2,448)	(95)
ITEMS THAT MAY BE RECLASSIFIED TO PROFIT OR LOSS					
Gain on value of available-for-sale financial assets	28.2	153	8,778	153	8,778
Total other comprehensive income for the year, net of tax		153	39,787	153	23,621
Total comprehensive income for the year		37,632	103,155	37,632	90,871

Balance sheet

as at 31 December 2016

	Note	CONSOLIDATED		LA TROBE UNIVERSITY	
		2016 \$000s	2015 \$000s	2016 \$000s	2015 \$000s
ASSETS					
Current assets					
Cash and cash equivalents	29	45,206	36,098	45,206	36,098
Trade and other receivables	18	28,084	29,512	28,084	29,512
Inventories	20	158	517	158	517
Financial assets	19.1	25,864	57,555	25,864	57,555
Other non-financial assets	23	26,662	18,376	26,662	18,376
Total current assets		125,974	142,058	125,974	142,058
NON-CURRENT ASSETS					
Trade and other receivables	18	67,038	69,764	67,038	69,764
Financial assets	19.2	58,727	56,508	58,727	56,508
Property, plant and equipment	21	1,303,787	1,238,178	1,303,787	1,238,178
Intangible assets	22	34,353	32,394	34,353	32,394
Total non-current assets		1,463,905	1,396,844	1,463,905	1,396,844
Total assets		1,589,879	1,538,902	1,589,879	1,538,902
LIABILITIES					
Current liabilities					
Trade and other payables	24	60,411	46,324	60,411	46,324
Borrowings	25	7,869	6,513	7,869	6,513
Employee benefits and provisions	26	71,089	67,191	71,089	67,191
Other liabilities	27	21,164	22,947	21,164	22,947
Total current liabilities		160,533	142,975	160,533	142,975
NON-CURRENT LIABILITIES					
Borrowings	25	52,184	54,340	52,184	54,340
Employee benefits and provisions	1.15, 26	76,253	78,437	76,253	78,437
Other liabilities	27	6,712	6,935	6,712	6,935
Total non-current liabilities		135,149	139,712	135,149	139,712
Total liabilities		295,682	282,687	295,682	282,687
Net assets		1,294,197	1,256,215	1,294,197	1,256,215
EQUITY					
Reserves	28.1	746,140	745,637	746,140	745,637
Retained surplus	28.3	548,057	510,578	548,057	510,578
Total equity		1,294,197	1,256,215	1,294,197	1,256,215

Statement of cash flows

for the year ended 31 December 2016

	Note	CONSOLIDATED		LA TROBE UNIVERSITY	
		2016 \$000s	2015 \$000s	2016 \$000s	2015 \$000s
CASH FLOWS FROM OPERATING ACTIVITIES					
Australian Government grants		442,901	407,579	442,901	407,579
State Government grants		4,120	4,143	4,120	4,143
HECS-HELP student payments		10,107	11,016	10,107	11,016
OS-HELP (net)		18,187	16,562	18,187	16,562
Receipts from student fees and other customers		253,023	268,739	253,023	268,739
Investment income received		5,615	7,363	5,615	7,293
Payments to suppliers and employees		(610,422)	(613,315)	(610,422)	(613,315)
Interest paid		(3,655)	(14,938)	(3,655)	(14,938)
Net cash provided by operating activities	30	119,876	87,149	119,876	87,079
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from sale of financial assets		98,357	50,622	98,357	50,622
Proceeds from sale of property, plant and equipment		537	213	537	213
Distribution from MCD liquidation		-	-	-	5,251
Payments for property, plant and equipment		(137,810)	(78,503)	(137,810)	(78,503)
Payments for financial assets		(68,008)	(55,847)	(68,008)	(55,847)
Net cash used in investing activities		(106,924)	(83,515)	(106,924)	(78,264)
CASH FLOWS FROM FINANCING ACTIVITIES					
Repayment of borrowings		(3,844)	(51,880)	(3,844)	(51,880)
Net cash used in financing activities		(3,844)	(51,880)	(3,844)	(51,880)
Net increase/(decrease) in cash and cash equivalents held		9,108	(48,246)	9,108	(43,065)
Cash and cash equivalents at beginning of financial year		36,098	84,344	36,098	79,163
Cash and cash equivalents at end of financial year	29.1	45,206	36,098	45,206	36,098

Statement of changes in equity

for the year ended 31 December 2016

CONSOLIDATED

2016	Note	Retained Surplus \$000s	Reserves \$000s	Total \$000s
Balance at 1 January 2016		510,578	745,637	1,256,215
Total comprehensive income		37,479	153	37,632
Transfers in		-	350	350
Sub-total		548,057	746,140	1,294,197
Balance at 31 December 2016	28	548,057	746,140	1,294,197

CONSOLIDATED

2015		Retained Surplus \$000s	Reserves \$000s	Total \$000s
Balance at 1 January 2015		452,548	700,511	1,153,059
Total comprehensive income		63,368	39,789	103,157
Transfers to reserves		(5,337)	5,337	-
Sub-total		510,578	745,637	1,256,215
Balance at 31 December 2015		510,578	745,637	1,256,215

LA TROBE UNIVERSITY

2016	Note	Retained Surplus \$000s	Reserves \$000s	Total \$000s
Balance at 1 January 2015		510,578	745,637	1,256,215
Total comprehensive income		37,479	153	37,632
Transfers in		-	350	350
Sub-total		548,057	746,140	1,294,197
Balance at 31 December 2015	28	548,057	746,140	1,294,197

LA TROBE UNIVERSITY

2015		Retained Surplus \$000s	Reserves \$000s	Total \$000s
Balance at 1 January 2015		448,665	695,695	1,144,360
Total comprehensive income		67,250	44,605	111,855
Transfers to reserves		(5,337)	5,337	-
Sub-total		510,578	745,637	1,256,215
Balance at 31 December 2015		510,578	745,637	1,256,215

Notes to and forming an integral part of the financial statements

for the year ended 31 December 2016

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1. 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
- Australian Charities and Not-for-profits Commission Act 2012.

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. 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 2016 and the results of all subsidiaries for the year then ended. All subsidiaries wound up in 2015.

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.

(b) Joint arrangements

Under AASB11 investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations each investor has, rather than the legal structure of the joint arrangement.

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 35.

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 which include:

- Accommodation Services
- La Trobe University Children's Centre
- La Trobe Sports Centre
- Eagle Bar

(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.

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 balance sheet.

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

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. A revaluation of Land and Buildings was undertaken for the reporting date as at 31 December 2015 with changes to fair value incurred in 2015. 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 amount arising on revaluation of land and buildings are recognised, net of tax, in other comprehensive income and accumulated in equity under the 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. Works of art owned and/or controlled by the university will be revalued during 2017.

Land and buildings are valued at fair value and in accordance with: Financial Reporting Directions, Australian Accounting Standards and Victorian Government Policy. The resultant changes are recorded through the Property, Plant and Equipment Revaluation Reserve.

- (c) The Library collections of the University are recorded at cost and depreciated.
- (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 on the following table:

	2016 (%)	2015 (%)
FIXED ASSET CLASS		
Buildings	2.5 average	2.5 average
Infrastructure	5	5
Plant and equipment	5-10	5-10
Library collections	10	10
Motor vehicles	6.67-10	6.67-10
Furniture, fixtures and fittings	10	10
Computer equipment	33	33
Leasedhold improvements*	4.1-6	4.1-6

*Based on Life of Lease

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.

1.9 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 transactions 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.

(d) 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.

(e) 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.

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.

(f) 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.

1.10 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 takes into account a market participants' ability to generate economic benefit by using the assets in its highest and best use, or by selling it to another participant that would use the asset in its 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.

1.11 Intangible assets

(Refer Note 22)

(a) 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 5 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.

1.12 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.

1.13 Borrowings

(Refer Note 25)

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowing are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the income statement over the period of the borrowings using the effective interest method.

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 end of the reporting period.

1.14 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.

1.15 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.

(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.

1.16 Unfunded superannuation

(Refer Note 34)

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 Balance Sheet for the first time in 1998. The prior years' practice had been to disclose liabilities by way of a note to the balance sheet.

The unfunded liabilities recorded in the balance sheet under provisions have been determined by the actuaries and relates to State Superannuation Fund based on the 31 December 2016 valuation date, adjusted for applicable sensitivities to discount rates at balance date.

An arrangement exists between the Australian Government and the State Government to meet the unfunded liability for the University's beneficiaries of the State Superannuation Scheme on an emerging cost basis. This arrangement is evidenced by the State Grants (General Revenue) Amendment Act 1987, Higher Education Funding Act 1988 and subsequent amending

legislation. 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.

Deferred government benefits for superannuation are the amounts recognised as reimbursement rights as they are the amounts expected to be received from the Australian Government for the emerging costs of the superannuation funds for the life of the liability.

1.17 Leases

(Refer Note 33.1)

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.

1.18 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.

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.

1.19 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.

1.20 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.

1.21 Comparative amounts

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

1.22 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 (000s).

1.23 New accounting standards and interpretations

Certain new Accounting Standards and Interpretations have been published that are not mandatory for 31 December 2016 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 January 2018	This amends relevant standards due to the amendment to AASB 9.	The assessment has identified that the financial impact of available for sale (AFS) assets will now be reported through other comprehensive income (OCI) and no longer recycled to the profit and loss. While the preliminary assessment has not identified any material impact arising from AASB 9, it will continue to be monitored and assessed.
AASB 15 Revenue from Contracts with Customers	1 January 2019 (early adoption permitted)	The objective of this standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer.	The changes in revenue recognition requirements in AASB 15 may result in changes to the timing and amount of revenue recorded in the financial statements. The Standard will also require additional disclosures on service revenue and contract modifications. Based on the entity's preliminary assessment, the Standard is not expected to have a material impact on the transactions and balances recognised in the financial statements when it is first adopted for the year ending 31 December 2018.
AASB 2015-6 Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities	1 July 2016	This Standard makes amendments to AASB 124 Related Party Disclosures to extend the scope of that Standard to include not-for-profit public sector entities.	The amending standard will result in extended disclosures on the entity's key management personnel (KMP), and the related party transactions.
AASB 1058 Income for Not-for-Profit Entities	1 January 2019	The objective of this standard is to establish the principles applicable to transactions where the consideration to acquire an asset is significantly less than fair value principally to enable a not-for-profit entity to further its objectives and the financial treatment for receipt of volunteer services.	The entity is yet to undertake a detailed assessment of the impact of AASB 1058. However, based on the entity's preliminary assessment, the Standard is not expected to have a material impact on the transactions and balances recognised in the financial statements when it is first adopted for the year ending 31 December 2019.

1.23 New accounting standards and interpretations (cont...)

Standard Name	Effective date for entity	Requirements	Impact
AASB 16 Leases	1 January 2019	The key changes introduced by AASB 16 include the recognition of most operating leases (which are current not recognised) on balance sheet.	<p>The assessment has indicated that as most operating leases will come on balance sheet, recognition of lease assets and lease liabilities will cause net debt to increase.</p> <p>Depreciation of lease assets and interest on lease liabilities will be recognised in the income statement with marginal impact on the operating surplus.</p> <p>The amounts of cash paid for the principal portion of the lease liability will be presented within financing activities and the amounts paid for the interest portion will be presented within operating activities in the cash flow statement.</p> <p>No change for lessors.</p>

2 Australian government financial assistance including HECS-HELP and other Australian government loans

2.1 Commonwealth Grants Scheme and other grants

	Note	CONSOLIDATED		LA TROBE UNIVERSITY	
		2016 \$000s	2015 \$000s	2016 \$000s	2015 \$000s
Commonwealth Grants Scheme		227,853	206,165	227,853	206,165
Indigenous Support Program		563	524	563	524
Partnership and Participation Program		5,718	6,135	5,718	6,135
Disability Support Program		296	404	296	404
Promotion of Excellence in Learning and Teaching		30	156	30	156
Australian Maths and Science Partnership Program		381	381	381	381
Other		4,949	5,220	4,949	5,220
Total Commonwealth Grants Scheme and other grants	40.1	239,790	218,985	239,790	218,985

2.2 Higher education loan programs

	Note	CONSOLIDATED		LA TROBE UNIVERSITY	
		2016 \$000s	2015 \$000s	2016 \$000s	2015 \$000s
HELP payments		153,132	147,804	153,132	147,804
FEE - HELP payments		18,187	16,562	18,187	16,562
SA - HELP payments		3,176	3,489	3,176	3,489
Total higher education loan programs	40.2	174,495	167,855	174,495	167,855

2.3 Scholarships

	Note	CONSOLIDATED		LA TROBE UNIVERSITY	
		2016 \$000s	2015 \$000s	2016 \$000s	2015 \$000s
Australian postgraduate awards		5,680	5,402	5,680	5,402
International postgraduate research scholarships		450	424	450	424
Indigenous Commonwealth education costs scholarship		91	86	91	86
Indigenous Commonwealth accommodation scholarships		26	31	26	31
Indigenous access scholarships		59	63	59	63
Total scholarships	40.3	6,306	6,006	6,306	6,006

2.4 Education research

	Note	CONSOLIDATED		LA TROBE UNIVERSITY	
		2016 \$000s	2015 \$000s	2016 \$000s	2015 \$000s
Joint research engagement program		7,405	7,091	7,405	7,091
Research training scheme		11,786	11,334	11,786	11,334
JRE engineering cadetships		119	88	119	88
Research infrastructure block grants		2,092	2,228	2,092	2,228
Sustainable research excellence in universities		1,887	1,849	1,887	1,849
Total education research	40.4	23,289	22,590	23,289	22,590

2.5 Other capital funding

	Note	CONSOLIDATED		LA TROBE UNIVERSITY	
		2016 \$000s	2015 \$000s	2016 \$000s	2015 \$000s
Other capital funding		-	566	-	566
Total other capital funding	40.5	-	566	-	566

2.6 Australian Research Council

	Note	CONSOLIDATED		LA TROBE UNIVERSITY	
		2016 \$000s	2015 \$000s	2016 \$000s	2015 \$000s
(i) DISCOVERY					
Discovery - Projects		4,876	4,866	4,876	4,866
Discovery - Fellowships		2,624	2,141	2,624	2,141
Total discovery	40.6 (i)	7,500	7,007	7,500	7,007
(ii) LINKAGES					
Linkages - Infrastructure		-	107	-	107
Linkages - Projects		940	1,038	940	1,038
Total linkages	40.6 (ii)	940	1,145	940	1,145
Total ARC		8,440	8,152	8,440	8,152

2.7 Other Australian Government financial assistance

	Note	CONSOLIDATED		LA TROBE UNIVERSITY	
		2016 \$000s	2015 \$000s	2016 \$000s	2015 \$000s
NON-CAPITAL					
Other Australian Government financial assistance		99	282	99	282
National Health and Medical Research Council ^		8,811	7,672	8,811	7,672
Total other Australian Government financial assistance		8,910	7,954	8,910	7,954
Total Australian Government financial assistance		461,230	432,108	461,230	432,108
RECONCILIATION					
Australian Government grants *		286,735	264,253	286,735	264,253
HELP payments		153,132	147,804	153,132	147,804
FEE - HELP payments		18,187	16,562	18,187	16,562
SA - HELP payments		3,176	3,489	3,176	3,489
Total Australian Government financial assistance		461,230	432,108	461,230	432,108
AUSTRALIAN GOVERNMENT GRANTS RECEIVED - CASH BASIS					
CGS and other educational grants	40.1	240,543	217,570	240,543	217,570
Higher education loan programmes (exc. OS-HELP)^	40.2	171,639	168,360	171,639	168,360
Scholarships	40.3	6,306	6,006	6,306	6,006
Education research	40.4	23,289	22,590	23,289	22,590
Other capital funding	40.5	-	566	-	566
ARC grants - Discovery	40.6 (i)	7,564	7,007	7,564	7,007
ARC grants - Linkages	40.6 (ii)	940	1,145	940	1,145
Other Australian Government grants		8,910	7,954	8,910	7,954
Total Australian Government grants received - Cash basis		459,191	431,198	459,191	431,198
OS - Help (Net)	40.7	3,322	4,214	3,322	4,214
Total Australian Government funding received - Cash basis		462,513	435,412	462,513	435,412

* The Australian Government grants is constituted from notes 2.1, 2.3, 2.4, 2.5, 2.6, 2.7

^ Reclassification to separately disclose National Health and Medical Research Council grants from prior year Consultancy and Contract Research.

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

3 State and local government financial assistance

	CONSOLIDATED		LA TROBE UNIVERSITY	
	2016 \$000s	2015 \$000s	2016 \$000s	2015 \$000s
State and local government financial assistance	4,120	4,143	4,120	4,143
Total State and local government financial assistance	4,120	4,143	4,120	4,143

4 Higher education loan programs

	CONSOLIDATED		LA TROBE UNIVERSITY	
	2016 \$000s	2015 \$000s	2016 \$000s	2015 \$000s
COURSE FEES AND CHARGES				
Fee-paying offshore overseas students	137,570	124,820	137,570	124,820
Continuing education	13,439	9,314	13,439	9,314
Fee-paying domestic postgraduate students	6,359	5,734	6,359	5,734
Fee-paying domestic undergraduate students	22	44	22	44
Course and conference fees	548	621	548	621
Discounts and fee waivers	(8,842)	-	(8,842)	-
Total course fees and charges	149,097	140,533	149,097	140,533
OTHER FEES AND CHARGES				
Other services	11,670	12,910	11,670	12,910
General service fees	4,977	4,387	4,977	4,387
Total other fees and charges	16,647	17,297	16,647	17,297
Total fees and charges	165,743	157,830	165,743	157,830

5 Investment income

	CONSOLIDATED		LA TROBE UNIVERSITY	
	2016 \$000s	2015 \$000s	2016 \$000s	2015 \$000s
FINANCIAL ASSETS AT FAIR VALUE				
Investment income	1,367	2,174	1,367	2,174
Realised gain/(loss) on investment*	380	265	380	5,039
Unrealised gain/(loss) on investment	594	(485)	594	(485)
Interest received - Other	3,448	4,687	3,448	4,618
Dividends	550	501	550	501
Total investment income	6,339	7,142	6,339	11,847

*Includes gain from investment for Medical Centre and Development of \$4,773,278 for 2015.

6 Consultancy and contract research

	CONSOLIDATED		LA TROBE UNIVERSITY	
	2016 \$000s	2015 \$000s	2016 \$000s	2015 \$000s
Consultancy	21,056	26,885	21,056	26,885
Contract research	34,471	32,612	34,471	32,612
Total consultancy and contract research	55,527	59,497	55,527	59,497

7 Other revenue

	CONSOLIDATED		LA TROBE UNIVERSITY	
	2016 \$000s	2015 \$000s	2016 \$000s	2015 \$000s
Sale of goods	2,398	3,487	2,398	3,487
Other trading revenue	2,550	8,102	2,550	8,102
Total trading revenue	4,948	11,589	4,948	11,589
Accommodation revenue	21,163	21,293	21,163	21,293
Donations and bequests	1,104	1,718	1,104	1,718
Scholarships and prizes	1,187	1,346	1,187	1,346
Other revenue	3,804	8,141	3,804	8,181
Total other revenue	32,206	44,087	32,206	44,127

8 Employee related expenses

	CONSOLIDATED		LA TROBE UNIVERSITY	
	2016 \$000s	2015 \$000s	2016 \$000s	2015 \$000s
ACADEMIC				
Salaries	156,348	132,956	156,348	134,108
Contributions to superannuation and pension schemes:				
Contributions to unfunded schemes	2,332	2,716	2,332	2,716
Contributions to funded schemes	20,804	20,417	20,804	20,417
Payroll tax	7,848	8,421	7,848	8,421
Workers' compensation	1,190	868	1,190	868
Long service leave	2,718	6,280	2,718	6,280
Annual leave	1,032	(3,505)	1,032	(3,505)
Allowances	3,805	4,082	3,805	4,082
Other	406	1,332	406	1,332
Termination benefits	-	1,153	-	1,153
Total academic	196,483	174,720	196,483	174,720

8 Employee related expenses (cont...)

	CONSOLIDATED		LA TROBE UNIVERSITY	
	2016 \$000s	2015 \$000s	2016 \$000s	2015 \$000s
NON-ACADEMIC				
Salaries*	143,153	131,164	143,153	131,164
Contributions to superannuation and pension schemes:				
Contributions to unfunded schemes	2,782	2,776	2,782	2,776
Contributions to funded schemes	24,053	19,974	24,053	19,974
Payroll tax	8,858	7,709	8,858	7,709
Workers' compensation	670	914	670	914
Long service leave	5,089	6,013	5,089	6,013
Annual leave	(2,734)	(3,662)	(2,734)	(3,662)
Allowances	4,384	2,738	4,384	2,738
Other	744	2,006	744	2,006
Termination benefit	227	7,908	227	7,908
Total non-academic	187,226	177,540	187,226	177,540
Total employee related expenses	383,709	352,259	383,709	352,259
Deferred superannuation expense	(2,448)	(95)	(2,448)	(95)
Total employee related expenses, including deferred government employee benefits for superannuation	381,260	352,164	381,260	352,164

*Salaries include the ex-gratia payment of \$791,121 as disclosed under note 42.

9 Buildings and grounds

	CONSOLIDATED		LA TROBE UNIVERSITY	
	2016 \$000s	2015 \$000s	2016 \$000s	2015 \$000s
Occupancy expenses	23,106	35,202	23,106	36,349
Materials and equipment	9,333	7,590	9,333	7,590
Operating rental lease expense	1,111	357	1,111	357
Total buildings and grounds	33,550	43,149	33,550	44,296

10 Repairs and maintenance

	CONSOLIDATED		LA TROBE UNIVERSITY	
	2016 \$000s	2015 \$000s	2016 \$000s	2015 \$000s
Repairs and maintenance	13,761	12,727	13,761	12,727
Total repairs and maintenance	13,761	12,727	13,761	12,727

11 Depreciation and amortisation

	CONSOLIDATED		LA TROBE UNIVERSITY	
	2016 \$000s	2015 \$000s	2016 \$000s	2015 \$000s
DEPRECIATION				
Buildings	23,105	13,500	23,105	13,216
Leasehold improvements	2,597	2,155	2,597	2,155
Infrastructure	5,130	3,956	5,130	3,956
Plant and equipment	10,720	9,876	10,720	9,876
Furniture, fixtures and office equipment	2,521	2,180	2,521	2,180
Motor vehicles	334	410	334	410
Computer hardware	6,974	9,922	6,974	9,922
Library collection	6,836	6,029	6,836	6,029
Total depreciation	58,217	48,028	58,217	47,744
AMORTISATION				
Amortisation of intangible assets	9,024	9,214	9,024	9,214
Amortisation of deferred expenses	76	280	76	280
Amortisation expense-finance lease asset	1,610	1,610	1,610	1,610
Total amortisation	10,710	11,104	10,710	11,104
Total depreciation and amortisation	68,927	59,132	68,927	58,848

12 Bad and impaired debts

	CONSOLIDATED		LA TROBE UNIVERSITY	
	2016 \$000s	2015 \$000s	2016 \$000s	2015 \$000s
Doubtful debts	(59)	745	(59)	745
Bad debts	215	39	215	39
Total bad and impaired debts	156	784	156	784

13 Other expenses

	CONSOLIDATED		LA TROBE UNIVERSITY	
	2016 \$000s	2015 \$000s	2016 \$000s	2015 \$000s
Advertising	12,757	8,542	12,757	8,542
Catering expenses	1,977	1,893	1,977	1,893
Computer expenses	12,151	12,689	12,151	12,689
Cost of goods sold	3,407	3,168	3,407	3,168
Telecommunications	7,366	4,199	7,366	4,200
Non-capitalised equipment	4,506	3,971	4,506	3,971
Teaching partners - payments	6,509	3,786	6,509	3,786

13 Other expenses (cont...)

	CONSOLIDATED		LA TROBE UNIVERSITY	
	2016 \$000s	2015 \$000s	2016 \$000s	2015 \$000s
Non-salary expense recoveries and research support expenses	1,115	113	1,115	113
Examiner fees	205	205	205	205
Student amenities	3,667	3,384	3,667	3,384
Miscellaneous expenses	9,707	4,729	9,707	4,729
Motor vehicle expenses	1,002	766	1,002	766
Postage	1,037	873	1,037	873
Printing and stationery	966	912	966	912
Total other expenses	66,372	49,230	66,372	49,230

14 Borrowing costs

	CONSOLIDATED		LA TROBE UNIVERSITY	
	2016 \$000s	2015 \$000s	2016 \$000s	2015 \$000s
Interest expense	3,655	4,402	3,655	4,402
Interest expense-finance lease	-	3,717	-	3,717
Other borrowing costs	-	783	-	783
Total borrowing costs expensed	3,655	8,902	3,655	8,902

15 Income tax expense/(benefit)

	CONSOLIDATED		LA TROBE UNIVERSITY	
	2016 \$000s	2015 \$000s	2016 \$000s	2015 \$000s
Foreign income tax or withholding tax – recognised in current tax for prior periods	-	(88)	-	(88)
Total income tax benefit	-	(88)	-	(88)

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

16 Sale of assets

	CONSOLIDATED		LA TROBE UNIVERSITY	
	2016 \$000s	2015 \$000s	2016 \$000s	2015 \$000s
Proceeds from sale	(532)	(213)	(532)	(213)
Less carrying amount of assets sold	1,120	503	1,120	503
Net loss on sale of assets	588	290	588	290

17 Remuneration of auditors

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

	CONSOLIDATED		LA TROBE UNIVERSITY	
	2016 \$000s	2015 \$000s	2016 \$000s	2015 \$000s
AUDIT AND REVIEW OF THE FINANCIAL STATEMENTS				
Fee paid to Victorian Auditor General's Office	106	163	106	158
Total paid for audit and review	106	163	106	158
OTHER AUDIT AND ASSURANCE SERVICES				
Other audit services	61	6	61	6
Total paid for audit and assurance	61	6	61	6

18 Trade and other receivables

	Note	CONSOLIDATED		LA TROBE UNIVERSITY	
		2016 \$000s	2015 \$000s	2016 \$000s	2015 \$000s
CURRENT					
Trade receivables		18,940	23,249	18,940	23,249
Less provision for doubtful debts		(778)	(1,516)	(778)	(1,516)
Deferred Government contribution for superannuation	34.3	5,135	5,074	5,135	5,074
GST receivable		4,787	2,705	4,787	2,705
Total current receivables		28,084	29,512	28,084	29,512
NON-CURRENT					
Trade receivables		1,083	1,300	1,083	1,300
Deferred government contributions for superannuation	34.3	65,955	68,464	65,955	68,464
Total non-current receivables		67,038	69,764	67,038	69,764
Total trade and other receivables		95,122	99,276	95,122	99,276

IMPAIRED RECEIVABLES

As at 31 December 2016 current receivables of the University with a nominal value of \$778,000 (2015: \$1,516,000) 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.

	CONSOLIDATED		LA TROBE UNIVERSITY	
	2016 \$000s	2015 \$000s	2016 \$000s	2015 \$000s
CURRENT RECEIVABLES				
Less provision for doubtful debts	778	1,516	778	1,516
	778	1,516	778	1,516

Notes to and forming an integral part of the financial statements
for the year ended 31 December 2016

As at 31 December 2016 trade receivables of \$3,616,201 (2015: \$3,996,917) 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:

	CONSOLIDATED		LA TROBE UNIVERSITY	
	2016 \$000s	2015 \$000s	2016 \$000s	2015 \$000s
TRADE RECEIVABLES				
Between 15 to 90 days	3,515	3,876	3,515	3,876
Between 91 to 180	1,389	2,005	1,389	2,005
Over 181 days	5,848	6,167	5,848	6,167
Total trade receivables	10,752	12,048	10,752	12,048

Movements in the provision for impaired receivables are as follows:

	CONSOLIDATED		LA TROBE UNIVERSITY	
	2016 \$000s	2015 \$000s	2016 \$000s	2015 \$000s
At 1 January	1,516	799	1,516	799
Provision for impairment recognised during the year	(517)	790	(517)	790
Receivables written off during the year as uncollectible	(215)	(39)	(215)	(39)
Debt paid	(6)	(34)	(6)	(34)
Total movements in the provision for impaired receivables	778	1,516	778	1,516

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.

19 Financial assets

19.1 Financial assets – current

	CONSOLIDATED		LA TROBE UNIVERSITY	
	2016 \$000s	2015 \$000s	2016 \$000s	2015 \$000s
CURRENT				
Held to maturity investments				
Deposits	24,368	55,847	24,368	55,847
Fair value through profit or loss				
Debentures	480	731	480	731
Units in unit trusts	319	314	319	314
Listed shares	697	663	697	663
Total current other financial assets	25,864	57,555	25,864	57,555

19.1 Financial assets – current (cont...)

	CONSOLIDATED		LA TROBE UNIVERSITY	
	2016 \$000s	2015 \$000s	2016 \$000s	2015 \$000s
MOVEMENT OF CURRENT OTHER FINANCIAL ASSETS				
Opening net book value	57,555	52,531	57,555	52,531
Additions	24,366	55,847	24,366	55,847
Disposals and redemptions	(56,087)	(50,622)	(56,087)	(50,622)
Unrealised gains/(losses)	30	(201)	30	(201)
Closing net book value	25,864	57,555	25,864	57,555

19.2 Financial assets – Non-current

	CONSOLIDATED		LA TROBE UNIVERSITY	
	2016 \$000s	2015 \$000s	2016 \$000s	2015 \$000s
NON-CURRENT				
Available for sale financial assets				
Shares at cost	2,603	4,719	2,603	4,719
Shares at fair value	11,047	9,519	11,047	9,519
Available-for-sale financial assets at fair value*	45,077	42,270	45,077	42,270
Total non-current other financial assets	58,727	56,508	58,727	56,508
MOVEMENT OF NON-CURRENT FINANCIAL ASSETS				
Opening net book value	56,508	43,704	56,508	43,704
Additions	43,640	-	43,640	-
Disposals	(42,269)	-	(42,269)	-
Income	723	3,874	723	3,874
Realised gains/(losses)	(2,500)	90	(2,500)	90
Unrealised gains/(losses)	2,625	8,840	2,625	8,840
Closing net book value	58,727	56,508	58,727	56,508

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

20 Inventories

	CONSOLIDATED		LA TROBE UNIVERSITY	
	2016 \$000s	2015 \$000s	2016 \$000s	2015 \$000s
CURRENT				
Commercial and trading activities	158	517	158	517
Total inventories	158	517	158	517

21 Property, plant and equipment

	CONSOLIDATED		LA TROBE UNIVERSITY	
	2016 \$000s	2015 \$000s	2016 \$000s	2015 \$000s
FREEHOLD LAND				
At valuation	296,724	296,724	296,724	296,724
	296,724	296,724	296,724	296,724
BUILDINGS				
At valuation	598,632	579,428	598,632	579,428
Accumulated depreciation	(23,103)	-	(23,103)	-
	575,529	579,428	575,529	579,428
WORK IN PROGRESS				
At cost	115,018	46,966	115,018	46,966
	115,018	46,966	115,018	46,966
BUILDINGS-LEASEHOLD IMPROVEMENTS				
At cost	34,688	34,672	34,688	34,672
Accumulated amortisation	(8,663)	(6,066)	(8,663)	(6,066)
	26,025	28,606	26,025	28,606
INFRASTRUCTURE				
At valuation	91,958	85,472	91,958	85,472
Accumulated depreciation	(5,122)	-	(5,122)	-
	86,836	85,472	86,836	85,472
PLANT AND EQUIPMENT				
At cost	132,907	125,487	132,907	125,487
Accumulated depreciation	(69,601)	(61,261)	(69,601)	(61,261)
	63,306	64,226	63,306	64,226
FURNITURE, FIXTURES AND OFFICE EQUIPMENT				
At cost	26,191	22,738	26,191	22,738
Accumulated depreciation	(9,828)	(7,501)	(9,828)	(7,501)
	16,363	15,237	16,363	15,237
MOTOR VEHICLES				
At cost	4,059	5,009	4,059	5,009
Accumulated depreciation	(2,032)	(2,249)	(2,032)	(2,249)
	2,027	2,760	2,027	2,760
COMPUTER HARDWARE				
At cost	42,634	42,802	42,634	42,802
Accumulated depreciation	(35,841)	(34,377)	(35,841)	(34,377)
	6,793	8,425	6,793	8,425

21 Property, plant and equipment (cont...)

	Consolidated		La Trobe University	
	2016 \$000s	2015 \$000s	2016 \$000s	2015 \$000s
LIBRARY COLLECTION				
At cost	199,976	186,696	199,976	186,696
Accumulated depreciation	(154,382)	(147,545)	(154,382)	(147,545)
	45,594	39,151	45,594	39,151
LEASED BUILDINGS				
At cost	64,404	64,404	64,404	64,404
Accumulated depreciation	(9,051)	(7,440)	(9,051)	(7,440)
	55,353	56,964	55,353	56,964
WORKS OF ART				
At valuation	14,219	14,219	14,219	14,219
	14,219	14,219	14,219	14,219
Total property, plant and equipment at cost and valuation	1,303,787	1,238,178	1,303,787	1,238,178

Land, Buildings and Infrastructure were independently valued by the Valuer-General as at 31 December 2015.

Works of art will be independently valued during 2017 by specialised valuers for each type of work.

21.1 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 \$000s	Buildings \$000s Building	Plant and equipment \$000s	Motor vehicles \$000s	Furniture, fixtures and office equipment \$000s	Computer hardware \$000s	Buildings – leaseholds improve- ments \$000s	Leased buildings \$000s	Works of art \$000s	Library collection \$000s	Works in progress \$000s	Infrastruc- ture \$000s	Total \$000s
CONSOLIDATED													
Year ended 31 December 2016													
Balance at the beginning of year	296,724	579,428	64,226	2,760	15,237	8,425	28,606	56,964	14,219	39,151	46,966	85,472	1,238,178
Additions	-	83	7,310	92	1,563	540	-	-	-	13,279	114,456	52	137,348
Disposals – written down value	-	(23)	(371)	(491)	(45)	(6)	-	-	-	-	-	(157)	(1,093)
Transfers within PPE	-	19,146	2,875	-	2,129	4,834	16	-	-	-	(35,599)	6,599	-
Transfers to Intangibles	-	-	-	-	-	-	-	-	-	-	(10,805)	-	(10,805)
Depreciation Expense	-	(23,105)	(10,734)	(334)	(2,521)	(6,974)	(2,597)	(1,611)	-	(6,836)	-	(5,130)	(59,841)
Closing net book amount	296,724	575,529	63,306	2,029	16,363	6,793	26,025	55,353	14,219	45,594	115,018	86,836	1,303,787
CONSOLIDATED													
Year ended 31 December 2015													
Balance at the beginning of year	298,707	553,502	63,828	3,146	16,500	13,184	23,207	58,574	14,049	34,073	50,268	70,329	1,199,367
Additions	-	-	5,154	81	182	154	-	-	170	11,107	50,522	54	67,424
Disposals – written down value	-	(143)	(41)	(57)	(6)	(11)	-	-	-	-	-	(3)	(261)
Transfers within PPE	-	19,329	5,161	-	741	5,020	7,554	-	-	-	(45,693)	7,888	-
Transfers to intangibles	-	-	-	-	-	-	-	-	-	-	(8,131)	-	(8,131)
Revaluation increase/ (decrease)	(1,983)	21,852	-	-	-	-	-	-	-	-	-	11,160	31,009
Depreciation expense	-	(13,500)	(9,876)	(410)	(2,180)	(9,922)	(2,155)	(1,610)	-	(6,029)	-	(3,956)	(49,638)
Impairment loss in income statement	-	(1,592)	-	-	-	-	-	-	-	-	-	-	(1,592)
Closing net book amount	296,724	579,428	64,226	2,760	15,237	8,425	28,606	56,964	14,219	39,151	46,966	85,472	1,238,178

21.1 Property, plant and equipment – movements table (cont...)

	Land \$000s	Buildings \$000s Building	Plant and equipment \$000s	Motor vehicles \$000s	Furniture, fixtures and office equipment \$000s	Computer hardware \$000s	Buildings – leasehold improvements \$000s	Leased buildings \$000s	Works of art \$000s	Library collection \$000s	Works in progress \$000s	Infrastructure \$000s	Total \$000s
LATROBE UNIVERSITY													
Year ended 31 December 2016													
Balance at the beginning of year	296,724	579,428	64,226	2,760	15,237	8,425	28,606	56,964	14,219	39,151	46,966	85,472	1,238,178
Additions	-	83	7,310	92	1,563	514	-	-	-	13,279	114,456	52	137,348
Disposals – written down value	-	(23)	(371)	(491)	(45)	(6)	-	-	-	-	-	(157)	(1,093)
Transfers within PPE	-	19,146	2,875	-	2,129	4,834	16	-	-	-	(35,599)	6,599	-
Transfers to Intangibles	-	-	-	-	-	-	-	-	-	-	(10,805)	-	(10,805)
Depreciation Expense	-	(23,105)	(10,734)	(334)	(2,521)	(6,974)	(2,597)	(1,611)	-	(6,836)	-	(5,130)	(59,841)
Closing net book amount	296,724	575,529	63,306	2,027	16,363	6,793	26,025	55,353	14,219	45,594	115,018	86,836	1,303,787
LATROBE UNIVERSITY													
Year ended 31 December 2015													
Balance at the beginning of year	298,707	539,860	63,828	3,146	16,500	13,184	23,207	58,574	14,049	34,073	50,268	70,329	1,185,725
Additions	-	-	5,154	81	182	154	-	-	170	11,107	50,522	54	67,424
Disposals – written down value	-	(143)	(41)	(57)	(6)	(11)	-	-	-	-	-	(3)	(261)
Transfers within PPE	-	19,329	5,161	-	741	5,020	7,554	-	-	-	(45,693)	7,888	-
Transfers to intangibles	-	-	-	-	-	-	-	-	-	-	(8,131)	-	(8,131)
Transfers from MCD building	-	29,525	-	-	-	-	-	-	-	-	-	-	29,525
Revaluation increase/ (decrease)	(1,983)	5,666	-	-	-	-	-	-	-	-	-	11,160	14,843
Depreciation expense	-	(13,216)	(9,876)	(410)	(2,180)	(9,922)	(2,155)	(1,610)	-	(6,029)	-	(3,956)	(49,354)
Impairment loss in income	-	(1,593)	-	-	-	-	-	-	-	-	-	-	(1,593)
Closing net book amount	296,724	579,428	64,226	2,760	15,237	8,425	28,606	56,964	14,219	39,151	46,966	85,472	1,238,178

22 Intangible assets

	Note	CONSOLIDATED		LA TROBE UNIVERSITY	
		2016 \$000s	2015 \$000s	2016 \$000s	2015 \$000s
COMPUTER SOFTWARE DEVELOPMENT					
Cost	1.11	87,028	76,196	87,028	76,196
Accumulated amortisation and impairment		(52,675)	(43,802)	(52,675)	(43,802)
Net carrying value		34,353	32,394	34,353	32,394
Total intangible assets		34,353	32,394	34,353	32,394
MOVEMENT OF INTANGIBLE ASSETS					
Opening net book amount		32,394	30,481	32,394	30,481
Additions - Computer software development costs		209	3,238	209	3,238
Transfers		10,805	8,131	10,805	8,131
Disposals		(31)	(242)	(31)	(242)
Amortisation charge		(9,024)	(9,214)	(9,024)	(9,214)
Closing net book amount		34,353	32,394	34,353	32,394

23 Other non-financial assets

	CONSOLIDATED		LA TROBE UNIVERSITY	
	2016 \$000s	2015 \$000s	2016 \$000s	2015 \$000s
CURRENT				
Prepayments	26,428	18,099	26,428	18,099
Property, plant and equipment in joint operations	234	277	234	277
Total current other non-financial assets	26,662	18,376	26,662	18,376
NON-CURRENT				
Prepaid licence fee - Co-gen plant	-	399	-	399
Austin Health	-	2,000	-	2,000
Total	-	2,399	-	2,399
Less accumulated amortisation	-	(2,399)	-	(2,399)
Total other non-financial assets	26,662	18,376	26,662	18,376

24 Trade and other payables

	CONSOLIDATED		LA TROBE UNIVERSITY	
	2016 \$000s	2015 \$000s	2016 \$000s	2015 \$000s
CURRENT				
Trade creditors	30,497	15,518	30,497	15,518
Accrued expense	18,540	16,308	18,540	16,308
Salary related creditors	8,388	7,703	8,388	7,703
OS-HELP liability to Government	2,160	1,626	2,160	1,626
Other payables	826	5,169	826	5,169
Total current trade and other payables	60,411	46,324	60,411	46,324
Total trade and other payables	60,411	46,324	60,411	46,324

25 Borrowings

	CONSOLIDATED		LA TROBE UNIVERSITY	
	2016 \$000s	2015 \$000s	2016 \$000s	2015 \$000s
CURRENT				
Debenture loans **	1,005	946	1,005	946
Commercial bills **	2,364	3,092	2,364	3,092
Business market loan **	4,500	2,475	4,500	2,475
Total current secured borrowings	7,869	6,513	7,869	6,513
NON-CURRENT				
Debenture loans **	2,500	3,504	2,500	3,504
Commercial bills **	9,559	11,923	9,559	11,923
Business market loan **	40,125	38,913	40,125	38,913
Total non-current secured borrowings	52,184	54,340	52,184	54,340
Total borrowings	60,053	60,853	60,053	60,853

** 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.

25.1 Assets pledged as security

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

	CONSOLIDATED		LA TROBE UNIVERSITY	
	2016 \$000s	2015 \$000s	2016 \$000s	2015 \$000s
Security trust deed	150,000	150,000	150,000	150,000
Total assets pledged as security	150,000	150,000	150,000	150,000

* The guarantee facility of \$15,000 in 2014 has been cancelled.

26 Employee benefits and provisions

	Note	CONSOLIDATED		LA TROBE UNIVERSITY	
		2016 \$000s	2015 \$000s	2016 \$000s	2015 \$000s
CURRENT PROVISIONS EXPECTED TO BE SETTLED WITHIN 12 MONTHS					
Employee benefits					
Deferred government benefits for superannuation	34.3	5,135	5,074	5,135	5,074
Annual leave		15,560	16,617	15,560	16,617
Long service leave *		6,342	8,747	6,342	8,747
CURRENT PROVISIONS EXPECTED TO BE SETTLED AFTER MORE THAN 12 MONTHS					
Annual leave > 4 weeks		18,486	13,393	18,486	13,393
Long service leave * > 18 weeks		25,566	23,360	25,566	23,360
Total current provisions		71,089	67,191	71,089	67,191
NON-CURRENT PROVISIONS					
Employee benefits					
Long service leave *		10,298	9,973	10,298	9,973
Deferred benefits for superannuation	34.3	65,955	68,464	65,955	68,464
Total non-current provisions		76,253	78,437	76,253	78,437
Total provisions		147,342	145,628	147,342	145,628

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

27 Other liabilities

	Note	CONSOLIDATED		LA TROBE UNIVERSITY	
		2016 \$000s	2015 \$000s	2016 \$000s	2015 \$000s
CURRENT					
Fees and charges received in advance	1.3	17,390	18,664	17,390	18,664
Grants received in advance	1.3	2,343	2,485	2,343	2,485
Property lease revenue		63	63	63	63
Medical centre ground lease		158	158	158	158
Amounts received in advance		924	1,269	924	1,269
Bonds and deposits		286	308	286	308
Total current other liabilities		21,164	22,947	21,164	22,947
NON-CURRENT					
Property lease revenue		5,129	5,193	5,129	5,193
Medical centre ground lease		1,583	1,742	1,583	1,742
Total non-current other liabilities		6,712	6,935	6,712	6,935
Total other liabilities		27,876	29,882	27,876	29,882

28 Reserves and retained surplus

28.1 Reserves

	CONSOLIDATED		LA TROBE UNIVERSITY	
	2016 \$000s	2015 \$000s	2016 \$000s	2015 \$000s
Property, plant and equipment revaluation reserve	719,322	719,322	719,322	719,322
General reserve	6,204	5,854	6,204	5,854
Perpetual funds	8,507	8,507	8,507	8,507
Available-for-sale reserve	12,107	11,954	12,107	11,954
Total reserves	746,140	745,637	746,140	745,637

- (i) 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, including the revaluation which occurred in 2015.
- (ii) 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.
- (iii) 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.
- (iv) The Available-for-sale reserve was created to record the unrealised market movements of financial assets classified as available for sale.

28.2 Movements

	CONSOLIDATED		LA TROBE UNIVERSITY	
	2016 \$000s	2015 \$000s	2016 \$000s	2015 \$000s
FREEHOLD LAND				
Freehold land as at 1 January	266,383	268,366	266,383	268,366
Revaluation increment/(decrement)	-	(1,983)	-	(1,983)
Freehold land as at 31 December	266,383	266,383	266,383	266,383
BUILDINGS AND INFRASTRUCTURE				
Buildings as at 1 January	357,732	324,738	357,732	319,922
Transfer from MCD	-	-	-	20,984
Revaluation increment/(decrement)	-	32,994	-	16,826
Buildings as at 31 December	357,732	357,732	357,732	357,732
WORKS OF ART				
Works of art as at 1 January	2,781	2,781	2,781	2,781
Works of art as at 31 December	2,781	2,781	2,781	2,781
OTHER ASSET CLASSES				
Other classes of assets as at 1 January	92,426	92,426	92,426	92,426
Other classes of assets as at 31 December	92,426	92,426	92,426	92,426
Balance as at 31 December	719,322	719,322	719,322	719,322
GENERAL RESERVES				
Balance as at 1 January	5,854	7,017	5,854	7,017
Transfer from MDFRC*	350	(1,163)	350	(1,163)
Balance as at 31 December	6,204	5,854	6,204	5,854
PERPETUAL FUNDS				
Balance as at 1 January	8,507	2,007	8,507	2,007
Transfers to accumulated funds	-	6,500	-	6,500
Balance as at 31 December	8,507	8,507	8,507	8,507
AVAILABLE-FOR-SALE RESERVES				
Balance as at 1 January	11,954	3,176	11,954	3,176
Net movements in financial assets classified as available-for-sale	153	8,778	153	8,778
Balance as at 31 December	12,107	11,954	12,107	11,954
Total reserves	746,140	745,637	746,140	745,637

*Murray Darling Freshwater Research Centre (MDFRC) transfers to/from retained surplus are in relation to reserves set aside for specific purposes that have been finalised.

28.3 Movements in retained surplus

	CONSOLIDATED		LA TROBE UNIVERSITY	
	2016 \$000s	2015 \$000s	2016 \$000s	2015 \$000s
Opening balance	510,578	452,548	510,578	448,665
Profit for the year	37,479	63,368	37,479	67,250
Transfers out	-	(5,337)	-	(5,337)
Retained surplus at end of the financial year	548,057	510,578	548,057	510,578

29 Cash and cash equivalents

	CONSOLIDATED		LA TROBE UNIVERSITY	
	2016 \$000s	2015 \$000s	2016 \$000s	2015 \$000s
Cash at bank and on hand	42,983	33,915	42,983	33,915
Short-term deposits	2,223	2,183	2,223	2,183
Total cash and cash equivalent	45,206	36,098	45,206	36,098

29.1 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:

	CONSOLIDATED		LA TROBE UNIVERSITY	
	2016 \$000s	2015 \$000s	2016 \$000s	2015 \$000s
Balances as above	45,206	36,098	45,206	36,098
Balance as per cash flow statement	45,206	36,098	45,206	36,098

29.2 Cash at bank and on hand

These are interest-bearing with a weighted average interest rate of 1.90% (2015: 2.32%).

29.3 Deposits at call

The deposits are at floating weighted average interest rates of 2.68% and (2015: 2.89%). Term deposits with a term of greater than 90 days are disclosed in other current financial assets at fair value through profit or loss.

30 Reconciliation of operating result after income tax to net cash flows from operating activities

	Note	Consolidated		La Trobe University	
		2016 \$000s	2015 \$000s	2016 \$000s	2015 \$000s
Operating result for the period		37,479	63,368	37,479	67,250
NON CASH FLOW ITEMS IN OPERATING RESULT					
Depreciation and amortisation	11	68,927	59,132	68,927	58,848
Net loss on sale of plant and equipment	16	588	290	588	290
Gain on disposal of business division		-	-	-	(4,774)
Bad and doubtful debts	12	156	784	156	784
Unrealised capital gain/(loss) on investment		(724)	226	(724)	226
Income tax expense/(benefit)		(3)	(88)	(3)	(88)
Impairment loss		-	(1,592)	-	(1,592)
Net cash inflow from operating activities before change in assets and liabilities		106,423	122,120	106,423	120,944
CHANGE IN OPERATING ASSETS AND LIABILITIES					
Increase in trade and other receivables		1,413	(10,569)	1,413	(444)
(Increase)/decrease in inventories		359	316	359	316
Increase in other non-financial assets		(7,746)	(7,056)	(7,746)	(7,056)
Decrease/(increase) in payables		17,271	3,108	17,271	3,108
Increase in other current liabilities		(2,006)	3,572	(2,006)	3,572
Increase/(decrease) in provision for employee benefits		4,162	(24,342)	4,162	(24,342)
Write off of intercompany debtor due to MCD liquidation		-	-	-	(9,019)
Net cash inflow from operating activities		119,876	87,149	119,876	87,079

31 Financial risk management

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

	Note	WEIGHTED AVERAGE EFFECTIVE INTEREST RATE		VARIABLE INTEREST RATE		MATURING WITHIN ONE YEAR		MATURING ONE TO FIVE YEARS		MATURING OVER FIVE YEARS		NON-INTEREST BEARING		TOTAL	
		2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
		%	%	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
FINANCIAL ASSETS															
Cash and cash equivalents	29	1.90	2.32	45,206	36,098	-	-	-	-	-	-	-	-	45,206	36,098
Trade and other receivables	18	-	-	-	-	-	-	-	-	-	-	24,032	25,738	24,032	25,738
Held to maturity investments															
Term deposits over 90 days	191	2.68	2.89	-	-	24,368	55,847	-	-	-	-	-	-	24,368	55,847
Fair value through profit or loss															
Debentures	191	6.05	6.85	480	731	-	-	-	-	-	-	-	-	480	731
Units in unit trusts	191	-	-	-	-	-	-	-	-	-	-	319	314	319	314
Listed shares	191	-	-	-	-	-	-	-	-	-	-	697	663	697	663
Shares at cost and at fair value through profit or loss	192	-	-	-	-	-	-	-	-	-	-	13,649	14,238	13,649	14,238
Long-term managed funds	192	-	-	-	-	-	-	-	-	-	-	45,077	42,270	45,077	42,270
Deferred receivable for superannuation	18	-	-	-	-	-	-	-	-	-	-	71,090	73,538	71,090	73,538
Total financial assets				45,686	36,829	24,368	55,847	-	-	-	-	154,865	156,761	224,919	249,437
FINANCIAL LIABILITIES															
Trade and other payables	24	-	-	-	-	-	-	-	-	-	-	60,411	46,324	60,411	46,324
Fees and charges received in advance	27	-	-	-	-	-	-	-	-	-	-	17,390	18,664	17,390	18,664
Debentures loans	25	6.12	6.12	-	-	1,005	946	2,500	3,504	-	-	-	-	3,505	4,450
Grants and donations received in advance	27	-	-	-	-	-	-	-	-	-	-	2,343	2,485	2,343	2,485
Other revenue received in advance	27	-	-	-	-	-	-	-	-	-	-	7,857	8,425	7,857	8,425
Bonds and deposits	27	-	-	-	-	-	-	-	-	-	-	286	308	286	308
Commercial bills	25	6.65	6.66	-	-	2,364	3,092	9,559	10,426	-	-	-	-	11,923	15,015
Business market loan	25	-	6.72	-	-	-	2,475	-	13,729	-	-	-	-	-	41,388
Fixed rate loan	25	6.84	-	-	-	4,500	-	18,000	-	22,125	-	-	-	44,625	-
Deferred benefits for superannuation	26	-	-	-	-	-	-	-	-	-	-	71,090	73,538	71,090	73,538
Total financial liabilities				-	-	7,869	6,513	30,059	27,659	22,125	26,681	159,377	149,744	219,430	210,597

31.2 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 division 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.

31.3 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 minimizes 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 table below summarises the sensitivity of the University's financial assets to interest rate risk and price risk.

	2016 Carrying amount \$	Current rate %	Annual return at current rate \$000s	INTEREST RATE RISK		PRICE RISK	
				+/-1%	+/-2%	+/-3%	+/-10%
31 December 2016				Result \$000s	Result \$000s	Result \$000s	Result \$000s
Listed shares	697	-	-	-	-	21	70
Cash and cash equivalents	45,206	1.90	859	452	904	-	-
Debentures	480	6.05	29	5	10	-	-
Total increase/(decrease)	46,383	-	888	457	914	21	70

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.

	2015 Carrying amount \$	Current rate %	Annual return at current rate \$000s	INTEREST RATE RISK		PRICE RISK	
				+/-1%	+/-2%	+/-3%	+/-10%
31 December 2015				Result \$000s	Result \$000s	Result \$000s	Result \$000s
Listed shares	663	-	-	-	-	20	66
Cash and cash equivalents	36,098	2.32	863	361	722	-	-
Debentures	731	6.85	50	7	15	-	-
Total increase/(decrease)	37,492	-	913	368	737	20	66

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 2016, the University had no outstanding contracts (2015 \$ nil).

31.4 Credit risk

Credit risk represents the loss that would be recognized if counterparties failed to perform as contracted. The credit risk on financial assets of the University has been recognized 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.

31.5 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.

31.6 Financial facilities

	2016 \$000s	2015 \$000s
THE UNIVERSITY HAS ACCESS TO THE FOLLOWING FINANCE FACILITIES		
TOTAL FACILITIES:		
Debenture loans	3,505	4,450
Commercial bills	11,923	15,015
Fixed rate loan	44,625	41,388
Total facilities	60,053	60,853
FACILITIES UTILISED AT BALANCE DATE:		
Debenture loans	3,505	4,450
Commercial bills	11,923	15,015
Fixed rate loan	44,625	41,388
Facilities utilised at balance date	60,053	60,853
Facilities not utilised at balance date		

32 Fair Value Measurement

32.1 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:

32.1 Fair value measurements (cont...)

	Note	CARRYING VALUE		FAIR VALUE	
		2016 \$000s	2015 \$000s	2016 \$000s	2015 \$000s
FINANCIAL ASSETS					
Cash and cash equivalents	29	45,206	36,098	45,206	36,098
Trade and other receivables	18	24,032	25,738	24,032	25,738
Term deposits over 90 days	19	24,368	55,847	24,368	55,847
Debentures	19	480	731	480	731
Units in unit trusts	19.1	319	314	319	314
Listed shares	19.1	697	663	697	663
Shares at fair value through profit or loss	19.2	11,047	9,519	11,047	9,519
Long-term managed funds	19.2	45,077	42,270	45,077	42,270
Deferred receivable for superannuation	18	71,090	73,538	71,090	73,538
Total financial assets		227,678	249,297	227,678	249,297
FINANCIAL LIABILITIES					
Trade and other payables	24	60,411	46,324	60,411	46,324
Fees and charges received in advance	27	17,390	18,664	17,390	18,664
Government financial assistance received in advance	27	2,343	2,485	2,343	2,485
Other revenue received in advance	27	7,857	8,425	7,857	8,425
Bonds and deposits	27	286	308	286	308
Debentures loans	31.6	3,505	4,450	3,505	4,450
Commercial bills	31.6	11,923	15,015	11,923	15,015
Business market loan	31.6	44,625	41,388	44,625	41,388
Deferred benefits for superannuation	34.3	71,090	73,538	71,090	73,538
Total financial liabilities		217,154	210,455	217,154	210,455

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

32.2 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).

Fair Value Measurements at 31 December 2016	Note	2016 \$000s	Level 1 \$000s	Level 2 \$000s	Level 3 \$000s
RECURRING FAIR VALUE MEASUREMENTS					
FINANCIAL ASSETS					
Debentures	19.1	480	480	-	-
Units in unit trusts	19.1	319	319	-	-
Listed shares	19.1	697	697	-	-
Shares at fair value	19.2	11,047	333	-	10,714
Available-for-sale financial assets	19.2	45,077	45,077	-	-
Total financial assets		57,620	46,906	-	10,714
NON-FINANCIAL ASSETS					
Freehold land	21	296,724	-	14,574	282,150
Buildings	21	575,529	-	-	575,529
Infrastructure	21	86,836	-	-	86,836
Works of art	21	14,219	-	14,219	-
Total non-financial assets		973,308	-	28,793	944,515

Fair Value Measurements at 31 December 2015	Note	2015 \$000s	Level 1 \$000s	Level 2 \$000s	Level 3 \$000s
RECURRING FAIR VALUE MEASUREMENTS					
FINANCIAL ASSETS					
Debentures	19.1	731	731	-	-
Units in unit trusts	19.1	314	314	-	-
Listed shares	19.1	663	663	-	-
Shares at fair value	19.2	9,519	321	-	9,198
Available-for-sale financial assets	19.2	42,270	42,270	-	-
Total financial assets		53,497	44,299	-	9,198
NON-FINANCIAL ASSETS					
Freehold land	21	296,724	-	14,574	282,150
Buildings	21	579,428	-	-	579,428
Infrastructure	21	85,472	-	-	85,472
Works of art	21	14,219	-	14,219	-
Total non-financial assets		975,843	-	28,793	947,050

(i) Recognised fair value measurements

Fair value measurements recognised in the balance sheet are categorised into the following levels at 31 December 2015. Comparative information for non-financial assets has not been provided as permitted by the transitional provisions of the new standard. There were no transfers between levels 1 and 2 for recurring fair value measurements during the year.

Non-specialised freehold land and works of art

Non-specialised freehold land and works of art 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 is 31 December 2015.

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's 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 2015.

Infrastructure

Infrastructure is valued using the depreciated replacement cost method. This cost generally represents the replacement cost of the building/component after applying depreciation rates on a useful life basis. However the cost may be the reproduction cost rather than the replacement cost if infrastructure assets' service potential could only be replaced by reproducing them with the same materials.

Where it has not been possible to examine hidden works such as structural frames and floors, the use of reasonable materials and methods of construction have been assumed bearing in mind the age and nature of the building. The estimated cost of reconstruction including structure services and finishes, also factors in any infrastructure classifications as applicable.

An independent valuation of the University's infrastructure was performed by the Valuer-General Victoria. The effective date of the valuation is 31 December 2015.

EAL Investment

The fair value of listed shares was determined by independent valuer ShineWing Australia Pty Ltd. The University owns shares in Education Australia Ltd. IDP Education Ltd jointly owned by listed job search company SEEK and Education Australia, which represents 38 Australian universities. Each of the 38 Universities owns an equivalent amount of shares in Education Australia. IDP Education Ltd listed on the Australian Stock Exchange (ASX) in November 2015 under the ASX code "IEL". As at 31 December 2016, the ASX share price was \$3.99 resulting in a market value of \$500,356 million. ShineWing Australia assessed the fair market value of Education Australia as \$419,053 million after taking into consideration a 30% discount on the value of Education Australia's investment in IDP Education Ltd due to escrow arrangement and this equates to a value of \$10,714 million (level 3).

IDP Education Ltd shares held by Education Australia are traded in an active market. As such the valuation of these shares has been determined by an appropriately skilled independent third party. The basis of the valuation is to include the cash balance in Education Australia and ASX share price of IDP Education Limited at 31 December 2016 and then apply a discount due to the shareholder agreement and timing of potential share divestment by the 38 university shareholders. Where the valuation techniques including discounting and other techniques considered appropriate in the circumstance have been employed in pricing or valuing investments, the valuation are inherently subject to estimation uncertainty. Given the inherent subjectivity, the underlying inputs and assumptions are reviewed on an on-going basis to ensure the valuations reflect the best estimates of the economic conditions at reporting date.

(ii) Disclosed fair values

The fair value of assets or liabilities traded in active markets (such as financial assets at fair value through profit or loss – debenture, unit in Unit Trust and Listed Shares – disclosed in note 19) 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 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 2015, 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).

32.3 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.

32.4 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 2016 and 2015.

Level 3 Fair Value Measurement 2016	Land \$000s	Buildings \$000s	Infrastructure \$000s	Shares \$000s	Total \$000s
Opening balance	282,150	579,428	85,472	9,198	956,248
Additions	-	83	52	1,516	1,651
Transfers from work in progress	-	19,146	6,599	-	25,745
Disposals	-	(23)	(157)	-	(180)
Depreciation expense	-	(23,105)	(5,130)	-	(28,235)
Closing balance	282,150	575,529	86,836	10,714	955,229

Level 3 Fair Value Measurement 2015	Land \$000s	Buildings \$000s	Infrastructure \$000s	Shares \$000s	Total \$000s
Opening balance	227,716	444,304	29,023	-	701,043
Additions	-	-	54	-	54
Transfers from work in progress	-	19,329	7,888	-	27,217
Transfers from balance at cost	-	95,556	41,306	-	136,862
Transfers from level 2	56,417	-	-	-	56,417
Transfers from MCD	-	29,525	-	-	29,525
Disposals	-	(143)	(3)	-	(146)
Revaluation increment/(decrement)	(1,983)	5,666	11,160	9,198	24,041
Impairment loss	-	(1,593)	-	-	(1,593)
Depreciation expense	-	(13,216)	(3,956)	-	(17,172)
Closing balance	282,150	579,428	85,472	9,198	956,248

32.5 Description of significant unobservable inputs to Level 3 valuations

	Valuation technique	Significant unobservable inputs	Range of inputs (weighted average)
Specialised land	Market approach	Community Service Obligation (CSO) adjustment.	30-70%
Specialised buildings	Depreciated Replacement Cost (DRC)	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
Infrastructure	Depreciated Replacement Cost (DRC)	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
Investments	Market approach	The investment in IDP Education was discounted by 30% to reflect the illiquid market to sell the shares after the escrow period ceased with the only viable method of executing a transaction would be via a trade sale (due to the transaction would likely involve a material number of shares). Together with the complexity in the Shareholders Agreement to execute a sale of the shareholding, results in difficulty to realise the value of the investment. The Board of Education Australia has not initiated any action that would allow a University Shareholder to realise their investment in Education Australia.	30%

33 Commitments

33.1 Lease commitments (note 1.17)

(i) Operating leases

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

	CONSOLIDATED		LA TROBE UNIVERSITY	
	2016 \$000s	2015 \$000s	2016 \$000s	2015 \$000s
Within one year	4,289	4,055	4,289	4,055
Between one year and five years	6,587	5,123	6,587	5,123
Later than five years	7,901	9,312	7,901	9,312
Total future minimum lease payments	18,777	18,490	18,777	18,490

^On 14 December 2015, the AgriBio finance lease commitment was repaid in full.

33.2 Capital commitments

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

	CONSOLIDATED		LA TROBE UNIVERSITY	
	2016 \$000s	2015 \$000s	2016 \$000s	2015 \$000s
PROPERTY, PLANT AND EQUIPMENT				
Within one year	46,811	30,307	46,811	30,307
Between 1 to 5 years	22,264	-	22,264	-
Total	69,076	30,307	69,076	30,307

34 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.

34.1 Summary of superannuation scheme payments

	Note	CONSOLIDATED		LA TROBE UNIVERSITY	
		2016 \$000s	2015 \$000s	2016 \$000s	2015 \$000s
UniSuper defined benefit division accumulation super (2) (DBD)	34.2	31,557	28,888	31,557	28,888
UniSuper accumulation super (1)	34.2	12,868	11,316	12,868	11,316
Victorian Superannuation board (Unfunded-Emerging)	34.3	5,042	5,350	5,042	5,350
Total		49,467	45,554	49,467	45,554

34.2 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 58 Notes to and Forming an Integral Part of the Financial Statements For the Year Ended 31 December 2016 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 2016 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 2016 and comply with the rules governing the Trust Deed. Employer contributions for the year totalled \$31,556,602 (2015 \$28,888,122). 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 \$7,229,624 (2015 \$7,016,095) additional contributions on behalf of the employee. Outstanding employer contributions as at 31 December 2016 totalled \$nil (2015 \$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 \$12,867,776 (2015 \$11,316,459). There were no outstanding employer contributions as at 31 December 2016 (2015 \$nil). There are no loans to fund members.

34.3 Victorian Superannuation board

(ESS) (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 ESS 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 movements in the liability and the receivable of \$2,448,000 during the 2016 year (2015 decrease by \$95,000) has no financial impact on the operating result. While the Net Assets has not altered with these changes, both the Total Assets and Total Liabilities have decreased by \$2,448,000 (2015 decrease by \$95,000).

During 2016, La Trobe University's contributions to the Fund totalled \$5,042,719 (2015 \$5,350,259). There were no outstanding employer contributions as at 31 December 2016 (2015 \$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 2016 the contribution rate represents 79.2% (2015 79.2%) of pensions payable.

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The relevant accounting transactions are detailed below:

(i) Statement of comprehensive income items

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

	2016 \$000s	2015 \$000s
Salary-related expenditure decrease in superannuation liability	(2,448)	(95)
Miscellaneous income decrease in amount receivable for superannuation	(2,448)	(95)

Amounts relate to the overall increase/decrease in the outstanding superannuation liability and the corresponding receivable from \$73,633,000 at 30 June 2014 to \$75,538,000 at 30 June 2015 as determined by the Fund.

(ii) Amounts receivable from the Commonwealth Government

	Note	2016 \$000s	2015 \$000s
Current	18	5,135	5,074
Non-current	18	65,955	68,464
	18	71,090	73,538

(iii) Unfunded Superannuation Liability

	Note	2016 \$000s	2015 \$000s
Current	26	5,135	5,074
Non-current	26	65,955	68,464
		71,090	73,538

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

35 Joint Operations

35.1 Joint operations and associates

Biosciences Research Centre

On 29th April 2009, the university entered into a joint operation with the State, through the Department of Economic Development, Jobs, Transport and Resources (DEDJTR) formerly known as the Department of Environment and Primary Industries (DEPI) 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; and

- 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 agreement set out the minimum required payments of the University to contribute \$50m (NPV to 1 October 2007) to DEDJTR over the 25 year Project Agreement (which represented the university's 25% share of the cost to design, construct and operate AgriBio for 25 years). The University accounted 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.

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The University makes capital and operating contributions to the state through DEDJTR. 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 minimum payments were structured to grow over time (in-line with expected growth in research block grant revenue. The payment to be made are the present value of \$500k (in 2007 dollars) per quarter for 100 quarters over 25 years, escalating at 8.14%. The contract allowed the University to make additional payments (in part or in full) at any time during the project agreement without any additional cost (with 20 days advance notice). On 14 December 2015, the university exercised its right under this agreement to pay in full its remaining 25% commitment of \$57,032,147 ex GST.

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.

Murray-Darling Freshwater Research Centre

The Murray Darling Freshwater Research Centre is a joint venture between La Trobe University and CSIRO that focuses on the generation and communication of freshwater ecological knowledge of floodplain ecosystems in the Murray-Darling Basin, in particular providing advice and solutions to water managers to optimise their management decisions. The Board of MDFRC decided that from 7 August 2015 La Trobe University would take over the role

as Centre Agent for the Murray Darling Freshwater Research Centre from the previous Centre Agent (MDFRC Pty Ltd) on behalf of the joint venture. This was done to achieve efficiencies in delivery of administrative functions, reduce duplication of systems and strengthen governance and accountability of the Centre.

The Center 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-Dowling 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 Dowling 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.

Name of joint arrangement/associate	Nature of relationship	Principle place of business	OWNERSHIP INTEREST %	
			2016	2015
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	50

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	
	2016 \$000s	2015 \$000s	2016 \$000s	2015 \$000s
Cash	-	898	-	898
Receivables	1,316	132	1,316	132
Prepayments	15	42	15	42
Inventory	-	61	-	61
Other non-current assets	233	277	233	277
Leased assets	55,353	56,964	55,353	56,964
Total assets	56,917	58,374	56,917	58,374

Notes to and forming an integral part of the financial statements
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	CONSOLIDATED		LATROBE UNIVERSITY	
	2016 \$000s	2015 \$000s	2016 \$000s	2015 \$000s
Payables	745	725	745	725
Income in advance	773	910	773	910
Provisions	90	-	90	-
Other non-current liabilities	81	-	81	-
Total liabilities	1,689	1,635	1,689	1,635

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	10,848	8,190	10,848	8,190
Other revenue	424	860	424	860
Total revenue	11,272	9,050	11,272	9,050
Staff and related costs	(3,888)	(1,787)	(3,888)	(1,787)
Occupancy costs	(1,577)	(3,031)	(1,577)	(3,031)
Administrative costs	(2,669)	(1,842)	(2,669)	(1,842)
Depreciation	(52)		(52)	
Interest expense-finance lease	-	(4,500)	-	(4,500)
Amortisation expense-finance lease asset	(1,610)	(1,610)	(1,610)	(1,610)
Other categories of expenditure	(4,631)	(5,438)	(4,631)	(5,438)
Unrealised loss on investment	-	(127)	-	(127)
Total expenditure	(14,427)	(18,335)	(14,427)	(18,335)
Net operating loss from jointly controlled operations and assets	(3,155)	(9,285)	(3,155)	(9,285)

Capital commitments and contingent liabilities arising from the University's interests in joint ventures are disclosed in notes 33 and 36 respectively.

36 Contingencies

36.1 Contingent assets

There were no contingent assets to report.

36.2 Contingent liabilities

During 2016, 18 new WorkCover claims have been raised against the University. However, 23 active claims are being currently reviewed by the respective insurers. The impact of these claims on the consolidated operating results of the University cannot be reasonably estimated at this time. On 29 December 2016, the storm has caused damages to the University's buildings and contents. The university has confirmed with the insurer that the damages are covered by our Insurer under our Industrial Special Risks policy. An accurate assessment of the damage is not currently available as the restoration process is in its early stages, however the exposure to La Trobe is limited to the excess of \$50,000.

37 Economic Dependency

The financial statements have been prepared on a going concern basis as at 31 December 2016. La Trobe University has:

- A consolidated operating surplus after income tax and joint venture operations of \$37.5 million for the year ended 31 December 2016 (\$63.3 million for the year ended 31 December 2015).
- A consolidated working capital deficit of \$34.8 million as at 31 December 2016 (working capital deficit of \$0.9 million for the year ended 31 December 2015).

38 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.

39 Key management personnel disclosures

39.1 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 Training and Skills

- The Hon. Steve Herbert MP (1 January 2016 – 9 November 2016), remuneration is reported by the Department of Premier and Cabinet.
- The Hon. Gayle Tierney MP (9 November 2016 – 31 December 2016), remuneration is reported by the Department of Premier and Cabinet.

(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 \$840,000 to \$850,000 (\$880,000 to \$890,000 in 2015).

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

- Adrienne E Clarke, AC, Chancellor
- Professor John Dewar, Vice-Chancellor
- Professor Simon Crowe, Chair Academic Board, (Term concluded 28 Feb 2016)
- Professor Christine Bigby, Chair Academic Board (Term started 1 March 2016)
- Professor Marilyn Anderson AO
- Mr Andrew Eddy (Deputy Chancellor)
- Mr Kevin Kapeke (Term started September 2016)
- Professor Richard Larkins AO
- Mr Peter McDonald
- Dr Philip Moors AO (Deputy Chancellor)
- Dr Jillian Murray (Term started September 2016)
- Ms Deborah Radford
- Ms Yvonne von Hartel AM
- Ms Jennifer Williams
- Mr William Kelty

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

39.2 Remuneration of responsible persons

The total remuneration received, or due and receivable, by responsible persons from the Company amounted to \$409,225 (2015: \$276,437), other than the position of the Accountable Officer.

	2016 Number	2015 Number
REMUNERATION OF COUNCIL MEMBERS		
\$1 to \$9,999	1	-
\$10,000 to \$19,999	-	2
\$40,000 to \$49,999	7	4
\$80,000 to \$99,999	1	1
Responsible Persons who received no remuneration (Community representatives)	5	4

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.

39.3 Other transactions of responsible persons and related parties

Information in relation to transactions with the subsidiary entity, Medical Centre Developments Pty. Ltd. is as follows:

	2016 000,s \$	2015 000,s \$
MEDICAL CENTRE DEVELOPMENTS PTY. LTD.		
Lease payments, Rental and Bond fees (GST exclusive)	-	1,128

Administration services provided to the subsidiary entity Medical Centre Developments Pty. Ltd. is under normal commercial terms and conditions.

39.4 Remuneration of key management personnel

The number of University Executive Officers (other than Responsible Persons) whose total remuneration exceeded \$100,000 for 2016 and 2015 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	
	2016 Number	2015 Number	2016 Number	2015 Number
REMUNERATION OF EXECUTIVE OFFICERS				
Income band				
\$210,000 to \$219,999	-	1	-	1
\$260,000 to \$269,999	1	-	1	-
\$310,000 to \$319,999	-	1	1	1
\$330,000 to \$349,999	1	-	1	1
\$350,000 to \$359,999	1	-	-	-
\$360,000 to \$369,999	-	1	-	-
\$370,000 to \$379,999	-	1	-	1
\$380,000 to \$389,999	-	-	1	1
\$390,000 to \$399,999	1	-	1	-
\$400,000 to \$409,999	1	1	-	-
\$430,000 to \$439,999	-	-	-	1
\$460,000 to \$469,999	2	2	2	1
\$490,000 to \$499,999	-	1	-	1
\$500,000 to \$549,999	1	-	1	-
Greater than (>) \$549,999	1	1	1	1
Total numbers	9	9	9	9
Total annualised employee equivalent (AEE)	8.77	9.00	8.77	9.00
Total remuneration of executive officers for the year	3,279	3,141	3,148	3,018

39.5 Other transactions of responsible persons and related parties

A responsible person Adrienne Clarke AC, Chancellor of LaTrobe University, is a shareholder of Hexima Limited which has provided contract research to the University.

A responsible person Marilyn Anderson AO, Member of Council, is a shareholder, Chief Scientist and Executive Director for Hexima Limited.

The aggregate amounts in respect of these research services were:

	TOTAL EXPENSES (EXCLUSIVE OF GST)	
	2016 Number	2015 Number
Hexima Limited	3,159	3,969

A responsible person Professor Simon Crowe, Member of Council, is a Director of the Australian Psychology Accreditation Council, which provided accreditation to the University for the undergraduate and postgraduate training programs in psychology.

	TOTAL EXPENSES (EXCLUSIVE OF GST)	
	2016 Number	2015 Number
Northern Health	1,069	-

40 Acquittal of Australian Government Financial Assistance

40.1 Education – CGS and other education grants

	Note	COMMONWEALTH GRANTS SCHEME NO. 1		INDIGENOUS SUPPORT PROGRAM	
		2016 \$000s	2015 \$000s	2016 \$000s	2015 \$000s
PARENT ENTITY (UNIVERSITY) ONLY					
Financial assistance received in CASH during the reporting period (total cash received from Australian Government for the program)		227,853	206,165	563	524
Net accrual adjustments		-	-	-	-
Revenue for the period	2.1	227,853	206,165	563	524
Total revenue including accrued revenue		227,853	206,165	563	524
Less expenses including accrued expenses		(227,853)	(206,165)	563	(524)
Surplus/(deficit) for the reporting period		-	-	-	-

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	Note	PARTNERSHIP AND PARTICIPATION PROGRAM NUMBER 2		DISABILITY SUPPORT PROGRAM	
		2016 \$000s	2015 \$000s	2016 \$000s	2015 \$000s
PARENT ENTITY (UNIVERSITY) ONLY					
Financial assistance received in CASH during the reporting period (total cash received from Australian Government for the program)		5,862	5,538	296	404
Net accrual adjustments		(144)	597	-	-
Revenue for the period	2.1	5,718	6,135	296	404
Total revenue including accrued revenue		5,718	6,135	296	404
Less expenses including accrued expenses		(5,718)	(6,135)	(296)	(404)
Surplus/(deficit) for the reporting period		-	-	-	-

	Note	PROMOTION OF EXCELLENCE IN LEARNING AND TEACHING		AUSTRALIAN MATHS AND SCIENCE PARTNERSHIP PROGRAM	
		2016 \$000s	2015 \$000s	2016 \$000s	2015 \$000s
PARENT ENTITY (UNIVERSITY) ONLY					
Financial assistance received in CASH during the reporting period (total cash received from Australian Government for the program)		30	156	381	381
Net accrual adjustments		-	-	-	-
Revenue for the period	2.1	30	156	381	381
Total revenue including accrued revenue		30	156	381	381
Less expenses including accrued expenses		(30)	(156)	(381)	(381)
Surplus/(deficit) for the reporting period		-	-	-	-

	Note	SUPERANNUATION PROGRAM		TOTAL	
		2016 \$000s	2015 \$000s	2016 \$000s	2015 \$000s
PARENT ENTITY (UNIVERSITY) ONLY					
Financial assistance received in CASH during the reporting period (total cash received from Australian Government for the program)		5,558	4,402	240,543	217,570
Net accrual adjustments		(609)	818	(753)	1,415
Revenue for the period	2.1	4,949	5,220	239,790	218,985
Total revenue including accrued revenue		4,949	5,220	239,790	218,985
Less expenses including accrued expenses		(4,949)	(5,220)	(239,790)	(218,985)
Surplus/(deficit) for the reporting period		-	-	-	-

#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

40.2 Higher education loan programmes (excluding OS-HELP)

	Note	HECS-HELP (AUSTRALIAN GOVERNMENT PAYMENTS ONLY)		FEE HELP	
		2016 \$000s	2015 \$000s	2016 \$000s	2015 \$000s
PARENT ENTITY (UNIVERSITY) ONLY					
Cash payable/(receivable) at the beginning of the year		-	-	210	183
Financial assistance received in cash during the reporting period		150,276	148,309	18,187	16,562
Cash available for the period		150,276	148,309	18,397	16,745
Revenue earned	2.2	153,132	147,804	18,187	16,562
Net accrual adjustments		(281)	505	(50)	(27)
Cash payable/(receivable) at the end of the year	2.2	(2,575)	-	260	210

	Note	SA-HELP		TOTAL	
		2016 \$000s	2015 \$000s	2016 \$000s	2015 \$000s
PARENT ENTITY (UNIVERSITY) ONLY					
Cash payable/(receivable) at the beginning of the year		86	22	296	205
Financial assistance received in cash during the reporting period		3,176	3,489	171,639	168,360
Cash available for the period		3,262	3,511	171,935	168,565
Revenue earned	2.2	3,176	3,489	174,495	167,855
Net accrual adjustments		197	(64)	(134)	414
Cash payable/(receivable) at the end of the year	2.2	(111)	86	(2,426)	296

40.3 Scholarships

	Note	AUSTRALIAN POSTGRADUATE AWARDS		INTERNATIONAL POSTGRADUATE RESEARCH SCHOLARSHIPS	
		2016 \$000s	2015 \$000s	2016 \$000s	2015 \$000s
PARENT ENTITY (UNIVERSITY) ONLY					
Financial assistance received in CASH during the reporting period (total cash received from Australian Government for the program)		5,680	5,402	450	424
Revenue for the period	2.3	5,680	5,402	450	424
Surplus/(deficit) from the previous year		941	1,258	86	142
Total revenue including accrued revenue		6,621	6,660	536	566
Less expenses including accrued expenses		(4,791)	(5,719)	(526)	(480)
Surplus/(deficit) for the reporting period		1,830	941	10	86

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	Note	INDIGENOUS COMMONWEALTH EDUCATION COST SCHOLARSHIPS		INDIGENOUS COMMONWEALTH ACCOMMODATION SCHOLARSHIPS	
		2016 \$000s	2015 \$000s	2016 \$000s	2015 \$000s
PARENT ENTITY (UNIVERSITY) ONLY					
Financial assistance received in CASH during the reporting period (total cash received from Australian Government for the program)		91	86	26	31
Revenue for the period	2.3	91	86	26	31
Surplus/(deficit) from the previous year		-	-	-	-
Total revenue including accrued revenue		91	86	26	31
Less expenses including accrued expenses		(91)	(86)	(26)	(31)
Surplus/(deficit) for the reporting period		-	-	-	-

	Note	INDIGENOUS ACCESS SCHOLARSHIP		TOTAL	
		2016 \$000s	2015 \$000s	2016 \$000s	2015 \$000s
PARENT ENTITY (UNIVERSITY) ONLY					
Financial assistance received in CASH during the reporting period (total cash received from Australian Government for the program)		59	63	6,306	6,006
Revenue for the period	2.3	59	63	6,306	6,006
Surplus/(deficit) from the previous year		5	-	1,032	1,400
Total revenue including accrued revenue		64	63	7,338	7,406
Less expenses including accrued expenses		(64)	(58)	(5,498)	(6,374)
Surplus/(deficit) for the reporting period		-	5	1,840	1,032

40.4 Education research

	Note	JOINT RESEARCH ENGAGEMENT		JRE ENGINEERING CADETSHIPS	
		2016 \$000s	2015 \$000s	2016 \$000s	2015 \$000s
PARENT ENTITY (UNIVERSITY) ONLY					
Financial assistance received in CASH during the reporting period (total cash received from Australian Government for the program)		7,405	7,091	119	88
Revenue for the period	2.4	7,405	7,091	119	88
Surplus/(deficit) from the previous year		-	-	144	56
Total revenue including accrued revenue		7,405	7,091	263	144
Less expenses including accrued expenses		(7,405)	(7,091)	-	-
Surplus/(deficit) for the reporting period		-	-	263	144

40.4 Education research (cont...)

	Note	RESEARCH TRAINING SCHEME		RESEARCH INFRASTRUCTURE BLOCK GRANTS	
		2016 \$000s	2015 \$000s	2016 \$000s	2015 \$000s
PARENT ENTITY (UNIVERSITY) ONLY					
Financial assistance received in CASH during the reporting period (total cash received from Australian Government for the program)		11,786	11,334	2,092	2,228
Revenue for the period	2.4	11,786	11,334	2,092	2,228
Surplus/(deficit) from the previous year		-	-	-	-
Total revenue including accrued revenue		11,786	11,334	2,092	2,228
Less expenses including accrued expenses		(11,786)	(11,334)	(2,092)	(2,228)
Surplus/(deficit) for the reporting period		-	-	-	-

	Note	SUSTAINABLE RESEARCH EXCELLENCE IN UNIVERSITIES		TOTAL	
		2016 \$000s	2015 \$000s	2016 \$000s	2015 \$000s
PARENT ENTITY (UNIVERSITY) ONLY					
Financial assistance received in CASH during the reporting period (total cash received from Australian Government for the program)		1,887	1,849	23,289	22,590
Revenue for the period	2.4	1,887	1,849	23,289	22,590
Surplus/(deficit) from the previous year		-	-	144	56
Total revenue including accrued revenue		1,887	1,849	23,433	22,646
Less expenses including accrued expenses		(1,887)	(1,849)	(23,170)	(22,502)
Surplus/(deficit) for the reporting period		-	-	263	144

40.5 Other capital funding

	Note	EDUCATION INVESTMENT FUND		OTHER	
		2016 \$000s	2015 \$000s	2016 \$000s	2015 \$000s
PARENT ENTITY (UNIVERSITY) ONLY					
Financial assistance received in CASH during the reporting period (total cash received from Australian Government for the program)		-	-	-	566
Revenue for the period	2.5	-	-	-	566
Surplus/(deficit) from the previous year		(39,564)	(39,564)	-	-
Total revenue including accrued revenue		(39,564)	(39,564)	-	566
Less expenses including accrued expenses		-	-	-	(566)
Surplus/(deficit) for the reporting period		(39,564)	(39,564)	-	-

40.5 Other capital funding (cont...)

		TOTAL	
	Note	2016 \$000s	2015 \$000s
PARENT ENTITY (UNIVERSITY) ONLY			
Financial assistance received in CASH during the reporting period (total cash received from Australian Government for the program)		-	566
Revenue for the period	2.5	-	566
Surplus/(deficit) from the previous year		(39,564)	(39,564)
Total revenue including accrued revenue		(39,564)	(39,998)
Less expenses including accrued expenses		-	(566)
Surplus/(deficit) for the reporting period		(39,564)	(39,564)

40.6 Australian research council grants

		PROJECTS		FELLOWSHIPS	
	Note	2016 \$000s	2015 \$000s	2016 \$000s	2015 \$000s
(i) Discovery					
PARENT ENTITY (UNIVERSITY) ONLY					
Financial assistance received in CASH during the reporting period (total cash received from Australian Government for the program)		4,940	4,866	2,624	2,141
Net accrual adjustments		(64)	-	-	-
Revenue for the period	2.6 (i)	4,876	4,866	2,624	2,141
Surplus/(deficit) from the previous year		5,042	3,382	2,708	2,049
Total revenue including accrued revenue		9,918	8,248	5,332	4,190
Less expenses including accrued expenses		(4,785)	(3,206)	(2,124)	(1,482)
Surplus/(deficit) for the reporting period		5,133	5,042	3,208	2,708

		INDIGENOUS RESEARCHERS DEVELOPMENT		TOTAL	
	Note	2016 \$000s	2015 \$000s	2016 \$000s	2015 \$000s
(i) Discovery					
Financial assistance received in CASH during the reporting period (total cash received from Australian Government for the program)		-	-	7,564	7,007
Net accrual adjustments		-	-	(64)	-
Revenue for the period	2.6 (i)	-	-	7,500	7,007
Surplus/(deficit) from the previous year		25	25	7,775	5,456
Total revenue including accrued revenue		25	25	15,275	12,463
Less expenses including accrued expenses		-	-	(6,909)	(4,688)
Surplus/(deficit) for the reporting period		25	25	8,366	7,775

40.6 Australian research council grants (cont...)

(ii) Linkages	Note	INFRASTRUCTURE		INTERNATIONAL	
		2016 \$000s	2015 \$000s	2016 \$000s	2015 \$000s
Financial assistance received in cash during the reporting period (total cash received from Australian Government for the program)		-	107	-	-
Revenue for the period	2.6 (ii)	-	107	-	-
Surplus/(deficit) from the previous year		145	38	13	13
Total revenue including accrued revenue		145	145	13	13
Less expenses including accrued expenses		-	-	-	-
Surplus/(deficit) for the reporting period		145	145	13	13

(ii) Linkages	Note	PROJECTS		TOTAL	
		2016 \$000s	2015 \$000s	2016 \$000s	2015 \$000s
Financial assistance received in cash during the reporting period (total cash received from Australian Government for the program)		940	1,038	940	1,145
Revenue for the period	2.6 (ii)	940	1,038	940	1,145
Surplus/(deficit) from the previous year		593	440	751	491
Total revenue including accrued revenue		1,533	1,478	1,691	1,636
Less expenses including accrued expenses		(912)	(885)	(912)	(885)
Surplus/(deficit) for the reporting period		621	593	779	751

40.7 OS-HELP

	2016 \$000s	2015 \$000s
PARENT ENTITY ONLY		
Cash received during the reporting period	3,322	4,214
Cash spent during the reporting period	(2,787)	(5,049)
Net cash received	535	(835)
Cash surplus/(deficit) from the previous year	1,626	2,461
Cash surplus/(deficit) for the reporting period	2,161	1,626

OS Help is held in trust for students and is not revenue to the University.

40.8 Superannuation supplementation

	2016 \$000s	2015 \$000s
PARENT ENTITY ONLY		
Cash received during the reporting period	5,558	4,402
University contribution in respect of current employees	-	818
Cash available	5,558	5,220
Cash surplus/(deficit) from the previous year	(243)	-
Cash available for current period	5,315	5,220
Contributions to specified defined benefit funds	(4,949)	(5,220)
Cash surplus/(deficit) for the reporting period	366	-

40.9 Student services and amenities fee

	Note	2016 \$000s	2015 \$000s
PARENT ENTITY (UNIVERSITY) ONLY			
Unspent/(overspent) revenue from previous period		1,291	854
SA-HELP revenue earned	2.2	3,176	3,489
Student services fees direct from students	4	4,977	4,387
Total revenue expendable in period		9,444	8,730
Student services expenses during period		(7,539)	(7,439)
Unspent/(overspent) student services revenue		1,905	1,291

41 Particulars relating to entities in the economic entity's financial statements

41.1 Financial performance of subsidiary commercial entities

2016	La Trobe International Pty Ltd* \$000s	Medical Centre Developments Pty Ltd \$000s	La Trobe Accommodation Services Pty Ltd* \$000s	2015 Total \$000s
INCOME STATEMENT				
Total revenue	-	-	-	-
Total expenditure	-	-	-	-
Operating result	-	-	-	-
BALANCE SHEET				
Working capital	-	-	-	-
Physical assets	-	-	-	-
Total assets	-	-	-	-
External borrowings	-	-	-	-
Total liabilities	-	-	-	-
Equity	-	-	-	-

41.1 Financial performance of subsidiary commercial entities (cont...)

2015	La Trobe International Pty Ltd* \$000s	Medical Centre Developments Pty Ltd ^ \$000s	La Trobe Accommodation Services Pty Ltd* \$000s	2015 Total \$000s
INCOME STATEMENT				
Total revenue	-	1,216	-	1,216
Total expenditure	-	324	-	324
Tax	-	-	-	-
Operating result	-	892	-	892
BALANCE SHEET				
Working capital	-	-	-	-
Physical assets	-	-	-	-
Total assets	-	-	-	-
External borrowings	-	-	-	-
Total liabilities	-	-	-	-
Equity	-	-	-	-

*Deregistered

^Finalising deregistration

41.2 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	
		2016 \$000s	2015 \$000s	2016 %	2015 %
La Trobe International P/L	Australia	-	-	-	100
Medical Centre Developments P/L	Australia	-	892	-	100
La Trobe Accommodation Services P/L	Australia	-	-	-	100
Total		-	892	-	-

42 Ex-gratia payment

42.1 Payments made to employees during 2015

Ex-gratia payments associated with negotiated staff departures from the University in 2016 totalled \$791,121 (2015: \$133,205). In accordance with FRD 11A, the ex-gratia payments for 2016 are included within the income statement under the category of employee related expenses.



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Contact

General enquiries
La Trobe University
Victoria 3086 Australia

T +61 3 9479 1111

F +61 3 9478 5814